



FBM

Foundation Building Materials

Raymond James Institutional Investor Conference

March 7, 2018



DISCLOSURES

Forward-Looking Statements

This presentation contains “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as “believe,” “anticipate,” “expect,” “estimate,” “intend,” “project,” “plan,” or words or phrases with similar meaning. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on current expectations, forecasts and assumptions that 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. We do not intend, and undertake no obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. Investors are referred to the Company’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement.

Non-GAAP Financial Measures

In addition to results under GAAP, this presentation contains certain non-GAAP financial measures, including adjusted EBITDA, which is provided as supplemental measures of financial performance. This measure is presented because adjusted EBITDA is an important metric used by management as one of the means by which it assesses financial performance. Adjusted EBITDA is also frequently used by analysts, investors and other interested parties to evaluate companies in our industry. This measure when used in conjunction with related GAAP financial measures, provide investors with an additional financial analytical framework that may be useful in assessing our company and its results of operations. Adjusted EBITDA has certain limitations, which are discussed in greater detail in the Company’s filings with the Securities and Exchange Commission and its earnings releases, and should not be considered as an alternative to net income, reported EPS or any other measures of financial performance prepared in accordance with GAAP. Other companies, including other companies in our industry, may not use this measure or may calculate adjusted EBITDA differently than we do, limiting their usefulness as a comparative measure. A reconciliation of this non-GAAP measure to the most directly comparable GAAP measure is set forth in the appendix to this presentation.

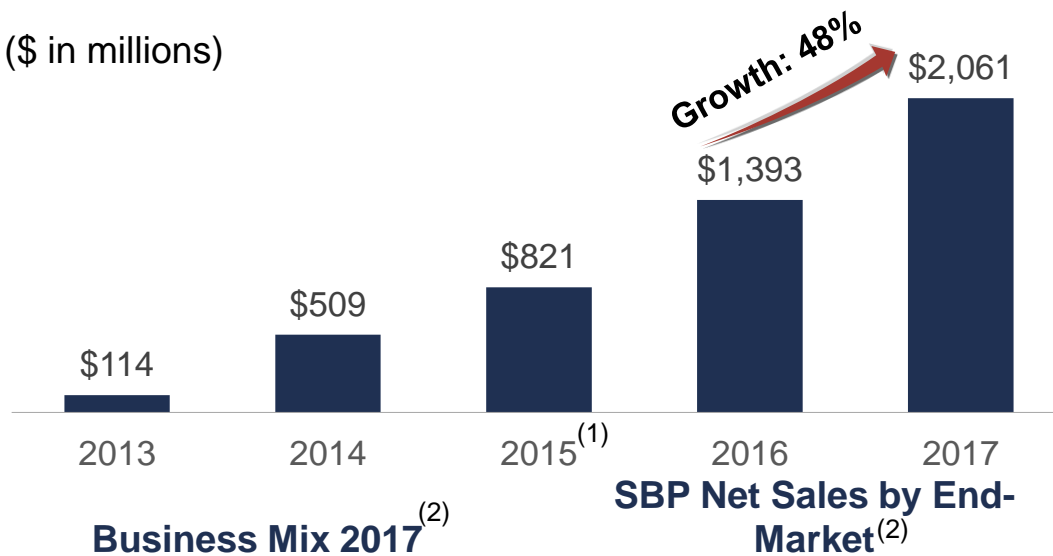
FBM AT A GLANCE

One of North America's Largest Specialty Building Products Distributors

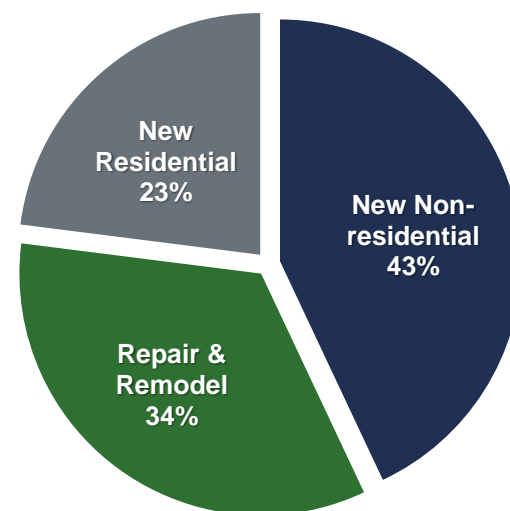
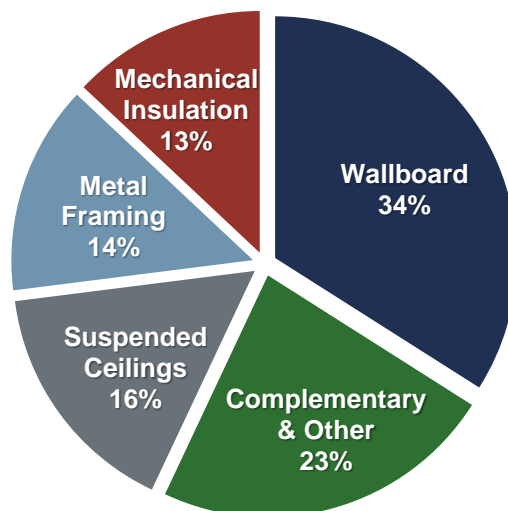
| | |
|---------------------|----------------------|
| Founded | 2011 |
| Headquarters | Tustin, CA |
| Listed | FBM (NYSE) |
| Employees | 3,700+ |
| Branches | 220+ |
| Customers | 28,000+ |
| SKUs | ~35,000 |
| 2017 Sales | \$2.1 Billion |

Executing Our Growth Plan – Net Sales Growth Over Time

(\$ in millions)



Business Mix 2017⁽²⁾



2017 Operating Segment Data

Specialty Building Products (SBP)






Net Sales \$1,790M | Gross Profit \$522M

Mechanical Insulation (MI)

Net Sales \$271M | Gross Profit \$76M

(1) 2015 financial information is the sum of the Predecessor and Successor 2015 historical periods- see our Annual Report on form 10-K for more details
 (2) Percentages based on 2017 reported net sales of \$2,061 million

SOLUTIONS PROVIDER FOR COMMERCIAL AND RESIDENTIAL CONTRACTORS

| | | Applications | Selected Products |
|-----------------------------|--------------------------------|---|---|
| Specialty Building Products | Wallboard | Interior walls and ceilings |  |
| | Ceilings | Suspended ceiling systems including suspension grid, ceiling tile, panels and architectural specialties |  |
| | Metal Framing | Wallboard structural support, typically sold as part of a package with wallboard, insulation, or suspended ceiling systems |  |
| Blended | Complementary Products & Other | Wallboard Accessories, Stucco/exterior insulation and finishing system, building insulation, tools, safety accessories, and fasteners |  |
| MI | Mechanical Insulation | Insulation solutions for piping, ducting, and mechanical systems |  |

LONG-TERM STRATEGIC PRIORITIES

1 PROFITABLY GROW MARKET SHARE

- Increase market share by strengthening existing key supplier relationships
- Increase suspended ceiling systems sales
- Grow complementary products net sales
- Grow wallboard market share

2 CONTINUE PLATFORM EXPANSION

- Strong acquisition pipeline; significant availability on ABL credit facility
- Scalable infrastructure facilitates efficient integration
- Greenfield expansion opportunities in underserved adjacent markets

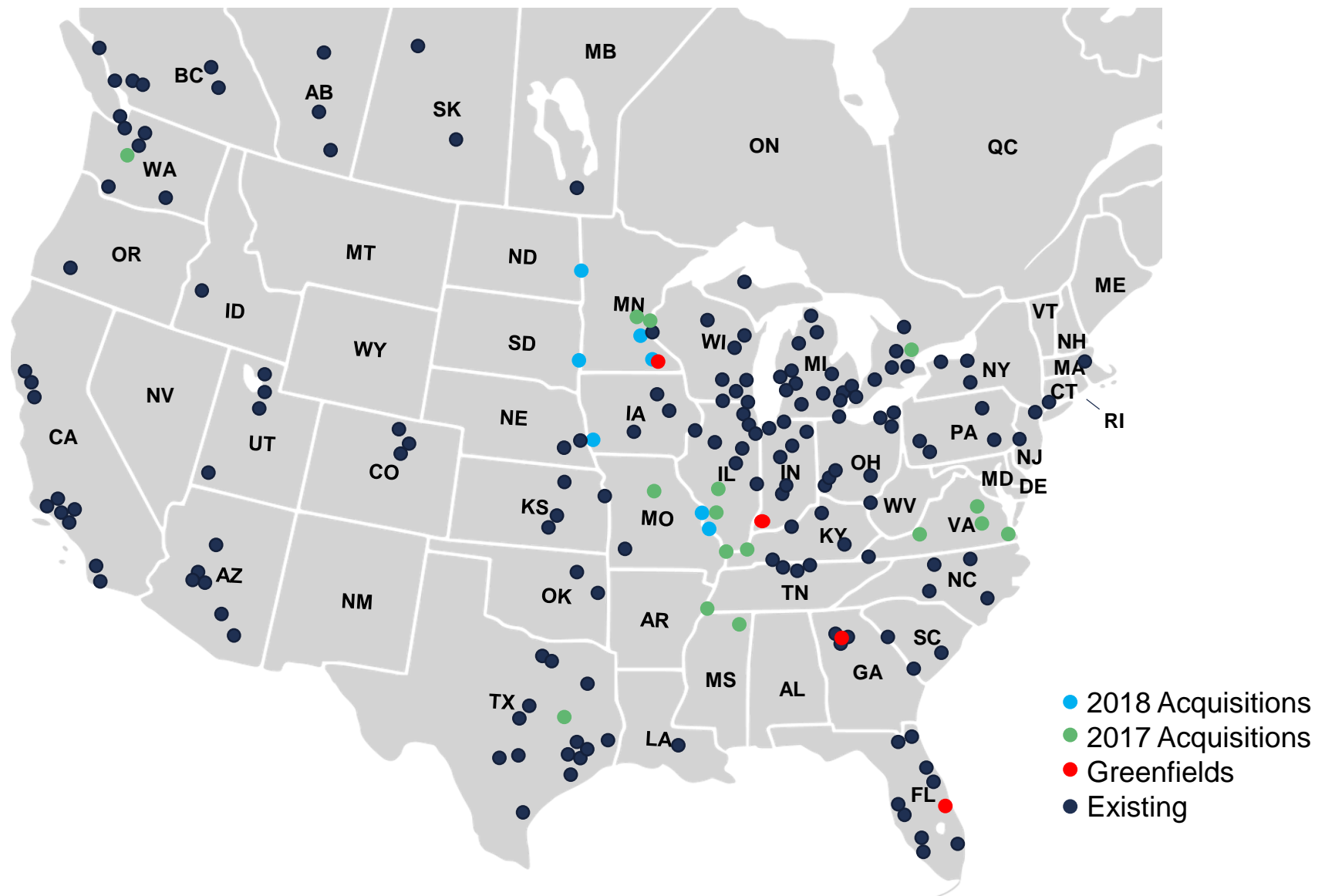
3 DRIVE OPERATIONAL EFFICIENCIES

- Leverage entrepreneurial and customer-centric culture
- Logistical tracking system and investment in electronic data interchange
- Drive procurement savings that expand gross margins
- Incremental margin improvement through overhead cost reductions

4 CREATE LONG-TERM SHAREHOLDER VALUE

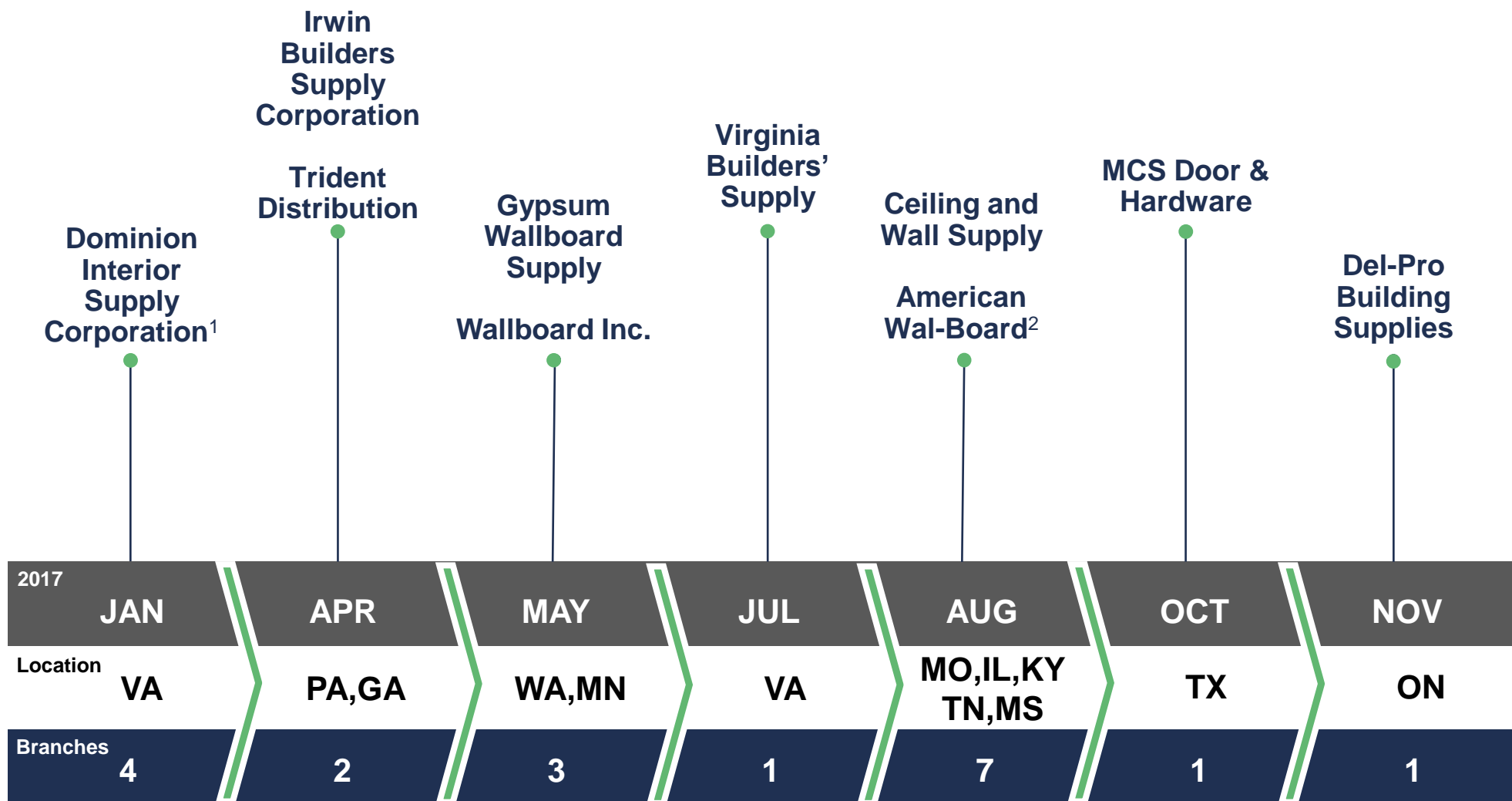
- Proven operating model focused on local market expertise
- Grow asset base through disciplined M&A
- Reduce debt leverage over the next couple of years

GEOGRAPHIC FOOTPRINT



2017 and 2018 Acquisitions Further Expand Our Market Position

ACQUISITION TIMELINE



19 Branches Acquired in 2017

Q4 2017 HIGHLIGHTS

DELIVERING SALES GROWTH

- Total net sales increased 11.8% YoY
- Base business net sales increased 2.1% YoY
 - ✓ Wallboard base business growth 1.6%
 - ✓ Suspended ceiling systems base business growth 2.1%
 - ✓ Complementary and other products base business growth 2.7%
- Wallboard pricing/mix up 3.9% YoY, partially offset by 2.3% lower volumes

DRIVING IMPROVED MARGIN GROWTH

- Consolidated gross margin of 29.7%, up 110bps YoY
 - ✓ SBP gross margin of 30.0%, up 130bps YoY
 - ✓ MI gross margin of 28.0%
- SG&A as a percentage of net sales improved 110bps YoY
- Net income of \$75.9M
- Adjusted EBITDA¹ of \$36.9M; adjusted EBITDA Margin¹ of 7.1%

BUILDING ON M&A SUCCESS

- Two acquisitions, adding two SBP branches
- Increased wallboard market share in Canada and added complementary products in Texas
- Integration to be completed within 90 days of acquisition date

LEVERAGING FAVORABLE MACRO TAILWINDS

- U.S. economy continues to expand at moderate pace
- R&R construction activity remains solid
- Residential construction markets remain strong
- Non-residential construction backlog solid into 2018

CAPITAL ALLOCATION FRAMEWORK

REINVEST IN THE BUSINESS

- 2017 capex 1.4% of net sales
- Continued investment in greenfield branches

PURSUE STRATEGIC ACQUISITIONS

- Strong acquisition pipeline targeting market leaders in highly fragmented industry
- 10 acquisitions completed during 2017 resulting in total net sales contributions of \$78.4M for the year

MANAGING LEVERAGE

- Pursue leverage-neutral acquisitions
- Reduce debt leverage in the next couple of years

KEY TAKEAWAYS

Market Leader Well-positioned to Leverage Size and Scale Advantages

Specialized Product Expertise and Capabilities Create Significant Barriers to Entry

Highly Fragmented \$18B¹ Addressable Market Yields Strong M&A Pipeline

Continued Favorable End Market Trends Support Growth

Experienced Management Team With Consistent Execution Track Record

Significant Runway for Further Value Creation

APPENDIX



NET INCOME TO ADJ. EBITDA RECONCILIATIONS

| (\$000s) | Three Months Ended Dec. 31 | | Year Ended Dec. 31 | |
|--|----------------------------|-------------------|--------------------|--------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | (Unaudited) | | (Unaudited) | |
| Net Income (Loss) | \$ 75,892 | \$ (8,804) | \$ 82,480 | \$ (28,370) |
| Interest Expense, Net | 15,851 | 15,303 | 60,984 | 52,487 |
| Income Tax Benefit | (7,239) | (9,375) | (2,602) | (14,733) |
| Depreciation and Amortization | 19,698 | 17,773 | 76,850 | 51,378 |
| EBITDA | \$ 104,202 | \$ 14,897 | \$ 217,712 | \$ 60,762 |
| Unrealized Non-Cash Gain On Derivative Financial Instruments | (14) | 7,271 | (13,059) | 7,123 |
| IPO and Public Company Readiness Expenses | 157 | - | 5,085 | - |
| Stock-based Compensation | 220 | - | 2,198 | - |
| Non-cash Purchase Accounting Effects ¹ | (127) | 96 | 815 | 6,469 |
| Loss On Disposal of Property and Equipment | 73 | 1,548 | 275 | 1,791 |
| Hurricane Related Costs ² | - | - | 430 | - |
| Transaction Costs ^{3,4} | 411 | - | 4,298 | - |
| Management Fees ⁵ | - | 903 | 353 | 3,622 |
| Decrease in TRA liability ⁶ | (68,033) | - | (68,033) | - |
| Adjusted EBITDA | \$ 36,889 | \$ 24,715 | \$ 150,074 | \$ 79,767 |
| Adjusted EBITDA Margin ⁷ | 7.1% | 5.3% | 7.3% | 5.7% |

¹ Adjusts for the effect of the purchase accounting step-up in the value of inventory to fair value recognized in cost of goods sold as a result of acquisitions. ² Represents costs related to payroll and inventory resulting from Hurricanes Harvey and Irma. ³ Represents one-time, third-party advisor costs related to our acquisitions in the period, including fees to financial advisors, accountants, attorneys and other professionals. ⁴ Certain amounts have been reclassified for the three months ended March 31, 2017, to make our presentation of Adjusted EBITDA consistent for the year ended December 31, 2017. ⁵ Represents fees paid to former private equity sponsor for services provided pursuant to past and present management agreements. These fees are no longer being incurred subsequent to our initial public offering. ⁶ Related to adjustment in liability related to the Tax Cut and Jobs Act of 2017. See Note 19, Tax Receivable Agreement, to the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017. ⁷ Adjusted EBITDA margin represents Adjusted EBITDA divided by net sales.