



SiteOne[®]
LANDSCAPE SUPPLY

Stronger Together

Second Quarter 2020 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 2020 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: the potential negative impact of the COVID-19 pandemic (which, among other things, may exacerbate each of the risk listed below); economic downturn or recession; cyclical in residential and commercial construction markets; general economic and financial conditions; weather conditions, seasonality and availability of water to end-users; 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; ability to pass along product cost increases; inventory management risks; ability to implement our business strategies and achieve our growth objectives; acquisition and integration risks; increased operating costs; risks associated with our large labor force (including work stoppages due to COVID-19); retention of key personnel; construction defect and product liability claims; impairment of goodwill; adverse credit and financial markets events and conditions (which have worsened and may continue to worsen as a result of the COVID-19 pandemic); credit sale risks; performance of individual branches; environmental, health and safety laws and regulations; hazardous materials and related materials; laws and government regulations applicable to our business that could negatively impact demand for our products; computer data processing systems; cybersecurity incidents (including the July 2020 ransomware attack); security of personal information about our customers; intellectual property and other proprietary rights; the possibility of securities litigation; unanticipated changes in our tax provisions; our substantial indebtedness and our ability to obtain financing in the future; increases in interest rates; risks related to our common stock; terrorism or the threat of terrorism; 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 29, 2019, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended, including Forms 10-Q and 8-K.

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

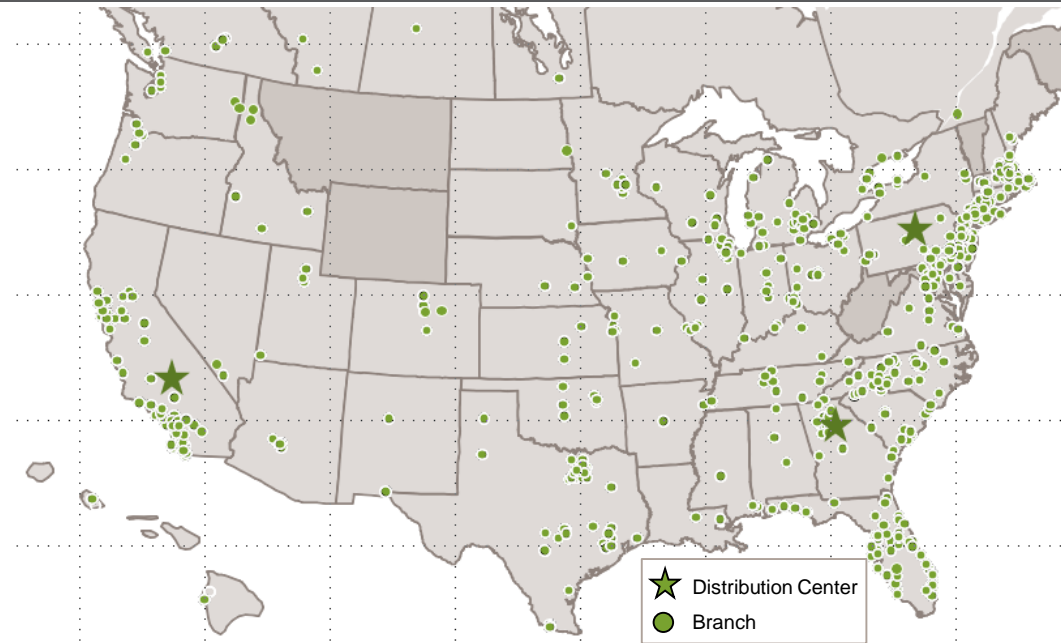
Closing & Outlook

Doug Black, Chairman and CEO

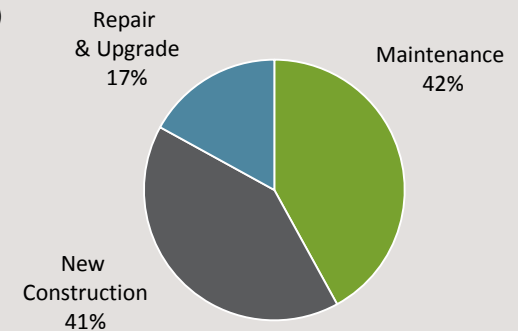
Q&A

Company and industry overview

- **Largest and only national** wholesale distributor of landscape supplies
- **\$20 billion** highly fragmented market⁽¹⁾
- More than **four times** the size of next competitor and only **~12%** 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 (FY19)



(1) As of year end 2019. Source: Management estimates, Company data, independent 3rd party support

(2) Branch count as of Q2 '20

COVID-19 Update and Second Quarter 2020

COVID-19 Update:

- ✓ Operating safely and successfully in the COVID-19 environment
- ✓ Market recovered as restrictions were eased
- ✓ Strong outdoor living trend helping to drive further demand

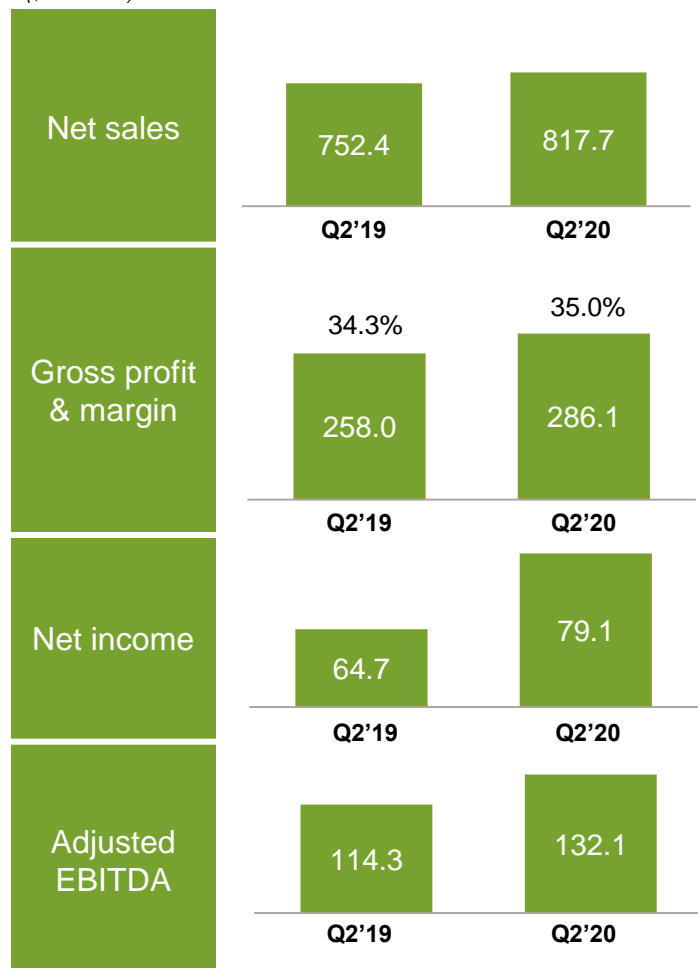
Second Quarter 2020 Financial Highlights (Compared to Second Quarter 2019):

- ✓ Net sales increased 9% to \$817.7 million
- ✓ Organic Daily Sales increased 3%
- ✓ Gross profit increased 11% to \$286.1 million; gross margin increased 70 bps to 35.0%
- ✓ Net income increased 22% to \$79.1 million
- ✓ Adjusted EBITDA increased 16% to \$132.1 million; Adjusted EBITDA margin increased 100 basis points year over to 16.2%
- ✓ Net cash provided by operating activities increased to \$184.7 million, compared to \$37.1 million
- ✓ Net leverage ratio of 2.2x, compared to 3.3x in the year ago quarter

Review of Second Quarter 2020 financial results

Summary financials

(\$ in millions)



Financial highlights

- **Net sales increased 9% YoY to \$817.7 million**
 - Organic Daily Sales increased by 3%
 - Acquired sales growth was \$42.6 million, contributing 6% to the overall growth rate
- **Gross profit increased 11% to \$286.1 million**
 - Gross margin increased 70 bps to 35.0%
 - Reflects increased Net sales, lower freight costs, and contribution from acquisitions carrying higher gross margin
- **Net income increased 22% to \$79.1 million**
 - Improvement driven by higher net sales, SG&A leverage, and gross margin improvement
- **Adjusted EBITDA increased 16% to \$132.1 million**
 - Adjusted EBITDA margin increased 100 basis points to 16.2%, driven by improved gross margin and SG&A leverage

Balance sheet & cash flow highlights

Second Quarter 2020

Balance sheet & cash flow highlights

(\$ in millions)

Net debt ¹	\$476.5
Cash flow from operating activities	\$184.7
Capital expenditures	\$4.9

- **Working capital increased to \$583.8 million, compared to \$535.7 million in the prior-year period**
 - Reflects decision to increase cash on hand to \$163.8 million from \$25.2 million in response to market uncertainty brought on by COVID-19
- **Cash flow from operating activities of \$184.7 million, compared to \$37.1 million in the prior-year period**
 - Driven by improved profitability and reductions in receivables and inventory
- **Capital expenditures were \$4.9 million, compared to \$6.3 million in the prior-year period**
- **Net debt \$477 million, compared to \$622 million in prior-year period**
- **Net debt / Adjusted EBITDA of 2.2x, reduced from 3.3x a year ago**
 - Leverage decrease attributable to improved profitability and strong cash flow
 - 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

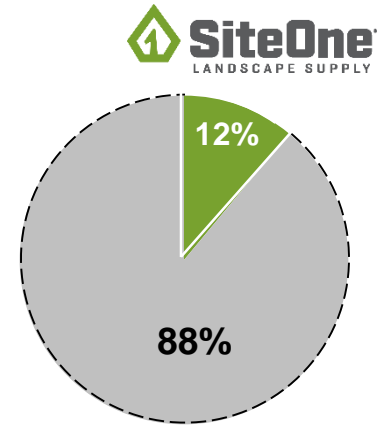
	2014 – 2015	2016	2017	2018	2019	2020 YTD	Total
	<ul style="list-style-type: none"> ▪ Eljay ▪ Diamond Head ▪ Stockyard ▪ BISCO ▪ Shemin ▪ AMC ▪ Green Resource ▪ Tieco 	<ul style="list-style-type: none"> ▪ Hydro-Scape ▪ Blue Max ▪ Bissett ▪ Glen Allen ▪ Loma Vista ▪ East Haven 	<ul style="list-style-type: 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 ▪ Dirt Doctors ▪ Daniel Stone 	<ul style="list-style-type: none"> ▪ Wittkopf Landscape Supplies ▪ Empire Supplies ▪ The Garden Dept. ▪ Big Rock 	
# Acquisitions	8	6	8	13	10	4	49
Annualized net sales ⁽¹⁾	~\$270M	~\$150M	~\$130M	~\$230M	~\$100M	~\$43M	~\$923M
# branches added	68	29	26	78	21	9	231

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

Source: Company data

Robust pipeline provides significant growth opportunity

- ✓ Restarting acquisition activities
- ✓ SiteOne is the leading industry consolidator
- ✓ Significant sourcing advantage with 80+ associates scouting new growth opportunities
- ✓ Our pipeline is deep and expanding
- ✓ M&A team in place to execute our acquisition strategy
- ✓ Acquisitions are expected to be accretive and present significant profit growth potential



~\$20bn market⁽¹⁾

2020 outlook

- ✓ Continue to focus on operating safely and successfully in a COVID-19 environment
- ✓ Near-term market trends are positive
- ✓ Continuing to pursue key commercial and operational initiatives
- ✓ Resuming M&A activity with expectation of closing deals in 2020
- ✓ Reintroducing 2020 guidance with Adjusted EBITDA expected to be in a range of \$205 million to \$225 million

Investment highlights





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Appendix

Non-GAAP Reconciliations

Non-GAAP reconciliations

Adjusted EBITDA Reconciliation

(\$ in millions)	2020		2019				2018	
	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	Q1'19	Q4'18	Q3 '18
Net income (loss)	\$79.1	\$(17.5)	\$2.5	\$34.6	\$64.7	\$(24.1)	\$(2.1)	\$29.9
Income tax expense (benefit)	25.6	(13.5)	(5.6)	9.7	19.3	(9.6)	(5.6)	2.4
Interest expense, net	7.6	7.7	7.5	8.2	8.7	9.0	8.3	9.2
Depreciation and amortization	16.4	16.3	14.8	14.6	14.7	15.4	14.0	14.1
EBITDA	\$128.7	\$(7.0)	\$19.2	\$67.1	\$107.4	\$(9.3)	\$14.6	\$55.6
A Stock-based compensation	2.8	2.5	2.0	2.5	5.4	1.8	1.8	1.9
B (Gain) loss on sale of assets	0.1	0.1	0.1	0.1	--	0.1	(0.1)	(0.3)
C Financing fees	--	--	--	--	--	--	0.1	0.7
D Acquisitions & other	0.5	0.8	0.9	0.8	1.5	1.5	1.7	2.1
E Adjusted EBITDA	\$132.1	\$(3.6)	\$22.2	\$70.5	\$114.3	\$(5.9)	\$18.1	\$60.0

- 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.
- D** Represents professional fees, retention and severance payments, and performance bonuses 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)	2019	2018	2017	2016	2015
Net income	\$77.7	\$73.9	\$54.6	\$30.6	\$28.9
Income tax expense	13.8	1.3	18.0	21.3	19.5
Interest expense, net	33.4	32.1	25.2	22.1	11.4
Depreciation & amortization	59.5	52.3	43.1	37.0	31.2
EBITDA	\$184.4	\$159.6	\$140.9	\$111.0	\$91.0
A Stock-based compensation	11.7	7.9	5.9	5.3	3.0
B (Gain) Loss on sale of assets	0.3	(0.4)	0.6	--	0.4
C Advisory fees	--	--	--	8.5	2.0
D Financing fees	--	0.8	1.7	4.6	5.5
E Acquisitions, rebranding & other	4.7	8.1	8.1	4.9	4.6
F Adjusted EBITDA	\$201.1	\$176.0	\$157.2	\$134.3	\$106.5

- 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

2020 Organic Daily Sales Reconciliation

(\$ in millions)	2020					2019				
	FY'20	Q4'20	Q3'20	Q2'20	Q1'20	FY'19	Q4'19	Q3'19	Q2'19	Q1'19
Reported Net Sales	--	--	--	\$817.7	\$459.8	\$2,357.5	\$535.0	\$652.8	\$752.4	\$417.3
A Organic Sales	--	--	--	\$758.2	\$434.8	\$2,292.9	\$513.6	\$630.8	\$735.5	\$413.0
B Acquisition contribution	--	--	--	\$59.5	\$25.0	\$64.6	\$21.4	\$22.0	\$16.9	\$4.3
Selling Days	256	65	63	64	64	252	61	63	64	64
Organic Daily Sales	--	--	--	\$11.8	\$6.8	\$9.1	\$8.4	\$10.0	\$11.5	\$6.5

- A** Organic Sales equals Net sales less Net sales from branches that were acquired in 2019 and 2020.
- B** 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 2020 fiscal year. Includes Net sales from branches acquired in 2019 and 2020.