



Third Quarter 2024

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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.

Q3 2024 Key Takeaways

Driving Improved Performance

- Strong third quarter performance, delivering highest level of revenue and adjusted EBITDA* in our history
- Macro environment largely unchanged from Q2
 - Residential demand still uneven across the country
 - Commercial & industrial project delays persist; bidding and backlog strong with no uptick in cancellations
- Fiberglass supply remains on allocation
- Capital allocation strategy is disciplined and unchanged
 - M&A continues to be our priority; pipeline is healthy and active
 - In Q3, share repurchases totaled 1.07M shares or \$413.9M; \$235.2M remaining under current share repurchase authorization



Service Partners truck completes fiberglass delivery

Q3 2024 Financial Results

Continuing to Deliver Strong Performance



Comparisons are to the period ended Sept 30, 2023
(\$ in 000s)

**Three Months Ended
Sept 30, 2024**

Revenue	\$1,373,268
Change	3.6%
Adjusted Operating Profit*	245,925
Change	0.0%
Adjusted Operating Margin*	17.9%
Change	(60) bps
Adjusted EBITDA Margin*	20.8%
Change	(60) bps

Excluding Q3 2023 multi-family/commercial margin benefit of approximately \$15M, adjusted operating profit rose 6.5%; adjusted operating margin expanded 50 bps; and adjusted EBITDA margin improved 50 bps.



Top: TruTeam insulation installation at residential location.
Bottom: Mechanical insulation inventory at fabrication facility



*See Appendix for Reconciliation

Installation

Continued Growth in an Uneven Housing Environment



Comparisons are to the period ended Sept 30, 2023
(\$ in 000s)

**Three Months Ended
Sept 30, 2024**

Revenue Change	\$856,350 4.2%
Adjusted Operating Profit* Change	172,274 (2.7)%
Adjusted Operating Margin* Change	20.1% (150) bps
Adjusted EBITDA Margin* Change	22.3% (140) bps

Excluding Q3 2023 multi-family/commercial margin benefit of approximately \$15M, adjusted operating profit grew 6.3%; adjusted operating margin improved 40 bps; and adjusted EBITDA margin expanded 40 bps.



TruTeam residential insulation installation in progress.



*See Appendix for Reconciliation

Specialty Distribution

Ongoing Profitable Growth



Comparisons are to the period ended Sept 30, 2023
(\$ in 000s)

Three Months Ended Sept 30, 2024

Revenue	\$600,387
Change	5.1%
Adjusted Operating Profit*	95,109
Change	7.7%
Adjusted Operating Margin*	15.8%
Change	30 bps
Adjusted EBITDA Margin*	18.4%
Change	20 bps

- Revenue growth driven primarily by volume, along with M&A and pricing
- Productivity and pricing gains offset in part by higher material costs
- Performing well in tight material environment



Custom fabrication of mechanical insulation at Distribution International.

*See Appendix for Reconciliation

Healthy Balance Sheet and Strong Cash Flow

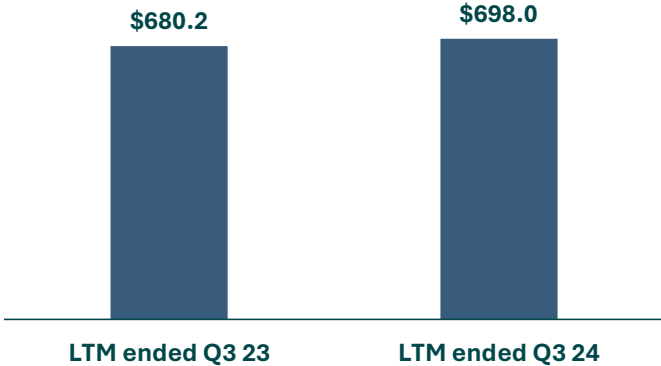
(\$ in millions)

Cash, Available Liquidity & Working Capital	
Cash & Cash Equivalents	\$ 257.3
Available Credit Under Revolver	436.2
Total Available Liquidity	\$693.6

Net Debt and Leverage	
Net Debt	\$1,141.5
LTM Pro Forma Adjusted EBITDA*	1,077.6
Net Leverage	1.06x

Free Cash Flow¹

(\$ in millions)



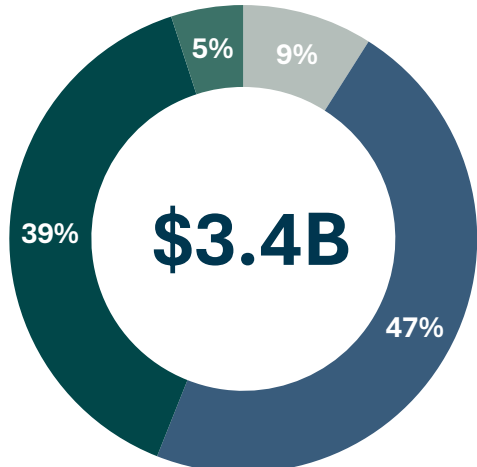
Working Capital² **\$758.5**
*As a % of LTM Pro Forma Sales** **14.1%**

¹ Free cash flow is defined as cash from operating activities less capital expenditures.
² Working capital is defined as receivables, net plus inventories less accounts payable.

Capital Allocation

YTD 2024, 7 Acquisitions and 2.3M Shares Repurchased

5 Year Capital Allocation
(10/1/19 - 9/30/24)



Company	Annual Revenue (\$ in millions)	Month Closed
Brabble Insulation, Inc. (I)	\$5.2	February
Morris Black & Sons, Inc. (I)	3.8	March
Pest Control Insulation LLC (D)	25.4	March
Green Space Insulation LLC (I)	6.0	April
Insulation Works, Inc. (I)	28.0	May
Texas Insulation (I)	38.9	May
Shannon Global Energy Services (D)	10.8	TBD
Total	\$118.1	

I = Installation, D = Specialty Distribution



Commercial Building Insulation

Insulating the Building Envelope Across Diverse Customer Base

Light Commercial

- Restaurants
- Low Rise Hospitality
- Tilt Wall Construction
- Retail and Strip Malls

Heavy Commercial

- Data Centers
- Entertainment Venues
- Leisure and Hospitality
- Sports Facilities
- Institutional Buildings (Education, Healthcare, Research, Religious)
- Airports
- Municipal Buildings
- Warehouses and Distribution Centers

IU School of Medicine Medical Education Building
Indianapolis, Indiana



Rendering Credit: Perkins & Will

BYU New Arts Building
Provo, Utah



Rendering Credit: HSK Architects

IU Health South Support Building
Indianapolis, Indiana



Credit: Lamar Johnson Collaborative

Commercial/Industrial Mechanical Insulation

Includes Recurring Revenue Stream of Maintenance and Repair Work

Providing equipment insulation and custom fabrication for commercial and industrial construction projects

- Industrial Manufacturing
- Oil & Gas
- Energy & Alternative Fuels
- Chemical Processing
- Pharmaceuticals & Biotech
- Food and Beverage
- Marine
- Other

Cheniere – CCL3

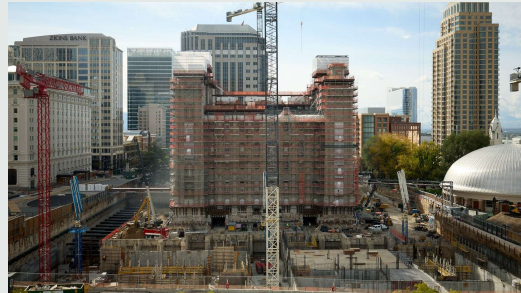
San Patricio County, Texas



Credit: Cheniere

Salt Lake Temple

Salt Lake City, Utah



Credit: Intellectual Reserve, Inc

Exxon Mobil Joliet Refinery

Joliet, Illinois



Credit: Exxon Mobil Corporation

2024 Outlook

Another Year of Profitable Growth Expected

(as of November 5, 2024)

SALES

\$5,300M to \$5,350M

ADJUSTED EBITDA*

\$1,055M to \$1,085M





About Us

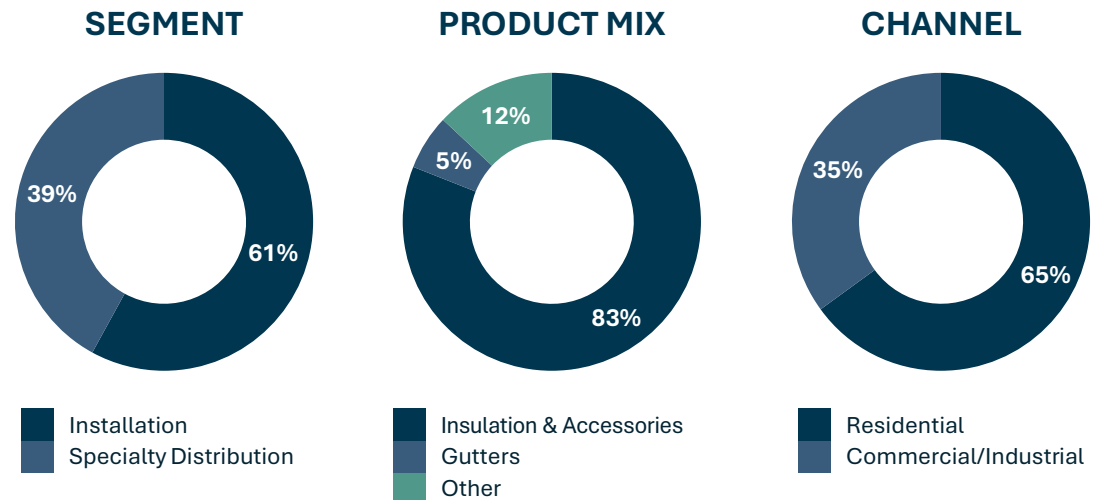
TopBuild Snapshot

Leading Installer and Specialty Distributor of Insulation and Related Building Material Products

Key Stats

Headquarters	Daytona Beach, FL
Employees	~14,000
Total Branches	~410



Sales Breakdown



¹ As of 12/31/23

We Serve Large, Highly Fragmented Insulation End Markets

Total Addressable Market of ~\$18.25B to Grow Organically and Via Acquisition

STRUCTURE	Residential		Commercial / Industrial					
MARKET SIZE	~\$6.25B		Building Envelope ~\$6.25B		Mechanical ~\$5.75B			
SUB-MARKETS/ VERTICALS	Single Family	Multi Family	Light Commercial	Heavy Commercial	Industrial Mfg	Energy & Alt Fuel	Oil & Gas	Chemicals
					Pharma & Biotech	Food & Beverage	Marine	Other
TOPBUILD REPORTING SEGMENTS & TARGET CUSTOMERS	Installation  Builders, General Contractors				61% of 2023 Sales			
INSULATION PRODUCTS	Specialty Distribution  DISTRIBUTION INTERNATIONAL		SERVICE PARTNERS		39% of 2023 Sales			
	National and Local Contractors, Installers							
	Fiberglass, Spray Foam, and Cellulose		Fiberglass, Spray Foam, Mineral Wool, Metal Building Insulation, Fireproofing, Firestopping, Expansion Joints, Vapor Barriers, and Rigid Board		Commercial – Fiberglass Duct Wrap, Fiberglass Pipe Cover, PVC Jacketing and Fittings, Phenolic and Foam Glass, Fiberglass and Foam Duct Board, Fiberglass, and Mineral Wool Pipe Insulation Industrial – Fiberglass, Foam Glass, Mineral Wool, Ceramic Fiber, Metal Jacketing and Fittings, Aerogel, Perlite, Calcium Silicate, Phenolic, and Polyisocyanurate			

Our Business Model

Best In Class Execution and Making a Difference Locally

Core Strengths

- Unique model, diversified end markets
- Laser focus on core business of insulation
- Unrivaled North American size and scale
- Multiple avenues for growth
- M&A a core competency
- Safety of our people always comes first
- Operational excellence and performance driven
- Recognized for exceptional labor, service and reliability
- Emphasis on talent development
- Business is inherently environmentally friendly

Our Values

 SAFETY We put the <i>safety</i> of our <i>people</i> first.	 INTEGRITY We deliver results with <i>integrity, respect,</i> and <i>accountability.</i>	 FOCUS We are <i>customer-focused</i> , grounded in strong relationships.	 INNOVATION We are <i>continuously improving</i> and encourage idea sharing.
 UNITY We are united as one <i>team</i> , valuing <i>diversity.</i>	 COMMUNITY We <i>make a difference</i> in the communities we serve.	 EMPOWERMENT We are <i>empowered</i> to be our best, individually and as a team.	

M&A: A Core Competency

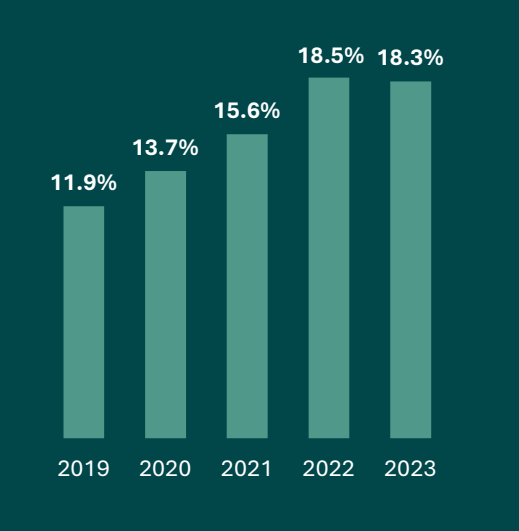
Disciplined Acquisition Strategy Creating Significant Shareholder Returns



- Focus on core Insulation products
- Enhance resources and capabilities
- Expand geographic presence and customer base
- Value accretive growth opportunities
- Aligns to culture and leadership

- Completed 31 acquisitions since 1/1/2019
- Dedicated integration team
- Timely conversion to our ERP system
- Realize synergies quickly

- Exceeded projected synergies, including DI and USI integrations
- Consistently expanded margins post-acquisitions
- Operational excellence focus enhances results



¹ Operating Profit and Average Invested Capital adjusted for USI and Distribution International acquisitions.
 Note: ROIC defined as ((1 - Tax Rate) * Adjusted Operating Profit) / (LT Debt + Equity).



Appendix

Reconciliation of Adjusted EBITDA to Net Income

(Unaudited)

(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,		Trailing Twelve
	2024	2023	2024	2023	Months Ended
					September 30, 2024
Net income, as reported	\$ 168,960	\$ 167,602	\$ 472,064	\$ 467,870	\$ 618,446
Adjustments to arrive at EBITDA, as adjusted:					
Interest expense and other, net	16,094	12,815	30,824	42,885	41,282
Income tax expense	58,939	57,075	166,005	163,270	213,965
Depreciation and amortization	35,486	33,564	104,777	98,216	139,439
Share-based compensation	3,646	4,194	13,405	11,080	18,162
Rationalization charges	485	1,882	(7)	1,882	34
Acquisition related costs	1,447	6,558	6,502	12,317	13,883
Acquisition termination fee	—	—	23,000	—	23,000
EBITDA, as adjusted	\$ 285,057	\$ 283,690	\$ 816,570	\$ 797,520	\$ 1,068,211
Proforma acquisition EBITDA (a)					9,362
Proforma TTM EBITDA, as adjusted					\$ 1,077,573

(a) Represents the trailing twelve months proforma impact of acquisitions

Acquisition Adjusted Net Sales

(Unaudited)

(dollars in thousands)

	2023		2024		Trailing Twelve Months Ended September 30, 2024
	Q4	Q1	Q2	Q3	
Net Sales	\$ 1,286,074	\$ 1,278,717	\$ 1,365,612	\$ 1,373,268	\$ 5,303,671
Acquisitions proforma adjustment [†]	28,367	24,075	10,603	-	63,045
Net sales, acquisition adjusted	<u>\$ 1,314,441</u>	<u>\$ 1,302,792</u>	<u>\$ 1,376,215</u>	<u>\$ 1,373,268</u>	<u>\$ 5,366,716</u>
Receivables, net plus inventories less accounts payable					\$ 758,506
Receivables, net plus inventories less accounts payable as a percent of sales (TTM) [†]					14.1 %

[†] Trailing 12 months sales have been adjusted for the pro forma effect of acquired branches

Segment Data

(Unaudited)

(dollars in thousands)

	Three Months Ended September 30,		Change	Nine Months Ended September 30,		Change
	2024	2023		2024	2023	
Installation						
Sales	\$ 856,350	\$ 821,673	4.2 %	\$ 2,506,076	\$ 2,397,818	4.5 %
Operating profit, as reported	\$ 172,243	\$ 175,218		\$ 499,717	\$ 494,394	
Operating margin, as reported	20.1 %	21.3 %		19.9 %	20.6 %	
Rationalization charges	—	1,882		—	1,882	
Acquisition related costs	31	26		364	516	
Operating profit, as adjusted	\$ 172,274	\$ 177,126		\$ 500,081	\$ 496,792	
Operating margin, as adjusted	20.1 %	21.6 %		20.0 %	20.7 %	
Share-based compensation	71	436		719	1,124	
Depreciation and amortization	19,037	17,417		56,016	50,700	
EBITDA, as adjusted	\$ 191,382	\$ 194,979	(1.8) %	\$ 556,816	\$ 548,616	1.5 %
EBITDA margin, as adjusted	22.3 %	23.7 %		22.2 %	22.9 %	
Specialty Distribution						
Sales	\$ 600,387	\$ 571,009	5.1 %	\$ 1,739,007	\$ 1,703,871	2.1 %
Operating profit, as reported	\$ 94,911	\$ 88,269		\$ 261,862	\$ 247,583	
Operating margin, as reported	15.8 %	15.5 %		15.1 %	14.5 %	
Rationalization charges	194	—		(556)	—	
Acquisition related costs	4	10		14	350	
Operating profit, as adjusted	\$ 95,109	\$ 88,279		\$ 261,320	\$ 247,933	
Operating margin, as adjusted	15.8 %	15.5 %		15.0 %	14.6 %	
Share-based compensation	374	434		1,187	987	
Depreciation and amortization	15,117	15,102		45,000	44,414	
EBITDA, as adjusted	\$ 110,600	\$ 103,815	6.5 %	\$ 307,507	\$ 293,334	4.8 %
EBITDA margin, as adjusted	18.4 %	18.2 %		17.7 %	17.2 %	
Total net sales						
Sales before eliminations	\$ 1,456,737	\$ 1,392,682		\$ 4,245,083	\$ 4,101,689	
Intercompany eliminations	(83,469)	(66,562)		(227,486)	(193,069)	
Net sales after eliminations	\$ 1,373,268	\$ 1,326,120	3.6 %	\$ 4,017,597	\$ 3,908,620	2.8 %

Margin Reconciliations

(Unaudited)

(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating profit, as reported - segments	\$ 267,154	\$ 263,487	\$ 761,579	\$ 741,977
General corporate expense, net	(9,685)	(14,494)	(55,610)	(35,280)
Intercompany eliminations	(13,476)	(11,501)	(37,076)	(32,672)
Operating profit, as reported	\$ 243,993	\$ 237,492	\$ 668,893	\$ 674,025
<i>Operating margin, as reported</i>	17.8 %	17.9 %	16.6 %	17.2 %
Rationalization charges	485	1,882	(7)	1,882
Acquisition related costs ¹	1,447	6,558	6,502	12,317
Acquisition termination fee	—	—	23,000	—
Operating profit, as adjusted	\$ 245,925	\$ 245,932	\$ 698,388	\$ 688,224
<i>Operating margin, as adjusted</i>	17.9 %	18.5 %	17.4 %	17.6 %
Share-based compensation	3,646	4,194	13,405	11,080
Depreciation and amortization	35,486	33,564	104,777	98,216
EBITDA, as adjusted	\$ 285,057	\$ 283,690	\$ 816,570	\$ 797,520
<i>EBITDA margin, as adjusted</i>	20.8 %	21.4 %	20.3 %	20.4 %

¹ Acquisition related costs include corporate level adjustments as well as segment operating adjustments.

2024 Estimated Adjusted EBITDA Range

(Unaudited)

(in millions)

	Twelve Months Ending December 31, 2024	
	Low	High
Estimated net income	\$ 606.0	\$ 634.0
Adjustments to arrive at estimated EBITDA, as adjusted:		
Interest expense and other, net	48.0	45.0
Income tax expense	213.0	222.0
Depreciation and amortization	142.0	140.0
Share-based compensation	17.0	16.0
Acquisition related costs & rationalization charges	29.0	28.0
Estimated EBITDA, as adjusted	\$ 1,055.0	\$ 1,085.0