

BEACON Investor Presentation

March 2023



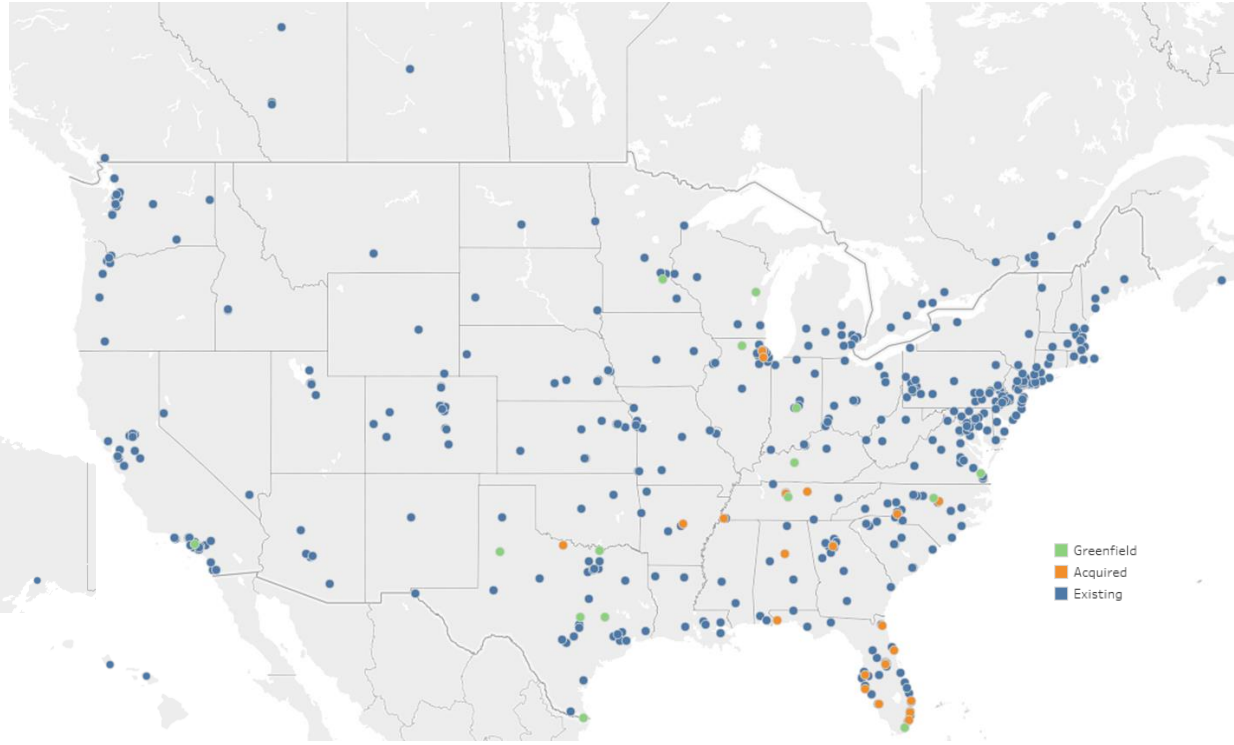
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Unless otherwise specifically noted, references in this presentation to years refer to calendar years and, accordingly, historical financial information has been recast on a calendar year basis. Unless otherwise specifically noted, financial information contained in this presentation reflects continuing operations only.

Our North America Footprint



95,000+
Customers

480 Branch locations **~7,500** Team members

50 US States **6** Canadian Provinces

\$8.4 billion
2022 Net Sales

\$910 million
2022 Adj. EBITDA

10.8%
2022 Adj. EBITDA margin

National scale | Broad geographic reach | Diverse customer channels

Note: Figures and map are as of December 31st, 2022

Revitalized Leadership Team

~75%

of Executive
Committee appointed
since 2019



Phil Knisely
Chairman



Julian Francis
President & Chief
Executive Officer



Frank Lonegro
Executive Vice President
& Chief Financial Officer



Christine Reddy
Executive Vice President,
General Counsel &
Corporate Secretary



Munroe Best
President,
South Division



Brendan Daly
Executive Vice President,
Operational Excellence



Jake Gosa
President,
North Division



Jason Taylor
President,
West Division



Jonathan Bennett
Executive Vice President &
Chief Commercial Officer



Jennifer Lewis
Vice President of
Communications & Corporate
Social Responsibility

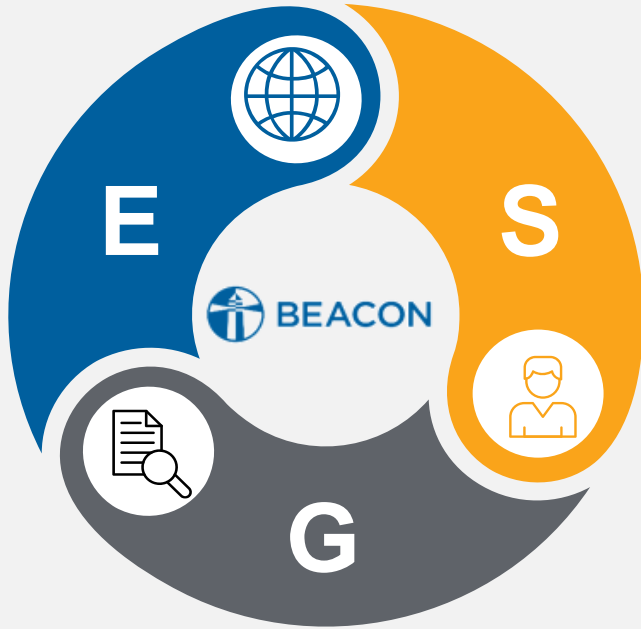


Sean McDevitt
Executive Vice President &
Chief Human
Resources Officer



Chris Nelson
Executive Vice President &
Chief Information Officer

Core Values & ESG Anchor Beacon's Ambition 2025



ENVIRONMENTAL

Optimizing our footprint to achieve profitable, sustainable growth

SOCIAL

Investing in our people to achieve the best business outcomes

GOVERNANCE

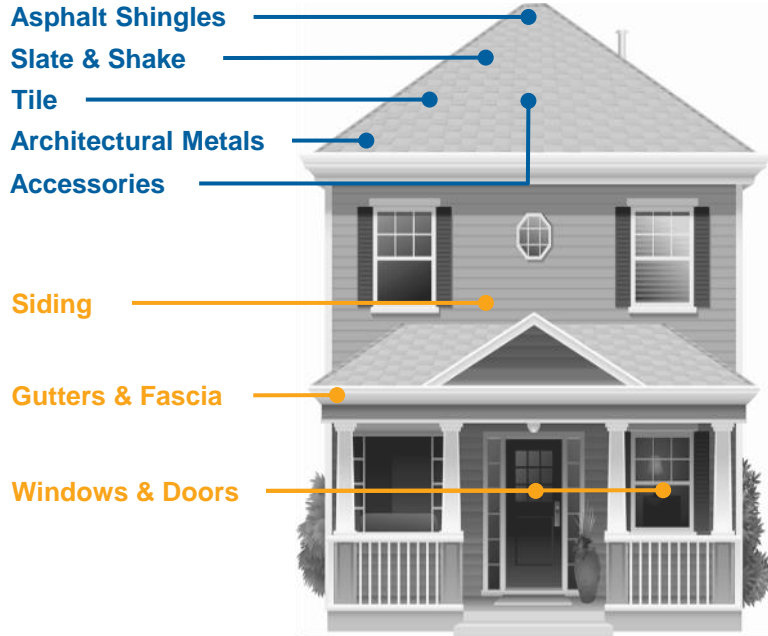
Doing the right thing, engaging with stakeholders to grow responsibly

OUR CORE VALUES

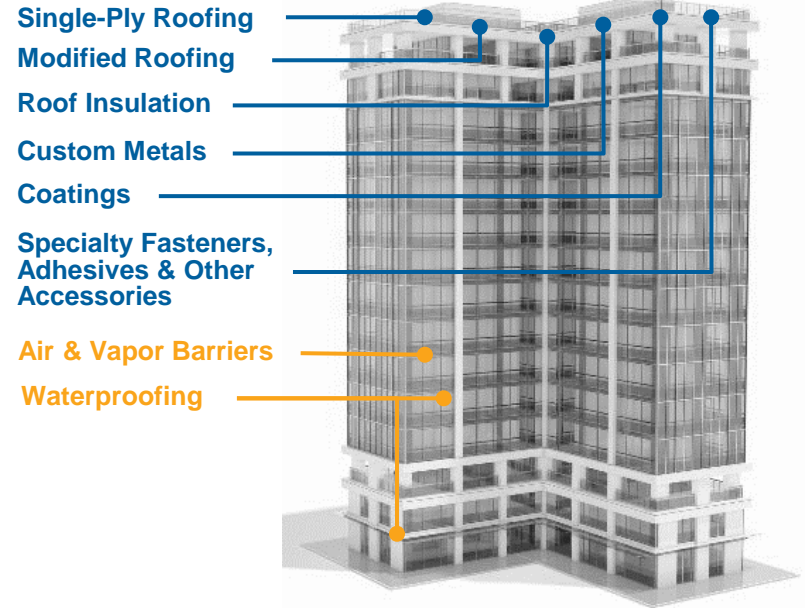
- 1 PUT PEOPLE FIRST**
We are dedicated to forging collaborative relationships that empower people to reach their maximum potential.
- 2 MAKE EVERY DAY SAFER**
We have an unwavering commitment to safety because a safe team is a healthy, happy, and successful team.
- 3 DO THE RIGHT THING**
Every day, we have a choice to do it the easy way or the right way – we choose to do it the right way every time.
- 4 OWN YOUR DAY**
We take pride in a job well done and are always willing to roll up our sleeves and put in the extra effort to overcome obstacles and get results.
- 5 NEVER STOP BUILDING**
The path from average to exceptional begins with hard work and we wake up motivated to be a little better today than we were yesterday.

Strategically Focused on Two Core Markets

Residential Roofing

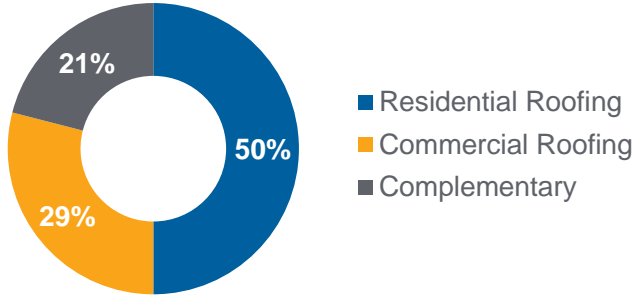


Commercial Roofing

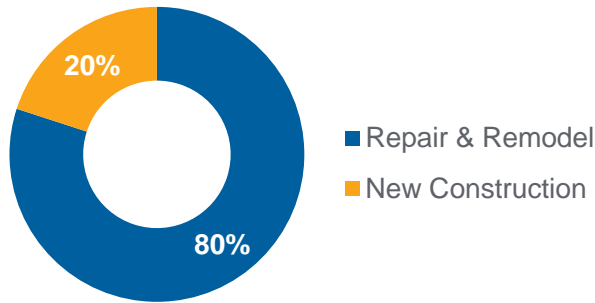


Favorable Macro & Market Fundamentals

Net Sales Mix*



End Market Mix



RESIDENTIAL CONSTRUCTION TRENDS**



Higher
single-household
formation



Undersupply of
housing; aging
housing stock



Favorable
de-urbanization
trends



Relatively
low interest rates;
favorable home
equity values

COMMERCIAL CONSTRUCTION TRENDS**



Improving
commercial
sentiment



Strong
warehouse
development



Post-COVID
rebound

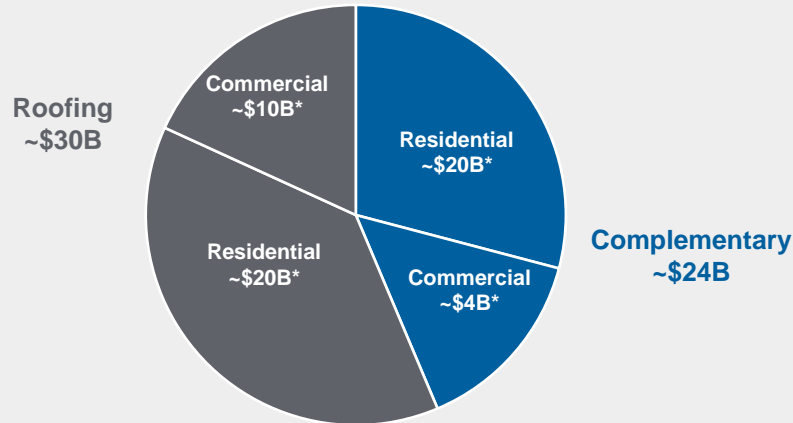


New building
code standards

Well-Positioned in Large and Fragmented Market

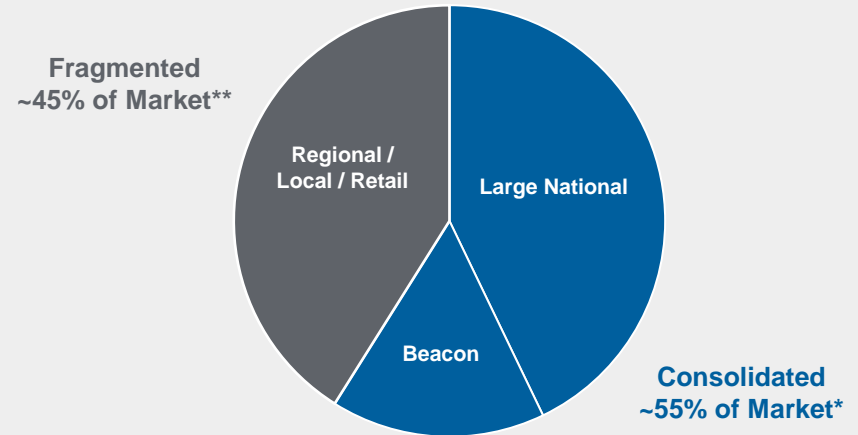
ADDRESSABLE MARKETS

ROOFING AND COMPLEMENTARY PRODUCTS
DISTRIBUTION MARKET ~\$54B*



INDUSTRY STRUCTURE

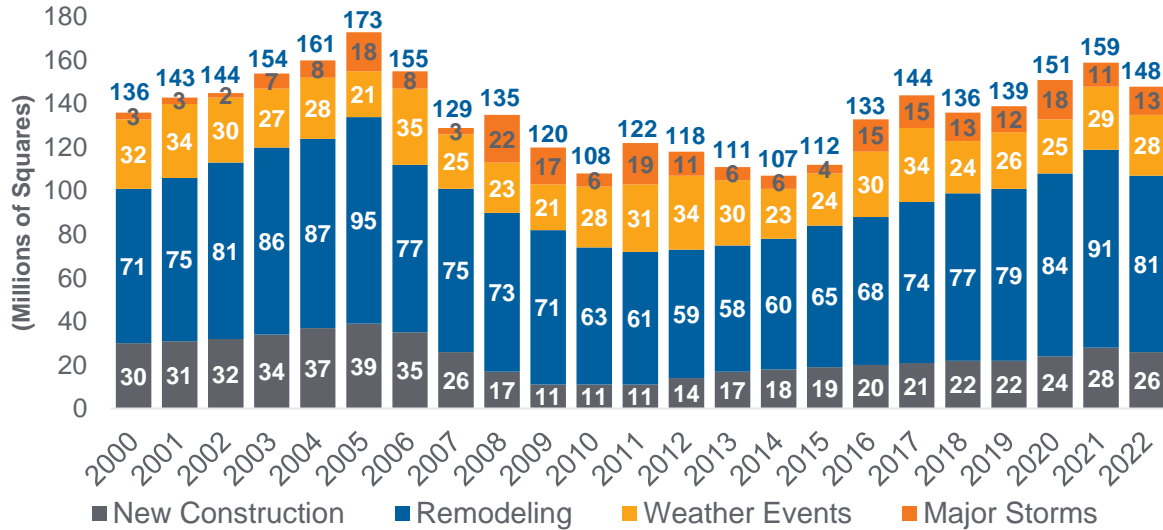
ROOFING PRODUCTS DISTRIBUTION MARKET ~\$30B*



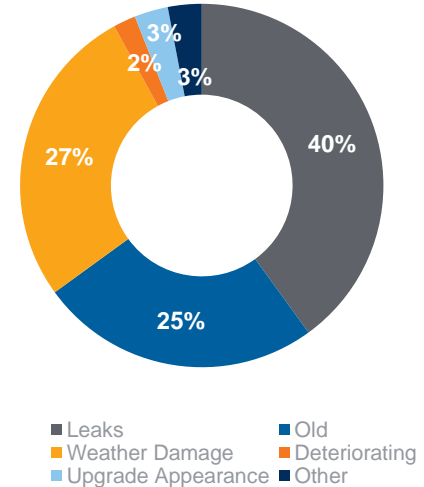
Beacon's position in a large addressable market provides multiple paths to growth

Roofing Market Stability Through the Cycle

U.S. Asphalt Shingle Market*



Drivers of Re-Roofing Demand



Residential roofing demand remains below prior cycle peaks

>90% of re-roofing demand is non-discretionary

*All years shown are calendar
Sources: Owens Corning, ARMA, 3M

Strong Value Proposition to Both Customers & Suppliers

SUPPLIERS



BEACON

Value to Suppliers

- Coast to coast presence
- Scale advantages
- Last mile logistics
- Short cycle channel management
- Inventory partner

Value to Customers

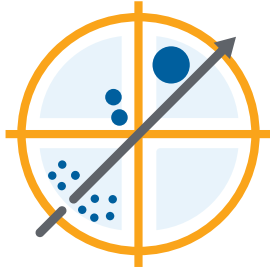
- Value-added capabilities
- Order assembly, kitting and packaging
- Leading digital platform
- Highly knowledgeable sales & support
- Customer credit

CUSTOMERS

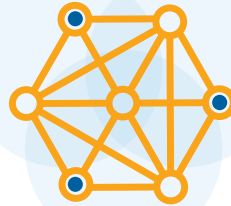
95,000+
National, regional and
local contractors
across the U.S. and
Canada

Driving to be #1 choice for customers and suppliers

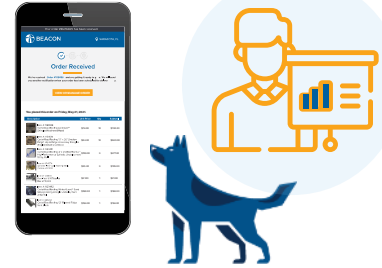
Beacon Competitive Advantages



**SCALE
ADVANTAGE**

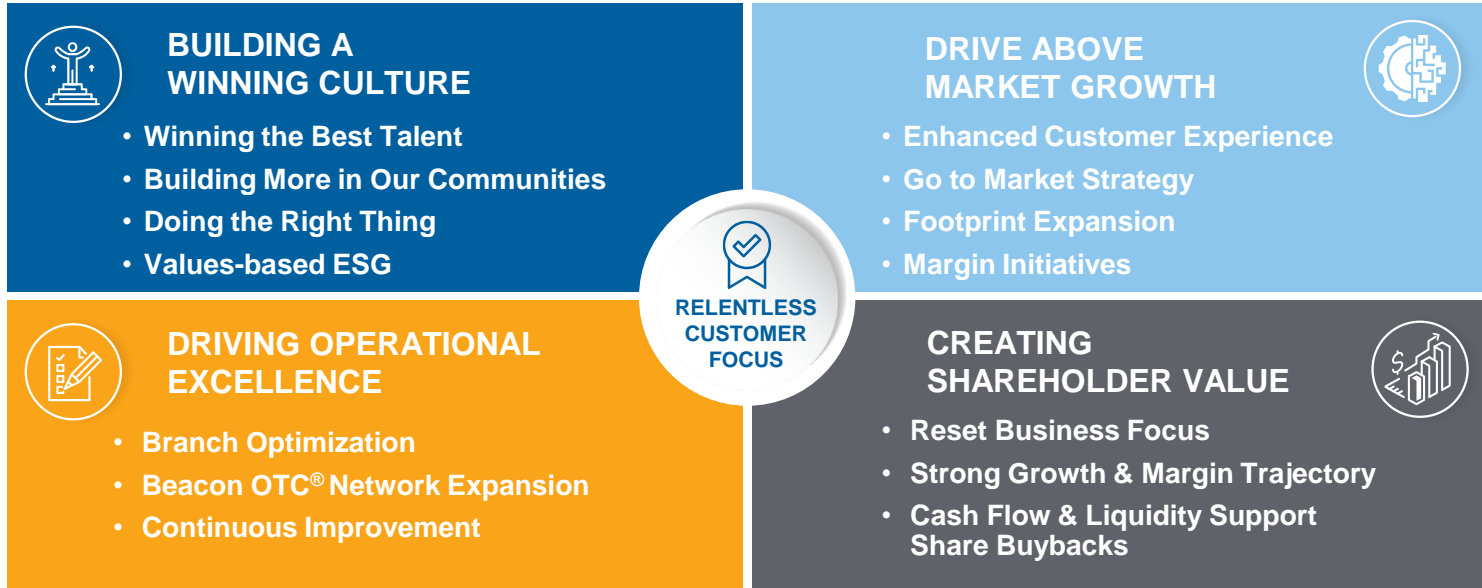


**NETWORKED
MODEL**



**SPECIALIZED
CAPABILITIES**

Ambition 2025 Strategy – Resilient Through the Cycle

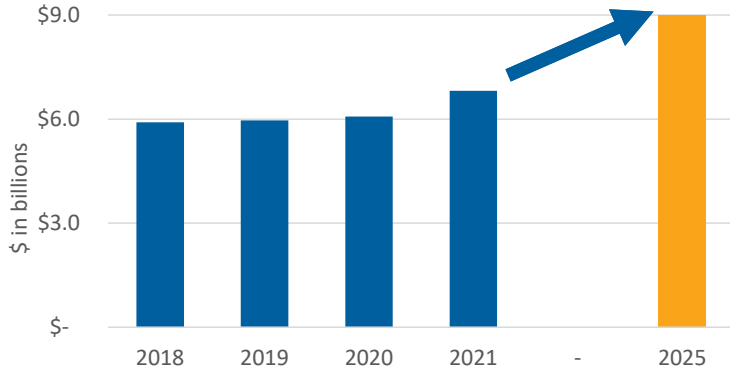


Accelerating value creation for our customers, employees and shareholders

Ambition 2025 Financial Targets

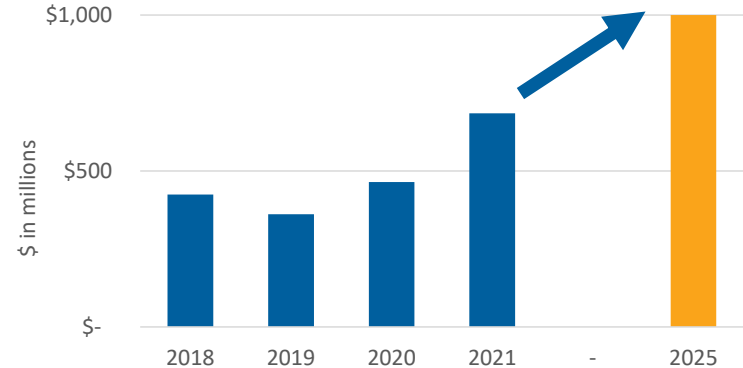
~\$9B
2025
Net sales

Net Sales CAGR of ~8%
(2021 – 2025)



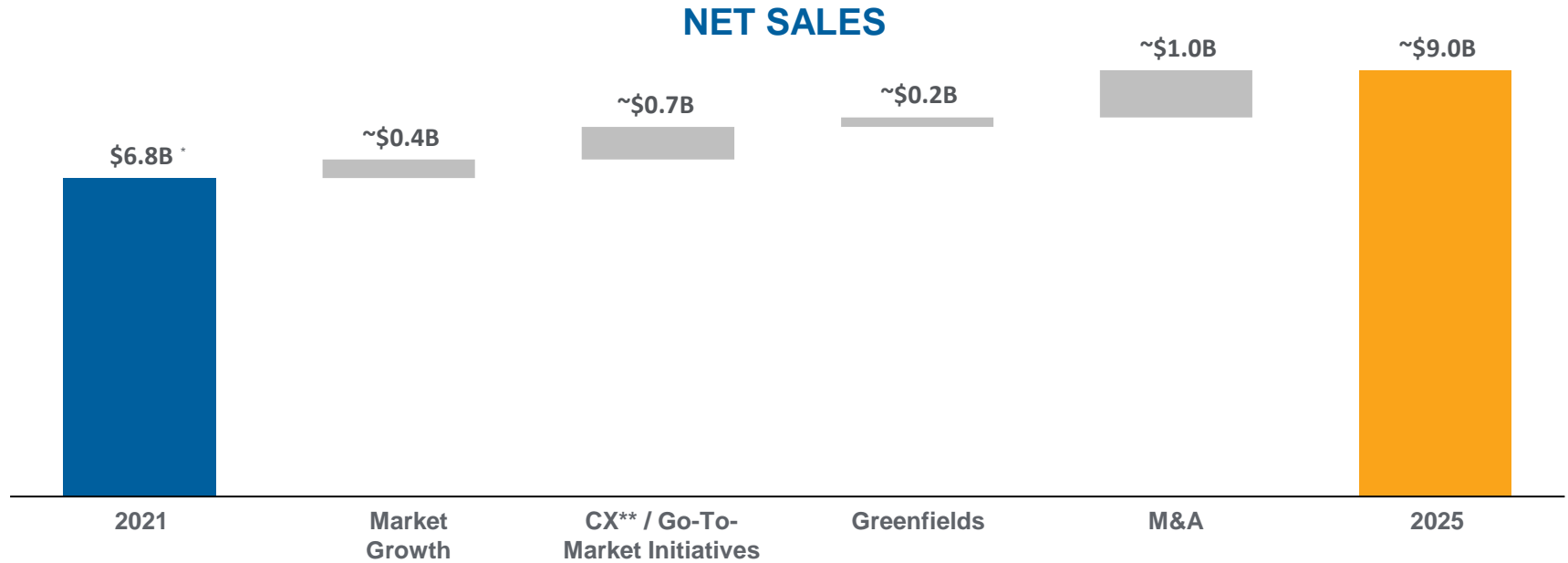
~\$1B
2025
Adj. EBITDA

Adj. EBITDA CAGR of ~10%
(2021 – 2025)



Strategic initiatives driving above-market growth and double-digit margins

Ambition 2025 Financial Targets



Strategic initiatives driving above-market growth

Outside Sales Rep (OSR) Investment

Sales Force Investment

- Significant investment in OSR coverage across Top 50 MSAs focus
- **100+ OSR Increase:** Residential and Commercial Specialists
- Target ~\$7M sales per OSR (3-5 years tenure)

Leadership Alignment

- Align OSRs under new market-based leadership
- 25+ Sales leadership positions in 2022
- Sales professionals reporting to Sales leaders
- Aligned with Field structure

Prioritize Opportunities

- Target customers leveraging “Money Maps”
- Enables targeting of key contractor opportunities for share gain
- Prioritization of support resources

Sales team investment to deliver ~\$500M in 2025 sales

Commercial Roofing Strategic Growth Plan



~\$200M*

Growth Above Market

*Achieved by growing share of wallet 10bps
with 140 largest customers by 2025*



**Focused
Leadership**



**Targeted
Investments**



Digital Investments



**Private Label Brand
Expansion**

Opportunity unlocked by deploying our proven model consistently

Greenfields to Deliver ~\$200M Sales Growth



Targeting consistent greenfield openings through 2025 and beyond

MARKETS

Top 50 MSAs
Residential Roofing
Commercial Roofing
Complementary

TARGETS

65 GF locations being evaluated
Actively progressing 17 GFs
Expect to open at least 10 GFs/yr

KEY CONSIDERATIONS

Customer locations
Leverage OTC & Nat'l Accts
M&A potential in market

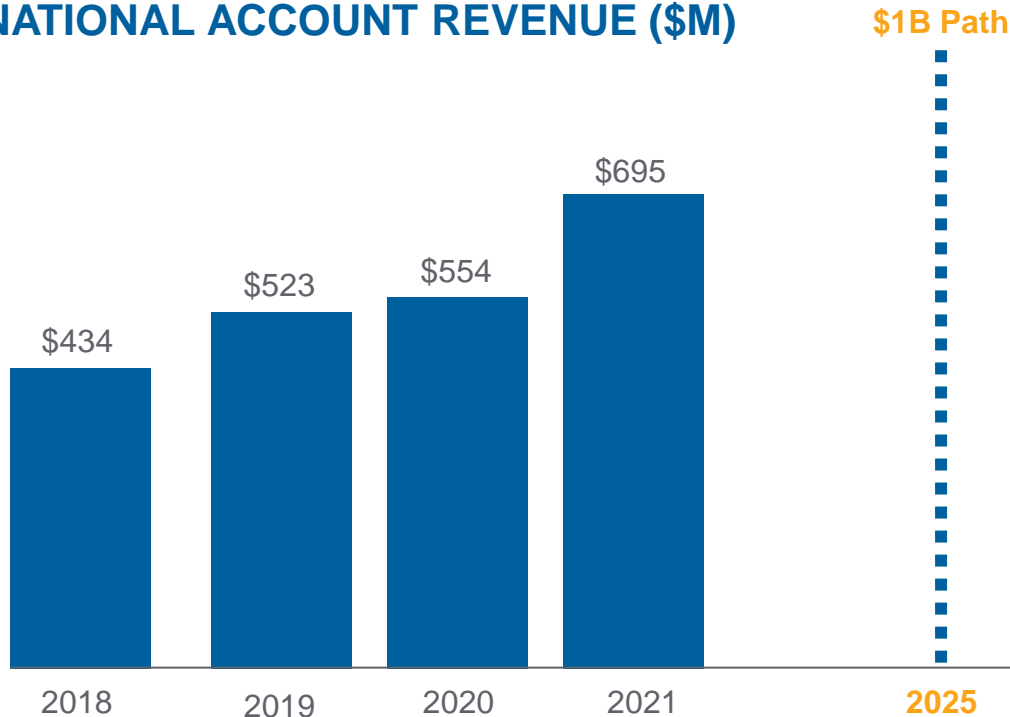
FINANCIAL IMPACTS

~\$200M in 2025 Sales
~\$450M PF* sales at maturity
Drive to leadership economics

* Estimated pro forma sales impact of 40 greenfield branches at their full maturity beyond 2025

National Accounts | Path to \$1B

NATIONAL ACCOUNT REVENUE (\$M)



BEACON ADVANTAGES

Scale

- Focused, growing and specialized national sales team

Networked Model

- OTC model utilization

Capabilities

- Digital integrations with core customers
- Fulfillment support teams

Significant Opportunity to Drive Accretive M&A



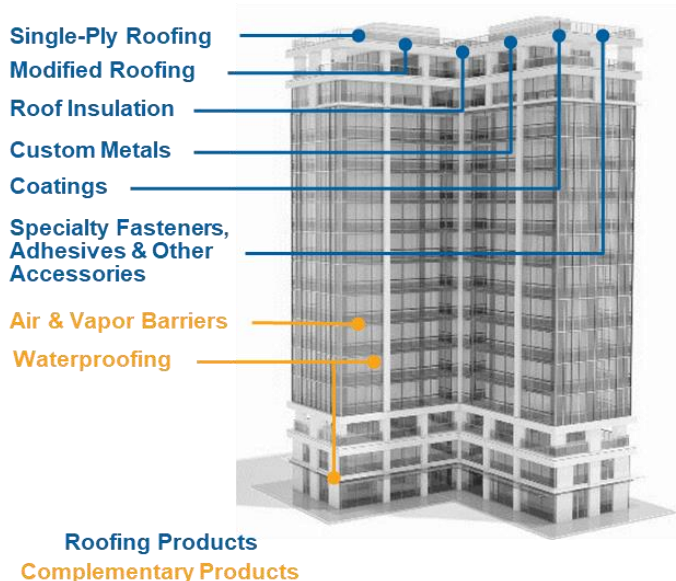
Yielding >\$100M of Adj. EBITDA in 2025

Dedicated M&A team driving pipeline, acquisition and integration

Coastal Acquisition Completed November 1st, 2022

Building Capabilities & Accelerating Growth

Commercial & Multi-Family Roofing



Market leadership with significant growth opportunity

- Creates a national value-added distributor of waterproofing and restoration solutions for the building envelope
- Waterproofing addressable market is estimated to be ~\$5B

Enhanced value proposition to our core customers

- Ambition 2025 strategy highlighted Complementary Products growth opportunity, with specific emphasis on waterproofing
- Waterproofing, caulking, sealant and barrier products are essential to our commercial and multi-family roofing contractors

Coastal recognized as a leading technical authority

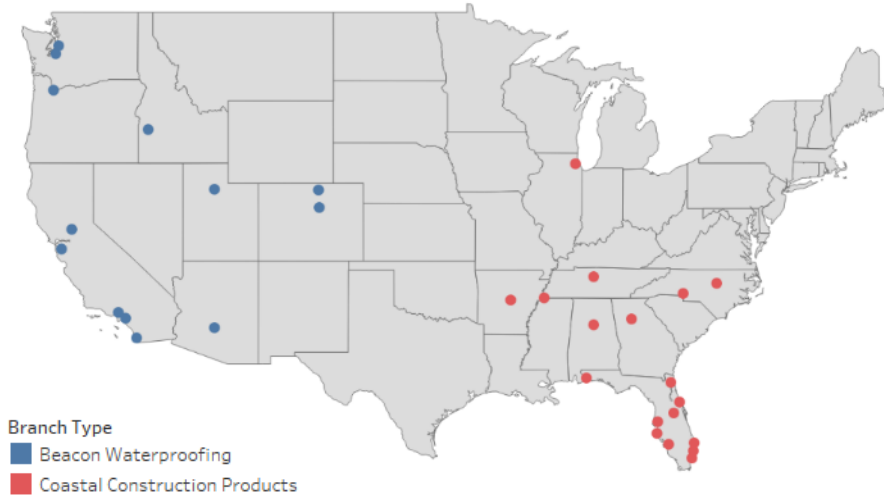
- Coastal's high performing team has specialized expertise
- Coastal's CEO to lead newly formed Waterproofing Division

Strategic fit with core customers in line with Ambition 2025

Coastal Acquisition Completed November 1st, 2022

Transaction Summary

Specialty Waterproofing Footprint



Key figures

- Est 2022 net sales of ~\$250M & EBITDA* of ~\$25M
- Acquired 18 dedicated branches in key growth markets
- Focused mainly on commercial & multi-family buildings

Significant top-line and bottom-line synergies

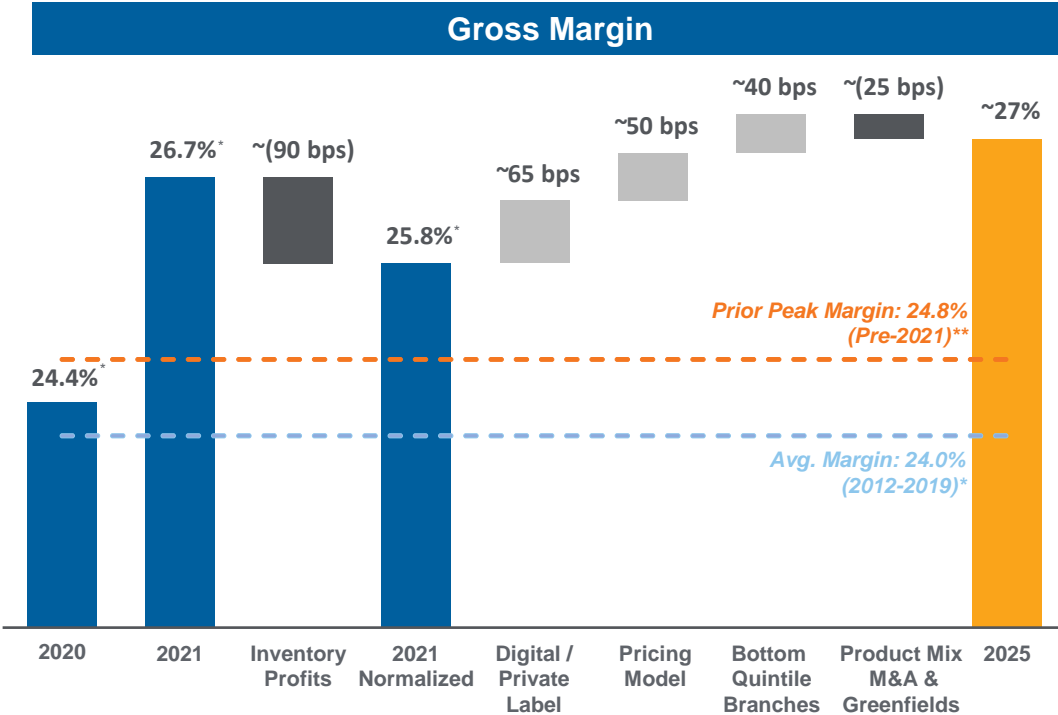
- Opportunities include cross-selling, OTC network, digital, procurement, private label and footprint expansion
- Proforma synergized multiple < Beacon trading multiple

Retained financial flexibility

- Net debt leverage** remains below 2.5x target

Combination creates a national platform for accelerated growth in an attractive market

Initiatives Driving Gross Margin Improvement



RECORD 2021 GROSS MARGIN PERFORMANCE

- 2021 reported GM% benefitted from ~90bps of inventory profits
- Normalized 2021 gross margins of 25.8%, ~100bps above prior peak

INITIATIVES DRIVING INCREMENTAL GROSS MARGIN UPSIDE THROUGH 2025

- Strong digital sales growth
- Private label sales and product portfolio
- New pricing model
- Continuous improvement initiatives at bottom quintile branches

MIX SHIFT IMPACT ON GROSS MARGIN

- Mix shift towards commercial roofing products driving modest margin reduction

M&A / GREENFIELD IMPACT ON GROSS MARGIN

- Assumes below company average margins during integration / maturity phase for M&A and greenfields
- Future upside from M&A synergy realization / greenfield maturity

* Includes contribution from Solar Products business

** Represents peak margins between 2012 – 2020, includes contribution from Solar Products business

Innovation & Integrations Drive Growth

DIGITAL GROWTH RUNWAY

% Penetration of Overall Revenue through Digital Channel



Projected ~\$30M incremental Adj. EBITDA* contribution in 2025

- Core Pro+ Growth by Solving Customer Needs
- Mobile the next game changer for digital adoption
- Leverage Key Integrations that drive volume tied to customer's daily process



- Long Term Goal: 50% of all sales digital

Beacon Pricing Opportunity

CURRENT STRENGTHS

- Highly competitive on key commodities
- Localized decision making
- Flexibility to enable system overrides
- Pricing integrated across all channels

OPPORTUNITIES

- Aggregation of data across markets
- Customer segmentation
- Advanced analytics on local trends
- Price accuracy on mid to long tail items
- User experience for new hires



New technology to simplify branch operations and drive better margins

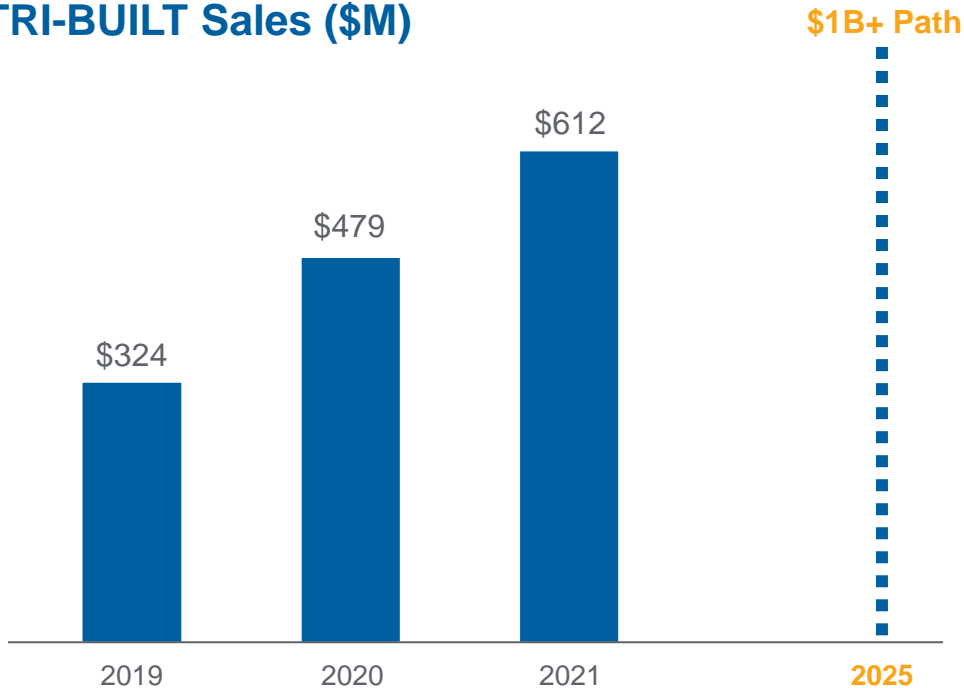
Beacon to implement new system in 2023 to deliver

+50bps

Gross Margin Expansion

TRI-BUILT Growth Plan

TRI-BUILT Sales (\$M)



Projected >\$100M incremental adjusted EBITDA* contribution in 2025

RECORD RESULTS IN 2021

- Highest Daily Adoption | 51%
- 73% of customers ordered TRI-BUILT when purchasing in target categories
- >\$60M incremental Adj. EBITDA*

REVENUE

- Material Availability
- Consistent Quality
- Volume Planning

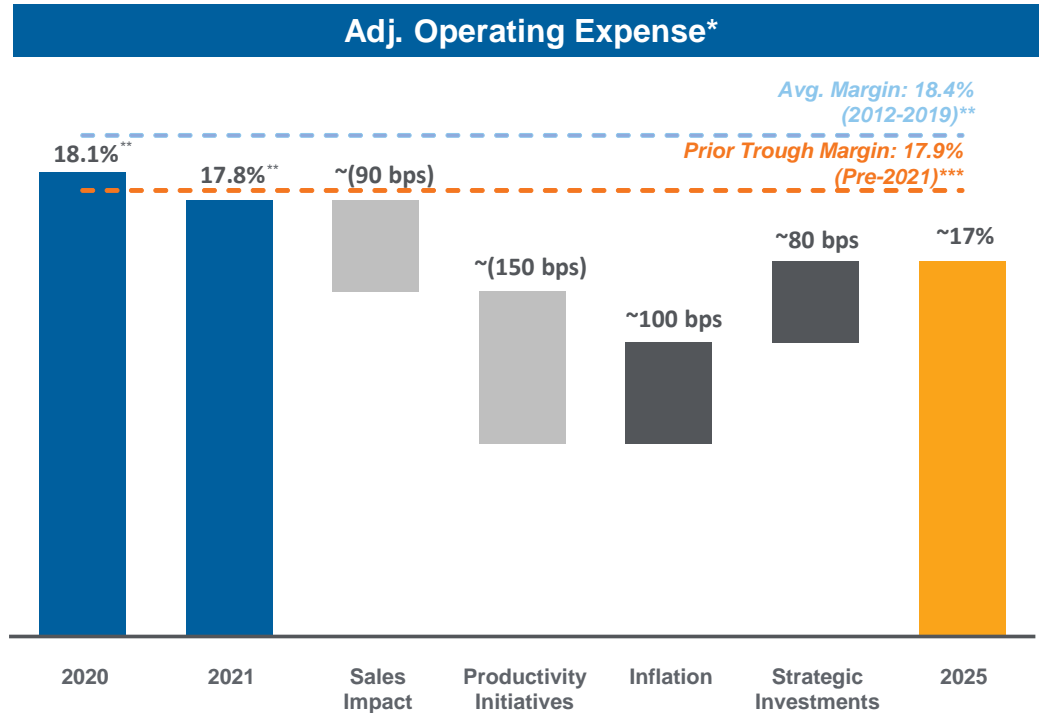
ADOPTION

- Market Insights
- Value Engineering
- Marketing Scale

MARGIN BENEFITS

Category range of +500-2,000 bps versus national brand alternative

Initiatives Driving OpEx Improvement



LEVERAGING EXISTING FIXED COST ACROSS ORGANIC GROWTH INITIATIVES

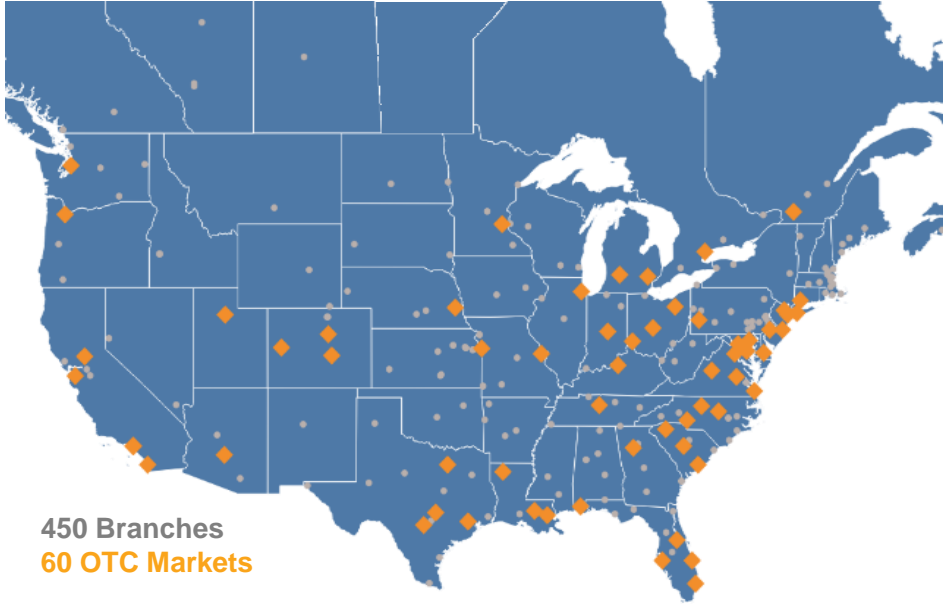
PRODUCTIVITY INITIATIVES DRIVING IMPROVEMENTS THROUGH 2025

- Bottom quintile branch improvements
- Expansion of OTC network to minimize branch level overhead
- Enhanced service and digital offering
- Fleet investments to optimize utilization and improve fuel efficiency

MODEST OFFSETS DUE TO INFLATION AND STRATEGIC INVESTMENTS

- Inflationary costs across personnel, lease & fuel costs
- Incremental salesforce and greenfield investments to drive growth
- Integration of M&A opportunities expected to be offset over time by synergy realization

OTC Network & Branch Optimization Impact



OBJECTIVE	TARGET
Above Market Revenue Growth	Supports path to ~\$9B in sales in 2025
Working Capital Improvement	+0.5x turn increase worth \$50M - \$100M inventory reduction
Operating Expense Control	Operating Expense leverage of ~\$50M

Branch networking and optimization leads to leverage of scale and increased flexibility

Continuing Value from Quintile Process

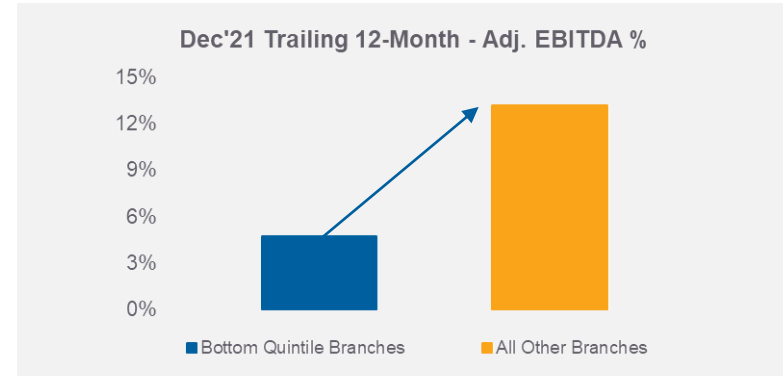
2020 – 2021 ACTUAL

~\$75M*

- Sales increase of ~8%
- Gross Margin expansion ~180bps
- Adj. OpEx reduction ~200bps

... ADDITIONAL OPPORTUNITY

~\$75M**



Process expected to result in additional ~\$75M improvement through 2025

Executing Against the Plan

ATTRACTIVE GROWTH TRAJECTORY

(2021 - 2025 CAGR Targets)



Strong organic growth trajectory

- Market growth of ~2%
- Initiatives driving ~3% above market growth
- Above market growth achieved through investments in greenfields and sales organization

Reacceleration of value-accretive M&A

- Driving ~3% increase to annual organic growth

COMPELLING MARGIN TARGETS

(2025 Targets)



Realizing benefits of new business model

- Use of tech-enabled pricing tools
- Driving bottom quintile improvements
- Growth in private label and digital segments

Leveraging on-going platform growth

- Logistics and fleet management
- Continuous optimization of OTC model
- Realization of labor productivity initiatives

STRONG CASH FLOW GENERATION

(2025 Targets)



Generating **\$1.0B** of Adj. EBITDA by 2025

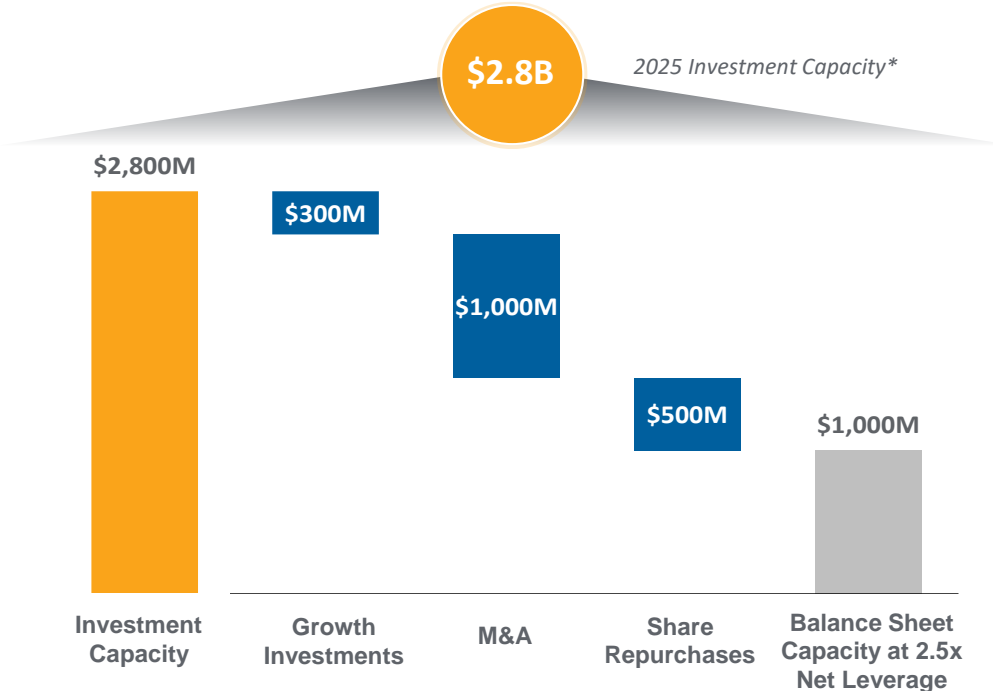
\$2.8B of Investment Capacity driving significant shareholder value*

- Growth initiatives, fleet investments & greenfields
- Strategic M&A activity
- Share repurchase program
- Net leverage between 2.0 – 3.0x through 2025

Retaining **\$1.0B** of balance sheet capacity enhancing strategic flexibility*

Levers to Deliver Value to All Stakeholders

Capital Allocation Priorities



WITH \$2.8B OF INVESTMENT CAPACITY BY 2025, BEACON PLANS TO:

Support Adjusted EBITDA growth through investments in **digital, technology, fleet & branch efficiency initiatives**

Execute on **investments in greenfield opportunities**

Accelerate **value accretive acquisitions** to enhance growth

Return **\$500M** to shareholders through a **repurchase authorization**

Retain **\$1,000M in balance sheet** capacity to ensure strategic flexibility

Target **-2.5x net leverage** with +/- 0.5x operating flexibility

Ambition 2025 Key Takeaways



Refocused Business

- Refreshed values & ESG commitments
- Revitalized leadership team
- Track record of execution
- Accelerated profitable growth



Multiple Drivers for Growth

- Large and attractive markets
- Significant non-discretionary demand
- Best-In-Class customer experience
- Positioned for above-market growth



Enhancing Margins

- Digital focus
- Expansion of private label
- Pricing excellence
- Quintile methodology



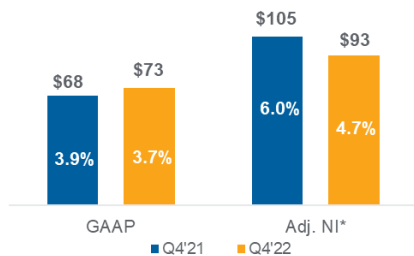
Strategically Deploying Capital

- Revitalized balance sheet, strong cash flow
- Increasing capex investments
- M&A and greenfield opportunities
- Actively returning capital to shareholders

Leveraging scale advantages, networked models, and specialized capabilities

Q4'22 Recap

Net Income (\$M)



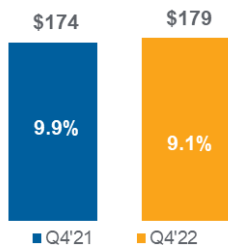
Highest fourth quarter net sales in history, up 14.1% per day YoY**

- Higher selling prices YoY drove growth; Pricing stable sequentially
- Total volumes per day down MSD YoY, weakness in new single-family
- Strong prior year shingle comparable

Record fourth quarter net income and Adjusted EBITDA*

- 12th straight quarter of YoY Adjusted EBITDA* increases
- Full year net income margin of 5.4%, Adjusted EBITDA margin* of 10.8%

Adj. EBITDA* (\$M)



Capital allocation balancing growth and shareholder returns

- Acquired Coastal Construction Products; Active acquisition pipeline
- Repurchased 6.8M shares (\$388M) in 2022
- Maintained balance sheet flexibility, ample capacity to invest

*Non-GAAP measure; see Appendix for definition and reconciliation **Percentages adjusted for one less selling day in Q4'22 as compared to Q4'21

Notes: All quarterly information and comparisons reflect Continuing Operations which includes the Solar Products business divested on 12/1/21.

Percentages within the bar charts represent each metric as a % of net sales.

Executing on Ambition 2025 Initiatives

BUILDING A WINNING CULTURE

- Increasing Board of Directors diversity with the addition of two new members
- Continued active partnership with Rebuilding Together through Beacon volunteer efforts
- Launched trials of EV express vans, forklifts, and delivery cranes

DRIVING ABOVE MARKET GROWTH

- Acquired 19 branches and opened 12 Greenfield locations in Q4 adding capacity in growth markets
- Digital sales +26% in Q4 YoY, launched mobile app
- Customer Experience pilots seeing improved operating performance and sales growth

DRIVING OPERATIONAL EXCELLENCE

- Bottom Quintile Branch initiative added \$4M bottom-line contribution in Q4 YoY
- Branch revitalization pilots optimizing pick path & load sequence reducing fulfillment times per order
- Beacon OTC[®] model results in network efficiency & enhanced service level supporting sales growth

CREATING SHAREHOLDER VALUE

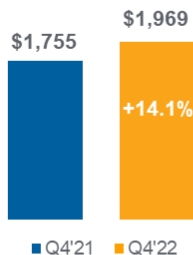
- Record Q4 net sales, net income & Adj. EBITDA*
- Completed June Accelerated Share Repurchase agreement retiring additional 1.1M shares in Q4
- Retained financial flexibility, ample capacity to invest with net debt leverage* of 2.0x as of 12/31

Significant progress toward achieving the targets set out in our Ambition 2025 strategy

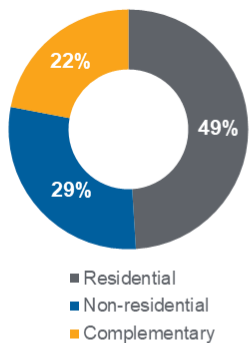
*Non-GAAP measure; see Appendix for definition and reconciliation

Q4 2022 Sales and Mix

Net Sales (\$M)*



Net Sales Mix



Sales growth of 14.1% per day*

- Disciplined price execution drove growth across all three LOBs
- Backlog converting sequentially, remains above pre-pandemic levels

Residential sales per day up 6.9%*

- Pricing drove growth YoY, stable QoQ
- Volumes outpaced market, down HSD per day YoY vs. strong PY
- Single-family new construction activity slowed during the quarter

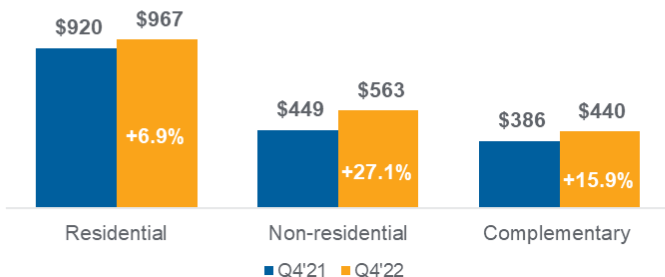
Non-residential sales per day up 27.1%*

- Pricing execution nearly offset significant product cost inflation
- Volume down MSD per day YoY, higher single-ply demand
- Supply chain improving while project cycle times remain elevated

Complementary sales per day up 15.9%*

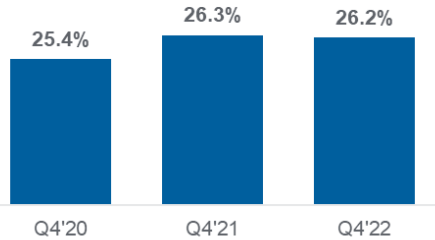
- Above market growth in siding products, waterproofing benefited from the acquisition of Coastal Construction Products
- Higher prices across nearly all product lines

Net Sales by Line of Business (LOB) (\$M)*

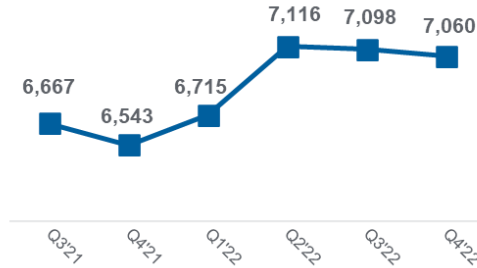


Q4 2022 Margin and Expense

Gross Margin



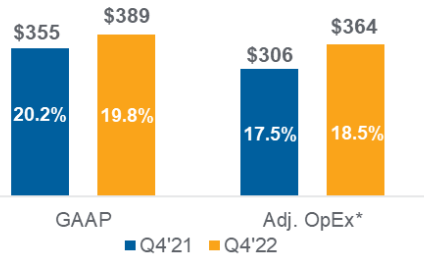
Headcount**



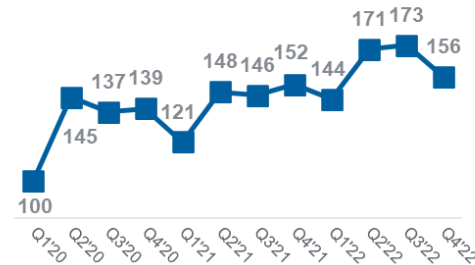
Gross margin -10 bps YoY

- Price-cost positive YoY, better than expected
- Higher non-residential sales mix YoY

Operating Expense (\$M)



Sales Per Hour Worked*** (Indexed to Q1'20)



Adjusted OpEx* +\$58M YoY, 18.5% of sales

- Inflation in wages, insurance & benefits and T&E
- Higher commissions and incentive comp
- OpEx associated with Ambition 2025 investments to drive growth & margin
 - Newly opened and acquired branches
 - M&A and Greenfield project teams
 - Sales organization, customer experience, pricing tools and e-commerce technologies

*Non-GAAP measure; see Appendix for definition and reconciliation **Headcount does not include acquisitions

***Hours worked reflect all company-wide hourly employees, but excludes salaried/commission-based personnel

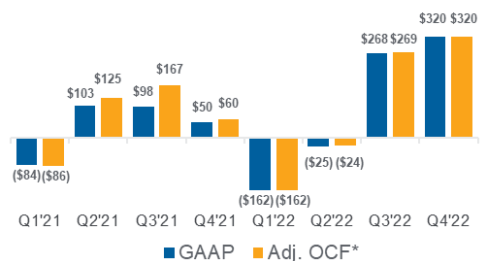
Notes:

All quarterly information and comparisons reflect Continuing Operations.

Percentages within the bar charts represent each metric as a % of net sales.

Capacity to Invest in Growth

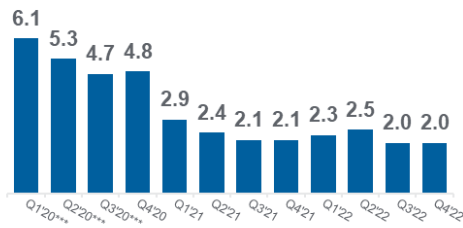
Operating Cash Flow (\$M)



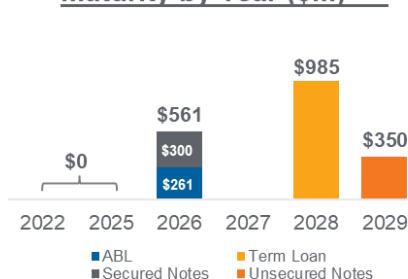
Net Inventory (\$M)**



Net Debt Leverage*



Q4'22 Proforma Debt Maturity by Year (\$M)****



Strong cash generation in Q4'22

- Inventory reduction plan resulted in ~\$230M decrease from Q2'22 levels
- Highest Op. Cash Flow since Q2'20

Ample balance sheet capacity

- Net debt leverage* 2.0x at 12/31
- >\$1.0B liquidity as of 12/31 quarter end

Balanced capital allocation remains priority

- Increased reinvestment in existing operations
- Reduced net shares outstanding to 64.2M as of 12/31 compared to 70.4M at prior year end
- Acquisition pipeline remains active

Investing in value-creating opportunities to achieve Ambition 2025 goals

*Non-GAAP measure; see Appendix for definition and reconciliation

**All periods presented are balances from continuing operations only

***Calculation for these periods include amounts derived from combined operations – see Appendix for further detail

****Maturities shown as of Q4'22; excl impact of debt issuance cost amortization & required \$10M annual paydown of 2028 Term Loan

Reflections on a Record 2022

Highlights

- Net sales growth of 24% to \$8.4B
- Record full year net income and Adj. EBITDA*
- Record digital & private label sales, adoption rates
- Record National Accounts sales, up 36% YoY
- Bottom quintile branches added \$36M to bottom line
- 5 acquisitions adding footprint & capabilities
- 16 Greenfields in 12 states
- Key leadership positions filled, advancing DE&I
- Repurchased and retired 6.8M shares (\$388M)

Ambition 2025 Targets (as presented on February 24, 2022)

~\$9B

2025

Net sales

Net Sales CAGR of ~8%
(2021 – 2025)

~\$1B

2025

Adj. EBITDA

Averaging double-digit margin
(2021 – 2025)*

Beacon delivered tangible progress in 2022 towards our Ambition 2025 targets

Q4'22 Earnings Call – Closing Thoughts

2023 market outlook

- Market fundamentals to remain stable, non-discretionary repair, restoration & re-roofing represents significant portion of demand
- Single-family new construction activity expected to be subdued in H1'23
- While the recent ABI reading is slightly below 50, booking activity remains healthy & backlog provides continued support

Q1'23 expectations

- January 2023 sales per day up ~5.5% YoY*; Q1'23 net sales to be up ~5% YoY (up ~3.5% on a per day basis YoY*)
- Gross margins expected to be in the ~25.5% range with OpEx dollars similar to the fourth quarter of '22

Full Year 2023 indications

- Expect net sales growth of 2 – 4% YoY, including contributions from previously announced acquisitions
- Gross margin YoY to be impacted from inventory profit roll-off, partially offset by structural gains from margin enhancing initiatives
- Focused on Ambition 2025 initiatives, execution on customer experience, operational excellence and pricing
- Adjusted EBITDA** of \$810 – \$870M; Continued normalization of inventory levels, higher free cash flow conversion

Continue to strategically invest in initiatives to drive toward Ambition 2025 targets

- Expect to remain acquisitive consistent with the enhanced M&A pipeline
- Continued acceleration in greenfield investment to yield at least 15 new locations in 2023
- New share repurchase program of \$500M inclusive of \$112M remaining authorization under current program

Beacon is well-positioned for 2023 and to deliver on Ambition 2025 targets

APPENDIX

Reconciliations: Non-GAAP Financial Measures

RESULTS BY QUARTER (CONTINUING OPERATIONS)

(\$M)	Three Months Ended											
	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
Net sales	\$ 1,197.1	\$ 1,549.3	\$ 1,755.0	\$ 1,576.5	\$ 1,318.0	\$ 1,872.1	\$ 1,875.4	\$ 1,754.9	\$ 1,686.9	\$ 2,358.2	\$ 2,415.2	\$ 1,969.4
Gross profit	\$ 270.4	\$ 368.7	\$ 441.3	\$ 399.7	\$ 332.8	\$ 517.4	\$ 507.8	\$ 461.6	\$ 439.5	\$ 650.2	\$ 630.2	\$ 515.6
Gross margin %	22.6%	23.8%	25.1%	25.4%	25.3%	27.6%	27.1%	26.3%	26.1%	27.6%	26.1%	26.2%
Adjusted Operating Expense												
Operating expense	\$ 446.0	\$ 293.5	\$ 324.9	\$ 304.6	\$ 310.0	\$ 336.6	\$ 349.7	\$ 355.2	\$ 348.2	\$ 395.8	\$ 398.8	\$ 389.3
Acquisition costs	(28.4)	(32.6)	(31.9)	(26.6)	(25.9)	(26.0)	(25.9)	(22.6)	(21.9)	(23.2)	(23.5)	(21.9)
Restructuring costs*	(143.5)	(1.0)	(0.4)	(1.9)	(5.3)	(1.6)	(2.8)	(25.2)	(1.7)	(2.9)	(1.4)	(2.8)
COVID-19 impacts	—	(3.4)	(0.8)	(0.3)	(0.5)	(0.4)	(0.4)	(1.0)	(1.4)	(0.1)	(0.2)	(0.3)
Adjusted Operating Expense	\$ 274.1	\$ 256.5	\$ 291.8	\$ 275.8	\$ 278.3	\$ 308.6	\$ 320.6	\$ 306.4	\$ 323.2	\$ 369.6	\$ 373.7	\$ 364.3
Operating expense % of sales	37.3%	18.9%	18.5%	19.3%	23.5%	18.0%	18.6%	20.2%	20.7%	16.8%	16.5%	19.8%
Adjusted Operating Expense % of sales	22.9%	16.6%	16.6%	17.5%	21.1%	16.5%	17.1%	17.5%	19.2%	15.7%	15.5%	18.5%
Adjusted EBITDA												
Net income (loss) from continuing operations	\$ (121.4)	\$ (4.1)	\$ 68.2	\$ 47.4	\$ (10.5)	\$ 79.8	\$ 104.5	\$ 68.1	\$ 55.8	\$ 174.5	\$ 154.8	\$ 73.3
Interest expense, net	35.6	35.4	32.7	31.3	29.5	23.1	17.1	17.0	17.2	19.1	23.6	26.3
Income taxes	(77.9)	44.1	16.9	17.7	(4.8)	27.1	37.3	20.9	18.9	61.0	53.8	27.6
Depreciation and amortization*	183.2	45.0	43.9	39.4	42.2	40.3	40.3	38.7	38.9	40.4	40.9	39.0
Stock-based compensation	4.4	3.3	3.5	3.8	4.2	5.5	4.9	2.8	5.1	8.0	7.9	6.6
Acquisition costs	(2.8)	1.6	1.8	1.1	0.6	0.7	0.9	0.4	0.5	1.7	1.6	2.6
Restructuring costs	1.0	1.9	1.2	1.9	12.6	52.5	2.7	25.2	1.7	2.9	1.4	2.8
COVID-19 impacts	—	3.4	0.8	0.3	0.5	0.4	0.4	1.0	1.4	0.1	0.2	0.3
Adjusted EBITDA	\$ 22.1	\$ 130.6	\$ 169.0	\$ 142.9	\$ 74.3	\$ 229.4	\$ 208.1	\$ 174.1	\$ 139.5	\$ 307.7	\$ 284.2	\$ 178.5
Net income (loss) % of sales	(10.1%)	(0.3%)	3.9%	3.0%	(0.8%)	4.3%	5.6%	3.9%	3.3%	7.4%	6.4%	3.7%
Adjusted EBITDA % of sales	1.8%	8.4%	9.6%	9.1%	5.6%	12.3%	11.1%	9.9%	8.3%	13.0%	11.8%	9.1%

We define Adjusted Operating Expense as operating expense (as reported on a GAAP basis) excluding the impact of amortization, acquisition costs, restructuring costs, and costs directly related to the COVID-19 pandemic.

We define Adjusted EBITDA as net income (loss) from continuing operations excluding the impact of interest expense (net of interest income), income taxes, depreciation and amortization, stock-based compensation, acquisition costs, restructuring costs, and costs directly related to the COVID-19 pandemic.

Adjusted EBITDA for the fiscal year ended 12/31/22 can be derived by adding Adjusted EBITDA for each of the constituent four quarters. Dividing Adjusted EBITDA for the fiscal year ended 12/31/22 of \$910.0 by net sales for that period of \$8,429.7 results in an Adjusted EBITDA margin of 10.8%.

* Three months ended 3/31/2020 amount includes the impact of non-cash accelerated intangible asset amortization of \$142.6 million related to the write-off of certain trade names in connection with the Company's rebranding efforts.

Reconciliations: Non-GAAP Financial Measures

ADJUSTED OPERATING CASH FLOW

(\$M)	Three Months Ended							
	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
Net cash provided by (used in) operating activities	\$ (84.0)	\$ 102.7	\$ 98.4	\$ 49.6	\$ (162.0)	\$ (25.0)	\$ 268.2	\$ 319.9
Operating cash flows used in discontinued operations	21.8	—	—	—	—	—	—	—
Income taxes paid related to Interior Products divestiture	3.3	43.3	16.7	9.9	—	—	—	—
Cash (collected) repaid on behalf of FBM*	(27.3)	(20.8)	52.0	0.1	(0.4)	1.5	0.9	0.3
Adjusted Operating Cash Flows	<u>\$ (86.2)</u>	<u>\$ 125.2</u>	<u>\$ 167.1</u>	<u>\$ 59.6</u>	<u>\$ (162.4)</u>	<u>\$ (23.5)</u>	<u>\$ 269.1</u>	<u>\$ 320.2</u>

We define Adjusted Operating Cash Flow as net cash provided by (used in) operating activities (as calculated on a GAAP basis) excluding the impact of discontinued operations and other non-recurring cash activity related to the Company's divestiture of its Interior Products business to Foundation Building Materials ("FBM").

* Net cash collected on behalf of, and repaid to, FBM as part of the ongoing transaction services agreement.

Reconciliations: Non-GAAP Financial Measures

NET DEBT LEVERAGE

(\$M)	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
Gross total debt	\$ 3,576.8	\$ 3,419.8	\$ 2,818.3	\$ 2,714.7	\$ 2,135.5	\$ 1,663.2	\$ 1,660.0	\$ 1,657.8	\$ 1,807.8	\$ 2,123.5	\$ 1,905.3	\$ 1,911.2
Less: cash and cash equivalents	(781.2)	(1,018.4)	(624.6)	(461.4)	(619.3)	(188.9)	(260.0)	(225.8)	(52.4)	(54.6)	(84.9)	(67.7)
Net debt	\$ 2,795.6	\$ 2,401.4	\$ 2,193.7	\$ 2,253.3	\$ 1,516.2	\$ 1,474.3	\$ 1,400.0	\$ 1,432.0	\$ 1,755.4	\$ 2,068.9	\$ 1,820.4	\$ 1,843.5
Adjusted EBITDA* for the quarter ended:												
6/30/2019	\$ 157.8	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
9/30/2019	169.1	169.1	—	—	—	—	—	—	—	—	—	—
12/31/2019	94.3	94.3	94.3	—	—	—	—	—	—	—	—	—
3/31/2020	38.9	38.9	38.9	22.1	—	—	—	—	—	—	—	—
6/30/2020	—	147.5	147.5	130.6	130.6	—	—	—	—	—	—	—
9/30/2020	—	—	190.9	169.0	169.0	169.0	—	—	—	—	—	—
12/31/2020	—	—	—	142.9	142.9	142.9	142.9	—	—	—	—	—
3/31/2021	—	—	—	—	74.3	74.3	74.3	74.3	—	—	—	—
6/30/2021	—	—	—	—	—	229.4	229.4	229.4	229.4	—	—	—
9/30/2021	—	—	—	—	—	—	208.1	208.1	208.1	208.1	—	—
12/31/2021	—	—	—	—	—	—	—	174.1	174.1	174.1	174.1	—
3/31/2022	—	—	—	—	—	—	—	—	139.5	139.5	139.5	139.5
6/30/2022	—	—	—	—	—	—	—	—	—	307.7	307.7	307.7
9/30/2022	—	—	—	—	—	—	—	—	—	—	284.2	284.2
12/31/2022	—	—	—	—	—	—	—	—	—	—	—	178.5
TTM Adjusted EBITDA	\$ 460.1	\$ 449.8	\$ 471.6	\$ 464.6	\$ 516.8	\$ 615.6	\$ 654.7	\$ 685.9	\$ 751.1	\$ 829.4	\$ 905.5	\$ 909.9
Net Debt Leverage	6.1x	5.3x	4.7x	4.8x	2.9x	2.4x	2.1x	2.1x	2.3x	2.5x	2.0x	2.0x

We define Net Debt Leverage as gross total debt less cash, divided by Adjusted EBITDA for the trailing four quarters.

* Historical quarterly Adjusted EBITDA totals used in the calculation of Net Debt Leverage are presented on an as-reported basis, therefore the calculations for the periods ended March 31, June 30, and September 30, 2020 are based on Adjusted EBITDA from combined operations (see slide 43 for reconciliations). Beginning with the period ended December 31, 2020, the Company began presenting its Interior Products business as discontinued operations, therefore the calculations of Net Debt Leverage for the periods ended December 31, 2020 and forward are based on Adjusted EBITDA from continuing operations (see slide 40 for reconciliations).

Reconciliations: Non-GAAP Financial Measures

CERTAIN 2019-2020 RESULTS BY FISCAL QUARTER (COMBINED OPERATIONS)

(\$M)	Three Months Ended					
	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020
Net income (loss)	\$ 31.0	\$ 27.4	\$ (23.4)	\$ (122.6)	\$ (6.7)	\$ 71.9
Interest expense, net	40.2	38.4	34.7	35.6	35.3	32.7
Income taxes	5.2	20.8	(9.6)	(81.8)	46.6	18.1
Depreciation and amortization*	69.4	69.5	63.9	204.9	61.8	60.6
Stock-based compensation	4.6	3.5	5.2	4.7	3.5	3.8
Acquisition costs	5.7	3.8	3.8	(2.8)	1.6	1.8
Restructuring costs	1.7	5.7	19.7	0.9	2.0	1.2
COVID-19 impacts	—	—	—	—	3.4	0.8
Adjusted EBITDA (Combined)	<u>\$ 157.8</u>	<u>\$ 169.1</u>	<u>\$ 94.3</u>	<u>\$ 38.9</u>	<u>\$ 147.5</u>	<u>\$ 190.9</u>

This table is presented for purposes of reconciling Adjusted EBITDA amounts utilized in the calculation of Net Debt Leverage for historical periods presented on slide 18.

We define Adjusted EBITDA as net income (loss) excluding the impact of interest expense (net of interest income), income taxes, depreciation and amortization, stock-based compensation, acquisition costs, restructuring costs, and costs directly related to the COVID-19 pandemic.

* Three months ended 3/31/2020 amount includes the impact of non-cash accelerated intangible asset amortization of \$142.6 million related to the write-off of certain trade names in connection with the Company's rebranding efforts.

Reconciliations: Non-GAAP Financial Measures

2023 GUIDANCE: ADJUSTED EBITDA

(\$M)	Year Ending December 31, 2023	
	Low	High
Net income (loss)	\$ 372	\$ 416
Income taxes	131	147
Interest expense, net		103
Depreciation and amortization		160
Stock-based compensation		27
Adjusting items*		17
Adjusted EBITDA	<u>\$ 810</u>	<u>\$ 870</u>

*Composed of Acquisition and Restructuring costs

