



OUTPERFORM TODAY. TRANSFORM TOMORROW.

# Corporate Presentation

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June 2024



# Safe Harbor and Non-GAAP Financial Measures

## Cautionary Notice

Statements in this presentation 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, intentions or strategies for the future, may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 Company's growth strategies, including gaining share and its digital strategies, or the Company's revenues and operating results being highly dependent on, among other things, the homebuilding industry, lumber prices and macroeconomic trends, including interest rates and potential 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 presentation 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 EBITDA, adjusted EBITDA margin, 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 May 7, 2024.

# Why Invest With BFS

**Builders FirstSource** is the largest U.S. supplier of building products, prefabricated components, and value-added services to the professional builder for new residential construction and repair and remodeling.



**Industry Leader.** Differentiated position in fragmented market with growing portfolio of value-added products and solutions across diverse geographies and end markets nationwide



**Focusing on Innovation.** Investing in value-added solutions and operational excellence to solve customer pain points such as labor availability and jobsite productivity, while fueling our profitable growth



**Accelerating Digital Adoption and Scale.** Our Digital Tools are driving greater efficiency across homebuilding, enhancing our product offerings, and creating value for customers



**Strong Financial Position.** Fortress balance sheet, low net leverage profile, cost/operating discipline, and exceptional cash flow generation provide us with the strength and flexibility to create value over the long term



**Compounding Shareholder Value.** Disciplined capital allocation approach with a focus on investing in the business, accretive bolt-on acquisitions, and returning cash to shareholders through share repurchases driven by strong cash flow generation



# Builders FirstSource Snapshot (NYSE: BLDR)

## KEY STATS

**Irving, TX**  
Headquarters

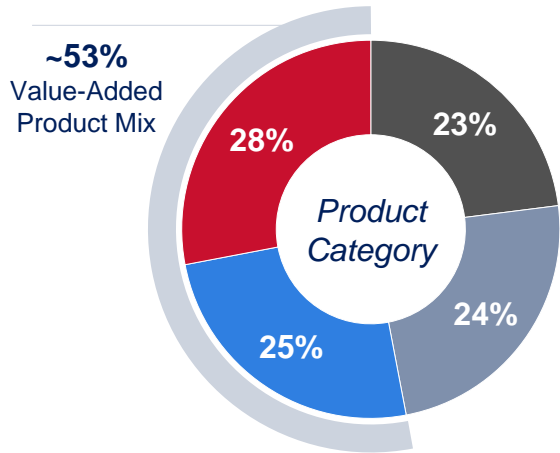
**~\$20.6B**  
Market-Cap<sup>1</sup>

**>28K**  
Employees

**\$17.1B**  
Net Sales

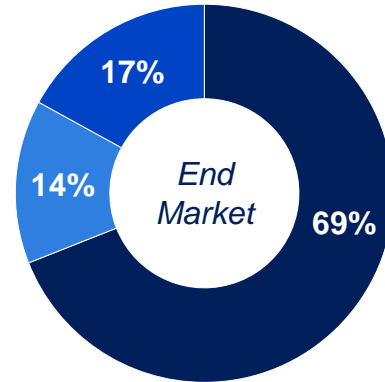
**\$2.9B**  
Adj. EBITDA<sup>2</sup>

**\$1.9B**  
FCF<sup>2</sup>



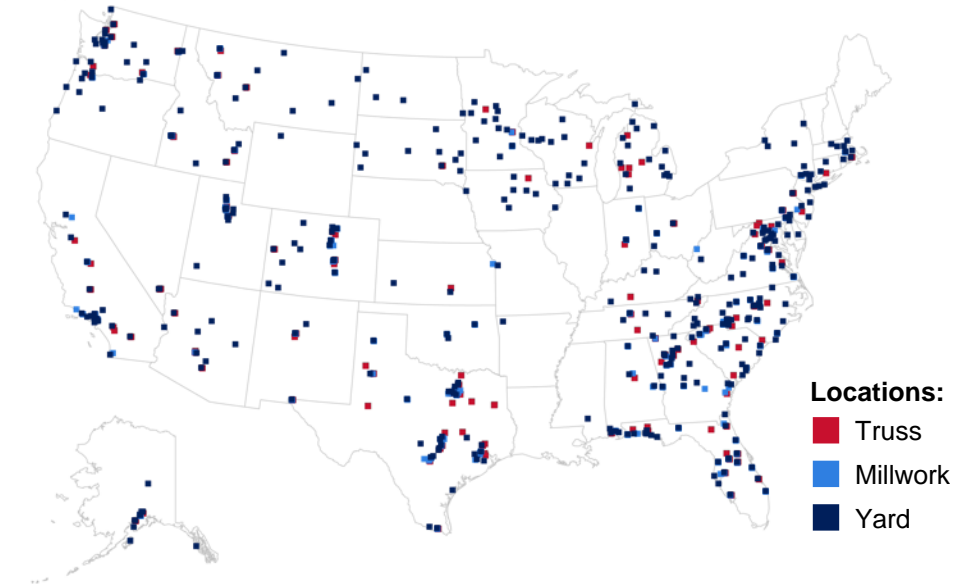
- Specialty Building Products & Services
- Lumber & Lumber Sheet Goods
- Manufactured Products
- Windows, Doors & Millwork

## 2023 Net Sales Breakdown



- Single-Family
- Multi-Family
- Repair & Remodel / Other

## NATIONAL REACH. LOCAL EXPERTISE.



Locations:

- Truss
- Millwork
- Yard

**~570**  
Locations  
(>280 Value-Added Product Operations<sup>3</sup>)

**90**  
of Top 100 MSAs Served

**48**  
of Top 50 MSAs Served

**43**  
States Served

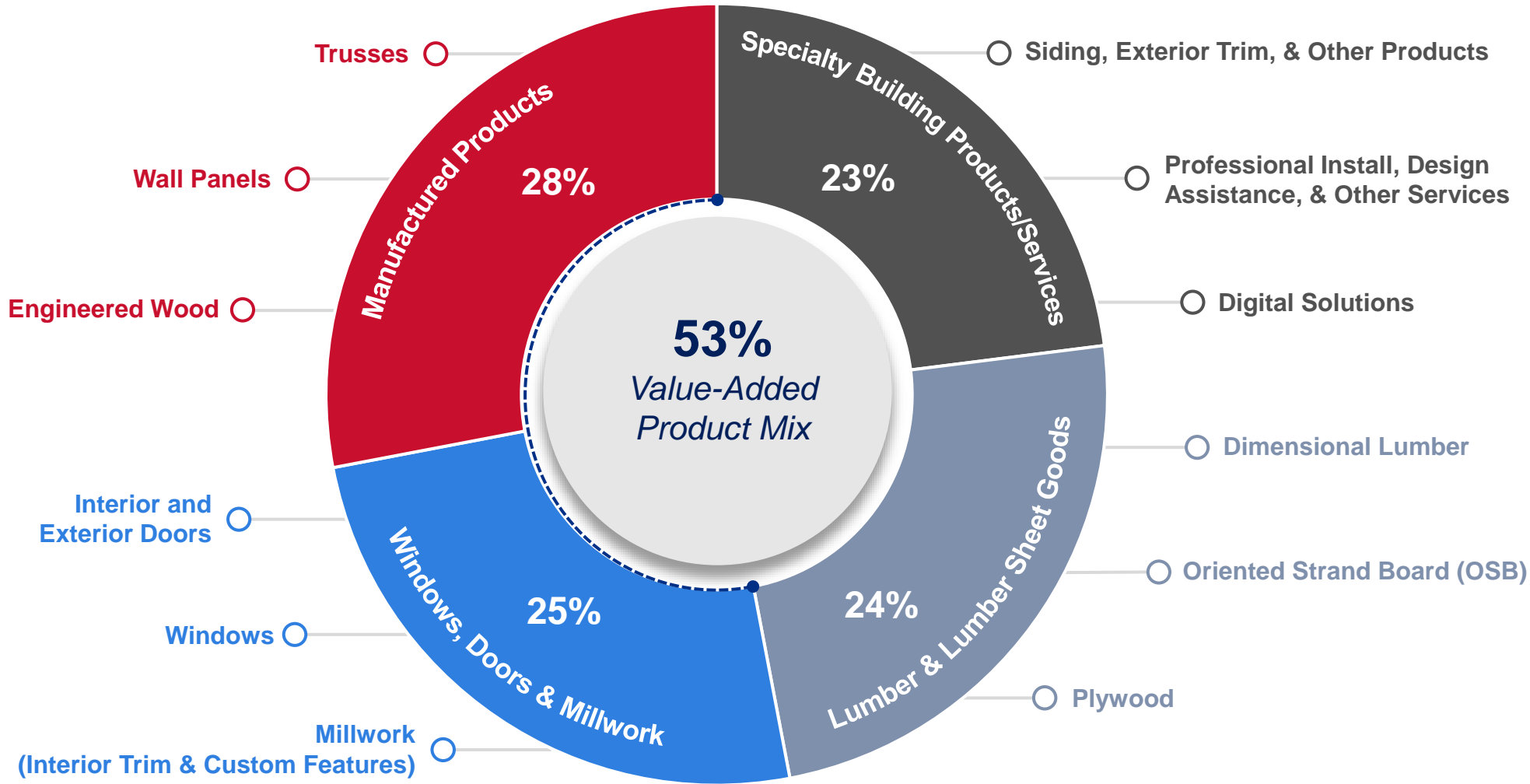
**Largest U.S. Supplier of Building Products, Prefabricated Components, and Value-Added Services to the Professional Builder**

<sup>1</sup> Source: FactSet as of 12/29/2023.

<sup>2</sup> Adjusted EBITDA and Free Cash Flow (or FCF) are non-GAAP financial measures. Please see the appendix hereto for reconciliations to their most closely related GAAP financial measures.

<sup>3</sup> Includes components (truss & wall panel) and millwork operations. As disclosed at Investor Day on 12/5/23.

# Builders FirstSource – What We Do



Note: FY 2023 product mix as disclosed on Q4 2023 earnings call on 2/22/24.

# Advantages of Manufactured Products

## Manufactured Products

- Floor and Roof Trusses
- Wall Panels
- Engineered Wood Products
- READY-FRAME® – Optimized Framing Solutions



## Why Frame with Components?

### Better

- Computerized designs reduce mistakes and optimize material usage, leading to lower costs

### Faster

- Components are pre-cut and/or assembled, saving labor and time

### Safer

- Less cutting on the job reduces injury risk for a safer and cleaner jobsite

### Lower Waste

- Put less in the dumpster
- Reduce disposal fees
- Cleaner site

## Benefits of Framing with Components vs. Traditional Stick Framing

**~223.4**  
Hours Saved<sup>1</sup>

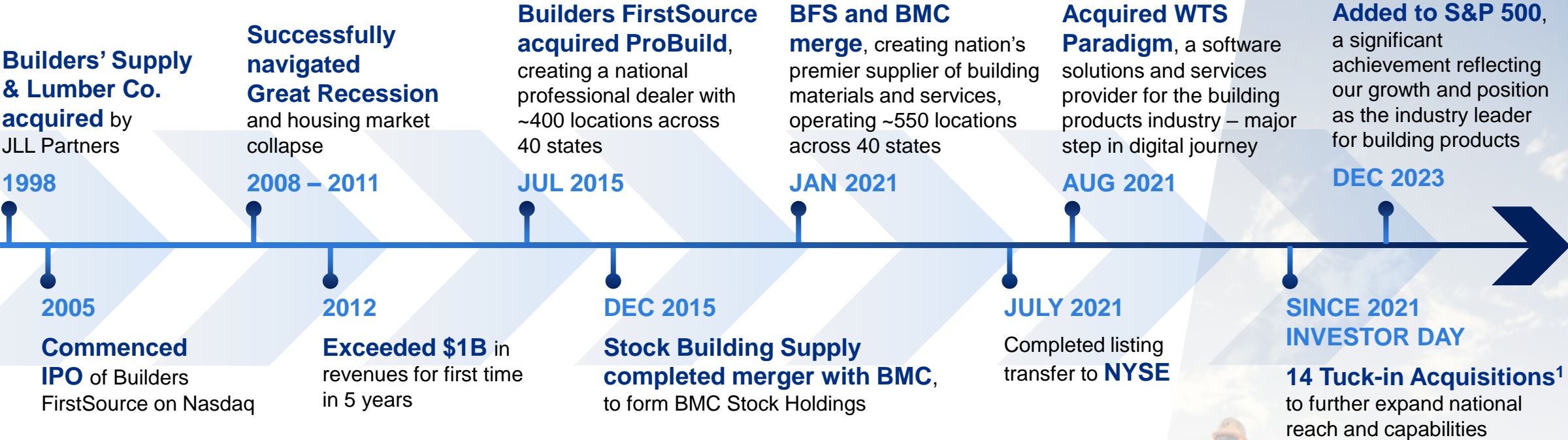
**~25%**  
Less Wood Used<sup>1</sup>

**~220K**  
Tons of CO<sub>2</sub>e Avoided<sup>2</sup>

<sup>1</sup> Data from Structural Building Components Association (SBCA) bestwaytoframe.com. Benefits when two identical homes are built side by side.

<sup>2</sup> Calculation includes roof and floor trusses, wood panels, and READY-FRAME®.

# Company History – Respect the Past, Embrace the Future



Continuing to Take Transformative Actions to Accelerate Our Lead

<sup>1</sup> As of 12/31/23

# We Continue to Transform the Homebuilding Industry

## Key Accomplishments Since the 2021 Merger

- Delivered organic sales growth and margin expansion
- Drove strong M&A execution and track record
- Accelerated digital transformation

## Transformative Actions Underway

- Diversifying value-added products and services
- Evolving and improving product mix with a focus on digital tools and capabilities
- Investing in manufacturing automation (\$130M<sup>1</sup> since 2020) to drive operational excellence and address labor challenges

## Continued Leadership Focus

- Exceptional leadership team with an average of >30 years field leadership experience, providing deep bench strength
- Foster commercial and operational excellence
- Drive continued growth of value-added solutions, driving sustained double-digit Adjusted EBITDA margins with less reliance on lumber
- Maintain fortress balance sheet and compound value through disciplined capital allocation

## Consistent and Clear Strategy to Compound Shareholder Value

<sup>1</sup> As disclosed at Investor Day on 12/5/23

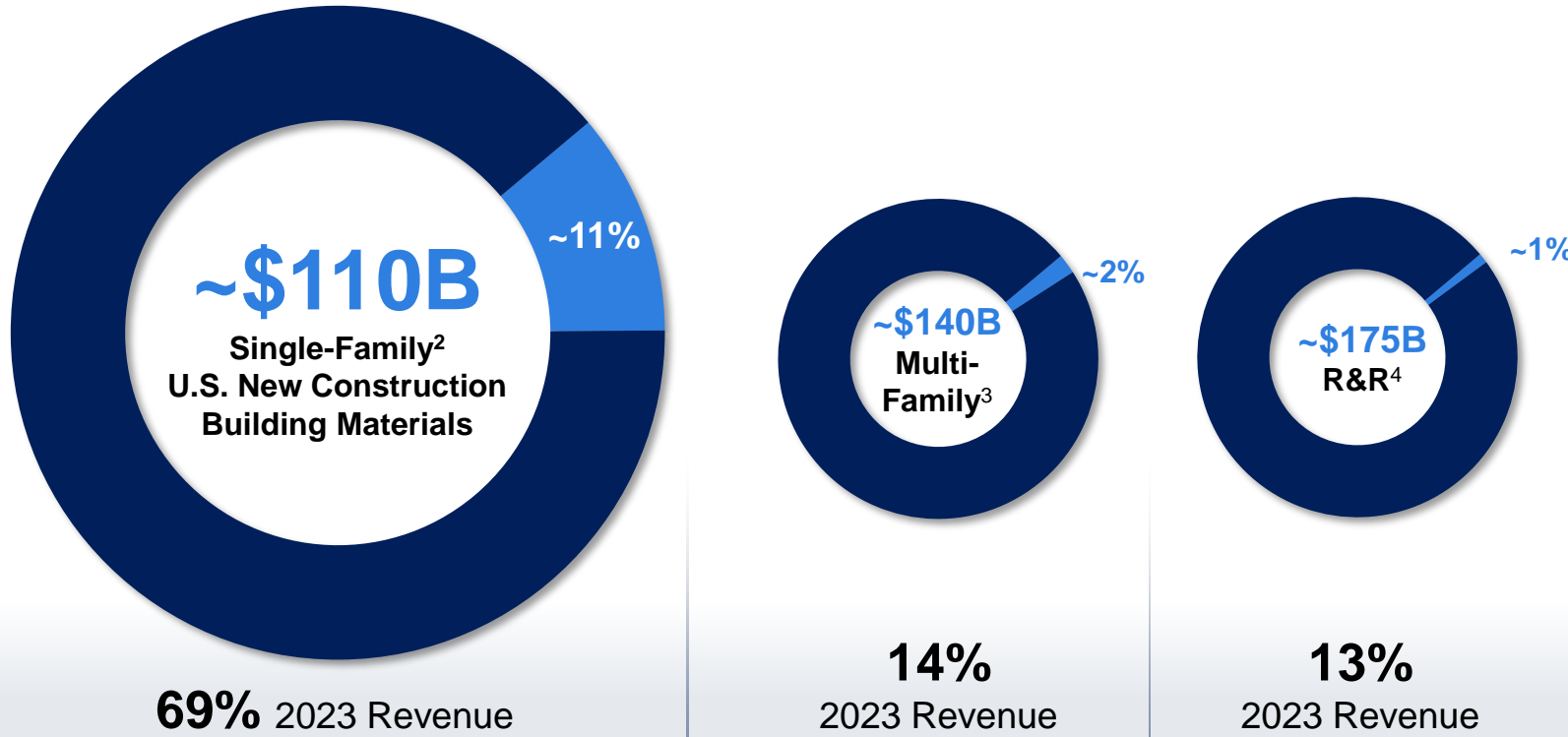
\* Non-GAAP financial measures; see Appendix for reconciliations to the most directly comparable GAAP financial measures.



# Well-Positioned for Above-Market Growth in the Future

**\$17.1B BLDR 2023 Revenue<sup>1</sup>**

Total Addressable Market (■% BLDR Share)



## Positive Momentum and Clear Path Toward Additional Gains Driven by

- 1 Growing share with existing customers
- 2 Expanding product offerings
- 3 Increasing value-added products
- 4 Capturing market share in under-penetrated geographies
- 5 Delivering our digital solutions

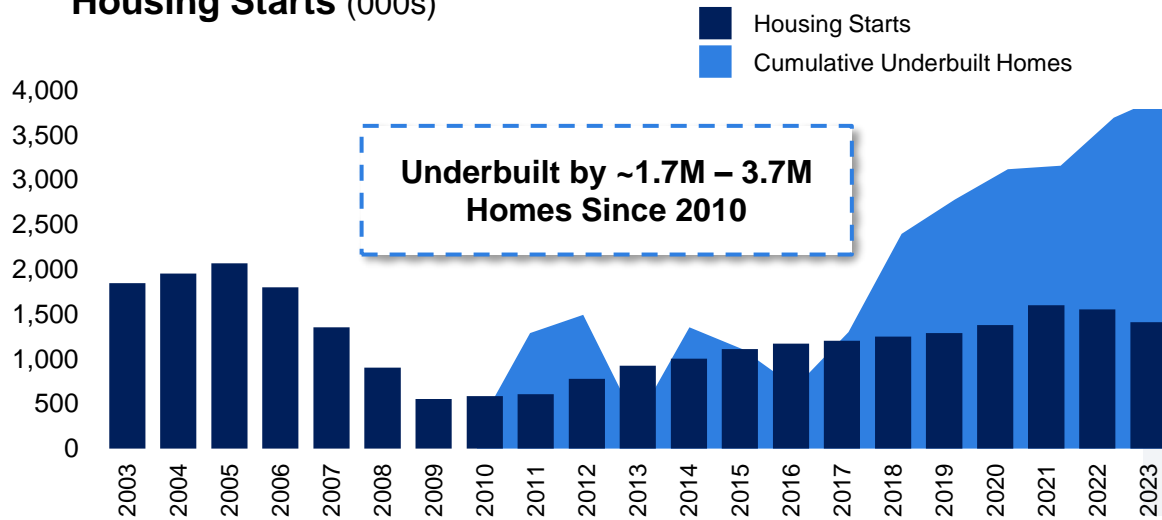
<sup>1</sup> Percent of 2023 Revenue will not foot to 100% for Single-Family, Multi-Family and R&R because Other (4%) is not included.

<sup>2</sup> Source: TAM generated using U.S. Census, Dodge, HIRI, and Company estimates of all building materials and not just the products that we sell; ~\$134k assumed materials cost per home based on Company estimates as of November 2023. Share is based on TTM September 2023 Company sales.

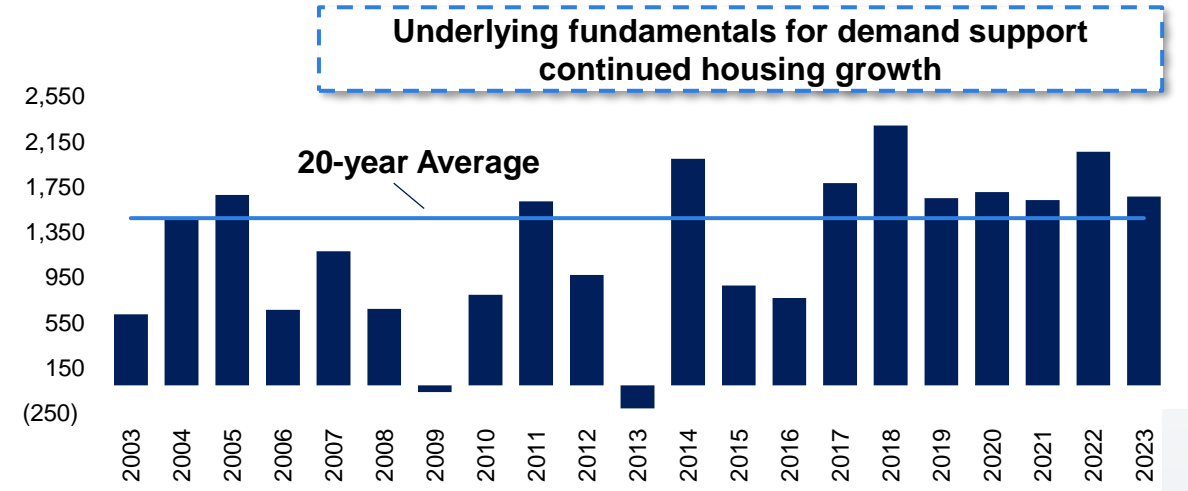
<sup>3</sup> Source: DODGE; TTM estimate as of November 2023. <sup>4</sup> Source: HIRI estimate for Professional Repair & Remodel; TTM estimate as of November 2023.

# Long-Term Housing Tailwinds Remain Intact

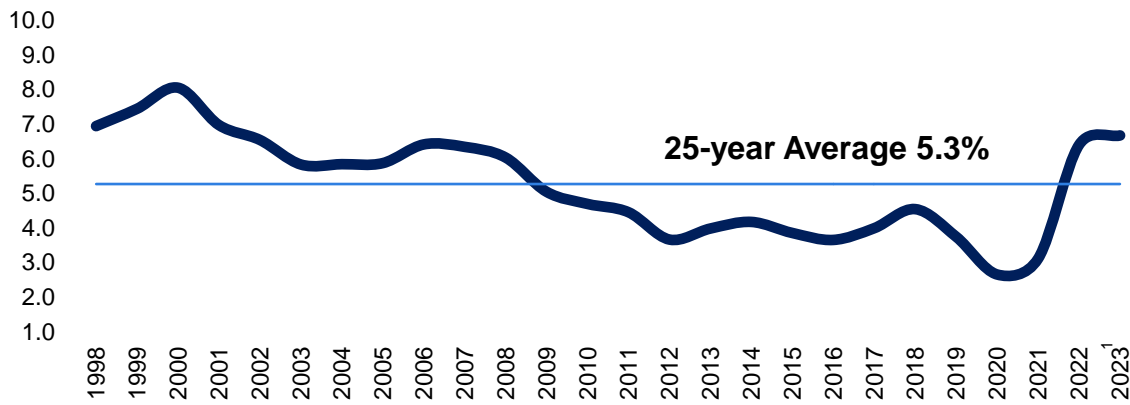
Housing Starts (000s)



YoY Growth in Households (000s)



Annual Average Rate on 30-year Fixed-Rate Mortgages<sup>1</sup> (%)



## Demographic and Economic Factors

- Homes have been underbuilt by ~1.7M - 3.7M since 2010, creating a long-term tailwind
- Current interest rates are elevated relative to historical averages, delaying household formation
- Existing home inventory for sale is at a historic low, driving home buyers to new build
- Strong case for housing to have room to run if we can be more efficient as an industry

Source: U.S. Census, Freddie Mac, MortgageNewsDaily, Evercore ISI Research, management estimates.

<sup>1</sup> As of 4/3/2024 the 30YR FRM was 7.07% sourced from MortgageNewsDaily.com.

# Our Sustainable Competitive Advantages



## PEOPLE

- Hire, train, and retain best people in industry through talent leadership programs, including BFS University
- Promote from within:  
>2,000 internal promotions since 2021 Investor Day
- Leverage systems, processes, and tools for continuous improvement
  - Rigorous talent and succession planning
  - Development plans for key talent
  - Train and develop at all levels



## SCALE

- Remain focused in top MSAs – currently serving 90 of top 100 MSAs
- Gain share in underserved markets through tuck-ins
- Maximize capacity utilization
- Maximize footprint to reduce cost to serve and improve service quality



## PRODUCT

- Focus on value-add to address customer needs (e.g., cycle time, labor, availability, and quality)
- Capitalize on automation investments for efficiency advantage in offsite fabrication
- Leverage unique capabilities to provide turnkey solutions



## DIGITAL

- Continue to lead the industry in developing digital solutions to solve builder pain points
- Win through value pricing, industry-leading logistics, labor-saving solutions, and innovative tools
- Gain share of wallet through Digital strategy

**Innovation Enhances Scale for End-to-End Solutions**

# Our -TEAM Operating System Continues to Drive Strategic Growth Priorities

## Building People

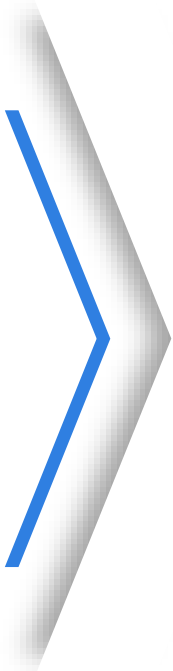
Experienced field leadership and management working to develop the next generation of talent supported by a strong, inclusive culture and values-driven approach

## Building Excellence

Drive >\$100M in annual efficiencies through our scale, continuing to invest in automation and process improvement, and leveraging the largest sales organization and offsite manufacturing network in the industry

## Building Growth

Grow our business by continuing to invest in value-added products and digital innovations to help address our customers' pain points and deliver greater efficiency across homebuilding



**Delivering Superior Value through Operational Excellence**



# Clear Strategic Pillars Driving Long-Term Profitable Growth



**Continuing to Compound Value Creation with Strong Execution**

# Significant Upside Potential in Value-Added Products and Services

- **Accelerate Market Penetration**
  - Capture Single-Family potential, especially in underserved regions and product categories
  - Grow Multi-Family and pro-remodeling segments in targeted markets
- **Offer Innovative Solutions for Customer Labor Challenges**
  - Increase offsite assembly, other innovative solutions, and jobsite productivity, while fueling our profitable growth; strong tailwind to our manufactured products
- **Deploy Capital to Grow and Increase Value-Added Solutions**
  - **Truss & Panel:** Well-positioned facilities allow us to respond to market demand
  - **Millwork:** Add capacity in key markets to meet growing demand
  - **READY-FRAME®:** Expand our geographic scale from coast to coast
- **Continue to Pursue Solutions Across the Value-Added Continuum**



Now \_\_\_\_\_ Future

OFFSITE FAB > INSTALL > TURNKEY > SHELL > MODULAR

**Evolving Further Along the Value-Added Continuum is Essential in Our Long-Term Strategy**

# Commitment to Operational Excellence and Innovation

## Create Value through Continuous Improvement Initiatives

### Scale and Integration

- PIM and SKU Consolidation
- Strategic Centralization

### Technology and Digital

- ERP and MDM
- Automation
- Nex Gen: ML, AI

### Process Improvement

- Planning and Sourcing
- Back-office Efficiency
- Operating Metric benchmarking
- Playbooks / SMEs

## Innovation and Efficiency are Key Differentiators

- Investment in value-added solutions
- Leader in truss automation
- Customer service tracking
- Pricing and cost harmonization
- Automation
- Delivery optimization



## Investing in Innovation and Enhancing Digital Solutions for Our Customers



# Delivering Productivity through Targeted Initiatives

## ACHIEVEMENTS

- **Productivity:** ~\$300M<sup>1</sup> of cumulative productivity savings, exceeding our \$100M annual target driven by improved procurement and SG&A efficiencies
- **Truss:** improved board foot per hour ~45%<sup>2</sup> since the BMC merger in January 2021
- **Millwork:** improved doors per hour by ~5% and increased overall Millwork capacity by ~21% with the installation of 7 new high-speed door lines

## Near-Term Efficiency Targets

- **Improve fleet utilization** with ~20% improvement in truck turnaround times
- **Reduce error rate** by 10% in order entry and manufacturing
- **Reduce inventory shrinkage** by 10% through specific kaizen events in component plants

Repeatable Playbook to Drive Strong Annual Productivity in Controllable Spend

<sup>1</sup> Represents sum of \$123M of 2022 productivity savings and 2023 productivity savings of \$175M.

<sup>2</sup> Adjusted to be on a same store basis.

Note: As disclosed at Investor Day on 12/5/23 through FY2023.



# Our Sales Organization is a Competitive Advantage

## Key Stats<sup>1</sup>

**~1,850**  
OUTSIDE SALES  
REPRESENTATIVES

**~1,950**  
INSIDE SALES  
REPRESENTATIVES

**~115K**  
CUSTOMERS  
SERVED

**~90%**  
CUSTOMER  
RETENTION

**~85%**  
CUSTOMERS BUYING  
2 OR MORE  
CATEGORIES

### Industry-Leading Sales Organization

>13 years average tenure of our Outside Sales Team

### Solving Builder Pain Points by Leveraging Our Network of Value-Added Components

>160 component (truss & wall panel) operations today

### Clear Sales Incentives Aligned with Long-Term Profitable Growth

>95% of sales team members are commission based

### Diversified Customer Base

Largest customer is ~5% of sales, which minimizes reliance on any one customer



<sup>1</sup> As disclosed at Investor Day on 12/5/23.

# Commercial Excellence in Action

## SOLVING PAIN POINTS FOR CUSTOMERS



**We are the easiest to do business with** given our product expertise and portfolio, footprint, and tenured sales team members



**Creating value for a range of homebuilders** through our offsite fabrication and install business, which address labor availability challenges and time to build

## Customer Segment Value Proposition

- **National** – Leader in overall scale and offsite manufacturing across an aligned, nationwide footprint that matches builder needs in our markets
- **Regional** – Leveraging our 1,800+ outside sellers to maintain relationships and strengthen builder capabilities
- **Custom** – Local coverage and expertise to support higher-touch custom homes and enhance builder image
- **Pro Remodeling** – Inside and outside sales bolster remodelers via dedicated locations and services in key markets
- **Multi-Family** – Value-added network provides footprint to deliver our best-in-class design capabilities and capacity to go where Multi-Family builders go

## BFS BENEFITS

➤ **Value-Added Growth Mix Improvement**

➤ **Margin Improvement**

➤ **Share Growth**

**Driving Meaningful Growth Through Commercial Excellence and Operational Efficiency**

# Digital Platform Expected to Fuel Long-Term Growth

Laid Out a Bold Plan at 2021 Investor Day...

...and Continue to Set the Pace for the Industry

## KEY ACCOMPLISHMENTS

- ✓ Introduced myBLDR.com customer portal, hub for greater functionality and improved user interface
- ✓ Expanded 2D and 3D modeling and estimation capabilities
- ✓ Deployed Digital Twin technology and 3D Home Configure pilot
- ✓ Set the stage for sales and operations adoption

## FOREFRONT OF DIGITAL TRANSFORMATION

- ✓ Industry leader; 3-5-year head start vs. competitors
- ✓ ~2-year head start on customer adoption
- ✓ Continuing to expand the digital solutions portfolio
- ✓ Delivering new capabilities that competitors don't offer
- ✓ Customer-centric focus with strong relationships upstream and downstream

Building on Our Vision to Digitize the Industry

# Digital Is Driving Value for Key Stakeholders Through Distinct Competitive Advantages

## Value for Key Stakeholders

### HOMEBUYER

Improved homebuying experience, design choices, understanding of cost implications, and ability to store construction documents

### HOMEBUILDER

Competitive advantage in the selling process, shorter design cycle / reduced costs, construction efficiencies, and supplier / trade connectivity

### INTEGRATED SUPPLY PARTNERS

Lower cost channel, extended reach to potential homebuyers, operational efficiencies, and improved business insights

## Competitive Advantages



**Scale and market position** to reach a fragmented customer base



**~4K sales team members** with direct and trusted homebuilder relationships



Well-positioned early in value chain with **planning and design services**



**Technical knowledge** spanning construction process



**Unmatched distribution platform** with required supply partnerships



Aspiration for digital transformation with **access to capital**

Capitalizing on Scale to Drive Innovation and Transformation



# Expanding Digital Solutions to Deliver End-to-End Capabilities – Establishing New 3D Digital Channel

## Current Industry Model



Best in our space at leveraging current industry practices to fulfill homebuilder product requirements

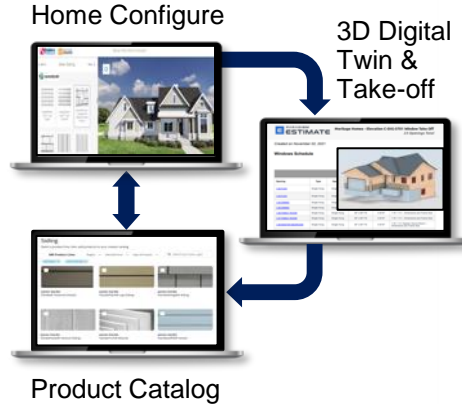
## Future State: Our New 3D Digital Channel

Semi-Automated 2D Estimating within a Collaboration Platform – myBLDR.com



Use technology to improve homebuilder value and service, create location productivity and value chain collaboration

3D Modeling Within a “Shoppable Digital Twin Experience”



Merging of technologies provides a new 3D channel for working with BFS that will also integrate with structural design

Expansion to a Whole House Take-Off with Access to a Homebuilding Marketplace



Improves homebuilder cost and timeline transparency by expanding our 3D take-off to all materials required to build a home

# Creating a Better Way to Build as Demand for Modern, Digital Solutions Continues to Grow



- Lengthy design cycle remains static in 2D blueprints
- Offline information storage results in misunderstanding of project timeline and cost
- Ongoing change requests result in an inefficient job site

- ☑ Streamlined design in a dynamic, 3D digital model
- ☑ Online collaboration provides stakeholder alignment and visibility throughout the project
- ☑ Seamless connection from design through material procurement and construction

Increase Wallet Share with Existing Customers	<b>Driving</b> <b>\$1B</b> <b>Incremental Product Revenue by 2026<sup>1</sup></b>
Grow Share with New Customers	
Expand across other Builder Segments	
Expand Shoppable Product Catalog	

## Transforming the Industry for Current and Next Generation of Homebuilders

<sup>1</sup> As disclosed in Q4 2023 earnings presentation on 2/22/24

# Our Corporate Social Responsibility Journey

## 2022

- **Published inaugural Corporate Social Responsibility Report**
- **Developed internal data collection and validation processes** to enhance reporting and establish Scope 1 and 2 greenhouse gas emissions baselines
- **Saved over 1.3 million trees** through Builders FirstSource manufactured framing components
- Awarded **2022 VETS Indexes Employer Award**
- **Launched WEBUILD** —our women-focused employee resource group
- Supported local communities with **more than \$3.2 million in charitable giving**

## 2023

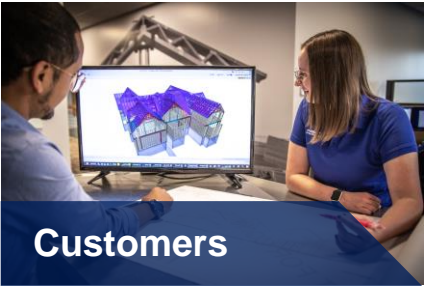
- **Published second annual Corporate Social Responsibility Report**
- Disclosed Scope 1 and 2 **greenhouse gas emissions baselines**
- Announced intent to set short-, medium-, and long-term reduction **targets for Scope 1 and Scope 2 emissions** no later than 2025
- **Developed formal Corporate Social Responsibility strategy**
- **Saved over 1.5 million trees** through Builders FirstSource manufactured framing components
- **Installed safety cameras** in over 95% of all heavy- and medium-duty trucks
- **Electrified 3.7%** of on-site material handling/forklift fleet
- **Achieved MSCI ESG “A” rating**
- Awarded **Top Workplace Award in Dallas**
- Received **6 Comparably awards**, including Best Company Culture
- Supported local communities with **over \$4 million in charitable giving**

## 2024 & BEYOND

- **Launched formal Corporate Social Responsibility strategy**
- **Published third annual Corporate Social Responsibility Report**
- **Continue assessment of key CSR policies**, including Responsible Supply Chain Policy and Code of Business Conduct and Ethics
- **Publish annual CSR report and disclosures**
- Set Scope 1 and Scope 2 **emissions reduction targets**



# Delivering Value Through Corporate Social Responsibility



## Customers

### Providing Innovative Solutions for More Sustainable Operations

Continually seek to develop new ways to deliver more efficient, safe, and sustainable building solutions

- Product Innovation
- Sustainable Materials
- Digital Tools

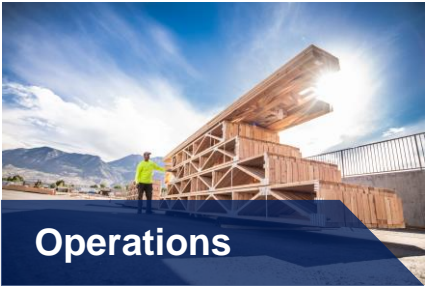


## Team Members

### Fostering a Workplace Where Safety, Careers, and Innovation Thrive

Supporting our team members and creating a workplace where everyone can thrive

- Safety
- Compensation & Benefits
- Engagement & Retention
- Development
- Respectful & Inclusive Culture



## Operations

### Operating Safely, Effectively, and Efficiently to Drive Long-Term Value

Focused on safe, effective, and efficient operations and continuous improvement to manage risk and drive value

- Environmental, Emissions, & Waste Management
- Product Quality & Safety
- Integrity
- Data Privacy & Cybersecurity
- Responsible Supply Chain



## Communities

### Making a Positive Impact in the Local Communities We Serve

Committed to excellence beyond our facilities and our teams and into the communities in which we operate

- Charitable Donations
- Volunteerism
- BFS Cares

## Key Accomplishments

- ✓ Released latest CSR report in May 2024
- ✓ ~30% RIR<sup>1</sup> reduction across the company in 2023
- ✓ >60% of all facilities were accident-free in 2023
- ✓ >95% sustainable forestry certified vendors
- ✓ ~20 average hours of training per leader
- ✓ >\$4M charitable contributions in 2023
- ✓ Disclosed our Scope 1 and Scope 2 greenhouse gas emissions for the first time in 2023

## Partnering With Our Stakeholders to Build a Sustainable Future

Source: 2024 CSR Report and company data.  
<sup>1</sup> Recordable Incident Rate.



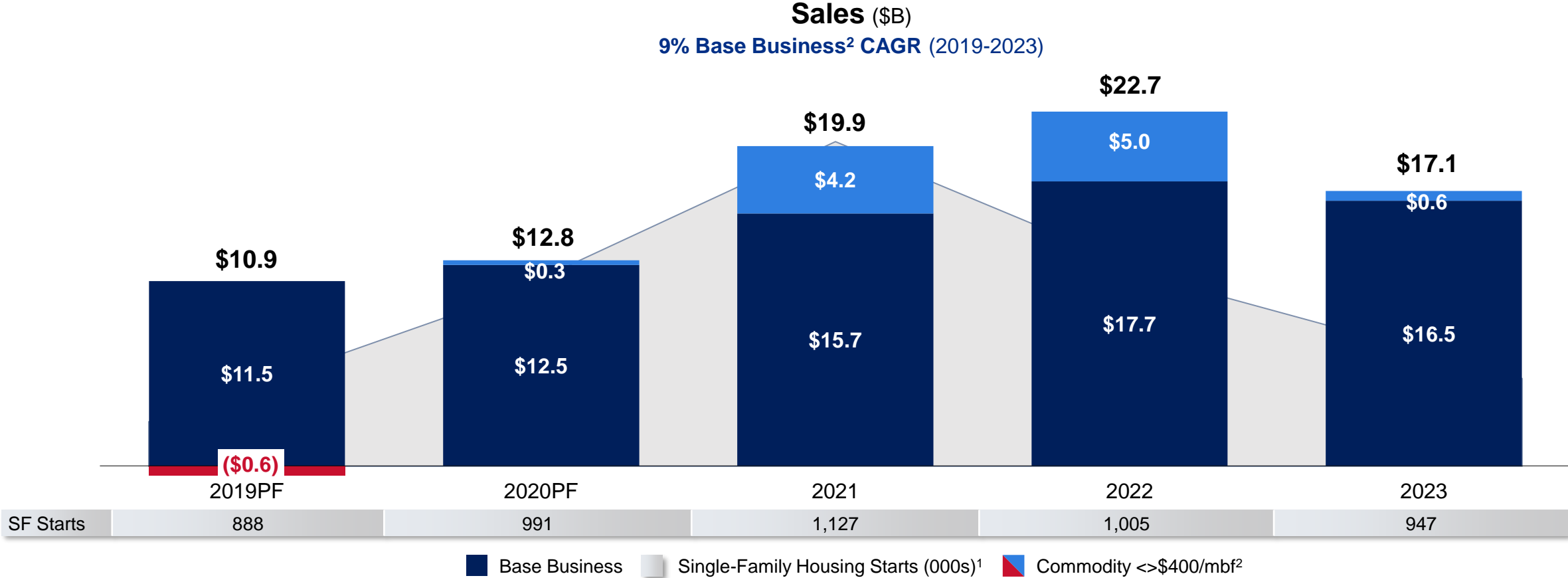
# Financial Performance

## Key Messages

- 1** Proven track record of **execution and exceptional financial results**
- 2** Driving **double-digit Adj. EBITDA margins** through the cycle and generating **robust cash flow**
- 3** **Fortress balance sheet** fuels clear capital allocation priorities to **compound value for all stakeholders**
- 4** **Well-positioned for profitable growth** as we continue to lead the industry



# Strong Historical Financial Performance



## Delivering Exceptional Results With or Without Commodity Impact

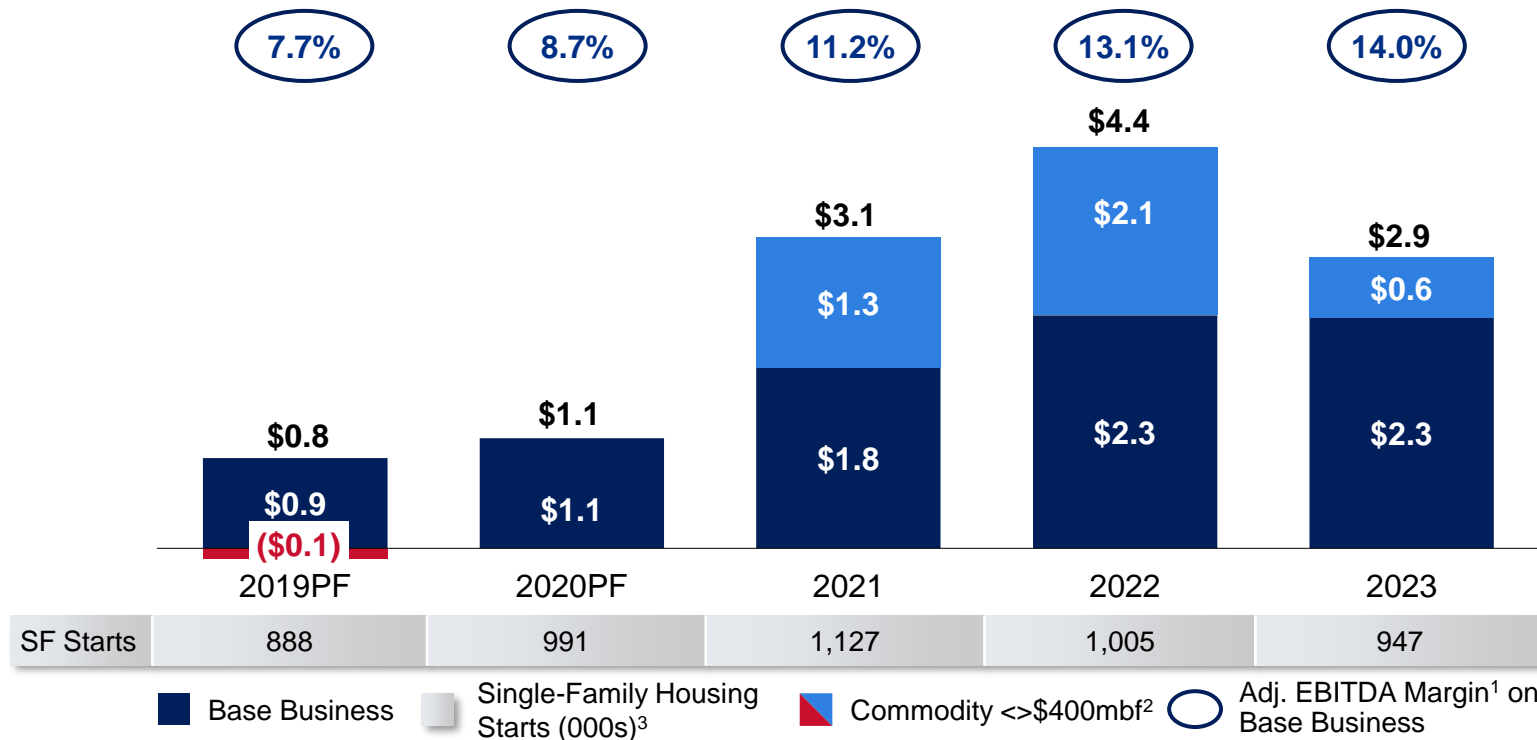
<sup>1</sup> Source: U.S. Census and Freddie Mac, Evercore ISI Research, management estimates.

<sup>2</sup> Assumes a \$400/mbf commodity price for all periods and maintained for the full year. Base Business is based on management estimates to provide investors another method for evaluating our performance. Base Business 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.

Note: 2019 and 2020 periods are pro forma for BMC earnings.

# Strong Historical Financial Performance and Margin Growth

Adjusted EBITDA<sup>1</sup> (\$B)  
26% Base Business<sup>2</sup> CAGR (2019-2023)



## Driving Double-Digit Adj. EBITDA Margins Through the Cycle

- ✓ Transformational merger with BMC in 2021 and over \$2B in sales from acquisitions since 2021
- ✓ Increased mix of value-added products and services from 42% in 2019 to 53% in 2023
- ✓ Industry-leading scale across diverse geographies and end markets
- ✓ Driving productivity savings and helping address our customers' labor challenges
- ✓ Investments in automation and Digital

## Delivering Exceptional Results With or Without Commodity Impact

<sup>1</sup> Adjusted EBITDA and Adjusted EBITDA margin are Non-GAAP financial measures. See Appendix for reconciliations to the most directly comparable GAAP financial measures.

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Note: 2019 and 2020 periods are pro forma for BMC earnings.

# Solid Progress Against Base Business<sup>1</sup> Targets

## 2021-2025E Targets (Announced at Dec. 2021 Investor Day)

## Progress to Date (2021-2023)

Revenue (\$B)	~10% CAGR	~3% CAGR
Adjusted EBITDA (\$B)	~15% CAGR	~13% CAGR
Adjusted EBITDA Margin (Annual Expansion)	~50 bps	~140 bps
Adjusted EPS	~30% CAGR	~41% CAGR

## Compounding Strong Financial Results in a Lower Starts Environment

<sup>1</sup> Assumes a \$400/mbf commodity price for all periods and maintained for the full year. Base Business is based on management estimates to provide investors another method for evaluating our performance. Base Business 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. .

\* Non-GAAP financial measures; see Appendix for reconciliations to the most directly comparable GAAP financial measures.



# New 2026E Base Business<sup>1</sup> Targets

## NEW 2024E-2026E TARGETS

## KEY DRIVERS

Revenue

**~9% CAGR**

- Low- to mid-single-digit market growth
- Grow top-line faster than market as Single-Family returns to 1.1M starts
- Digital ramp up and value-added products expansion
- Continued tuck-in M&A

Adj. EBITDA

**~12% CAGR**

- Favorable value-added product mix
- Merger and acquisition synergies
- Operational and commercial excellence
- Increased operating leverage

Adj. EBITDA Margin

**~30 bps Expansion Annually**

Adj. EPS

**~17% CAGR**

- Organic and ongoing inorganic growth
- Ongoing share buybacks
- Base Business leverage of 1.0x to 2.0x

**Deployable Capital<sup>2</sup> of \$5.5B to \$8.5B from 2024E to 2026E**

<sup>1</sup> Assumes a \$400/mbf commodity price for all periods and maintained for the full year. Base Business is based on management estimates to provide investors another method for evaluating our performance. Base Business 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. .

<sup>2</sup> Deployable capital includes Organic Growth, which is inclusive of capital expenditures. Target assumes 1.0x to 2.0x Base Business leverage ratio.

\* Non-GAAP financial measures; see Appendix for reconciliations to the most directly comparable GAAP financial measures.

# Positioned to Outperform in All Market Scenarios



## Weaker Economy

- ✓ Manage fixed costs and overhead
- ✓ Right-size network and optimize capacity across plants and yards
- ✓ Accelerate productivity projects
- ✓ Moderate CapEx where appropriate
- ✓ Opportunistically capture market share

## Stronger Economy

- ✓ Accelerate digital and technology transformation
- ✓ Identify and accelerate strong ROI projects
- ✓ Utilize excess FCF to increase share repurchases
- ✓ Leverage cost discipline to capitalize on economies of scale and expand margins

## Ongoing Actions

Efficient capacity utilization and footprint optimization

Balance need for variable cost reduction and future capacity

Strong cash flow generation and focused capital expenditures

Working capital closely aligned to demand signals

## BFS ADVANTAGES

Industry-Leading Scale

Operational Excellence

Significant FCF Generation

Fortress Balance Sheet

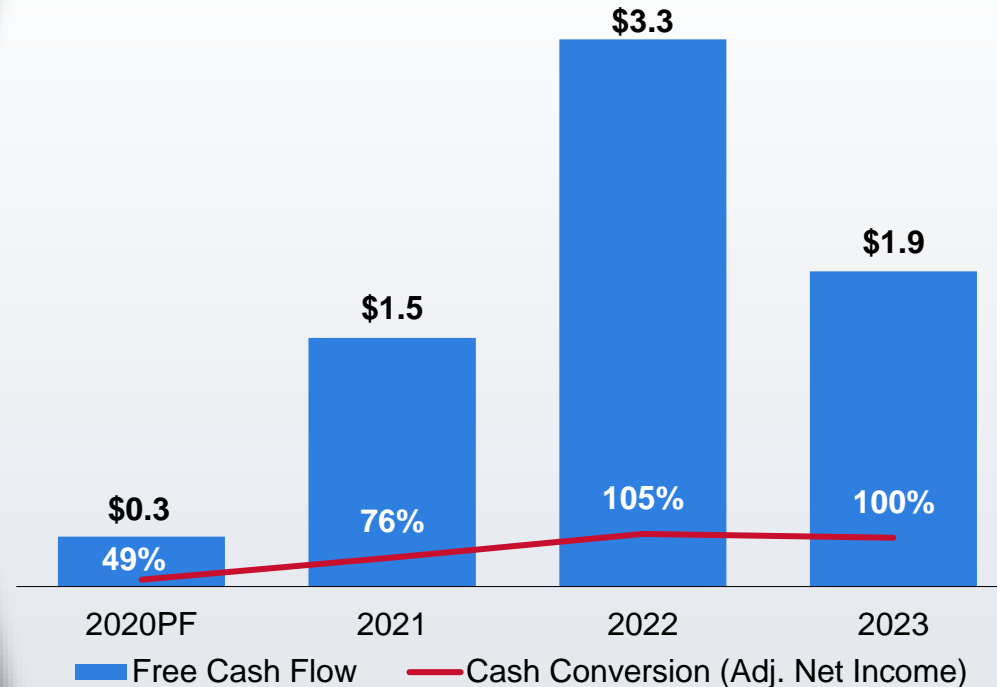
Multiple Levers to Further Compound Value for All Stakeholders

# Strong Cash Flow Generation and Disciplined Working Capital Management

## High Cash-Generating Business

- Low Maintenance CapEx requirement: 1.5% to 2% of sales
- Release large amount of working capital that flexes with the size of the top line: ~10% incremental and decremental to sales
- Cash conversion is generally around two-thirds of Adjusted EBITDA or 100% of Adjusted Net Income on the Base Business

## Substantial FCF (\$B) & Cash Conversion (%)



## Effective Capital Allocation

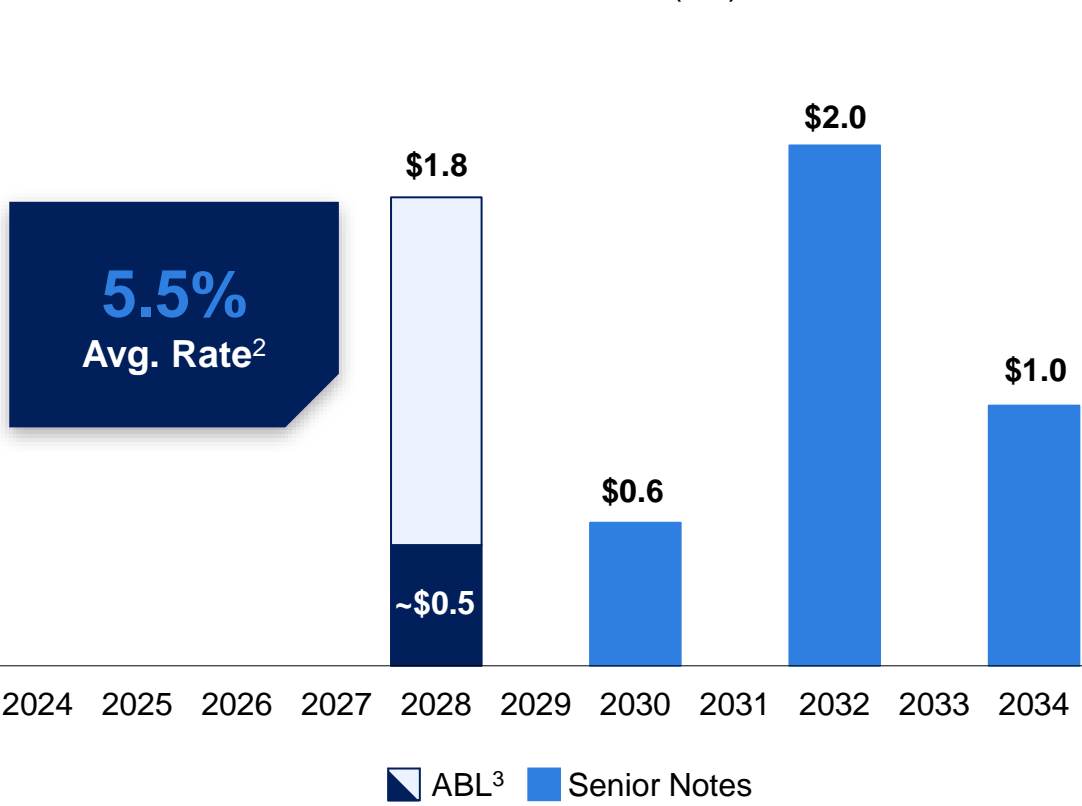
- Strong FCF provides financial flexibility and multiple paths for capital deployment
- Support growth both organically and strategic tuck-in acquisitions
- Ongoing and disciplined repurchases at attractive long-term cost basis

## Robust FCF Generation Creates Shareholder Value

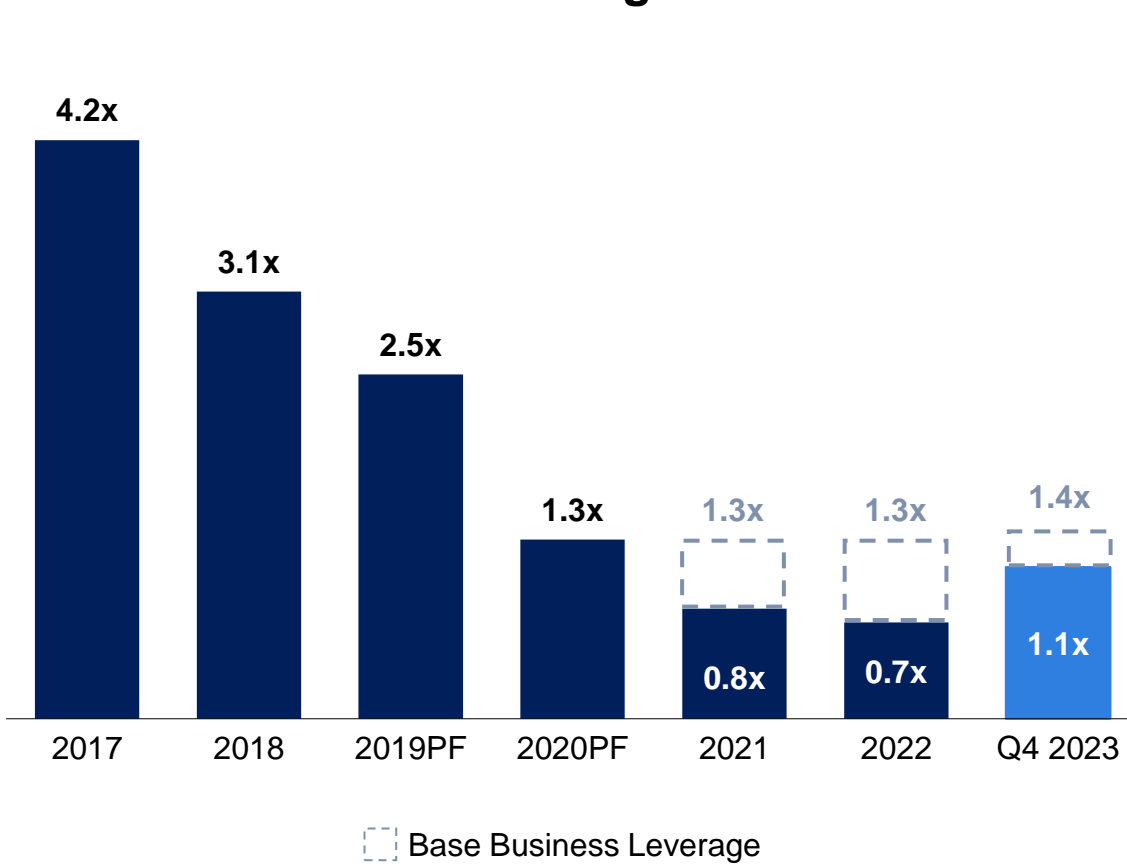
\* Non-GAAP financial measures; see Appendix for reconciliations to the most directly comparable GAAP financial measures.  
Note: 2020 is pro forma for BMC earnings.

# Fortress Balance Sheet and Liquidity Provide Financial Resilience

Weighted Average Debt Maturity of ~7 Years<sup>1</sup> (\$B)



Low Net Leverage<sup>4</sup> Profile



<sup>1</sup> As of 12/29/23. Excludes finance leases and other finance obligations. Solid shading on ABL reflects usage at year-end 2023. 2030 balance is a \$550M note at 5.00%. 2032 balance includes \$1.3B of 4.25% and \$0.7B of 6.375% notes.

<sup>2</sup> Average rate as of 12/29/23.

<sup>3</sup> As of 12/29/23.

<sup>4</sup> Net leverage is calculated as principal value of debt and lease obligations less cash and cash equivalents divided by LTM Adjusted EBITDA. Adjusted EBITDA is a non-GAAP financial measure. Please see the appendix hereto for reconciliations to their most closely related GAAP financial measures.

Note: 2019 and 2020 periods are pro forma for BMC earnings.

# Disciplined Capital Deployment Framework

## Consistent Capital Allocation Priorities

### 1. Maintain Strong Balance Sheet

- Target Base Business leverage ratio of 1.0x to 2.0x

### 2. Organic Growth

- Drive productivity and growth with growth investments

### 3. Inorganic Growth

- Pursue margin accretive deals with strategic, tuck-in M&A

### 4. Return Capital to Shareholders

- Continue opportunistic share repurchases

## Successfully Deployed ~\$2.5B in 2023

**\$1.8B** deployed to repurchase common shares

**\$0.3B** deployed on 7 acquisitions to expand our footprint into high-growth geographies and enhance our value-added offerings

**\$0.4B** allocated to ROI-generating growth investments including Digital and automation

## Successfully Deployed ~\$6.1B From 2022 to 2023

➤ **\$4.4B** deployed to repurchase common shares

➤ **\$0.9B** deployed on 13 acquisitions to expand our footprint into high-growth geographies and enhance our value-added offerings

➤ **\$0.8B** allocated to ROI-generating growth investments including Digital and automation

**Introduced New Deployable Capital Goal of \$5.5B to \$8.5B from 2024E to 2026E at 2023 Investor Day**

\* Non-GAAP financial measures; see Appendix for reconciliations to the most directly comparable GAAP financial measures.



# Clear and Strategic Approach to Tuck-in M&A

## STRATEGIC FILTERS

### ① Fit

- Growth mindedness
- Cultural alignment
- Key leaders aligned

### ② Product

- Value add / specialty (e.g., Components, Millwork, Install)
- Lumber only as an add-on or foundation for growth (i.e., leader)

### ③ Size

- Advance leadership position in desirable geographies
- Enhance relative market strength (RMS) in key products

## FINANCIAL CRITERIA

IRR > Cost of Capital

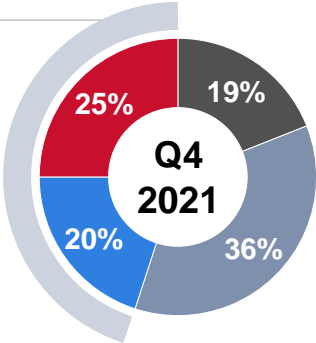
Clear Synergy Opportunities

# Strong Track Record of Disciplined M&A

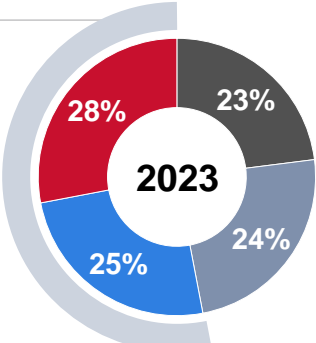
## DRIVING STRONG OPERATIONAL AND FINANCIAL BENEFITS

**800 bps**  
Growth in  
Value-Added  
Product Mix

~45%  
Value-  
Added  
Product  
Mix

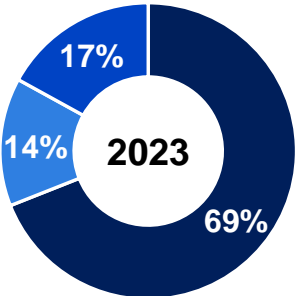
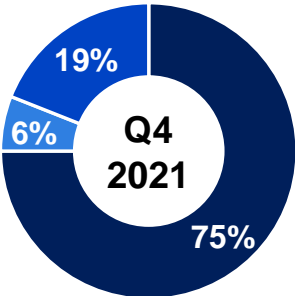


~53%  
Value-  
Added  
Product  
Mix



- Specialty Building Products & Services
- Lumber & Lumber Sheet Goods
- Windows, Doors & Millwork
- Manufactured Products

**800 bps**  
Growth in  
Multi-Family  
as % of Mix



- Single-Family
- Multi-Family
- Repair & Remodel/Other

### Key Impacts

- Continue to leverage M&A as an accelerator of our growth strategy
- Fill in market gaps
- Explore end markets / service expansion
- Optimize buy vs. build capabilities (i.e., Greenfield)

**14** Successful Acquisitions  
Completed Since 2021 Investor Day<sup>1</sup>

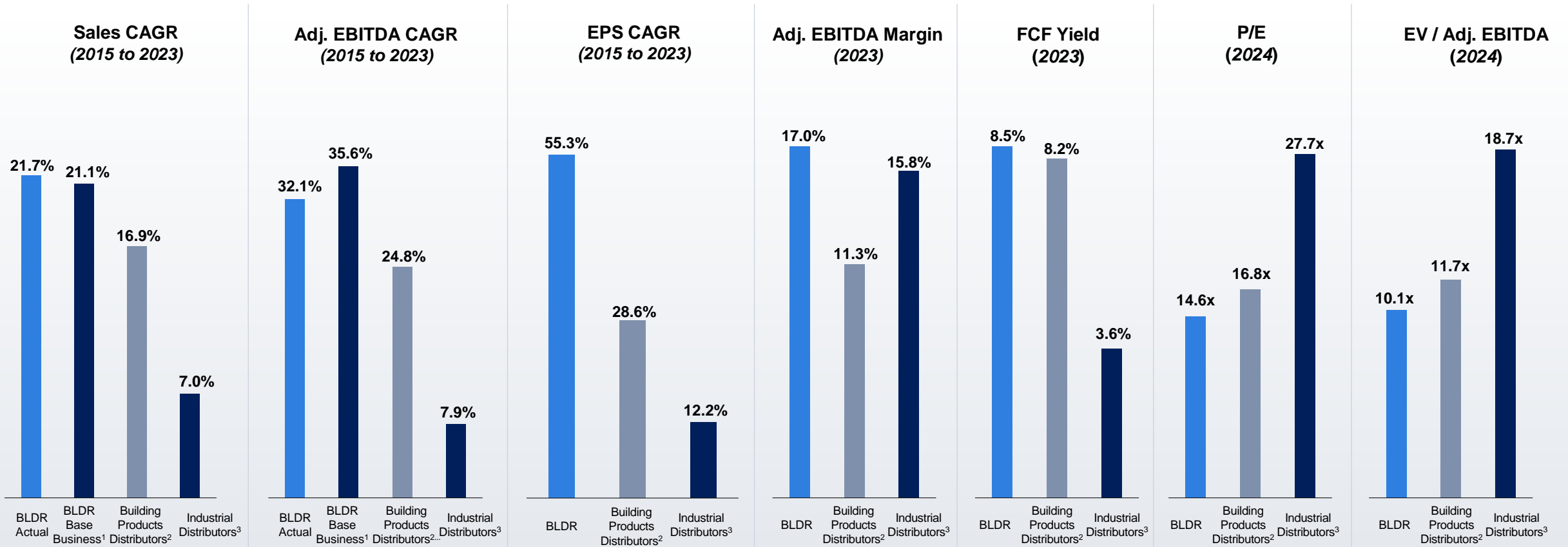


Successfully Integrated >60 Acquisitions<sup>2</sup> Since 1998 Leveraging Disciplined Playbook

<sup>1</sup> 14 acquisitions completed since 2021 Investor Day through the end of 2023.

<sup>2</sup> Source: 2023 Form 10-K.

# Continue to Drive Long-Term Shareholder Value Creation



Source: FactSet, Company Reports as of 4/24/24.

<sup>1</sup> Assumes a \$400/mbf commodity price for all periods and maintained for the full year. Base Business is based on management estimates to provide investors another method for evaluating our performance. Base Business 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.

<sup>2</sup> Building Products Distributors represent median values for IBP, GMS, BECN and SITE. GMS reflects FY2016 to FY2023 data.

<sup>3</sup> Industrial Distributors represent median value for FAST, GWW, MSM and WSO.

<sup>4</sup> Multiples based on Enterprise Value as of 4/24/2024.

\* Non-GAAP financial measures; see Appendix for reconciliations to the most directly comparable GAAP financial measures.

# Builders FirstSource Investment Thesis

- 1 **Creating opportunity by addressing builder problems and delivering value-added products and solutions across cycles;** strong track record and experienced management team
- 2 **Investing for growth through new digital innovations and building science** that will deliver greater efficiency across homebuilding and enhance product and service offerings



- 3 **Leveraging robust FCF generation** from resilient business model and broad product portfolio to fuel **disciplined capital deployment**
- 4 **Executing our profitable growth strategy and compounding long-term shareholder value**

## 2024 to 2026E Base Business Targets<sup>1</sup>

~9%	Revenue CAGR
~12%	Adj. EBITDA CAGR
~30 bps	Adj. EBITDA Margin Expansion Annually
~17%	Adj. EPS Growth CAGR



Deployable Capital<sup>2</sup> of  
**\$5.5B to 8.5B**  
from 2024E to 2026E<sup>1</sup>

<sup>1</sup> Base Business Targets given on December 5, 2023, at Investor Day. Assumes a \$400/mbf commodity price for all periods and maintained for the full year. Base Business is based on management estimates to provide investors another method for evaluating our performance. Base Business 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. .

<sup>2</sup> Deployable Capital includes Organic Growth, which is inclusive of capital expenditures. Target assumes 1.0x to 2.0x Base Business leverage ratio.

\* Non-GAAP financial measures; see Appendix for reconciliation to the most directly comparable GAAP financial measures.



# APPENDIX

# Non-GAAP to GAAP Reconciliation Tables

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

(in millions)	Fiscal Year				
	(Pro Forma) 2019	(Pro Forma) 2020	2021	2022	2023
<b>Reconciliation to Adjusted EBITDA:</b>					
GAAP net income	\$ 331.7	\$ 484.8	\$ 1,725.4	\$ 2,749.4	\$ 1,540.6
Acquisition and related expense	8.3	50.0	118.0	47.8	30.9
Technology implementation expense	11.8	-	7.9	29.0	81.4
Debt issuance and refinancing cost <sup>(1)</sup>	-	29.4	8.1	27.4	0.7
Amortization expense	34.1	42.2	358.1	302.6	335.7
Tax-effect of adjustments to net income	(13.0)	(29.2)	(118.1)	(97.6)	(107.7)
Adjusted net income	\$ 372.9	\$ 577.2	\$ 2,099.4	\$ 3,058.6	\$ 1,881.6
Weighted average diluted common shares	184.4	207.0	203.5	163.5	129.0
Diluted adjusted net income per share:	\$ 2.02	\$ 2.79	\$ 10.32	\$ 18.71	\$ 14.59
Reconciling items:					
Depreciation expense	\$ 138.1	\$ 155.4	\$ 189.3	\$ 194.6	\$ 222.6
Interest expense, net	128.7	128.6	127.8	171.0	191.4
Income tax expense	110.6	177.5	644.2	920.1	551.3
Stock compensation expense	24.7	33.0	25.0	31.3	48.5
Other management-identified adjustments <sup>(2)</sup>	2.1	0.2	(25.4)	1.0	3.9
Adjusted EBITDA	\$ 777.1	\$ 1,071.9	\$ 3,060.3	\$ 4,376.6	\$ 2,899.3
Adjusted EBITDA margin	7.1%	8.4%	15.4%	19.3%	17.0%

(1) Costs associated with issuing and extinguishing long term debt in 2021 and 2022.

(2) Primarily relates to severance, gain on sale of assets, and other one-time costs.

(in millions)	Fiscal Year				
	(Pro Forma) 2019	(Pro Forma) 2020	2021	2022	2023
<b>Free Cash Flow</b>					
Operating activities	\$ 750.0	\$ 467.5	\$ 1,743.5	\$ 3,599.2	\$ 2,306.9
Less: Capital expenditures, net of proceeds	(190.8)	(181.2)	(214.3)	(329.5)	(429.6)
Free cash flow	\$ 559.2	\$ 286.3	\$ 1,529.2	\$ 3,269.7	\$ 1,877.3

Note: 2019 and 2020 periods are pro forma for BMC earnings.

# Our Mission, Vision, and Values

## MISSION

To be the best supplier of building materials and services by having a people-first culture, exceptional customer service, and innovative solutions that create superior value for stakeholders

## VALUES

At the center of everything we do – from the boardroom to the jobsite, they define the Builders FirstSource culture and guide our priorities, decisions, and actions with a focus on S.P.I.C.E.

### SAFETY

We make safety our top priority

### PEOPLE

We lead with a people-first culture

### INTEGRITY

We are honest and reliable

### CUSTOMERS

We deliver exceptional customer service

### EXCELLENCE

We challenge the status quo

## VISION

To make the dream of home ownership more achievable for everyone, positioning Builders FirstSource as the most valuable partner in the industry

Outperform Today. Transform Tomorrow.

# Experienced Leadership Team Focused on Execution



**Dave Rush**  
Chief Executive  
Officer



**Peter Jackson**  
Chief Financial  
Officer



**Steve Herron**  
Chief Operating  
Officer



**Amy Bass  
Messersmith**  
Chief People Officer



**Tim Johnson**  
EVP, Legal, Safety,  
and ESG



**Tim Page**  
EVP, Digital  
Solutions



**Mike Hiller**  
President,  
Central Division



**Scott Robins**  
President,  
West Division



**Mike McCrobie**  
President,  
East Division



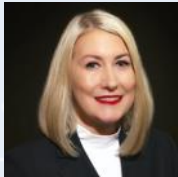
**Johnny Cope**  
President,  
Commercial



**Joe Barnes**  
EVP, Sourcing &  
Supply Chain



**Jami Beckmann**  
SVP, Chief  
Accounting Officer



**Heather Kos**  
SVP, Investor  
Relations

**Energized Management Team Driving Positive Momentum**



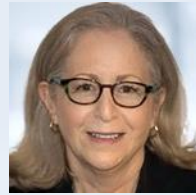
# Experienced and Diversified Board of Directors



**Paul Levy**  
**Director & Chairman**  
 Managing Director,  
 JLL Partners, Inc.  
**Joined: 1998**



**Mark Alexander**  
 Founder, Chairman,  
 & CEO, Landmark  
 Property Group  
**2021**



**Cory Boydston**  
 Former CFO, Ashton  
 Woods USA LLC  
**2021**



**Dirkson Charles**  
 Founder and CEO,  
 Loar Group, Inc.  
**2022**



**Cleveland Christophe**  
 Former President,  
 US&S, Inc.  
**2005**



**William Hayes**  
 Former EVP, CFO,  
 & Treasurer, LabCorp  
**2019**



**Brett Milgrim**  
 Co-Chairman,  
 Loar Group, Inc.  
**1999**



**James O'Leary**  
 Chairman,  
 Kinematics  
 Manufacturing Company  
**2021**



**Dave Rush**  
 CEO,  
 Builders FirstSource  
**2022**



**Craig Steinke**  
 CEO and Director of  
 Service Logic, LLC  
**2006**

## Skills Matrix



## Board Attributes<sup>1</sup>



<sup>1</sup> As disclosed at 2023 Investor Day on 12/5/23