GMS

GYPSUM MANAGEMENT & SUPPLY

GMS Quarterly Review
Fiscal Q3 2018

Safe Harbor and Basis of Presentation

Forward-Looking Statement Safe Harbor - This presentation includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All of these forward-looking statements are based on estimates and assumptions made by our management that, although believed by us to be reasonable, are inherently uncertain. Examples of forward-looking statements include those related to net sales, gross profit, gross margins, capital expenditures and market share growth, as well as non-GAAP financial measures such as Adjusted EBITDA, the ratio of debt-to-Adjusted EBITDA, adjusted net income and base business sales, including any management expectations or outlook for fiscal 2018 and beyond. In addition, statements regarding potential acquisitions and future greenfield locations and statements regarding the impact of the recent tax legislation, fiscal 2018 and 2019 effective tax rates and the expected use of tax savings are forward-looking statements, as well as statements regarding the markets in which the Company operates and the potential for growth in the commercial, residential and repair and remodeling, or R&R, markets. Forward-looking statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, strategy or actual results to differ materially from the forward-looking statements. These risks and uncertainties may include, among other things: changes in the prices, margin, supply, and/or demand for products which we distribute; general economic and business conditions in the United States; the activities of competitors; changes in significant operating expenses; changes in the availability of capital and interest rates; adverse weather patterns or conditions; acts of cyber intrusion; variations in the performance of the financial markets, including the credit markets; and other factors described in the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended April 30, 2017, and in our other periodic reports filed with the SEC. In addition, the statements in this presentation are made as of March 6, 2018. We undertake no obligation to update any of the forward looking statements made herein, whether as a result of new information, future events, changes in expectation or otherwise. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to March 6, 2018.

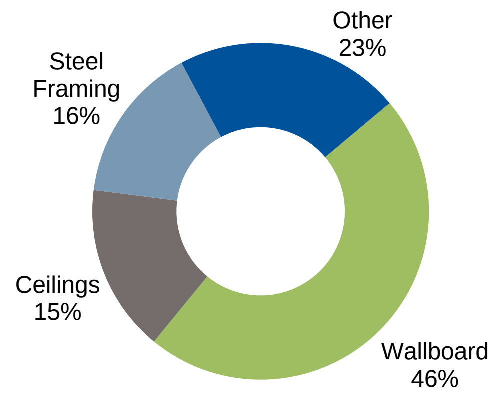
Use of Non-GAAP and Adjusted Financial Information - To supplement GAAP financial information, we use adjusted measures of operating results which are non-GAAP measures. This non-GAAP adjusted financial information is provided as additional information for investors. These adjusted results exclude certain costs, expenses, gains and losses, and we believe their exclusion can enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of our operating performance by excluding non-recurring, infrequent or other non-cash charges that are not believed to be material to the ongoing performance of our business. The presentation of this additional information is not meant to be considered in isolation or as a substitute for GAAP measures of net income, diluted earnings per share or net cash provided by (used in) operating activities prepared in accordance with generally accepted accounting principles in the United States.

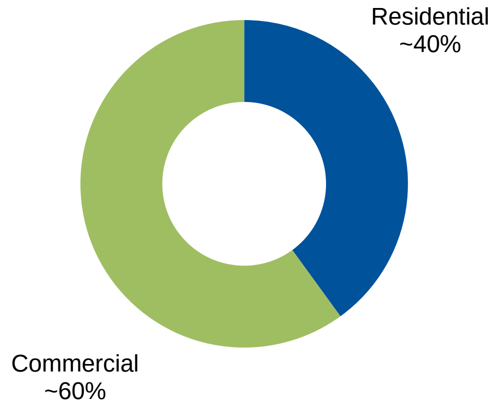
GMS at a Glance

GMS Overview

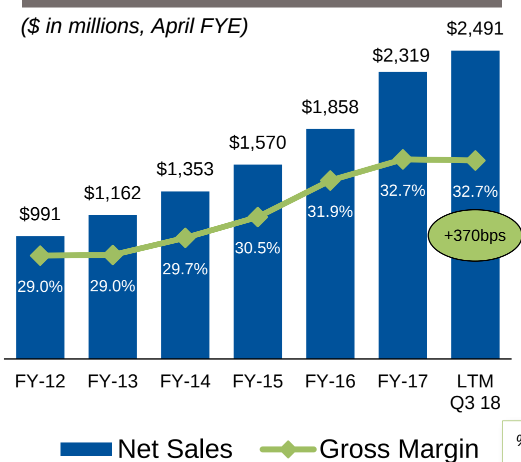
- #1 North American specialty distributor of interior construction products [1]
  - More than 210 branches across 42 states
  - 14.4% market share in wallboard
  - 17.9% market share in ceilings
- Balanced mix of commercial new construction, commercial R&R, residential new construction and residential R&R
- Critical link between suppliers and highly fragmented customer base
- National scale drives purchasing advantages over peers while local expertise enhances service capabilities
- One-stop-shop for the interior contractor with broad product offering of 20,000+ SKUs
- Since June 2016 IPO, GMS has continued to execute on its strategy
  - Increased market share in wallboard by ~130 bps
  - Executed 10 acquisitions and opened 7 new greenfields
  - Increased LTM Q3 18 net sales by 34.0% and Adj. EBITDA[3] by 45.7% compared to FY16
  - Expanded Adj. EBITDA[3] margins by 70 bps compared to FY16

Net Sales Breakdown (LTM FY18 Q3) [2]

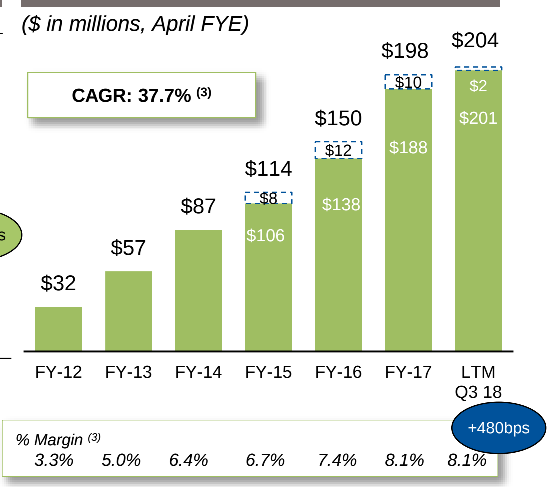




Net Sales [2]



PF Adjusted EBITDA [3]



(1) Based on sales of wallboard and ceilings. Wallboard share based on LTM 12/31/17 volume. Ceilings share based on LTM 12/31/17 sales.
(2) Net sales do not reflect net sales attributable to acquired entities for any period prior to their respective dates of acquisition. Breakdown based on 3Q18 LTM Net Sales.
(3) FY2015, FY2016, FY2017 and 3Q18 LTM PF Adj. EBITDA includes approximately $8.1 million, $12.1 million, $10.0 million and $2.2 million, respectively, from entities acquired in FY2015, FY2016, FY2017 and 3Q18 LTM respectively, for the period prior to their respective dates of acquisition. However, Adj. EBITDA margin and the 5.75-year CAGR exclude the impact of the entities acquired for the period prior to their respective dates of acquisition. For a reconciliation of PF Adj. EBITDA to Net Income (loss), the most directly comparable GAAP measure, see Appendix.

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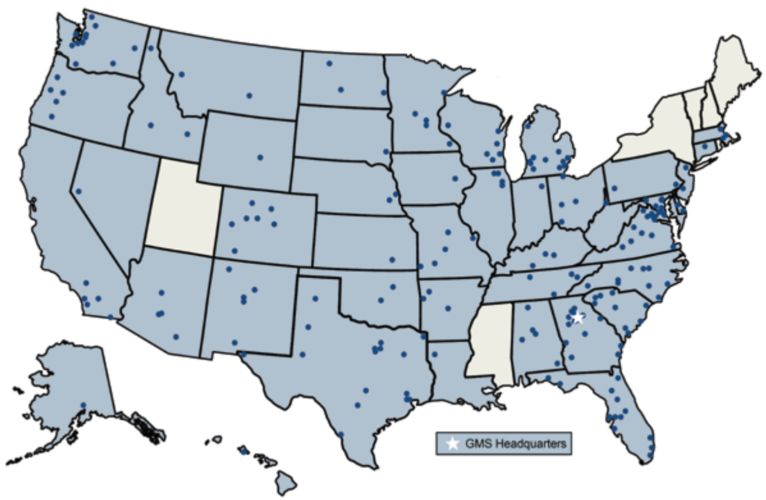
Market Leader with Scale Advantages

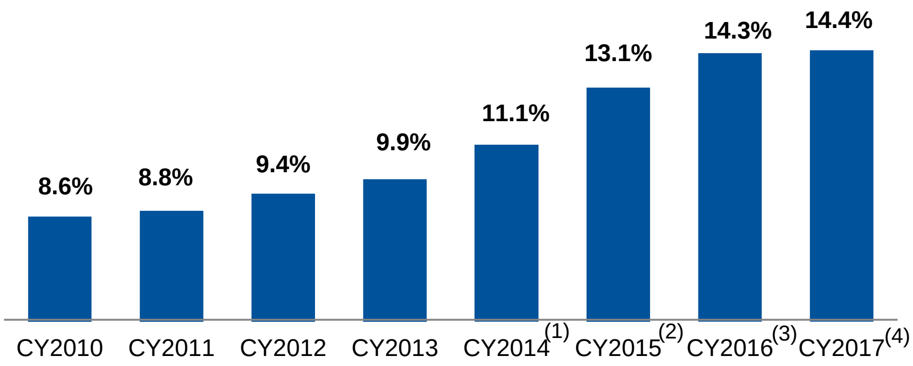
- **Market Leader** with Significant **Scale Advantages** – #1 North American Distributor of Wallboard and Ceilings
- Differentiated Service Model Drives **Market Leadership**
- Multiple Levers to Drive **Market Leading Growth**– Market Share, Greenfields, M&A, Operating Leverage
- Capitalizing on **Large, Diverse End Markets** Poised for Continued Growth
- **Entrepreneurial Culture** with Dedicated Employees and **Experienced Leadership Driving Superior Execution**

National Scale Combined With Local Expertise



GMS Wallboard Market Share

'10–'17 Q3 share gain: ~580 bps



(1) Includes the wallboard volume from entities acquired in calendar 2014 assuming that the entities were acquired on January 1, 2014.
(2) Includes the wallboard volume from entities acquired in calendar 2015 assuming that the entities were acquired on January 1, 2015.
(3) Includes the wallboard volume from entities acquired in calendar 2016 assuming that the entities were acquired on January 1, 2016.
(4) Includes the wallboard volume from entities acquired in calendar 2017 assuming that the entities were acquired on January 1, 2017.

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Q3 2018 Highlights

Above-Market Growth

- ✓ Net sales increased 4.1% to a record $585.5 million
- ✓ Base business net sales up 2.9%
- ✓ Wallboard price increased 2.9%

Continued Profit Improvement

- ✓ Net income increased 139.3% to $19.7 million, or EPS of $0.47 per diluted share
- ✓ Gross profit increased 5.2% to a record $195.4 million, with gross margin up 40 basis points
- ✓ Adjusted EBITDA grew 3.8% to a record $42.2 million

Accretive Acquisitions and Greenfield Openings

- ✓ Acquired Southwest Building Materials, Ltd. in Texas
- ✓ Opened up a greenfield location in Hartford, CT on February 1, 2018
- ✓ Completed 10 acquisitions representing 20 branches since June 2016 IPO (26 acquisitions representing 59 branches since FY2013)

Attractive Capital Structure

- ✓ 2.8x leverage (net debt[(1)] / LTM PF Adjusted EBITDA[(2)]) as of January 31, 2018
- ✓ Standard & Poor's upgraded GMS corporate debt in November to BB- from B+
- ✓ No major maturities until 2023

(1) Includes unamortized discount and deferred financing costs. Numbers may not add up due to rounding.
(2) PF Adjusted EBITDA includes the earnings of acquired entities from the beginning of the periods presented to the date of such acquisitions, as well as certain purchasing synergies and cost savings, as defined in and permitted by the ABL Facility and the First Lien Facility, and which is used in the calculation of certain baskets to covenants in the Company's debt agreements, including in connection with the Company's ability to incur additional indebtedness. FY2016, FY2017 and 3Q18 LTM PF Adj. EBITDA includes approximately $12.1 million, $9.5 million and $2.2 million, respectively, from entities acquired in FY2016, FY2017 and 3Q18 LTM, respectively, for the period prior to their respective dates of acquisition. For a reconciliation of PF Adjusted EBITDA to net income, the most directly comparable GAAP metric, see Appendix.

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Attractive Acquirer with Significant Consolidation Opportunity

Acquisition Strategy

Industry Structure:

- **Large, highly fragmented industry comprised of hundreds of competitors**
- Similar business operations enable efficient integration
- Limited number of scaled players

Acquisition Strategy:

- Criteria: leading capabilities in targeted new markets / increase existing network density / enhance strategic capabilities
- Fit GMS culture and platform
- Deliver scale benefits
- **Attractive purchase price multiples**
- Dedicated M&A team

Pipeline:

- Significant portion of the market is comprised of local, independent competitors representing significant opportunity
- Maintain active dialogue with many potential targets

Recent GMS Acquisitions

Acquisition	Quarter	Rationale
Southwest Building Materials, Ltd. Dec 4, 2017	FY18 Q3	■ Expands Cowtown brand in Northwest Texas ■ Founded in 1984
Washington Builders Supply Company Oct 2, 2017	FY18 Q2	■ Expansion of Ohio Valley brand ■ Expands existing presence in Western Pennsylvania ■ Founded in 1988
ASI Building Products Aug 1, 2017	FY18 Q2	■ Three branches with LTM sales of $24.5 million ■ Expands existing presence in Michigan ■ Founded in 1988
Grabber Construction Products Feb 1, 2017	FY17 Q4	■ One branch with LTM sales of $11.7 million ■ Expands existing presence in Hawaii ■ Founded in 1974
IPS Interior Products Supply Dec 5, 2016	FY17 Q3	■ One branch with LTM sales of $12.3 million ■ Strategic entrance into northeastern Indiana ■ Founded in 1984
Ryan Oct 31, 2016	FY17 Q3	■ Three branches with LTM Sales of $27.0 million ■ Nice geographic fit with FY16 Q3 MI acquisition ■ Founded in 1965 and headquartered in Southfield, MI
United Oct 3, 2016	FY17 Q3	■ Three branches with LTM Sales of $30.0 million ■ Strategic entrance into south central Ohio ■ Founded in 1996 and headquartered in Dayton, OH
Olympia Building Supplies Sept 1, 2016	FY17 Q3	■ Three branches with LTM Sales of $52.9 million ■ Strategic entrance into south Florida ■ Founded in 2008 and headquartered in Pompano, FL
Steven Kempf Building Materials Aug 29, 2016	FY17 Q3	■ One branch with LTM Sales of $46.8 million ■ Strategic entrance into the greater Philadelphia metropolitan area ■ Founded in 1994

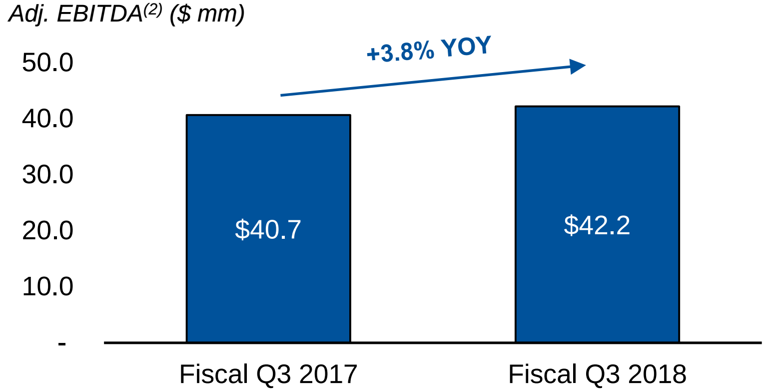
GMS Gypsum Management & Supply

Profitable Sales Expansion in Fiscal Q3 2018

Fiscal Q3 2018 Performance

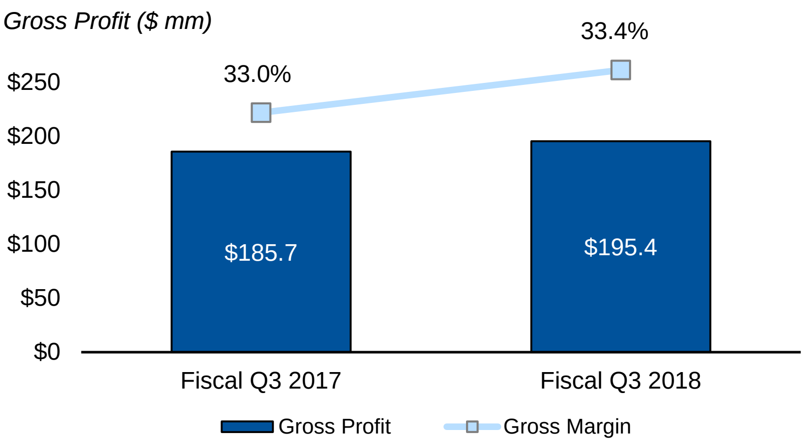
($ in millions)	Fiscal Q3 FY17	Fiscal Q3 FY18	YOY Growth	Base Business [1]
WB Volume (MSF)	842	826	(1.9%)	(3.2%)
WB Price ($ / MSF)	$ 303	$ 312	2.9%	
Net Sales				
Wallboard	$ 255.0	$ 256.4	0.6%	(1.0%)
Ceilings	81.8	90.4	10.5%	7.4%
Steel Framing	93.5	96.7	3.5%	3.6%
Other Products	132.3	142.0	7.4%	7.2%
Total Net Sales	**$ 562.5**	**$ 585.5**	**4.1%**	**2.9%**

Fiscal Q3 2018 Adjusted EBITDA [2]



Margin [2]: 7.2% 7.2%

Fiscal Q3 2018 Gross Profit & Margin



Commentary

- 2.9% organic sales growth, led by ceilings (+7.4%) and other products (+7.2%)
- Fiscal Q3 2017 was exceptionally strong with 15.5% organic sales growth, including double digit growth in all categories
- Gross margin improved 40 bps from prior year and 60 bps on a sequential basis
- Adjusted EBITDA grew 3.8% to $42.2 million reflecting higher sales and improved gross margins

(1) When calculating our “base business” results, we exclude any branches that were acquired in the current fiscal year, prior fiscal year and three months prior to the start of the prior fiscal year.

(2) For a reconciliation of Adj. EBITDA to Net Income, the most directly comparable GAAP metric, see Appendix.

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Attractive Capital Structure

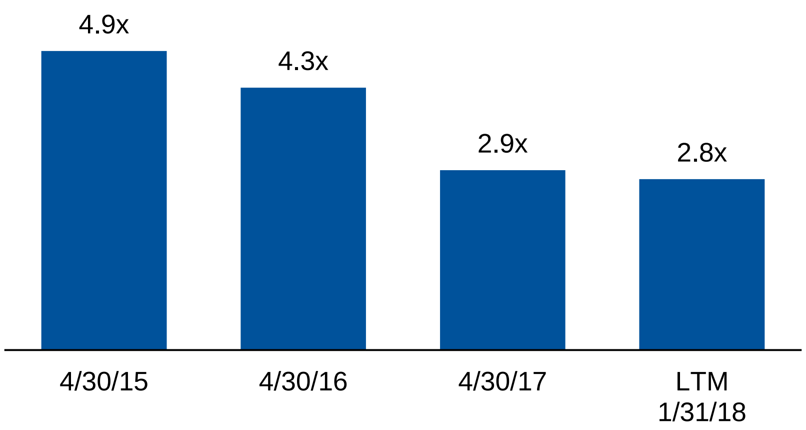
Commentary

- Leverage of 2.8x Net Debt / LTM Pro Forma Adj. EBITDA as of 1/31/18, down from 3.1x Net Debt / LTM Pro Forma Adj. EBITDA as of 1/31/17
- Substantial liquidity, with $28.9 million of cash on hand and an additional $333.6 million undrawn on the ABL Facility
- Moody's and Standard & Poor's current rating of B1/BB- (Moody's upgraded GMS to B1 in July of 2017, Standard & Poor's upgraded GMS to BB- in November of 2017)
- In Q1 2018, expanded First Lien Term Loan by $100 million, extended maturity to 2023, reduced the rate by 50 bps and used the net proceeds to pay down ABL facility
- Company expects Fiscal 2018 capital expenditures to be approximately $18.0 million to $20.0 million.
  - Includes ~$8-9 million of January – April new fleet purchases
  - Expect to finance new equipment in Fiscal 2019 under capital leases

Leverage Summary

($ mm)	4/30/15 FYE	4/30/16 FYE	4/30/17 FYE	1/31/18 LTM
Cash and cash equivalents	$12	$19	$15	$29
Asset-Based Revolver	17	102	103	-
First Lien Term Loan	386	382	478	573
Second Lien Term Loan	160	160	-	-
Capital Lease and Other	10	14	14	24
Total Debt	**$573**	**$658**	**$595**	**$598**
PF Adj. EBITDA (1)	$114	$150	$198	$204
Total Debt / PF Adj. EBITDA	5.0x	4.4x	3.0x	2.9x
Net Debt / PF Adj. EBITDA	4.9x	4.3x	2.9x	2.8x

Net Debt / PF Adjusted EBITDA



(1) Includes unamortized discount and deferred financing costs. Numbers may not add up due to rounding.
(2) PF Adjusted EBITDA includes the earnings of acquired entities from the beginning of the periods presented to the date of such acquisitions, as well as certain purchasing synergies and cost savings, as defined in and permitted by the ABL Facility and the First Lien Facility, and which is used in the calculation of certain baskets to covenants in the Company's debt agreements, including in connection with the Company's ability to incur additional indebtedness. FY2016, FY2017 and 3Q18 LTM PF Adj. EBITDA includes approximately $12.1 million, $9.5 million and $2.2 million, respectively, from entities acquired in FY2016, FY2017 and 3Q18 LTM, respectively, for the period prior to their respective dates of acquisition. For a reconciliation of PF Adjusted EBITDA to net income, the most directly comparable GAAP metric, see Appendix.

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Tax Legislation Update

Commentary

- We expect our estimated effective tax rate to be 34-35% in FY 2018.
- We expect our estimated effective tax rate to be 23-25% in FY 2019.
- Assuming the effects of tax reform were in place for FY 2017, the table below reflects the estimated impact of tax reform on Adjusted Net Income:

Tax Savings

($ in thousands, except share and pro share data)	FY17-Pro Forma	FY17 As Reported	Incl/(Dec)	% Incl/(Dec)
Pre-Tax Income	$ 71,540	$ 71,540		
Add-backs	11,138	11,138		
Write-off of discount and deferred financing fees	7,103	7,103		
Purchase Acct-Depr & Amort.	30,518	30,518		
Adjusted Pre-Tax Income (1)	120,299	120,299	-	0.0%
Adjusted Income Tax Expense (2)	27,068	50,405	(23,337)	-46.3%
Adjusted Net Income	**$ 93,231**	**$ 69,894**	**$ 23,337**	**33.4%**
Effective Tax Rate (3)	*22.5%*	*41.9%*		
Weighted average shares outstanding-Diluted	41,070,025	41,070,025		
Adjusted Net income per share-Diluted	**$ 2.27**	**$ 1.70**	**$ 0.57**	**33.4%**

- We expect to utilize our tax savings to continue our strategic investments in talent, technology and expansion to support our growing base of business and Adjusted EBITDA.

(1) As reported in the company's June 29, 2017 earnings release statement.
(2) Calculated assuming all equipment was acquired under capital leases or purchased as opposed to operating leases and were, accordingly, 100% year-one tax deductible.
(3) Normalized cash tax rate based on the Tax Cuts and Jobs Act of 2017.

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Leading Specialty Distributor Poised for Continued Growth

- ✓ **Market Leader** with Significant **Scale Advantages** – #1 North American Distributor of Wallboard and Ceilings
- ✓ Differentiated Service Model Drives **Market Leadership**
- ✓ Multiple Levers to Drive **Market Leading Growth** – Market Share, Greenfields, M&A, Operating Leverage
- ✓ Capitalizing on **Large, Diverse End Markets** Poised for Continued Growth
- ✓ **Entrepreneurial Culture** with Dedicated Employees and **Experienced Leadership Driving Superior Execution**

Appendix


J & B MATERIALS
CHAPARRAL MATERIALS, INC.
ASI BUILDING PRODUCTS
CAPITOL MATERIALS COASTAL
CBM CHEROKEE BUILDING MATERIALS
COWTOWN MATERIALS, INC.
GTS Interior Supply
State Line Building Supply
COMMONWEALTH BUILDING MATERIALS
TEJAS MATERIALS, INC.
EASTEX MATERIALS
HATHAWAY BUILDING MATERIALS SINCE 1944
ips INTERIOR PRODUCTS SUPPLY
STEVEN KEMPF BUILDING MATERIALS
Valley Interior Products
CAPITOL BUILDING SUPPLY
TAMARACK
LEADING EDGE INSULATION SERVICES
Lone Star Materials Inc.
BADGERLAND SUPPLY
PIONEER MATERIALS WEST
Cherokee Building Materials CBM of OKC, Inc.
GMS
GYPSUM MANAGEMENT & SUPPLY, INC.
LOUISIANA MATERIALS
TUCKER
Capitol Materials, Inc.
GYPSUM SUPPLY COMPANY
MDS MISSOURI DRYWALL SUPPLY
Colonial Materials
CONTRACTORS CHOICE SUPPLY
GATOR GYPSUM
M.R.Lee BUILDING MATERIALS INC.
SVS sun valley supply, Inc.
PHD
OLYMPIA BUILDING SUPPLIES
OHIO VALLEY DRYWALL SUPPLY
DSI DRYWALL SUPPLY INC.
LONGHORN BUILDING MATERIALS, INC.
PIONEER materials, inc.
Wildcat MATERIALS
Robert N. Karpp Co., Inc. Building Materials
TEXARKANA MATERIALS
Ryan BUILDING MATERIALS
UNITED
RIVER BEND MATERIALS, INC.
CAPITOL INTERIOR PRODUCTS, INC.
ROCKY TOP MATERIALS INC
A GMS COMPANY

Summary Quarterly Financials

(In millions, except per share data) *(Unaudited)*	1Q17	2Q17	3Q17	4Q17	FY17	1Q18	2Q18	3Q18
Wallboard Volume (MSF)	818	891	842	906	3,458	914	929	826
Wallboard Price ($ / '000 Sq. Ft.)	$ 307	$ 303	$ 303	$ 311	$ 306	$ 311	$ 311	$ 312
Wallboard	$ 251	$ 270	$ 255	$ 282	$ 1,058	$ 285	$ 288	$ 256
Ceilings	86	85	82	87	341	100	102	90
Steel framing	84	96	94	100	374	105	103	97
Other products	128	140	132	145	546	153	155	142
Net sales	550	592	563	615	2,319	642	648	586
Cost of sales	371	399	377	414	1,561	437	436	390
Gross profit	179	193	186	201	759	205	212	195
Gross margin	*32.5%*	*32.6%*	*33.0%*	*32.7%*	*32.7%*	*31.9%*	*32.8%*	*33.4%*
Operating expenses:								
Selling, general and administrative expenses	135	150	147	153	585	156	160	156
Depreciation and amortization	16	17	18	18	69	16	17	16
Total operating expenses	151	167	166	171	654	172	177	173
Operating income	28	26	20	30	104	33	36	23
Other (expense) income:								
Interest expense	(8)	(7)	(7)	(7)	(29)	(8)	(8)	(8)
Write-off of discount and deferred financing costs	(5)	(1)	(0)	-	(7)	(0)	-	-
Other income, net	1	0	1	2	4	0	0	0
Total other (expense), net	(12)	(8)	(7)	(6)	(33)	(7)	(8)	(7)
Income from continuing operations, before tax	15	18	14	25	72	25	28	15
Income tax expense (benefit)	6	1	5	10	23	10	10	(4)
Net income	$ 9	$ 17	$ 8	$ 14	$ 49	$ 15	$ 18	$ 20
Weighted average shares outstanding:								
Basic	38,201	40,943	40,943	40,956	40,260	40,971	41,006	41,036
Diluted	38,602	41,320	41,578	41,759	41,070	42,128	42,146	42,228
Net income per share:								
Basic	$ 0.24	$ 0.42	$ 0.20	$ 0.35	$ 1.21	$ 0.37	$ 0.44	$ 0.48
Diluted	$ 0.24	$ 0.42	$ 0.20	$ 0.34	$ 1.19	$ 0.36	$ 0.43	$ 0.47

Note: Fiscal year end April 30.

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Quarterly Net Sales

($ in millions) (Unaudited)	1Q17	2Q17	3Q17	4Q17	FY17	1Q18	2Q18	3Q18
Base Business (1) (2)	$ 544	$ 561	$ 511	$ 558	**$ 2,173**	$ 586	$ 589	$ 525
Acquisitions (2)	6	31	52	57	**146**	56	59	60
Total Net Sales	**$ 550**	**$ 592**	**$ 563**	**$ 615**	**$ 2,319**	**$ 642**	**$ 648**	**$ 586**
Business Days (3)	**63**	**65**	**62**	**63**	**253**	**64**	**65**	**62**
Net Sales by Business Day	**$ 8.7**	**$ 9.1**	**$ 9.1**	**$ 9.8**	**$ 9.2**	**$ 10.0**	**$ 10.0**	**$ 9.4**
Base Business Branches (4) (5)	185	188	188	189	**189**	190	190	191
Acquired Branches (5)	5	15	16	16	**16**	16	20	21
Total Branches	**190**	**203**	**204**	**205**	**205**	**206**	**210**	**212**

FY18 Business Days

1Q18	64 days (+1)
2Q18	65 days
3Q18	62 days
4Q18	63 days
FY18	254 days (+1)

Note: Fiscal year end April 30.
(1) When calculating our “base business” results, we exclude any branches that were acquired in the current fiscal year, prior fiscal year and three months prior to the start of the prior fiscal year.
(2) FY17 quarterly sales from acquisitions have been updated in accordance with our presentation of base business for the FY18 vs. FY17 comparative period.
(3) Total business days for FY18 are 254.
(4) Includes greenfields, which we consider extensions of “base business.”
(5) FY17 acquired branches have been updated to reflect the number of acquired branches that are included within the sales from acquisitions

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Quarterly Net Income to Adjusted EBITDA

Adjusted EBITDA Reconciliation

($ in 000s) *(Unaudited)*		1Q17	2Q17	3Q17	4Q17	FY17	1Q18	2Q18	3Q18
Net Income		**$ 9,163**	**$ 17,224**	**$ 8,227**	**$ 14,272**	**$ 48,886**	**$ 15,343**	**$ 18,023**	**$ 19,686**
Add: Interest Expense		7,577	7,154	7,431	7,198	29,360	7,500	7,917	7,871
Add: Write off of debt discount and deferred financing fees		5,426	1,466	211	-	7,103	74	-	-
Less: Interest Income		(43)	(35)	(23)	(51)	(152)	(23)	(26)	(44)
Add: Income Tax Expense (Benefit)		6,159	710	5,363	10,422	22,654	10,060	9,983	(4,488)
Add: Depreciation Expense		6,382	6,548	6,465	6,170	25,565	5,990	6,023	6,009
Add: Amortization Expense		9,413	10,820	11,851	11,591	43,675	10,355	10,690	10,481
EBITDA		**$ 44,077**	**$ 43,887**	**$ 39,525**	**$ 49,602**	**$ 177,091**	**$ 49,299**	**$ 52,610**	**$ 39,515**
Adjustments									
Stock appreciation rights expense (income)	(A)	(92)	(144)	(498)	882	148	590	642	631
Redeemable noncontrolling interests	(B)	292	2,531	256	457	3,536	866	164	340
Equity-based compensation	(C)	673	686	622	553	2,534	473	375	430
Severance and other permitted costs	(D)	140	118	57	(472)	(157)	205	113	8
Transaction costs (acquisition and other)	(E)	654	1,827	305	(798)	1,988	159	88	75
Loss (gain) on disposal of assets		(198)	68	(114)	(94)	(338)	(390)	(207)	(51)
AEA management fee	(F)	188	-	-	-	188	-	-	-
Effects of fair value adjustments to inventory	(G)	164	457	155	170	946	-	187	89
Interest rate swap / cap mark-to-market	(H)	43	89	109	141	382	196	238	276
Secondary public offerings	(I)	-	-	-	1,385	1,385	631	-	894
Debt transaction costs	(J)	-	-	261	265	526	723	35	-
Total Add-Backs		**$ 1,864**	**$ 5,632**	**$ 1,153**	**$ 2,489**	**$ 11,138**	**$ 3,453**	**$ 1,635**	**$ 2,692**
Adjusted EBITDA		**$ 45,941**	**$ 49,519**	**$ 40,678**	**$ 52,091**	**$ 188,229**	**$ 52,752**	**$ 54,245**	**$ 42,207**

Commentary

A. Represents non-cash compensation expenses related to stock appreciation rights agreements

B. Represents non-cash compensation expense related to changes in the fair values of noncontrolling interests

C. Represents non-cash equity-based compensation expense related to the issuance of share-based awards

D. Represents severance and other costs permitted in calculations under the ABL Facility and the First Lien Facility

E. Represents one-time costs related to our initial public offering and acquisitions paid to third party advisors, including fees to financial advisors, accountants, attorneys and other professionals as well as costs related to the retirement of corporate stock appreciation rights.

F. Represents management fees paid to AEA, which were discontinued after the IPO. 1Q17 includes fees paid for the month of May

G. Non-cash cost of sales impact of purchase accounting adjustments to increase inventory to its estimated fair value

H. Mark-to-market adjustments for certain financial instruments

I. Represents costs paid to third party advisors related to the secondary public offerings of our common stock

J. Represents costs paid to third party advisors related to debt refinancing activities

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LTM Net Income to Pro Forma Adjusted EBITDA

Pro Forma Adjusted EBITDA Reconciliation

($ in 000s) *(Unaudited)*		3Q18 LTM	2017	2016	2015
Net Income (Loss)		**$ 67,324**	**$ 48,886**	**$ 12,564**	**$ (11,697)**
Add: Interest Expense		30,486	29,360	37,418	36,396
Add: Write off of debt discount and deferred financing fees		74	7,103	-	-
Less: Interest Income		(144)	(152)	(928)	(1,010)
Add: Income Tax Expense		25,977	22,654	12,584	(6,626)
Add: Depreciation Expense		24,192	25,565	26,667	32,208
Add: Amortization Expense		43,117	43,675	37,548	31,957
EBITDA		**$ 191,026**	**$ 177,091**	**$ 125,853**	**$ 81,228**
Adjustments					
Stock appreciation rights expense	(A)	2,745	148	1,988	2,268
Redeemable noncontrolling interests	(B)	1,827	3,536	880	1,859
Equity-based compensation	(C)	1,831	2,534	2,699	6,455
AEA transaction related costs	(D)	-	-	-	837
Severance and other permitted costs	(E)	(146)	(157)	379	413
Transaction costs (acquisition and other)	(F)	(476)	1,988	3,751	1,891
(Gain) loss on disposal of assets		(742)	(338)	(645)	1,089
AEA management fee	(G)	-	188	2,250	2,250
Effects of fair value adjustments to inventory	(H)	446	946	1,009	5,012
Interest rate swap / cap mark-to-market	(I)	851	382	-	-
Secondary public offerings	(J)	2,910	1,385	19	2,494
Debt transaction costs	(K)	1,023	526	-	-
Total Add-Backs		**$ 10,269**	**$ 11,138**	**$ 12,330**	**$ 24,568**
Adjusted EBITDA		**$ 201,295**	**$ 188,229**	**$ 138,183**	**$ 105,796**
Contributions from acquisitions	(L)	2,238	9,500	12,093	8,064
Pro Forma Adjusted EBITDA		**$ 203,533**	**$ 197,729**	**$ 150,276**	**$ 113,860**

Commentary

A. Represents non-cash compensation expenses related to stock appreciation rights agreements

B. Represents non-cash compensation expense related to changes in the fair values of noncontrolling interests

C. Represents non-cash equity-based compensation expense related to the issuance of share-based awards

D. Represents non-recurring expenses related specifically to the AEA acquisition of GMS

E. Represents severance and other costs permitted in calculations under the ABL Facility and the First Lien Facility

F. Represents one-time costs related to our initial public offering and acquisitions (including the Acquisition) paid to third party advisors, including fees to financial advisors, accountants, attorneys and other professionals as well as costs related to the retirement of corporate stock appreciation rights. Also included are one-time bonuses paid to certain employees in connection with the Acquisition

G. Represents management fees paid to AEA, which were discontinued after the IPO

H. Non-cash cost of sales impact of purchase accounting adjustments to increase inventory to its estimated fair value

I. Mark-to-market adjustments for certain financial instruments

J. Represents costs paid to third party advisors related to the secondary public offerings of our common stock

K. Represents costs paid to third party advisors related to debt refinancing activities

L. Pro forma impact of earnings from acquisitions from the beginning of the LTM period to the date of acquisition

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Net Income to Adjusted EBITDA

Adjusted EBITDA Reconciliation

($ in 000s)
(Unaudited)

		2015	2014 (1)	2013	2012
Net income (loss)		$ (11,697)	$(219,814)	$(182,627)	$ (7,830)
Income tax expense (benefit)		(6,626)	(240)	11,534	2,658
Discountinued operations, net of tax		-	-	-	(362)
Interest income		(1,010)	(922)	(798)	(885)
Interest expense		36,396	7,180	4,413	2,966
Change in fair value of mandatorily redeemable shares		-	200,004	198,212	8,952
Depreciation expense		32,208	16,042	11,665	7,840
Amortization expense		31,957	2,556	72	732
EBITDA		$ 81,228	$ 4,806	$ 42,471	$ 14,071
Adjustments					
Executive compensation	(A)	$ -	$ 2,447	$ 13,420	$ 8,266
Stock appreciation rights expense (benefit)	(B)	2,268	1,368	1,061	253
Redeemable noncontrolling interests	(C)	1,859	3,028	2,195	407
Equity-based compensation	(D)	6,455	28	82	(154)
AEA transaction related costs	(E)	837	67,964	230	133
Severance costs and other permitted costs	(F)	413	-	(30)	(205)
Transaction costs (acquisition and other)	(G)	1,891	-	-	-
Loss (gain) on disposal of assets		1,089	(864)	(2,231)	(556)
AEA management fee	(H)	2,250	188	-	-
Effects of fair value adjustments to inventory	(I)	5,012	8,289	-	-
Interest rate swap / cap mark-to-market	(J)	2,494	(192)	313	-
Pension withdrawal	(K)	-	-	-	10,179
Total Add-Backs		24,568	82,256	15,040	18,323
Adjusted EBITDA		$105,796	$ 87,062	$ 57,511	$ 32,394

Commentary

A. Represents compensation paid to certain executives who were majority owners prior to the AEA acquisition of GMS. Following the acquisition, these executives' compensation agreements were amended and, going forward, GMS does not anticipate additional adjustments

B. Represents non-cash compensation expenses related to stock appreciation rights agreements

C. Represents non-cash compensation expense related to changes in the fair values of noncontrolling interests

D. Represents non-cash equity-based compensation expense related to the issuance of stock options

E. Represents non-recurring expenses related specifically to the AEA acquisition of GMS

F. Represents severance and other costs permitted in calculations under the ABL Facility and the First Lien Facility

G. Represents one-time costs related to our initial public offering and acquisitions (including the Acquisition) paid to third party advisors, including fees to financial advisors, accountants, attorneys and other professionals as well as costs related to the retirement of corporate stock appreciation rights. Also included are one-time bonuses paid to certain employees in connection with the Acquisition

H. Represents management fees paid to AEA, which were discontinued after the IPO

I. Non-cash cost of sales impact of purchase accounting adjustments to increase inventory to its estimated fair value

J. Mark-to-market adjustments for certain financial instruments

K. Represents costs incurred in connection with withdrawal from a multi-employer pension plan

(1) FY14 is comprised of 11 month period (predecessor) and one month period (successor)

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Quarterly Cash Flows

($ in millions)	Historical							
(Unaudited)	**1Q17**	**2Q17**	**3Q17**	**4Q17**	**FY17**	**1Q18**	**2Q18**	**3Q18**
Net income	$ 9.2	$ 17.2	$ 8.2	$ 14.3	$ 48.9	15.3	$ 18.0	$ 19.7
Non-cash changes & other changes	(5.0)	11.5	23.8	30.1	60.4	(2.8)	13.3	14.8
Changes in primary working capital components:								
Trade accounts and notes receivable	(19.4)	0.0	16.1	(17.2)	(20.4)	(12.9)	(8.9)	36.4
Inventories	(17.1)	3.7	(12.3)	7.3	(18.4)	(3.3)	(4.0)	(16.3)
Accounts payable	1.7	(1.1)	(0.3)	(4.1)	(3.8)	9.5	5.1	(20.3)
Cash provided by (used in) operating activities	**(30.6)**	**31.3**	**35.6**	**30.4**	**66.7**	**5.9**	**23.5**	**34.4**
Purchases of property and equipment	(2.6)	(2.4)	(1.9)	(4.2)	(11.1)	(5.5)	(2.9)	(5.0)
Proceeds from sale of assets	0.8	0.5	1.9	0.8	4.0	1.4	0.5	0.4
Acquisitions of businesses, net of cash acquired	(26.6)	(113.4)	(6.0)	(4.5)	(150.4)	(3.1)	(15.3)	(5.2)
Cash (used in) provided by investing activities	**(28.3)**	**(115.3)**	**(6.0)**	**(7.9)**	**(157.5)**	**(7.2)**	**(17.7)**	**(9.7)**
Cash provided by (used in) financing activities	**49.7**	**90.5**	**(35.4)**	**(18.5)**	**86.3**	**6.5**	**(5.8)**	**(15.5)**
Increase (decrease) in cash and cash equivalents	(9.2)	6.6	(5.8)	4.0	(4.5)	5.2	0.0	9.2
Balance, beginning of period	19.1	9.8	16.4	10.6	19.1	14.6	19.7	19.8
Balance, end of period	**$ 9.8**	**$ 16.4**	**$ 10.6**	**$ 14.6**	**$ 14.6**	**19.7**	**$ 19.8**	**28.9**
Supplemental cash flow disclosures:								
Cash paid for income taxes	$ 6.5	$ 24.3	$ 9.0	$ 9.3	$ 49.2	$ 1.8	$ 26.7	$ 6.6
Cash paid for interest	$ 6.6	$ 6.6	$ 6.9	$ 6.4	$ 26.4	$ 6.8	$ 7.3	$ 7.1

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Reconciliation of SG&A to Adjusted SG&A

GAAP SG&A Reconciliation

(Unaudited) *($ in millions)*		1Q17	2Q17	3Q17	4Q17	FY2017	1Q18	2Q18	3Q18
SG&A - Reported		**$ 135.1**	**$ 149.8**	**$ 147.3**	**$ 153.0**	**$ 585.1**	**$ 156.1**	**$ 159.9**	**$ 156.3**
Adjustments									
Stock appreciation rights expense (benefit)	(A)	0.1	0.1	0.5	(0.9)	(0.1)	(0.6)	(0.6)	(0.6)
Redeemable noncontrolling interests	(B)	(0.3)	(2.5)	(0.3)	(0.5)	(3.5)	(0.9)	(0.2)	(0.3)
Equity-based compensation	(C)	(0.7)	(0.7)	(0.6)	(0.6)	(2.5)	(0.5)	(0.4)	(0.4)
Severance and other permitted costs	(D)	(0.1)	(0.1)	(0.1)	0.5	0.2	(0.2)	(0.1)	(0.0)
Transaction costs (acquisition and other)	(E)	(0.7)	(1.8)	(0.6)	0.8	(2.2)	(0.2)	(0.1)	(0.1)
Loss (gain) on disposal of assets		0.2	(0.1)	0.1	0.1	0.3	0.4	0.2	0.1
AEA management fee	(F)	(0.2)	-	-	-	(0.2)	-	-	-
Secondary Public Offering	(G)	-	-	-	(1.4)	(1.4)	(0.6)	-	(0.9)
Debt Related Costs	(H)	-	-	-	(0.3)	(0.3)	(0.7)	(0.0)	-
SG&A - Adjusted		**$ 133.4**	**$ 144.7**	**$ 146.4**	**$ 150.8**	**$ 575.3**	**$ 152.8**	**$ 158.7**	**$ 153.9**

Commentary

A. Represents non-cash compensation expenses related to stock appreciation rights agreements

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G. Represents costs paid to third party advisors related to the secondary public offerings of our common stock

H. Represents costs paid to third party advisors related to debt refinancing activities

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