



SiteOne[®]
LANDSCAPE SUPPLY

Stronger Together

Third Quarter 2019 Earnings

October 30, 2019

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

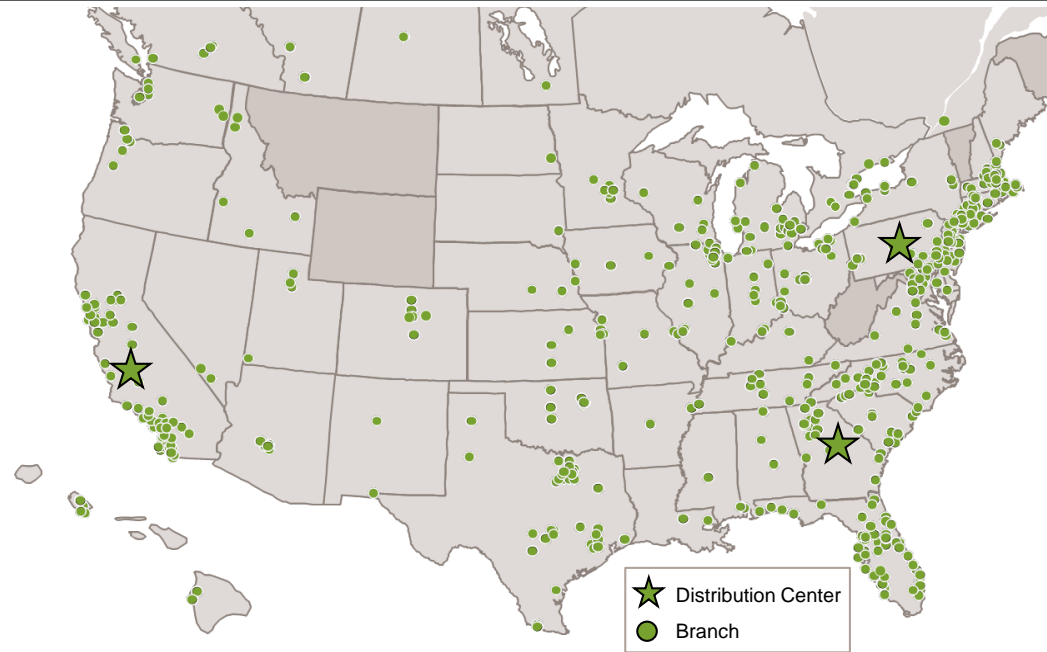
Closing & Outlook

Doug Black, Chairman and CEO

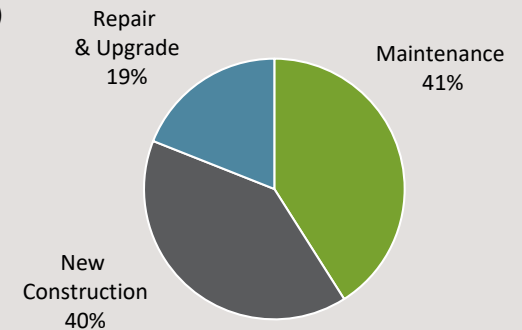
Q&A

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 550** branches and **three** distribution centers covering **45** U.S. states and **six** Canadian provinces⁽²⁾



Balanced end markets (FY18)



SiteOne is poised for long-term growth and margin enhancement

Current strategy

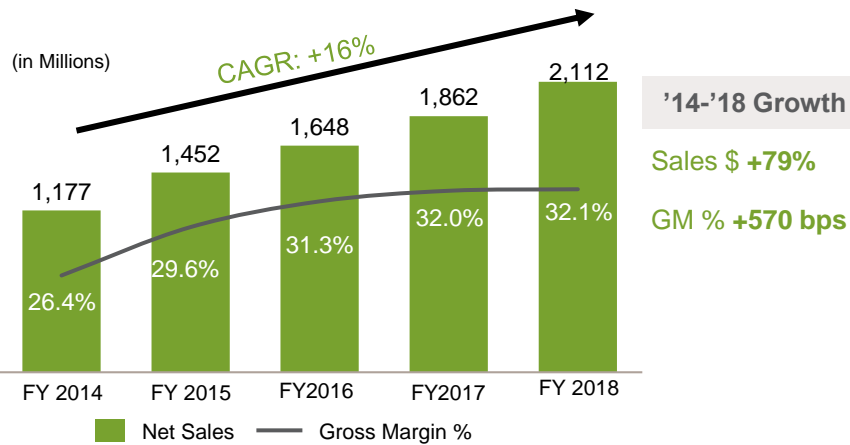
- ✓ **Leverage strengths of both large and local company**
 - Fully exploit our scale, resources and capabilities
 - Execute local market growth strategies
 - Deliver superior value to our customers and suppliers
 - Close and integrate high value-added acquisitions
 - Entrepreneurial local area teams 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

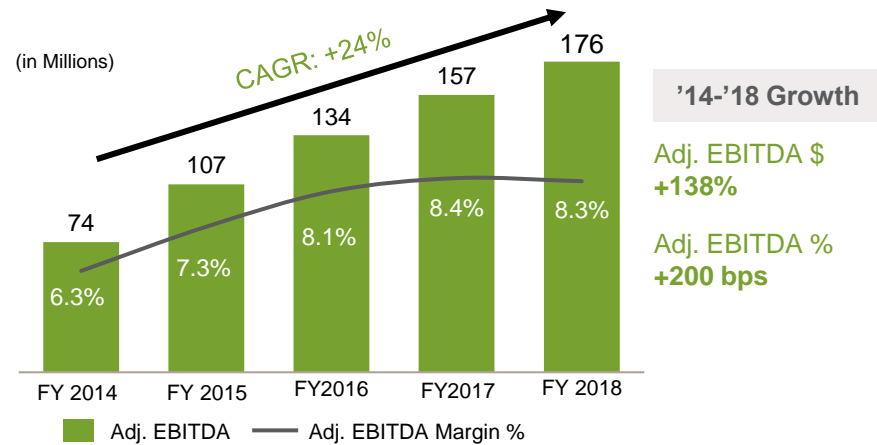
- 1) Organic growth
- 2) Margin expansion
- 3) Acquisition growth

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

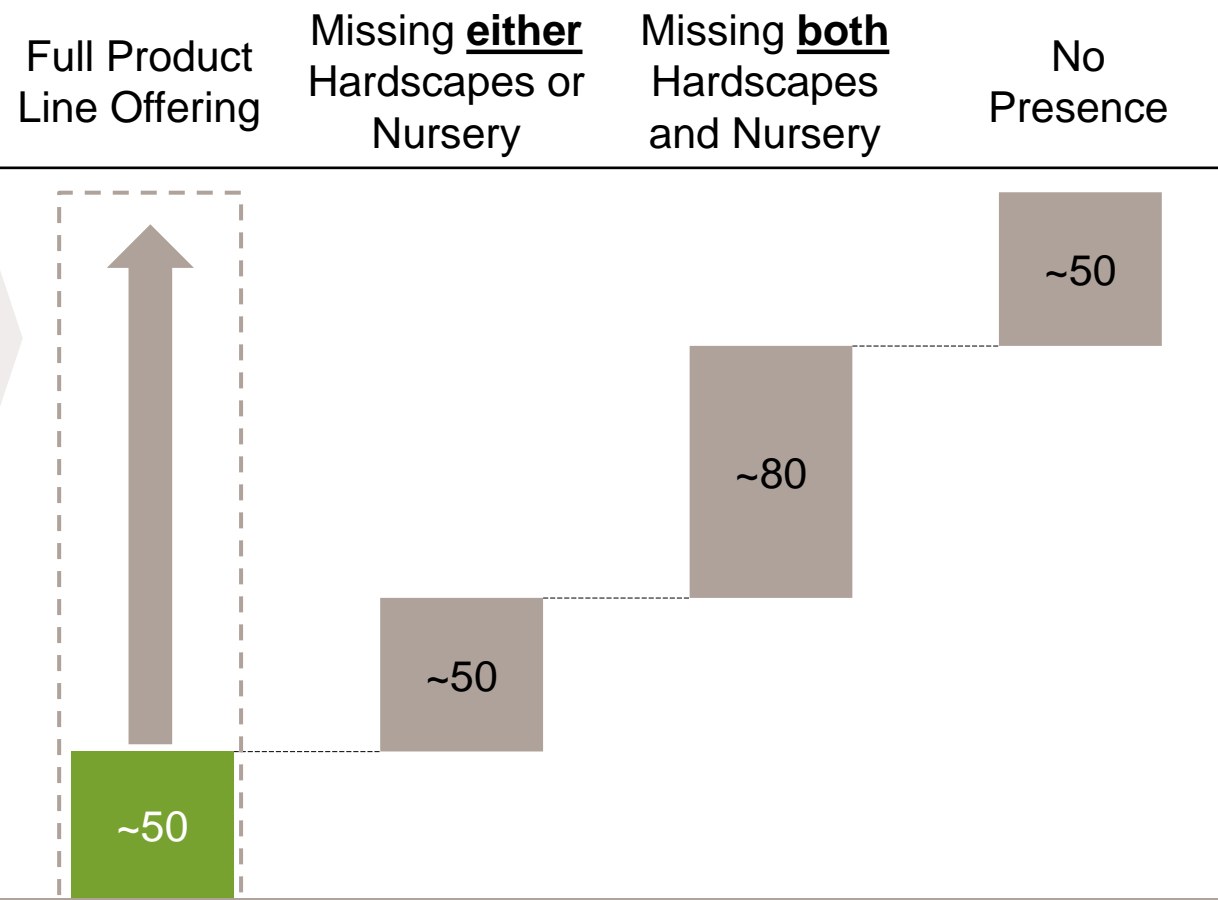
- Aspen Valley
- Stone Forest
- Angelo's
- AB Supply
- Evergreen Partners
- South Coast Supply
- Marshall Stone
- Harmony Gardens

- 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
- Trendset Concrete Products
- Design Outdoor

Significant room to grow across product lines

of markets⁽¹⁾



(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

Third Quarter 2019 highlights and recent developments

Third Quarter 2019 highlights:

- ✓ Net sales increased by 13% to \$652.8 million
- ✓ Organic Daily Sales increased by 7%
- ✓ Gross profit increased 13% to \$215.2 million; gross margin 33.0%
- ✓ SG&A as a percentage of net sales decreased 90 basis points to 25.3%
- ✓ Net income increased by 16% to \$34.6 million
- ✓ Adjusted EBITDA increased by 18% to \$70.5 million, adjusted EBITDA margin expanded 40 bps to 10.8%
- ✓ Cash flow from operating activities increased by 8% to \$75.8 million
- ✓ Completed 2 acquisitions: Voss Materials and Trendset Concrete Products with approximately \$24 million in TTM net sales⁽¹⁾

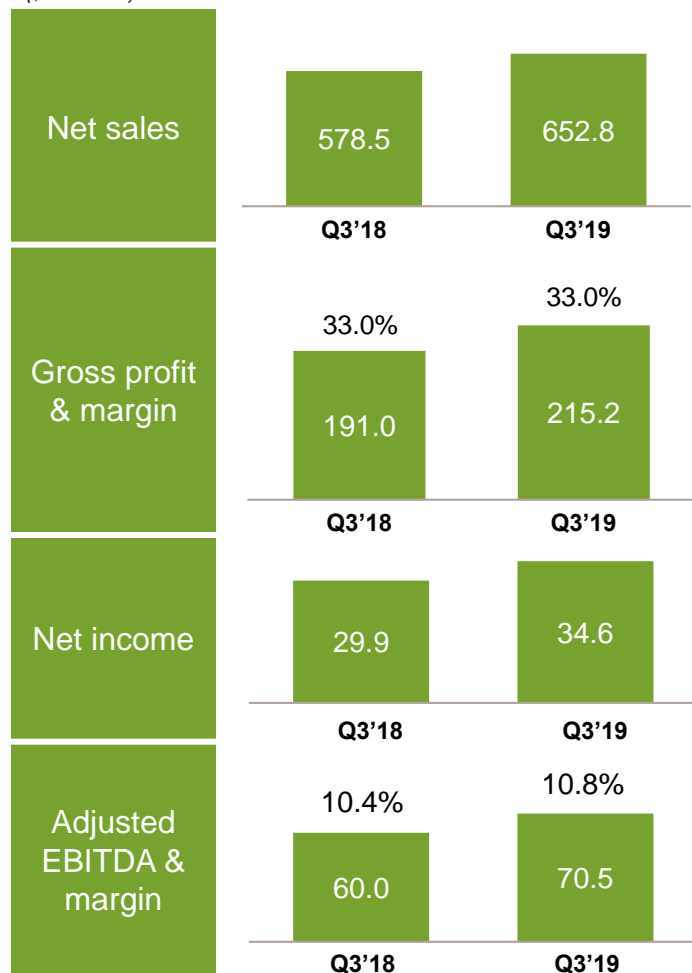
Recent developments:

- ✓ Completed the acquisition of Design Outdoor in October with approximately \$6 million in TTM net sales⁽¹⁾

Review of Third Quarter 2019 financial results

Summary financials

(\$ in millions)



Financial highlights

- **Net sales increased 13% to \$652.8 million**
 - Organic Daily Sales increased by 7%
 - Acquired sales growth was \$39.0 million, or 7% of overall growth
- **Gross profit increased 13% to \$215.2 million**
 - Gross margin of 33.0% was flat year-over-year
- **Net income increased 16% to \$34.6 million**
 - Increased sales growth and profitability partially offset by a higher tax rate
- **Adjusted EBITDA increased 18% to \$70.5 million**
 - Adjusted EBITDA margin improved 40 bps to 10.8%
 - EBITDA margin improvement driven by strong organic growth, good SG&A expense control, and good performance from acquisitions

Review of Third Quarter 2019 balance sheet & cash flow highlights

Third Quarter 2019

(\$ in millions)

Net debt¹

\$566.0

Cash flow
from operating
activities

\$75.8

Capital
expenditures

\$3.7

Balance sheet & cash flow highlights

- **Working capital increased to \$516.2 million, compared to \$513.7 million in the prior-year period**
 - Excluding lease accounting change, working capital would have increased 10% to \$563.4 million
 - Increase reflects impact from acquisitions and higher cash balance
- **Cash flow from operating activities of \$75.8 million, 8% increase from \$70.1 million in the prior-year period**
 - Reflects improved working capital management
- **Capital expenditures of \$3.7 million for material handling and bar coding equipment, flat year-over-year**
- **Net debt / Adjusted EBITDA of 2.9x, down from 3.3x a year ago**
 - Leverage decrease attributable to improved cash flow 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 ▪ Trendset Concrete Products ▪ Design Outdoor | |
| # Acquisitions | 8 | 6 | 8 | 13 | 8 | 43 |
| Annualized net sales ⁽¹⁾ | ~\$270M | ~\$150M | ~\$130M | ~\$230M | ~\$85M | ~\$865M |
| # branches added | 68 | 29 | 26 | 78 | 17 | 218 |

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

Source: Company data

M&A continues to add significant value

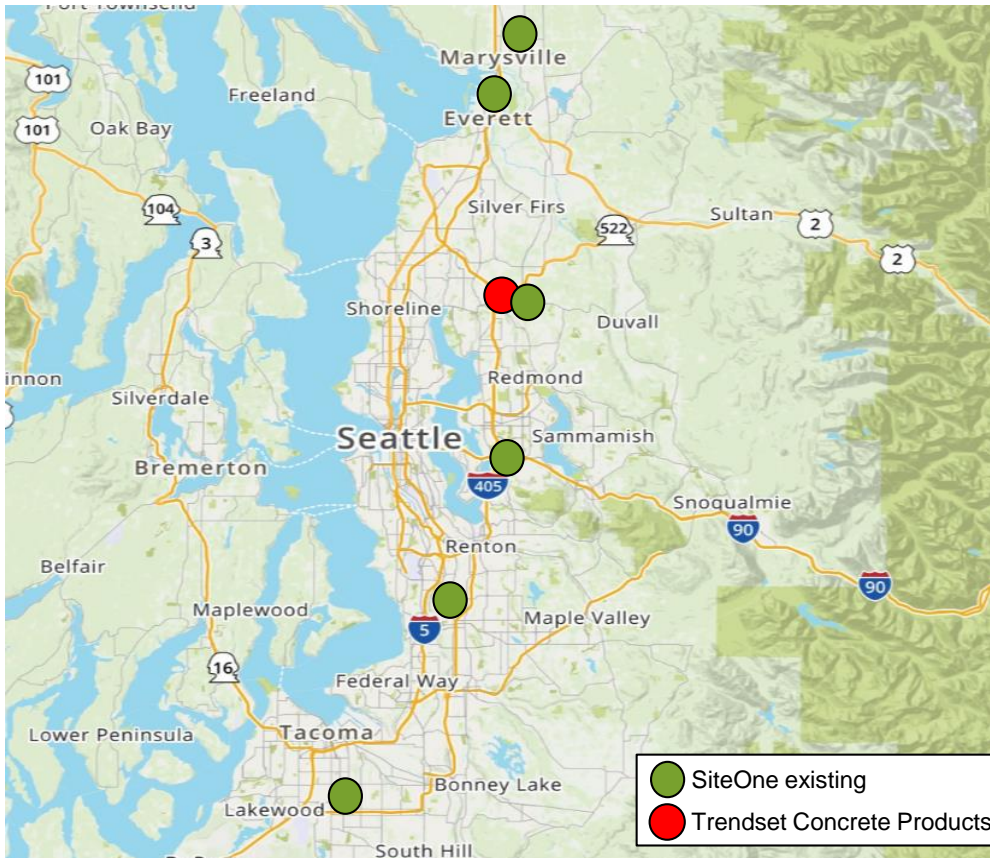
Voss Materials



- ✓ Closed in July 2019
- ✓ Establishes a leading hardscapes position in the east bay of Northern California
- ✓ Cross-sell opportunities
- ✓ Purchasing synergies

M&A continues to add significant value

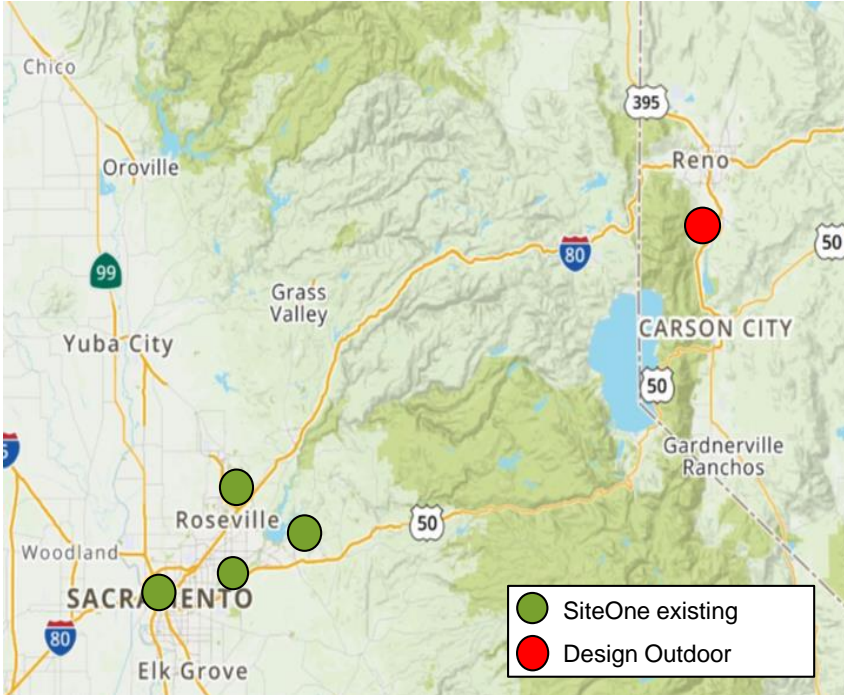
Trendset Concrete Products



- ✓ Closed in August 2019
- ✓ Establishes a leading hardscapes position in Seattle
- ✓ Cross-sell opportunities
- ✓ Purchasing synergies

M&A continues to add significant value

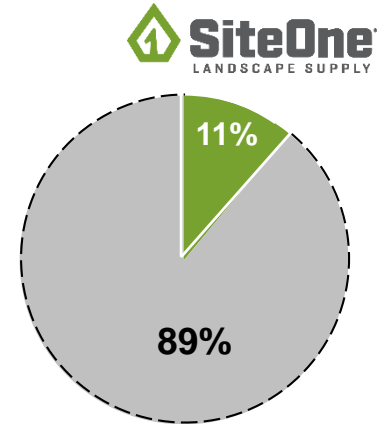
Design Outdoor



- ✓ Closed on September 30th (fiscal Q4'19)
- ✓ Establishes a leading hardscapes platform in a new MSA (Reno/Lake Tahoe)
- ✓ 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



~\$19bn market⁽¹⁾

(1) As of year end 2018. Management Estimates

2019 outlook

- ✓ Underlying market trends remain positive
- ✓ Market share gains expected to continue
- ✓ Expect additional M&A activity from a strong pipeline
- ✓ 2019 Adjusted EBITDA expectation of \$197 million to \$203 million, representing year-over-year growth of 12-15%⁽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 |
|--|---------------|----------------|-----------------|--------------|-------------|--------------|---------------|-------------|
| | Q3'19 | Q2'19 | Q1'19 | Q4'18 | Q3 '18 | Q2 '18 | Q1 '18 | Q4 '17 |
| Net income (loss) | \$34.6 | \$64.7 | \$(24.1) | (2.1) | 29.9 | 63.1 | (17.0) | 4.0 |
| Income tax expense (benefit) | 9.7 | 19.3 | (9.6) | (5.6) | 2.4 | 14.7 | (10.2) | (11.4) |
| Interest expense, net | 8.2 | 8.7 | 9.0 | 8.3 | 9.2 | 8.0 | 6.6 | 6.2 |
| Depreciation and amortization | 14.6 | 14.7 | 15.4 | 14.0 | 14.1 | 12.5 | 11.7 | 11.4 |
| EBITDA | \$67.1 | \$107.4 | \$(9.3) | 14.6 | 55.6 | 98.3 | (8.9) | 10.2 |
| A Stock-based compensation | 2.5 | 5.4 | 1.8 | 1.8 | 1.9 | 2.1 | 2.1 | 1.4 |
| B (Gain) loss on sale of assets | 0.1 | -- | 0.1 | (0.1) | (0.3) | 0.1 | (0.1) | 0.4 |
| C Financing fees | -- | -- | 0.0 | 0.1 | 0.7 | 0.0 | 0.0 | 0.2 |
| D Acquisitions & other | 0.8 | 1.5 | 1.5 | 1.7 | 2.1 | 2.5 | 1.8 | 3.1 |
| E Adjusted EBITDA | \$70.5 | \$114.3 | \$(5.9) | 18.1 | 60.0 | 103.0 | (5.1) | 15.3 |

- 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 | | | | |
|---------------------------------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|
| | Q3'19 | Q2'19 | Q1'19 | FY'18 | Q4'18 | Q3 '18 | Q2 '18 | Q1 '18 |
| Net Sales | \$652.8 | \$752.4 | \$417.3 | \$2,112.3 | \$474.6 | \$578.5 | \$687.8 | \$371.4 |
| Organic Sales | \$570.4 | \$660.1 | \$377.3 | \$1,983.4 | \$434.2 | \$535.1 | \$653.2 | \$360.9 |
| ^A Acquisition contribution | \$82.4 | \$92.3 | \$40.0 | \$128.9 | \$40.4 | \$43.4 | \$34.6 | \$10.5 |
| Selling Days | 63 | 64 | 64 | 252 | 61 | 63 | 64 | 64 |
| Organic Daily Sales | \$9.1 | \$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.