

Builders FirstSource, Inc.
Form 424B5
July 30, 2015
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Filed pursuant to Rule 424(b)(5)

**Registration Statement Nos. 333-203824, 333-199955
333-205917**

Prospectus Supplement to Prospectus dated July 24, 2015 and Prospectus dated November 26, 2014

12,000,000 Shares

Builders FirstSource, Inc.

Common Stock

Builders FirstSource, Inc., a Delaware corporation (the **Issuer** or **we**), is offering 8,000,000 shares of its common stock, par value \$0.01 per share and the selling stockholder is offering 4,000,000 shares of our common stock, par value \$0.01 per share.

Our common stock is traded on the NASDAQ Global Select Market (to which we refer as NASDAQ in this prospectus supplement) under the symbol **BLDR**. On July 28, 2015, the last reported sale price of our common stock on NASDAQ was \$12.90 per share.

We intend to use the net proceeds of this offering, together with borrowings under our credit facilities and/or proceeds from a new unsecured notes offering, and cash on hand, to finance the acquisition of ProBuild Holdings LLC (**ProBuild**) as described in this prospectus supplement and to pay related transaction costs and expenses. This offering is not contingent on the consummation of the acquisition of ProBuild. We will not receive any proceeds from the sale of shares to be offered by the selling stockholder.

Investing in our common stock involves a high degree of risk. You should review carefully the risks and uncertainties referenced under the heading Risk Factors on page S-35 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any

representation to the contrary is a criminal offense.

| | Per Share | Total(1) |
|---|----------------------|-----------------|
| Public offering price | \$ 12.80 | \$ 153,600,000 |
| Underwriting discount | \$ 0.576 | \$ 6,912,000 |
| Proceeds to us (before expenses)(2) | \$ 12.224 | \$ 97,792,000 |
| Proceeds to the selling stockholder (before expenses) | \$ 12.224 | \$ 48,896,000 |

(1) Assumes no exercise of the underwriters' option to purchase additional shares described below.

(2) See Underwriting (Conflicts of Interest).

We and the selling stockholder have granted the underwriters an option to purchase up to 1,200,000 and 600,000 additional shares of our common stock, respectively, from us and the selling stockholder, at the public offering price, less underwriting discount, within 30 days from the date of this prospectus supplement.

The underwriters expect to deliver the shares of common stock to purchasers on or about July 31, 2015.

Joint Book-Running Managers

Credit Suisse

Deutsche Bank Securities
Joint Lead Managers

Citigroup

BB&T Capital Markets

Stephens Inc.
Co-Manager

Stifel

SunTrust Robinson Humphrey

The date of this prospectus supplement is July 29, 2015.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectuses are part of registration statements that we filed with the U.S. Securities and Exchange Commission, (the SEC) as part of a shelf registration process. The shelf registration statement covering the shares offered by the selling stockholder (File No. 333-199955) became effective on November 26, 2014, and the shelf registration statement covering the shares offered by us (File No. 333-203824) became effective on July 24, 2015. This document is in two parts. The first part is this prospectus supplement which contains specific information about the terms of this offering. This prospectus supplement also adds to and updates information contained in, or incorporated by reference into, the accompanying prospectuses. The second part consists of two accompanying prospectuses, which provide more general information about us and securities we may offer from time to time, some of which may not apply to this offering of common stock. Generally, when we refer to this prospectus supplement, we are referring to both parts of this document combined. This prospectus supplement and the accompanying prospectuses incorporate by reference important business and financial information about us that is not included in or delivered with this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectuses together with the additional information below under the heading Where You Can Find Additional Information. If there is any inconsistency between the information in this prospectus supplement and the accompanying prospectuses or any document incorporated herein or therein by reference, you should rely on the information in this prospectus supplement.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in or incorporated by reference into this prospectus supplement or the accompanying prospectuses. You must not rely on any unauthorized information or representations. This prospectus supplement and the accompanying prospectuses constitute an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained or incorporated by reference in this prospectus supplement and the accompanying prospectuses is current only as of the respective dates of such documents.

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (Exchange Act), and, therefore, file reports and other information with the SEC. Statements contained in this prospectus supplement, the accompanying prospectuses and any other offering materials about the provisions or contents of any agreement or other document are only summaries. If SEC rules require that any agreement or document be filed as an exhibit to the registration statement, you should refer to that agreement or document for its complete contents.

You should not assume that the information in this prospectus supplement or any other offering materials is accurate as of any date other than the date on the front of each document. Our business, financial condition, results of operations and prospects may have changed since then.

On April 13, 2015, the Issuer entered into a definitive agreement to acquire 100% of ProBuild, in the ProBuild Acquisition (as defined below), valued at approximately \$1.82 billion, excluding fees and expenses. As a result of the ProBuild Acquisition, ProBuild will become a wholly owned subsidiary of the Issuer. As used in this prospectus supplement, unless stated otherwise or the context otherwise requires, references to the Issuer refer to Builders FirstSource, Inc., a Delaware corporation, with regard to the period before and after the ProBuild Acquisition, as applicable; references to ProBuild refer to ProBuild Holdings, LLC, a Delaware limited liability company, and its direct and indirect subsidiaries with regard to the period before the ProBuild Acquisition; references to Our Company or our Combined Company refer to the combined businesses of the Issuer and its subsidiaries and ProBuild and its subsidiaries in the period following consummation of the ProBuild Acquisition; references to us, we or our refer to the Issuer, when used historically, or to our Combined Company following the completion of the ProBuild Acquisition, when used prospectively; references to financial metrics as being Combined refer to financial metrics for the Combined Company that have been calculated without giving effect to any Pro Forma adjustments; and references to

financial results as being Pro Forma refer to pro forma financial results for the Combined Company, prepared using the acquisition method of accounting for business combinations under the guidance in Accounting Standards Codification Topic 805,

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Business Combinations, and in accordance with Article 11 of Regulation S-X, as if the ProBuild Acquisition had been consummated on January 1, 2014, with respect to pro forma financial results for the fiscal year ended December 31, 2014 and the three months ended March 31, 2015. For further information, see Exhibit 99.3 of the Issuer's Current Report on Form 8-K/A Unaudited Pro Forma Condensed Combined Financial Information incorporated by reference in this prospectus supplement and the accompanying prospectuses and the section entitled Unaudited Pro Forma Condensed Combined Financial Information in this prospectus supplement.

This offering is not conditioned on the completion of the ProBuild Acquisition. While certain information provided herein describes the combined business, there is no assurance that the ProBuild Acquisition will be completed and this offering is not conditioned on the completion of the ProBuild Acquisition. As a result, you should read carefully the information included and incorporated by reference in this prospectus supplement and the accompanying prospectuses that describes the business, prospects and risks of the Issuer on a standalone basis.

For further information about the Issuer on a standalone basis without giving effect to the ProBuild Acquisition, see the sections titled Management's Discussion and Analysis of Financial Condition and Results of Operations for Builders FirstSource, Inc., and Selected Historical Consolidated Financial Information and Other Data for Builders FirstSource, Inc., the Issuer's consolidated financial statements included in this prospectus supplement and the Issuer's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 incorporated by reference in this prospectus supplement and the accompanying prospectuses.

Non-GAAP Financial Measures

We have included certain financial measures in this prospectus supplement that have not been prepared in a manner that complies with generally accepted accounting principles in the United States (GAAP), including but not limited to EBITDA and Adjusted EBITDA of the Issuer and ProBuild, as well as Combined EBITDA and Combined Adjusted EBITDA, derived from the Pro Forma financial results giving effect to the ProBuild Acquisition included in the section entitled Unaudited Pro Forma Condensed Combined Financial Information in this prospectus supplement. Historically, the Issuer and ProBuild have used Adjusted EBITDA to measure operating performance, excluding specifically identified items that the Issuer's and ProBuild's management believe do not directly reflect core operations. We believe that the presentation of EBITDA, Adjusted EBITDA, Combined EBITDA and Combined Adjusted EBITDA included in this prospectus supplement is useful to investors, analysts and others because they are widely used by investors to measure operating performance without regard to items such as income taxes, net interest expense, depreciation and amortization, stock compensation expense and other infrequent or unusual items, which can vary substantially from company to company depending upon accounting methods and book value of assets, financing methods, capital structure and the methods by which assets were acquired.

The presentation of EBITDA and Adjusted EBITDA of the Issuer and ProBuild and Combined EBITDA and Combined Adjusted EBITDA are not made in accordance with GAAP and the use of the terms EBITDA, Adjusted EBITDA, Combined EBITDA and Combined Adjusted EBITDA in this prospectus supplement may vary from the use of similar terms by others in our industry. EBITDA, Adjusted EBITDA, Combined EBITDA and Combined Adjusted EBITDA are not prepared with a view towards compliance with published guidelines of the SEC and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with GAAP as measures of operating performance or as alternatives to operating cash flows as a measure of liquidity.

The Issuer and ProBuild define EBITDA and Adjusted EBITDA differently. See Prospectus Supplement Summary Summary Historical Financial and Other Data Builders FirstSource, Inc. Financial Information and Prospectus Supplement Summary Summary Historical Financial and Other Data ProBuild Holdings,

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Inc. Financial Information for a discussion of EBITDA and Adjusted EBITDA as they relate to the Issuer and ProBuild, including the reasons that we believe this information is useful to us and investors, and reconciliations of EBITDA and Adjusted EBITDA for both the Issuer and ProBuild to the most closely comparable financial measures calculated in accordance with GAAP. See Prospectus Supplement Summary Summary Historical Financial and Other Data Pro Forma, Combined and Adjusted Financial Information for information regarding our calculation of Combined EBITDA and Combined Adjusted EBITDA and reconciliations of Combined EBITDA and Combined Adjusted EBITDA.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information about our business and about this offering of common stock contained elsewhere or incorporated by reference into this prospectus supplement. Because it is a summary, it does not contain all of the information that you should consider before investing in the Issuer's common stock. You should read this entire prospectus supplement and the accompanying prospectuses carefully, including the section entitled "Risk Factors," and the documents incorporated by reference into this prospectus supplement and the accompanying prospectuses before making an investment decision.

On April 13, 2015, the Issuer entered into a definitive agreement to acquire 100% of ProBuild, in the ProBuild Acquisition, a transaction valued at approximately \$1.82 billion, excluding fees and expenses. As a result of the ProBuild Acquisition, ProBuild will become a wholly owned subsidiary of the Issuer. This offering is not conditioned on the completion of the ProBuild Acquisition.

While certain information provided herein describes the combined business, there is no assurance that the ProBuild Acquisition will be completed and this offering is not conditioned on the completion of the ProBuild Acquisition. As a result, you should read carefully the information included and incorporated by reference in this prospectus supplement and the accompanying prospectuses that describes the business, prospects and risks of the Issuer on a standalone basis.

For further information about the Issuer on a standalone basis without giving effect to the ProBuild Acquisition, see the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations for Builders FirstSource, Inc." and "Selected Historical Consolidated Financial Information and Other Data for Builders FirstSource, Inc.," the Issuer's consolidated financial statements included in this prospectus supplement and the Issuer's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 incorporated by reference in this prospectus supplement and the accompanying prospectuses.

Our Combined Company

Our Combined Company will be the largest supplier of building products, prefabricated components and value-added services, primarily for new residential construction, in the U.S. professional segment (the "Pro Segment"). The Pro Segment is largely made up of professional homebuilders but also includes those companies that provide construction services to professional homebuilders. Our scale will allow us to offer homebuilding customers an integrated solution, providing manufacturing, supply, delivery and installation for a full range of structural and related building products. Our value-added services will allow us to play a critical role for our customers, many of whom increasingly rely on us to help manage the homebuilding process by providing integrated project planning, scheduling, job site coordination, engineered components, framing, design assistance, product selection and professional installation. Our approach is different from many of our competitors and we believe it offers our customers significant cost benefits and operating efficiencies, maximizes our sales and profit opportunity, and strengthens our customer relationships and value proposition. For the twelve months ended December 31, 2014 and the three months ended March 31, 2015, our Pro Forma net sales and Combined Adjusted EBITDA were \$6.1 billion and \$259.3 million and \$1.3 billion and \$21.9 million, respectively. For a reconciliation to Combined Adjusted EBITDA, see "Summary Historical Financial and Other Data."

The Combined Company will be formed through the ProBuild Acquisition, which is expected to be completed substantially concurrently with the completion of this offering. We believe the ProBuild Acquisition will provide greater diversification across products and end-users, an expanded geographic footprint and

significant cost savings. See Recent Developments The ProBuild Acquisition. The completion of the ProBuild Acquisition is not a condition to this offering.

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Following the consummation of the ProBuild Acquisition, through our Combined Company's network of 351 strategically-located distribution facilities and 125 component manufacturing and fabrication facilities (certain of which are co-located), our operations will span more than 430 locations. As we consolidate our and ProBuild's facilities, we expect to close 19 redundant sites (out of 88 overlapping locations). As of December 31, 2014, our Combined Company would have had a presence in 24 of the top 25 and 74 of the top 100 largest U.S. Metropolitan Statistical Areas (MSAs). Our Combined Company's network will cover 40 states accounting for approximately 92% of 2014 U.S. single family housing permits according to the U.S. Census Bureau. Given the local nature of our business, we have historically and, as a Combined Company, will continue to locate our facilities in close proximity to our key customers and co-locate multiple operations in one facility to improve efficiency. See the map below for an overview of our Combined Company's operations, immediately after giving effect to the ProBuild Acquisition (note that figures do not account for co-located operations located on a single site or the expected closure of certain redundant sites).

Post-ProBuild Acquisition U.S. Coverage as of March 31, 2015

We will provide a balanced mix of products and services, including:

Manufactured products: factory-built substitutes for jobsite framing, which include floor trusses, roof trusses, wall panels, stairs and engineered wood that are manufactured to order and specification;

Windows and doors: manufacturing, assembly and distribution of aluminum and vinyl windows; assembly and distribution of interior and exterior doors;

Commodities: products include dimensional lumber, plywood, treated wood or clear and hardwood lumber, oriented strand board products used in on-site house framing, joist and rim boards, beams and headers;

Millwork: distribution of interior trim, exterior trim, columns and posts; manufacturing of custom PVC exterior features;

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Gypsum, roofing and insulation: products include wallboard, metal studs and trims, ceilings, joint treatment and finishes, stucco and exteriors;

Siding, metal and concrete: products include vinyl, composite and wood siding, other exteriors and cement; and

Other building products & services: products include cabinets, hardware, tools and fasteners. Services include turn-key framing and shell construction, installation, integrated project management, technical product selection and take-offs, scheduling and job-site coordination, value engineering and design assistance and other services.

For the year ended December 31, 2014, 53% of our sales and 30% of ProBuild's net sales were from value-added products. Giving effect to the ProBuild Acquisition, approximately 36% of our Combined Company's Pro Forma net sales for the fiscal year ended December 31, 2014 were from value-added products and services, defined as products that are manufactured or assembled and the installation and other services related to those products. Giving effect to the ProBuild Acquisition, Pro Forma net sales by product were as follows:

Pro Forma Net Sales by Product
(Fiscal Year Ended December 31, 2014)

Our Combined Company will have a balanced distribution of customers by end-market, with one-third of Pro Forma net sales for the year ended December 31, 2014 coming from repair and remodel, multi-family and commercial customers. The graphs below set out the full distribution of our sales and ProBuild's net sales by end-market over the period, as well as the Pro Forma net sales for our Combined Company:

Issuer's Sales by End-Market
(Fiscal Year Ended December 31, 2014)

ProBuild Net Sales by End-Market
(Fiscal Year Ended December 31, 2014)

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Pro Forma Net Sales by End-Market

(Fiscal Year Ended December 31, 2014)

Our Combined Company will have a diversified customer base, ranging from large production homebuilders to small custom homebuilders, as well as multi-family builders, repair and remodeling contractors and light commercial contractors. After giving effect to the ProBuild Acquisition, our Combined Company's top ten customers would have accounted for approximately 14.3% of our Pro Forma net sales for the fiscal year ended December 31, 2014 and are comprised primarily of the largest U.S. homebuilders, including D.R. Horton Inc., Lennar Corp., Hovnanian Enterprises, Inc., Pulte Group, Inc., The Ryland Group, Inc. and Beazer Homes USA.

In addition, our Combined Company will be geographically diversified, with between 20% and 30% of Pro Forma net sales for the year ended December 31, 2014 occurring in each of the Southeast, South Central and Northeast regions of the U.S. The graphs below set out the full distribution of our sales and ProBuild's net sales by geographic region over the period, as well as the Pro Forma net sales for our Combined Company:

Issuer's Sales by Geographic Region

(Fiscal Year Ended December 31, 2014)

ProBuild Net Sales by Geographic Region

(Fiscal Year Ended December 31, 2014)

Table of Contents***Pro Forma Net Sales by Geographic Region******(Fiscal Year Ended December 31, 2014)***

Our Combined Company will compete in a fragmented marketplace. Our integrated approach and scale will allow us to compete effectively through our comprehensive product lines, prefabricated components and value-added services combined with the knowledge of our integrated sales forces to enable our homebuilder customers to complete construction more quickly, with higher quality and at a lower cost. While we expect these benefits to be particularly valuable to our customers in market environments characterized by labor shortages, sourcing challenges or sharply rising demand for new homes, we expect such benefits will also be increasingly valued and demanded by our customers operating under normal market conditions.

Both the Issuer and ProBuild have seen strong growth in Net Sales per Start, defined as sales, in the case of the Issuer, and net sales, in the case of ProBuild, divided by total U.S. single family housing starts. The Issuer's Net Sales per Start increased from \$2,000 for the fiscal year ended December 31, 2012 to \$2,412 and \$2,476 for 2013 and 2014, respectively. ProBuild's Net Sales per Start increased from \$6,768 for the fiscal year ended December 31, 2012 to \$7,039 for 2013, before declining slightly to \$6,923 for 2014, due in part to ProBuild closing certain locations during the year. The following table sets forth sales for the Issuer and net sales for ProBuild over the prior three years, as well as single family housing starts over the same period:

| | Year Ended December 31, | | | CAGR (2012 to 2014) |
|---|-------------------------|----------|----------|------------------------|
| | 2012 | 2013 | 2014 | |
| Issuer sales (\$ million) | \$ 1,071 | \$ 1,490 | \$ 1,604 | 22.4% |
| ProBuild net sales (\$ million) | \$ 3,621 | \$ 4,335 | \$ 4,479 | 11.2% |
| Single family housing starts ('000)(1) | 535 | 618 | 647 | 10.0% |

(1) Source: U.S. Census Bureau.

Benefits of the ProBuild Acquisition

On April 13, 2015, the Issuer entered into a definitive agreement to acquire ProBuild in a transaction valued at approximately \$1.82 billion.

Key benefits of the ProBuild Acquisition include:

Greater Scale and Diversification: the ProBuild Acquisition will create a diversified national pro dealer with Pro Forma net sales for the fiscal year ending December 31, 2014 of approximately \$6.1 billion. Upon completion of the ProBuild Acquisition, we will be better positioned to serve all of our customers across a wider geographic footprint. Our Combined Company will have a presence in 40 states and 74 of the top 100 MSAs. We believe our enhanced diversification of products and services

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will enable us to capitalize on the continued recovery in the housing market, while also better protecting us from cyclicalities through broader sales exposure;

Expanded Sales of Higher Margin Products: the Issuer brings to ProBuild significant sales expertise in value-added products; for example, 53% of our 2014 sales were derived from value-added products and services (e.g., sales of manufactured product, millwork, windows and doors, and installation services) compared to 30% for ProBuild during the same period. Our value-added products typically have a higher margin given the enhanced value that they provide to customers. We believe that continuing to leverage this expertise across our existing customer base and that expanding our offering of value-added products across ProBuild's attractive customer mix will result in enhanced sales growth of higher margin products for our Combined Company;

Significant Cash Flow Generation to Support Deleveraging: we believe that our Combined Company will generate free cash flow over the next several years that will allow us to delever following the ProBuild Acquisition. We believe that deleveraging will be driven primarily through cost savings realization, earnings expansion, and strong free cash flow generation from operations. We expect our ability to deleverage to be further enhanced by continued recovery in the housing sector and the utilization of tax assets; and

Significant Potential Cost Savings: our management, with the support of external consultants, has developed a detailed two-year plan for the implementation of its cost savings initiatives with numerous key milestones. We believe the ProBuild Acquisition will create approximately \$100 million to \$120 million of annual run rate cost savings within two years of completion. The target run rate cost savings represent approximately 1.8% of Pro Forma net sales for the fiscal year ended December 31, 2014. The various opportunities identified can be aggregated into three main categories:

1. *Procurement (~35% of total):* we anticipate that the implementation of shared best practices across our \$3.6 billion of annual commodity and specialty product spend will lead to optimized pricing and rebates with existing supply relationships.

Commodity Products: we have conducted a stock keeping unit (SKU) level pricing analysis across the overlapping geographic regions of the two companies and believe that rationalizing overlapping regions will generate cost savings. In addition, we believe the potential cost savings in non-overlapping geographic regions may be achieved through applying best practices. Lastly, we believe the increased scale of our Combined Company will provide further pricing discounts on addressable commodity product purchases; and

Specialty Products: we believe the implementation of uniform rebate tiers across overlapping geographic regions of our Combined Company will yield savings. Additionally, we expect our Combined Company will be able to leverage the increased scale of our broader platform, resulting in optimized purchasing costs over the Combined Company's addressable specialty product spend.

2. *Network Consolidation (~20% of total)*: we believe that the consolidation of facilities in the overlapping geographic regions in which the Issuer and ProBuild both conducted operations prior to the consummation of the ProBuild Acquisition (including 19 redundant sites) will yield meaningful cost savings. Similarly, we believe the optimization of our delivery routes and consolidation of the Issuer's and ProBuild's fleets in overlapping geographic regions will reduce costs while improving our Combined Company's ability to serve customers. These cost savings resulting from network consolidation represent less than 6% of addressable facility and delivery spend in overlapping geographic regions. We expect slightly less than half of these cost savings to be achieved within one year and near full realization within two years following the ProBuild Acquisition.

Facility Closures: a detailed bottom-up analysis of site locations and capacities in our overlapping geographic regions will allow the Combined Company to operate over an

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optimized footprint. We believe our Combined Company's new footprint will allow us to consolidate 19 redundant sites (out of 88 overlapping locations) and save on associated lease, non-sales related labor and facility maintenance expenses. Estimated savings are based on an assumption that 30% of redundant location's spend (excluding fleet expenditure) is eliminated; and

Delivery Fleet Consolidation: we believe the combination of two delivery networks will enable us to optimize shipping routes as a result of increased customer density and increased material pickup locations. We expect this combination to result in a reduction in the number of miles driven and subsequently bring about savings in fuel costs, vehicle lease expense, vehicle maintenance expense and fleet-related labor.

3. *General & Administrative (~45% of total):* we believe we will achieve cost savings through the consolidation of corporate support functions and consolidation of benefits plans and insurance policies.

Corporate Support: we believe the consolidation of multiple corporate and regional functions will allow us to optimize the Combined Company's cost structure and realize efficiencies. These estimates have been developed through a detailed organizational structure and team-size analysis. We expect slightly under half of the cost savings to be achieved within one year and near full realization within two years following the ProBuild Acquisition;

Benefits: we believe the consolidation of 401(k) and medical/dental total plans for employees of our Combined Company will allow for the realization of total cost savings. We expect all of the cost savings to be realized on a run-rate basis;

Insurance: the identification of structural and cost differentials between existing insurance policies at the Issuer and ProBuild has allowed us to estimate potential future cost savings based on the implementation of best policies across our Combined Company. We expect all of the cost savings to be realized on a run-rate basis; and

Integration Plan: significant work is currently underway for the integration of ProBuild and execution of targeted cost savings. One-time costs to achieve the potential cost savings are estimated to be \$90 to \$100 million, with approximately two-thirds to be incurred in the first year and the remainder incurred in the second year following the consummation of the ProBuild Acquisition. Key implementation costs include third-party integration support, IT systems and integration costs, and personnel related costs involving retention, relocation, training and severance. See Risk Factors Risks Related to the ProBuild Acquisition Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the ProBuild Acquisition may not be realized, and Risk Factors Risks Related to the ProBuild Acquisition The ProBuild Acquisition may not achieve its intended results, including anticipated synergies.

Favorable Timing, Growth Potential and Financial Impact: we believe the U.S. single family housing market is at near record levels of affordability and is demonstrating a solid recovery. At today's level of approximately 1.0 million total housing starts per year, total housing starts would need to increase by approximately 50% to reach the historic median level of housing starts and would need to double to reach prior peak levels. Our Combined Company expects to capitalize on its expanded financial profile through the recovery. Historically, the Issuer and ProBuild have steadily improved Adjusted EBITDA and margins through operating leverage and greater efficiencies as volume increases. Further, management believes that the ProBuild Acquisition will be immediately accretive to our Combined Adjusted EBITDA, even at current levels of total housing starts.

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Our Combined Company's Industry

The residential building products distribution industry is driven by the level of activity in both the U.S. residential new construction market and the U.S. residential repair and remodeling market. Growth within these markets is linked to a number of key factors, including demographic trends, interest rates, employment levels, availability of credit, foreclosure rates, consumer confidence and the state of the economy in general.

According to the National Association of Homebuilders (NAHB), the single family residential home construction market was an estimated \$191 billion industry in 2014, which is down significantly from the historical high of \$413 billion in 2006. However, we believe that the market is currently supported by favorable demographic trends, strong housing affordability metrics, historically low interest rates, and consumers who are increasingly optimistic about their economic prospects.

In 2014, the total number of U.S. housing starts was approximately 1.0 million, significantly below the long-term median of approximately 1.5 million. Additionally, the outlook for housing starts is positive with the NAHB forecasting 10.08% growth in 2015, to 1.1 million, and 30.04% growth in 2016, to 1.3 million. Momentum in the housing market has continued into 2015, with new home sales in the first quarter of 2015 22% higher than during the same period in 2014. The table below sets forth the total number of U.S. housing starts from 2000 through 2014, NAHB's projected numbers for 2015 and 2016 and the long-term median (1954 to 2014).

U.S. housing starts

(in thousands)

Source: U.S. Census Bureau, National Association of Homebuilders.

After reaching an all-time high in February 2012, the home affordability index continues to stay elevated at 179.0, as compared to a 15-year median of 134.8. The table below sets forth the monthly home affordability composite index from January 2000 through February 2015 as published by the National Association of Realtors.

Home affordability composite index

Source: National Association of Realtors.

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(1) Measures whether or not a typical family could qualify for a mortgage loan on a typical home. An index above 100 signifies that a family earning the median income has more than enough income to qualify for a mortgage loan on a median-priced home.

Repair and remodeling spending has historically been less cyclical than spending on new residential construction. Since 2000, U.S. spending on repair and remodeling has grown at an annual rate of 2.8% per annum, from \$206.2 billion in 2000 to \$303.0 billion in 2014. The Home Improvement Research Institute is forecasting 5.7% growth in 2015, to \$320.3 billion, and 4.9% growth in 2016, to \$335.8 billion.

U.S. spending on home improvement products

(in billions)

Source: Home Improvement Research Institute.

The residential building products distribution industry is characterized by several key trends, including greater utilization of pre-fabricated components, an expanding role of the distributor in providing turn-key services and a consolidation of suppliers by homebuilders.

Prefabricated components: compared to conventional stick-build construction where builders cut and assemble lumber at the job site with their own labor, prefabricated components are engineered in an offsite location using specialized equipment and labor. This outsourced task allows for optimal material usage, lower overall labor costs and improved quality of structural elements. In addition, using prefabricated components typically results in faster construction because fabrication can be automated and performed more systematically. As such, we believe there is a long term trend towards the increased use of prefabricated components by homebuilders;

Turn-key services: many homebuilders have taken a more limited role in the homebuilding process and have outsourced certain key elements of the construction process, including process management, product selection, order input and scheduling and framing and installation. As such, we believe that many homebuilders are increasingly looking to suppliers in the Pro Segment to perform these critical functions resulting in greater demand for integrated project services; and

Consolidation of suppliers by homebuilders: we believe that homebuilders are increasingly looking to consolidate their supplier base. Many homebuilders are seeking a more strategic relationship with suppliers that are able to offer a broad range of products and services and, as a result, are allocating a greater share of wallet to a select number of larger, full service suppliers. We believe this trend accelerated during the recent downturn and continues in the current housing market recovery.

Our Combined Competitive Strengths

We believe the following key competitive strengths have contributed to our success historically and position our Combined Company well for continued growth in sales and profitability.

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Industry leader with national scale in a fragmented marketplace

Following the completion of the ProBuild Acquisition, we will be the largest supplier in the Pro Segment, with more than 430 facilities nationwide and approximately \$6.1 billion of Combined net sales for the LTM ended March 31, 2015. The Pro Segment is a competitive channel, with the top 10 distributors representing approximately 20% of total sales in the Pro Segment for the fiscal year ended December 31, 2014. Our Combined Company will have leading scale, with Pro Forma net sales approximately \$1 billion higher than our closest competitor, based on sales for the fiscal year ended December 31, 2014. Our sales will be geographically diversified and will include facilities in 40 states, with no single state accounting for more than 17% of Pro Forma net sales for the fiscal year ended December 31, 2014. Our Combined Company's service areas are favorably positioned for growth as measured by home price appreciation, new housing starts and population growth. With our Combined Company's expanded footprint, we will maintain a presence in 24 of the top 25 and 74 of the top 100 MSAs in the United States, based on single family housing permits issued in 2014. Furthermore, 92% of the U.S. housing permits issued in 2014 were issued in the 40 states in which our Combined Company will operate. We believe that this scale will help us take advantage of local sourcing opportunities to rapidly meet our customers' needs as they develop over time.

Scale combined with substantial diversification of products and services will make our Combined Company a valued one-stop-shop

Following the ProBuild Acquisition, we believe the scale of our Combined Company's operations, together with our ability to offer over 70,000 SKUs, prefabricated components and a variety of value-added services, will make our Combined Company a preferred supplier for customers in the Pro Segment. Our Combined Company will offer a broad product portfolio including lumber and lumber products, prefabricated components, millwork, doors and windows, composite materials, roofing and insulation. Our Combined Company will also offer our customers a variety of value-added services such as turn-key framing, professional installation, project management and job-site coordination. Our differentiated one-stop-shop structure will create considerable time and cost savings for customers. Many of the largest national and regional homebuilders place a high value on partnering with a limited amount of diversified suppliers. We believe the national scale and broad scope of our Combined Company will allow us to differentiate ourselves from our competitors.

Low cost distribution platform with strong operating leverage

Over the past few years, we have made significant investments in our operations, distribution network and sales force resulting in a low cost distribution platform for the operations of the Combined Company going forward. Our legacy proprietary IT systems will help maximize efficiency in the delivery of our Combined Company's products between distribution facilities and job sites via GPS-enabled vehicles. In-house pricing software will help managers reduce procurement costs and simultaneously manage multiple jobsites. Following the integration of ProBuild upon completion of the ProBuild Acquisition, our Combined Company will have a number of centralized functions including customer service and engagement, receivables and payables, purchasing and inventory controls. We expect these efficiencies to translate into stronger margins. We believe these scalable efficiencies will position our Combined Company favorably for growth through the housing market recovery, with the NAHB projecting U.S. housing starts to grow by 10.08% and 30.4% in 2015 and 2016, respectively, as compared to the prior year.

Strong free cash flow enhances operational flexibility

We believe that our Combined Company's free cash flow will grow as we realize cost savings in connection with the ProBuild Acquisition. See [Recent Developments](#) The ProBuild Acquisition. We believe that the strength of our established historical asset base positions our Combined Company favorably to operate efficiently

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and generate free cash flow as the housing cycle recovers. We expect that our Combined Company's strong free cash flow generation will provide us with the ability to invest in our business, delever and grow through strategic acquisitions.

Experienced sales force with expertise across a broad base of end-users provides significant value to customers

Our Combined Company's seasoned, highly knowledgeable sales force will serve as our primary contacts with our customers who range from large production to small custom homebuilders, multi-family builders, repair and remodel contractors and light commercial contractors. This sales force offers valuable construction advice to our clients and employs a consultative approach to create homebuilder-specific product programs customized for each subdivision or development. These programs are particularly attractive to large homebuilders who require product recommendations for local areas, sequenced delivery and a consistent level of high-quality products and service at every job site. Repair and remodel customers, who would have represented 23% of Pro Forma net sales for the fiscal year ended December 31, 2014, will continue to benefit from our Combined Company's value-added expertise as on-site job managers and installation specialists. We believe that our Combined Company's investment in client relationships has allowed us to develop a balanced profile of end-users, with repair and remodel representing a larger portion of our Combined Company's overall business. We also utilize knowledge sharing programs involving sales forces in different regions to ensure the sharing of industry best practices. By becoming deeply integrated with many of our customers, we believe our Combined Company's ability to function as a comprehensive one-stop-shop will be a key competitive advantage in our industry.

Highly experienced management team

Our Combined Company's core management team will average over 30 years of industry experience in the manufacturing, distribution and marketing of building products. This team has successfully led the Issuer through various industry cycles and economic conditions, employing a detail-oriented management style focused on ensuring strong coordination between our field operations and the central office. Management continues to focus on key business metrics to measure our performance, optimize our operations and make strategic decisions. We believe our experienced executive management team has allowed the Issuer to consistently deliver high-quality and innovative products and services to our customers, which in turn have generated high levels of customer loyalty and positioned our Combined Company to capitalize on future growth opportunities.

Our Combined Strategy

We intend to pursue the following strategies to increase the sales and profitability of our Combined Company:

Utilize our competitive strengths to capitalize on housing market recovery and growth

As the U.S. housing market recovery develops, we intend to increase sales through our scale, product portfolio and structural efficiencies. Our Pro Segment homebuilding customers continue to emphasize the importance of competitive pricing, a broad product portfolio, sales force knowledge, on-site services and overall ease-of-use of their building products suppliers. Our comprehensive historical product offering, which we believe is already one of the broadest in the industry without giving effect to the ProBuild Acquisition, experienced sales force and talented senior management team position us well to capitalize on strong demand in the new home construction market as well as the repair and remodel segment. The ProBuild Acquisition will further develop the suite of products and services we provide to our customers, in addition to substantially expanding the national footprint of our Combined Company. This more comprehensive network of products, services and facilities will provide a platform which we believe will enhance our one-stop-shop strategy and more evenly distribute and promote additional pull through of our

value-added products. We believe that

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homebuilders will continue to place an increased value on these capabilities, which will further differentiate our Combined Company from our competitors.

Execute on identified cost saving strategies across platform

Over the course of 32 prior acquisitions since 1998, our management has historically shown the capability to effectively and efficiently integrate newly acquired businesses, ramping up productivity and driving value. These capabilities are crucial, in particular in connection with the ProBuild Acquisition, which we believe can result in annual cost savings of \$100 to \$120 million thereafter. One-time costs to achieve the cost savings are estimated to be \$90 to \$100 million. As with previous acquisitions, we will look to leverage our established operational platform, take advantage of current vendor relationships and implement best-in-class procurement and distribution IT systems. We believe these initiatives will result in a substantial increase in free cash flow for our Combined Company that we expect will be used to pay down debt, as well as reinvest in our Combined Company to drive future growth. For a discussion of risks related to anticipated cost savings, see **Risk Factors** **Risks Related to the ProBuild Acquisition**. Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the ProBuild Acquisition may not be realized.

Maximize our Combined Company's share of wallet with individual customers across our service areas

We believe that Pro Segment customers will continue to consolidate the number of supplier relationships they utilize in the future. As a result, this will create the opportunity to win a greater share of wallet for remaining suppliers. By focusing on and developing our differentiated **one-stop-shop** strategy, our Combined Company will be able to offer a complete array of products and services that would otherwise need to be sourced from various distributors. Additionally, as the only national distributor of building products, our Combined Company will be capable of providing customers with a consistent partner on projects regardless of where they are located. This operational platform often will make our Combined Company a preferred distributor relationship for large scale national homebuilders while still providing value to local and custom homebuilders looking for assistance with product selection, on-site installation and project management.

Continue to leverage our strategic vendor relationships

The ProBuild Acquisition will make our Combined Company the largest distributor in the Pro Segment. We believe we will be able to leverage this size and our strong homebuilder relationships to provide our vendors access to a large customer base. We believe that our Combined Company's size, purchasing power and strong financial position will allow us to negotiate favorable pricing (including back-end rebates), savings in procurement costs and to receive a higher priority with our vendors when product supply is limited. We strive to continually enhance our role as a preferred partner for vendors and our Combined Company's size, strong liquidity position and access to capital markets is expected to mitigate natural credit concerns. This will minimize the significant resources that vendors would otherwise have to invest to monitor the credit worthiness of a large number of smaller customers. Furthermore, our Combined Company's broad product portfolio, which, we believe, will include a wider variety of higher-margin specialty products, will enhance our preferred partner status. This preferred status will enable us to participate in mutually beneficial joint marketing programs with our vendors. These incremental efficiencies in procurement will provide an opportunity to pass on additional value to our customers.

Optimize cash flow and cash flow conversion with highly scalable cost structure

Through the downturn we focused on standardizing processes and technology-based workflows to minimize costs, streamline our operations and enhance working capital efficiency. Significant investments in our technology

infrastructure and reengineering of our business processes enabled us to centralize many corporate and field tasks. This standardization helps to optimize our cost structure, allows our centralized operating team to

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make better purchasing and pricing decisions based on an accurate, up-to-the-minute understanding of costs and trends, facilitates more stable gross margins and enables us to redeploy capital more strategically. Following the integration of the ProBuild Acquisition, we expect to have improved working capital management practices. We believe that these efficiencies will drive enhanced profit margins and cash flow conversion across our entire platform as our Combined Company continues to grow with improving market conditions.

The ProBuild Acquisition Transactions

In this prospectus supplement, references to the ProBuild Acquisition Transactions refer collectively to the transactions contemplated by the Securities Purchase Agreement dated as of April 13, 2015, by and between the Issuer, ProBuild and the holders of ProBuild's securities named as parties thereto (the Securities Purchase Agreement), in connection with the ProBuild Acquisition, including this offering of common stock and the following financing transactions:

New Senior Secured Credit Facilities

Concurrently with the offering of \$700,000,000 aggregate principal amount of 10.75% senior notes due 2023 described below (the Notes Offering), we expect to enter into a new credit agreement governing the terms of a new \$600.0 million senior secured term loan facility (the First-Lien Facility) with Deutsche Bank AG New York Branch, as administrative agent and collateral agent, and the lenders and financial institutions party thereto from time to time, and the terms of an amended and restated senior secured ABL facility with an initial maximum aggregate borrowing capacity of \$800.0 million (the ABL Facility and, together with the First-Lien Facility, the New Senior Secured Credit Facilities), with SunTrust Bank, as administrative agent and collateral agent, and the lenders and financial institutions party thereto from time to time.

At our election at the closing date for the New Senior Secured Credit Facilities, the interest rate per annum applicable to loans issued under the First-Lien Facility will be based on a fluctuating rate of interest determined by reference either to (i) a base rate determined by reference to the higher of (a) the applicable prime rate, (b) the federal funds effective rate plus 0.5% and (c)(x) the London Interbank Offered Rate (LIBOR) applicable for an interest period of one month, plus (y) 1.00% per annum, in each case, plus an applicable margin or (ii) LIBOR, plus an applicable margin. At our election, the interest rate per annum applicable to loans issued under the ABL Facility will be based on a fluctuating rate of interest determined by reference to either (i) a base rate determined by the higher of (a) the federal funds rate plus 0.5% and (b) (x) the Eurodollar rate applicable for an interest period of one month, plus (y) 1.00% per annum, in each case, plus an applicable margin or (ii) an adjusted LIBOR rate determined by reference to the higher of (a) LIBOR and (b) 0%, in each case, plus an applicable margin. The First-Lien Facility provides for mandatory prepayments upon certain circumstances relating to certain incurrences of indebtedness or sales or dispositions of assets as well with excess cash flow, subject to certain exceptions. The obligations under the New Senior Secured Credit Facilities are expected to be guaranteed by each of our direct and indirect existing and future domestic subsidiaries, subject to customary exceptions and limitations.

The proceeds from the New Senior Secured Credit Facilities will be used to (i) provide working capital and funds for other general corporate purposes of our Combined Company and its subsidiaries, (ii) refinance or otherwise extinguish all third-party indebtedness for borrowed money under (x) the credit agreement governing the existing ABL facility, dated as of May 29, 2013, by and among the Issuer, the lenders party thereto and SunTrust Bank, as administrative agent (the Existing ABL Facility), (y) the amended and restated credit agreement, dated as of March 12, 2012, by and among ProBuild, the ProBuild Parent, the lenders and issuing bank party thereto and Wells Fargo Capital Finance, LLC, as administrative agent (the ProBuild Credit Agreement) and (z) ProBuild's unsecured subordinated notes due in 2017 (the Existing ProBuild Notes and, together with the ProBuild Credit Agreement, the Existing ProBuild

Indebtedness), (iii) pay for all or a portion of the consideration in connection with the ProBuild Acquisition and any payments required under the Securities

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Purchase Agreement and (iv) cash collateralize, replace or provide credit support for existing letters of credit outstanding on the closing date of the ProBuild Acquisition Transactions under the Existing ABL Facility or the ProBuild Credit Agreement. Entering into the New Senior Secured Credit Facilities is conditioned on the closing of the ProBuild Acquisition.

The ProBuild Acquisition and the Acquisition Financing, including this offering and the application of the net proceeds therefrom as described in Use of Proceeds are collectively referred to herein as the ProBuild Acquisition Transactions.

Notes Offering

On July 16, 2015, we offered \$700,000,000 aggregate principal amount of 10.75% senior notes due 2023 (the Notes). The Notes will be unsecured obligations of the Issuer and rank equally in right of payment with all existing and future senior unsecured obligations. Our obligations under the Notes will initially be jointly and severally and fully and unconditionally guaranteed on a senior unsecured basis by each of our subsidiaries that guarantees the New Senior Secured Credit Facilities and our 7.625% senior secured notes due 2021 (the Existing Secured Notes, and together with the New Senior Secured Credit Facilities, the Other Indebtedness). Subject to certain exceptions, future subsidiaries that guarantee our Other Indebtedness or certain other indebtedness will also guarantee the Notes. The guarantees will be senior unsecured obligations of our guarantors and will have the same ranking with respect to indebtedness of our guarantors as the Notes will have with respect to our indebtedness.

The Notes will mature on August 15, 2023. Interest on the Notes will be payable semi-annually on March 1 and September 1 of each year. Prior to August 15, 2018, we may redeem some or all of the Notes at any time at a specified make-whole premium. Beginning on August 15, 2018, we may redeem some or all of the Notes at specified redemption prices. Additionally, we may redeem up to 40% of the aggregate principal amount of the Notes before August 15, 2018 with the proceeds of certain equity offerings at a specified redemption price. Under certain circumstances, holders of the Notes will have the right to require us to repurchase the Notes.

The indenture governing the Notes will contain covenant provisions that, among other things, include limitations on our ability to pay dividends, make investments or other restricted payments, incur debt, grant liens and sell assets.

Consummation of the Notes Offering is conditioned on the consummation of the ProBuild Acquisition.

Our Sponsors

We are a publicly traded company, with our common stock listed on the NASDAQ Stock Market LLC under the ticker symbol BLDR. As of May 15, 2015, JLL Partners, Inc. (JLL) and Warburg Pincus LLC (Warburg Pincus) together owned approximately 49.6% of our outstanding common stock. Prior to the closing of this offering, JLL and Warburg Pincus will terminate the Stockholders Agreement between them dated June 22, 2010.

JLL is a leading middle-market private equity firm with a 27-year track-record of adding value to complex investments through financial and operational expertise. Since its founding in 1988, JLL has invested approximately \$4.5 billion across seven funds and has completed 39 platform investments as well as more than 50 add-on acquisitions. JLL has been an active investor in the building products sector for 17 years and has committed over \$750 million of equity to the residential construction industry, including previous investments in CHI Overhead Doors (manufacturer of commercial sectional garage and rolling steel doors) and PGT (manufacturer of impact-resistant windows), and current investments in Pioneer Sand (hardscaping distribution services) and the Issuer, which JLL founded in 1998.

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Warburg Pincus is a leading global private equity firm focused on growth investing. The firm has more than \$35 billion in assets under management. Its active portfolio of more than 120 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 14 private equity funds, which have invested more than \$50 billion in over 720 companies in more than 35 countries.

Corporate Information

We are incorporated in Delaware and the address of our principal executive office is 2001 Bryan Street, Suite 1600, Dallas, Texas 75201. Our telephone number is (214) 880-3500. Our Internet address is www.blldr.com and the information contained on, or accessible from, our website is not part of this prospectus supplement by reference or otherwise.

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RECENT DEVELOPMENTS

The ProBuild Acquisition

These preliminary financial results for the Issuer and ProBuild are unaudited and preliminary in nature and based only upon information available to us as of the date of this prospectus supplement. Such preliminary financial results are subject to finalization of the Issuer's and ProBuild's quarterly financial information and accounting procedures and should not be viewed as a substitute for full interim financial statements prepared in accordance with GAAP. Investors should exercise caution in relying on this information and should not draw any inferences from this information regarding financial or operating data not provided. We provide no assurance that these preliminary financial results will not materially differ from the financial information reflected in their financial statements for such period when they have been finalized.

The preliminary financial data included in this prospectus supplement has been prepared by, and is the responsibility of the Issuer's and ProBuild's management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

Builders Selected Preliminary Financial Data for the Three Months Ended June 30, 2015

On July 23, 2015, the Issuer reported its preliminary results for the second quarter ended June 30, 2015, a selection of which is provided below. A reconciliation of the non-GAAP financial measures discussed below to the comparable GAAP financial measures is provided below. For more information regarding this presentation of estimated Adjusted EBITDA and a description of non-GAAP financial measures, see *Non-GAAP Financial Measures* and *Summary Historical Financial and Other Data*. For further information on the Issuer's results for the second quarter ended June 30, 2015, see the Issuer's Current Report on Form 8-K filed with the SEC on July 27, 2015.

Sales for the three months ended June 30, 2015 were \$461.5 million, an increase of \$35.0 million or 8.2 percent, which includes a 2.4 percent negative impact of commodity price deflation, compared to the period ended June 30, 2014. Excluding the impact of recent acquisitions, the Issuer estimates sales volume increased approximately 6.3 percent for the quarter. Gross margin percentage was 24.0 percent for the three months ended June 30, 2015, up from 22.0 percent for the three months ended June 30, 2014. The Issuer's gross margin percentage increased largely due to improved customer pricing and a higher mix of value-added sales.

Selling, general and administrative (SG&A) expenses increased \$18.1 million to \$94.5 million for the three months ended June 30, 2015. As a percentage of sales, SG&A expense increased to 20.5 percent in the second quarter of 2015 compared to 17.9 percent in the second quarter of 2014. Of the \$18.1 million increase, \$6.4 million was acquisition costs primarily related to the ProBuild Acquisition, \$1.5 million related to an increase in depreciation and amortization and \$0.7 million related to an increase in stock compensation expense. Excluding these increases, our SG&A expense was 18.6 percent of sales in the second quarter of 2015 versus 17.9 percent of sales in the three months ended June 30, 2014. This remaining increase was further affected by the negative impact of commodity price deflation on our sales.

Interest expense was \$12.6 million for the three months ended June 30, 2015, an increase of \$6.1 million compared to the three months ended June 30, 2014. The increase was primarily related to a \$5.9 million increase in the non-cash, fair value adjustment related to stock warrants issued in conjunction with our 2011 term loan. During the second quarter of 2015, all of the remaining stock warrants were exercised and there were none outstanding as of June 30, 2015.

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The Issuer recorded a \$0.2 million income tax benefit in the second quarter of 2015 compared to \$0.2 million of income tax expense in the second quarter of 2014. The Issuer recorded a reduction of the after-tax, non-cash valuation allowance on its net deferred tax assets of \$1.3 million and \$4.1 million in the second quarters of 2015 and 2014, respectively. Absent the valuation allowance, the effective tax rate would have been 33.2 percent and 39.5 percent in the second quarters of 2015 and 2014, respectively. As of June 30, 2015, the Issuer's gross federal income tax net operating loss available for carry-forward was approximately \$257 million.

Income from continuing operations was \$3.6 million, or \$0.03 per diluted share, for the three months ended June 30, 2015, compared to \$10.6 million, or \$0.09 per diluted share, for the year-ago period. Adjusted income from continuing operations was \$14.3 million, or \$0.14 per diluted share, for the second quarter of 2015, compared to \$9.4 million, or \$0.09 per diluted share, in the second quarter of 2014. See reconciliation below.

Adjusted EBITDA was \$27.6 million, or 6.0 percent of sales, for the three months ended June 30, 2015, compared to \$20.4 million, or 4.8 percent of sales, for the three months ended June 30, 2014. See reconciliation below.

Total liquidity at June 30, 2015 was \$143.8 million, including \$40.2 million of cash and \$103.6 million in borrowing availability under the Issuer's Existing Credit Facility. The Issuer had \$55.0 million in outstanding borrowings and \$16.4 million in outstanding letters of credit under the Existing Credit Facility as of June 30, 2015.

Operating cash flow was \$7.7 million for the second quarter of 2015, compared to negative \$13.1 million in the second quarter of 2014, the difference largely due to higher working capital build in the second quarter of 2014.

Capital expenditures were \$5.2 million for the second quarter of 2015, compared to \$6.8 million for the second quarter of 2014.

Reconciliation of Non-GAAP Financial Measures to their GAAP Equivalent**(unaudited)**

| | Three months ended June 30, | |
|---|--|------------------|
| | 2015 | 2014 |
| | (in thousands) | |
| Reconciliation to Adjusted EBITDA: | | |
| Net income | \$ 3,576 | \$ 10,609 |
| Reconciling items: | | |
| Depreciation and amortization expense | 3,630 | 2,040 |
| Interest expense, net | 12,573 | 6,504 |
| Income tax expense (benefit) | (199) | 230 |
| Facility closure costs | 131 | 28 |
| Stock compensation expense | 1,602 | 926 |
| Acquisition related expenses | 6,365 | |
| Other | (57) | 21 |
| Adjusted EBITDA | \$ 27,621 | \$ 20,358 |

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| | Three months ended June 30, 2015 | | Three months ended June 30, 2014 | |
|--|-------------------------------------|---------------|-------------------------------------|------------|
| | Pre-Tax | Net of Tax | Pre-Tax | Net of Tax |
| Reconciliation to Adjusted loss from continuing operations: | | | | |
| Income from continuing operations | | \$ 3,566 | | \$ 10,620 |
| Reconciling items: | | | | |
| Acquisition related expenses | 6,365 | 5,989 | | |
| Warrant fair value adjustment | | 4,730 | | (1,178) |
| Adjusted income from continuing operations | | \$ 14,285 | | \$ 9,442 |
| Weighted average diluted shares outstanding | | 102,978 | | 100,759 |
| Adjusted income from continuing operations per diluted share | | \$ 0.14 | | \$ 0.09 |

ProBuild Selected Preliminary Financial Data for the Three Months Ended June 30, 2015

Based on the information available to ProBuild's management as of the date of this prospectus supplement, ProBuild estimates its net sales for the three months ended June 30, 2015 will be between \$1,155.0 million and \$1,175.0 million, as compared to \$1,209.4 million for the three months ended June 30, 2014. ProBuild estimates that facility closures impacted quarter-over-quarter sales comparisons by approximately \$17.7 million. Commodity price deflation, combined with ongoing initiatives to improve gross margin, also slowed sales growth in the three months ended June 30, 2015. Adjusted EBITDA is estimated to be between \$69.5 million and \$74.6 million, as compared to \$69.0 million for the three months ended June 30, 2014. The following table sets forth ProBuild's net sales and a reconciliation of net income to ProBuild's Adjusted EBITDA for the three months ended June 30, 2014 and the low and high end of ProBuild's estimated range for ProBuild's net sales and Adjusted EBITDA for the three months ended June 30, 2015. For more information regarding this presentation of estimated Adjusted EBITDA and a description of non-GAAP financial measures, see "Use of Non-GAAP Financial Measures" in "Summary Historical Financial and Other Data".

| | Three Months Ended June 30, 2014 | Three Months Ended June 30, 2015 | |
|---------------------------------------|---|---|--------------|
| | | Low (in thousands) | High |
| Net sales | \$ 1,209,395 | \$ 1,155,000 | \$ 1,175,000 |
| Net income(1) | 22,367 | 45,000 | 50,000 |
| Depreciation and amortization expense | 16,136 | 14,245 | 14,245 |
| Interest expense, net | 14,025 | 12,838 | 12,838 |
| Income tax expense | 800 | 400 | 450 |
| EBITDA | 53,328 | 72,483 | 77,533 |
| Long-term bonus | 687 | 1,328 | 1,328 |

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| | | | |
|-----------------------------|-----------|-----------|-----------|
| LIFO expense | 6,153 | (6,889) | (6,889) |
| (Gain) loss on sale | 327 | (1,405) | (1,405) |
| Loss from closed operations | 1,854 | 2,707 | 2,707 |
| Other(2) | 6,654 | 1,284 | 1,284 |
| Adjusted EBITDA | \$ 69,003 | \$ 69,508 | \$ 74,558 |

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- (1) Represents ProBuild Holdings, Inc. s net income before amounts attributable to noncontrolling interests.
- (2) Three months ended June 30, 2014 includes adjustments for one-time costs (\$3.2 million), harmonization and changes of accounting policies (\$1.6 million), and full year effect of cost savings initiatives (\$1.9 million). Three months ended June 30, 2015 includes adjustments for one-time costs (\$0.5 million) and harmonization and changes of accounting policies (\$0.8 million).

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THE OFFERING

The summary below describes the principal terms of this offering. The Description of Capital Stock sections of the accompanying prospectuses contain a more detailed description of the shares of our common stock.

| | |
|---|---|
| Common stock offered by us | 8,000,000 shares of our common stock. If the underwriters exercise their option to purchase additional shares of common stock, we may issue up to additional 1,200,000 shares of common stock. |
| Common stock offered by the selling stockholder | 4,000,000 shares of our common stock. If the underwriters exercise their option to purchase additional shares of common stock, the selling stockholder may sell up to an additional 600,000 shares of our common stock. |
| Option to purchase additional shares | We and the selling stockholder have granted the underwriters the right to purchase up to an additional 1,200,000 and 600,000 shares of our common stock, respectively, from us and the selling stockholder, within 30 days from the date of this prospectus supplement. |
| Common stock outstanding | As of July 20, 2015, we had 99,326,375 shares of common stock outstanding. |
| Use of Proceeds | <p>We intend to use the net proceeds from this offering, together with the proceeds from the Notes Offering, if completed, and borrowings under the ABL Facility and the First Lien Facility to pay the consideration for the ProBuild Acquisition, to repay certain of our and ProBuild's existing indebtedness and to pay related transaction fees and expenses. In the event the ProBuild Acquisition does not close, we intend to use the net proceeds from this offering (and the net proceeds from any exercise of the underwriters' option to purchase additional shares of common stock) for general corporate purposes, including, if applicable, to fund the reverse termination fee in connection with the ProBuild Acquisition. This offering is not conditioned on the consummation of the ProBuild Acquisition. See Use of Proceeds.</p> <p>We will not receive any proceeds from the sales of our common stock by the selling stockholder.</p> |
| Conflicts of Interest | Because affiliates of Citigroup Global Markets Inc. and SunTrust Robinson Humphrey, Inc. are lenders under our existing revolving credit |

facility and/or ProBuild's existing revolving credit facility and could receive at least 5% of the net proceeds of this offering due to the repayment by us of a portion of the loans under our Existing Credit Facility and ProBuild's existing revolving credit facility, Citigroup Global Markets Inc. and/or SunTrust Robinson Humphrey, Inc. could be deemed to have a conflict of interest under Rule 5121 of the Financial Industry Regulatory Authority, Inc. Accordingly, this

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offering is being made in compliance with the requirements of Rule 5121. The appointment of a qualified independent underwriter is not required in connection with this offering because a bona fide public market, as defined in Rule 5121, exists for our common stock. For additional information about these matters, see Use of Proceeds and Underwriting (Conflicts of Interest).

Dividend Policy

We do not expect to pay any dividends or other distributions on our shares of common stock in the foreseeable future. We currently intend to retain future earnings. See Price Range of Common Stock and Dividend Policy Dividend Policy.

NASDAQ Trading Symbol

BLDR

Settlement Date

Delivery of the shares of common stock will be made against payment therefor on or about July 31, 2015.

Risk Factors

Investing in our shares of common stock involves substantial risks. See Risk Factors in this prospectus supplement and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectuses for a description of certain of the risks you should consider before investing in our shares of common stock.

In this prospectus, unless otherwise indicated, the number of shares of our common stock outstanding and the other information based thereon:

excludes 6,158,070 shares of common stock issuable upon the exercise of vested and unvested stock options outstanding as of July 20, 2015 at a weighted average exercise price of \$5.13, including options to purchase shares granted under our stock incentive plans, including our 2014 Incentive Plan;

excludes 1,544,090 shares of common stock issuable upon the conversion of restricted stock units granted under our stock incentive plans; and

assumes no exercise by the underwriters of their option to purchase additional shares of common stock. For a description of our common stock, see Description of Capital Stock in the accompanying prospectuses.

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SUMMARY HISTORICAL FINANCIAL AND OTHER DATA

The following tables set forth summary historical financial information for the Issuer and the ProBuild Parent for the periods ended and as of the dates indicated.

The Issuer's financial information for the years ended December 31, 2012, 2013 and 2014 and as of the years ended December 31, 2013 and 2014 has been derived from the Issuer's audited condensed consolidated financial statements and the notes related thereto included elsewhere in this prospectus supplement. The Issuer's financial information for the three months ended March 31, 2014 and 2015 and as of March 31, 2015 has been derived from the Issuer's unaudited condensed consolidated financial statements and the notes related thereto included elsewhere in this prospectus supplement. The Issuer's financial information as of March 31, 2014 has been derived from the Issuer's condensed consolidated financial statements and the notes related thereto not included in this prospectus supplement. This unaudited interim financial information has been prepared on a basis consistent with the audited condensed consolidated financial statements and, in the opinion of management, includes all adjustments, consisting of only normal and recurring adjustments, considered necessary for a fair presentation of the information. The Issuer's financial information for the LTM ended March 31, 2015 has been derived by adding its consolidated financial data for the year ended December 31, 2014 to its consolidated financial data for the three months ended March 31, 2015 and subtracting its consolidated financial data for the three months ended March 31, 2014.

The ProBuild Parent's financial information for the years ended December 31, 2012, 2013 and 2014 and as of the years ended December 31, 2013 and 2014 has been derived from the ProBuild Parent's audited condensed consolidated financial statements and the notes related thereto included elsewhere in this prospectus supplement. The ProBuild Parent's financial information as of and for the three months ended March 31, 2014 and 2015 has been derived from the ProBuild Parent's unaudited condensed consolidated financial statements and the notes related thereto included elsewhere in this prospectus supplement. This unaudited interim financial information has been prepared on a basis consistent with the audited condensed consolidated financial statements and, in the opinion of management, includes all adjustments, consisting of only normal and recurring adjustments, considered necessary for a fair presentation of the information. The ProBuild Parent's financial information for the LTM ended March 31, 2015 has been derived by adding its consolidated financial data for the year ended December 31, 2014 to its consolidated financial data for the three months ended March 31, 2015 and subtracting its consolidated financial data for the three months ended March 31, 2014.

The unaudited pro forma condensed combined financial information for the year ended December 31, 2014 gives effect to the ProBuild Acquisition Transactions as if they had occurred as of January 1, 2014 with respect to the statement of operations data. The unaudited pro forma condensed combined financial information as of and for the three months ended March 31, 2015 gives effect to the ProBuild Acquisition Transactions as if they had occurred as of January 1, 2015 with respect to the statement of operations data and March 31, 2015 with respect to the balance sheet. The unaudited pro forma condensed combined financial information has been derived from estimates and financial data that may change materially. Accordingly, the unaudited pro forma condensed combined financial information should not be considered illustrative of what our financial condition or results of operations would have been had the ProBuild Acquisition Transactions been completed on the dates indicated and does not purport to project our future financial condition and results of operations following the consummation of the ProBuild Acquisition Transactions. We therefore caution you not to place undue reliance on the unaudited pro forma condensed combined financial data.

The Combined Financial Data for the Issuer and the ProBuild Parent for the LTM ended March 31, 2015 included herein does not give effect to any Pro Forma adjustments.

The following summary historical financial and other data should be read in conjunction with the sections titled Capitalization, Unaudited Pro Forma Condensed Combined Financial Information, Management s

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Discussion and Analysis of Financial Condition and Results of Operations for Builders FirstSource, Inc., Management's Discussion and Analysis of Financial Condition and Results of Operations for ProBuild Holdings, Inc., the audited consolidated financial statements and related notes of the Issuer and the ProBuild Parent as of and for the years ended December 31, 2012, 2013 and 2014 and the unaudited condensed consolidated financial statements for the Issuer and the ProBuild Parent as of and for the three months ended March 31, 2014 and 2015, included elsewhere in this prospectus supplement.

Builders FirstSource, Inc. Financial Information

| | Year Ended December 31, | | | Three Months Ended | | LTM |
|--|-------------------------|--------------|--------------|--------------------|------------|----------------------|
| | 2012 | 2013 | 2014 | March 31, 2014 | 2015 | Ended March 31, 2015 |
| (in thousands) | | | | | | |
| Statement of Operations Data: | | | | | | |
| Sales | \$ 1,070,676 | \$ 1,489,892 | \$ 1,604,096 | \$ 345,909 | \$ 370,986 | \$ 1,629,173 |
| Cost of sales | 856,110 | 1,169,972 | 1,247,099 | 270,994 | 287,253 | 1,263,358 |
| Gross margin | 214,566 | 319,920 | 356,997 | 74,915 | 83,733 | 365,815 |
| Selling, general and administrative expenses | 222,263 | 271,885 | 306,508 | 69,318 | 82,838 | 320,028 |
| Asset impairments | 48 | | | | | |
| Facility closure costs | 958 | (7) | 471 | 163 | 254 | 562 |
| Income (loss) from operations | (8,703) | 48,042 | 50,018 | 5,434 | 641 | 45,225 |
| Interest expense, net | 45,139 | 89,638 | 30,349 | 8,828 | 7,607 | 29,128 |
| Income (loss) from continuing operations before income taxes | (53,842) | (41,596) | 19,669 | (3,394) | (6,966) | 16,097 |
| Income tax expense (benefit) | 577 | 769 | 1,111 | (82) | 196 | 1,389 |
| Income (loss) from continuing operations | (54,419) | (42,365) | 18,558 | (3,312) | (7,162) | 14,708 |
| Income (loss) from discontinued operations | (2,437) | (326) | (408) | (72) | 92 | (244) |
| Net income (loss) | \$ (56,856) | \$ (42,691) | \$ 18,150 | \$ (3,384) | \$ (7,070) | \$ 14,464 |
| Comprehensive income (loss) | | | | | | |
| <i>Basic net income (loss) per share:</i> | | | | | | |
| Income (loss) from continuing operations | \$ (0.57) | \$ (0.44) | \$ 0.19 | \$ (0.03) | \$ (0.07) | |
| Loss from discontinued operations | (0.03) | (0.00) | (0.00) | (0.00) | 0.00 | |
| Net income (loss) | \$ (0.60) | \$ (0.44) | \$ 0.19 | \$ (0.03) | \$ (0.07) | |

Diluted net income (loss) per share

| | | | | | | | | | | |
|--|----|--------|----|--------|----|--------|----|--------|----|--------|
| Income (loss) from continuing operations | \$ | (0.57) | \$ | (0.44) | \$ | 0.18 | \$ | (0.03) | \$ | (0.07) |
| Loss from discontinued operations | | (0.03) | | (0.00) | | (0.00) | | (0.00) | | 0.00 |
| Net income (loss) | \$ | (0.60) | \$ | (0.44) | \$ | 0.18 | \$ | (0.03) | \$ | (0.07) |

Weighted average common shares outstanding

| | | | | | |
|---------|--------|--------|---------|--------|--------|
| Basic | 95,463 | 96,449 | 98,050 | 97,617 | 98,204 |
| Diluted | 95,463 | 96,449 | 100,522 | 97,617 | 98,624 |

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| | As of December 31, | | As of March 31, | |
|---|---------------------------|-------------------|------------------------|-------------------|
| | 2013 | 2014 | 2014 | 2015 |
| | (in thousands) | | | |
| Balance Sheet Data: | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 54,696 | \$ 17,773 | \$ 62,766 | \$ 36,837 |
| Accounts receivable | 143,036 | 148,352 | 147,603 | 157,221 |
| Inventories | 123,636 | 138,156 | 136,613 | 146,824 |
| Other current assets | 9,793 | 27,259 | 8,767 | 24,215 |
| Total current assets | 331,161 | 331,540 | 355,749 | 365,097 |
| Property, plant and equipment, net | 49,392 | 75,679 | 52,808 | 84,734 |
| Goodwill | 111,193 | 139,774 | 111,193 | 141,090 |
| Intangible assets, net | 827 | 17,228 | 732 | 16,657 |
| Other assets, net | 23,266 | 18,844 | 22,318 | 17,878 |
| Total assets | \$ 515,839 | \$ 583,065 | \$ 542,800 | \$ 625,456 |
| Current liabilities: | | | | |
| Accounts payable | \$ 81,046 | \$ 75,868 | \$ 102,668 | \$ 90,737 |
| Accrued liabilities | 45,310 | 66,225 | 51,968 | 74,083 |
| Current maturities of long-term debt | 67 | 30,074 | 69 | 55,076 |
| Total current liabilities | 126,423 | 172,167 | 154,705 | 219,896 |
| Long-term debt, net of current maturities | 353,904 | 353,830 | 353,886 | 353,810 |
| Other long-term liabilities | 20,144 | 16,868 | 21,615 | 17,774 |
| Total liabilities | 500,471 | 542,865 | 530,206 | 591,480 |
| Total stockholders' equity | 15,368 | 40,200 | 12,594 | 33,976 |
| Total liabilities and stockholders' equity | \$ 515,839 | \$ 583,065 | \$ 542,800 | \$ 625,456 |

| | Year Ended December 31, | | | Three Months | | LTM Ended |
|---|--------------------------------|-----------------|-----------------|---------------------|------------------|------------------|
| | 2012 | 2013 | 2014 | Ended | March 31, | March 31, |
| | | | | 2014 | 2015 | 2015 |
| | (in thousands) | | | | | |
| Cash Flow Data: | | | | | | |
| Net cash provided by (used in) operating activities | \$ (66,850) | \$ (47,576) | \$ 27,493 | \$ 13,760 | \$ 9,863 | \$ 23,596 |
| Net cash provided by (used in) investing activities | (9,033) | 571 | (94,840) | (5,302) | (14,861) | (104,399) |
| Net cash provided by (used in) financing activities | 60,482 | (29,731) | 30,424 | (388) | 24,062 | 54,874 |
| Net increase (decrease) in cash and cash equivalents | (15,401) | (76,736) | (36,923) | 8,070 | 19,064 | (25,929) |

| | | | | | | |
|--|------------|-----------|-----------|-----------|-----------|-----------|
| Cash and cash equivalents at end of period | \$ 131,432 | \$ 54,696 | \$ 17,773 | \$ 62,766 | \$ 36,837 | \$ 36,837 |
|--|------------|-----------|-----------|-----------|-----------|-----------|

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| | Year Ended December 31, | | | Three Months Ended | | LTM Ended |
|-----------------------------------|-------------------------|----------|----------|--------------------|-------------------|-------------------|
| | 2012 | 2013 | 2014 | March 31, 2014 | March 31, 2015 | March 31, 2015 |
| | (in thousands) | | | | | |
| Other Financial Data: | | | | | | |
| Depreciation and amortization | \$ 11,120 | \$ 9,305 | \$ 9,519 | \$ 1,982 | \$ 3,152 | \$ 10,689 |
| EBITDA(1) | 2,417 | 57,347 | 59,537 | 7,416 | 3,793 | 55,914 |
| Adjusted EBITDA(1) | 6,411 | 61,329 | 66,812 | 8,566 | 11,303 | 69,549 |
| Capital expenditures | 10,398 | 15,051 | 25,716 | 5,304 | 9,124 | 29,536 |
| Sales per start (U.S.)(2) | 2,000 | 2,412 | 2,476 | 2,585 | 2,652 | 2,491 |
| Sales per start (South region)(2) | \$ 3,789 | \$ 4,572 | \$ 4,639 | \$ 4,390 | \$ 4,427 | \$ 4,644 |

(1) We define EBITDA as GAAP net income (loss) adjusted for gain (loss) from discontinued operations, net of tax, income tax expense (benefit), net interest expense and depreciation and amortization. We define Adjusted EBITDA as EBITDA adjusted for stock compensation expense, gain on sale of assets, litigation settlement proceeds, transaction costs, facility closure costs and certain other items. EBITDA and Adjusted EBITDA are presented because we believe they are useful to investors as widely accepted financial indicators of a company's ability to service and/or incur indebtedness and because such disclosure provides investors with additional criteria used by us to evaluate our operating performance. We utilize EBITDA and Adjusted EBITDA frequently in our decision-making because they provide meaningful information regarding our operating performance and cash flows and facilitate comparisons to our historical operating results. We also believe that EBITDA and Adjusted EBITDA make it easier for investors and others to evaluate our results on a normalized basis and to compare our operating results from period to period. We are also aware that certain investors may use EBITDA and Adjusted EBITDA to assess our liquidity.

EBITDA and Adjusted EBITDA are not defined under United States generally accepted accounting principles, or GAAP, should not be considered in isolation or as a substitute for measures of our performance prepared in accordance with GAAP and are not indicative of income from operations as determined under GAAP. Because not all companies use identical calculations, the presentation of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. EBITDA and Adjusted EBITDA have limitations as analytical tools. Some of these limitations are:

EBITDA and Adjusted EBITDA do not reflect period to period changes in taxes;

EBITDA and Adjusted EBITDA do not reflect our costs associated with capital investments;

EBITDA and Adjusted EBITDA do not reflect our interest expense;

Adjusted EBITDA does not reflect our stock compensation expense, asset impairments and other nonrecurring items; and

other companies in our industry may calculate EBITDA and Adjusted EBITDA differently, limiting their usefulness as comparative measures.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as discretionary cash available to us to reinvest in the growth of our business or as a measure of cash that will be available to us to meet our obligations.

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The following table is a reconciliation of our net income to EBITDA and Adjusted EBITDA:

| | Year Ended December 31, | | | Three Months Ended March 31, | | LTM Ended March 31, |
|-------------------------------------|-------------------------|------------------|------------------|------------------------------|------------------|---------------------|
| | 2012 | 2013 | 2014 | 2014 | 2015 | 2015 |
| | (in thousands) | | | | | |
| Net income (loss) | \$ (56,856) | \$ (42,691) | \$ 18,150 | \$ (3,384) | \$ (7,070) | \$ 14,464 |
| Discontinued operations, net of tax | 2,437 | 326 | 408 | 72 | (92) | 244 |
| Income tax expense (benefit) | 577 | 769 | 1,111 | (82) | 196 | 1,389 |
| Interest expense, net | 45,139 | 89,638 | 30,349 | 8,828 | 7,607 | 29,128 |
| Depreciation and amortization | 11,120 | 9,305 | 9,519 | 1,982 | 3,152 | 10,689 |
| EBITDA | 2,417 | 57,347 | 59,537 | 7,416 | 3,793 | 55,914 |
| Stock compensation expense | 3,628 | 4,245 | 6,157 | 982 | 1,767 | 6,942 |
| Gain on sale of assets | (38) | (284) | (114) | (1) | (46) | (159) |
| Litigation settlement proceeds | (637) | | | | | |
| Transaction costs | 7 | | 604 | | 5,489 | 6,093 |
| Facility closure costs | 958 | (7) | 471 | 163 | 254 | 562 |
| Other | 76 | 28 | 157 | 6 | 46 | 197 |
| Adjusted EBITDA(3) | \$ 6,411 | \$ 61,329 | \$ 66,812 | \$ 8,566 | \$ 11,303 | \$ 69,549 |

- (2) Represents sales per single family housing start on a non-seasonally adjusted basis. Census-defined South region includes Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.
- (3) Does not reflect the full year impact of completed acquisitions of \$8.7 million in 2014 and \$7.1 million in the LTM period.

Table of Contents**ProBuild Holdings, Inc. Financial Information**

| | Year Ended December 31, | | | Three Months Ended March 31, | | LTM Ended March 31, |
|---|-------------------------|--------------|--------------|---------------------------------|------------|---------------------------|
| | 2012 | 2013 | 2014 | 2014 | 2015 | 2015 |
| (in thousands) | | | | | | |
| Statement of Operations | | | | | | |
| Data: | | | | | | |
| Net sales | \$ 3,620,976 | \$ 4,335,369 | \$ 4,478,723 | \$ 908,444 | \$ 913,140 | \$ 4,483,419 |
| Cost of goods sold | 2,740,025 | 3,250,972 | 3,323,726 | 677,799 | 676,286 | 3,322,213 |
| Gross margin | 880,951 | 1,084,397 | 1,154,997 | 230,645 | 236,854 | 1,161,206 |
| Operating expenses, excluding depreciation and amortization | 901,306 | 1,010,429 | 1,026,254 | 248,747 | 233,915 | 1,011,422 |
| Depreciation expense | 59,052 | 47,432 | 48,313 | 11,760 | 12,300 | 48,853 |
| Amortization expense | 25,538 | 15,482 | 9,485 | 3,415 | 988 | 7,058 |
| Total operating expenses | 985,896 | 1,073,343 | 1,084,052 | 263,922 | 247,203 | 1,067,333 |
| Income (loss) from operations | (104,945) | 11,054 | 70,945 | (33,277) | (10,349) | 93,873 |
| Interest expense | (61,852) | (58,686) | (54,728) | (13,655) | (12,878) | (53,951) |
| Other income: | | | | | | |
| Interest | 3,435 | 3,506 | 3,271 | | | 3,271 |
| Other income | 3,337 | 4,872 | 6,318 | 3,092 | 3,046 | 6,272 |
| Income (loss) before income tax expense | (160,025) | (39,254) | 25,806 | (43,840) | (20,181) | 49,465 |
| Income tax expense | 1,540 | 1,492 | 596 | 776 | 866 | 686 |
| Net income (loss) | (161,565) | (40,746) | 25,210 | (44,616) | (21,047) | 48,779 |
| Less: Income (loss) attributable to the noncontrolling interests | (148,392) | (21,621) | 36,369 | (41,885) | (16,145) | 62,109 |
| Net loss attributable to ProBuild Holdings, Inc. | \$ (13,173) | \$ (19,125) | \$ (11,159) | \$ (2,731) | \$ (4,902) | \$ (13,330) |

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| | As of December 31, 2013 | | As of March 31, 2015 |
|--|----------------------------|---------------------|-------------------------|
| | (in thousands) | | |
| Balance Sheet Data: | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 14,343 | \$ 9,385 | \$ 15,665 |
| Accounts receivable, net | 406,462 | 410,923 | 414,558 |
| Nontrade receivables | 41,403 | 39,178 | |
| Inventories, net | 330,255 | 317,476 | 337,066 |
| Prepaid expenses and other current assets | 11,806 | 14,222 | 21,444 |
| Total current assets | 804,269 | 791,184 | 788,733 |
| Property and equipment, net | 567,737 | 574,036 | 561,828 |
| Assets held-for-sale | 25,275 | 9,683 | 10,016 |
| Goodwill | 1,026,159 | 1,026,159 | 1,026,159 |
| Intangible assets, net | 14,134 | 4,649 | 3,660 |
| Other assets | 5,902 | 3,735 | 3,255 |
| Total assets | \$ 2,443,476 | \$ 2,409,446 | \$ 2,393,651 |
| Current liabilities: | | | |
| Checks outstanding | \$ 49,218 | \$ 54,517 | |
| Current maturities of notes payable and lease obligations | 70,393 | 6,109 | 6,269 |
| Accounts payable | 241,615 | 234,190 | 292,583 |
| Accrued expenses and other current liabilities | 250,625 | 247,929 | 205,368 |
| Deferred income taxes | 3,556 | 4,507 | 4,069 |
| Total current liabilities | 615,407 | 547,252 | 508,289 |
| Long-term liabilities: | | | |
| Deferred income taxes | 3,035 | 4,220 | 4,176 |
| Other long-term liabilities | 13,242 | 16,865 | 15,662 |
| Notes payable and lease obligations, net of current maturities | 1,273,711 | 1,281,305 | 1,327,888 |
| Total liabilities | 1,905,395 | 1,849,642 | 1,856,015 |
| Total equity | 538,081 | 559,804 | 537,636 |
| Total liabilities and equity | \$ 2,443,476 | \$ 2,409,446 | \$ 2,393,651 |

| | Year Ended December 31, | | | Three Months Ended March 31, | | LTM Ended March 31, 2015 |
|--|-------------------------|------|------|------------------------------------|------|--------------------------------------|
| | 2012 | 2013 | 2014 | 2014 | 2015 | |
| | (in thousands) | | | | | |

Cash Flow Data:

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| | | | | | | |
|--|--------------|-----------|------------|-------------|-------------|------------|
| Net cash provided by (used in) | | | | | | |
| operating activities | \$ (149,929) | \$ 31,802 | \$ 91,057 | \$ (80,612) | \$ (27,295) | \$ 144,374 |
| Net cash used in investing activities | (21,846) | (76,827) | (41,862) | (14,744) | (5,190) | (32,308) |
| Net cash provided by (used in) | | | | | | |
| financing activities | 159,790 | 49,024 | (54,153) | 95,452 | 38,765 | (110,840) |
| Net increase (decrease) in cash and cash equivalents | \$ (11,985) | \$ 3,999 | \$ (4,958) | \$ 96 | \$ 6,280 | \$ 1,226 |

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| | Year Ended December 31, | | | Three Months Ended March 31, | | LTM Ended March 31, 2015 |
|------------------------------|-------------------------|------------|------------|------------------------------|-----------|--------------------------|
| | 2012 | 2013 | 2014 | 2014 | 2015 | |
| | (in thousands) | | | | | |
| Other Financial Data: | | | | | | |
| Capital expenditures | \$ 44,116 | \$ 83,013 | \$ 65,109 | \$ 15,617 | \$ 5,840 | \$ 55,332 |
| EBITDA(1) | \$ (6,751) | \$ 88,448 | \$ 143,376 | \$ (13,694) | \$ 7,349 | \$ 164,419 |
| Adjusted EBITDA(1) | \$ 55,712 | \$ 123,316 | \$ 192,485 | \$ (1,984) | \$ 10,606 | \$ 205,075 |

(1) ProBuild defines EBITDA as GAAP net loss plus noncontrolling interest, depreciation and amortization expense, net interest expense and income tax expense. The Issuer defines ProBuild's Adjusted EBITDA as EBITDA plus long-term bonus, LIFO expense, (gain) loss on sale, (income) loss from closed operations, held for sale impairment, non-recurring charges, impairments/other extraordinary adjustments and certain other adjustments (explained further in note (B) below). EBITDA and Adjusted EBITDA are presented because we believe they are useful to investors as widely accepted financial indicators of a company's ability to service and/or incur indebtedness and because such disclosure provides investors with additional criteria used by us to evaluate ProBuild's historical operating performance.

EBITDA and Adjusted EBITDA are not defined under United States generally accepted accounting principles, or GAAP, should not be considered in isolation or as a substitute for measures of ProBuild's performance prepared in accordance with GAAP and are not indicative of income from operations as determined under GAAP. Because not all companies use identical calculations, the presentation of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. EBITDA and Adjusted EBITDA have limitations as analytical tools. Some of these limitations are:

EBITDA and Adjusted EBITDA do not reflect period to period changes in taxes;

EBITDA and Adjusted EBITDA do not reflect ProBuild's costs associated with capital investments;

EBITDA and Adjusted EBITDA do not reflect ProBuild's interest expense;

Adjusted EBITDA does not reflect ProBuild's stock compensation expense, asset impairments and other non-recurring items; and

other companies in ProBuild's industry may calculate EBITDA and Adjusted EBITDA differently, limiting their usefulness as comparative measures.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as discretionary cash that would be available to ProBuild to reinvest in the growth of its business or as a measure of cash that would be available to ProBuild to meet its obligations.

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The following table is a reconciliation of ProBuild's net loss to EBITDA and Adjusted EBITDA:

| | Year Ended December 31, | | | Three Months Ended March 31, | | LTM Ended March 31, |
|---|-------------------------|-------------|-------------|------------------------------|------------|---------------------|
| | 2012 | 2013 | 2014 | 2014 | 2015 | 2015 |
| | (in thousands) | | | | | |
| Net loss | \$ (13,173) | \$ (19,125) | \$ (11,159) | \$ (2,731) | \$ (4,902) | \$ (13,330) |
| Noncontrolling interest | (148,392) | (21,621) | 36,369 | (41,885) | (16,145) | 62,109 |
| Depreciation and amortization expense | 91,422 | 69,016 | 62,842 | 16,491 | 14,652 | 61,003 |
| Interest expense, net | 61,852 | 58,686 | 54,728 | 13,655 | 12,878 | 53,951 |
| Income tax expense | 1,540 | 1,492 | 596 | 776 | 866 | 686 |
| EBITDA | (6,751) | 88,448 | 143,376 | (13,694) | 7,349 | 164,419 |
| Long-term bonus | 2,787 | 2,054 | 3,717 | 843 | 705 | 3,579 |
| LIFO expense | 13,940 | 12,381 | 6,531 | | | 6,531 |
| (Gain) loss on sale | 642 | 48 | (400) | (520) | (1,002) | (882) |
| (Income) loss from closed operations | 19,626 | (3,708) | 17,913 | 4,283 | 1,502 | 15,132 |
| Held for sale impairment | 3,481 | 4,524 | 1,997 | (600) | (379) | 2,218 |
| Non-recurring charges(A) | 7,085 | 11,970 | 6,039 | 1,672 | 1,302 | 5,669 |
| Impairments/other extraordinary adjustments | 14,902 | 7,599 | 2,362 | 1,753 | (137) | 472 |
| Other adjustments(B) | | | 10,950 | 4,279 | 1,266 | 7,937 |
| Adjusted EBITDA | \$ 55,712 | \$ 123,316 | \$ 192,485 | \$ (1,984) | \$ 10,606 | \$ 205,075 |

(A) Non-recurring charges primarily relate to the development of ProBuild's strategic plan and reductions in corporate headquarters workforce.

(B) Other adjustments primarily relate to harmonization and changes of accounting policies and full year effect of cost savings initiatives.

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| | Year Ended December 31, 2014 | Three Months Ended March 31, 2015 |
|---|---|--|
| | (in thousands) | |
| Statement of Operations Data: | | |
| Net sales | \$ 6,082,819 | \$ 1,284,126 |
| Cost of sales | 4,602,235 | 973,112 |
| Gross margin | 1,480,584 | 311,014 |
| Operating expenses: | | |
| Selling, general and administrative expenses | 1,379,448 | 331,008 |
| Facility closure costs | 11,643 | 254 |
| Total operating expenses | 1,391,091 | 331,262 |
| Income (loss) from operations | 89,493 | (20,248) |
| Interest expense | (177,966) | (44,422) |
| Interest income | 3,271 | |
| Other income | 6,318 | 3,046 |
| Loss from continuing operations before income tax | (78,884) | (61,624) |
| Income tax expense | (1,707) | (1,062) |
| Loss from continuing operations | (80,591) | (62,686) |
| Income (loss) from discontinued operations | (408) | 92 |
| Net Loss | \$ (80,999) | \$ (62,594) |

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| | As of March 31, 2015 (in thousands) |
|--|--|
| Balance Sheet Data: | |
| Current assets: | |
| Cash | \$ 127,380 |
| Accounts receivable, net | 571,779 |
| Nontrade receivables | |
| Inventories | 573,024 |
| Other current assets | 50,138 |
| Total current assets | 1,322,321 |
| Net property and equipment | 770,934 |
| Other assets: | |
| Goodwill | 326,927 |
| Intangibles, net | 540,357 |
| Assets held for sale | 10,016 |
| Other assets, net | 64,362 |
| Total other assets | 941,662 |
| Total assets | \$ 3,034,917 |
| Current liabilities: | |
| Accounts payable | \$ 383,320 |
| Checks outstanding | |
| Accrued liabilities | 272,621 |
| Current maturities of long-term debt and lease obligations | 12,345 |
| Deferred income taxes | |
| Total current liabilities | 668,286 |
| Long-term debt, net of current maturities | 2,224,416 |
| Deferred income taxes | 3 |
| Other long-term liabilities | 33,236 |
| Total liabilities | 2,925,941 |
| Stockholders' equity: | |
| Common stock | 985 |
| Additional paid-in capital | 480,934 |
| Retained deficit | (372,943) |
| Noncontrolling interest | |
| Total stockholders' equity | 108,976 |
| Total liabilities and stockholders' equity | \$ 3,034,917 |

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| | LTM |
|---|-----------------------|
| | Ended |
| | March 31, |
| | 2015 |
| | (in thousands) |
| Statement of Operations Data: | |
| Net sales | \$ 6,112,592 |
| Cost of sales | 4,585,571 |
| Gross margin | 1,527,021 |
| Operating expenses: | |
| Selling, general and administrative expenses | 1,387,361 |
| Facility closure costs | 562 |
| Total operating expenses | 1,387,923 |
| Income from operations | 139,098 |
| Interest expense | (83,079) |
| Interest income | 3,271 |
| Other income | 6,272 |
| Income from continuing operations before income tax | 65,562 |
| Income tax expense | (2,075) |
| Income from continuing operations | 63,487 |
| Income (loss) from discontinued operations | (244) |
| Net Income | \$ 63,243 |

| | LTM Ended March 31, 2015 |
|---------------------------------|---------------------------------|
| | (in thousands) |
| Combined Financial Data: | |
| Combined EBITDA(1) | \$ 220,333 |

(1)

Our Combined Company defines Combined EBITDA as Adjusted net loss plus depreciation and amortization expense, net interest expense, income tax expense and loss from discontinued operations, net of tax. Our Combined Company defines Combined Adjusted EBITDA as Combined EBITDA plus facility closure costs, stock compensation expense, transaction costs, certain cost reductions expected to result from the ProBuild Acquisition and certain other items. A reconciliation to Combined Adjusted EBITDA is provided on the following page.

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| | LTM Ended March 31, 2015 |
|---|-------------------------------------|
| Issuer's EBITDA | \$ 55,914 |
| ProBuild's EBITDA | 164,419 |
| Combined EBITDA | 220,333 |
| Issuer's stock compensation expense | 6,942 |
| Issuer's gain on sale of assets | (159) |
| Issuer's transaction costs | 6,093 |
| Issuer's facility closure costs | 562 |
| Issuer's other | 197 |
| ProBuild's long-term bonus | 3,579 |
| ProBuild's LIFO expense | 6,531 |
| ProBuild's (gain) loss on sale | (882) |
| ProBuild's (income) loss from closed operations | 15,132 |
| ProBuild's held for sale impairment | 2,218 |
| ProBuild's non-recurring charges | 5,669 |
| ProBuild's impairments/other extraordinary adjustments | 472 |
| ProBuild's other adjustments(1) | 7,937 |
| Issuer's adjustment for completed acquisitions(2) | 7,087 |
| Combined Adjusted EBITDA, before cost reductions | 281,711 |
| Cost reductions: | |
| Procurement(3)(6) | 38,500 |
| Network consolidation(4)(6) | 22,000 |
| General and administrative(5)(6) | 49,500 |
| Combined Adjusted EBITDA | \$ 391,711 |

- (1) Other adjustments primarily relate to harmonization and changes of accounting policies and full year effect of cost savings initiatives.
- (2) Adjustments to give effect to certain acquisitions, of which \$1.7 million is the Issuer's estimated benefit from fully integrating these acquisitions into the Issuer, with the remaining amount representing EBITDA from these recent acquisitions in the portion of the period under review prior to being acquired by the Issuer.
- (3) Procurement cost savings relate to savings achieved through optimized pricing and rebated with existing supply relationships.
- (4) Network consolidation cost savings relate to savings achieved through the consolidation of facilities in overlapping regions, as well as the consolidation of our delivery fleet.
- (5) General and administrative cost savings relate to savings achieved through the consolidation of corporation support functions and consolidation of benefit plans and insurance policies.
- (6) Projected annual cost savings of \$110 million represents the mid-point of the anticipated ranged of annual savings, and are expected to be fully realized in the third year following the consummation of the ProBuild Acquisition. Excludes estimated one-time costs of \$90 million to \$100 million to achieve annual savings. For a discussion of risks related to projected cost savings, see Risk Factors Risks Related to the ProBuild Acquisition Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the ProBuild Acquisition may not be realized and Risk Factors Risks

Related to the ProBuild Acquisition The ProBuild Acquisition may not achieve its intended results, including anticipated synergies.

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*Investing in our securities involves a high degree of risk. You should carefully consider the specific risks described below, as well as other information contained in this prospectus supplement, the accompanying prospectuses and the documents incorporated herein by reference, including the risks described in our Annual Report on Form 10-K for the year ended December 31, 2014 and any risks described in our other filings with the SEC incorporated into the accompanying prospectuses by reference, before making an investment decision. See the section of this prospectus supplement entitled *Where You Can Find Additional Information*. Any of the risks we describe below or in the information incorporated herein by reference could cause our business, financial condition, or operating results to suffer. The market price of our common stock could decline if one or more of these risks and uncertainties develop into actual events. You could lose all or part of your investment. Some of the statements in this section of the prospectus supplement are forward-looking statements. For more information about forward-looking statements, please see the section of this prospectus supplement entitled *Disclosure Regarding Forward-Looking Statements*.*

Risks Related to our and ProBuild's Business and Industry

The industry in which we operate is dependent upon the residential homebuilding industry, as well as the U.S. economy, the credit markets and other important factors.

The building products industry is highly dependent on new home and multifamily construction, which in turn are dependent upon a number of factors, including interest rates, consumer confidence, employment rates, foreclosure rates, housing inventory levels and occupancy, housing demand and the health of the U.S. economy and mortgage markets. Unfavorable changes in demographics, credit markets, consumer confidence, housing affordability, or housing inventory levels and occupancy, or a weakening of the U.S. economy or of any regional or local economy in which we operate could adversely affect consumer spending, result in decreased demand for our products, and adversely affect our business. Production of new homes and multifamily buildings may also decline because of shortages of qualified tradesmen, reliance on inadequately capitalized builders and sub-contractors, and shortages of material. The homebuilding industry is currently experiencing a shortage of qualified, trained labor in many areas, including those currently served by us and those that we expect to serve following completion of the ProBuild Acquisition. In addition, the building industry is subject to various local, state, and federal statutes, ordinances, rules and regulations concerning zoning, building design and safety, construction, energy conservation and similar matters, including regulations that impose restrictive zoning and density requirements in order to limit the number of homes that can be built within the boundaries of a particular area or in order to maintain certain areas primarily or exclusively residential. Regulatory restrictions may increase our operating expenses and limit the availability of suitable building lots for our customers, which could negatively affect our sales and earnings. Because we have, and expect to continue to have, following completion of the ProBuild Acquisition, substantial fixed costs, relatively modest declines in our customers' production levels could have a significant adverse effect on our financial condition, operating results and cash flows and cause our stock price to decline.

The homebuilding industry underwent a significant downturn that began in mid-2006 and began to stabilize in late 2011. U.S. homebuilding activity increased in 2013 and 2014 to approximately 617,700 and 647,800 single-family starts, respectively, although it remains well below the historical average (from 1959 through 2013) of 1.0 million single-family starts per year. According to the U.S. Census Bureau, actual U.S. single family housing starts in the U.S. during 2014 were 55.8% lower than in 2006. We believe that the slow recovery of the housing market is due to a variety of factors including: a severe economic recession, followed by a gradual economic recovery; significant unemployment; limited credit availability; shortages of suitable building lots in many regions; shortages of experienced labor; a substantial reduction in speculative home investment; and soft housing demand. The downturn in the homebuilding industry resulted in a substantial reduction in demand for our products and services, which in turn

had a significant adverse effect on our and ProBuild's business and operating results during fiscal years 2007 through 2012.

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In addition, beginning in 2007, the mortgage markets experienced substantial disruption due to increased defaults, primarily as a result of credit quality deterioration. The disruption resulted in a stricter regulatory environment and reduced availability of mortgages for potential homebuyers due to a tight credit market and stricter standards to qualify for mortgages. Mortgage financing and commercial credit for smaller homebuilders continue to be constrained, which is slowing a recovery in our industry. Since the housing industry is dependent upon the economy as well as potential homebuyers' access to mortgage financing and homebuilders' access to commercial credit, it is likely that the housing industry will not fully recover until conditions in the economy and the credit markets further improve.

If the housing market declines, we may be required to take impairment charges relating to our operations or temporarily idle or permanently close under-performing locations.

On a historical basis, we recorded no goodwill or significant asset impairment charges in continuing operations for the three months ended March 31, 2015 or the years ended December 31, 2014 and 2013. If conditions in the housing industry deteriorate we may need to take goodwill and/or asset impairment charges relating to certain of our reporting units. Any such non-cash charges would have an adverse effect on our financial results. In addition, in response to industry conditions, we may have to temporarily idle or permanently close certain facilities in under-performing regions, although we have no specific plans to close or idle additional facilities at this time. Any such facility closures could have a significant adverse effect on our financial condition, operating results and cash flows and cause our stock price to decline.

Our level of indebtedness, whether or not the ProBuild Acquisition is completed, could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, and prevent us from meeting our obligations under our debt instruments.

As of March 31, 2015, our debt consisted of the \$350.0 million aggregate principal amount outstanding of the Existing Secured Notes. We also have a \$175.0 million senior secured revolving credit facility (the Existing Credit Facility). As of March 31, 2015, we had \$55.0 million in borrowings, as well as \$15.6 million of letters of credit outstanding under the Existing Credit Facility, all of which is being repaid in connection with the ProBuild Acquisition. Giving pro forma effect to the ProBuild Acquisition Transactions, as of March 31, 2015, our Combined Company would have had up to \$2,242.8 million of total indebtedness, including \$297.8 million of lease finance obligations and capitalized lease obligations with approximately \$3.9 million attributable to the Issuer and approximately \$293.9 million attributable to ProBuild. In addition, we and ProBuild both have significant obligations under ongoing operating leases that are not, and will not be, reflected on our balance sheet.

As of March 31, 2015, the Existing Secured Notes bore interest at a fixed rate, and therefore, our interest expense related to the Existing Secured Notes would not be affected by changes in market interest rates. The \$55.0 million in outstanding borrowings as of March 31, 2015 under the Existing Credit Facility bears interest at a variable rate and, therefore, if interest rates rise, our interest expense could increase. At March 31, 2015, a 1.0% increase in interest rates would result in approximately \$0.6 million in additional annual interest expense. We expect that the notes we issue as part of the financing for the ProBuild Acquisition will bear interest at a fixed rate. We also expect that the ABL Facility and the First-Lien Facility entered into in connection with the ProBuild Acquisition will bear interest at a variable rate.

Our substantial debt could have important consequences to us, including:

increasing our vulnerability to general economic and industry conditions;

requiring a substantial portion of our cash flow used in operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our liquidity and our ability to use our cash flow to fund our operations, capital expenditures, and future business opportunities;

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exposing us to the risk of increased interest rates, and corresponding increased interest expense, because future borrowings under the Existing Credit Facility and certain indebtedness incurred pursuant to the Acquisition Financing would be at variable rates of interest;

limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions, and general corporate or other purposes; and

limiting our ability to adjust to changing marketplace conditions and placing us at a competitive disadvantage compared to our competitors who may have less debt.

In addition, some of our debt instruments, including the indenture governing the Existing Secured Notes (the Existing Indenture), contain, and the agreements governing the indebtedness expected to be incurred to finance the ProBuild Acquisition are expected to contain, cross-default provisions that could result in our debt being declared immediately due and payable under a number of debt instruments, even if we default on only one debt instrument. In such event, it is unlikely that we would be able to satisfy our obligations under all of such accelerated indebtedness simultaneously.

Our financial condition and operating performance, including that of our subsidiaries and that of ProBuild and its operating affiliates are also subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. There are no assurances that we will maintain a level of liquidity sufficient to permit us to pay the principal, premium and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital, or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations in an effort to meet our debt service and other obligations. Our existing indebtedness restricts, and the agreements governing the indebtedness expected to be incurred to finance the ProBuild Acquisition are expected to restrict, our ability to dispose of assets and to use the proceeds from such dispositions. We may not be able to consummate those dispositions or be able to obtain the proceeds that we could realize from them, and these proceeds may not be adequate to meet any debt service obligations then due, which could have a material adverse effect on our financial condition, operating results and cash flows and cause our stock price to decline.

We may have future capital needs and may not be able to obtain additional financing on acceptable terms.

For working capital and funding of our operations, we are reliant on cash on hand and our existing credit facility and will be reliant on the expected borrowing capacity under the ABL Facility, assuming borrowing availability following planned drawings to help fund the ProBuild Acquisition. Our working capital requirements are likely to grow assuming the housing industry improves. Our inability to renew, amend or replace our existing indebtedness and the indebtedness incurred pursuant to the ProBuild Acquisition Transactions when required or when business conditions warrant could have a material adverse effect on our business, financial condition and results of operations and cause our stock price to decline.

Economic and credit market conditions, the performance of our industry, and our financial performance, as well as other factors, may constrain our financing abilities. Our ability to secure additional financing, if available, and to satisfy our financial obligations under indebtedness outstanding from time to time will depend upon our future operating performance, the availability of credit, economic conditions and financial, business and other factors, many

of which are beyond our control. Any worsening of current housing market conditions or the macroeconomic factors that affect our industry could require us to seek additional capital and have a material adverse effect on our ability to secure such capital on favorable terms, if at all.

We may be unable to secure additional financing or financing on favorable terms or our operating cash flow may be insufficient to satisfy our financial obligations under indebtedness outstanding from time to time,

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including our existing indebtedness and the indebtedness incurred pursuant to the ProBuild Acquisition Transactions, including the notes. The Existing Indenture and our existing credit facility, moreover, restricts, and the agreements governing the indebtedness expected to be incurred to finance the ProBuild Acquisition are expected to restrict, the amount of permitted indebtedness allowed. In addition, if financing is not available when needed, or is available on unfavorable terms, we may be unable to take advantage of business opportunities, including potential acquisitions, or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition, and results of operations. If additional funds are raised through the issuance of additional equity or convertible debt securities, our stockholders may experience significant dilution.

We may incur additional indebtedness.

We may incur additional indebtedness in the future, including collateralized debt, subject to the restrictions contained in the instruments governing our existing indebtedness and the agreements governing the indebtedness expected to be incurred to finance the ProBuild Acquisition. If new debt is added to our current debt levels, or to our pro forma debt levels, the related risks that we now face could intensify.

Our debt instruments contain various covenants that limit our ability to operate our business.

Our financing arrangements, including the Existing Indenture and our existing credit facility contain, and the agreements governing the indebtedness expected to be incurred to finance the ProBuild Acquisition are expected to contain, various provisions that limit our ability to, among other things:

transfer or sell assets, including the equity interests of our restricted subsidiaries, or use asset sale proceeds;

incur additional debt;

pay dividends or distributions on our capital stock or repurchase our capital stock;

make certain restricted payments or investments;

create liens to secure debt;

enter into transactions with affiliates;

merge or consolidate with another company or continue to receive the benefits of these financing arrangements under a change in control scenario (as defined in those agreements); and

engage in unrelated business activities.

The agreement governing the Existing Credit Facility contains a financial covenant requiring the satisfaction of a minimum fixed charge coverage ratio of 1.00 to 1.00 if our excess availability, defined as the sum of our net borrowing availability plus qualified cash, falls below the greater of \$17.5 million or 10% of the maximum borrowing amount. As of March 31, 2015, our excess availability was \$104.4 million. Qualified cash is defined as the amount of unrestricted cash and cash equivalents held in deposit or securities accounts which are subject to control agreements in favor of our lenders.

These provisions may restrict our ability to expand or fully pursue our business strategies. Our ability to comply with the terms of the Existing Indenture and Existing Credit Facility and the agreements governing the indebtedness expected to be incurred to finance the ProBuild Acquisition, may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments, a change in control or other events beyond our control. The breach of any of these provisions, including those contained in the Existing Indenture, or Existing Credit Facility or agreements governing the indebtedness expected to be incurred to finance the ProBuild Acquisition could result in a default under our indebtedness, which could cause those and other obligations to become due and payable. If any of our indebtedness is accelerated, we may not be able to repay it.

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We have historically and, as a Combined Company, will continue to occupy most of our facilities under long-term non-cancelable leases. We may be unable to renew leases at the end of their terms. If we close a facility, we are still obligated under the applicable lease.

Historically, most of our facilities, as well as most of ProBuild's facilities, were leased. Many of our current leases are non-cancelable, typically have initial expiration terms ranging from five to 15 years and most provide options to renew for specified periods of time. The majority of ProBuild's current leases, all of which we will acquire in connection with the ProBuild Acquisition, are non-cancelable and typically have initial terms of five years to 15 years and most provide options to renew for specified periods of time. We be