BMC STOCK HOLDINGS, INC.

Q4 2017 Earnings Call Presentation

February 27, 2018

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DISCLAIMER

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this document may include, without limitation, statements regarding sales growth, price changes, earnings performance, strategic direction and the demand for our products. Forward-looking statements are typically identified by words or phrases such as "may," "might," "predict," "future," "seek to," "assume," "goal," "objective," "continue," "will," "could," "should," "would," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "prospects," "guidance," "possible," "predict," "propose," "potential" and "forecast," or the negative of such terms and other words, terms and phrases of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties, many of which are outside BMC's control. BMC cautions readers that any forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement; therefore, investors and shareholders should not place undue reliance on such statement. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this communication.

A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements. These factors include without limitation: the state of the homebuilding industry and repair and remodeling activity, the economy and the credit markets; the impact of potential changes in our customer or product sales mix; our concentration of business in the Texas, California and Georgia markets; the potential loss of significant customers or a reduction in the quantity of products they purchase; seasonality and cyclicality of the building products supply and services industry; competitive industry pressures and competitive pricing pressure from our customers and competitors; fluctuation of commodity prices and prices of our products; our exposure to product liability, warranty, casualty, construction defect, contract, tort, employment and other claims and legal proceedings; our ability to maintain profitability; our ability to retain our key employees and to attract and retain new qualified employees, while controlling our labor costs; product shortages, loss of key suppliers or failure to develop relationships with qualified suppliers, and our dependence on third-party suppliers and manufacturers; the implementation of our supply chain and technology initiatives; the impact of long-term non-cancelable leases at our facilities; our ability to effectively manage inventory and working capital; the credit risk from our customers; the impact of pricing pressure from our customers; our ability to identify or respond effectively to consumer needs, expectations, market conditions or trends; our ability to successfully implement our growth strategy; the impact of federal, state, local and other laws and regulations; the impact of changes in legislation and government policy; the impact of unexpected changes in our tax provisions and adoption of new tax legislation; our ability to utilize our net operating loss carryforwards; natural or man-made disruptions to our distribution and manufacturing facilities; our exposure to environmental liabilities and subjection to environmental laws and regulation; the impact of health and safety laws and regulations; the impact of disruptions to our information technology systems; cybersecurity risks; our exposure to losses if our insurance coverage is insufficient; our ability to operate on multiple Enterprise Resource Planning ("ERP") information systems and convert multiple systems to a single system; the impact of our indebtedness; the various financial covenants in our secured credit agreement and senior secured notes indenture; and other factors discussed or referred to in the "Risk Factors" section of BMC's most recent Annual Report on Form 10-K to be filed with the SEC on March 1, 2018.

All such factors are difficult to predict and are beyond BMC's control. All forward-looking statements attributable to BMC or persons acting on BMC's behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and BMC undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Basis of Presentation

On December 1, 2015, the merger (the “Merger”) of Stock Building Supply Holdings, Inc. (“SBS” or “Legacy SBS”) with Building Materials Holding Corporation (“Legacy BMC”) was completed. Some of this presentation includes financial and operating results, plans, objectives, expectations and intentions, and other statements that are not historical facts related to the Merger. The Merger was accounted for as a “reverse acquisition” under the acquisition method of accounting, with Legacy SBS treated as the legal acquirer and Legacy BMC treated as the acquirer for accounting purposes. As such, the Company has accounted for the Merger by using Legacy BMC historical information and accounting policies and adding the assets and liabilities of Legacy SBS as of the completion date of the Merger at their estimated fair values. As a result, current year results reported pursuant to U.S. generally accepted accounting principles (“GAAP”) are not comparable to periods prior to the completion of the Merger.

NON-GAAP (ADJUSTED) FINANCIAL MEASURES

Adjusted net sales, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income and Adjusted net income per diluted share are intended as supplemental measures of the Company's performance that are not required by, or presented in accordance with, GAAP. The Company believes that Adjusted net sales, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income and Adjusted net income per diluted share provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and operating results.

- Adjusted net sales is defined as BMC net sales plus pre-Merger SBS net sales.
- Adjusted EBITDA is defined as BMC net income (loss) adjusted for pre-Merger SBS (loss) income from continuing operations, interest expense, income tax expense (benefit), depreciation and amortization, Merger and integration costs, restructuring expense, inventory step-up charges, non-cash stock compensation expense, loss on debt extinguishment, headquarters relocation expense, insurance deductible reserve adjustment and fire casualty loss, loss on portfolio transfer, acquisition costs and other items and impairment of assets.
- Adjusted EBITDA margin is defined as Adjusted EBITDA divided by net sales or, for 2015 and prior periods, Adjusted net sales.
- Adjusted net income is defined as BMC net income adjusted for merger and integration costs, non-cash stock compensation expense, impairment of assets, acquisition costs, other items and after-tax effecting those items, adjusted for the one-time benefit from the Tax Cuts and Jobs Act of 2017 ("2017 Tax Act").
- Adjusted net income per diluted share is defined as Adjusted net income divided by diluted weighted average shares.

Company management uses Adjusted net sales, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income and Adjusted net income per diluted share for trend analyses, for purposes of determining management incentive compensation and for budgeting and planning purposes. Adjusted net sales and Adjusted EBITDA are used in monthly financial reports prepared for management and the board of directors. The Company believes that the use of Adjusted net sales, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income and Adjusted net income per diluted share provide additional tools for investors to use in evaluating ongoing operating results and trends and in comparing the Company's financial measures with other distribution and retail companies, which may present similar non-GAAP financial measures to investors. However, the Company's calculation of Adjusted net sales, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income and Adjusted net income per diluted share are not necessarily comparable to similarly titled measures reported by other companies. Company management does not consider Adjusted net sales, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income and Adjusted net income per diluted share in isolation or as alternatives to financial measures determined in accordance with GAAP. The principal limitation of Adjusted EBITDA and Adjusted net income is that they exclude significant expenses and income that are required by GAAP to be recorded in the Company's financial statements. Some of these limitations are: (i) Adjusted EBITDA and Adjusted net income do not reflect changes in, or cash requirements for, working capital needs; (ii) Adjusted EBITDA does not reflect interest expense, or the requirements necessary to service interest or principal payments on debt; (iii) Adjusted EBITDA does not reflect income tax expenses or the cash requirements to pay taxes; (iv) Adjusted net income and Adjusted EBITDA do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments; (v) although depreciation and amortization charges are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA and Adjusted net income do not reflect any cash requirements for such replacements and (vi) Adjusted net income and Adjusted EBITDA do not consider the potentially dilutive impact of issuing non-cash stock-based compensation. In order to compensate for these limitations, management considers Adjusted net sales, Adjusted EBITDA and Adjusted net income in conjunction with GAAP results. Readers should review the reconciliations of net sales to Adjusted net sales, net income (loss) to Adjusted EBITDA and Adjusted net income, included in the Appendix, and should not rely on any single financial measure to evaluate the Company's business.

DAVE KELTNER, INTERIM PRESIDENT & CEO

- Current member of BMC’s Board of Directors (since Merger)
- Served as a Director of Stock Building Supply from April 2014 until Merger
- Former CFO of Ferguson Enterprises, Inc. (retired Aug 2017)
- Former Interim CFO of Wolseley plc and Wolseley North America
- Former VP – Construction Lending for Stock Building Supply
- Bachelor degree in Finance from Miami University
- MBA from the University of Chicago

SHARPENING THE FOCUS ON OUR GROWTH STRATEGIES

STRATEGIC PRIORITIES

GOAL

Achieve Industry-Leading Financial Performance through Customer Service Leadership and Operational Excellence

PILLARS

1 Organic Growth of Value Added Products and Segments	2 Deliver Operational Excellence with the BMC Operating System	3 Build High Performing Culture	4 Pursue Strategic Expansion
Balance Customer Portfolio: • Maximize Single Family Potential • Grow Multi-Family in select markets • Grow Pro Remodeling Segment Increase Mix of Value Added Products: • Millwork • Windows • Doors • Components	Best in Class Customer Service Optimize Profitability: • Profitable Pricing • Purchasing Rigor • SG&A Optimization Drive Continuous Improvement	Performance Management BMC Leadership Academy: • Talent Development • Recruiting College Graduate Management Training Program	Areas of Focus for Tuck-In Acquisitions: • Value Added Products • Pro Remodel • Improved Local Scale • Expand Geographically

KEY ACTIVITIES (row above)

Solid Balance Sheet Provides Foundation for Growth

FOURTH QUARTER & FULL YEAR 2017 HIGHLIGHTS

Achieved Growth

- Top line sales growth of 12.5% for Q4 and 8.8% for the full year
- Structural Components growth of 19.5% for Q4 and 13.2% for the full year
- Improved Net Income, EPS, Adjusted EBITDA[1]

Ready-Frame® Success

- Delivered $45 million in Q417 Ready-Frame® net sales
- Grew full year Ready-Frame® sales to $171 million for 2017
- Continue to expect Ready-Frame® sales to exceed $300 million by 2020

Improved Leverage and Cost Savings

- Improved SG&A leverage year-over-year
- Achieved $48 million in total annual run rate cost savings from synergies from the Dec. 2015 merger of Stock Building Supply and BMC

Enhanced Value-Added Offerings Thru M&A

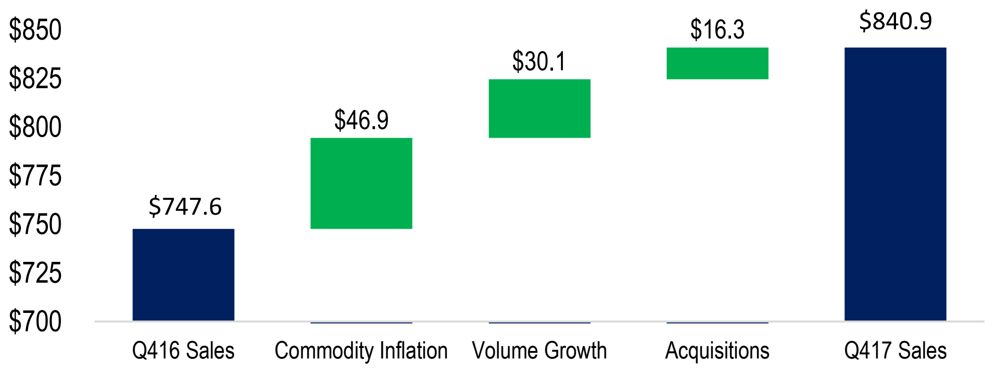
- Q1 17 – Added truss manufacturing capabilities in the DC market through the acquisition of Code Plus
- Q2 17 – Enhanced product offering and increased customer base for Dallas Millwork & Doors through the acquisition of TexPly
- Q1 18 (expected) – Diversified customer base and improved geographic coverage in our Mid Atlantic Division with the acquisition of Shone Lumber

1. Adjusted EBITDA is a non-GAAP financial measure. See Non-GAAP (Adjusted) Financial Measures pages of this presentation for definition of Adjusted EBITDA and a reconciliation to net income, the most directly comparable GAAP measure.

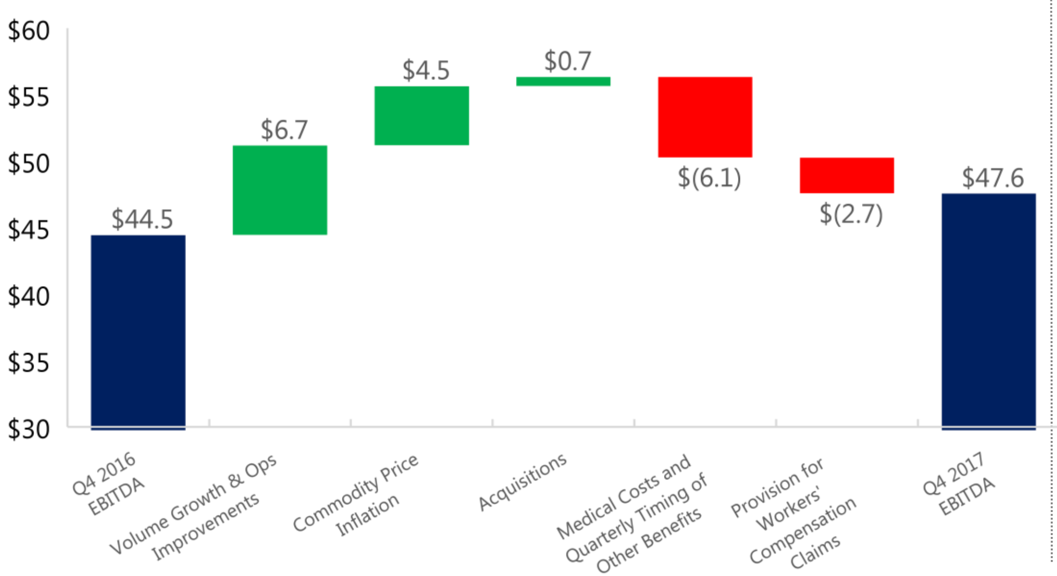
BMC

Q4 2017 FINANCIAL RESULTS

Q4 2017 Net Sales Bridge



Q4 2017 Adjusted EBITDA[1] Bridge



Q4 2017 Commentary[1]

- **Total Q417 net sales growth of 12.5%:**
  - 6.3% from commodity price inflation
  - 4.0% from volume growth
  - 2.2% from acquisitions
- **Strong 19.5% growth in Structural Components**
- **Millwork, Doors & Windows sales up 6.3%**
- **Gross profit up 8.5% to $196.1 million, but gross margin percentage declines due to:**
  - Increased sales mix from lower-margin lumber and lumber sheet goods category
  - 110 bps gross margin decline within the lumber & sheet goods category as a result of significant commodity price inflation
- **Adjusted EBITDA[1] improves to $47.6 million**
  - Approximately $7.4 million in benefits from volume growth, operational improvements and acquisitions
  - Partially offset primarily by higher medical costs and an increase in the provision for workers compensation claims

1. Adjusted EBITDA is a non-GAAP financial measure. See Non-GAAP (Adjusted) Financial Measures pages of this presentation for definition of Adjusted EBITDA and a reconciliation to net income, the most directly comparable GAAP measure.

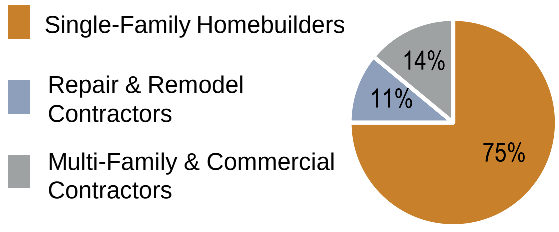
OUTLOOK FOR CONTINUED GROWTH

Fundamentals Support Continued Improvement

2018 Year Over Year End Market Growth Assumptions

Single-Family Starts	↑	5% - 8%
Median Size of New Home	↓	1% - 2%
Professional Remodeling	↑	3% - 5%
Multi-Family Starts	↓	8% - 12%

2017 BMC Customer Mix



BMC Year-Over-Year Growth Expectations

2018 organic volume growth	2% - 5%
2018 commodity inflation	4% - 6% in Q1; deceleration in Q2 – Q4
2018 sales growth from completed or announced acquisitions[1]	2%
2018 Incremental Operating Margins[2]	8% - 10%
Longer-Term Incremental Operating Margins[2]	10% - 15%

- 2018 Incremental Operating Margins[2] constrained by inflated commodity mix and fixed cost base of acquired operations; Longer-term outlook benefits from improved mix and BMC Operating System initiatives

1. Includes Code Plus, TexPly and Shone Lumber acquisitions
2. Incremental operating margin is defined as the change in operating income divided by the change in net sales.

STRONG BALANCE SHEET TO SUPPORT GROWTH

FLEXIBILITY FOR CONTINUED INVESTMENTS AND DISCIPLINED, ACCRETIVE M&A

Attractive Cash Flow Dynamics

- Improving Adjusted EBITDA[1] trends
- Working capital usage ~12-13% of sales
- 2018 Expectations:
  - Capital expenditures: $55 to $65 million[2]
  - Depreciation expense: $55 to $60 million
  - Amortization expense: $15 to $16 million
  - Interest expense: $24 to $26 million
  - Effective tax rate: 25%

Balance Sheet Positioned to Invest

12/31/2017 Long-Term Debt
$349.1 million

Long-Term Debt/ LTM 12/31/2017
Adjusted EBITDA (1)
1.7x

- $375 million revolving ABL facility with extended maturity; $4.5 million outstanding borrowings at 12/31/2017
- $308 million of availability for strategic investments and seasonal working capital needs
- $350 million 5.5% Senior Secured Notes maturing 2024
- Leverage target of 2.0x to 2.5x allows flexibility to make strategic investments but remains prudent

1. Adjusted EBITDA is a non-GAAP financial measure. See Non-GAAP (Adjusted) Financial Measures pages of this presentation for definition of Adjusted EBITDA.
2. We are still evaluating the impact of the 2017 Tax Act on our level of capital expenditures, which may incentivize us to increase our level of capital spending during 2018.

APPENDIX

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BMC STOCK HOLDINGS REPORTED (GAAP) INCOME STATEMENT

($ths)	FY 2015	Q1 16	Q2 16	Q3 16	Q4 16	FY 2016	Q1 17	Q2 17	Q3 17	Q4 17	FY 2017
Net sales	1,576,746	727,418	797,547	821,204	747,574	3,093,743	757,700	886,375	881,012	840,881	3,365,968
Cost of sales	1,215,336	560,801	605,892	618,238	566,847	2,351,778	579,503	674,688	671,467	644,795	2,570,453
Gross profit	361,410	166,617	191,655	202,966	180,727	741,965	178,197	211,687	209,545	196,086	795,515
SG&A	306,843	141,781	139,897	149,498	140,623	571,799	148,888	157,789	158,193	154,676	619,546
Depreciation expense	15,700	8,792	9,290	9,784	10,575	38,441	10,561	10,941	11,053	10,467	43,022
Amortization expense	3,626	5,245	5,288	5,349	4,839	20,721	3,821	4,100	4,026	4,056	16,003
Impairment of assets	-	11,883	-	-	45	11,928	-	26	409	-	435
Merger and integration costs	22,993	2,836	3,597	4,655	4,252	15,340	4,441	6,324	2,574	1,997	15,336
Income (loss) from operations	12,248	(3,920)	33,583	33,680	20,393	83,736	10,486	32,507	33,290	24,890	101,173
Interest expense	(27,552)	(8,231)	(8,121)	(7,668)	(6,111)	(30,131)	(6,088)	(6,495)	(6,377)	(6,076)	(25,036)
Loss on debt extinguishment	-	-	-	(12,529)	-	(12,529)	-	-	-	-	-
Other income (expense), net	784	1,455	1,411	735	469	4,070	319	964	1,083	3,324	5,690
(Loss) income before income taxes	(14,520)	(10,696)	26,873	14,218	14,751	45,146	4,717	26,976	27,996	22,138	81,827
Income tax (benefit) expense	(9,689)	(3,940)	8,891	4,982	4,333	14,266	973	9,380	9,553	4,496	24,402
Net (loss) income	(4,831)	**(6,756)**	**17,982**	**9,236**	**10,418**	30,880	**3,744**	**17,596**	**18,443**	**17,642**	57,425

BMC STOCK HOLDINGS RECONCILIATION OF NON-GAAP ITEMS

ADJUSTED NET SALES

($ths)	FY 2013	FY 2014	FY 2015	Q1 16	Q2 16	Q3 16	Q4 16	FY 2016	Q1 17	Q2 17	Q3 17	Q4 17	FY 2017
Net sales	1,210,156	1,311,498	1,576,746	727,418	797,547	821,204	747,574	3,093,743	757,700	886,375	881,012	840,881	3,365,968
Pre-merger SBS net sales	1,197,037	1,295,716	1,223,875	-	-	-	-	-	-	-	-	-	-
Adjusted net sales	2,407,193	2,607,214	2,800,621	727,418	797,547	821,204	747,574	3,093,743	757,700	886,375	881,012	840,881	3,365,968
Structural components			420,337	108,890	121,187	123,539	108,145	461,761	109,891	138,306	145,185	129,237	522,619
Lumber & sheet goods			864,868	213,532	244,830	248,751	231,450	938,563	244,436	290,499	294,699	284,585	1,114,219
Millwork, doors & windows			794,643	217,987	228,423	232,292	216,187	894,889	210,751	240,999	225,804	229,823	907,377
Other building prods & svcs			720,773	187,009	203,107	216,622	191,792	798,530	192,622	216,571	215,324	197,236	821,753
Adjusted net sales by product category			2,800,621	727,418	797,547	821,204	747,574	3,093,743	757,700	886,375	881,012	840,881	3,365,968

BMC STOCK HOLDINGS RECONCILIATION OF NON-GAAP ITEMS

ADJUSTED EBITDA

($ths)	FY 2013	FY 2014	FY 2015	Q1 16	Q2 16	Q3 16	Q4 16	FY 2016	Q1 17	Q2 17	Q3 17	Q4 17	FY 2017
Net income (loss)	21,655	94,032	(4,831)	**(6,756)**	**17,982**	**9,236**	**10,418**	30,880	**3,744**	**17,596**	**18,443**	**17,642**	57,425
Pre-merger SBS (loss) income from continuing operations	(5,036)	10,087	6,842	-	-	-	-	-	-	-	-	-	-
Interest expense	22,579	29,774	30,189	8,231	8,121	7,668	6,111	30,131	6,088	6,495	6,377	6,076	25,036
Income tax expense (benefit)	9,147	(59,237)	(9,974)	(3,940)	8,891	4,982	4,333	14,266	973	9,380	9,553	4,496	24,402
Depreciation and amortization	25,827	28,799	39,251	16,682	17,139	17,276	17,583	68,680	16,813	17,558	17,625	17,221	69,217
Merger and integration costs	-	-	37,998	2,836	3,597	4,655	4,252	15,340	4,441	6,324	2,574	1,997	15,336
Restructuring expense	141	73	383	-	-	-	-	-	-	-	-	-	-
Inventory step-up charges	-	-	10,285	2,884	-	-	-	2,884	-	-	-	-	-
Non-cash stock compensation expense	3,474	6,079	5,452	1,889	1,804	1,851	1,708	7,252	1,231	2,154	1,366	2,018	6,769
Loss on debt extinguishment	-	-	-	-	-	12,529	-	12,529	-	-	-	-	-
Headquarters relocation	-	2,054	3,865	-	-	-	-	-	-	-	-	-	-
Insurance deductible reserve adj. and fire casualty loss	1,772	669	3,026	-	-	-	-	-	-	-	-	-	-
Loss on portfolio transfer	-	-	2,826	-	-	-	-	-	-	-	-	-	-
Acquisition costs and other items	12,995	1,828	4,216	-	-	-	-	-	273	44	2,950	(1,884)	1,383
Impairment of assets	-	-	-	11,883	-	-	45	11,928	-	26	409	-	435
Adjusted EBITDA	92,554	114,158	129,528	**33,709**	**57,534**	**58,197**	**44,450**	193,890	**33,563**	**59,577**	**59,297**	**47,566**	200,003
Adjusted EBITDA margin	3.8%	4.4%	4.6%	**4.6%**	**7.2%**	**7.1%**	**5.9%**	6.3%	**4.4%**	**6.7%**	**6.7%**	**5.7%**	5.9%

BMC STOCK HOLDINGS RECONCILIATION OF NON-GAAP ITEMS

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

(in $ths, except per share amounts)	Q4 2017	Q4 2016
Net income	**17,642**	**10,418**
Merger and integration costs	1,997	4,252
Non-cash stock compensation expense	2,018	1,708
Impairment of assets	-	45
Acquisition Costs (a)	107	-
Other Items (b)	(1,991)	-
Tax effect of adjustments to net income (c)	(817)	(2,153)
One-time benefit of the 2017 Tax Act (d)	(3,622)	-
Adjusted net income	**15,334**	**14,270**
Diluted weighted avg. shares used to calculate Adjusted net income per diluted share	67,589	67,065
Adjusted net income per diluted share	**$0.23**	**$0.21**

(a) Represents costs incurred related to the acquisitions of Code Plus Components, LLC, Texas Plywood and Lumber Company, Inc. and W.E. Shone Co. (“Shone Lumber”)
(b) Represents income related to the final settlement of insurance claims made by the Company for a fire at one of the Company’s facilities during 2015.
(c) The tax effect of adjustments to net income was based on the respective transactions’ income tax rate, which was 38.3% and 38.0% for the three months ended December 31, 2017 and 2016, respectively. The tax effect of adjustments to net income for the three months ended December 31, 2017 and 2016 exclude approximately $0.0 million and $0.3 million, respectively, of non-deductible Merger costs.
(d) Represents a one-time benefit related to the revaluation of deferred taxes as a result of the 2017 Tax Act.