



SiteOne[®]
LANDSCAPE SUPPLY

Stronger Together

Second Quarter 2019 Earnings

Disclaimer

Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Forward-looking statements may include, but are not limited to, statements relating to our 2019 Adjusted EBITDA outlook. Some of the forward-looking statements can be identified by the use of terms such as “may,” “intend,” “might,” “will,” “should,” “could,” “would,” “expect,” “believe,” “estimate,” “anticipate,” “predict,” “project,” “potential,” or the negative of these terms, and similar expressions. You should be aware that these forward-looking statements are subject to risks and uncertainties that are beyond our control. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New factors emerge from time to time that may cause our business not to develop as we expect, and it is not possible for us to predict all of them. Factors that may cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, the following: cyclicalities in residential and commercial construction markets; general economic and financial conditions, including inflation; weather conditions, seasonality and availability of water to end-users; laws and government regulations applicable to our business that could negatively impact demand for our products; public perceptions that our products and services are not environmentally friendly; competitive industry pressures; product shortages and the loss of key suppliers; product price fluctuations; inventory management risks; ability to implement our business strategies and achieve our growth objectives; acquisition and integration risks; increased operating costs; and other risks, as described in Item 1A, “Risk Factors,” and elsewhere in our Annual Report on Form 10-K for the fiscal year ended December 30, 2018.

Non-GAAP Financial Information

This release includes certain financial information, not prepared in accordance with U.S. GAAP. Because not all companies calculate non-GAAP financial information identically (or at all), the presentations herein may not be comparable to other similarly titled measures used by other companies. Further, these measures should not be considered substitutes for the information contained in the historical financial information of the Company prepared in accordance with U.S. GAAP that is set forth herein.

We present Adjusted EBITDA in order to evaluate the operating performance and efficiency of our business. Adjusted EBITDA represents EBITDA as further adjusted for items permitted under the covenants of our credit facilities. EBITDA represents our net income (loss) plus the sum of income tax (benefit) expense, interest expense, net of interest income, and depreciation and amortization. Adjusted EBITDA is further adjusted for stock-based compensation expense, (gain) loss on sale of assets not in the ordinary course of business, other non-cash items, financing fees, other fees, and expenses related to acquisitions and other non-recurring (income) loss. Adjusted EBITDA excludes any earnings or loss of acquisitions prior to their respective acquisition dates for all periods presented. Adjusted EBITDA is not a measure of our liquidity or financial performance under GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP, or as an alternative to cash flow from operating activities as a measure of our liquidity. The use of Adjusted EBITDA instead of net income has limitations as an analytical tool. Because not all companies use identical calculations, our presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies, limiting its usefulness as a comparative measure. Net debt is defined as long-term debt (net of issuance costs and discounts) plus finance leases, net of cash and cash-equivalents on our balance sheet. Leverage Ratio is defined as Net Debt to trailing twelve months Adjusted EBITDA. We define Organic Daily Sales as Organic Sales divided by the number of Selling Days in the relevant reporting period. We define Organic Sales as Net sales, including Net sales from newly -opened greenfield branches, but excluding Net sales from acquired branches until they have been under our ownership for at least four full fiscal quarters at the start of the fiscal year. Selling Days are the number of business days, excluding Saturdays, Sundays and holidays, that SiteOne branches are open during the relevant reporting period.

Conference call agenda

Introduction

John Guthrie, CFO

Business Update

Doug Black, Chairman and CEO

Financial Update

John Guthrie, CFO

Development Update

Scott Salmon, EVP Strategy & Development

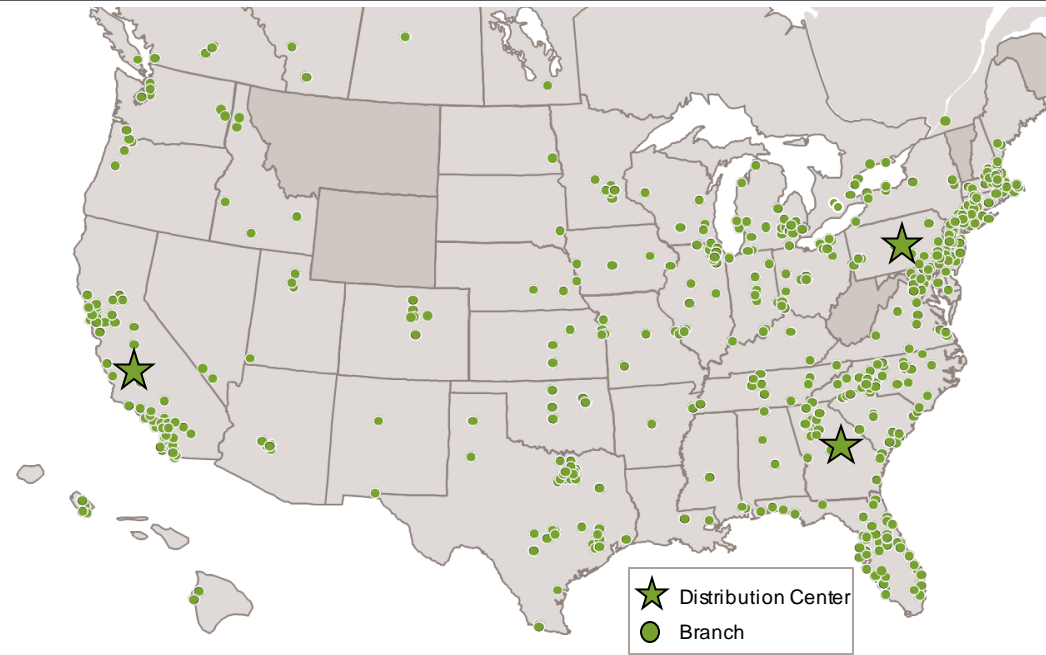
Closing & Outlook

Doug Black, Chairman and CEO

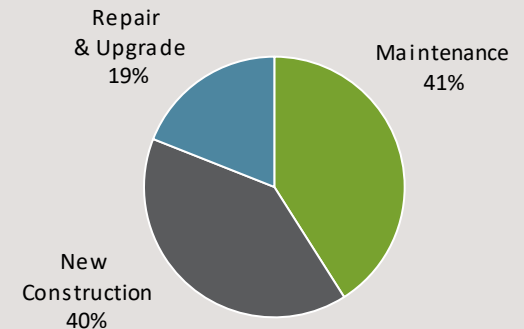
Q&A

Company and industry overview

- **Largest and only national** wholesale distributor of landscape supplies
- **\$19 billion** highly fragmented market⁽¹⁾
- More than **four times** the size of next competitor and only **~11%** market share⁽¹⁾
- Serving **residential** and **commercial** landscape professionals
- Complementary **value-added services** and **product support**
- Approximately **120,000 SKUs**
- **Over 540** branches and **three** distribution centers covering **45 U.S. states** and **six** Canadian provinces⁽²⁾



Balanced end markets (FY18)



(1) As of year end 2018. Source: Management estimates, Company data, independent 3rd party support

(2) Branch count as of Q2 '19

SiteOne is poised for long-term growth and margin enhancement

Current strategy

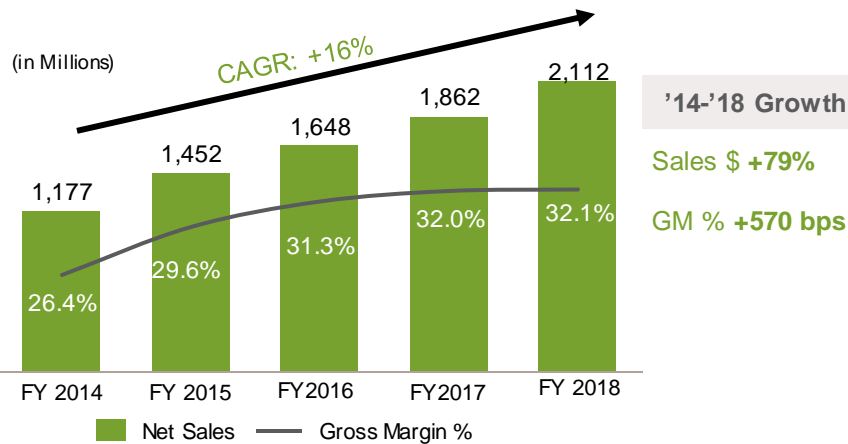
- ✓ **Leverage strengths of both large and local company**
 - Fully exploit our scale, resources and capabilities
 - Execute local market growth strategies
 - Deliver superior value to our customers and suppliers
 - Close and integrate high value-added acquisitions
 - Entrepreneurial local area teams supported by world-class leadership and functional support
- ✓ **Drive commercial and operational performance**
 - Category management
 - Pricing
 - Supply chain
 - Salesforce performance
 - Marketing and e-Commerce
 - Operational excellence

Value creation levers

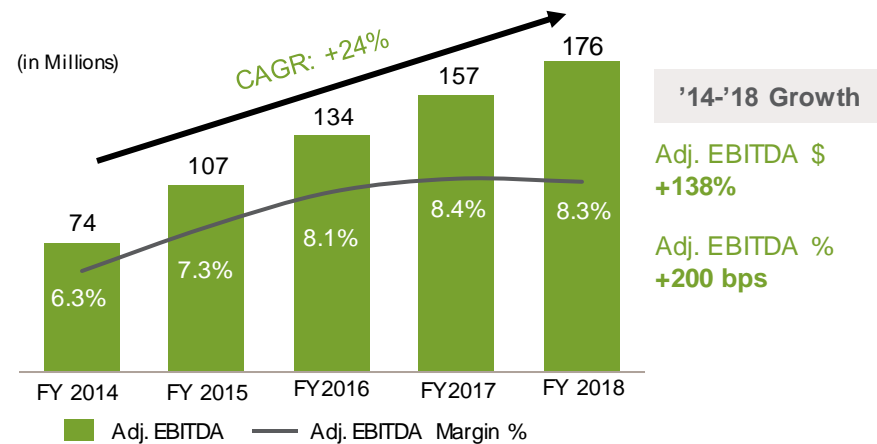
- 1) Organic growth
- 2) Margin expansion
- 3) Acquisition growth

Track record of performance and growth

Net Sales



Adjusted EBITDA



2001-2007

2013

2014

2015

2016

2017

2018

2019

JOHN DEERE LANDSCAPES

CD&R Investment

New Leadership

SiteOne LANDSCAPE SUPPLY

Initial Public Offering

Building the Foundation

Performance & Growth

Acquisitions

- McGinnis Farms ('01)
- Century RainAid ('01)
- UGM ('05)
- LESCO ('07)

- Eljay
- Diamond Head
- Stockyard
- BISCO

- Shemin
- AMC
- Green Resource
- Tieco

- Hydro-Scape
- Blue Max
- Bissett
- Glen Allen
- Loma Vista
- East Haven

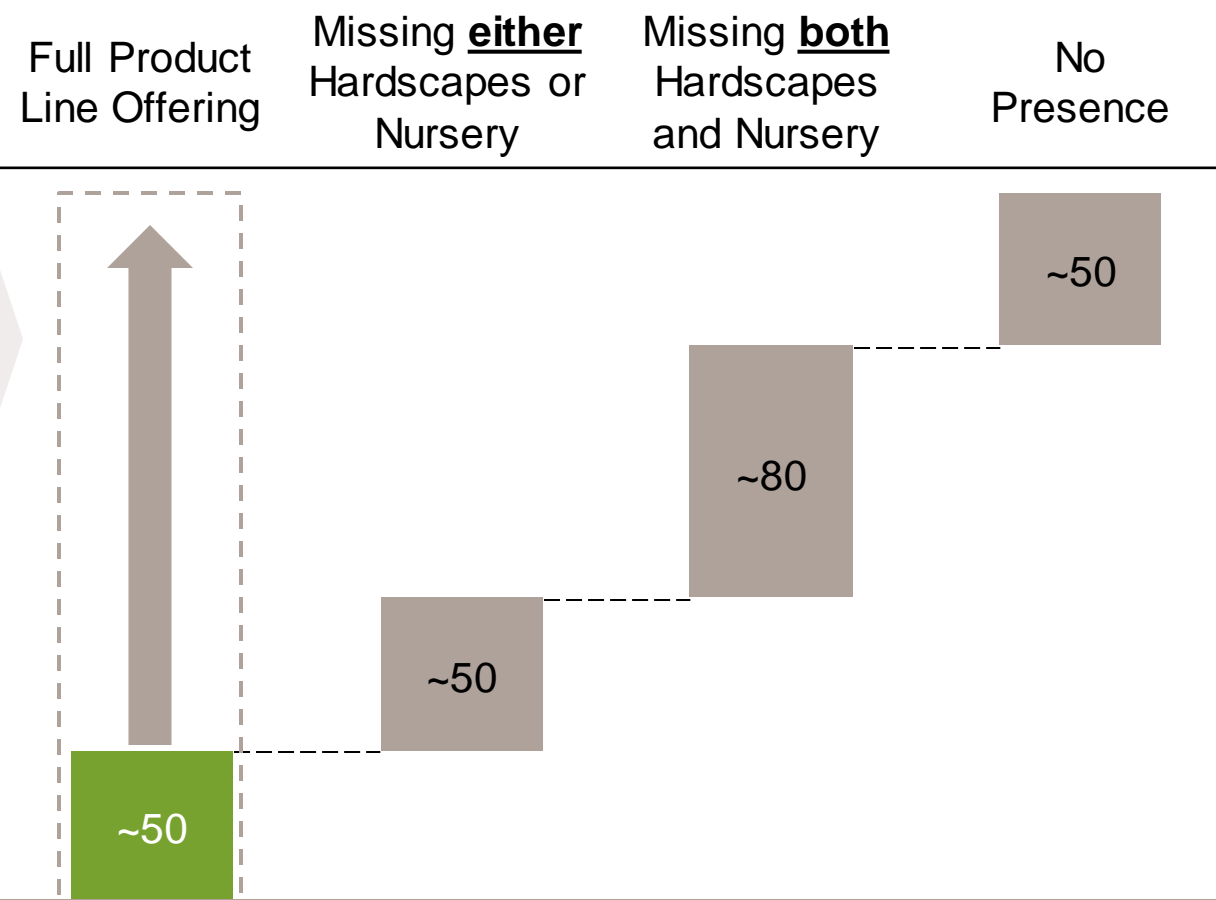
- Aspen Valley
- Stone Forest
- Angelo's
- AB Supply
- Evergreen Partners
- South Coast Supply
- Marshall Stone
- Harmony Gardens

- Pete Rose
- Atlantic Irrigation
- Village Nurseries
- Terrazzo & Stone
- Landscaper's Choice
- Auto-Rain
- All American Stone
- Landscape Express
- Kirkwood
- Stone Center
- CentralPro
- C&C Sand and Stone
- All Around

- Cutting Edge
- All Pro Horticulture
- Landscape Depot
- Fisher's Depot
- Stone & Soil Depot
- Voss Materials

Significant room to grow across product lines

of markets⁽¹⁾



SiteOne offers all product lines in only ~21% of our target markets today...

(1) Target markets are represented by metropolitan statistical areas (“MSAs”) where either SiteOne currently has a presence or MSAs with a population above ~200k, which cover ~80% of the total U.S. population

Second Quarter 2019 highlights and recent developments

Second Quarter 2019 highlights:

- ✓ Net sales increased by 9% to \$752.4 million
- ✓ Organic Daily Sales increased by 1%
- ✓ Gross profit increased 12% to \$258.0 million; gross margin expanded 90 bps to 34.3%
- ✓ Net income increased by 3% to \$64.7 million
- ✓ Adjusted EBITDA increased by 11% to \$114.3 million, adjusted EBITDA margin expanded 20 bps to 15.2%
- ✓ Cash flow from operating activities increased by 199% to \$37.1 million
- ✓ Completed 3 acquisitions during the quarter with approximately \$30 million in TTM net sales⁽¹⁾

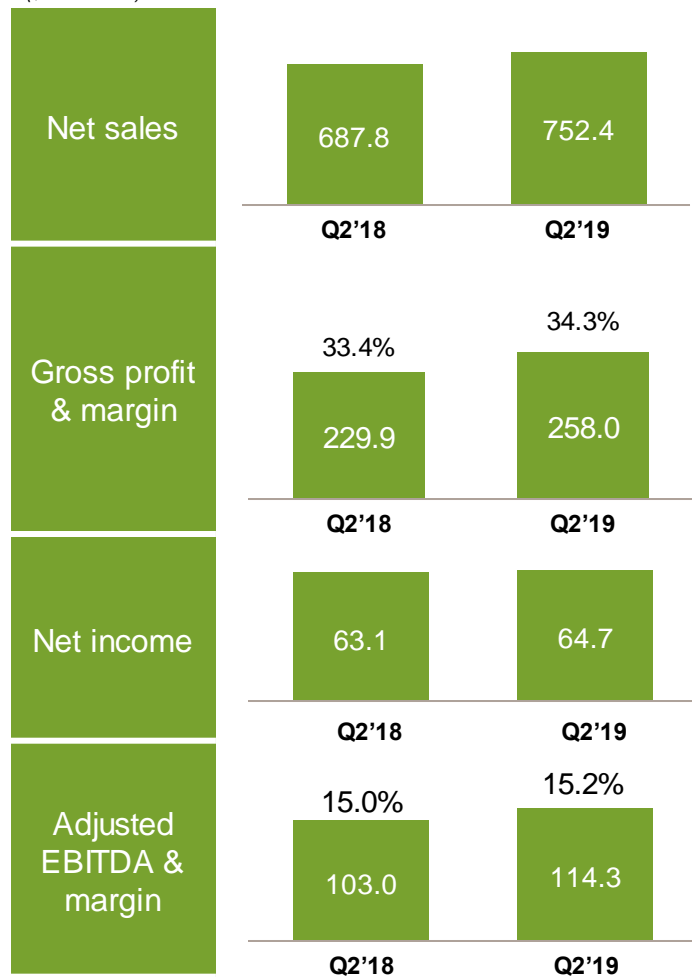
Recent developments:

- ✓ Completed the acquisition of Voss Materials in July with approximately \$18 million in TTM net sales⁽¹⁾

Review of Second Quarter 2019 financial results

Summary financials

(\$ in millions)



Financial highlights

- **Net sales increased 9% YoY to \$752.4 million**
 - Organic Daily Sales increased by 1%
 - Acquired sales growth was \$57.7 million, or 8% of overall growth
- **Gross profit increased 12% to \$258.0 million**
 - Gross margin improved 90 bps to 34.3% due to contribution from acquisitions, opportunistic inventory buys and improved pricing
- **Net income increased 3% to \$64.7 million**
 - Increased sales and profitability partially offset by a higher tax rate
- **Adjusted EBITDA increased 11% to \$114.3 million**
 - Adjusted EBITDA margin improved 20 bps to 15.2%

Review of Second Quarter 2019 balance sheet & cash flow highlights

Second Quarter 2019

(\$ in millions)

Net debt ¹	\$621.7
Cash flow from operating activities	\$37.1
Capital expenditures	\$6.3

Balance sheet & cash flow highlights

- **Working Capital increased to \$535.7 million, compared to \$516.6 million in the prior year period**
 - Excluding lease accounting change, working capital would have increased to \$581.7 million
 - Increase reflects additions from acquisitions
 - Working capital projected to decrease during the remainder of the year due to seasonality and optimization of our supply chain
- **Cash flow from operating activities of \$37.1 million, compared to \$12.4 million in the prior-year period**
 - Reflects improved working capital management
- **Capex investments include materials handling equipment, bar coding**
- **Net debt / Adjusted EBITDA of 3.3x, down from 3.5x a year ago**
 - Leverage decrease attributable to improved cashflow and lower acquisition investment
 - Year-end target net debt / Adjusted EBITDA leverage² of 2.0x – 3.0x

¹ Net debt is calculated as long-term debt plus finance leases, net of cash and cash equivalents

² Leverage ratio defined as net debt (including finance leases) to trailing twelve months Adjusted EBITDA

Source: Company filings

Proven track record of successful acquisitions

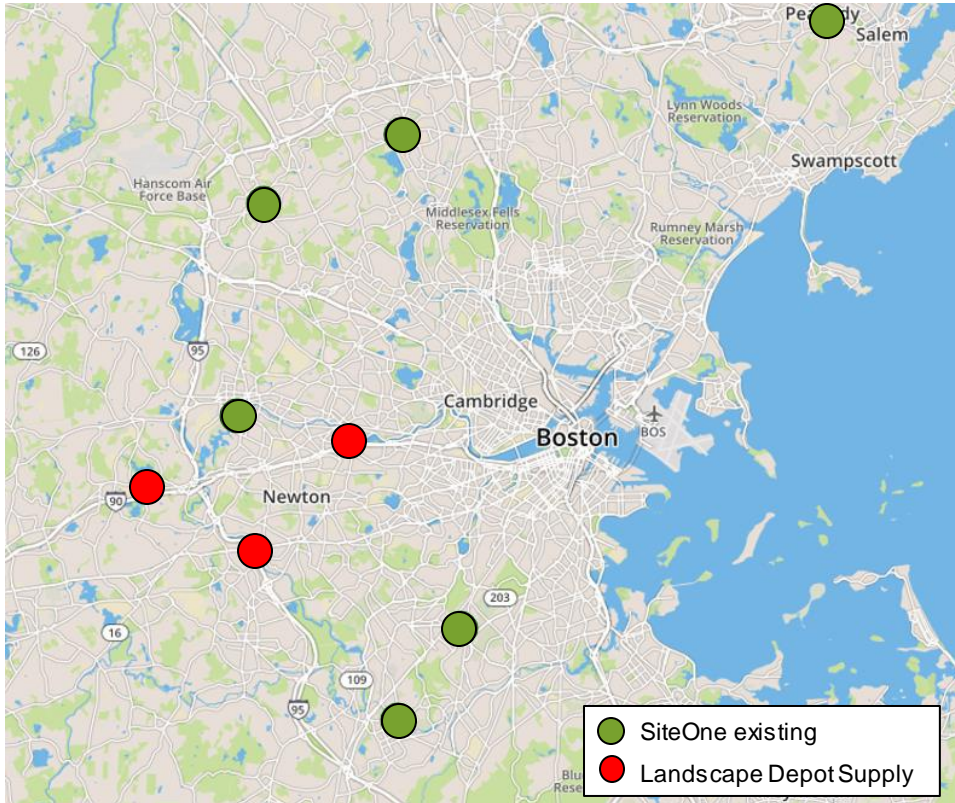
	2014 – 2015	2016	2017	2018	2019 YTD	Total
	<ul style="list-style-type: none"> ▪ Eljay ▪ Diamond Head ▪ Stockyard ▪ BISCO ▪ Shemin ▪ AMC ▪ Green Resource ▪ Tieco 	<ul style="list-style-type: none"> ▪ Hydro-Scape ▪ Blue Max ▪ Bissett ▪ Glen Allen ▪ Loma Vista ▪ East Haven 	<ul style="list-style-type: none"> ▪ Aspen Valley ▪ Stone Forest ▪ Angelo's ▪ AB Supply ▪ Evergreen Partners ▪ South Coast Supply ▪ Marshall Stone ▪ Harmony Gardens 	<ul style="list-style-type: none"> ▪ Pete Rose ▪ Atlantic Irrigation ▪ Village Nurseries ▪ Terrazzo & Stone ▪ Landscaper's Choice ▪ Auto-Rain ▪ All American Stone ▪ Landscape Express ▪ Kirkwood ▪ Stone Center ▪ CentralPro ▪ C&C Sand & Stone ▪ All Around 	<ul style="list-style-type: none"> ▪ Cutting Edge ▪ All Pro Horticulture ▪ Landscape Depot Supply ▪ Fisher's Landscape Depot ▪ Stone & Soil Depot ▪ Voss Materials 	
# Acquisitions	8	6	8	13	6	41
Annualized net sales ⁽¹⁾	~\$270M	~\$150M	~\$130M	~\$230M	~\$73M	~\$853M
# branches added	68	29	26	78	15	216

(1) Trailing twelve months (TTM) revenues in the year acquired

Source: Company data

M&A continues to add significant value

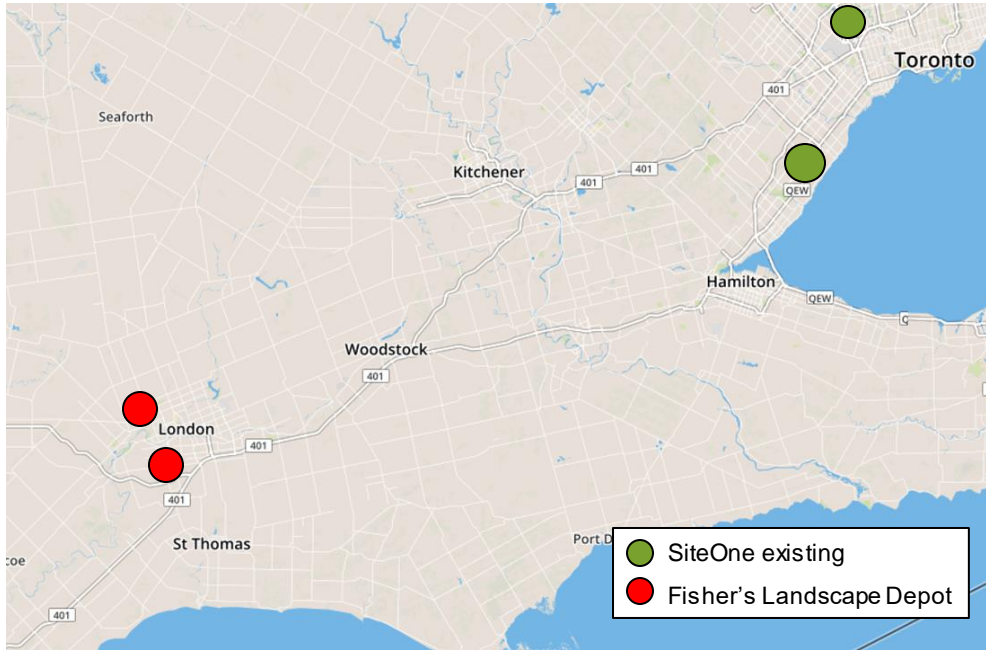
Landscape Depot Supply



- ✓ Closed in April 2019
- ✓ Expands our leading hardscapes & landscape supplies position in Boston, MA
- ✓ Cross-sell opportunities
- ✓ Purchasing synergies

M&A continues to add significant value

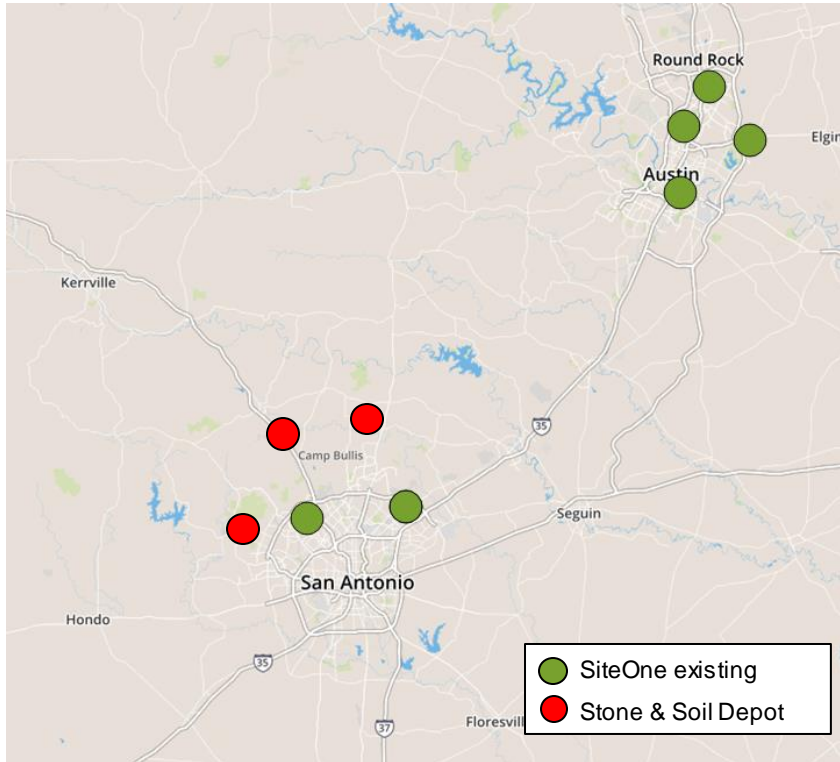
Fisher's Landscape Depot



- ✓ Closed in April 2019
- ✓ Establishes a leading hardscapes & landscape supplies platform in Western Ontario
- ✓ Cross-sell opportunities
- ✓ Purchasing synergies

M&A continues to add significant value

Stone & Soil Depot



- ✓ Closed in May 2019
- ✓ Establishes a leading hardscapes & landscape supplies platform in San Antonio, TX
- ✓ Cross-sell opportunities
- ✓ Purchasing synergies

M&A continues to add significant value

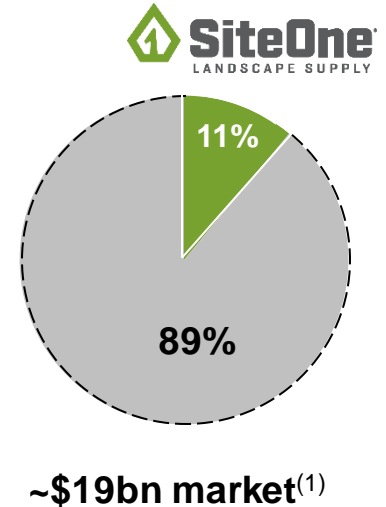
Voss Materials



- ✓ Closed in July 2019
- ✓ Expands our leading hardscapes and landscape supplies position in the east bay of Northern California
- ✓ Cross-sell opportunities
- ✓ Purchasing synergies

Robust pipeline provides significant growth opportunity

- ✓ SiteOne is the leading industry consolidator
- ✓ Significant sourcing advantage with 70+ associates scouting new growth opportunities
- ✓ Our pipeline is deep and expanding
- ✓ M&A team in place to execute our acquisition pipeline & strategy
- ✓ Acquisitions are expected to be accretive and present significant profit growth potential



2019 outlook

- ✓ Underlying market trends remain positive
- ✓ Market share gains expected to continue
- ✓ Expect robust M&A activity from a strong pipeline
- ✓ 2019 Adjusted EBITDA expectation of \$193 million to \$207 million, representing year-over-year growth of 10-18%⁽¹⁾
- ✓ Adjusted EBITDA margin expected to expand in 2019⁽¹⁾

Investment highlights





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Appendix

Non-GAAP Reconciliations

Non-GAAP reconciliations

Adjusted EBITDA Reconciliation

(\$ in millions)	2019		2018				2017	
	Q2'19	Q1'19	Q4'18	Q3'18	Q2'18	Q1'18	Q4'17	Q3'17
Net income (loss)	\$64.7	\$(24.1)	(2.1)	29.9	63.1	(17.0)	4.0	16.9
Income tax expense (benefit)	19.3	(9.6)	(5.6)	2.4	14.7	(10.2)	(11.4)	10.7
Interest expense, net	8.7	9.0	8.3	9.2	8.0	6.6	6.2	6.2
Depreciation and amortization	14.7	15.4	14.0	14.1	12.5	11.7	11.4	11.1
EBITDA	\$107.4	\$(9.3)	14.6	55.6	98.3	(8.9)	10.2	44.9
A Stock-based compensation	5.4	1.8	1.8	1.9	2.1	2.1	1.4	1.5
B (Gain) loss on sale of assets	--	0.1	(0.1)	(0.3)	0.1	(0.1)	0.4	0.0
C Financing fees	--	0.0	0.1	0.7	0.0	0.0	0.2	0.4
D Acquisitions & other	1.5	1.5	1.7	2.1	2.5	1.8	3.1	1.6
E Adjusted EBITDA	\$114.3	\$(5.9)	18.1	60.0	103.0	(5.1)	15.3	48.4

- A** Represents stock-based compensation expense recorded during the period.
- B** Represents any gain or loss associated with the sale of assets not in the ordinary course of business.
- C** Represents fees associated with our debt refinancing and debt amendments, as well as fees incurred in connection with our secondary offerings.
- D** Represents professional fees, retention and severance payments, and performance bonuses primarily related to historical acquisitions. Although we have incurred professional fees, retention and severance payments, and performance bonuses related to acquisitions in several historical periods and expect to incur such fees and payments for any future acquisitions, we cannot predict the timing or amount of any such fees or payments.
- E** Adjusted EBITDA excludes any earnings or loss of acquisitions prior to their respective acquisition dates for all periods presented.

Non-GAAP reconciliations

Adjusted EBITDA Reconciliation

(\$ in millions)	2018	2017	2016	2015	2014
Net income	\$73.9	\$54.6	\$30.6	\$28.9	\$21.7
Income tax expense	1.3	18.0	21.3	19.5	14.4
Interest expense, net	32.1	25.2	22.1	11.4	9.1
Depreciation & amortization	52.3	43.1	37.0	31.2	20.3
EBITDA	\$159.6	\$140.9	\$111.0	\$91.0	\$65.5
A Stock-based compensation	7.9	5.9	5.3	3.0	2.1
B (Gain) Loss on sale of assets	(0.4)	0.6	0.0	0.4	0.6
C Advisory fees	--	--	8.5	2.0	2.0
D Financing fees	0.8	1.7	4.6	5.5	--
E Acquisitions, rebranding & other	8.1	8.1	4.9	4.6	3.6
F Adjusted EBITDA	\$176.0	\$157.2	\$134.3	\$106.5	\$73.8

- A** Represents stock-based compensation expense recorded during the period.
- B** Represents any gain or loss associated with the sale of assets not in the ordinary course of business.
- C** Represents fees paid to CD&R and Deere for consulting services. In connection with the IPO, we entered into termination agreements with CD&R and Deere pursuant to which the parties agreed to terminate the related consulting agreements.
- D** Represents fees associated with our debt refinancing and debt amendments, as well as fees incurred in connection with our initial public offering and secondary offerings.
- E** Represents (i) expenses related to our rebranding to the name SiteOne, (ii) professional fees, retention and severance payments, and performance bonuses primarily related to historical acquisitions. Although we have incurred professional fees, retention and severance payments, and performance bonuses related to acquisitions in several historical periods and expect to incur such fees and payments for any future acquisitions, we cannot predict the timing or amount of any such fees or payments.
- F** Adjusted EBITDA excludes any earnings or loss of acquisitions prior to their respective acquisition dates for all periods presented.

Non-GAAP reconciliations

Organic Daily Sales Reconciliation

(\$ in millions)	2019		2018				
	Q2'19	Q1'19	FY'18	Q4'18	Q3 '18	Q2 '18	Q1 '18
Net Sales	\$752.4	\$417.3	\$2,112.3	\$474.6	\$578.5	\$687.8	\$371.4
Organic Sales	\$660.1	\$377.3	\$1,983.4	\$434.2	\$535.1	\$653.2	\$360.9
^A Acquisition contribution	\$92.3	\$40.0	\$128.9	\$40.4	\$43.4	\$34.6	\$10.5
Selling Days	64	64	252	61	63	64	64
Organic Daily Sales	\$10.3	\$5.9	\$7.9	\$7.1	\$8.5	\$10.2	\$5.6

- ^A Represents net sales from acquired branches that have not been under our ownership for at least four full fiscal quarters at the start of the 2019 fiscal year.