Builders FirstSource

OUTPERFORM TODAY. TRANSFORM TOMORROW.

November 8, 2022

DAVE FLITMAN, President & CEO • PETER JACKSON, CFO

Q3 2022 Earnings Presentation

BLDR.COM

Safe Harbor & Non-GAAP Financial Measures

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Statements in this presentation and the schedules hereto that are not purely historical facts or that necessarily depend upon future events, including statements about expected market share gains, forecasted financial performance or other statements about anticipations, beliefs, expectations, hopes, synergies, intentions or strategies for the future, may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. In addition, oral statements made by our directors, officers and employees to the investor and analyst communities, media representatives and others, depending upon their nature, may also constitute forward-looking statements. All forward-looking statements are based upon currently available information and the Company's current assumptions, expectations and projections about future events. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are by nature inherently uncertain, and actual results or events may differ materially from the results or events described in the forward-looking statements as a result of many factors. Builders FirstSource, Inc. undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Any forward-looking statements involve risks and uncertainties, many of which are beyond the Company's control or may be currently unknown to the Company, that could cause actual events or results to differ materially from the events or results described in the forward-looking statements, including risks or uncertainties related to the continuing COVID-19 pandemic and its contributory effects on the economy, the Company's acquisitions and continued ability to identify and consummate attractive acquisitions, the Company's growth strategies, including gaining market share and its digital strategies, or the Company's revenues and operating results being highly dependent on, among other things, the homebuilding industry which in turn is dependent on economic conditions, lumber prices and the economy, including interest rates, inflation and labor and supply shortages. Builders FirstSource, Inc. may not succeed in addressing these and other risks. Further information regarding factors that could affect our financial and other results can be found in the risk factors section of Builders FirstSource, Inc.'s most recent annual report on Form 10-K filed with the Securities and Exchange Commission ("SEC") and may also be described from time to time in the other reports the Company files with the SEC. Consequently, all forward-looking statements in this release are qualified by the factors, risks and uncertainties contained therein.

Use of Non-GAAP Financial Measures

This presentation includes financial measures and terms not calculated in accordance with accounting principles generally accepted in the United States ("GAAP") in order to provide investors with an alternative method for assessing our operating results in a manner that enables investors to more thoroughly evaluate our current performance as compared to past performance. We believe these non-GAAP measures provide investors with a better baseline for modeling our future earnings expectations. Our management uses these non-GAAP measures for the same purpose. We believe that our investors should have access to the same set of tools that we use in analyzing our results. These non-GAAP measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. Our calculations of adjusted net income, adjusted net income per share, adjusted EBITDA, free cash flow and net leverage are not necessarily comparable to similarly titled measures reported by other companies. The company provided detailed explanations and reconciliations of these non-GAAP financial measures in the earnings release included in its Form 8-K filed with the Securities and Exchange Commission on November 8, 2022.

Our Strategic Priorities Fuel Long-term Profitable Growth

Organic Growth of Value-added Products and Services

Drive Operational Excellence

Continue to Build Our High-Performing Culture

Pursue Strategic Tuck-in Acquisitions

Executing Against Our Strategy in Q3 2022

Organic Growth of Value-Added Products and Services

- ✓ 6.9% core organic growth
- ✓ 19.9% growth in Net Sales of value-added products and services across the portfolio

Drive Operational Excellence

- ✓ Delivered ~$73M in productivity savings YTD; expect to deliver >$100M in productivity savings in 2022
- ✓ Completed >6,600 automated take-off estimates from customer plans on our Paradigm technology YTD, with Q3 estimates up 27% versus Q2

Continue to Build Our High-Performing Culture

- ✓ Improved recordable incident rate (RIR) safety performance by ~15% YoY; increasing training and development, including enhanced DEI awareness; and providing competitive benefits to attract and retain high-performing talent
- ✓ Experienced, cycle-tested management team with a strong execution track record

Pursue Strategic Tuck-In Acquisitions

- ✓ Three acquisitions in the quarter with aggregate 2021 sales of ~$475 million
- ✓ On October 3, acquired Pima Door & Supply and Sunrise Carpentry with annual sales of ~$10 million

Builders® FirstSource

Delivering Record Third-Quarter Performance

$5.8B
Net Sales
4.6% Increase[2]

$1.2B
Adj. EBITDA[1]
20.1% Increase[2]

20.3%
Adj. EBITDA Margin[1]
260 bps Increase[2]

$5.20
Adj. EPS[1]
53.4% Increase[2]

Total Capital Deployed YTD 9/30 of ~$2.7bn (M&A of ~$0.6bn, Share Repurchases of ~$1.9bn, Net CapEx of ~$0.2bn)

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1) Adjusted EBITDA, adjusted EBITDA margin and adjusted EPS are non-GAAP financial measures. See the non-GAAP Financial Measures slide in this presentation for a definition thereof and a discussion of certain matters regarding non-GAAP guidance
2) Comparison reflects YoY change since Q3 2021

Disciplined M&A Approach Continued in Q3 2022

- Successfully completed a substantial number of value-enhancing acquisitions
- Deployed $2.0bn in capital on 13 acquisitions since the BMC merger
- Expanded footprint into high growth geographies
- Consistently target value-added products, services, geographies and technologies
- Demonstrated ability to successfully integrate, cross-sell and create operating synergies
- Acquisition pipeline remains active
- Strong balance sheet and ample liquidity to execute M&A strategy

Acquisition	FY21 Sales[1]	Date	Rationale
PIMA / Sunrise Carpentry	$10M	Q4 2022	▪ Provides dedicated millwork capability in the high-growth Phoenix, AZ metro area
Trussway	$291M	Q3 2022	▪ Leading provider of roof and floor trusses as well as value added components and services ▪ Diversifies mix and expands presence in high-growth geographies
Fulcrum Building Group	$140M	Q3 2022	▪ Provides additional resources and capacity in the high growth markets of the Gulf Coast
HLH	$44M	Q3 2022	▪ Highly-profitable distributor in attractive Flagstaff, AZ market ▪ Low customer concentration and diverse product mix
Valley Truss	$26M	Q2 2022	▪ Provides additional component capacity and expands upon value-added offerings to single- and multi-family markets in ID
Panel Truss	$138M	Q2 2022	▪ Offers additional component capacity in high-growth southern markets and expands upon value-added solutions
National Lumber	$440M	Q4 2021	▪ Diverse building materials and service offerings add substantial depth to BFS value-added solutions
Truss Technologies Inc.	$30M	Q4 2021	▪ Highly-profitable truss manufacturer expands value-added offering in MI
CTF California TrusFrame	$161M	Q3 2021	▪ Adds substantial and profitable scale to value-added components business in CA
Paradigm	$50M	Q3 2021	▪ Software solutions and services provider representing an important step forward in BFS strategy to invest in innovative digital solutions
Katerra Apollo	N/A	Q3 2021	▪ Provides technology enhancing workflow, construction budgeting and scheduling, and field task assignments ▪ Aligns with BFS digital strategy to address inefficiencies in the home building process

1) Reflects FY2021 net sales regardless of ownership

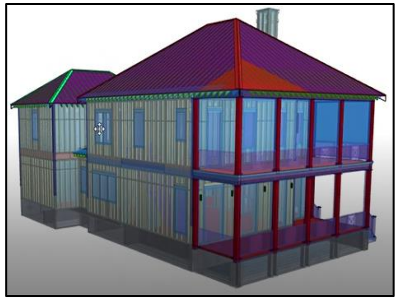
Continuing to Build Out Digital Solutions Platform

- ✓ Launching the MVP of our builder portal – myBLDR.com – in Q1 2023; accelerates the ability to sell digital services to more customers
- ✓ Expansion on track with increased market acceptance and an increasing digital sales pipeline
- ✓ Completed >6,600 automated take-off estimates from customer plans on our Paradigm technology YTD, with Q3 estimates up 27% versus Q2
- ✓ Completed agreements with SnapADU and Creative Homes for our configurable visualization tool, adding ~300 annual starts
- ✓ Leveraging our digital technologies to pilot building information modeling (BIM) pilots with three homebuilding industry leaders

3-Dimensional Digital Twin

Take-Off Model

Structural Model



Visualization Model

Digital Transformation of Homebuilding Industry is a ~$1B Opportunity to BFS

Flexible Business Model and Downturn Playbook

Ongoing Actions

- ✓ ~70% of SG&A expense is variable
- ✓ Self-adjusting variable compensation – naturally flexes with market conditions
- ✓ Efficient capacity utilization and ongoing optimization of footprint
- ✓ Strong free cash flow and moderate capital expenditures
- ✓ Working capital closely aligned to demand signals

Downside Actions

- Discretionary spending reductions
- Freeze/reduce headcount
- Moderate capex where appropriate
- Right size the network and optimize capacity across plants and yards
- Accelerate productivity projects
- Manage variable expenses to market levels

Value Creation Opportunities

- Highly accretive share repurchases
- Tuck-in acquisitions to drive long-term value creation
- Accelerate digital and technology transformation
- Utilize product portfolio and competitive advantages in marketplace to gain share
- Identify and accelerate strong ROI projects

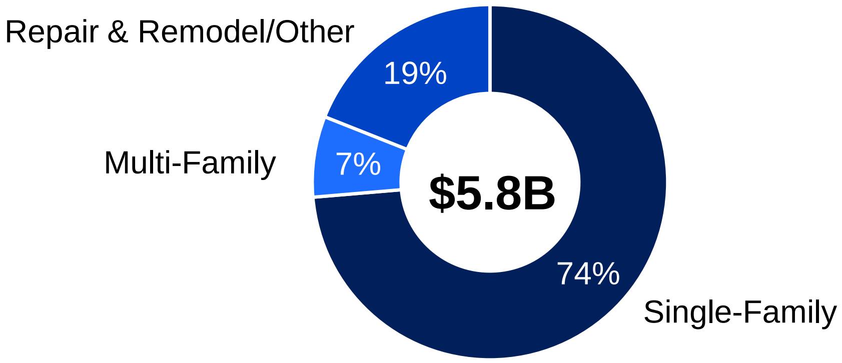
● → **Fully Completed**

Prepared to Win in Any Environment

Q3 2022 Financial Update

Net Sales ($M) Bridge (Q3 2021 vs. Q3 2022)

Q3 2022 Net Sales Mix by End Market



Core Organic Sales Highlights

- Single-Family: +1.8% with growth slowing during the quarter and a tough comparison against a strong prior year
- Multi-Family: +16.2% due to strong market and timing of projects
- R&R/Other: +31.1% against low prior year comp and increased demand due to favorable pricing environment

6.9% Core Organic Growth in Q3 2022

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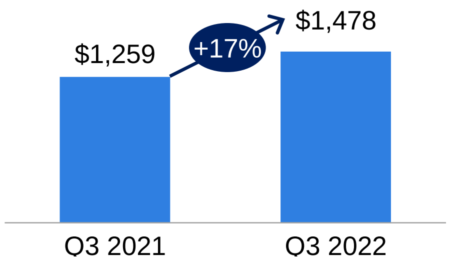
Broad Strength Across Product Portfolio

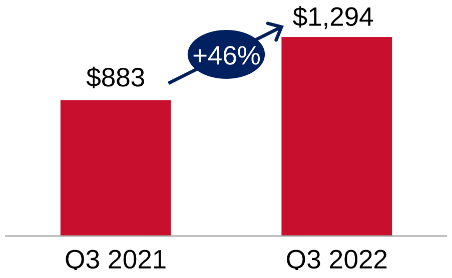
Net Sales ($M) by Product Category (Q3 2021 vs. Q3 2022)

Value-Added Products

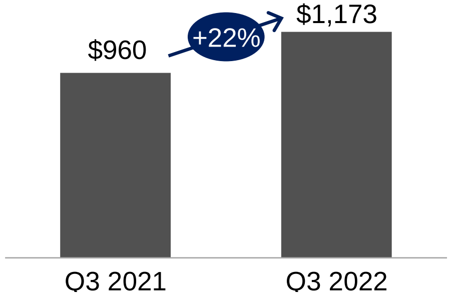
Manufactured Products



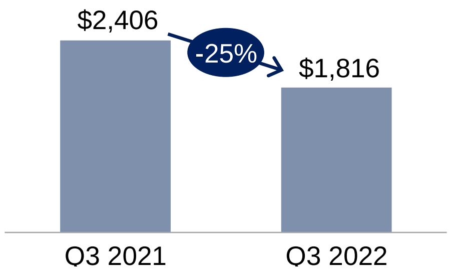
Windows, Doors & Millwork



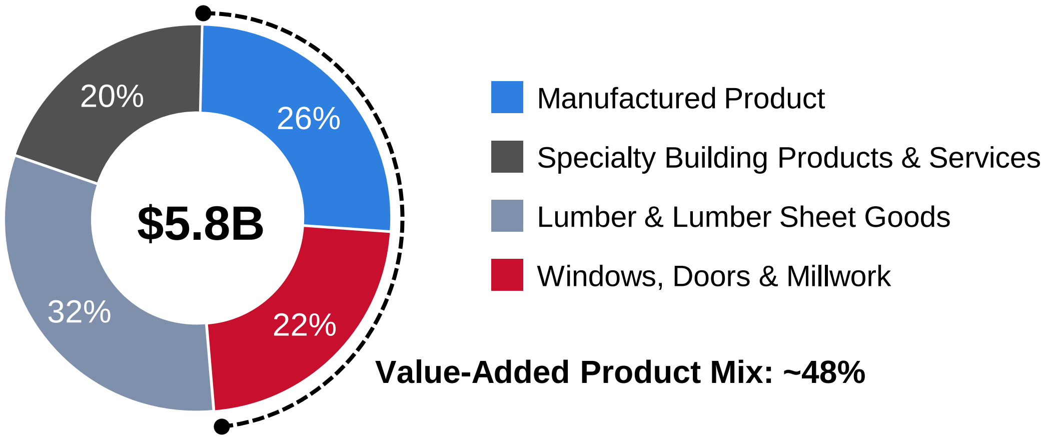
Specialty Building Products & Services



Lumber & Lumber Sheet Goods



Q3 2022 Net Sales Mix by Product Category



Value-Added Core Organic Sales Grew 19.9%

- 2.9% growth in Manufactured Products
- 44.0% growth in Windows, Doors & Millwork as Single-Family completions become the focus of our customers

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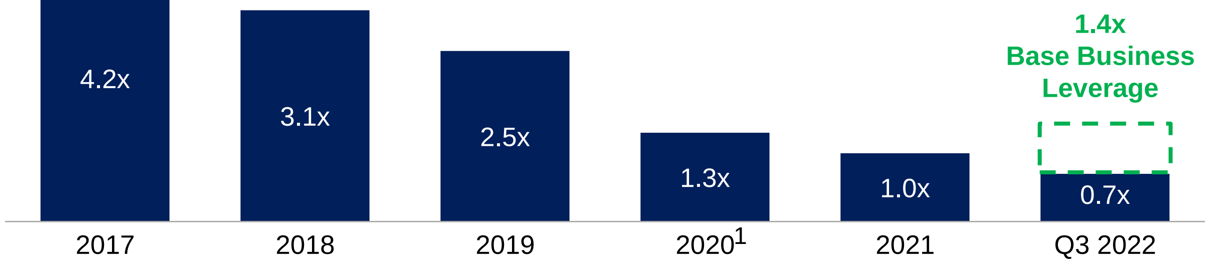
Strong Balance Sheet and Ample Liquidity Provide Financial Flexibility

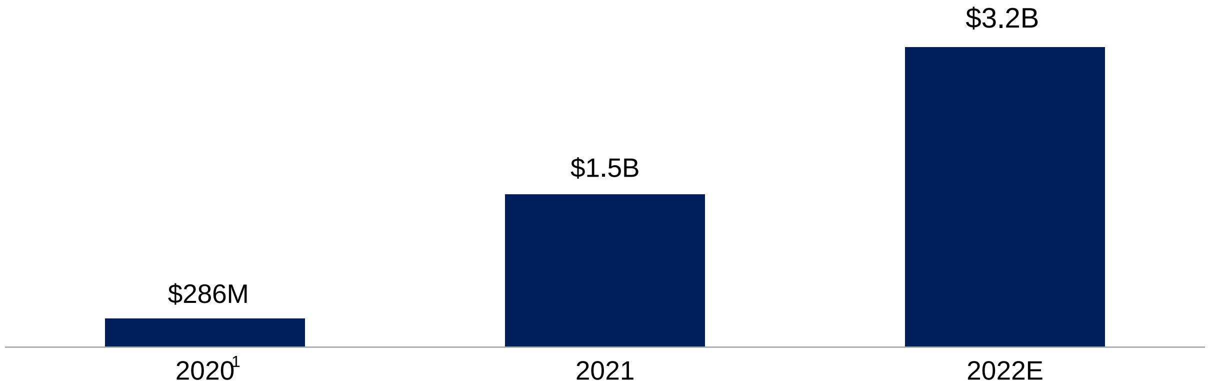
Balanced Capital Allocation Priorities

1. Maintain a strong balance sheet
2. Reinvest in business to drive growth and productivity
3. Continue tuck-in M&A strategy
4. Return capital to shareholders

Net Leverage Improvement

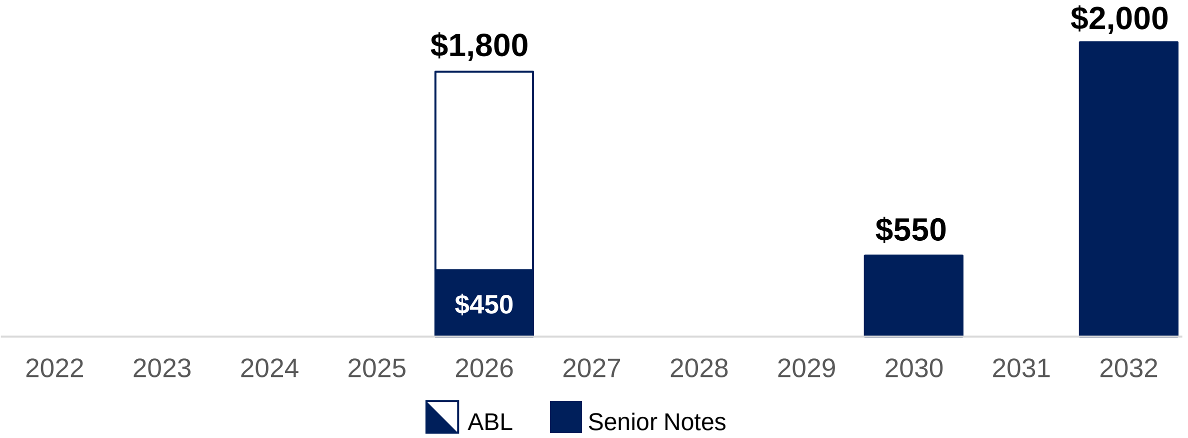


Strong Free Cash Flow



Weighted Average Debt Maturity of ~8 Years[2]

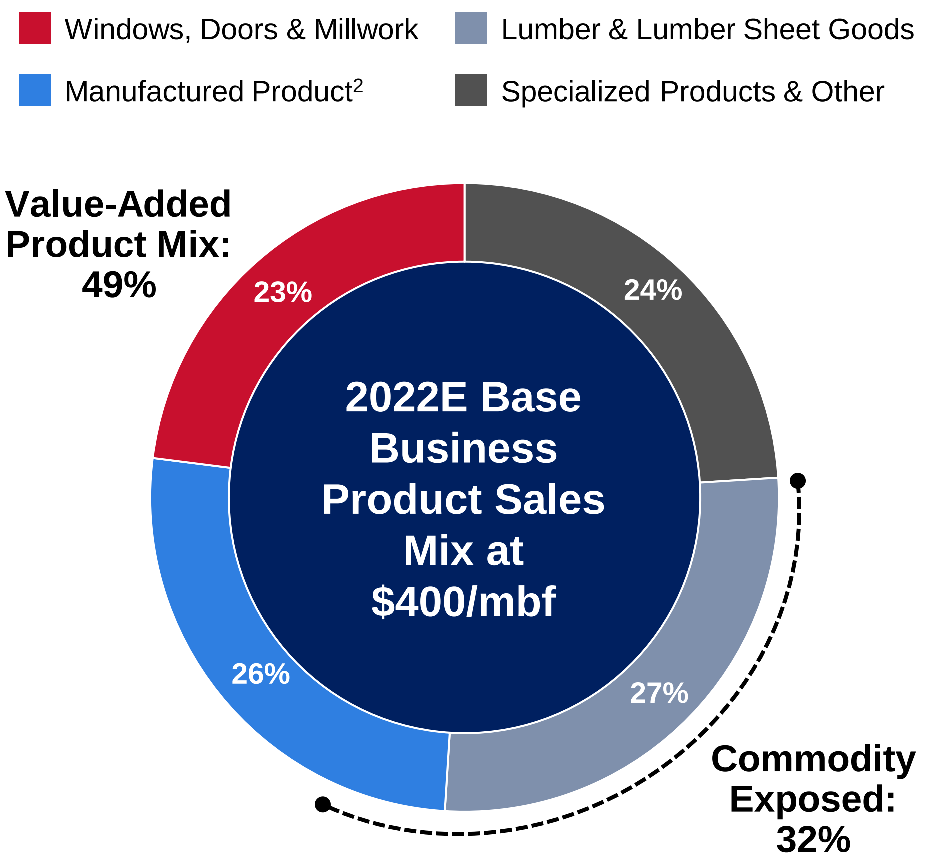
($M)



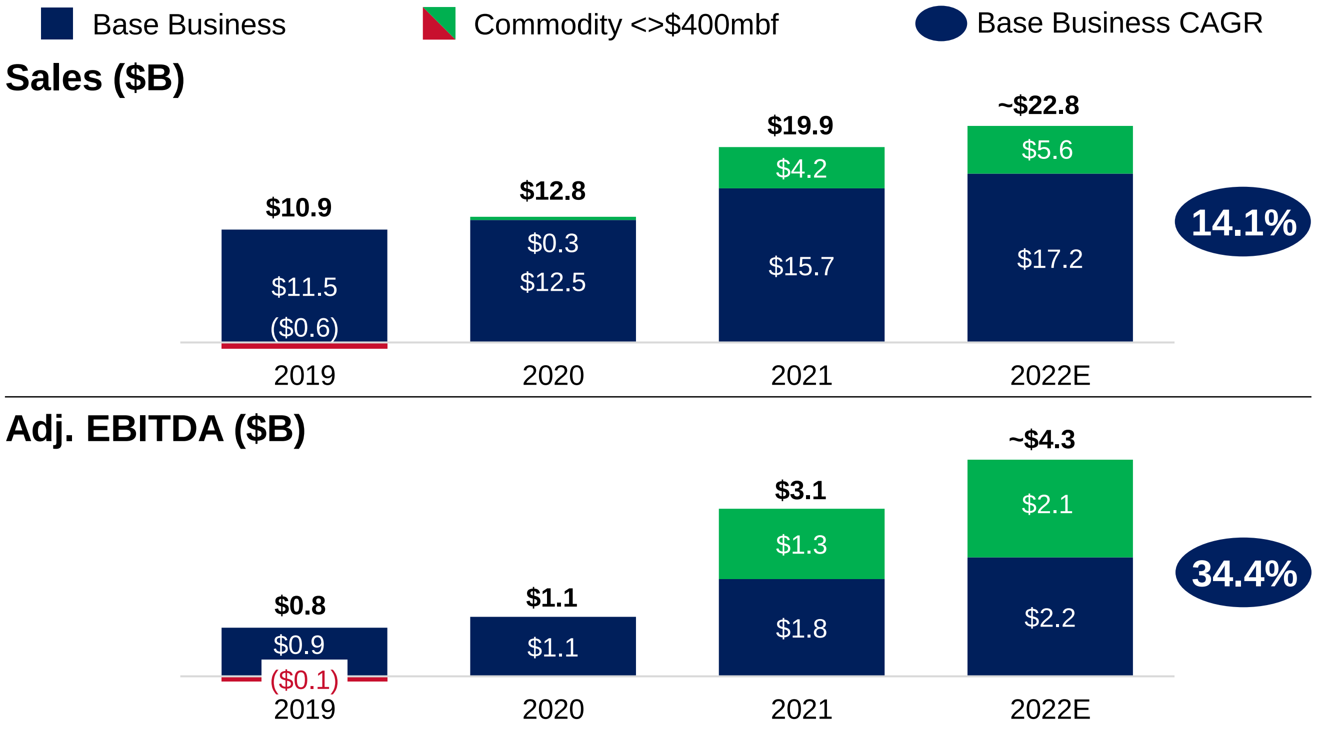
1) Pro forma as of 12/31/2020. Net Leverage calculated as principal value of debt and lease obligations less cash and cash equivalents divided by LTM Adj EBITDA.
2) Excludes finance leases and other finance obligations. Solid shading on ABL reflects drawn portion only. 2032 balance includes $1.3B of 4.25% and $0.7B of 6.375% notes

Base Business[1] Expectations for 2022E Aligned with Long Term Plan

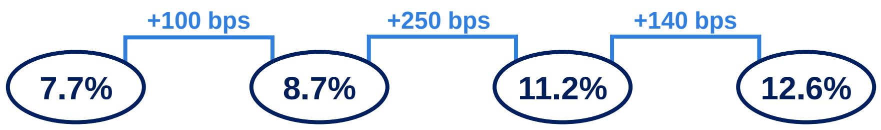
Over 60% of BFS's Base Business[1] is Non-Commodity



Majority of EBITDA Growth is Driven by Value-Added Products and Sustainable Operations Improvement / Synergy



Implied Adj. EBITDA Margin (On Base Business)



Double Digit Adj. EBITDA (net of lumber price effect)

1) This estimate assumes $400/mbf lumber & sheet good pricing.
2) Commodity exposure in manufactured products represents an estimated 5% of 2022E net sales mix at $400/mbf.

Adjusted EBITDA and adjusted EBITDA margin are Non-GAAP financial measures. See the non-GAAP Financial Measures slide in this presentation for a definition thereof and a discussion of certain matters regarding non-GAAP guidance.

Updated 2022 Outlook

2022 Full Year Financial Expectations			
Metrics	**Current Guidance**	**Prior Guidance**	**2021 Actual**
Base Business Sales[1]	**Unchanged**	8% to 12% growth	$15.7 billion
Base Business Adjusted EBITDA[1]	**Unchanged**	18% to 22% growth	$1.8 billion
Base Business Adjusted EBITDA margin[1]	**Unchanged**	120 to 160 bps of growth	11.2%
Total Net Sales[2,3]	**$22.5 to $23.0 billion**	N/A	$19.9 billion
Total Adjusted EBITDA[2,3]	**$4.2 to $4.4 billion**	N/A	$3.1 billion
Total Adjusted EBITDA Margin[2,3]	**18.5% to 19.5%**	N/A	15.4%
Free Cash Flow[3]	$3.1 to $3.3 billion	$2.5 to $3.0 billion	$1.5 billion
Capital Expenditures[4]	$250 million to $300 million	$275 million to $325 million	$205 million
Interest expense	$190 to $200 million	$175 to $185 million	$136 million
Effective tax rate	Unchanged	23.0% to 25.0%	23.1%
Depreciation & amortization expense[5]	$480 to $500 million	$460 to $480 million	$189 million

1) Assumes a $400/mbf commodity price for all periods and maintained for the full year.
2) Projected Net Sales and Adjusted EBITDA include the expected net benefit of price, commodity and margin impacts for full year 2022.
3) Assumes average commodity prices in the range of $750 to $850/mbf.
4) The 2022 capital expenditure expectation is net of proceeds from the sale of property, equipment and real estate.
5) Depreciation expense forecast includes depreciation accounted for within cost of sales.

Adjusted EBITDA and Adjusted EBITDA margin are Non-GAAP financial measures. See the Non-GAAP Financial Measures slide in this presentation for a definition thereof and a discussion of certain matters regarding non-GAAP guidance.

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Updated 2022 Full Year Assumptions

2022 Full Year Assumptions		
Metrics	**Current Guidance**	**Prior Guidance**
Single family starts growth (BLDR geographies)	Down low double-digits	Down mid-single digits
Multi-family starts growth (BLDR geographies)	Unchanged	Up low double-digits
R&R growth (BLDR geographies)	Unchanged	Up low-to-mid single digits
Selling Days	Two fewer days in Q4 2022 vs 2021	One less day in Q4 2022 vs 2021
Productivity savings	Unchanged	>$100 million
Average commodity prices ($/mbf)	$750 to $850	$700 to $1,000

Builders FirstSource®

Differentiated Market Leader Positioned for Above Market Growth & Expanding Profitability

- Market leader in a highly fragmented industry
- Growing portfolio of value-added products and solutions
- Exceptional geographic, customer and end market diversity
- Strategic investment in value-added capacity, driving share gains and margin expansion
- Focus on maintaining strong balance sheet and liquidity
- Solid cash flow generation and maintaining leverage
- Operational excellence and cost management initiatives driving gains in efficiency, productivity, and customer value
- Experienced and cycle-tested management team

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Appendix

Sales and Adj. EBITDA Projection by Commodity Price at Normalized Margins

Estimated Base Business Performance at Various Commodity Cost Assumptions

$/mbf	Sales ($B)	Adj. EBITDA ($B)
$400	$16.2 – $18.0	$2.0 – $2.3
$500	$17.6 – $19.4	$2.3 – $2.5
$600	$18.8 – $20.8	$2.5 – $2.8
$700	$20.1 – $22.3	$2.8 – $3.1
$800	$21.5 – $23.7	$3.0 – $3.3
$900	$22.7 – $25.1	$3.3 – $3.6
$1,000	$24.0 – $26.6	$3.5 – $3.9

Assumptions

- Price fluctuations can result in materially different results than in a static commodity environment
- Commodity margin rates are adjusted to historical prices for each product category and maintained at each commodity price tier/sensitivity
- Total margin changes with commodity tier driven by sales mix changes
- Expenses associated with commodity price changes are included
- Includes acquisitions
- Price at each tier is static for the full year
- Price tiers reflect BFS composite
- Low/High ranges for sales and Adj. EBITDA set at -/+ 5%

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2022E Base Business based on single-family starts of ~1 million

Q3 2022 Financials

BUILDERS FIRSTSOURCE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(unaudited)

(in thousands, except per share amounts)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net sales	$ 5,761,463	$ 5,508,590	$ 18,368,853	$ 15,259,047
Cost of sales	3,746,731	3,796,138	12,109,601	10,893,890
Gross margin	2,014,732	1,712,452	6,259,252	4,365,157
Selling, general and administrative expenses	1,000,204	875,012	3,015,051	2,599,523
Income from operations	1,014,528	837,440	3,244,201	1,765,634
Interest expense, net	44,111	35,954	156,140	95,593
Income before income taxes	970,417	801,486	3,088,061	1,670,041
Income tax expense	232,410	188,341	723,205	387,081
Net income	$ 738,007	$ 613,145	$ 2,364,856	$ 1,282,960
Net income per share:				
Basic	$ 4.75	$ 3.00	$ 14.12	$ 6.23
Diluted	$ 4.72	$ 2.98	$ 13.98	$ 6.18
Weighted average common shares:				
Basic	155,309	204,268	167,522	205,976
Diluted	156,493	205,630	169,111	207,513

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Q3 2022 Financials

BUILDERS FIRSTSOURCE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

(in thousands)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Cash flows from operating activities:		
Net income	$ 2,364,856	$ 1,282,960
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	355,472	401,500
Deferred income taxes	(57,183)	(65,696)
Stock-based compensation expense	26,652	25,288
Net gain on sale of assets	(1,813)	(32,235)
Other non-cash adjustments	31,026	4,805
Changes in assets and liabilities, net of assets acquired and liabilities assumed:		
Receivables	(91,485)	(615,453)
Inventories	(61,926)	(321,068)
Contract assets	(32,596)	(141,058)
Other current assets	(2,982)	5,491
Other assets and liabilities	5,307	16,653
Accounts payable	(31,260)	103,006
Accrued liabilities	99,778	177,874
Contract liabilities	24,020	61,150
Net cash provided by operating activities	2,627,866	903,217
Cash flows from investing activities:		
Cash used for acquisitions, net of cash acquired	(619,551)	(898,113)
Proceeds from divestiture of business	—	76,162
Purchases of property, plant and equipment	(205,241)	(160,179)
Proceeds from sale of property, plant and equipment	7,461	11,728
Net cash used in investing activities	(817,331)	(970,402)
Cash flows from financing activities:		
Borrowings under revolving credit facility	5,267,000	2,420,000
Repayments under revolving credit facility	(5,405,000)	(2,495,000)
Proceeds from long-term debt and other loans	1,001,500	1,000,000
Repayments of long-term debt and other loans	(615,082)	(471,360)
Payments of debt extinguishment costs	(20,672)	(2,475)
Payments of loan costs	(16,797)	(17,970)
Exercise of stock options	440	537
Repurchase of common stock	(1,979,545)	(565,618)
Net cash used in financing activities	(1,768,156)	(131,886)
Net change in cash and cash equivalents	42,379	(199,071)
Cash and cash equivalents at beginning of period	42,603	423,806
Cash and cash equivalents at end of period	$ 84,982	$ 224,735
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 138,034	$ 75,531
Cash paid for income taxes	790,994	414,515
Supplemental disclosures of non-cash activities:		
Non-cash or accrued consideration for acquisitions	$ 9,985	$ 3,658,362
Accrued purchases of property, plant and equipment	12,711	13,164
Right-of-use assets obtained in exchange for operating lease obligations	89,400	49,135
Assets acquired under finance lease obligations	—	1,644
Amounts accrued for repurchases of common stock	41,826	30,756

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Q3 2022 Financials

BUILDERS FIRSTSOURCE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited)

(in thousands, except per share amounts)	September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 84,982	$ 42,603
Accounts receivable, less allowances of $54,156 and $39,510 at September 30, 2022 and December 31, 2021, respectively	1,924,912	1,708,796
Other receivables	268,694	255,075
Inventories, net	1,758,881	1,626,244
Contract assets	240,346	207,587
Other current assets	142,316	127,964
Total current assets	4,420,131	3,968,269
Property, plant and equipment, net	1,491,622	1,385,441
Operating lease right-of-use assets, net	500,031	457,833
Goodwill	3,453,340	3,270,192
Intangible assets, net	1,637,358	1,603,409
Other assets, net	35,216	29,199
Total assets	$ 11,537,698	$ 10,714,343
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,087,994	$ 1,093,370
Accrued liabilities	850,758	718,904
Contract liabilities	250,166	216,097
Current portion of operating lease liabilities	100,972	96,680
Current maturities of long-term debt	3,837	3,660
Total current liabilities	2,293,727	2,128,711
Noncurrent portion of operating lease liabilities	414,911	375,289
Long-term debt, net of current maturities, discounts and issuance costs	3,169,429	2,926,122
Deferred income taxes	304,939	362,121
Other long-term liabilities	130,089	119,619
Total liabilities	6,313,095	5,911,862
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, $0.01 par value, 10,000 shares authorized; zero shares issued and outstanding	—	—
Common stock, $0.01 par value, 300,000 shares authorized; 148,994 and 179,820 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	1,490	1,798
Additional paid-in capital	4,252,851	4,260,670
Retained earnings	970,262	540,013
Total stockholders' equity	5,224,603	4,802,481
Total liabilities and stockholders' equity	$ 11,537,698	$ 10,714,343

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Reconciliations

BUILDERS FIRSTSOURCE, INC. AND SUBSIDIARIES
Reconciliation of Adjusted Non-GAAP Financial Measures to their GAAP Equivalents
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,
(in millions)	2022	2021	2022	2021	2022
Reconciliation to Adjusted EBITDA:					
GAAP net income	$ 738.0	$ 613.1	$ 2,364.9	$ 1,283.0	$ 2,807.3
Acquisition and integration expense	23.3	17.7	53.4	107.5	71.9
Debt issuance and refinancing cost (1)	-	-	27.4	4.6	30.8
Amortization expense	76.7	92.3	212.5	261.6	309.0
Tax-effect of adjustments to net income	(24.0)	(26.4)	(70.4)	(89.7)	(98.8)
Adjusted net income	$ 814.0	$ 696.7	$ 2,587.8	$ 1,567.0	$ 3,120.2
Weighted average diluted common shares	156.5	205.6	169.1	207.5	
Diluted adjusted net income per share:	$ 5.20	$ 3.39	$ 15.30	$ 7.55	
Reconciling items:					
Depreciation expense	$ 49.0	$ 47.7	$ 143.0	$ 139.9	$ 192.4
Interest expense, net	44.1	36.0	128.7	91.0	165.6
Income tax expense	256.4	214.7	793.6	476.8	961.1
Stock compensation expense	8.5	6.2	26.7	18.9	32.8
Gain on sale and asset impairments	(1.3)	(25.7)	(2.0)	(27.4)	(1.1)
Other management-identified adjustments (2)	1.1	0.3	1.9	0.7	2.1
Adjusted EBITDA	$ 1,171.8	$ 975.9	$ 3,679.7	$ 2,266.9	$ 4,473.1
Adjusted EBITDA margin	*20.3%*	*17.7%*	*20.0%*	*14.9%*	*19.4%*

(1) Costs associated with issuing and extinguishing long term debt in 2021 and 2022.
(2) Primarily relates to severance and other one-time costs.

Reconciliations

BUILDERS FIRSTSOURCE, INC. AND SUBSIDIARIES
Financial Data
(unaudited)

(in millions, except per share amounts)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net sales	$ 5,761.5	$ 5,508.6	$ 18,368.9	$ 15,259.0
Cost of sales	3,746.8	3,796.1	12,109.6	10,893.8
Gross margin	2,014.7	1,712.5	6,259.3	4,365.2
Gross margin %	*35.0%*	*31.1%*	*34.1%*	*28.6%*
Adjusted SG&A/Other (excluding depreciation and amortization) as a % of sales (1)	*14.6%*	*12.9%*	*14.0%*	*13.7%*
Adjusted EBITDA	1,171.8	975.9	3,679.7	2,266.9
Adjusted EBITDA margin %	*20.3%*	*17.7%*	*20.0%*	*14.9%*
Depreciation expense	(49.0)	(47.7)	(143.0)	(139.9)
Interest expense, net of debt issuance cost and refinancing	(44.1)	(36.0)	(128.7)	(91.0)
Income tax expense	(256.4)	(214.7)	(793.6)	(476.8)
Other adjustments	(8.3)	19.2	(26.6)	7.8
Adjusted net income	$ 814.0	$ 696.7	$ 2,587.8	$ 1,567.0
Basic adjusted net income per share:	$ 5.24	$ 3.41	$ 15.45	$ 7.61
Diluted adjusted net income per share:	$ 5.20	$ 3.39	$ 15.30	$ 7.55
Weighted average common shares				
Basic	155.3	204.3	167.5	206.0
Diluted	156.5	205.6	169.1	207.5

(1) Adjusted SG&A and other as a percentage of sales is defined as GAAP SG&A less depreciation and amortization, stock compensation, acquisition, integration and other expenses.

Reconciliations

BUILDERS FIRSTSOURCE, INC. AND SUBSIDIARIES
Interest Reconciliation
(unaudited)

(in millions)	**Three Months Ended September 30, 2022** Interest Expense	**Three Months Ended September 30, 2022** Net Debt Outstanding	**Nine Months Ended September 30, 2022** Interest Expense	**Nine Months Ended September 30, 2022** Net Debt Outstanding
2032 Unsecured notes @ 4.25%	$ 13.8	$ 1,300.0	$ 40.6	$ 1,300.0
2032 Unsecured notes @ 6.375%	11.2	700.0	13.1	700.0
2030 Unsecured notes @ 5.00%	6.9	550.0	20.6	550.0
2027 Secured notes @ 6.75%	-	-	18.9	-
Revolving credit facility @ 3.40% weighted average interest rate	5.8	450.0	16.4	450.0
Amortization of debt issuance costs, discount and premium	1.2	-	3.7	-
Finance leases and other finance obligations	5.2	205.2	15.3	205.2
Debt issuance and refinancing cost	-	-	27.4	-
Cash	-	(85.0)	-	(85.0)
Total	$ 44.1	$ 3,120.2	$ 156.0	$ 3,120.2

(in millions)	**Three Months Ended September 30, 2022**	**Nine Months Ended September 30, 2022**
Free Cash Flow		
Operating activities	$ 1,500.8	$ 2,627.9
Less: Capital expenditures, net of proceeds	(83.6)	(197.8)
Free cash flow	$ 1,417.2	$ 2,430.1

Builders FirstSource

Reconciliations

BUILDERS FIRSTSOURCE, INC. AND SUBSIDIARIES
Sales by Product Category
(unaudited)

	Three Months Ended September 30,				
	2022		2021		
(in millions)	Net Sales	% of Net Sales	Net Sales	% of Net Sales	% Change
Manufactured products	$ 1,478.2	25.7%	$ 1,259.3	22.9%	17.4%
Windows, doors & millwork	1,294.1	22.5%	883.4	16.0%	46.5%
Value-added products	2,772.3	48.1%	2,142.7	38.9%	29.4%
Specialty building products & services	1,172.9	20.3%	960.1	17.4%	22.2%
Lumber & lumber sheet goods	1,816.3	31.5%	2,405.8	43.7%	-24.5%
Total net sales	$ 5,761.5	100.0%	$ 5,508.6	100.0%	4.6%

	Nine Months Ended September 30,				
	2022		2021		
(in millions)	Net Sales	% of Net Sales	Net Sales	% of Net Sales	% Change
Manufactured products	$ 4,541.4	24.7%	$ 3,208.9	21.0%	41.5%
Windows, doors & millwork	3,539.1	19.3%	2,473.5	16.2%	43.1%
Value-added products	8,080.5	44.0%	5,682.4	37.2%	42.2%
Specialty building products & services	3,301.4	18.0%	2,805.4	18.4%	17.7%
Lumber & lumber sheet goods	6,987.0	38.0%	6,771.2	44.4%	3.2%
Total net sales	$ 18,368.9	100.0%	$ 15,259.0	100.0%	20.4%