

Builders FirstSource



Building/Building Products - 2016 Deutsche Bank Global
Industrials Conference
June 2016



Investment opportunity with significant potential to drive profitable growth



Market leader in a highly fragmented industry

Geographic diversity and balanced end market exposure

Substantial expected cost savings

Opportunity for continued market share gains and ongoing shift towards higher margin products

Favorable housing cycle dynamics

Seasoned management team with extensive integration experience

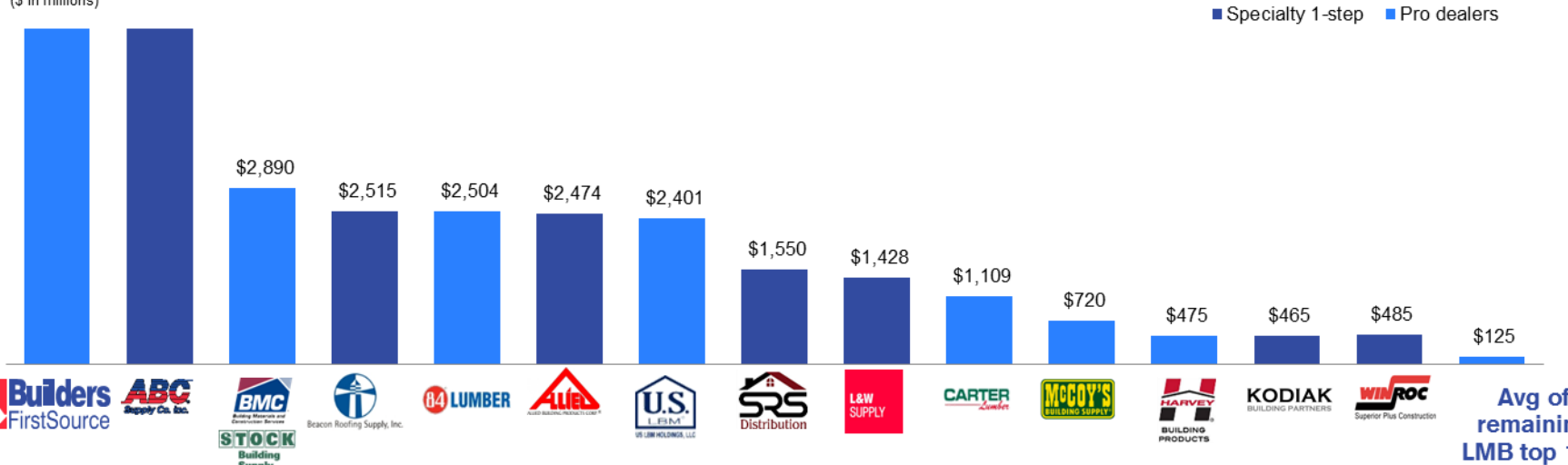


Industry leader with geographic and end market diversity

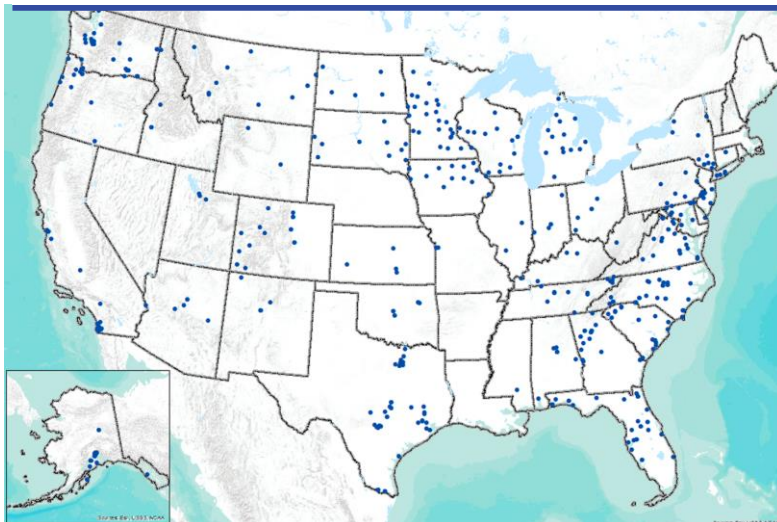


Top distributors

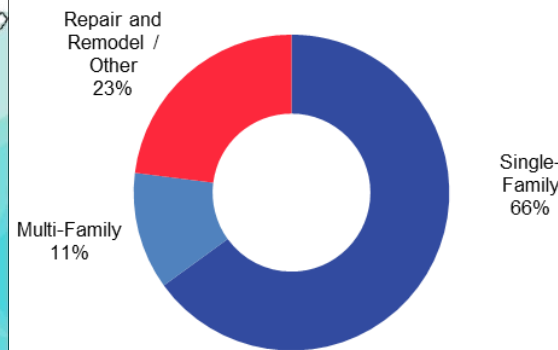
(\$ in millions)



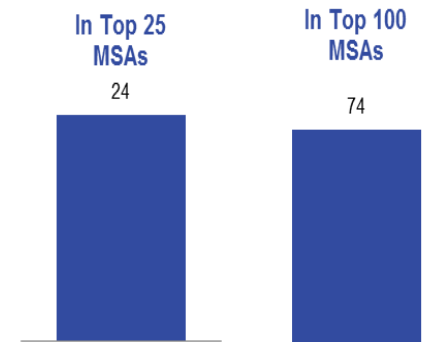
396 locations in 40 states



Diversified end market exposure ⁽¹⁾



Presence in top MSAs ⁽²⁾



Source: Company Data, Pro Sales Magazine (May 2016).

(1) Customer data 1Q16.

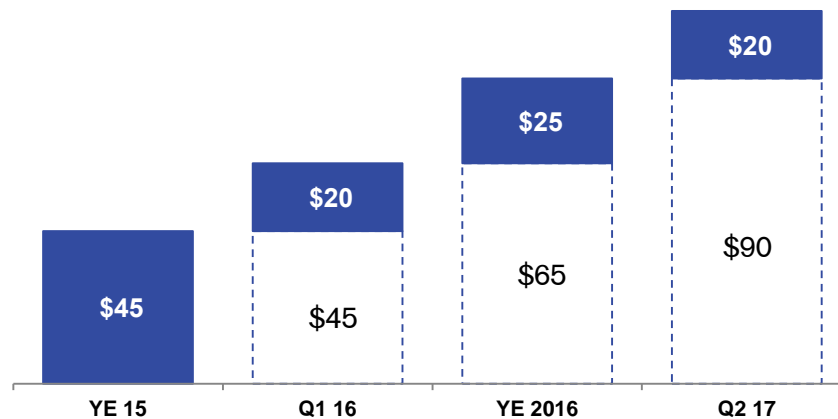
(2) Presence in MSA's FY15

Integration of ProBuild on track, with substantial cost savings expected



Category	Summary Description	\$ Run Rate Total (M) ⁽¹⁾
Procurement	<ul style="list-style-type: none"> One entity receives larger rebate percentages due to larger purchasing volume Combined company negotiating more favorable terms due to increased scale 	\$30-36
Network consolidation	<ul style="list-style-type: none"> Consolidation of ~18 redundant sites, out of 88 overlapping locations The combination of two networks creates a more dense delivery network and is expected to reduce miles driven 	\$20-25
General & Administrative	<ul style="list-style-type: none"> Consolidate headquarters locations Reductions in staff where duplicate corporate support functions exist Alignment of 401(k) and benefits plans across both firms Greater purchasing scale for benefits & insurance 	\$50-59
Total		\$100-120

Estimated cumulative run-rate cost savings⁽¹⁾



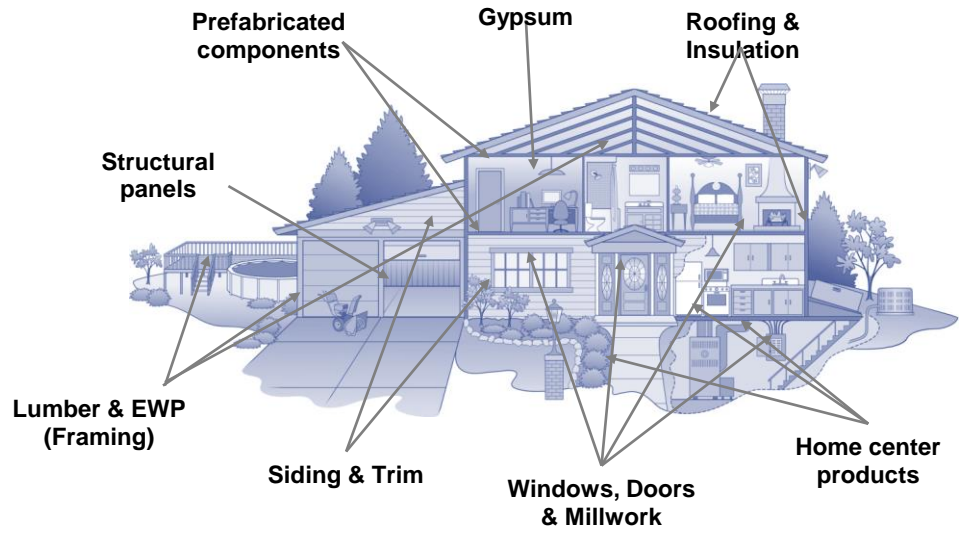
Note: See "Disclosure Regarding Forward-Looking Statements"

(1) Mid-point of the estimated potential run-rate cost savings shown (\$100 - \$120 million), excluding estimated integration cost estimated at \$90-100 million

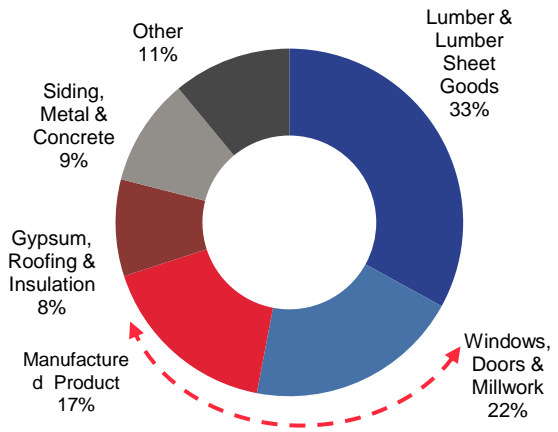
Significant runway for topline growth with labor shortages and increased cycle times spurring demand for value-added products



Broad product and service offering ~50% of the material cost of a home

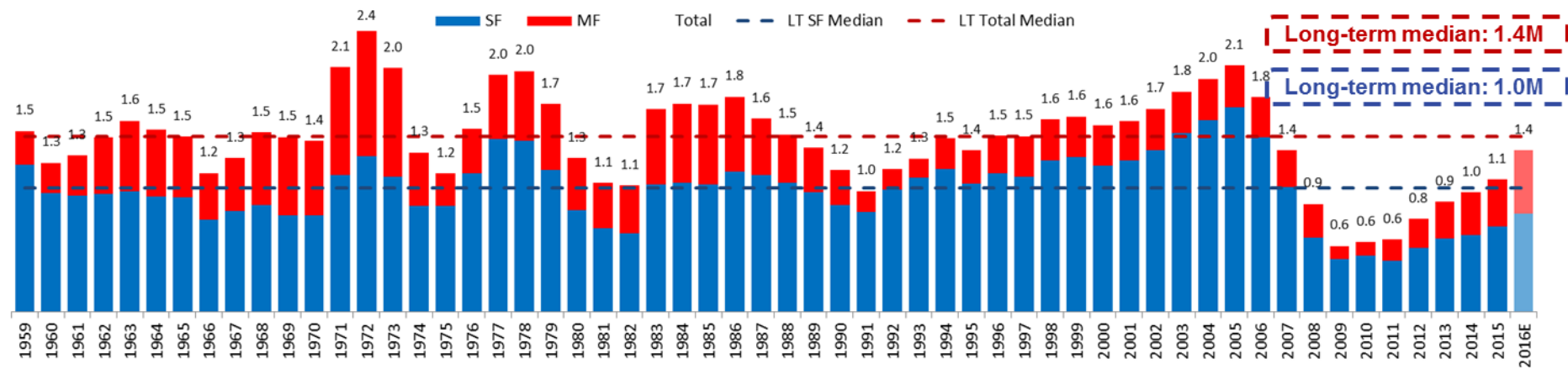


Value Added Product Mix 39% and growing (1)



New housing starts still well below long-term medians, significant recovery to come in new housing starts

(Historical and projected new housing starts in millions)



Source: Company Data, Census Bureau, NAHB, NAR, MBA, I.H.S., and Wall Street Research (1) Product data 1Q16.

Seasoned management team with extensive integration experience



	Years experience	Years with BLDR
Floyd F. Sherman <i>Chief Executive Officer</i>	50+	14
Chad Crow <i>President and Chief Financial Officer</i>	16	16
Donald F. McAleenan <i>Senior Vice President & General Counsel</i>	22	17
Morris E. Tolly <i>Senior Vice President of Operations</i>	40+	17

- Builders FirstSource management has an average of over 31 years in the manufacturing, distribution and marketing of building products and over 15 years with the Company
- The team has successfully led the Company through various industry cycles and economic conditions, including the recent housing crisis
- Since inception, BLDR leadership has successfully acquired and integrated 32 complementary companies
- All six ProBuild SVP's of Operations joined with BLDR management, bringing 33 years of average industry experience.
- The three legacy BLDR SVP's of Operation bring an average of 36 years of industry experience to their roles.

Safe Harbor & Non-GAAP Financial Measures



Cautionary Notice

Statements in this presentation which are not purely historical facts or which necessarily depend upon future events, including statements about 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 Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Readers are cautioned not to place undue reliance on forward-looking statements. All forward-looking statements in this presentation are based upon information available to Builders FirstSource, Inc. on the date of this presentation. Except as required by law, 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 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 revenues and operating results being highly dependent on, among other things, the homebuilding industry, lumber prices and the economy. 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 Form 10-K filed with the Securities and Exchange Commission. Consequently, all forward-looking statements in this presentation are qualified by the factors, risks and uncertainties contained therein.

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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 non-GAAP measures are not necessarily comparable to similarly titled measures reported by other companies. All figures are adjusted or pro forma to reflect a full quarter and year impact of the acquisition of ProBuild. The company provided detailed explanations of these non-GAAP financial measures in its Form 8-K filed with the Securities and Exchange Commission on May 5, 2016.