UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from ________ to ________

Commission File Number 001-42492

BEACON ROOFING SUPPLY, INC.

(Exact name of registrant as specified in its charter)

Delaware	**36-4173371**
State or other jurisdiction of incorporation or organization	I.R.S. Employer Identification No.

505 Huntmar Park Drive, Suite 300, Herndon, VA 20170
Address of principal executive offices, zip code

(571) 323-3939
Registrant's telephone number, including area code

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 par value	**BECN**	**NASDAQ Global Select Market**
Preferred Stock Purchase Rights	**N/A**	**NASDAQ Global Select Market**

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	☒	Accelerated filer	☐	Emerging growth company	☐
Non-accelerated filer	☐	Smaller reporting company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting common equity held by non-affiliates of the registrant, computed by reference to the closing price at which the common stock was sold as of the end of the second fiscal quarter ended June 30, 2024, was $5.57 billion.

The number of shares of common stock outstanding as of January 31, 2025 was 61,582,627.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III (Items 10, 11, 12, 13 and 14) will be incorporated by reference from the Registrant's definitive proxy statement for its 2025 Annual Meeting of Stockholders, which will be filed pursuant to Regulation 14A with the United States Securities and Exchange Commission ("SEC") within 120 days after the end of the fiscal year to which this report relates.

BEACON ROOFING SUPPLY, INC.

Index to Annual Report on Form 10-K

Year Ended December 31, 2024

FORWARD-LOOKING STATEMENTS

The matters discussed in this Form 10-K that are forward-looking statements are based on current management expectations that involve substantial risks and uncertainties, which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. These statements include, but are not limited to: statements related to the views of the Company and expectations regarding the unsolicited tender offer from QXO, Inc.; any statements relating to the plans, strategies and objectives of management or the Company's board of directors for future operations and activities; any statements concerning the expected development, performance, market share or competitive performance relating to products or services; any statements regarding current or future macroeconomic trends or events and the impact of those trends and events on the Company and its financial performance; and any statements of assumptions underlying any of the foregoing. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as "aim," "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "project," "should," "will be," "will continue," "will likely result," "would" and other words and terms of similar meaning in conjunction with a discussion of future operating or financial performance. You should read statements that contain these words carefully, because they discuss our future expectations, contain projections of our future results of operations or of our financial position or state other "forward-looking" information.

We believe that it is important to communicate our future expectations to our investors. However, there are events in the future that we are not able to accurately predict or control. The factors listed under Item 1A, Risk Factors, as well as any cautionary language in this Form 10-K, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Although we believe that our expectations are based on reasonable assumptions, actual results may differ materially from those in the forward-looking statements as a result of various factors, including, but not limited to, those described under Item 1A, Risk Factors and elsewhere in this Form 10-K.

Forward-looking statements speak only as of the date of this Form 10-K. Except as required under federal securities laws and the rules and regulations of the SEC, we do not have any intention, and do not undertake, to update any forward-looking statements to reflect events or circumstances arising after the date of this Form 10-K, whether as a result of new information, future events or otherwise. As a result of these risks and uncertainties, readers are cautioned not to place undue reliance on the forward-looking statements included in this Form 10-K or that may be made elsewhere from time to time by or on behalf of us. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

PART I

ITEM 1. BUSINESS

Unless the context suggests otherwise, the terms "Beacon," the "Company," "we," "our," or "us" are referring to Beacon Roofing Supply, Inc.

Overview

Beacon is the leading publicly-traded specialty wholesale distributor of roofing and complementary building products, including waterproofing products, in North America. We have served the building industry for over 95 years and as of December 31, 2024, operated 586 branches throughout all 50 states in the U.S. and seven provinces in Canada. We offer an extensive range of high-quality professional grade exterior products comprising over 135,000 SKUs, and we serve approximately 110,000 residential and non-residential customers who trust us to help them save time, improve efficiency, and enhance productivity.

We differentiate ourselves in the industry by providing our customers with seamless execution, service differentiation, and a solutions-based approach that allows us to meet each of our individual customer's specific needs. We also work closely with our suppliers, who rely on us to position their products advantageously in the market, supporting advances in products and services that ultimately benefit our customers.

Our Industry

Specialty distributors of roofing and complementary building products serve the critical role of facilitating supply chain relationships between a small number of manufacturers and thousands of local, regional, and national contractors. The distributor is a value-added partner who can advise contractors on job-specific residential or commercial product bundles and provide last-mile delivery and logistics services. Distributors may also extend trade credit and use digital platforms to aid customers in optimizing their businesses.

Market Size

Based on management's estimates, we believe the roofing distribution market in the U.S. and Canada represents more than $35 billion in annual sales with roughly 70% of the market in residential roofing and 30% in non-residential roofing. Additionally, we believe the distribution market for complementary building products, including siding, waterproofing, plywood/oriented strand board ("OSB"), and windows and doors, represents more than $25 billion in annual sales with roughly 70% of the market in residential roofing and 30% in non-residential roofing. We believe our position in a collective addressable market of over $60 billion provides ample opportunity for growth both organically as well as through continued consolidation of the fragmented portion of the market. During the year ended December 31, 2024, residential sales represented less than 50% of our total net sales with the remainder attributable to our non-residential and complementary lines of business.

Demand Drivers

We believe a significant driver of roofing demand is re-roofing activity (estimated at 80%) with the remaining demand tied to new construction. Re-roofing projects are typically related to required and necessary maintenance and repairs and are therefore less likely to be postponed during periods of recession or slower economic growth. As a result, demand for roofing products historically has been less volatile than overall demand for construction products.

Our complementary building products demand comes from both the residential and non-residential sectors. These products allow us to be the supplier of choice to our exteriors-focused customers and possess relatively greater end-market exposure to new construction (estimated at 30%) compared to roofing products (estimated at 20%).

In addition to our domestic operations, we also operate in seven provinces across Canada. These international locations represented approximately 3.0% of our total net sales for the year ended December 31, 2024. For further geographic information, see Notes 4 and 17 in the Notes to the Consolidated Financial Statements.

Competition

Our competition is primarily composed of national, regional, and local specialty roofing distributors and, to a lesser extent, other building supply distributors and big box retailers. Among distributors, we compete against a small number of large distributors and many small, privately-owned distributors. Given significant consolidation in the past decade, we believe Beacon and two other distributors now represent nearly 70% of the roofing distribution industry in North America. Although we are the leading publicly-traded specialty wholesale distributor of roofing and complementary building products, including waterproofing products, in North America, the industry remains highly competitive. The principal competitive factors in our business include, but are not limited to, the availability of materials and supplies; technical product knowledge and advisory expertise; delivery and other services including digital capabilities; pricing of products; and the availability of credit and capital.

Our Customers

Our mission is to empower our customers to build more for their customers, businesses, and communities. Our project lifecycle support helps our customers find projects, land the job, do the work, and close projects out by providing guidance that allows our customers to deliver on project specifications and timelines that are critical to their success. Using an omni-channel approach and our Beacon PRO+® digital suite, we differentiate our services and drive customer retention.

Our customer base is composed of professional contractors, home builders, building owners, lumberyards, and retailers across the U.S. and Canada who depend on reliable local access to building products for residential and non-residential projects. Our customers vary in size, ranging from relatively small contractors to large contractors and builders that operate on a national scale. A significant number of our customers have relied on us as their vendor of choice for decades. For the year ended December 31, 2024, no single customer accounted for more than 1% of our net sales.

Our Strategic Initiatives

Our objective is to be the preferred supplier of exterior building products across markets in the U.S. and Canada. On February 24, 2022, we announced our Ambition 2025 Value Creation Framework (“Ambition 2025”) to drive growth, enhance customer service, and expand our footprint in key markets, which included new Ambition 2025 financial targets and the Repurchase Program (as described in Note 7 in the Notes to the Consolidated Financial Statements), as well as strategic deployment of capital on greenfields and acquisitions. Our Ambition 2025 is central to achieving sales growth, improving operational performance, and increasing profitability. Most importantly, our customers benefit from these initiatives as they are designed to make us more efficient and easier to do business with, differentiating our service from competitors. We have made substantial progress toward our achievement of the majority of our A25 goals.

Growth

Our history has been strongly influenced by significant acquisition-driven growth, which has expanded our geographic footprint, enhanced our market presence, and diversified our product offerings. We have also pursued organic growth via new greenfield locations to expand service to customers in key markets. The scale we have achieved from our expansion serves as a competitive advantage, allowing us to use our assets more efficiently.

Since January 1, 2022, we have pursued and finalized numerous acquisitions in key markets to complement the expansion of our geographic footprint and expand our product offerings, totaling 85 total branches from 26 acquisitions, which, for the twelve months prior to being acquired, produced aggregate annual sales of approximately $1.05 billion. For additional information, see Note 3 in the Notes to the Consolidated Financial Statements.

Since January 1, 2022, we have opened 64 new branches across Alabama, Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, North Carolina, Ohio, South Carolina, Tennessee, Texas, Virginia, Washington, and Wisconsin, as well as New Brunswick, Canada and Ontario, Canada.

To achieve organic growth, we are investing in sales models to drive productive customer engagement and add value to our customers. Further development and facilitation of relationships between our local sales teams and contractors give us considerable opportunities to differentiate our service offerings. We are focused on additional training for our sales organization, helping our sales team build on existing customer relationships, leading to higher productivity. In addition, we supplement the sales team’s outreach efforts with branch personnel, digital platform engagement, centralized sales, and marketing and pricing support. Our customer relationship management software elevates customer contact efficiency and provides coaching metrics to our sales team, while additional tools and analytics are employed to enhance the sales team’s pricing proficiency.

Digital

We provide the most complete digital offering in building products distribution and continue to expand our capabilities. Beacon PRO+® is our proprietary digital account management suite that allows customers to manage their business with us online while offering easy access to detailed residential and non-residential roofing estimation reports. Our digital platform enables customers to order online from our catalog of over 135,000 products, have 24/7 access to view real-time pricing, process and review the status of orders, track deliveries, monitor local storm activity and vendor promotions, request and approve quotes, and pay their bills online. We are further enhancing Beacon PRO+® through partner integrations to help our customers improve estimating, project management, and the homeowner experience. Beacon PRO+® provides us with additional opportunities to engage with our customers and helps them save time, work more efficiently, and grow their businesses.

By expanding and promoting our digital solutions, we are meeting our customers' changing needs and improving our returns through e-commerce. We are also building strong relationships with suppliers who rely on us to position their products advantageously in the market. We will continue to invest in our suite of digital solutions to maintain our competitive advantage and provide superior value and convenience to our customers and suppliers.

Beacon OTC® Network

Our Beacon On Time & Complete ("OTC") Network is an operating model in which networked branches share inventory, fleet, equipment, employees, and systems for an optimal customer delivery experience. Customers benefit from improved service levels, delivery times, and product availability, while we gain efficiencies in staffing, fleet, and inventory. We are transitioning to this model in our markets containing an appropriate level of branch density, which we believe will drive shared success for our teams. As of December 31, 2024, our Beacon OTC® Networks were operational in 61 markets, consisting of over 290 branches.

Branch Performance

We are a learning organization intent on continuous improvement. In particular, we maintain an intensified focus on our branches that fall in the bottom quintile of our operating performance metrics in order to determine the appropriate actions to improve the profitability of these locations. Using extensive data from our enterprise resource planning system and a regular management reporting cadence, we are able to diagnose issues and make sustainable improvements. We will continue to focus on driving sales and operating improvements to bring these branches up to their potential.

Our Products & Services

Our product lines are designed to meet the requirements of our residential, non-residential, and complementary building products customers. We carry one of the most extensive arrays of high-quality branded products in the industry, including our private label brand, TRI-BUILT®. Our TRI-BUILT® products offer a high-quality and superior-value alternative for our customers while delivering higher margins and brand exclusivity in the marketplace. We fulfill the vast majority of our warehouse orders with inventory on hand because of the breadth and depth of the inventories at our branches.

In the residential market, asphalt shingles comprise the largest share of the products we sell. In the non-residential market, single-ply membranes, insulation, and accessories comprise the largest share of our product offerings. In the area of complementary building products, waterproofing, siding, plywood/OSB, and windows and doors comprise the largest share of the products in our portfolio.

During the year ended December 31, 2024, our distribution infrastructure served nearly 1.4 million customer deliveries. We maintained a fleet of 2,408 CDL trucks, most of which are equipped with truck-mounted forklifts, cranes, hydraulic booms, or conveyors. This specialized equipment is required to deliver products to job sites in an efficient and safe manner and in accordance with our customers' requirements.

Beyond product delivery, we provide superior value-added services to our customers. We employ a knowledgeable sales force that possesses an in-depth understanding of roofing and the building products we provide. Our sales force provides guidance to our customers throughout the lifecycles of their projects, including training, technical support, and access to Beacon PRO+®.

Our Supply Chain

We are a key distributor for our suppliers due to our industry expertise, scale, track record of growth, financial strength, and the substantial volume of products that we distribute. We maintain strong relationships with numerous manufacturers of roofing materials, complementary building products, and exterior waterproofing products in order to reduce dependence on any single company, maintain purchasing leverage, and ensure breadth of product availability in our local markets. These strong and diverse relationships are particularly important as the building materials industry has experienced constrained supply chain dynamics both domestically and internationally in recent years. Our value proposition to our suppliers includes serving as a vital way to manage channel inventory and providing last mile, just-in-time delivery through our extensive logistics network and large fleet of rolling stock. Our largest suppliers include predominantly domestic companies such as Owens Corning, GAF, Carlisle Construction Materials, Holcim Elevate, CertainTeed Roofing and Siding, IKO Manufacturing, TAMKO Building Products, Westlake Royal Building Products, James Hardie Building Products, Dow, Sika USA, and many more high-quality suppliers.

We manage the procurement of products through our national headquarters, regional offices, and local branches, allowing us to take advantage of both scale and local market conditions to purchase products more economically than most of our competitors. Product is shipped by the manufacturers primarily to our branches and our Beacon OTC® Network hubs, as well as directly to our customers.

Our Values – Corporate Responsibility

Beacon was founded on a set of principles that have guided our business practices and growth philosophy for over 95 years. Through growth, geographic expansion, and acquisitions throughout the U.S. and Canada, we have sustained a values-based company culture. Our values continue to be the foundation of being a preferred partner for our customers, employees, suppliers, and communities.

Human Capital

We value putting people first and strive to help our employees, customers, and suppliers reach their full potential. We emphasize our core values to all our employees, establishing shared expectations of respect and inclusivity, work ethic, collaboration, and a commitment to deliver quality results.

We are committed to a culture of safety, including a focus on the overall health and wellness of our employees. Our goal is to be an injury-free workplace, and we track companywide safety metrics to monitor our progress toward this objective. From day one on the job for a new employee, we emphasize safe behaviors and actions. Weekly branch safety meetings and training keep safety at the forefront. We maintain a comprehensive safety tracking and companywide scorecard program. We track and closely manage overall workers' compensation and auto claims, Occupational Safety and Health Administration recordable incidents, lost time rates, Department of Transportation compliance, and other internally established safety prevention elements in an effort to make every day safer. Beacon is proud to foster a workplace where every level of the business is committed to eliminating, controlling, or reducing risks for our team members and the communities we serve.

We conduct new hire training and require annual training be taken by all employees to provide anti-bribery, antitrust, unfair competition, anti-kickback, and other compliance knowledge, and promote behavior that reflects our core value to Do the Right Thing.

We conduct a comprehensive annual organization and talent review process, culminating with a report to our Board of Directors (the "Board") covering key elements such as: executive succession and development, organizational structure, talent pipelines, and workforce planning requirements. We maintain a broad suite of e-learning courses to deliver new hire, professional development, and annual training on subjects such as management skills, product knowledge, and operational proficiency.

Our Total Rewards program encompasses compensation, benefits, and employee development. In 2024, we engaged a new Employee Assistance Plan provider with a focus on mental health awareness programs, including a risk assessment tool. We track voluntary and involuntary turnover and conduct exit interviews to gain relevant information and adapt our engagement and retention strategy as appropriate.

We actively work to engage employees in our winning culture and empower them to reach their full potential. In 2024, we further embedded the notion of "Beacon Has Your Back" to emphasize how team members can support each other and participate in a workplace of safety and respect. Through this effort we collected feedback in an employee survey which indicated that over 84% of team members feel that their leaders support them. We recognize the influential demographic trends in our industry and in 2024, we engaged further with certain communities through native language communications, a manager resource kit, and involvement in Hispanic-focused trade shows and training events. We also maintain Beacon Cares, an employee assistance fund to support team members who are impacted by unexpected financial crises. In 2024, following multiple hurricanes affecting our branch neighborhoods, the Company and our employees raised nearly $100,000 to help impacted teammates. In addition, we awarded post-secondary funding to 50 winners of Robert R. Buck Scholarships for outstanding students whose parents work at Beacon.

We promote a culture of charitable support and giving back to our neighbors. In 2024, we supported communities where we operate through a national partnership with Rebuilding Together, the leading national nonprofit with a vision to ensure safe homes and communities for everyone. In addition, we named ten veteran winners in our fifth annual Beacon of Hope contest that was created to give back to distinguished military veterans and veteran organizations by providing roof replacements or repairs. To date, the contest has helped deliver new or repaired roofs to 50 former service members facing adversity in the years following their military service. In addition, we expanded our partnership with K-9's for Warriors to sponsor 16 service dogs for Veterans and were named the charity's Partner of the Year.

As of December 31, 2024, we had 8,068 active employees. We have 351 employees that are represented by labor unions and there are no material outstanding labor disputes.

Environment

We believe that protection of the environment is important to the long-term success of our business, and we are committed to sustainable business practices. We are continually looking for ways to run our business successfully while safeguarding natural resources for future generations. Beacon's environmental management strategy leverages internal systems, processes, and tools as well as third-party expertise to operate the Company's environmental programs in a planned and documented manner focused on continuous improvement. Our Chief Human Resources Officer reports to the Chief Executive Officer and oversees Environment, Health, and Safety, including the Environmental Management System.

Our greatest direct impact on the environment is through fleet emissions, and we have committed to using the Beacon OTC® Network strategy to minimize fuel use intensity. Our Beacon OTC® Network focuses on transforming multi-branch markets into a holistic market model that optimizes customer deliveries by shipping from the closest branch to the customer's delivery address. Further, we continually invest in modernizing our fleet to reduce emissions and improve safety for our drivers. As an EPA SmartWay Partner, we also benchmark with and learn from companies that have similar large fleets and are seeking to minimize emissions.

Governance

Our employees, managers, and officers conduct our business under the direction of our Chief Executive Officer and senior leadership team, with oversight from our Board to enhance our long-term value for our stockholders. The core responsibility of our Board is to exercise its fiduciary duties to act in the best interests of our Company and our stockholders. Our Board and Board committees perform a number of specific functions, including risk assessment, review, and oversight. While management is responsible for the day-to-day management of risk, our Board retains oversight of risk management for our Company as a whole, overseeing management and providing guidance on strategic risks, financial risks, and operational risks.

Maintaining our leadership position in the building products distribution industry requires that our information technology deliver against our goal to help our customers build more. Our information security team deploys an array of cybersecurity capabilities to protect our various business systems and data, as further described below in Part I, Item 1C, "Cybersecurity." We continually invest in protecting against, monitoring, and mitigating risks across the enterprise including, as one of our risk mitigation controls, an information security risk insurance policy.

Government Regulations

We are subject to regulation by various federal, state, provincial, and local agencies. These agencies include the Environmental Protection Agency, Department of Transportation, Occupational Safety and Health Administration, Department of Labor, and Equal Employment Opportunity Commission. We believe we comply, in all material respects, with applicable statutes and regulations affecting environmental issues and our employment, workplace health, and workplace safety practices, and compliance with such statutes and regulations has no material effect on our capital expenditures, earnings, or competitive position.

Seasonality and Quarterly Fluctuations

The demand for exterior building materials is closely correlated to both seasonal changes and unpredictable weather patterns, therefore demand fluctuations are expected.

In general, our net sales and net income are highest in quarters ending June 30, September 30, and December 31, which represent the peak months of construction and re-roofing. Conversely, we have historically experienced low net income levels or net losses in quarters ending March 31, when winter construction cycles and cold weather patterns have an adverse impact on our customers' ability to conduct their business.

Our balance sheet fluctuates throughout the year, driven by similar seasonal trends. We generally experience an increase in inventory and peak cash usage in the quarters ending March 31 and June 30, driven primarily by increased purchasing that is necessary to meet the rise in demand for our products during the warmer months. Accounts receivable, accounts payable, and cash collections are generally at their highest during the quarters ending June 30 and September 30, when sales are typically at their peak.

At times, we experience fluctuations in our financial performance that are driven by factors outside of our control, including the impact that severe weather events and unusual weather patterns may have on the timing and magnitude of demand and material availability.

Additional Information

Beacon Roofing Supply, Inc. was incorporated in Delaware in 1997. Our principal executive offices are located at 505 Huntmar Park Drive, Suite 300, Herndon, Virginia 20170 and our telephone number is (571) 323-3939. Our Internet website address is www.becn.com.

We maintain an investor relations page on our website where our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, amendments to those reports and other required SEC filings may be accessed free of charge as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC.

ITEM 1A. RISK FACTORS

You should carefully consider the risks and uncertainties described below and other information included in this Form 10-K in evaluating us and our business. If any of the events described below occur, our business and financial results could be adversely affected in a material way. This could cause the trading price of our common stock to decline, perhaps significantly.

Risks Related to Product Supply and Vendor Relations

An inability to obtain the products that we distribute could result in lost revenues and reduced margins and damage relationships with customers.

We distribute roofing materials and other complementary building products, such as siding and waterproofing, that are manufactured by a number of major suppliers. Disruptions in our sources of supply may occur as a result of various reasons, including unanticipated demand, production or delivery difficulties, the loss of key supplier arrangements, or broad disruptive events (whether globally, in the U.S., or abroad), such as wars, terrorist actions, cybersecurity attacks or other technological disruptions with respect to manufacturers or the material vendors we rely on, trade disputes, changes in regulation, macroeconomic events, government shutdowns, natural disasters, including those that may be linked to climate change, and/or a pandemic. For example, in 2021 and 2022 the exterior products industry experienced constrained supply chain dynamics caused in large part from global disruptions related to the COVID-19 pandemic. As a result, we experienced, at times, a limited ability to purchase enough product to meet consumer demand, which resulted in lost revenues. Although we do not believe these lost revenues were material, it is possible that future product shortages could be so severe as to result in material reductions in revenues and margins.

When shortages occur, building material suppliers often allocate products among distributors, and sourcing materials from a limited number of suppliers can increase the Company's risk. During the year ended December 31, 2024, we had three suppliers that each contributed 10% or more of total purchases and, in total, represented nearly 35% of total purchases. Although we believe that our relationships with our suppliers are strong and that we would have access to similar products from competing suppliers should products be unavailable from current sources, any supply shortage, particularly of the most commonly sold items, could result in a loss of revenues and reduced margins and damage our reputation and relationships with customers.

A change in supplier pricing and demand could adversely affect our income and gross margins.

Many of the products that we distribute are subject to price changes based upon manufacturers' raw material costs, energy costs, labor costs, and tariffs as well as other manufacturer pricing decisions. For example, as a distributor of residential roofing supplies, our business is sensitive to asphalt prices, which are highly volatile and often linked to oil prices, as oil is a significant input in asphalt production. Shingle prices have been volatile in recent years, partly due to volatility in asphalt prices. Other products we distribute, such as plywood and OSB, experienced price volatility largely due to supply and demand imbalances in recent years. In addition to the rising costs of commodities and raw materials, supplier pricing and demand can also be affected by inflationary pressures and other conditions that make it more costly for our suppliers to distribute their products to us, such as fuel shortages, fuel cost increases, or labor shortages.

We may also experience price volatility related to the implementation of tariffs on imported steel or other products. For example, certain of our vendors use steel as a product input, and they may increase prices as a result of tariffs incurred or the overall impact of tariffs on domestic steel prices. It remains unclear what future actions may be taken by the U.S. with respect to trade policies or the imposition of tariffs on imported products, and the impact of those actions on the cost of products we distribute.

Historically, we have generally been able to pass increases in prices on to our customers. Although we often are able to pass on manufacturers' price increases, our ability to pass on increases in costs and our ability to do so in a timely fashion depends on market conditions. For example, we experienced resource inflation in 2021 and 2022, as a strong recovery in demand following the COVID-19 pandemic created tightness in the market for certain raw materials. This caused our suppliers and us to increase product prices to address higher input costs. By contrast, the inability to pass along cost increases or a delay in doing so could result in lower operating margins. In addition, higher prices could impact demand for these products, resulting in lower sales volumes.

A change in vendor rebates could adversely affect our income and gross margins.

The terms on which we purchase products from many of our vendors entitle us to receive a rebate based on the volume of our purchases. These rebates effectively reduce our costs for products. Vendors may adversely change the terms of some or all of these programs for a variety of reasons, including if market conditions change. Although these changes would not affect the net recorded costs of product already purchased, it may lower our gross margins on products we sell and therefore the income we realize on such sales in future periods.

Risks Related to Acquisitions and our Growth Strategy

We may not be able to identify potential acquisition targets or successfully complete acquisitions on acceptable terms, which could slow our inorganic growth rate.

Our growth strategy, including pursuant to Ambition 2025, includes acquiring other distributors of roofing materials and complementary building products, such as siding and waterproofing. We continually seek additional acquisition candidates in selected markets, which include engaging in exploratory discussions with potential acquisition candidates, as well as engaging in competitive bidding processes for potential acquisition candidates. We are unable to predict whether or when we will be able to identify any suitable acquisition candidates, or, if we do, the likelihood that any such potential acquisition will be completed. If we cannot complete acquisitions that we identify on acceptable terms, our inorganic growth rate may decline. In addition, our current and potential competitors have made and may continue to make acquisitions that include acquisition candidates in which we were, or would have been, interested in pursuing and such competitors may establish cooperative relationships among themselves or with third parties. In the event that our inorganic growth does not keep pace with any significant consolidation among distributors of roofing materials and complementary building products, our competitive position could be adversely affected.

We may not be able to effectively integrate newly acquired businesses into our operations or achieve expected cost savings or profitability from our acquisitions.

Acquisitions involve numerous risks, including:

- unforeseen difficulties or disruptions in integrating operations, technologies, services, accounting, and employees;
- diversion of financial and management resources from existing operations;
- unforeseen difficulties related to entering geographic regions where we do not have prior experience;
- potential loss of key employees;
- unforeseen cybersecurity risks related to the businesses acquired or to the manufacturers and vendors the acquired businesses rely on;
- unforeseen liabilities and expenses associated with businesses acquired; and
- inability to generate sufficient revenue or realize sufficient cost savings to offset acquisition or investment costs.

As a result, if we fail to evaluate, execute, and integrate acquisitions properly, we might not achieve the anticipated benefits of such acquisitions and we may incur costs in excess of what we anticipate.

Our growth strategy depends on our ability to identify attractive markets and locations and if we are unable to do so our growth and profitability could be adversely affected.

In accordance with our Ambition 2025 strategy, we plan to expand into new markets through organic and inorganic growth for the next several years. For this growth strategy to succeed, we must identify attractive markets and then secure attractive locations within those markets. We cannot ensure that suitable locations will be available to us, or that they will be available on terms acceptable to us. Our ability to negotiate acceptable lease terms for new locations, to re-negotiate acceptable terms on expiring leases or to negotiate acceptable terms for suitable alternate locations could depend on conditions in the real estate market, competition for desirable properties, our relationships with current and prospective landlords, or on other factors that are not within our control. If we are unable to renew our facility leases, we may close or relocate a facility, which could subject us to construction and other costs and risks, which in turn could have a material adverse effect on our business and operating results. Further, we may not be able to secure a replacement facility in a location that is as commercially viable as the lease we are unable to renew. Having to close a facility, even briefly to relocate, would reduce the sales that such facility would have contributed to our revenues. Additionally, a relocated facility may generate less revenue and profit, if any, than the facility it was established to replace. Any or all of these factors and conditions could adversely affect our growth and profitability.

A measure of our success is dependent on maintaining our safety record, and an injury to, or death of, any of our employees, customers, or members of the general public related to our business activities could result in material liabilities and reputational injury.

Our business activities include an inherent risk of catastrophic safety incidents that could result in injuries and deaths. The activities we conduct at our customers' designated delivery locations -- which include construction and residential job sites -- present a risk of injury or death to our employees, customers, or visitors, notwithstanding our compliance with safety regulations. We may be unable to avoid material liabilities for an injury or death, and our workers' compensation and other insurance policies may not be adequate or may not continue to be available on terms acceptable to us, or at all, which could result in material liabilities to us.

Further, as a wholesale distributor of roofing materials and other complementary building products, we lease and operate a fleet of commercial motor vehicles, including semi-tractor trailer trucks, flatbed trucks, and forklifts. Accordingly, a safety incident involving our commercial fleet could result in material economic damages, as well as injuries and/or death, for our employees and any other parties involved. Although we believe our aggregate insurance limits should be sufficient to cover our historic claims amounts, participants in commercial distribution and transportation activities (i.e., trucking and transportation) have experienced large verdicts, including some instances in which juries have awarded significant amounts.

In addition, our brand's reputation is an important asset to our business; as a result, anything that damages our brand's reputation could materially harm our business, results of operations, and financial condition. For example, negative media reports, whether or not accurate, can materially and adversely affect our reputation. Moreover, social media has dramatically increased the rate at which negative publicity can be disseminated before there is any meaningful opportunity to respond to or address an issue to protect our reputation.

Risks Related to Unsolicited Acquisition Proposals and Actions to Acquire Control of our Company

Unsolicited acquisition proposals and attempts to acquire control of the Company could cause us to incur significant expense, disrupt our business, result in a proxy contest or litigation and impact our stock price.

We have been, and may continue to be, subject to unsolicited acquisition proposals, tender offers, or proxy contests to gain control of the Company, which could result in substantial costs to the Company and divert management's and our Board's attention and resources from our business. Such events could give rise to perceived uncertainties as to our future, adversely affect our relationships with our employees, customers or suppliers, and make it more difficult to attract and retain qualified personnel. We have been, and may continue to be, required to incur significant fees and other expenses in responding to these events, including for required regulatory responses and third-party advisors. We also may be subjected to shareholder litigation in connection with these events. Our stock price could be subject to significant fluctuations or otherwise be adversely affected by speculative market perceptions about these events, risks, and uncertainties.

For example, on November 11, 2024, QXO, Inc. ("QXO") made an unsolicited proposal to acquire all of the Company's outstanding stock for $124.25 per share (the "QXO Proposal"), which QXO later publicly announced by press release on January 15, 2025. Based on periodic reviews with financial advisors of the Company's business strategy, historic, current and future valuation, and potential opportunities and a careful review of the QXO Proposal in consultation with independent financial and legal advisors, our Board unanimously rejected the QXO Proposal, because it significantly undervalued the Company and its prospects for growth and future value creation. On January 27, 2025, QXO commenced a tender offer for all issued and outstanding shares of our common stock for $124.25 per share in cash (the "QXO Tender Offer"). After careful re-evaluation of the QXO Tender Offer in consultation with independent financial and legal advisors, the Board again unanimously determined that the QXO Tender Offer is inadequate, significantly undervalues the Company and its future prospects, and is not in the best interests of the Company and its stockholders. As discussed in our Solicitation/Recommendation Statement in response to the QXO Tender Offer, filed with the SEC on Schedule 14D-9 on February 6, 2025 (and as subsequently amended), the Board recommended that the Company's stockholders reject the QXO Tender Offer and not tender their shares. These discussions and responses resulted in the expenditure of significant management, Board, and retained third-party advisor resources.

In addition, on February 12, 2025, QXO submitted to the Company a notice of intention to nominate 10 directors for election at the Company's 2025 Annual Meeting of Stockholders. The Board is carefully reviewing QXO's nominees and will make a recommendation in due course.

The QXO Tender Offer expired 12:00 midnight (New York City time) at the end of February 24, 2025. On February 25, 2025, QXO extended the QXO Tender Offer, with the extended offer period to expire at 5:00 p.m. (New York City time) on March 3, 2025.

Risks Related to Cyclicality, Seasonality, and Weather

Cyclicality in our business and general economic conditions could result in lower revenues and reduced profitability.

A portion of the products we sell are for residential and non-residential construction. The strength of these markets depends on new housing starts and business investment, which are a function of many factors beyond our control, including credit and capital availability, interest rates, foreclosure rates, housing inventory levels and occupancy, changes in the tax laws, employment levels, consumer confidence, and the health of the U.S. economy and mortgage markets. Economic downturns in the regions and markets we serve could result in lower net sales and, since many of our expenses are fixed, lower profitability. 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, resulting in decreased demand for our products, and adversely affecting our business. In addition, instability in the economy and financial markets, including as a result of terrorism or civil or political unrest, may result in a decrease in housing starts or business investment, which would adversely affect our business.

Seasonality, weather-related conditions, and natural disasters may have a significant impact on our financial results.

The demand for building materials is heavily correlated to both seasonal changes and unpredictable weather patterns. Seasonal demand fluctuations are expected, such as in quarters ending March 31, when winter construction cycles and cold weather patterns typically have an adverse impact on new construction and re-roofing activity. The timing of weather patterns (unseasonable temperatures) and severe weather events (hurricanes, hailstorms, and protracted rain) may impact our financial results within a given period either positively or negatively, making it difficult to accurately forecast our results of operations. We expect that these seasonal and weather-related variations will continue in the future.

Certain extreme weather events and natural disasters, such as hurricanes, tornadoes, earthquakes, tropical storms, floods, droughts, and wildfires, may adversely impact us in several ways, including interfering with our ability to deliver our products, impeding our receipt of product from our vendors, disrupting branch staffing, reducing demand for our products, impairing our customers' ability to pay accounts receivable, and damaging our facilities and inventory, although some of these adverse impacts may be offset by increased demand relating to damage from these weather events and natural disasters. Some of the areas in which we operate, including California, Florida, Louisiana, North Carolina, Texas and other coastal areas, have experienced recent natural disasters and have increased risks of adverse weather or natural disasters. The physical effects of climate change may increase the frequency or severity of natural disasters and other extreme weather events in the future, which could increase our exposure to these risks.

Risks Related to Information Technology

If we encounter interruptions in the proper functioning of our information technology systems, including from cybersecurity threats, we could experience material problems with our operations, including inventory, collections, customer service, cost control, and business plan execution that could have a material adverse effect on our financial results, including unanticipated increases in costs or decreases in net sales.

Our information technology systems ("IT systems" or "systems"), which include information technology networks, hardware, applications, and the data related thereto, are integral to the operation of our business. We use our IT systems to, among other things, provide complete integration of purchasing, receiving, order processing, shipping, inventory management, delivery routing, sales analysis, cash management, and accounting, as well as to process, transmit, protect, store, and delete sensitive and confidential electronic data, including, but not limited to, employee, supplier, and customer data ("Data"). Our IT systems include third-party applications and proprietary applications developed and maintained by us. We rely heavily on information technology both in serving our customers and in our enterprise infrastructure to achieve our objectives. In certain instances, we also rely on the systems of third parties to assist with conducting our business, which includes, among other things, marketing and distributing products, developing new products and services, operating our website, hosting and managing our services, securely storing Data, processing transactions, purchasing and receiving, billing and accounts receivable management, responding to customer inquiries, managing inventory and our supply chain, and managing our human resources processes and services. As a result, the secure and reliable operation of our systems (including its function of securing Data), and those of third parties upon whom we depend, are critical to the successful operation of our business. Any failure or interruption of our IT systems, including the systems of third parties upon whom we depend, could have a material adverse effect on our business, financial results, and reputation.

Although our IT systems and Data are protected through security measures and business continuity plans, our systems and those of third parties upon whom we depend may be vulnerable to: natural disasters; power outages; telecommunication or utility failures; terrorist acts; breaches due to employee error or malfeasance or other insider threats; disruptions during the process of upgrading or replacing computer software or hardware; terminations of business relationships by us or third-party service providers; and disinformation campaigns, damage or intrusion from a variety of deliberate cyber-attacks carried out by insiders or third parties, which are becoming more sophisticated and include computer viruses, worms, gaining unauthorized access to systems for purposes of misappropriating assets or sensitive information either directly or through our vendors and customers, denial of service attacks, ransomware, supply chain attacks, data corruption, malicious distribution of inaccurate information or other malicious software programs that may impact such systems and cause operational disruption. For these IT systems and related business processes to operate effectively, we or our service providers must continually maintain and update them. Delays in the maintenance, updates, upgrading, or patching of these systems and related business processes could impair their effectiveness or expose us to security risks. In addition, if IT systems are damaged, restoration or recovery of those systems may not be achievable in a timely manner. Even with our policies, procedures, and programs designed to ensure the integrity of our IT systems and the security of Data, we may not be effective in identifying and mitigating every risk to which we are exposed. In some instances, we may have no current capability to detect certain vulnerabilities, which may allow them to persist in the environment over long periods of time.

Additionally, existing and future artificial intelligence (“AI”) capabilities present a growing threat by aiding experienced and inexperienced threat actors in identifying vulnerabilities and crafting increasingly sophisticated and targeted cybersecurity attacks. Vulnerabilities may also be introduced from the use of AI by us, our customers or suppliers. Use of AI by us or such third parties, whether authorized or unauthorized, increases the risk that our proprietary information or intellectual property will be unintentionally disclosed, and may introduce new risks such as inaccurate output.

Despite the precautions we take to mitigate the risks of such events, any attack on our IT systems or breach of our Data, or the IT systems and Data of third parties upon whom we depend, could result in, but are not limited to, the following: business disruption, misstated or misappropriated financial data, product shortages and/or an increase in accounts receivable aging, an adverse impact on our ability to attract and serve customers, delays in the execution of our business plan, theft of our intellectual property or other non-public confidential information and Data, including that of our customers, suppliers, and employees, liability for stolen assets or information, and higher operating costs including increased cybersecurity protection costs. Such events could harm our reputation and have an adverse impact on our financial results, including the impact of related legal, regulatory, and remediation costs. In addition, if any information about our customers, including payment information, were the subject of a successful cybersecurity attack against us, we could be subject to litigation or other claims by the affected customers. Further, regulatory authorities have increased their focus on how companies collect, process, use, store, share, and transmit personal data. Privacy security laws and regulations, including federal and state laws in the U.S. and federal and provincial laws in Canada, pose increasingly complex compliance challenges, which may increase compliance costs, and any failure to comply with data privacy laws and regulations could result in litigation, significant sanctions, monetary costs, or other harm to us.

If we decide to switch providers, develop our own IT systems to replace providers, or implement upgrades or replacements to our own systems, we may be unsuccessful in this development, or we may underestimate the costs and expenses of switching providers or developing and implementing our own systems. Also, our sales levels may be negatively impacted during the period of implementing an alternative system, which period could extend longer than we anticipate.

Risks Related to Capitalization and Capital Structure

An impairment of goodwill and/or other intangible assets could reduce net income.

Acquisitions frequently result in the recording of goodwill and other intangible assets. At December 31, 2024, goodwill represented approximately 30% of our total assets. Goodwill is not amortized for financial reporting purposes and is subject to impairment testing at least annually using a fair-value based approach. The identification and measurement of goodwill impairment involves the estimation of the fair value of our reporting unit. Our accounting for impairment contains uncertainty because management must use judgment in determining appropriate assumptions to be used in the measurement of fair value. We determine the fair values of our reporting unit by using a qualitative approach.

We evaluate the recoverability of goodwill for impairment in between our annual tests when events or changes in circumstances, including a sustained decline in our market capitalization, indicate that the carrying amount of goodwill may not be recoverable. We also perform an annual qualitative assessment to evaluate whether evidence exists that would indicate our indefinite-lived intangibles are impaired. In addition, we review for triggering events that could indicate a need for an impairment test for finite-lived intangible assets. Any impairment of goodwill or indefinite- or finite-lived intangibles will reduce net income in the period in which the impairment is recognized.

We might need to raise additional capital, which may not be available, thus limiting our growth prospects.

In the future we may require equity or additional debt financing in order to consummate an acquisition, for additional working capital for expansion, or if we suffer more than seasonally expected losses. In the event such additional financing is unavailable to us on commercially attractive terms or at all (including as a result of restrictions imposed by our outstanding debt agreements), we may be unable to raise additional capital to make acquisitions or pursue other growth opportunities.

Major disruptions in the capital and credit markets may impact both the availability of credit and business conditions.

If the financial institutions that have extended credit commitments to us are adversely affected by major disruptions in the capital and credit markets, they may become unable to fund borrowings under those credit commitments. This could have an adverse impact on our financial condition since we need to borrow funds at times for working capital, acquisitions, capital expenditures, and other corporate purposes.

Major disruptions in the capital and credit markets could also lead to broader economic downturns, which could result in lower demand for our products and increased incidence of customers' inability to pay their accounts. The majority of our net sales volume is facilitated through the extension of trade credit to our customers. Additional customer bankruptcies or similar events caused by such broader market downturns may result in a higher level of bad debt expense than we have historically experienced. Also, our suppliers may be impacted, causing potential disruptions or delays of product availability. These events would adversely impact our business and our results of operations, cash flows, and financial position.

Our level and terms of indebtedness could adversely affect our ability to raise additional capital to fund our operations, take advantage of new business opportunities, and prevent us from meeting our obligations under our debt instruments.

As of December 31, 2024, we had an $150.4 million outstanding balance on our asset-based revolving line of credit due in 2026, $300.0 million in aggregate principal amount of our 4.50% senior secured notes due in 2026 outstanding, $350.0 million in aggregate principal amount of our 4.125% senior notes due in 2029 outstanding, $600.0 million in aggregate principal amount of our 6.50% senior secured notes due in 2030 outstanding, and $1.26 billion outstanding under our senior secured term loan due in 2028. Our debt levels 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;
- exposing us to the risk of increased interest rates, and corresponding increased interest expense, because borrowings under our asset-based revolving line of credit and term loan are at variable rates of interest;
- reducing funds available for working capital, capital expenditures, acquisitions, and other general corporate purposes, due to the costs and expenses associated with such debt;
- making it more difficult to satisfy our obligations under the terms of our indebtedness;
- 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, the debt agreements that currently govern our asset-based revolving line of credit and term loan and the indentures governing our outstanding senior notes impose significant operating and financial restrictions on us, including limitations on our ability to, among other things, pay dividends and make other distributions on, or redeem or repurchase, capital stock; make certain investments; incur certain liens; enter into transactions with affiliates; merge or consolidate; enter into agreements that restrict the ability of our subsidiaries to make dividends or other payments to Beacon Roofing Supply, Inc.; and transfer or sell assets. As a result of these restrictions, we are limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to capitalize on available business opportunities.

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, which could cause us to default on our debt obligations and impair our liquidity. In the event of a default under any of our indebtedness, the holders of the defaulted debt could elect to declare all the funds borrowed to be due and payable, together with accrued and unpaid interest, which in turn could result in cross-defaults under our other indebtedness. The lenders of our asset-based revolving line of credit could also elect to terminate their commitments and cease making further loans, and the lenders of the asset-based revolving line of credit and term loan or holders of our senior secured notes could institute foreclosure proceedings against their collateral, which could potentially force us into bankruptcy or liquidation.

Despite our current level of indebtedness, we may be able to incur substantially more debt and enter into other transactions which could add to the risks to our financial condition described above.

We may be able to incur significant additional indebtedness in the future. Although the debt agreements that currently govern our asset-based revolving line of credit, term loan, outstanding senior notes, and other debt instruments contain restrictions on the incurrence of additional indebtedness and entering into certain types of other transactions, these restrictions are subject to a number of qualifications and exceptions. Additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also do not prevent us from incurring obligations, such as trade payables, that do not constitute indebtedness as defined under our debt instruments. To the extent we incur additional indebtedness or other obligations, the risks described in the immediately preceding risk factor and others described herein may increase.

Risks Related to Human Capital

Loss of key talent or our inability to attract and retain new qualified talent could hurt our ability to operate and grow successfully.

Our success will continue to depend to a significant extent on our executive officers and key management personnel, including branch managers. We may not be able to retain our executive officers and key personnel or recruit and attract additional qualified management. The loss of any of our current executive officers or other key management employees, or a delay in recruiting or our inability to recruit and retain qualified employees could adversely affect our ability to operate and make it difficult to execute our Ambition 2025 strategies to drive growth, enhance customer service, and expand our footprint in key markets. In addition, our operating results could be adversely affected by increased competition for employees, shortages of qualified workers, or higher employee turnover, all of which could have adverse effects on levels of customer service or result in increased employee compensation or benefit costs.

Our business may be adversely affected by work stoppages, union negotiations, labor disputes and other matters associated with our labor force or the labor force of our suppliers or customers.

Any labor disputes, work stoppages, or unionization efforts could result in significant increases in our cost of labor. While we believe that our relations with employees generally and the labor unions that represent our employees (which as of December 31, 2024 was approximately 4.4% of our workforce) are generally good and we have experienced no material strikes or work stoppages recently (and there are no material outstanding labor disputes currently), in the future we could experience these and other types of conflicts with labor unions, other groups representing employees, or with our employees in general.

Installation, replacement and repair of roofing is a labor-intensive business. Demand for our products may be impacted by our customers' ability to attract, train, and retain workers. Changes in immigration laws and regulations, trends in labor migration, and increases in our customers' personnel costs or the inability of our customers to hire sufficient personnel, which may be amplified in tight labor market conditions, could adversely impact our business, financial position, results of operations, and cash flows.

Regulatory Risk

Our activities and operations are subject to numerous laws and regulations and we could become subject to newly enacted laws and regulations, compliance with which could increase our general and administrative costs. If we violate such laws or regulations, we could face penalties and fines or be required to curtail operations.

We are subject to various federal, state, provincial, local and other laws and regulations, including, among other things, environmental, climate, transportation, health and safety laws and regulations, tax laws and regulations, and potential tariffs on imported products. Some of the regulations to which we are subject include:

- transportation regulations promulgated by the U.S. Department of Transportation;
- work safety regulations promulgated by the Occupational Safety and Health Administration;
- employment regulations promulgated by the U.S. Equal Employment Opportunity Commission and the U.S. Department of Labor;
- environmental regulations promulgated by the Environmental Protection Agency; and

- similar regulations promulgated by state, provincial, and local regulators.

Concern over climate change has led to, and may in the future lead to, new or increased legal and regulatory requirements designed to reduce or mitigate the effects of climate change, which could increase our operating or capital expenses and compliance burdens.

Applicable laws and regulations require us to obtain and maintain permits and approvals and implement programs and procedures to control risks associated with our operations. Compliance in these or other areas may increase our general and administrative costs and adversely affect our financial condition, operating results, and cash flows. Moreover, failure to comply with the regulatory requirements applicable to our business could expose us to investigation, enforcement actions, litigation, and substantial fines and penalties that could adversely affect our financial condition, results of operations, and cash flows.

These laws, regulations, or rules and their interpretation and application may also change from time to time and those changes could be substantial and have a material adverse effect on our business, financial condition, results of operations, and cash flows. We cannot predict the nature and timing of future developments in law and regulations and whether we will be successful in meeting future demands of regulatory bodies in a manner which will not materially adversely affect the Company.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We have an information security program in place to safeguard our information systems and protect our confidential data. This cybersecurity risk management program is integrated into our broader enterprise risk management framework, under a Risk Committee that is led by our VP, Strategy & Transformation and includes our Chief Technology Officer, who is responsible for cybersecurity and information technology matters, General Counsel and other business and strategy leaders. The Risk Committee identifies, assesses, and manages enterprise level risks facing the Company, taking into account likelihood of occurrence and potential impact. The Risk Committee reports to our Executive Committee and this process is primarily overseen by the Audit Committee of our Board. Our Executive Committee consists of our executive officers and other senior members of management.

Our information security program aligns with industry standards and best practices, such as the Center for Internet Security Critical Security Controls (“CIS Controls”). It consists of information security and privacy policies and procedures, which include, among other things, endpoint threat detection and response, identity and access management, vulnerability and patch management, and multi-factor authentication.

We also provide new hire and annual security awareness and privacy training to employees. We conduct monthly phishing assessment exercises to ensure employees are aware and educated about phishing threats and are trained to identify and report them.

We use third-party security firms to assist us in performing assessments annually and penetration testing regularly throughout the year on our applications, networks, and environments. We perform an annual review to verify our compliance with the Payment Card Industries Data Security Standards (“PCI DSS”).

We use a variety of methods to oversee and identify material cybersecurity threats related to the use of third-party technology and services. By way of example, we perform diligence with respect to third parties, obtain contractual protections, and utilize third-party risk monitoring security rating services.

In the event of a security issue, we have a written incident response plan and have retained trusted experts to assist us in quickly triaging, containing, and understanding the issue. Our management team periodically reviews our response readiness and completes tabletop exercises on potential cybersecurity breaches with the assistance of a third-party cybersecurity consultant. We use the results from these exercises to enhance our response plan and cybersecurity protections going forward.

We are not aware of any material risks from cybersecurity threats that have materially impaired or could materially impair our business, results of operations, or financial condition. However, our information security controls, no matter how well designed or implemented, will not fully eliminate cybersecurity risk. It is possible that we are unable to detect or underestimate certain vulnerabilities, or that we may not effectively implement security controls as intended. The Company does manage information security issues that are immaterial individually and in the aggregate from time to time as part of our routine operations.

For additional information regarding how cybersecurity threats could potentially materially affect our business strategy, results of operations, or financial condition, see Part 1, Item 1A "Risk Factors – Risks Related to Information Technology." Interruption, interference with, or failure of information technology systems could hurt our ability to effectively provide our product and services, which could harm our reputation, financial condition, operating results, and cash flows.

Governance

Board Oversight. The Audit Committee assists the Board in fulfilling its fiduciary duties regarding cybersecurity risk oversight. The Audit Committee is composed of directors with diverse professional experience, including three members with backgrounds in cybersecurity. We believe this expertise enables our Audit Committee to effectively oversee our cybersecurity risks and incident response plans. For more information on our directors' expertise, see our definitive proxy statement for our 2025 Annual Meeting of Stockholders to be filed with the SEC.

Our Chief Technology Officer briefs the Audit Committee of our Board quarterly, and our full Board annually, regarding cybersecurity risks and information security matters, including the current cybersecurity landscape and emerging threats, the status of ongoing cybersecurity initiatives and projects, the results of any third-party security ratings or assessments of our cybersecurity program, and regulatory updates. Members of management also provide regular updates to the Audit Committee on the categorization and management of enterprise risks, including information security risks. In addition, the Board participates in ongoing education and periodic tabletop exercises on cybersecurity breach response planning.

Management's Role. Our Vice President, IT – Technical Services reports to our Chief Technology Officer and is the head of our cybersecurity team. He is responsible for assessing and managing our cybersecurity management program, informs our Chief Technology Officer regarding the prevention, detection, mitigation, and remediation of cybersecurity incidents, and supervises and monitors such efforts. Our Chief Technology Officer has more than 20 years of experience in cybersecurity and information systems management, and our Vice President, IT – Technical Services has nearly three decades of experience managing information systems, network infrastructure, and cybersecurity in the public and private sectors. This combined in-depth knowledge and experience has been critical in developing and implementing our cybersecurity programs.

In addition to quarterly reports to the Audit Committee, as an Executive Vice President and member of the Executive Committee, our Chief Technology Officer regularly briefs the Executive Committee on the threat landscape, the Company's cybersecurity programs, and risks, so that the highest level of management is regularly informed of cybersecurity issues for decision-making and guidance.

ITEM 2. PROPERTIES

As of December 31, 2024, we leased locations supporting 566 branch facilities and 5 non-branch facilities throughout the U.S. and Canada. These leased facilities range in size from approximately 2,000 square feet to 148,700 square feet. In addition, as of December 31, 2024, we owned 20 branch facilities. These owned facilities range in size from approximately 11,500 square feet to 68,000 square feet. We believe that our properties are in good operating condition and adequately serve our current business operations.

The following table summarizes the locations of our branches and facilities as of December 31, 2024:

Location	Branches	Non-Branch Facilities
U.S. State		
Alabama	10	
Alaska	1	
Arizona	7	
Arkansas	5	
California	44	
Colorado	16	
Connecticut	6	1
Delaware	3	
Florida	49	
Georgia	15	
Hawaii	2	
Idaho	2	
Illinois	18	
Indiana	8	

Location	Branches	Non-Branch Facilities
Iowa	4	
Kansas	14	
Kentucky	6	
Louisiana	9	
Maine	4	
Maryland	19	
Massachusetts	16	
Michigan	11	
Minnesota	7	1
Mississippi	5	
Missouri	11	
Montana	1	
Nebraska	10	
Nevada	4	
New Hampshire	4	
New Jersey	27	1
New Mexico	2	
New York	16	
North Carolina	25	
North Dakota	3	
Ohio	9	
Oklahoma	7	
Oregon	7	
Pennsylvania	30	
Rhode Island	1	
South Carolina	11	
South Dakota	2	
Tennessee	13	
Texas	43	1
Utah	6	
Vermont	1	
Virginia	19	1
Washington	17	
West Virginia	4	
Wisconsin	8	
Wyoming	2	
Total — United States	**564**	**5**
Canadian Province		
Alberta	2	
British Columbia	4	
New Brunswick	1	
Nova Scotia	1	
Ontario	7	
Quebec	6	
Saskatchewan	1	
Total — Canada	**22**	—
Total — All	**586**	**5**

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are involved in legal proceedings and governmental investigations arising in the ordinary course of business, including product-related, personal injury, employment, environmental, property, or commercial matters. These proceedings may also include actions brought against us with respect to corporate matters and transactions in which we were involved. The defense of these proceedings and governmental investigations may require significant expense and require management's time and attention and, depending on the resolution of the proceedings and investigations, we could be required to pay damages or fines. We accrue a liability for legal claims when payments associated with the claims become probable and the loss can be reasonably estimated. The actual costs of resolving legal claims may be substantially higher or lower than the amounts accrued for those claims, and insurance or indemnification rights may be insufficient or unavailable to protect the Company against all loss exposures. Our reputation could be negatively affected by publicity resulting from adverse outcomes in legal proceedings or governmental investigations.

See Note 14 in the Notes to the Consolidated Financial Statements for information about pending legal proceedings and governmental investigations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

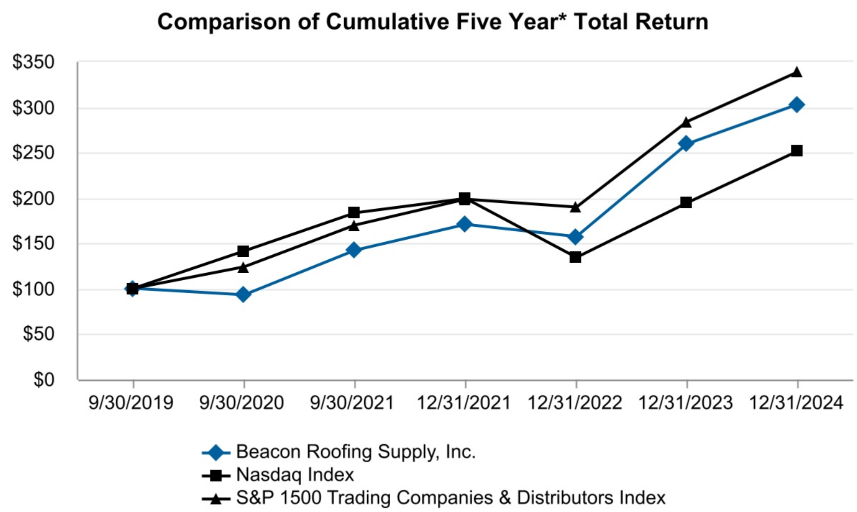
Our common stock trades on the Nasdaq Global Select Market (the "Nasdaq") under the symbol "BECN". As of February 7, 2025, there were 39 registered holders of record of our common stock.

We have not paid cash dividends on our common stock and do not anticipate paying dividends in the foreseeable future.

Stock Performance Graph

This stock performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of Beacon Roofing Supply, Inc. under the Securities Act of 1933, as amended, or the Exchange Act. The performance of Beacon Roofing Supply, Inc.'s common stock depicted in the stock performance graph represents historical results only and is not necessarily indicative of future performance.

The following graph compares the cumulative total stockholder return on Beacon Roofing Supply, Inc.'s common stock (based on market prices) for the last five fiscal years (plus the three months ending December 31, 2021 (the "Transition Period")) with the cumulative total return on (i) the Nasdaq Index and (ii) the S&P 1500 Trading Companies & Distributors Index, assuming a hypothetical $100 investment in each on September 30, 2019 and the re-investment of all dividends. The closing price of our common stock on December 31, 2024, was $101.58.



*The cumulative five year total return is inclusive of the Transition Period ending December 31, 2021.

Company / Index	Base Period 9/30/2019	INDEXED RETURNS 9/30/2020	9/30/2021	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Beacon Roofing Supply, Inc.	100	92.66	142.44	171.04	157.44	259.53	302.95
Nasdaq Index	100	140.96	183.61	199.13	134.34	194.31	251.77
S&P 1500 Trading Companies & Distributors Index	100	123.64	169.80	198.42	189.37	284.04	338.42

Issuer Purchases of Equity Securities

The following table provides information with respect to our purchases of common stock during the fourth quarter of 2024 (in millions, except share and per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid per Share[1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[1,2]	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[1,2]
October 1 - 31, 2024	—	$ —	—	$ 164.1
November 1 - 30, 2024	—	—	—	$ 164.1
December 1 - 31, 2024	497,654	90.42	497,654	$ 164.1
Total	497,654	$ 90.42	497,654	

1. On May 9, 2024, the Company entered into a Supplemental Confirmation (together with the Company's March 22, 2022 Variable Tenor ASR Master Agreement, the "May 2024 ASR Agreement") with Citibank, N.A. ("Citi") to repurchase $225.0 million (the "ASR Repurchase Price") of its common stock. Under the terms of the May 2024 ASR Agreement, the Company paid the ASR Repurchase Price to Citi and received an initial share delivery of 1,927,608 shares of its common stock from Citi, representing 80% of the total expected share repurchases under the May 2024 ASR Agreement, based on the closing price of the Company's common stock of $93.38 on May 9, 2024. On December 27, 2024, the Company completed the May 2024 ASR Agreement and received an additional 497,654 shares of its common stock. In total, 2,425,262 shares of the Company's common stock were delivered under the May 2024 ASR Agreement at an average price of $92.77 per share, which represents the daily volume-weighted average price of the Company's common stock during the term of the May 2024 ASR Agreement, less a discount and adjustments pursuant to the terms of the May 2024 ASR Agreement. The Average Price Paid per Share for December 2024 was calculated as the implied price per share for the final 20% of the May 2024 ASR Agreement, or $45.0 million, divided by the additional shares delivered on December 27, 2024.
2. On February 24, 2022, the Company announced a program to repurchase up to $500.0 million of its common stock. On February 23, 2023, the Company announced that its Board authorized and approved an increase of the Repurchase Program (as described in Note 7 in the Notes to the Consolidated Financial Statements) by approximately $387.9 million, permitting future share repurchases of $500.0 million.

See Note 7 in the Notes to the Consolidated Financial Statements for additional information on our share repurchase program.

ITEM 6. [RESERVED]

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes and other financial information appearing elsewhere in this Annual Report on Form 10-K. All references to "2024" and "2023" are referring to the twelve-month periods ended December 31 for each of those respective fiscal years. This section of this Annual Report on Form 10-K generally discusses 2024 and 2023 items and year-to-year comparisons between such periods. Discussions of items from 2023 and the twelve-month period ended December 31, 2022 (the Company's 2022 fiscal year) and year-to-year comparisons between such periods that are not included in this Form 10-K can be found in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023. The following discussion may contain forward-looking statements that reflect our plans and expectation. Our actual results could differ materially from those anticipated by these forward-looking statements due to the factors discussed elsewhere in this Annual Report on Form 10-K, particularly in the "Risk Factors" section. We do not undertake, and specifically disclaim, any obligation to update any forward-looking statements to reflect the occurrence of events or circumstances after the date of such statements except as required by law.

Overview

We are the leading publicly-traded specialty wholesale distributor of roofing and complementary building products, including waterproofing products, in North America. We have served the building industry for over 95 years and as of December 31, 2024, we operated 586 branches throughout all 50 states in the U.S. and seven provinces in Canada. We offer one of the most extensive ranges of high-quality professional grade exterior products comprising over 135,000 SKUs, and we serve approximately 110,000 residential and non-residential customers who trust us to help them save time, improve efficiency, and enhance productivity.

We are strategically focused on two core markets, residential and non-residential roofing. We also distribute complementary building products like siding and waterproofing that are often utilized by the roofing and other specialty contractors we serve. As a distributor, our national scale, networked model, and specialized capabilities are competitive advantages, providing strong value for both customers and suppliers. We intend to grow faster than the market by enhancing our customers' experience, capturing value from our comprehensive go-to-market strategy, and expanding our footprint organically and through acquisitions while also driving margin-enhancing initiatives.

Our differentiated service model is designed to solve customer needs. The scale of our business provides branch coverage, technology enablement, and investment in our team that is the foundation of customer service excellence. In addition, service is further enhanced by our Beacon OTC® Network and market-based sales teams. We believe we also provide the most complete digital commerce platform in roofing distribution, creating value for customers who are able to operate their businesses more effectively and efficiently.

Our mission is to empower our customers to build more for their customers, businesses, and communities. Our project lifecycle support helps our customers find projects, land the job, do the work, and close projects out by providing guidance that allows our customers to deliver on project specifications and timelines that are critical to their success. Using an omni-channel approach and our Beacon PRO+® digital suite, we differentiate our services and drive customer retention. Our customer base is composed of professional contractors, home builders, building owners, lumberyards, and retailers across the U.S. and Canada who depend on reliable local access to exterior building products for residential and non-residential projects. Our customers vary in size, ranging from relatively small contractors to large contractors and builders that operate on a national scale.

On February 24, 2022, we announced our Ambition 2025 Value Creation Framework ("Ambition 2025") to drive growth, enhance customer service, and expand our footprint in key markets, which included new Ambition 2025 financial targets and the Repurchase Program (as defined and further detailed below), as well as strategic deployment of capital on greenfields and acquisitions.

Specifically, since January 1, 2022 we have expanded our geographic footprint in key markets through the opening of 64 greenfield locations and the acquisition of 85 total branches from 26 acquisitions through December 31, 2024. These greenfields and acquired branches contributed $558.0 million and $834.5 million to net sales in 2024, respectively, demonstrating our success in executing Ambition 2025. The scale we have achieved from our expansion serves as a competitive advantage, allowing us to use our assets more efficiently, and manage our expenses to drive long-term operating leverage. For additional information on our acquisition activity, see Note 3 in the Notes to the Consolidated Financial Statements. During 2024 and 2023 we also returned a significant amount of capital to our stockholders through our common stock repurchases as well as the repurchase of all outstanding preferred stock (see further discussion below).

The Ambition 2025 strategies are central to achieving sales growth, improving operational performance, and increasing profitability. Most importantly, our customers benefit from these initiatives as they are designed to make us more efficient and easier to do business with, differentiating our service from competitors. Our recent highlights in our pursuit of Ambition 2025 are further demonstrated by the following accomplishments during the year ended December 31, 2024:

- 19 greenfields opened;
- 42 branches acquired;
- digital sales 24.1% higher than the prior year; and
- continued improvements in the results of our branches falling in the bottom quintile of our financial performance metrics.

As of December 31, 2024, we operated 586 branches, which we designate as either standalone or co-located. A co-located branch shares all or a portion of a physical location with a standalone branch, but it records sales separately (to a different customer base and/or through different product offerings from the standalone branch) and generally operates with independent employees and inventory.

Preferred Stock Repurchase Agreement

On July 31, 2023 (the "Repurchase Date"), we repurchased (the "Repurchase") all 400,000 issued and outstanding shares of Preferred Stock held by CD&R Holdings Boulder Holdings, L.P. ("CD&R Holdings," and the shares of Preferred Stock held by CD&R Holdings, the "Shares") pursuant to a letter agreement dated July 6, 2023 in cash for $805.4 million, including $0.9 million of accrued but unpaid dividends as of such date (the "Repurchase Price"). In connection with the Repurchase, CD&R Holdings agreed that for as long as Philip Knisely or Nathan Sleeper remained a member of our Board and for a period of six months thereafter, the customary voting, standstill, and transfer restrictions set forth in the original Investment Agreement with respect to the Preferred Stock would continue to apply to CD&R Holdings and its related fund in accordance with their terms. Following the closing of the Repurchase, Mr. Sleeper resigned from our Board and Mr. Knisely remained a member of our Board until his resignation on January 23, 2024.

The aggregate Repurchase Price and related transaction fees and expenses were financed by a combination of proceeds from the 2030 Senior Notes (as defined in Note 12 in the Notes to the Consolidated Financial Statements), as well as the 2026 ABL (as defined in Note 12 in the Notes to the Consolidated Financial Statements) and cash on hand.

On and after the Repurchase Date, all dividends and distributions ceased to accrue on the Shares, the repurchased Shares are no longer deemed outstanding, and all rights of CD&R Holdings with respect to the repurchased Shares terminated.

During the year ended December 31, 2023, we incurred costs directly attributable to the Repurchase of $9.3 million.

The difference between the total consideration paid for the Repurchase, inclusive of direct costs, and the carrying value of the Preferred Stock, resulted in a $414.6 million Repurchase premium (the "Repurchase Premium") which was recorded as a reduction to retained earnings within the consolidated statements of stockholders' equity. In calculating basic and diluted net income (loss) per common share for the year ended December 31, 2023, the Repurchase Premium is included as a component of net income (loss) attributable to common stockholders.

Classification of Branch Results

In managing our business, we consider all growth, including the opening of new branches (also referred to as greenfields), to be organic growth, unless it results from an acquisition. When we refer to organic growth, we include growth from existing branches and greenfields but exclude growth from acquired branches until they have been reclassified to existing as described further below.

Acquired branches

The results of operations of acquired branches are designated as such until they have been under our ownership and have contributed to our results of operations for at least 12 calendar months (treating partial months as full months), after which such branches are classified as existing. Therefore, the prior year results of operations for branches are reclassified to existing when the comparable current month's financial results are also classified as existing. Under our branch classification methodology, a branch's results of operations can be classified as both acquired and existing in the same fiscal reporting period. We believe our branch classification methodology enhances comparability of branch results between periods and demonstrates the economic impact of newly acquired branches on our financial results.

The following table illustrates the classification of financial results for branches acquired in 2023:

Date Acquired	Company Name	Branches Acquired	Results of Operations Classified as Acquired	Results of Operations Classified as Existing
November 1, 2023	H&H Roofing Supply, LLC	1	January 2024 - October 2024	November 2023 - December 2023; November 2024 - December 2024
October 2, 2023	Garvin Construction Products	5	January 2024 - September 2024	October 2023 - December 2023; October 2024 - December 2024
September 5, 2023	S&H Building Material Corporation	1	January 2024 - August 2024	September 2023 - December 2023; September 2024 - December 2024
August 1, 2023	All American Vinyl Siding Supply, LLC	1	January 2024 - July 2024	August 2023 - December 2023; August 2024 - December 2024
July 11, 2023	Crossroads Roofing Supply, Inc.	5	January 2024 - June 2024	July 2023 - December 2023; July 2024 - December 2024
June 12, 2023	Silver State Building Materials, Inc.	1	January 2024 - May 2024	June 2023 - December 2023; June 2024 - December 2024
March 31, 2023	Al's Roofing Supply, Inc.	4	January 2024 - March 2024	April 2023 - December 2023; April 2024 - December 2024
March 31, 2023	Prince Building Systems, LLC	1	January 2024 - March 2024	April 2023 - December 2023; April 2024 - December 2024
January 4, 2023	First Coastal Exteriors, LLC	2	None	January 2023 - December 2023; January 2024 - December 2024

All branches acquired prior to January 1, 2023 are classified as existing and all branches acquired after December 31, 2023 are classified as acquired.

Greenfields

We also apply the same definition for determining when a branch classification changes from greenfield to existing (i.e., branches are designated as greenfields until they have been opened for at least 12 calendar months (treating partial months as full months), after which such branches are classified as existing). It should also be noted that greenfield branches incur limited operating costs prior to their open date for things such as lease costs and other costs incurred in getting the branch ready to open. All such costs incurred prior to the greenfield open date are also classified as greenfield in all periods when discussing our results of operations.

Comparison of the Years Ended December 31, 2024 and 2023

The following tables set forth consolidated statements of operations data and such data as a percentage of total net sales for the periods presented (in millions):

	Year Ended December 31,	
	2024	2023
Net sales	$ 9,763.2	$ 9,119.8
Cost of products sold	7,258.4	6,777.1
Gross profit	2,504.8	2,342.7
Operating expense:		
Selling, general and administrative	1,637.6	1,454.3
Depreciation	109.9	91.2
Amortization	91.9	85.0
Total operating expense	1,839.4	1,630.5
Income (loss) from operations	665.4	712.2
Interest expense, financing costs and other, net	177.3	126.1
Loss on debt extinguishment	2.4	—
Income (loss) before provision for income taxes	485.7	586.1
Provision for (benefit from) income taxes	124.0	151.1
Net income (loss)	$ 361.7	$ 435.0

	Year Ended December 31,	
	2024	2023
Net sales	100.0 %	100.0 %
Cost of products sold	74.3 %	74.3 %
Gross profit	25.7 %	25.7 %
Operating expense:		
Selling, general and administrative	16.8 %	15.9 %
Depreciation	1.1 %	1.1 %
Amortization	1.0 %	0.9 %
Total operating expense	18.9 %	17.9 %
Income (loss) from operations	6.8 %	7.8 %
Interest expense, financing costs and other, net	1.8 %	1.4 %
Loss on debt extinguishment	0.0 %	— %
Income (loss) before provision for income taxes	5.0 %	6.4 %
Provision for (benefit from) income taxes	1.3 %	1.6 %
Net income (loss)	3.7 %	4.8 %

Net Sales

Net sales increased 7.1% to $9.76 billion in 2024, up from $9.12 billion in 2023. The following table summarizes net sales by line of business for the periods presented (in millions):

	Year Ended December 31,					
	2024		2023		Change	
	Net Sales	%	Net Sales	%	$	%
Residential roofing products	$ 4,833.5	49.5 %	$ 4,652.0	51.0 %	$ 181.5	3.9 %
Non-residential roofing products	2,674.1	27.4 %	2,395.7	26.3 %	278.4	11.6 %
Complementary building products	2,255.6	23.1 %	2,072.1	22.7 %	183.5	8.9 %
Total net sales	$ 9,763.2	100.0 %	$ 9,119.8	100.0 %	$ 643.4	7.1 %

The following table summarizes net sales by branch classification for the periods presented (in millions):

	Year Ended December 31,		Change	
	2024	2023	$	%
Organic net sales				
Existing	$ 9,167.7	$ 9,119.8	$ 47.9	0.5 %
Greenfields	180.9	—	180.9	n/m
Total organic net sales	9,348.6	9,119.8	228.8	2.5 %
Acquired	414.6	—	414.6	n/m
Total net sales	$ 9,763.2	$ 9,119.8	$ 643.4	7.1 %

The increase in organic net sales was primarily driven by an increase in weighted-average selling price of approximately 1-2% coupled with an increase in estimated organic volume of approximately 1-2%. Total net sales continued to benefit from greenfields and acquired branches.

We estimate the impact of inflation or deflation on our sales and gross profit by looking at changes in our average selling prices and gross margins (discussed below). To calculate approximate weighted-average selling price and product cost changes, we review organic U.S. warehouse sales of the same items sold regionally period over period and normalize the data for non-representative outliers. To determine estimated volumes, we subtract the change in weighted-average selling price, calculated as described above, from the total changes in net sales, excluding acquisitions and dispositions. As a result, and especially in high inflationary periods, the weighted-average selling price and estimated volume changes may not be directly comparable to changes reported in prior periods.

Gross Profit

The following table summarizes gross profit and gross margin by branch classification for the periods presented (in millions):

	Year Ended December 31,		Change[1]	
	2024	2023	$	%
Organic gross profit				
Existing	$ 2,359.6	$ 2,342.7	$ 16.9	0.7 %
Greenfields	43.8	—	43.8	n/m
Total organic gross profit	2,403.4	2,342.7	60.7	2.6 %
Acquired	101.4	—	101.4	n/m
Total gross profit	$ 2,504.8	$ 2,342.7	$ 162.1	6.9 %
Gross margin	25.7 %	25.7 %	N/A	— %

1. Percentage changes for dollar amounts represent the ratable increase or decrease from period-to-period. Percentage changes for percentages represent the net period-to-period change in basis points.

Gross margin was 25.7% in both 2024 and 2023. Gross margin remained unchanged from the prior year as the increase in weighted-average selling price of approximately 1-2% was offset by an increase in weighted-average product cost of approximately 0-1% and a modestly higher non-residential product mix.

Selling, General, and Administrative ("SG&A") Expense

The following table summarizes SG&A expense by branch classification for the periods presented (in millions):

	Year Ended December 31,		Change	
	2024	2023	$	%
Organic SG&A				
Existing[1]	$ 1,526.4	$ 1,452.9	$ 73.5	5.1 %
Greenfields[2]	35.4	1.4	34.0	n/m
Total organic SG&A	1,561.8	1,454.3	107.5	7.4 %
Acquired	75.8	—	75.8	n/m
Total SG&A	$ 1,637.6	$ 1,454.3	$ 183.3	12.6 %
Total SG&A as % of net sales	16.8 %	15.9 %		

1. Existing SG&A expense includes all direct and incremental costs incurred in connection with our acquisition activity ("acquisition costs") regardless of whether the acquired branch was classified as Existing or Acquired as of December 31, 2024 as well as all restructuring costs. Acquisition costs and restructuring costs included in Existing SG&A expense were $26.6 million and $7.4 million for 2024 and 2023, respectively. Excluding the impact of the acquisition costs and restructuring costs, Existing SG&A expense increased 3.8%, or $54.3 million from 2023 to 2024.
2. Greenfield branches incur limited operating costs prior to their open date for things such as lease costs and other costs incurred in getting the branch ready to open. Amounts reported for 2023 represent operating costs incurred in 2023 for greenfields opened in 2024.

SG&A expense increased 12.6%, or $183.3 million, to $1.64 billion in 2024, up from $1.45 billion in 2023. The increase in SG&A expense was primarily driven by acquisitions, greenfields, as well as an increase in one-time acquisition integration costs and restructuring costs.

The increase in organic SG&A expense was mainly influenced by the following factors:

- a $61.1 million increase in payroll and employee benefit costs, primarily due to inflationary wage increases and higher average headcount in 2024 largely driven by greenfields, which contributed $16.5 million to the increase. To a lesser extent, the increase in payroll and employee benefit costs was due to one-time severance and employee benefit costs for employees impacted by our operating cost reduction initiative. At the end of the third quarter of 2024, in response to market conditions, we reduced headcount. These actions are expected to yield annualized cost savings of $45 million, approximately $30 million of which will be realized in 2025;
- a $25.3 million increase in warehouse operating costs, primarily due to higher rent expense across our existing locations coupled with greenfields opened during the year, which contributed $10.2 million to the increase; and
- a $10.3 million increase in general and administrative expenses, primarily due to an increase in acquisition-related costs of $5.1 million, costs attributable to greenfields of $2.7 million, and higher professional fees.

Total SG&A expense as a percent of net sales was higher in 2024 when compared to 2023 primarily as a result of the above factors. The impact of recent greenfields that have not yet fully matured and acquired branches that are not yet fully synergized also negatively affected our operating leverage.

Depreciation Expense

Depreciation expense was $109.9 million in 2024, compared to $91.2 million in 2023. The comparative increase was primarily due to an increase in property and equipment as a result of new and acquired branches in 2024.

Amortization Expense

Amortization expense was $91.9 million in 2024, compared to $85.0 million in 2023. The comparative increase was primarily due to amortization expense associated with new intangible assets as a result of recent acquisitions.

Interest Expense, Financing Costs and Other

Interest expense, financing costs and other expense was $177.3 million in 2024, compared to $126.1 million in 2023. The comparative increase was primarily due to higher average debt balances in 2024 as a result of the 2030 Senior Notes issued in July 2023, the refinancing of our 2028 Term Loan in March 2024, and an increase in our 2026 U.S. Revolver to build inventory, support our acquisition activity during 2024, and repurchase stock through our May 2024 ASR Agreement (as defined and detailed further below).

Loss on Debt Extinguishment

Loss on debt extinguishment was $2.4 million in 2024 due to the refinancing of our 2028 Term Loan and includes the write-off of previously capitalized debt issuance costs as well as certain third-party professional fees.

Income Taxes

Income tax provision (benefit) was $124.0 million in 2024, compared to $151.1 million in 2023. The comparative decrease in income tax provision was primarily due to lower pre-tax income. The effective tax rate was 25.5% in 2024, compared to 25.8% in 2023. The decrease in our effective tax rate was primarily a result of comparable year-over-year excess tax benefits from stock-based compensation relative to a lower 2024 pre-tax income base. The Company also experienced a decrease in non-deductible compensation under Section 162(m) of the Internal Revenue Code, which further contributed to the decrease in our effective tax rate.

Net Income (Loss)/Net Income (Loss) Per Common Share

We calculate basic net income (loss) per common share by dividing net income (loss), less dividends on Preferred Stock and adjustments for participating securities for periods in which they are outstanding and Repurchase Premium in the period in which such Preferred Stock was redeemed, by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per common share is calculated based upon the weighted-average common shares plus the effect of all potentially dilutive common share equivalents, except when the effect would be anti-dilutive. For periods in which Preferred Stock is outstanding, diluted net income (loss) per common share is calculated by utilizing the most dilutive result after applying and comparing the two-class method and if-converted method.

The following table presents all the components utilized to calculate basic and diluted net income (loss) per common share (in millions, except per share amounts; certain amounts may not recalculate due to rounding):

	Year Ended December 31,	
	2024	**2023**
Numerator:		
Net income (loss)	$ 361.7	$ 435.0
Dividends on Preferred Stock	—	(13.9)
Undistributed income allocated to participating securities	—	(34.1)
Repurchase Premium	—	(414.6)
Net income (loss) attributable to common stockholders – Basic and Diluted	$ 361.7	$ (27.6)
Denominator:		
Weighted-average common shares outstanding – Basic	62.5	63.7
Effect of common share equivalents	1.2	—
Weighted-average common shares outstanding – Diluted	63.7	63.7
Net income (loss) per common share:		
Basic	$ 5.78	$ (0.43)
Diluted	$ 5.68	$ (0.43)

Non-GAAP Financial Measures

To provide investors with additional information regarding our financial results, we prepare certain financial measures that are not calculated in accordance with generally accepted accounting principles in the United States (“GAAP”), specifically:

- *Adjusted Operating Expense*. We define Adjusted Operating Expense as operating expense excluding the impact of the adjusting items (as described below).
- *Adjusted Net Income (Loss)*. We define Adjusted Net Income (Loss) as net income (loss), excluding the impact of the adjusting items (as described below).
- *Adjusted EBITDA*. We define Adjusted EBITDA as net income (loss), excluding the impact of interest expense (net of interest income), income taxes, depreciation and amortization, stock-based compensation, and the adjusting items (as described below).

We use these supplemental non-GAAP measures to evaluate financial performance, analyze the underlying trends in our business and establish operational goals and forecasts that are used when allocating resources. We expect to compute our non-GAAP financial measures consistently using the same methods each period.

We believe these non-GAAP measures are useful measures because they permit investors to better understand changes over comparative periods by providing financial results that are unaffected by certain items that are not indicative of ongoing operating performance.

While we believe that these non-GAAP measures are useful to investors when evaluating our business, they are not prepared and presented in accordance with GAAP, and therefore should be considered supplemental in nature. These non-GAAP measures should not be considered in isolation or as a substitute for other financial performance measures presented in accordance with GAAP. These non-GAAP financial measures may have material limitations including, but not limited to, the exclusion of certain costs without a corresponding reduction of net income for the income generated by the assets to which the excluded costs relate. In addition, these non-GAAP financial measures may differ from similarly titled measures presented by other companies.

Adjusting Items to Non-GAAP Financial Measures

The impact of the following expense (income) items is excluded from each of our non-GAAP measures (the “adjusting items”):

- *Acquisition costs*. Represent certain direct and incremental costs related to acquisitions, including: amortization of intangible assets; professional fees, branch integration expenses, travel expenses, employee severance and retention costs, and other personnel expenses classified as selling, general and administrative; gains/losses related to changes in fair value of contingent consideration or holdback liabilities; and amortization of debt issuance costs. Acquisition costs are impacted by the timing and size of the acquisitions. We exclude acquisition costs from our non-GAAP financial measures to provide a useful comparison of our operating results to prior periods and to our peer companies because such amounts vary significantly based on the magnitude of the acquisition and do not reflect our core operations.
- *Restructuring costs*. Represent costs stemming from headcount rationalization efforts and certain rebranding costs; impact of divestitures; costs related to changing our fiscal year end; amortization of debt issuance costs; debt refinancing and extinguishment costs; abandoned lease costs; and costs associated with responding to unsolicited acquisition proposals and attempts to acquire control of the Company. We exclude restructuring costs from our non-GAAP financial measures, as such items vary significantly based on the magnitude of the restructuring activity and also do not reflect expected future operating expenses. Additionally, these costs do not necessarily provide meaningful insight into the current or past core operations of our business.

The following table presents the pre-tax impact of the adjusting items on our consolidated statements of operations for each of the periods indicated (in millions):

	Operating Expense		Non-Operating Expense		
	SG&A	Amortization	Interest Expense	Other (Income) Expense	Total
Year Ended December 31, 2024					
Acquisition costs	$ 12.0	$ 91.9	$ 3.9	$ —	$ 107.8
Restructuring costs	14.6	—	2.2	2.4	19.2
Total adjusting items	$ 26.6	$ 91.9	$ 6.1	$ 2.4	$ 127.0
Year Ended December 31, 2023					
Acquisition costs	$ 6.9	$ 85.0	$ 4.1	$ —	$ 96.0
Restructuring costs	0.5	—	1.5	—	2.0
Total adjusting items	$ 7.4	$ 85.0	$ 5.6	$ —	$ 98.0

Refer to Adjusted Net Income (Loss) below for the tax impact of adjusting items.

Adjusted Operating Expense

The following table presents a reconciliation of operating expense, the most directly comparable financial measure as measured in accordance with GAAP, to Adjusted Operating Expense for each of the periods indicated (in millions):

	Year Ended December 31,	
	2024	2023
Operating expense	$ 1,839.4	$ 1,630.5
Acquisition costs	(103.9)	(91.9)
Restructuring costs	(14.6)	(0.5)
Adjusted Operating Expense	$ 1,720.9	$ 1,538.1
Net sales	$ 9,763.2	$ 9,119.8
Operating expense as % of net sales	18.9 %	17.9 %
Adjusted Operating Expense as % of net sales	17.6 %	16.9 %

Adjusted Net Income (Loss)

The following table presents a reconciliation of net income (loss), the most directly comparable financial measure as measured in accordance with GAAP, to Adjusted Net Income (Loss) for each of the periods indicated (in millions):

	Year Ended December 31,	
	2024	2023
Net income (loss)	$ 361.7	$ 435.0
Adjusting items:		
Acquisition costs	107.8	96.0
Restructuring costs	19.2	2.0
Total adjusting items	127.0	98.0
Less: tax impact of adjusting items[1]	(32.6)	(25.1)
Total adjustments, net of tax	94.4	72.9
Adjusted Net Income (Loss)	$ 456.1	$ 507.9
Net sales	$ 9,763.2	$ 9,119.8
Net income (loss) as % of net sales	3.7 %	4.8 %
Adjusted Net Income (Loss) as % of net sales	4.7 %	5.6 %

1. Amounts represent tax impact on adjustments that are not included in our income tax provision (benefit) for the periods presented. The tax impact of adjustments for the years ended December 31, 2024 and 2023 were calculated using a blended effective tax rate of 25.7% and 25.6%, respectively.

Adjusted EBITDA

The following table presents a reconciliation of net income (loss), the most directly comparable financial measure as measured in accordance with GAAP, to Adjusted EBITDA for each of the periods indicated (in millions):

	Year Ended December 31,	
	2024	2023
Net income (loss)	$ 361.7	$ 435.0
Interest expense, net	182.7	131.9
Income taxes	124.0	151.1
Depreciation and amortization	201.8	176.2
Stock-based compensation	31.0	28.0
Acquisition costs[1]	12.0	6.9
Restructuring costs[1]	17.0	0.5
Adjusted EBITDA	$ 930.2	$ 929.6
Net sales	$ 9,763.2	$ 9,119.8
Net income (loss) as % of net sales	3.7 %	4.8 %
Adjusted EBITDA as % of net sales	9.5 %	10.2 %

1. Amounts represent adjusting items included in SG&A expense and other (income) expense; remaining adjusting item balances are embedded within the other line item balances reported in this table.

Seasonality and Quarterly Fluctuations

The demand for exterior building materials is closely correlated to both seasonal changes and unpredictable weather patterns, therefore demand fluctuations are expected.

In general, our net sales and net income are highest in quarters ending June 30, September 30, and December 31, which represent the peak months of construction and re-roofing. Conversely, we have historically experienced low net income levels or net losses in quarters ending March 31, when winter construction cycles and cold weather patterns have an adverse impact on our customers' ability to conduct their business.

Our balance sheet fluctuates throughout the year, driven by similar seasonal trends. We generally experience an increase in inventory and peak cash usage in the quarters ending March 31 and June 30, driven primarily by increased purchasing that is necessary to meet the rise in demand for our products during the warmer months. Accounts receivable, accounts payable, and cash collections are generally at their highest during the quarters ending June 30 and September 30, when sales are typically at their peak.

At times, we experience fluctuations in our financial performance that are driven by factors outside of our control, including the impact that severe weather events and unusual weather patterns may have on the timing and magnitude of demand and material availability.

Liquidity and Capital Resources

Liquidity is defined as the current amount of readily available cash and the ability to generate adequate amounts of cash to meet the current needs for cash. We assess our liquidity in terms of our cash and cash equivalents on hand and the ability to generate cash to fund our operating activities, taking into consideration available borrowings and the seasonal nature of our business.

Our principal sources of liquidity as of December 31, 2024 were our cash and cash equivalents of $74.3 million and our available borrowings of approximately $1.13 billion under our asset-based revolving lines of credit.

Significant factors which could affect future liquidity include the following:

- the adequacy of available bank lines of credit;
- the ability to attract long-term capital with satisfactory terms;
- cash flows generated from operating activities;
- working capital management;
- acquisitions;
- share repurchases; and
- capital expenditures.

Our primary capital needs are for working capital obligations and other general corporate purposes, including acquisitions, capital expenditures, and share repurchases. Our primary sources of working capital are cash from operations and bank borrowings. We have financed larger acquisitions through increased bank borrowings and the issuance of long-term debt and common or preferred stock. We then repay any such borrowings with cash flows from operations or subsequent financings. We have funded most of our capital expenditures with cash on hand, increased bank borrowings, or equipment financing, and then reduced those obligations with cash flows from operations. We may explore additional or replacement financing sources in order to bolster liquidity and strengthen our capital structure. For a schedule of lease payments over the next five years and thereafter, see Note 13 in the Notes to the Consolidated Financial Statements. For a schedule of principal payments for all outstanding financing arrangements over the next five years and thereafter, see Note 12 in the Notes to the Consolidated Financial Statements.

We believe we currently have adequate liquidity and availability of capital to fund our present operations, meet our commitments on our existing debt and fund anticipated growth, including expansion in existing and targeted market areas. We may seek additional acquisition opportunities from time to time, including as part of our Ambition 2025 initiative. If suitable acquisition opportunities or working capital needs arise that require additional financing, we believe that our financial position, credit profile, and earnings history provide a sufficient base for obtaining additional financing resources at reasonable rates and terms. We may also choose to issue additional shares of common stock or preferred stock in order to raise funds.

The following table summarizes our cash flows for the periods indicated (in millions):

	Year Ended December 31,	
	2024	2023
Net cash provided by (used in) operating activities	$ 419.4	$ 787.8
Net cash provided by (used in) investing activities	(540.5)	(225.6)
Net cash provided by (used in) financing activities	112.8	(546.4)
Effect of exchange rate changes on cash and cash equivalents	(1.4)	0.5
Net increase (decrease) in cash and cash equivalents	$ (9.7)	$ 16.3

Operating Activities

Net cash provided by operating activities was $419.4 million in 2024, compared to $787.8 million in 2023. Cash from operations decreased $368.4 million primarily due to a decrease in net income coupled with an incremental cash outflow of $325.8 million stemming from changes to our net working capital, mainly driven by an unfavorable change in cash related to inventories and accounts payable and accrued expenses partially offset by adjustments for non-cash items of $30.7 million.

Investing Activities

Net cash used in investing activities was $540.5 million in 2024, compared to $225.6 million in 2023. Cash used in investing activities increased $314.9 million primarily due to an increase in acquisitions during the period. See Note 3 in the Notes to the Consolidated Financial Statements for more information.

Financing Activities

Net cash provided by financing activities was $112.8 million in 2024, compared to net cash used in financing activities of $546.4 million in 2023. Cash provided by financing activities increased $659.2 million primarily due to the one-time repurchase of convertible preferred stock in 2023, partially offset by an increase in common stock repurchases compared to the prior year.

Financing Arrangements

As of December 31, 2024, we had access to the following financing arrangements:

- the 2026 U.S. Revolver, an asset-based revolving line of credit in the U.S., in an amount up to $1.25 billion and with an outstanding balance (net of unamortized debt issuance costs) of $146.0 million;
- the 2026 Canada Revolver, an asset-based revolving line of credit in Canada, in an amount up to $50.0 million and an outstanding balance of $2.1 million;
- the 2028 Term Loan with an outstanding balance (net of unamortized debt issuance costs) of $1.25 billion; and
- three separate senior notes instruments, the 2030 Senior Notes, 2029 Senior Notes, and 2026 Senior Notes, with outstanding balances (net of unamortized debt issuance costs) of $593.3 million, $347.8 million, and $298.8 million, respectively.

See Note 12 in the Notes to the Consolidated Financial Statements for additional information on our current financing arrangements.

Monitoring and Assessing Collectability of Accounts Receivable

We perform periodic credit evaluations of our customers and generally do not require collateral, although we typically obtain payment and performance bonds for any type of public work and can lien projects under certain circumstances. Consistent with industry practices, we require payment from most customers within 30 days, except for sales to our non-residential roofing contractors, which we typically require to pay in 60 days.

As our business is seasonal in certain geographic regions, our customers' businesses are also seasonal. Sales are lowest in the winter months and our past due accounts receivable balance as a percentage of total receivables generally increases during this time. Throughout the year, we closely monitor our receivables and record estimated reserves based upon our judgment of specific customer situations, aging of accounts, our historical write-offs of uncollectible accounts, and expected future circumstances that may impact collectability.

Our divisional credit teams are staffed to manage and monitor our receivable aging balances and are led by a Chief Credit Officer, a seasoned executive with expertise in underwriting, loss mitigation, and collections. Our systems allow us to enforce predetermined credit approval levels and properly leverage new business. Specifically, the credit preapproval process denotes the maximum credit that each level of management can approve, with the highest credit amount requiring approval by our Chief Executive Officer and Chief Financial Officer. There are daily communications with branch and field staff and our divisional credit teams conduct periodic reviews with their branch managers, various regional management staff, and the Chief Credit Officer. Depending on the state of the respective division's receivables, these reviews can be weekly, biweekly, or monthly. Additionally, the divisional credit teams are required to submit a monthly receivable forecast to the Chief Credit Officer. On a monthly basis, the Chief Credit Officer reviews and discusses these forecasts, as well as a prior month recap, with members of our executive management team.

Periodically, we perform a specific analysis of all accounts past due and write off account balances when we have exhausted reasonable collection efforts and determined that the likelihood of collection is remote based upon the following factors:

- aging statistics and trends;
- customer payment history;
- review of the customer's financial statements when available;
- independent credit reports; and
- discussions with customers.

We still pursue collection of amounts written off in certain circumstances and credit the allowance for any subsequent recoveries. Over the past three fiscal years, bad debt expense has been, on average, 0.12% of net sales. The continued limitation of bad debt expense is primarily attributable to the strengthening of our collections process and the overall credit environment.

Share Repurchase Program

On February 24, 2022, we announced a new share repurchase program (the "Repurchase Program"), pursuant to which we may purchase up to $500.0 million of our common stock. On February 23, 2023, we announced that our Board authorized and approved an increase of the Repurchase Program by approximately $387.9 million, permitting future share repurchases of $500.0 million after considering actual share repurchases as of such re-authorization date.

Share repurchases under the Repurchase Program may be made from time to time through various means, including open market purchases (including block trades), privately negotiated transactions, accelerated share repurchase ("ASR") transactions or through a series of forward purchase agreements, option contracts or similar agreements and contracts (including Rule 10b5-1 plans) adopted by us, in each case in accordance with the rules and regulations of the SEC, including, if applicable, Rule 10b-18 of the Exchange Act. The timing, volume, and nature of share repurchases pursuant to the Repurchase Program are at our management's discretion and may be suspended or discontinued at any time. Shares repurchased under the Repurchase Program are retired immediately and are included in the category of authorized but unissued shares. Direct and incremental costs associated with the Repurchase Program are deferred and included as a component of the purchase price. The excess of the purchase price over the par value of the common shares is reflected in retained earnings.

On May 9, 2024, pursuant to the Repurchase Program, we entered into a Supplemental Confirmation (together with our March 22, 2022 Variable Tenor ASR Master Agreement, the "May 2024 ASR Agreement") with Citibank, N.A. ("Citi") to repurchase $225.0 million (the "ASR Repurchase Price") of our common stock. Under the terms of the May 2024 ASR Agreement, we paid the ASR Repurchase Price to Citi and received an initial share delivery of 1,927,608 shares of our common stock from Citi, representing 80% of the total expected share repurchases under the May 2024 ASR Agreement, based on the closing price of our common stock of $93.38 on May 9, 2024. On December 27, 2024, the Company completed the May 2024 ASR Agreement and received an additional 497,654 shares of its common stock. In total, 2,425,262 shares of the Company's common stock were delivered under the May 2024 ASR Agreement at an average price of $92.77 per share, which represents the daily volume-weighted average price of the Company's common stock during the term of the May 2024 ASR Agreement, less a discount and adjustments pursuant to the terms of the May 2024 ASR Agreement.

The following table sets forth our share repurchases (in millions, except per share data):

	Year Ended December 31,	
	2024	2023
Total number of shares repurchased	2.4	1.6
Amount repurchased	$ 225.0	$ 110.9
Average price per share	$ 92.77	$ 68.82

Share repurchases for the year ended December 31, 2024 were made pursuant to the May 2024 ASR. During the year ended December 31, 2024, we incurred costs directly attributable to the Repurchase Program of $1.8 million.

Share repurchases for the year ended December 31, 2023 were made through a combination of a Rule 10b5-1 repurchase plan and open market transactions. During the year ended December 31, 2023, we incurred costs directly attributable to the Repurchase Program of approximately $0.6 million.

As of December 31, 2024, we had approximately $164.1 million available for repurchases remaining under the Repurchase Program. See Note 7 in the Notes to the Consolidated Financial Statements for additional information.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP. Accounting policies, methods, and estimates are an integral part of the preparation of consolidated financial statements in accordance with GAAP and, in part, are based upon management's current judgments. Those judgments are normally based on knowledge and experience with regard to past and current events and assumptions about future events. Certain accounting policies, methods, and estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. While there are a number of accounting policies, methods, and estimates affecting our consolidated financial statements, areas that are particularly significant include:

- Inventories (including vendor rebates)
- Business combinations

Inventories (Including Vendor Rebates)

Inventories, consisting substantially of finished goods, are valued at the lower of cost or market (net realizable value). Cost is determined using the moving weighted-average cost method.

Our arrangements with vendors typically provide for rebates after we make a special purchase and/or monthly, quarterly, and/or annual rebates of a specified amount of consideration payable when a number of measures have been achieved. Annual rebates are generally related to a specified cumulative level of purchases on a calendar-year basis. We account for such rebates as a reduction of the inventory value until the product is sold, at which time such rebates reduce cost of products sold in the consolidated statements of operations. Throughout the year, we estimate the amount of the periodic rebates based upon the expected level of purchases. We continually revise these estimates to reflect actual rebates earned based on actual purchase levels. Amounts due from vendors under these arrangements are included as a component of prepaid expenses and other current assets within the consolidated balance sheets.

Business Combinations

We record acquisitions resulting in the consolidation of a business using the acquisition method of accounting. Under this method, we record the assets acquired, including intangible assets that can be identified, and liabilities assumed based on their estimated fair values at the date of acquisition. We use an income approach to determine the fair value of acquired intangible assets, specifically the multi-period excess earnings method for customer relationships and the relief from royalty method for trade names. Various Level 3 fair value assumptions are used in the determination of these estimated fair values, including items such as sales growth rates, cost synergies, customer attrition rates, discount rates, and other prospective financial information. The purchase price in excess of the fair value of the assets acquired and liabilities assumed is recorded as goodwill. Estimates associated with the accounting for acquisitions may change as additional information becomes available regarding the assets acquired and liabilities assumed. We believe these estimates are based on reasonable assumptions, however they are inherently uncertain and unpredictable, therefore actual results may differ. Transaction costs associated with acquisitions are expensed as incurred and are included as a component of SG&A expense within the consolidated statements of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks as part of our on-going business operations. Our primary exposure includes changes in interest rates and foreign exchange rates.

Interest Rate Risk

Our interest rate risk relates primarily to the variable-rate borrowings we have outstanding. The following discussion of our interest rate is based on a 10% change in interest rates. These changes are hypothetical scenarios used to calibrate potential risk and do not represent our view of likely future market changes. As the hypothetical figures discussed below indicate, changes in fair value based on the assumed change in rates generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. The effect of a variation in a particular assumption is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another, which may magnify or counteract the sensitivities.

We use an interest rate swap derivative to manage the risk related to fluctuating cash flows from interest rate changes by converting a portion of our variable-rate borrowings into fixed-rate borrowings. Use of derivatives in hedging programs subjects us to certain risks, such as market and credit risks. Market risk represents the possibility that the value of the derivative instrument will change. In a hedging relationship, the change in the value of the derivative is offset to a great extent by the change in the value of the underlying hedged item. Credit risk related to derivatives represents the possibility that the counterparty will not fulfill the terms of the contract. The notional, or contractual, amount of our derivative financial instruments is used to measure interest to be paid or received and does not represent our exposure due to credit risk. Our current interest rate swap is with a large financial counterparty that is rated highly by nationally recognized credit rating agencies. See Note 21 in the Notes to the Consolidated Financial Statements for more information on our interest rate swap.

As of December 31, 2024, we had outstanding borrowings net of unamortized debt issuance costs of $1.25 billion under our term loan, $1.24 billion under our senior notes, and $148.1 million under our asset-based revolving lines of credit. Borrowings under our asset-based revolving lines of credit and term loan incur interest on a floating rate basis while borrowings under our senior notes incur interest on a fixed rate basis. As of December 31, 2024, our weighted-average effective interest rate on debt instruments with variable rates was 6.34%. Based on our analysis, the financial impact of a hypothetical 10% interest rate fluctuation in effect as of December 31, 2024 would be immaterial.

Foreign Currency Exchange Rate Risk

We have exposure to foreign currency exchange rate fluctuations for net sales generated by our operations outside of the U.S., which can adversely impact our net income and cash flows. Approximately 3.0% of our net sales in 2024 were derived from sales to customers in Canada. This business is primarily conducted in the local currency. This exposes us to risks associated with changes in foreign currency that can adversely affect net sales, net income, and cash flows. A 10% fluctuation of foreign currency exchange rates would not have a material impact on our results of operations or cash flows; therefore, we currently do not enter into financial instruments to manage this minimal foreign currency exchange risk.

Commodity Price Risk

We are exposed to changes in prices of commodities used in our operations, primarily associated with energy, such as crude oil, and raw materials, such as asphalt and lumber. We generally manage the risk of changes in commodity prices that impact our costs by seeking to pass commodity-related inflation on to our customers. We may enter into derivative financial instruments to mitigate the potential impact of commodity price fluctuations on our results of operations or cash flows. As of December 31, 2024 we had no such derivative financial instruments in place.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

BEACON ROOFING SUPPLY, INC.

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of

Beacon Roofing Supply, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Beacon Roofing Supply, Inc. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 27, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	Existence of Inventory
Description of the Matter	At December 31, 2024, the Company held $1,407.7 million of inventory across its 586 branch locations throughout the United States and Canada. As disclosed in Note 2 to the financial statements, inventories consist substantially of finished goods, with inventory cost determined utilizing the weighted-average cost method. Auditing the existence of inventory is complex and requires significant effort in testing due to the disaggregation of inventory across 586 branch locations. This results in both: (1) a high degree of auditor judgment in determining the extent of procedures to be performed and (2) a high degree of effort to perform procedures in order to validate the existence of inventory. For example, there is judgment required in determining the number of branch locations at which to perform testing procedures.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the inventory process. For example, we tested management's controls relating to the performance of counts of inventory held at the Company's branch locations. To test the existence of inventory at the balance sheet date, our audit procedures included, among others, performing test counts of inventory items at a sample of branch locations, comparing our test count results to the Company's system of record, and performing analytical procedures over the total inventory balance at the balance sheet date.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1997.

Tysons, Virginia

February 27, 2025

BEACON ROOFING SUPPLY, INC.

Consolidated Balance Sheets

(In millions, except per share amounts)

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 74.3	$ 84.0
Accounts receivable, less allowance of $17.6 and $15.0 as of December 31, 2024 and 2023, respectively	1,196.1	1,140.2
Inventories, net	1,407.7	1,227.9
Prepaid expenses and other current assets	501.7	444.6
Total current assets	3,179.8	2,896.7
Property and equipment, net	545.7	436.4
Goodwill	2,094.7	1,952.6
Intangibles, net	489.1	403.5
Operating lease right-of-use assets, net	626.8	503.6
Deferred income taxes, net	—	2.1
Other assets, net	17.5	12.8
Total assets	$ 6,953.6	$ 6,207.7
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 938.0	$ 942.8
Accrued expenses	522.4	498.6
Current portion of operating lease liabilities	101.2	89.7
Current portion of finance lease liabilities	38.9	26.2
Current portion of long-term debt	12.8	10.0
Total current liabilities	1,613.3	1,567.3
Borrowings under revolving lines of credit, net	148.1	80.0
Long-term debt, net	2,481.2	2,192.3
Deferred income taxes, net	37.0	20.1
Other long-term liabilities	1.9	0.5
Operating lease liabilities	544.7	423.7
Finance lease liabilities	134.9	100.3
Total liabilities	4,961.1	4,384.2
Commitments and contingencies (Note 14)		
Convertible Preferred Stock (voting); $0.01 par value; aggregate liquidation preference $400.0; 0.0 and 0.0 shares authorized, issued and outstanding as of December 31, 2024 and 2023, respectively (Note 5)	—	—
Stockholders' equity:		
Common stock (voting); $0.01 par value; 100.0 shares authorized; 61.5 and 63.3 shares issued and outstanding as of December 31, 2024 and 2023, respectively	0.6	0.6
Undesignated preferred stock; 5.0 shares authorized, none issued or outstanding	—	—
Additional paid-in capital	1,264.4	1,218.4
Retained earnings	753.7	618.8
Accumulated other comprehensive income (loss)	(26.2)	(14.3)
Total stockholders' equity	1,992.5	1,823.5
Total liabilities and stockholders' equity	$ 6,953.6	$ 6,207.7

See accompanying Notes to the Consolidated Financial Statements

BEACON ROOFING SUPPLY, INC.

Consolidated Statements of Operations

(In millions, except per share amounts)

	Year Ended December 31,		
	2024	2023	2022
Net sales	$ 9,763.2	$ 9,119.8	$ 8,429.7
Cost of products sold	7,258.4	6,777.1	6,194.2
Gross profit	2,504.8	2,342.7	2,235.5
Operating expense:			
Selling, general and administrative	1,637.6	1,454.3	1,372.9
Depreciation	109.9	91.2	75.1
Amortization	91.9	85.0	84.1
Total operating expense	1,839.4	1,630.5	1,532.1
Income (loss) from operations	665.4	712.2	703.4
Interest expense, financing costs and other, net	177.3	126.1	83.7
Loss on debt extinguishment	2.4	—	—
Income (loss) before provision for income taxes	485.7	586.1	619.7
Provision for (benefit from) income taxes	124.0	151.1	161.3
Net income (loss)	$ 361.7	$ 435.0	$ 458.4
Reconciliation of net income (loss) to net income (loss) attributable to common stockholders:			
Net income (loss)	$ 361.7	$ 435.0	$ 458.4
Dividends on Preferred Stock	—	(13.9)	(24.0)
Undistributed income allocated to participating securities	—	(34.1)	(54.8)
Repurchase Premium	—	(414.6)	—
Net income (loss) attributable to common stockholders	$ 361.7	$ (27.6)	$ 379.6
Weighted-average common shares outstanding:			
Basic	62.5	63.7	67.1
Diluted	63.7	63.7	68.4
Net income (loss) per common share:			
Basic	$ 5.78	$ (0.43)	$ 5.66
Diluted	$ 5.68	$ (0.43)	$ 5.55

See accompanying Notes to the Consolidated Financial Statements

BEACON ROOFING SUPPLY, INC.

Consolidated Statements of Comprehensive Income

(In millions)

	Year Ended December 31,		
	2024	**2023**	**2022**
Net income (loss)	$ 361.7	$ 435.0	$ 458.4
Other comprehensive income (loss):			
Foreign currency translation adjustment	(11.0)	2.7	(6.9)
Unrealized gain (loss) due to change in fair value of derivative financial instruments, net of tax	0.7	(1.9)	13.8
Derivative financial instruments reclassified to earnings, net of tax	(1.6)	(2.6)	—
Total other comprehensive income (loss)	(11.9)	(1.8)	6.9
Comprehensive income (loss)	$ 349.8	$ 433.2	$ 465.3

See accompanying Notes to the Consolidated Financial Statements

BEACON ROOFING SUPPLY, INC.

Consolidated Statements of Stockholders' Equity

(In millions)

	Common Stock			Retained		
	Shares	Amount	APIC[1]	Earnings	AOCI[2]	Total
Balance as of December 31, 2021	70.4	$ 0.7	$ 1,148.6	$ 682.5	$ (19.4)	$ 1,812.4
Repurchase and retirement of common stock, net[3]	(6.9)	(0.1)	—	(388.1)	—	(388.2)
Issuance of common stock, net of shares withheld for taxes	0.7	0.0	11.0	—	—	11.0
Stock-based compensation	—	—	27.6	—	—	27.6
Other comprehensive income (loss)	—	—	—	—	6.9	6.9
Net income (loss)	—	—	—	458.4	—	458.4
Dividends on Preferred Stock	—	—	—	(24.0)	—	(24.0)
Balance as of December 31, 2022	64.2	$ 0.6	$ 1,187.2	$ 728.8	$ (12.5)	$ 1,904.1
Repurchase and retirement of common stock, net[3]	(1.6)	0.0	—	(111.5)	—	(111.5)
Repurchase of Preferred Stock, net	—	—	—	(414.6)	—	(414.6)
Issuance of common stock, net of shares withheld for taxes	0.7	0.0	(1.1)	—	—	(1.1)
Stock-based compensation	—	—	28.0	—	—	28.0
Other comprehensive income (loss)	—	—	—	—	(1.8)	(1.8)
Proceeds from disgorgement of short-swing profits, net of tax	—	—	4.3	—	—	4.3
Net income (loss)	—	—	—	435.0	—	435.0
Dividends on Preferred Stock	—	—	—	(18.9)	—	(18.9)
Balance as of December 31, 2023	63.3	$ 0.6	$ 1,218.4	$ 618.8	$ (14.3)	$ 1,823.5
Repurchase and retirement of common stock, net[3]	(2.4)	0.0	—	(226.8)	—	(226.8)
Issuance of common stock, net of shares withheld for taxes	0.6	0.0	15.0	—	—	15.0
Stock-based compensation	—	—	31.0	—	—	31.0
Other comprehensive income (loss)	—	—	—	—	(11.9)	(11.9)
Net income (loss)	—	—	—	361.7	—	361.7
Balance as of December 31, 2024	61.5	$ 0.6	$ 1,264.4	$ 753.7	$ (26.2)	$ 1,992.5

1. Additional Paid-in Capital ("APIC").
2. Accumulated Other Comprehensive Income (Loss) ("AOCI").
3. See Note 7 for additional information.

See accompanying Notes to the Consolidated Financial Statements

BEACON ROOFING SUPPLY, INC.

Consolidated Statements of Cash Flows

(In millions)

	Year Ended December 31,		
	2024	2023	2022
Operating Activities			
Net income (loss)	$ 361.7	$ 435.0	$ 458.4
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	201.8	176.2	159.2
Stock-based compensation	31.0	28.0	27.6
Certain interest expense and other financing costs	3.9	2.2	5.2
Loss on debt extinguishment	2.4	—	—
Gain on sale of fixed assets and other	(7.5)	(15.6)	(4.1)
Deferred income taxes	17.2	27.3	30.1
Changes in operating assets and liabilities:			
Accounts receivable	15.4	(104.7)	(111.4)
Inventories	(114.5)	129.1	(117.7)
Prepaid expenses and other current assets	(56.0)	(27.5)	(36.3)
Accounts payable and accrued expenses	(43.2)	141.6	(15.2)
Other assets and liabilities	7.2	(3.8)	5.3
Net cash provided by (used in) operating activities	419.4	787.8	401.1
Investing Activities			
Capital expenditures	(126.6)	(122.9)	(90.1)
Acquisition of business, net	(420.5)	(119.0)	(309.2)
Proceeds from sale of assets	7.9	17.5	5.2
Purchases of investments	(1.3)	(1.2)	(1.5)
Net cash provided by (used in) investing activities	(540.5)	(225.6)	(395.6)
Financing Activities			
Borrowings under revolving lines of credit	2,881.7	2,374.2	2,781.3
Payments under revolving lines of credit	(2,815.1)	(2,550.7)	(2,520.6)
Borrowings under term loan	300.0	—	—
Payments under term loan	(12.8)	(10.0)	(10.0)
Borrowings under senior notes	—	600.0	—
Payment of debt issuance costs	(0.2)	(8.0)	—
Payments under equipment financing facilities and finance leases	(30.7)	(21.2)	(12.1)
Repurchase of convertible Preferred Stock	—	(805.7)	—
Payment of fees for the repurchase of convertible Preferred Stock	(0.1)	—	—
Repurchase and retirement of common stock, net	(225.0)	(110.9)	(388.1)
Payment of dividends on Preferred Stock	—	(18.9)	(24.0)
Proceeds from disgorgement of short-swing profits	—	5.9	—
Proceeds from employee stock purchase plan	13.2	—	—
Proceeds from issuance of common stock related to equity awards	9.4	12.7	16.7
Payment of taxes related to net share settlement of equity awards	(7.6)	(13.8)	(5.7)
Net cash provided by (used in) financing activities	112.8	(546.4)	(162.5)
Effect of exchange rate changes on cash and cash equivalents	(1.4)	0.5	(1.1)
Net increase (decrease) in cash and cash equivalents	(9.7)	16.3	(158.1)
Cash and cash equivalents, beginning of period	84.0	67.7	225.8
Cash and cash equivalents, end of period	$ 74.3	$ 84.0	$ 67.7
Supplemental Cash Flow Information			
Cash paid during the period for:			
Interest	$ 177.8	$ 111.3	$ 83.4
Income taxes, net of refunds[1]	$ 110.6	$ 120.6	$ 157.1

1. Taxes paid in the year ended December 31, 2022 includes $18.6 million related to the transition period from October 1, 2021 to December 31, 2021.

See accompanying Notes to the Consolidated Financial Statements

1. Company Overview

Beacon Roofing Supply, Inc. (“Beacon” or the “Company”) was incorporated in the state of Delaware on July 16, 1997 and is the leading publicly-traded specialty wholesale distributor of roofing and complementary building products, including waterproofing products, in North America.

The Company operates its business primarily under the trade name “Beacon Building Products” and services customers in all 50 states throughout the U.S. and seven provinces in Canada. The Company’s material subsidiaries are Beacon Sales Acquisition, Inc. and Beacon Roofing Supply Canada Company (“BRSCC”).

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions have been eliminated. Certain prior period amounts have been reclassified to conform to current period presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported in these consolidated financial statements and accompanying notes. Significant items subject to such estimates include inventories, purchase price allocations, recoverability of goodwill and intangibles, and income taxes. Accordingly, actual amounts could differ materially from these estimates.

Segment Information

Operating segments are defined as components of a business that can earn revenue and incur expenses for which discrete financial information is evaluated on a regular basis by the chief operating decision maker (“CODM”) in order to decide how to allocate resources and assess performance. The Company’s CODM, the Chief Executive Officer, reviews consolidated results of operations to make decisions, therefore the Company views its operations and manages its business as a single operating segment.

Business Combinations

The Company records acquisitions resulting in the consolidation of a business using the acquisition method of accounting. Under this method, the Company records the assets acquired, including intangible assets that can be identified, and liabilities assumed based on their estimated fair values at the date of acquisition. The Company uses an income approach to determine the fair value of acquired intangible assets, specifically the multi-period excess earnings method for customer relationships and the relief from royalty method for trade names. Various Level 3 fair value assumptions are used in the determination of these estimated fair values, including items such as sales growth rates, cost synergies, customer attrition rates, discount rates, and other prospective financial information. The purchase price in excess of the fair value of the assets acquired and liabilities assumed is recorded as goodwill. Estimates associated with the accounting for acquisitions may change as additional information becomes available regarding the assets acquired and liabilities assumed. Management believes these estimates are based on reasonable assumptions, however they are inherently uncertain and unpredictable, therefore actual results may differ. Transaction costs associated with acquisitions are expensed as incurred and are included as a component of selling, general and administrative expense within the consolidated statements of operations.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents also include unsettled credit card transactions. Cash equivalents are composed of money market funds which invest primarily in commercial paper or bonds with a rating of A-1 or better, and bank certificates of deposit.

Accounts Receivable

Accounts receivable are derived from unpaid invoiced amounts and are recorded at their net realizable value. The allowance for doubtful accounts is calculated based on actual historical write-offs and current economic factors and represents the Company’s best estimate of its credit exposure. Each month the Company reviews its receivables on a customer-by-customer basis and any balances that are deemed uncollectible are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company’s accounts receivable are primarily from customers in the building industry located in the U.S. and Canada, and no single customer represented at least 10% of the Company’s revenue during the year ended December 31, 2024 or accounts receivable as of December 31, 2024.

Concentrations of Risk

Financial instruments that potentially subject the Company to significant concentration of credit risk consist primarily of cash, cash equivalents, and accounts receivable. The Company maintains the majority of its cash and cash equivalents with one financial institution, which management believes to be financially sound and with minimal credit risk. The Company’s deposits typically exceed amounts guaranteed by the Federal Deposit Insurance Corporation.

Inventories including Vendor Rebates and Reserve for Inventory Obsolescence

Inventories, consisting substantially of finished goods, are valued at the lower of cost or market (net realizable value). Inventory costs are determined using the moving weighted-average cost method and primarily consist of product cost from our suppliers, as well as freight and other handling fees. The Company establishes a reserve for inventory obsolescence, which is intended to reflect the net realizable value of inventory.

The following table summarizes the changes in the Company’s reserve for inventory obsolescence for the periods presented (in millions):

	Year Ended December 31,		
	2024	**2023**	**2022**
Beginning balance	$ 20.2	$ 24.4	$ 20.4
Provision (benefit) for inventory write-downs	0.9	(3.4)	7.0
Deduction for inventory write-offs	(0.6)	(0.8)	(3.0)
Ending balance	$ 20.5	$ 20.2	$ 24.4

The Company’s arrangements with vendors typically provide for rebates after it makes a special purchase and/or monthly, quarterly, and/or annual rebates of a specified amount of consideration payable when a number of measures have been achieved. Annual rebates are generally related to a specified cumulative level of purchases on a calendar-year basis. The Company accounts for such rebates as a reduction of the inventory value until the product is sold, at which time such rebates reduce cost of products sold in the consolidated statements of operations. Throughout the year, the Company estimates the amount of the periodic rebates based upon the expected level of purchases. The Company continually revises these estimates to reflect actual rebates earned based on actual purchase levels. Amounts due from vendors under these arrangements are included in prepaid expenses and other current assets in the consolidated balance sheets.

Property and Equipment

Property and equipment acquired in connection with acquisitions are recorded at fair value as of the date of the acquisition and depreciated utilizing the straight-line method over the estimated remaining useful lives. All other additions are recorded at cost, and depreciation is computed using the straight-line method. The Company reviews the estimated useful lives of its fixed assets on an ongoing basis and the following table summarizes the estimates currently used:

Asset Class	**Estimated Useful Life**
Buildings	40 years
Equipment	3 to 7 years
Furniture and fixtures	7 years
Software	3 to 5 years
Finance lease assets and leasehold improvements	Shorter of the estimated useful life or the term of the lease, considering renewal options expected to be exercised.

Goodwill and Intangible Assets

On an annual basis and at interim periods when circumstances require, the Company tests the recoverability of its goodwill and indefinite-lived intangible assets and reviews for indicators of impairment. Examples of such indicators include a significant change in the business climate, unexpected competition, loss of key personnel, or a decline in the Company’s market capitalization below the Company’s net book value.

The Company performs impairment assessments at the reporting unit level, which is defined as an operating segment or one level below an operating segment, also known as a component. The Company evaluates its components for aggregation by examining the distribution methods, sales mix, and operating results of each component to determine if these characteristics will be sustained over a long-term basis. For purposes of this evaluation, the Company expects its components to exhibit similar economic characteristics 3-5 years after events such as an acquisition within the Company's core roofing business or management/business restructuring. Components that exhibit similar economic characteristics are subsequently aggregated into a single reporting unit. Based on the Company's most recent impairment assessment performed as of August 31, 2024, it was determined that all of the Company's components exhibited similar economic characteristics, and therefore should be aggregated into a single reporting unit (collectively, the "Reporting Unit").

To test for the recoverability of goodwill and indefinite-lived intangible assets, the Company first performs a qualitative assessment based on economic, industry, and company-specific factors for all or selected reporting units to determine whether the existence of events and circumstances indicates that it is more likely than not that the goodwill or indefinite-lived intangible asset is impaired. Based on the results of the qualitative assessment, two additional steps in the impairment assessment may be required. The first step would require a comparison of each reporting unit's fair value to the respective carrying value. If the carrying value exceeds the fair value, a second step is performed to measure the amount of impairment loss on a relative fair value basis, if any.

Based on the Company's most recent impairment assessment performed as of August 31, 2024, the Company concluded that it was more likely than not that the fair value of the goodwill and indefinite-lived intangible assets exceeded their net carrying amount, therefore the quantitative two-step impairment test was not required. The Company's total market capitalization exceeded carrying value by approximately 189% as of August 31, 2024. The Company did not identify any macroeconomic, industry conditions, or cost-related factors that would indicate it is more likely than not that the fair value of the reporting unit was less than its carrying value.

The Company amortizes certain identifiable intangible assets that have finite lives, currently consisting of customer relationships and trademarks. Customer relationship assets are amortized on an accelerated basis based on the expected cash flows generated by the existing customers; and trademarks are amortized on an accelerated basis over the term the Company expects to use the trademark. Amortizable intangible assets are tested for impairment, when deemed necessary, based on undiscounted cash flows and, if impaired, are written down to fair value based on either discounted cash flows or appraised values.

Evaluation of Long-Lived Assets

The Company evaluates the recoverability of its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is measured by comparing the carrying amount of the asset to the future undiscounted cash flows the asset is expected to generate. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset.

Fair Value Measurement

The Company applies fair value accounting for all financial assets and liabilities that are reported at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting guidance establishes a defined three-tier hierarchy to classify and disclose the fair value of assets and liabilities on both the date of their initial measurement as well as all subsequent periods. The hierarchy prioritizes the inputs used to measure fair value by the lowest level of input that is available and significant to the fair value measurement. The three levels are described as follows:

- *Level 1*: Observable inputs. Quoted prices in active markets for identical assets and liabilities;
- *Level 2*: Observable inputs other than the quoted price. Includes quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets and amounts derived from valuation models where all significant inputs are observable in active markets; and
- *Level 3*: Unobservable inputs. Includes amounts derived from valuation models where one or more significant inputs are unobservable and require the Company to develop relevant assumptions.

The Company evaluates its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level of classification as of each reporting period.

Financial Derivatives

The Company enters into interest rate swaps to minimize the risks and costs associated with financing activities, as well as to maintain an appropriate mix of fixed-rate and floating-rate debt. The interest rate swap agreements are contracts to exchange variable-rate for fixed-interest rate payments over the life of the agreements. As of December 31, 2024, the Company has one interest rate swap designated as a cash flow hedge, for which the Company records changes in its fair value, net of tax, in other comprehensive income.

Net Sales

The Company records net sales when performance obligations with the customer are satisfied. A performance obligation is a promise to transfer a distinct good to the customer and is the unit of account. The transaction price is allocated to each distinct performance obligation and recognized as net sales when, or as, the performance obligation is satisfied. All contracts have a single performance obligation as the promise to transfer the individual good is not separately identifiable from other promises and is, therefore, not distinct. Performance obligations are satisfied at a point in time and net sales are recognized when the customer accepts the delivery of a product or takes possession of a product with rights and rewards of ownership. For goods shipped by third-party carriers, the Company recognizes revenue upon shipment since the terms are generally FOB shipping point at which time control passes to the customer. The Company also arranges for certain products to be shipped directly from the manufacturer to the customer. The Company recognizes the gross revenue for these sales upon shipment as the terms are FOB shipping point at which time control passes to the customer.

The Company enters into agreements with customers to offer rebates, generally based on achievement of specified sales levels and various marketing allowances that are common industry practice. Reductions to net sales for customer programs and incentive offerings, including promotions and other volume-based incentives, are estimated using the most likely amount method and recorded in the period in which the sale occurs. Provisions for early payment discounts are accrued in the same period in which the sale occurs. The Company does not have any material payment terms as payment is received shortly after the transfer of control of the products to the customer. Commissions to internal sales teams are paid to obtain contracts. As these contracts are less than one year, these costs are expensed as incurred.

The Company includes shipping and handling costs billed to customers in net sales. Related costs are accounted for as fulfillment activities and are recognized as cost of products sold when control of the products transfers to the customer.

Leases

The Company mostly operates in leased facilities, which are accounted for as operating leases. The leases typically provide for a base rent plus real estate taxes and insurance. Certain of the leases provide for escalating rents over the lives of the leases, and rent expense is recognized over the terms of those leases on a straight-line basis. The real estate leases expire between 2025 and 2037.

In addition, the Company leases equipment such as trucks and forklifts. Equipment leases are accounted for as either operating or finance leases. The equipment leases expire between 2025 and 2032.

The Company determines if an arrangement is a lease at inception. Operating and finance lease assets and liabilities are included within the consolidated balance sheets, with finance lease assets included in property and equipment, net.

Lease assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is the Company’s incremental borrowing rate, because the interest rates implicit in most of the leases are not readily determinable. The incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments.

Lease assets include any prepaid lease payments and lease incentives. The Company’s lease terms include periods under options to extend or terminate the lease when it is reasonably certain that those options will be exercised. The Company generally uses the base, non-cancelable lease term when determining the lease assets and liabilities. Operating lease expense is recognized on a straight-line basis over the lease term. For finance leases, the lease asset is depreciated over the lease term and interest expense is recorded using the effective interest method.

The Company’s lease agreements generally contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. The Company has elected to combine fixed payments for non-lease components with lease payments and account for them together as a single lease component, which increases the lease assets and liabilities.

Payments under the Company’s lease agreements are primarily fixed. However, certain lease agreements contain variable payments, which are expensed as incurred and are not included in the operating lease assets and liabilities. These amounts include payments affected by the Consumer Price Index and reimbursements to landlords for items such as property insurance and common area costs. The Company’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Stock-Based Compensation

The Company applies the fair value method to recognize compensation expense for stock-based awards. Using this method, for time-based awards the estimated grant-date fair value of the award is measured based on the fair value of the Company’s common stock on the grant date and is recognized on a straight-line basis over the requisite service period based on the portion of the award that is expected to vest. The Company estimates forfeitures at the time of grant and revises the estimates, if necessary, in subsequent periods if actual forfeitures differ from those estimates. For awards with performance conditions, the Company accrues stock-based compensation over the service period if, and to the extent that, it is determined that achievement of the performance condition is probable. Market conditions are incorporated into the grant date fair value of stock-based awards with market conditions using a Monte Carlo valuation model. Compensation expense for stock-based awards with market conditions is recognized over the service period and is not reversed if the market condition is not met. If awards with market, performance, and/or service conditions are forfeited due to failure to achieve performance conditions or failure to satisfy service conditions, any previously recognized expense for such awards is reversed.

The Company utilizes the Black-Scholes option pricing model to estimate the grant-date fair value of option awards. The exercise price of option awards is set to equal the estimated fair value of the common stock at the date of the grant. The following weighted-average assumptions are also used to calculate the estimated fair value of option awards:

- *Expected volatility*: The expected volatility of the Company’s shares is estimated using the historical stock price volatility over the most recent period commensurate with the estimated expected term of the awards.
- *Expected term*: For employee stock option awards, the Company determines the weighted-average expected term equal to the weighted period between the vesting period and the contract life of all outstanding options.
- *Dividend yield*: The Company has not paid dividends and does not anticipate paying a cash dividend in the foreseeable future and, accordingly, uses an expected dividend yield of zero.
- *Risk-free interest rate*: The Company bases the risk-free interest rate on the implied yield available on a U.S. Treasury note with a term equal to the estimated expected term of the awards.

Foreign Currency Translation

The Company’s operations located outside of the U.S. where the local currency is the functional currency are translated into U.S. dollars using the current rate method. Results of operations are translated at the average rate of exchange for the period. Assets and liabilities are translated at the closing rates on the period end date. Gains and losses on translation of these accounts are accumulated and reported as a separate component of equity and other comprehensive income (loss). Gains and losses on foreign currency transactions are recognized in the consolidated statements of operations as a component of interest expense, financing costs and other.

Income Taxes

The Company accounts for income taxes using the liability method, which requires it to recognize a current tax liability or asset for current taxes payable or refundable and a deferred tax liability or asset for the estimated future tax effects of temporary differences between the financial statement and tax reporting bases of assets and liabilities to the extent that they are realizable. Deferred tax expense (benefit) results from the net change in deferred tax assets and liabilities during the year.

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 740 (“ASC 740”) prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on this guidance, the Company analyzes its filing positions in all of the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions. Tax benefits from uncertain tax positions are recognized if it is more likely than not that the position is sustainable based solely on its technical merits.

Net Income (Loss) per Common Share

Basic net income (loss) per common share is calculated by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for common share equivalents or the conversion of Preferred Stock. Common share equivalents consist of the incremental common shares issuable upon the exercise of stock options and vesting of restricted stock unit awards. Diluted net income (loss) per common share is calculated by dividing net income (loss) attributable to common stockholders by the fully diluted weighted-average number of common shares outstanding during the period.

Holders of Preferred Stock would have participated in dividends on an as-converted basis when declared on common shares. As a result, Preferred Stock was classified as a participating security and thereby required the allocation of income that would have otherwise been available to common stockholders when calculating net income (loss) per common share. The Company repurchased all outstanding Preferred Stock on July 31, 2023. Refer to Note 5 for more information.

For periods in which Preferred Stock is outstanding, diluted net income (loss) per common share is calculated by utilizing the most dilutive result of the if-converted and two-class methods. In both methods, net income (loss) attributable to common stockholders and the weighted-average common shares outstanding are adjusted to account for the impact of the assumed issuance of potential common shares that are dilutive, subject to dilution sequencing rules.

Recent Accounting Pronouncements—Adopted

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, "Segment Reporting - Improving Reportable Segment Disclosures (Topic 280)." The standard is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The standard requires disclosures to include significant segment expenses that are regularly provided to the CODM, a description of other segment items by reportable segment, and any additional measures of a segment's profit or loss used by the CODM when deciding how to allocate resources. The standard also requires all annual disclosures currently required by ASC Topic 280 to be included in interim periods. This standard should be applied retrospectively and is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company adopted this standard on December 31, 2024 using the retrospective method of adoption, which did not have a material impact on our consolidated financial statements and related disclosures. See Note 22 for the relevant segment disclosures.

Recent Accounting Pronouncements—Not Yet Adopted

In October 2023, the FASB issued ASU 2023-06, "Disclosure Improvements – Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative." This standard affects a wide variety of Topics in the Codification. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective. Early adoption is prohibited. The Company does not expect the adoption of this standard to have a material impact on the Company's consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures," a final standard on improvements to income tax disclosures. The standard requires disaggregated information about a registrant's effective tax rate reconciliation as well as information on income taxes paid. This standard should be applied prospectively and is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." The standard requires disclosure of disaggregated information about certain financial statement expense line items presented on the consolidated statements of operations in the notes to the financial statements on an interim and annual basis. The standard can be applied either prospectively or retrospectively and is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

3. Acquisitions

The following table presents the Company's acquisitions between January 1, 2023 and December 31, 2024. The Company acquired 100% of the equity or substantially all of the net assets in each case. The Company has not provided pro forma results of operations for any of the transactions below, as the transactions individually and in the aggregate for the respective year are not material to the Company. The results of operations for these transactions are included in the Company's consolidated statements of operations from the date of the acquisition (dollars in millions):

Date Acquired	Company Name	U.S. State/Canadian Province	Branches	Goodwill Recognized[1]	Intangible Assets Acquired[1]
November 1, 2024	Fairway Wholesale Distribution, LLC	Massachusetts	1	$ 4.2	$ 5.0
October 1, 2024	Ryan Seamless Gutter Systems, Inc.	Massachusetts	1	$ 4.8	$ 4.7
September 10, 2024	Chicago Metal Supply & Fabrication, Inc.	Illinois	1	$ 5.0	$ 5.8
August 1, 2024	Passaic Metal and Building Supplies Co. and affiliates	New Jersey and New York	9	$ 44.5	$ 43.0
August 1, 2024	SSR Roof Supply Ltd.	British Columbia	2	$ 6.0	$ 10.6
July 10, 2024	Roofers Mart of Southern California, Inc.	California	1	$ 0.6	$ 1.1
July 1, 2024	Integrity Metals, LLC	Florida	2	$ 5.5	$ 6.0
July 1, 2024	Extreme Metal Fabricators, LLC	Florida	2	$ 9.7	$ 15.2
May 1, 2024	Smalley & Company	Colorado, Arizona, California, Nevada, New Mexico, and Utah	11	$ 0.3	$ 25.8
April 15, 2024	General Roofing & Siding Supply Co.	Nebraska, Iowa, and North Dakota	5	$ 3.7	$ 8.8
February 12, 2024	Metro Sealant & Waterproofing Supply, Inc.	Virginia and Maryland	4	$ 22.4	$ 25.2
February 1, 2024	Roofers Supply of Greenville	South Carolina and North Carolina	3	$ 35.1	$ 26.6
November 1, 2023	H&H Roofing Supply, LLC	California	1	$ 1.1	$ 1.0
October 2, 2023	Garvin Construction Products	Maryland, New York, Connecticut, New Jersey, and Massachusetts	5	$ 17.0	$ 10.1
September 5, 2023	S&H Building Material Corporation	New York	1	$ 5.3	$ 4.1
August 1, 2023	All American Vinyl Siding Supply, LLC	Mississippi	1	$ 0.7	$ 0.8
July 11, 2023	Crossroads Roofing Supply, Inc.	Oklahoma	5	$ 5.8	$ 11.1
June 12, 2023	Silver State Building Materials, Inc.	Nevada	1	$ 0.6	$ 0.9
March 31, 2023	Al's Roofing Supply, Inc.	California	4	$ 3.7	$ 7.1
March 31, 2023	Prince Building Systems, LLC	Wisconsin	1	$ 0.3	$ 2.0
January 4, 2023	First Coastal Exteriors, LLC	Alabama and Mississippi	2	$ 0.8	$ 1.9

1. For all acquisitions occurring in 2024, the measurement period is still open and amounts are based on provisional estimates of the fair value of assets acquired and liabilities assumed as of December 31, 2024.

In each company's respective twelve months prior to being acquired by Beacon, the companies listed above produced aggregate annual sales of approximately $762.3 million (unaudited). The total transaction costs incurred by the Company for these acquisitions for the year ended December 31, 2024 were $9.9 million. Of the $177.1 million of goodwill recognized for these acquisitions, $132.5 million is deductible for tax purposes.

4. Net Sales

The following table presents the Company’s net sales by line of business and geography for each period presented (in millions):

	U.S.	Canada	Total
Year Ended December 31, 2024			
Residential roofing products	$ 4,759.5	$ 74.0	$ 4,833.5
Non-residential roofing products	2,474.2	199.9	2,674.1
Complementary building products	2,232.8	22.8	2,255.6
Total net sales	$ 9,466.5	$ 296.7	$ 9,763.2
Year Ended December 31, 2023			
Residential roofing products	$ 4,588.1	$ 63.9	$ 4,652.0
Non-residential roofing products	2,192.6	203.1	2,395.7
Complementary building products	2,062.2	9.9	2,072.1
Total net sales	$ 8,842.9	$ 276.9	$ 9,119.8
Year Ended December 31, 2022			
Residential roofing products	$ 4,138.1	$ 79.8	$ 4,217.9
Non-residential roofing products	2,285.7	178.6	2,464.3
Complementary building products	1,736.6	10.9	1,747.5
Total net sales	$ 8,160.4	$ 269.3	$ 8,429.7

5. Net Income (Loss) Per Common Share

Basic net income (loss) per common share is calculated by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for common share equivalents or the conversion of Preferred Stock (as defined below) when outstanding during the period. Common share equivalents consist of the incremental common shares issuable upon the exercise of stock options and vesting of restricted stock unit (“RSU”) awards. Diluted net income (loss) per common share is calculated by dividing net income (loss) attributable to common stockholders by the fully diluted weighted-average number of common shares outstanding during the period.

In connection with the acquisition of Allied Building Products Corp. on January 2, 2018, the Company completed the sale of 400,000 shares of Series A Cumulative Convertible Participating Preferred Stock, par value $0.01 per share (the “Preferred Stock”), with an aggregate liquidation preference of $400.0 million, at a purchase price of $1,000 per share, to CD&R Boulder Holdings, L.P. (“CD&R Holdings”).

On July 31, 2023 (the “Repurchase Date”), the Company repurchased (the “Repurchase”) all 400,000 issued and outstanding shares of the Preferred Stock held by CD&R Holdings (the shares of Preferred Stock held by CD&R Holdings, the “Shares”) pursuant to a letter agreement dated July 6, 2023 in cash for $805.4 million, including $0.9 million of accrued but unpaid dividends as of such date (the “Repurchase Price”). In connection with the Repurchase, CD&R Holdings agreed that for as long as Philip Knisely or Nathan Sleeper remained a member of the Company’s Board of Directors (the “Board”) and for a period of six months thereafter, the customary voting, standstill, and transfer restrictions set forth in the original Investment Agreement with respect to the Preferred Stock will continue to apply to CD&R Holdings and its related fund in accordance with their terms. Following the closing of the Repurchase, Mr. Sleeper resigned from the Company’s Board and Mr. Knisely remained a member of the Company’s Board until his resignation on January 23, 2024.

The aggregate Repurchase Price and related transaction fees and expenses were financed by a combination of proceeds from the 2030 Senior Notes (as defined in Note 12), as well as the 2026 ABL (as defined in Note 12), and cash on hand.

On and after the Repurchase Date, all dividends and distributions ceased to accrue on the Shares, the repurchased Shares are no longer deemed outstanding, and all rights of CD&R Holdings with respect to the repurchased Shares terminated.

During the year ended December 31, 2023, the Company incurred costs directly attributable to the Repurchase of $9.3 million.

Before the Repurchase occurred, the Preferred Stock was convertible perpetual participating preferred stock of the Company, and conversion of the Preferred Stock into $0.01 par value shares of the Company's common stock would have been at a conversion price of $41.26 per share (or 9,694,619 shares of common stock). The Preferred Stock accumulated dividends at a rate of 6.0% per annum (payable quarterly in cash or in-kind, subject to certain conditions). The Preferred Stock was not mandatorily redeemable; therefore, it was classified as mezzanine equity in the Company's consolidated balance sheets. Holders of Preferred Stock would have participated in dividends on an as-converted basis if declared on common shares. As a result, Preferred Stock was classified as a participating security and thereby required the allocation of income that would have otherwise been available to common stockholders when calculating net income (loss) per common share.

Prior to the Repurchase, CD&R Holdings typically reinvested cash proceeds received from the quarterly Preferred Stock dividend payments to purchase shares of the Company's common stock on the open market, the most recent of which occurred in April 2023. In connection with the Repurchase, CD&R Holdings triggered the short-swing profit rule pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and disgorged $4.7 million in short-swing trading profits to the Company immediately following the Repurchase. Subsequent to the Repurchase, CD&R Holdings disgorged an additional $1.2 million of short-swing trading profits triggered by CD&R Holdings' public offering to sell 5.0 million shares of the Company's common stock. The $5.9 million of short-swing trading profits disgorged by CD&R Holdings pursuant to Section 16(b) of the Exchange Act during the year ended December 31, 2023 were recorded to additional paid-in capital net of tax of $1.6 million on the consolidated balance sheets.

The difference between the total consideration paid for the Repurchase, inclusive of direct costs, and the carrying value of the Preferred Stock, resulted in a $414.6 million Repurchase premium (the "Repurchase Premium") which was recorded as a reduction to retained earnings within the consolidated statements of stockholders' equity. In calculating basic and diluted net income (loss) per common share for the year ended December 31, 2023, the Repurchase Premium is included as a component of net income (loss) attributable to common stockholders.

For periods in which Preferred Stock is outstanding, diluted net income (loss) per common share is calculated by utilizing the most dilutive result of the if-converted and two-class methods. In both methods, net income (loss) attributable to common stockholders and the weighted-average common shares outstanding are adjusted to account for the impact of the assumed issuance of potential common shares that are dilutive, subject to dilution sequencing rules.

The following table presents the components and calculations of basic and diluted net income (loss) per common share (in millions, except per share amounts; certain amounts may not recalculate due to rounding):

	Year Ended December 31,		
	2024	2023	2022
Numerator:			
Net income (loss)	$ 361.7	$ 435.0	$ 458.4
Dividends on Preferred Stock	—	(13.9)	(24.0)
Undistributed income allocated to participating securities	—	(34.1)	(54.8)
Repurchase Premium	—	(414.6)	—
Net income (loss) attributable to common stockholders – Basic and Diluted	$ 361.7	$ (27.6)	$ 379.6
Denominator:			
Weighted-average common shares outstanding – Basic	62.5	63.7	67.1
Effect of common share equivalents	1.2	—	1.3
Weighted-average common shares outstanding – Diluted	63.7	63.7	68.4
Net income (loss) per common share:			
Basic	$ 5.78	$ (0.43)	$ 5.66
Diluted	$ 5.68	$ (0.43)	$ 5.55

The following table includes the number of shares that may be dilutive common shares in the future (except for the Preferred Stock, which was redeemed in July 2023 and therefore has no dilutive impact in the future at the time of their redemption). These shares were not included in the computation of diluted net income (loss) per common share because the effect was either anti-dilutive or the requisite performance conditions were not met (in millions):

	Year Ended December 31,		
	2024	2023	2022
Stock options	0.1	0.7	0.2
Restricted stock units	0.0	1.0	0.0
Preferred Stock	—	5.6	9.7
Employee Stock Purchase Plan	0.0	0.0	—

6. Stock-based Compensation

On April 1, 2024, the Board approved the Beacon Roofing Supply, Inc., 2024 Stock Plan (the “2024 Plan”), subject to stockholder approval, which was subsequently obtained on May 15, 2024 in conjunction with the 2024 Annual Meeting of Stockholders. Upon approval, the 2024 Stock Plan succeeded the Beacon Roofing Supply, Inc. Second Amended and Restated 2014 Stock Plan (the “Prior Plan”) and is the only plan of the Company pursuant to which stock-based awards are currently granted. The 2024 Plan provides for discretionary grants of stock options, stock awards, stock unit awards, and stock appreciation rights (“SARs”) for up to 6,200,000 shares of common stock to key employees and non-employee directors. Stock options and SARs granted under the 2024 Plan, or granted under the Prior Plan after March 6, 2024, will reduce the number of available shares by one share for every share subject to the stock option or SAR, and stock awards and stock unit awards granted under the 2024 Plan, or granted under the Prior Plan after March 6, 2024, will reduce the number of available shares by 2.25 shares for every one share delivered. If (i) there is a lapse, forfeiture, expiration, termination, or cancellation of any award for any reason under the 2024 Plan, or under the Prior Plan after March 6, 2024, or (ii) shares subject to a stock award or a stock unit award under the 2024 Plan, or under the Prior Plan after March 6, 2024, are delivered or withheld as payment of any withholding taxes, then in each case such shares will again be available for issuance under the 2024 Plan, to be added back in the same multiple as described in the preceding sentence. Any shares delivered or withheld as payment for the exercise price of a stock option or of any withholding taxes with respect to such stock options or SARs will not be available for issuance pursuant to subsequent awards. As of December 31, 2024, there were 6,327,413 shares of common stock available for issuance pursuant to the 2024 Plan.

All unvested employee equity awards contain a “double trigger” change in control mechanism to the extent such employee equity award is continued or assumed after a change in control. If an award is not continued or assumed by a public company in an equitable manner, it shall become vested immediately prior to a change in control (at 100% payout with respect to a performance-based restricted stock unit award and at 100% of the award then earned but not vested with respect to a restricted stock unit award with market conditions). If an award is so continued or assumed, vesting will continue in accordance with the terms of the award (based on actual performance with respect to a performance-based restricted stock unit award subject to completed annual performance periods and at 100% payout for any in-progress annual performance periods) unless there is a qualifying termination (without cause or for good reason) within one-year following the change in control, in which event the award shall become vested immediately.

Stock Options

Non-qualified stock options generally expire 10 years after the grant date and, except under certain conditions, the options are subject to continued employment and vest in three annual installments over the three-year period following the grant date.

The fair values of the options granted for the periods presented were estimated on the dates of grants using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Year Ended December 31,		
	2024	2023	2022
Risk-free interest rate	4.13 %	4.26 %	1.93 %
Expected volatility	48.05 %	49.92 %	48.89 %
Expected life (in years)	5.08	5.12	5.14
Dividend yield	—	—	—

The following table summarizes all stock option activity for the year ended December 31, 2024 (in millions, except per share amounts and time periods):

	Options Outstanding	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value[1]
Balance as of December 31, 2023	1.1	$ 41.38	5.8	$ 51.3
Granted	0.1	$ 85.18		
Exercised	(0.3)	$ 35.71		
Canceled/Forfeited	(0.0)	$ 61.44		
Expired	(0.0)	$ 28.64		
Balance as of December 31, 2024	0.9	$ 47.54	5.6	$ 51.2
Vested and expected to vest after December 31, 2024	0.9	$ 47.22	5.6	$ 51.0
Exercisable as of December 31, 2024	0.7	$ 39.34	4.7	$ 44.5

1. Aggregate intrinsic value represents the difference between the closing fair value of the underlying common stock and the exercise price of outstanding, in-the-money options on the date of measurement.

During the years ended December 31, 2024, 2023, and 2022, the Company recorded stock-based compensation expense related to stock options of $3.9 million, $3.8 million, and $3.9 million, respectively. During the years ended December 31, 2024, 2023, and 2022, the Company recognized a tax benefit related to stock-based compensation expense related to stock options of $2.9 million, $1.6 million, and $1.4 million, respectively.

As of December 31, 2024, there was $4.1 million of total unrecognized compensation cost related to unvested stock options, which is expected to be recognized over a weighted-average period of 1.6 years.

The following table summarizes additional information on stock options for the periods presented (in millions, except per share amounts):

	Year Ended December 31, 2024	2023	2022
Weighted-average fair value per share of stock options granted	$ 40.34	$ 31.86	$ 26.50
Total grant date fair value of stock options vested	$ 2.7	$ 3.2	$ 2.7
Total intrinsic value of stock options exercised	$ 15.2	$ 10.9	$ 11.5

Restricted Stock Units

Time-based RSU awards granted to employees are subject to continued employment and generally vest on the third anniversary of the grant date. The Company also grants certain RSU awards to management that additionally may contain market or performance conditions. Market conditions, which are based on stock price, are incorporated into the grant date fair value of the management awards with market conditions using a Monte Carlo valuation model. Compensation expense for management awards with market conditions is recognized over the service period and is not reversed if the market condition is not met. For awards with performance conditions, the actual number of awards that will vest can range from 0% to 200% of the original grant amount, depending upon actual Company performance below or above the established performance metric targets. At each reporting date, the Company estimates performance in relation to the defined targets when determining the projected number of management awards with performance conditions that are expected to vest and calculating the related stock-based compensation expense. Management awards with performance conditions are amortized over the service period if, and to the extent that, it is determined that achievement of the performance condition is probable. If awards with market, performance and/or service conditions are forfeited due to failure to achieve performance conditions or failure to satisfy service conditions, any previously recognized expense for such awards is reversed.

RSUs granted to non-employee directors are subject to continued service and vest on the first anniversary of the grant date (except under certain conditions). Generally, the common shares underlying the RSUs are not eligible for distribution until the non-employee director's service on the Board has terminated, and for non-employee director RSU grants made prior to fiscal year 2014, the share distribution date is six months after the director's termination of service on the Board. Any non-employee directors who have Beacon equity holdings (defined as common stock and outstanding vested equity awards) with a total fair value that is greater than or equal to five times the annual Board cash retainer may elect to have any future RSU grants settle simultaneously with vesting.

The following table summarizes all RSU activity for the year ended December 31, 2024 (in millions, except grant date fair value amounts):

	RSUs Outstanding	Weighted-Average Grant Date Fair Value
Balance as of December 31, 2023	1.2	$ 53.14
Granted	0.4	$ 85.71
Released	(0.3)	$ 52.05
Canceled/Forfeited	(0.1)	$ 60.93
Balance as of December 31, 2024	1.2	$ 62.91
Vested and expected to vest after December 31, 2024[1]	1.1	$ 62.54

1. As of December 31, 2024, outstanding awards with performance conditions were expected to vest at or below 100% of their original grant amount.

During the years ended December 31, 2024, 2023, and 2022, the Company recorded stock-based compensation expense related to RSUs of $24.6 million, $23.0 million, and $23.7 million, respectively. During the years ended December 31, 2024, 2023, and 2022, the Company recognized a tax benefit related to stock-based compensation expense related to RSUs of $3.0 million, $4.6 million, and $1.9 million, respectively.

As of December 31, 2024, there was $29.7 million of total unrecognized compensation expense related to unvested RSUs (including unrecognized expense for RSUs with performance conditions at their estimated value as of December 31, 2024), which is expected to be recognized over a weighted-average period of 1.7 years.

The following table summarizes additional information regarding RSUs (in millions, except per share amounts):

	Year Ended December 31,		
	2024	2023	2022
Weighted-average fair value per share of RSUs granted	$ 85.71	$ 62.84	$ 50.63
Total grant date fair value of RSUs vested	$ 14.7	$ 20.1	$ 9.6
Total intrinsic value of RSUs released	$ 27.7	$ 38.6	$ 17.4

Employee Stock Purchase Plan

On March 20, 2023, the Board adopted the Company's 2023 Employee Stock Purchase Plan (the "ESPP"), subject to stockholder approval, which was subsequently obtained on May 17, 2023 in conjunction with the 2023 Annual Meeting of Stockholders. The ESPP allows eligible employees to acquire shares of the Company's common stock through payroll deductions over six-month offering periods. The purchase price per share is equal to 85% of the lesser of (1) the fair market value of a share of the Company's common stock on the offering date, defined as the first trading day of the offering period, or (2) the fair market value of a share of the Company's common stock on the purchase date, defined as the last trading day of the offering period; provided that the purchase price is not less than the $0.01 par value per share of the common stock. Participant purchases are limited to a maximum of $12,500 worth of stock per offering period (or $25,000 per calendar year). The Company is authorized to grant up to 1,000,000 shares of its common stock under the ESPP.

During the year ended December 31, 2024, employees purchased 181,836 shares at a weighted-average per share price of $72.78. As of December 31, 2024, there were 818,164 shares of common stock available for issuance pursuant to the Company's ESPP. During the years ended December 31, 2024 and 2023, the Company recorded stock-based compensation expense related to the ESPP of $2.5 million and $1.2 million, respectively.

7. Share Repurchase Program

On February 24, 2022, the Company announced a new share repurchase program (the “Repurchase Program”), pursuant to which the Company may purchase up to $500.0 million of its common stock. On February 23, 2023, the Company announced that its Board authorized and approved an increase of the Repurchase Program by approximately $387.9 million, permitting future share repurchases of $500.0 million after considering actual share repurchases as of such re-authorization date.

Share repurchases under the Repurchase Program may be made from time to time through various means, including open market purchases (including block trades), privately negotiated transactions, accelerated share repurchase transactions (“ASR”), or through a series of forward purchase agreements, option contracts, or similar agreements and contracts (including Rule 10b5-1 plans) adopted by the Company, in each case in accordance with the rules and regulations of the SEC, including, if applicable, Rule 10b-18 of the Exchange Act. The timing, volume, and nature of share repurchases pursuant to the Repurchase Program are at the discretion of management and may be suspended or discontinued at any time. Shares repurchased under the Repurchase Program are retired immediately and are included in the category of authorized but unissued shares. Direct and incremental costs associated with the Repurchase Program are deferred and included as a component of the purchase price. The excess of the purchase price over the par value of the common shares is reflected in retained earnings.

On May 9, 2024, the Company entered into a Supplemental Confirmation (together with the Company’s March 22, 2022 Variable Tenor ASR Master Agreement, the “May 2024 ASR Agreement”) with Citibank, N.A. (“Citi”) to repurchase $225.0 million (the “ASR Repurchase Price”) of its common stock. Under the terms of the May 2024 ASR Agreement, the Company paid the ASR Repurchase Price to Citi and received an initial share delivery of 1,927,608 shares of its common stock from Citi, representing 80% of the total expected share repurchases under the May 2024 ASR Agreement, based on the closing price of the Company’s common stock of $93.38 on May 9, 2024. On December 27, 2024, the Company completed the May 2024 ASR Agreement and received an additional 497,654 shares of its common stock. In total, 2,425,262 shares of the Company’s common stock were delivered under the May 2024 ASR Agreement at an average price of $92.77 per share, which represents the daily volume-weighted average price of the Company’s common stock during the term of the May 2024 ASR Agreement, less a discount and adjustments pursuant to the terms of the May 2024 ASR Agreement.

The following table sets forth the Company’s share repurchases (in millions, except per share data):

	Year Ended December 31,		
	2024	2023	2022
Total number of shares repurchased	2.4	1.6	6.8
Amount repurchased	$ 225.0	$ 110.9	$ 387.8
Average price per share	$ 92.77	$ 68.82	$ 56.62

Share repurchases for the year ended December 31, 2024 were made pursuant to the May 2024 ASR. During the year ended December 31, 2024, the Company incurred costs directly attributable to the Repurchase Program of $1.8 million.

Share repurchases for the year ended December 31, 2023 were made through a combination of a Rule 10b5-1 repurchase plan and open market transactions. During the year ended December 31, 2023, the Company incurred costs directly attributable to the Repurchase Program of approximately $0.6 million.

Share repurchases for the year ended December 31, 2022 were made through a combination of open market transactions as well as through two ASRs. During the year ended December 31, 2022, the Company incurred costs directly attributable to the Repurchase Program of approximately $0.3 million.

As of December 31, 2024, the Company had approximately $164.1 million available for repurchases remaining under the Repurchase Program.

8. Prepaid Expenses and Other Current Assets

The following table summarizes the significant components of prepaid expenses and other current assets (in millions):

	December 31, 2024	December 31, 2023
Vendor rebates	$ 415.5	$ 371.8
Other	86.2	72.8
Total prepaid expenses and other current assets	$ 501.7	$ 444.6

9. Property and Equipment

The following table provides a detailed breakout of property and equipment, by type (in millions):

	December 31, 2024	December 31, 2023
Equipment	$ 484.5	$ 455.6
Finance lease assets	239.0	162.1
Leasehold improvements	144.7	104.1
Furniture and fixtures	79.4	61.9
Software	43.2	28.4
Land and buildings	27.5	22.3
Fixed assets in progress	60.2	61.5
Total property and equipment	1,078.5	895.9
Accumulated depreciation	(532.8)	(459.5)
Total property and equipment, net	$ 545.7	$ 436.4

Depreciation expense for the years ended December 31, 2024, 2023, and 2022 was $109.9 million, $91.2 million, and $75.1 million, respectively.

10. Goodwill and Intangible Assets

Goodwill

The following table sets forth the changes in the carrying amount of goodwill for the periods presented (in millions):

Balance as of December 31, 2022	$ 1,916.3
Acquisitions	35.6
Translation and other adjustments	0.7
Balance as of December 31, 2023	1,952.6
Acquisitions	144.7
Translation and other adjustments	(2.6)
Balance as of December 31, 2024	$ 2,094.7

The changes in the carrying amount of goodwill for the year ended December 31, 2024 were driven primarily by the Company’s recent acquisitions. See Note 3 for additional information.

Intangible Assets

The amortizable intangible asset lives generally range from 1 to 20 years. The following table summarizes intangible assets by category (in millions, except time periods):

	December 31,		Weighted-Average Remaining Life[1]
	2024	2023	(Years)
Amortizable intangible assets:			
Customer relationships and other	$ 1,410.5	$ 1,238.9	16.1
Trademarks	—	5.6	—
Total amortizable intangible assets	1,410.5	1,244.5	16.1
Accumulated amortization	(936.7)	(850.8)	
Total amortizable intangible assets, net	473.8	393.7	
Indefinite-lived trademarks	15.3	9.8	
Total intangibles, net	$ 489.1	$ 403.5	

1. As of December 31, 2024.

Amortization expense relating to the above-listed intangible assets for the years ended December 31, 2024, 2023, and 2022 was $91.9 million, $85.0 million, and $84.1 million, respectively.

The following table summarizes the estimated future amortization expense for intangible assets (in millions):

Year Ending December 31,	
2025	$ 83.8
2026	72.6
2027	61.5
2028	50.5
2029	41.4
Thereafter	164.0
Total future amortization expense	$ 473.8

11. Accrued Expenses

The following table summarizes the significant components of accrued expenses (in millions):

	December 31,	
	2024	2023
Customer rebates	$ 139.0	$ 124.9
Inventory	135.5	140.5
Selling, general and administrative	114.2	108.5
Payroll and employee benefit costs	101.1	101.4
Interest and other	32.6	23.2
Income taxes	—	0.1
Total accrued expenses	$ 522.4	$ 498.6

12. Financing Arrangements

The following table summarizes all outstanding debt (presented net of unamortized debt issuance costs) and other financing arrangements (in millions):

	December 31, 2024	December 31, 2023
Revolving Lines of Credit		
2026 ABL:		
2026 U.S. Revolver[1]	$ 146.0	$ 80.0
2026 Canada Revolver[2]	2.1	—
Borrowings under revolving lines of credit, net	$ 148.1	$ 80.0
Long-term Debt, net		
Term Loan:		
2028 Term Loan[3]	$ 1,254.1	$ 964.5
Current portion	(12.8)	(10.0)
Long-term borrowings under term loan	1,241.3	954.5
Senior Notes:		
2026 Senior Notes[4]	298.8	298.1
2029 Senior Notes[5]	347.8	347.4
2030 Senior Notes[6]	593.3	592.3
Long-term borrowings under senior notes	1,239.9	1,237.8
Long-term debt, net	$ 2,481.2	$ 2,192.3

1. Effective rate on borrowings of 6.23% and 6.68% as of December 31, 2024 and 2023, respectively.
2. Effective rate on borrowings of 5.70% as of December 31, 2024.
3. Interest rate of 6.36% and 7.97% as of December 31, 2024 and 2023, respectively.
4. Interest rate of 4.50% for all periods presented.
5. Interest rate of 4.125% for all periods presented.
6. Interest rate of 6.50% for all periods presented.

Debt Refinancing

In May 2021, the Company entered into various financing arrangements to refinance certain debt instruments to take advantage of lower market interest rates for the Company's fixed rate indebtedness and to extend maturities (the "2021 Debt Refinancing"). The transactions included a new $350.0 million issuance of senior notes (the "2029 Senior Notes"). In addition, the Company entered into a second amended and restated credit agreement for its $1.30 billion asset-based revolving line of credit (the "2026 ABL"), and an amended and restated term loan credit agreement for a term loan of $1.00 billion (subsequently increased) (the "2028 Term Loan"), which together are defined as the "Senior Secured Credit Facilities."

On May 19, 2021, the Company used the net proceeds from the 2029 Senior Notes offering, together with cash on hand and borrowings under the Senior Secured Credit Facilities, to redeem all $1.30 billion aggregate principal amount outstanding of the Company's 4.875% Senior Notes due 2025 at a redemption price of 102.438%, to refinance all outstanding borrowings under the Company's previous term loan, and to pay all related accrued interest, fees and expenses.

On March 28, 2024, the Company entered into a financing arrangement to refinance the 2028 Term Loan resulting in an increase in the outstanding principal balance from $975.0 million to $1.275 billion. Refer to the discussion below for additional information regarding the refinancing.

2029 Senior Notes

On May 10, 2021, the Company and certain subsidiaries of the Company as guarantors completed a private offering of $350.0 million aggregate principal amount of 4.125% senior unsecured notes due 2029 at an issue price equal to par. The 2029 Senior Notes mature on May 15, 2029 and bear interest at a rate of 4.125% per annum, payable on May 15 and November 15 of each year, which commenced on November 15, 2021. The 2029 Senior Notes are fully and unconditionally guaranteed, on a joint and several basis, by certain of the Company's active United States subsidiaries.

The 2029 Senior Notes and related subsidiary guarantees were offered and sold in a private transaction exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), to qualified institutional buyers in accordance with Rule 144A under the Securities Act and to non-U.S. persons outside of the United States pursuant to Regulation S under the Securities Act. The 2029 Senior Notes and related subsidiary guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and other applicable securities laws.

The Company capitalized debt issuance costs of $4.0 million related to the 2029 Senior Notes, which are being amortized over the term of the financing arrangements.

As of December 31, 2024, the outstanding balance on the 2029 Senior Notes, net of $2.2 million of unamortized debt issuance costs, was $347.8 million.

2026 ABL

On May 19, 2021, the Company entered into a $1.30 billion senior secured asset-based revolving credit facility with Wells Fargo Bank, N.A. and a syndicate of other lenders. The 2026 ABL provides for revolving loan commitments in both the United States in an amount up to $1.25 billion ("2026 U.S. Revolver") and Canada in an amount up to $50.0 million ("2026 Canada Revolver") (as such amounts may be reallocated pursuant to the terms of the 2026 ABL). The 2026 ABL has a maturity date of May 19, 2026. The unused commitment fees on the 2026 ABL are 0.20% per annum.

The 2026 U.S. Revolver has various borrowing tranches with an interest rate based, at the Company's option, on a base rate, plus an applicable margin, or a Term SOFR rate, plus an applicable margin. The applicable margin for borrowings under the 2026 U.S. Revolver is based on the Company's quarterly average excess availability as determined by reference to a borrowing base and ranges from 0.25% to 0.75% per annum in the case of base rate borrowings and 1.25% to 1.75% per annum in the case of Term SOFR borrowings.

The 2026 Canada Revolver has various borrowing tranches with an interest rate based, at the Company's option, on a base rate, plus an applicable margin, or an adjusted CORRA rate, plus an applicable margin. The applicable margin for borrowings under the 2026 Canada Revolver is based on the Company's quarterly average excess availability as determined by reference to a borrowing base and ranges from 0.25% to 0.75% per annum in the case of base rate borrowings and 1.25% to 1.75% per annum in the case of CORRA borrowings.

The 2026 ABL contains a springing financial covenant that requires a minimum 1.00:1.00 Fixed Charge Coverage Ratio (consolidated EBITDA less capital expenditures to fixed charges, each as defined in the 2026 ABL credit agreement) as of the end of each fiscal quarter (in each case, calculated on a trailing four fiscal quarter basis). The covenant would become operative if the Company failed to maintain a specified minimum amount of availability to borrow under the 2026 ABL, which was not applicable to the Company as of December 31, 2024.

In addition, the Senior Secured Credit Facilities and the 2029 Senior Notes (as well as the 2030 Senior Notes and the 2026 Senior Notes, each as defined below) are subject to negative covenants that, among other things and subject to certain exceptions, limit the Company's ability and the ability of its restricted subsidiaries to: (i) incur indebtedness (including guarantee obligations); (ii) incur liens; (iii) engage in mergers or other fundamental changes; (iv) dispose of certain property or assets; (v) make certain payments, dividends or other distributions; (vi) make certain acquisitions, investments, loans and advances; (vii) prepay certain indebtedness; (viii) change the nature of their business; (ix) engage in certain transactions with affiliates; (x) engage in sale-leaseback transactions; and (xi) enter into certain other restrictive agreements. The 2026 ABL is secured by a first priority lien over substantially all of the Company's and each guarantor's accounts and other receivables, chattel paper, deposit accounts (excluding any such account containing identifiable proceeds of Term Priority Collateral (as defined below)), inventory, and, to the extent related to the foregoing and other ABL Priority Collateral, general intangibles (excluding equity interests in any subsidiary of the Company and all intellectual property), instruments, investment property (but not equity interests in any subsidiary of the Company), commercial tort claims, letters of credit, supporting obligations and letter of credit rights, together with all books, records and documents related to, and all proceeds and products of, the foregoing, subject to certain customary exceptions (the "ABL Priority Collateral"), and a second priority lien over substantially all of the Company's and each guarantor's other assets, including all of the equity interests of any subsidiary held by the Company or any guarantor, subject to certain customary exceptions (the "Term Priority Collateral"). Beacon Sales Acquisition, Inc., a Delaware corporation and subsidiary of the Company, is a U.S. Borrower under the 2026 ABL and Beacon Roofing Supply Canada

Company, an unlimited liability company organized under the laws of Nova Scotia and subsidiary of the Company, is a Canadian borrower under the 2026 ABL. The 2026 ABL is fully and unconditionally guaranteed, on a joint and several basis, by the Company's active U.S. subsidiaries.

The Company capitalized debt issuance costs of $8.3 million related to the 2026 ABL, which are being amortized over the term of the financing arrangements.

As of December 31, 2024, the outstanding balance on the 2026 ABL, net of $2.3 million of unamortized debt issuance costs, was $148.1 million. The Company also had outstanding standby letters of credit related to the 2026 U.S. Revolver in the amount of $17.8 million as of December 31, 2024.

2028 Term Loan

On May 19, 2021, the Company entered into a $1.00 billion senior secured term loan B facility with Citi and a syndicate of other lenders. The 2028 Term Loan, prior to the most recent amendment, required quarterly principal payments in the amount of $2.5 million, with the remaining outstanding principal to be paid on its May 19, 2028 maturity date. The interest rate was based, at the Company's option, on a base rate, plus an applicable margin, or a Term SOFR rate, plus an applicable margin. The applicable margin for the 2028 Term Loan ranged, depending on the Company's consolidated total leverage ratio (consolidated total indebtedness to consolidated EBITDA, each as defined in the 2028 Term Loan credit agreement), from 1.25% to 1.50% per annum in the case of base rate borrowings and 2.25% to 2.50% per annum in the case of Term SOFR borrowings.

On March 28, 2024, the Company entered into Amendment No. 3 to the 2028 Term Loan (the "2028 Term Loan Amendment No. 3") with Citi, as administrative agent and collateral agent, and the lenders party thereto. The 2028 Term Loan Amendment No. 3, among other things, (i) increases the aggregate outstanding amount of outstanding term loans to $1.275 billion, (ii) reduces the interest rate for base rate borrowings to a rate per annum equal to a base rate plus a margin equal to 2.00%, (iii) reduces the interest rate to a rate per annum equal to Term SOFR with a 0.00% floor, plus a margin equal to 2.00%, and (iv) increases the required quarterly principal payments from $2.5 million to $3.2 million starting March 31, 2024 (the "2028 Term Loan Refinancing"). Except as amended by the 2028 Term Loan Amendment No. 3, the remaining terms of the 2028 Term Loan remain in full force and effect.

The Company evaluated the 2028 Term Loan Refinancing on a lender-by-lender basis to determine whether the transaction should be accounted for as either a debt extinguishment or debt modification. As a result, the Company recognized a loss on debt extinguishment of $2.4 million during the year ended December 31, 2024. In addition, unamortized historical debt issuance costs of $9.7 million and new debt issuance costs of $0.1 million related to the 2028 Term Loan continue to be amortized over the term of the financing arrangement.

The 2028 Term Loan is secured by a shared first-priority lien on the Term Priority Collateral and a shared second-priority lien on the ABL Priority Collateral. Certain excluded assets will not be included in the Term Priority Collateral and the ABL Priority Collateral. The 2028 Term Loan is fully and unconditionally guaranteed, on a joint and several basis, by certain of the Company's active U.S. subsidiaries.

On March 16, 2023, the Company novated and amended its interest rate swap agreement related to the 2028 Term Loan. For additional information, see Note 21.

As of December 31, 2024, the outstanding balance on the 2028 Term Loan, net of $8.2 million of unamortized debt issuance costs, was $1.25 billion.

2030 Senior Notes

On July 31, 2023, the Company, and certain subsidiaries of the Company as guarantors, completed a private offering of $600.0 million aggregate principal amount of 6.50% Senior Secured Notes due 2030 (the "2030 Senior Notes") at an issue price equal to par. The 2030 Senior Notes mature on August 1, 2030 and bear interest at a rate of 6.50% per annum, payable on February 1 and August 1 of each year, commencing on February 1, 2024. The 2030 Senior Notes and related subsidiary guarantees are secured by a shared first-priority lien on the Term Priority Collateral and a shared second-priority lien on the ABL Priority Collateral. Certain excluded assets will not be included in the Term Priority Collateral and the ABL Priority Collateral. The 2030 Senior Notes are fully and unconditionally guaranteed, on a joint and several basis, by certain of the Company's active U.S. subsidiaries.

The 2030 Senior Notes and related subsidiary guarantees were offered and sold in a private transaction exempt from the registration requirements of the Securities Act, to qualified institutional buyers in accordance with Rule 144A under the Securities Act and to non-U.S. persons outside of the United States pursuant to Regulation S under the Securities Act. The 2030 Senior Notes and related subsidiary guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and other applicable securities laws.

On July 31, 2023 the Company used net proceeds from the offering, together with cash on hand and available borrowings under the 2026 ABL to complete the Repurchase of the Preferred Stock.

The Company capitalized debt issuance costs of $8.1 million related to the 2030 Senior Notes, which are being amortized over the term of the financing arrangement.

As of December 31, 2024, the outstanding balance on the 2030 Senior Notes, net of $6.7 million of unamortized debt issuance costs, was $593.3 million.

2026 Senior Notes

On October 9, 2019, the Company, and certain subsidiaries of the Company as guarantors, completed a private offering of $300.0 million aggregate principal amount of 4.50% Senior Secured Notes due 2026 (the “2026 Senior Notes”) at an issue price equal to par. The 2026 Senior Notes mature on November 15, 2026 and bear interest at a rate of 4.50% per annum, payable on May 15 and November 15 of each year, commencing on May 15, 2020. The 2026 Senior Notes and related subsidiary guarantees are secured by a shared first-priority lien on the Term Priority Collateral and a shared second-priority lien on the ABL Priority Collateral. Certain excluded assets will not be included in the Term Priority Collateral and the ABL Priority Collateral. The 2026 Senior Notes are fully and unconditionally guaranteed, on a joint and several basis, by certain of the Company’s active U.S. subsidiaries.

The 2026 Senior Notes and related subsidiary guarantees were offered and sold in a private transaction exempt from the registration requirements of the Securities Act, to qualified institutional buyers in accordance with Rule 144A under the Securities Act and to non-U.S. persons outside of the United States pursuant to Regulation S under the Securities Act. The 2026 Senior Notes and related subsidiary guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and other applicable securities laws.

On October 28, 2019, the Company used the net proceeds from the offering, together with cash on hand and available borrowings under the Company’s previous asset-based revolving credit facility, to redeem all $300.0 million aggregate principal amount outstanding of the Company’s 6.375% Senior Notes due 2023.

The Company capitalized debt issuance costs of $4.7 million related to the 2026 Senior Notes, which are being amortized over the term of the financing arrangements.

As of December 31, 2024, the outstanding balance on the 2026 Senior Notes, net of $1.2 million of unamortized debt issuance costs, was $298.8 million.

Other Information

The following table presents annual principal payments for all outstanding financing arrangements for each of the next five years and thereafter (in millions):

Year Ending December 31,	2026 ABL	2028 Term Loan	Senior Notes[1]	Total
2025	$ —	$ 12.8	$ —	$ 12.8
2026	150.4	12.8	300.0	463.2
2027	—	12.8	—	12.8
2028	—	1,223.9	—	1,223.9
2029	—	—	350.0	350.0
Thereafter	—	—	600.0	600.0
Total debt	150.4	1,262.3	1,250.0	2,662.7
Unamortized debt issuance costs	(2.3)	(8.2)	(10.1)	(20.6)
Total debt, net	$ 148.1	$ 1,254.1	$ 1,239.9	$ 2,642.1

1. Represent principal amounts for 2026, 2029, and 2030 Senior Notes.

Under the terms of the 2026 ABL, the 2028 Term Loan, the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the Company is limited in making certain restricted payments, including dividends on its common stock. Based on the provisions in the respective debt agreements and given the Company's intention to not pay common stock dividends in the foreseeable future, the Company does not believe that the restrictions are significant.

13. Leases

The following table summarizes components of lease costs recognized in the consolidated statements of operations (in millions):

	Year Ended December 31,		
	2024	2023	2022
Operating lease costs	$ 146.7	$ 124.4	$ 112.7
Finance lease costs:			
Amortization of right-of-use assets	33.7	22.5	13.3
Interest on lease obligations	8.7	5.7	2.6
Variable lease costs	15.1	12.3	9.4
Total lease costs	$ 204.2	$ 164.9	$ 138.0

The following table presents supplemental cash flow information related to the Company's leases (in millions):

	Year Ended December 31,		
	2024	2023	2022
Cash paid for amounts included in measurement of lease obligations:			
Operating cash outflows from operating leases	$ 137.8	$ 121.1	$ 105.0
Operating cash outflows from finance leases	$ 8.8	$ 5.1	$ 2.4
Financing cash outflows from finance leases	$ 30.7	$ 21.2	$ 12.1
Right-of-use assets obtained in exchange for new finance lease liabilities	$ 78.6	$ 65.4	$ 62.8
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 124.5	$ 67.9	$ 66.2

As of December 31, 2024, the Company's operating leases had a weighted-average remaining lease term of 6.3 years and a weighted-average discount rate of 6.07%, and the Company's finance leases had a weighted-average remaining lease term of 4.6 years and a weighted-average discount rate of 6.34%.

The following table summarizes future lease payments as of December 31, 2024 (in millions):

Year Ending December 31,	Operating Leases	Finance Leases
2025	$ 136.9	$ 48.6
2026	139.3	47.7
2027	122.5	42.7
2028	104.9	31.7
2029	85.1	18.7
Thereafter	194.3	10.8
Total future lease payments	783.0	200.2
Imputed interest	(137.1)	(26.4)
Total lease liabilities	$ 645.9	$ 173.8

14. Commitments and Contingencies

The Company is subject to loss contingencies pursuant to various federal, state, and local environmental laws and regulations; however, the Company is not aware of any reasonably possible losses that would have a material impact on its results of operations, financial position, or liquidity. Potential environmental loss contingencies include possible obligations to remove or mitigate the effects on the environment of the placement, storage, disposal, or release of certain chemical or other substances by the Company or by other parties. Historically, environmental liabilities have not had a material impact on the Company's results of operations, financial position, or liquidity.

The Company is subject to litigation and governmental investigations from time to time in the ordinary course of business; however, the Company does not expect the results, if any, to have a material adverse impact on its results of operations, financial position, or liquidity. The Company accrues a liability for legal claims when payments associated with the claims become probable and the costs can be reasonably estimated. The Company also considers whether an insurance recovery receivable is applicable and appropriate based on the specific legal claim. The actual costs of resolving legal claims and governmental investigations may be substantially higher or lower than the amounts accrued for those activities.

In December 2018, a Company vehicle was involved in a fatal accident. In October 2019, the decedent's estate and two bystanders sued the driver and the Company in Utah state court. The trial was in August 2022 and the jury found the driver not liable. In April 2023, the trial court granted plaintiffs' motion for judgment notwithstanding the verdict, entering judgment against the driver and ordering the trial to proceed on the claims against the Company. The Utah appeals court granted an interlocutory appeal and affirmed the trial court's decision in December 2024. At this time there is not a probable loss with respect to this matter and any potential loss in regard to this matter is not reasonably estimable. Accordingly, the Company has not accrued any amounts related to this matter within its financial statements as of December 31, 2024.

15. Accumulated Other Comprehensive Income (Loss)

Other comprehensive income (loss) is composed of certain gains and losses that are excluded from net income under GAAP and instead recorded as a separate element of stockholders' equity.

The following table summarizes the components of, and changes in, AOCI (in millions):

	Foreign Currency Translation	Derivative Financial Instruments	AOCI
Balance as of December 31, 2021	$ (15.3)	$ (4.1)	$ (19.4)
Other comprehensive income (loss) before reclassifications	(6.9)	13.8	6.9
Reclassifications out of other comprehensive income (loss)	—	—	—
Balance as of December 31, 2022	$ (22.2)	$ 9.7	$ (12.5)
Other comprehensive income (loss) before reclassifications	2.7	(1.9)	0.8
Reclassifications out of other comprehensive income (loss)	—	(2.6)	(2.6)
Balance as of December 31, 2023	$ (19.5)	$ 5.2	$ (14.3)
Other comprehensive income (loss) before reclassifications	(11.0)	0.7	(10.3)
Reclassifications out of other comprehensive income (loss)	—	(1.6)	(1.6)
Balance as of December 31, 2024	$ (30.5)	$ 4.3	$ (26.2)

Gains (losses) on derivative instruments are reclassified in the consolidated statements of operations in interest expense, financing costs and other, net in the period in which the hedged transaction affects earnings.

16. Income Taxes

The Company recorded a provision for (benefit from) income taxes of $124.0 million, $151.1 million, and $161.3 million for the years ended December 31, 2024, 2023, and 2022, respectively.

The following table summarizes the components of the income tax provision (benefit) (in millions):

	Year Ended December 31,		
	2024	2023	2022
Current:			
Federal	$ 76.9	$ 87.8	$ 91.5
Foreign	3.0	5.8	7.2
State	24.8	29.0	32.6
Total current taxes	104.7	122.6	131.3
Deferred:			
Federal	13.7	22.0	25.5
Foreign	1.7	0.6	(0.6)
State	3.9	5.9	5.1
Total deferred taxes	19.3	28.5	30.0
Provision for (benefit from) income taxes	$ 124.0	$ 151.1	$ 161.3

The following table is a reconciliation of the statutory federal income tax rate to the Company’s effective income tax rate for the periods presented:

	Year Ended December 31,		
	2024	2023	2022
U.S. federal income taxes at statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal benefit	4.7 %	4.7 %	4.8 %
Share-based payments	(1.0)%	(0.8)%	(0.4)%
Non-deductible meals and entertainment	0.5 %	0.4 %	0.2 %
Other	0.3 %	0.5 %	0.4 %
Effective tax rate	25.5 %	25.8 %	26.0 %

Deferred income taxes reflect the tax consequences of temporary differences between the amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax law. These temporary differences are determined according to ASC 740. The following table presents temporary differences that give rise to deferred tax assets and liabilities for the periods presented (in millions):

	December 31,	
	2024	2023
Deferred tax assets:		
Deferred compensation	$ 13.6	$ 11.4
Allowance for doubtful accounts	6.2	6.8
Accrued vacation and other	13.1	10.8
Inventory valuation	19.4	17.4
Tax loss carryforwards[1]	3.3	0.4
Unrealized (gain) loss on financial derivatives	(1.4)	(1.7)
Lease liability	161.2	131.5
Total deferred tax assets	215.4	176.6
Deferred tax liabilities:		
Excess book over tax depreciation and amortization	(113.8)	(75.1)
Lease right-of-use asset	(138.6)	(119.5)
Total deferred tax liabilities	(252.4)	(194.6)
Net deferred income tax assets (liabilities)	$ (37.0)	$ (18.0)

1. Composed of interest limitation carryforwards and state net operating loss carryforwards.

The Company acquired $135.3 million of federal and state net operating loss carryforwards (“NOLs”) as part of its acquisition of Roofing Supply Group, LLC in fiscal year 2016. The Company has $0.1 million in state NOLs remaining as of December 31, 2024.

The Company’s non-domestic subsidiary, BRSCC, is treated as a controlled foreign corporation. On August 1, 2024, BRSCC acquired SSR which was also treated as a controlled foreign corporation. SSR amalgamated into BRSCC effective December 31, 2024. BRSCC and SSR’s taxable income, which reflects all of the Company’s Canadian operations, is being taxed only in Canada and would generally be taxed in the U.S. only upon an actual or deemed distribution. The Company expects that BRSCC’s earnings will be indefinitely reinvested for the foreseeable future; therefore, no U.S. deferred tax asset or liability for the differences between the book basis and the tax basis of BRSCC has been recorded as of December 31, 2024. Under the Tax Cuts and Jobs Act enacted in December 2017, future distributions from foreign subsidiaries will generally be subject to a federal dividends received deduction in the U.S. Should the earnings be remitted as dividends, the Company may be subject to additional foreign withholding and state income taxes. It is not practicable to estimate the amount of any additional taxes which may be payable on the undistributed earnings.

As of December 31, 2024, the Company’s goodwill balance on its consolidated balance sheet was $2.09 billion, of which there remains an amortizable tax basis of $1.02 billion for income tax purposes.

As of December 31, 2024, there were no uncertain tax positions which, if recognized, would affect the Company's effective tax rate. The Company's accounting policy is to recognize any interest and penalties related to uncertain tax positions in income tax expense in the consolidated statements of operations.

The Company has operations in 50 U.S. states and seven provinces in Canada. The Company is currently under audit in certain state and local jurisdictions for various years. These audits may involve complex issues, which may require an extended period of time to resolve. Additional taxes are reasonably possible; however, the amounts cannot be estimated at this time or would not be significant. The Company is no longer subject to U.S. federal income tax examinations for any fiscal years ended on or before September 30, 2020. For the majority of states, the Company is also no longer subject to tax examinations for any fiscal years ended on or before September 30, 2020. In Canada, the Company is no longer subject to federal or provincial tax examinations for any fiscal years ended on or before September 30, 2020.

On October 8, 2021, the Organization for Economic Co-operation and Development ("OECD") released a statement on the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, which agreed to a two-pillar solution to address tax challenges of the digital economy. On December 20, 2021, the OECD released the Model GloBE Rules for Pillar Two defining a 15% global minimum tax rate for large multinational corporations. Canada and other jurisdictions have enacted Pillar Two legislation in 2024, but the Company believes that any Pillar Two exposure in those jurisdictions would be immaterial. The OECD continues to release additional guidance and countries are implementing legislation with widespread adoption of the Model GloBE Rules for Pillar Two. The Company is continuing to evaluate the Model GloBE Rules for Pillar Two and related legislation, and their potential impact on future periods.

17. Geographic Data

The following table summarizes geographic information for long-lived assets, including property and equipment and other non-current assets, excluding intangible assets, for the periods presented (in millions):

	December 31,	
	2024	**2023**
Long-lived assets:		
U.S.	$ 533.4	$ 428.6
Canada	22.3	15.1
Total long-lived assets	$ 555.7	$ 443.7

18. Allowance for Doubtful Accounts

The following table summarizes changes in the valuation of the allowance for doubtful accounts for each balance sheet period presented (in millions):

	Year Ended December 31,	
	2024	**2023**
Beginning balance	$ 15.0	$ 17.2
Charged to operations	12.8	7.6
Write-offs	(10.2)	(9.8)
Ending balance	$ 17.6	$ 15.0

19. Fair Value Measurement

As of December 31, 2024, the carrying amount of cash and cash equivalents, accounts receivable, prepaid and other current assets, accounts payable, and accrued expenses approximated fair value because of the short-term nature of these instruments. The Company measures its cash equivalents at amortized cost, which approximates fair value based upon quoted market prices (Level 1).

As of December 31, 2024, based upon recent trading prices (Level 2), the fair values of the Company's $300.0 million 2026 Senior Notes, $350.0 million 2029 Senior Notes, and $600.0 million 2030 Senior Notes were $294.8 million, $331.6 million, and $607.5 million, respectively.

As of December 31, 2024, the fair value of the Company's term loan and revolving lines of credit approximated the amount outstanding. The Company estimates the fair value of its term loan and revolving lines of credit by discounting the future cash flows of each instrument using estimated market rates of debt instruments with similar maturities and credit profiles (Level 3).

20. Employee Benefit Plans

The Company maintains defined contribution plans covering non-union employees of the Company who have 90 days of service and are at least 21 years old. Certain union employees are eligible to participate in the Company's defined contribution plans if allowed for by their collective bargaining agreement. All employees who are non-resident aliens are also excluded from participation. An eligible employee may elect to make a before-tax contribution of between 1% and 100% of his or her compensation through payroll deductions, not to exceed the annual limit set by law. The Company currently matches the first 50% of participant contributions limited to 6% of a participant's gross compensation (maximum Company match is 3%). The combined total expense for this plan and a similar plan for Canadian employees for the years ended December 31, 2024, 2023, and 2022 was $17.6 million, $15.3 million, and $13.4 million, respectively.

The Company also participates in multi-employer defined benefit plans for which it is not the sponsor. The aggregated expense for these plans for the years ended December 31, 2024, 2023, and 2022 was $2.3 million, $2.6 million, and $3.7 million, respectively. Withdrawal from participation in one of these plans requires the Company to make a lump-sum contribution to the plan, and the Company's withdrawal liability depends on the extent of the plan's funding of vested benefits, among other factors.

21. Financial Derivatives

The Company uses interest rate derivative instruments to manage the risk related to fluctuating cash flows from interest rate changes by converting a portion of its variable-rate borrowings into fixed-rate borrowings.

On September 11, 2019, the Company entered into two interest rate swap agreements to manage the interest rate risk associated with the variable rate on the Company's previous term loan. Each swap agreement has a notional amount of $250.0 million. As part of the 2021 Debt Refinancing, the Company refinanced its previous term loan, resulting in the issuance of the 2028 Term Loan; the two interest rate swaps were designed and executed such that they continue to hedge against a total notional amount of $500.0 million related to the refinanced 2028 Term Loan. One agreement (the "5-year swap") was scheduled to expire on August 30, 2024 and swaps the thirty-day LIBOR with a fixed-rate of 1.49%. The second agreement (the "3-year swap") expired on August 30, 2022 and swapped the thirty-day LIBOR with a fixed-rate of 1.50%. At the inception of the swap agreements, the Company determined that both swaps qualified for cash flow hedge accounting under ASC 815. Therefore, changes in the fair value of the swaps, net of taxes, were recognized in other comprehensive income each period, then reclassified into the consolidated statements of operations as a component of interest expense, financing costs and other, net in the period in which the hedged transaction affected earnings.

On March 16, 2023, the Company novated its 5-year swap agreement to another counterparty and, in connection with such novation, amended the interest rate swap agreement. The amendment changed the index rate from LIBOR to SOFR, increased the total notional amount of the interest rate swap to $500.0 million, and extended the termination date to March 31, 2027 (the "2027 interest rate swap"). Specifically, the fixed rate of 1.49% indexed to LIBOR was modified to 3.00% indexed to SOFR. The Company used a strategy commonly referred to as "blend and extend" which allows the asset position of the novated 5-year swap agreement of approximately $9.9 million to be effectively blended into the new 2027 interest rate swap agreement. As a result of this transaction, on March 16, 2023, the 5-year swap agreement was de-designated and the unrealized gain of $9.9 million included within accumulated other comprehensive income was frozen and was ratably reclassified as a reduction to interest expense, financing costs and other, net over the original term of the 5-year swap as the hedged transactions affect earnings. The unrealized gain of $9.9 million was fully recognized as of August 2024. Additionally, the 2027 interest rate swap had a fair value of $9.9 million at inception and will be ratably recorded to accumulated other comprehensive income and reclassified to interest expense, financing costs and other, net over the term of the 2027 interest rate swap, or through March 31, 2027 as the hedged transactions affect earnings. At the inception of the 2027 interest rate swap, the Company determined that the swap qualified for cash flow hedge accounting under ASC 815. Therefore, changes in the fair value of the swap, net of taxes, will be recognized in other comprehensive income each period, then reclassified into the consolidated statements of operations as a component of interest expense, financing costs and other, net in the period in which the hedged transaction affects earnings. The 2027 interest rate swap is the only swap agreement outstanding as of December 31, 2024.

The effectiveness of the outstanding 2027 interest rate swap will be assessed qualitatively by the Company during the life of the hedge by (i) comparing the current terms of the hedge with the related hedged debt to assure they continue to coincide and (ii) through an evaluation of the ability of the counterparty to the hedge to honor its obligations under the hedge. The Company performed a qualitative analysis as of December 31, 2024 and concluded that the outstanding 2027 interest rate swap continues to meet the requirements under ASC 815 to qualify for cash flow hedge accounting. As of December 31, 2024, the fair value of the 2027 interest rate swap, net of tax, was $8.5 million in favor of the Company.

During the year ended December 31, 2024, the Company reclassified gains of $1.6 million out of accumulated other comprehensive income (loss) and to interest expense, financing costs and other, net. Approximately $5.6 million of net gains included in accumulated other comprehensive income (loss) at December 31, 2024 is expected to be reclassified into earnings within the next 12 months as interest payments are made on the Company's Term Loan and amortization of the inception date fair value of the 2027 interest rate swap occurs. The Company records any differences paid or received on its interest rate hedges to interest expense, financing costs and other, net within the consolidated statements of operations.

The fair value of the interest rate swap is determined through the use of a pricing model, which utilizes verifiable inputs such as market interest rates that are observable at commonly quoted intervals (generally referred to as the "forward curve") for the full terms of the hedge agreements. These values reflect a Level 2 measurement under the applicable fair value hierarchy. The following table summarizes the combined fair value, net of tax, of the interest rate swap (in millions):

		Net Assets (Liabilities) as of December 31,	
Instrument	**Fair Value Hierarchy**	**2024**	**2023**
Designated interest rate swap[1]	Level 2	$ 8.5	$ 7.8

1. Assets are included in the consolidated balance sheets in prepaid expenses and other current assets, while liabilities are included in accrued expenses.

The following table summarizes the amounts of gain (loss) on the change in fair value of the designated interest rate swap recognized in other comprehensive income (in millions):

	Year Ended December 31,		
Instrument	**2024**	**2023**	**2022**
Designated interest rate swap	$ 0.7	$ (1.9)	$ 13.8

22. Segment Reporting

As further described in Note 2, the Company's CODM is the Chief Executive Officer and the Company views its operations and manages its business as a single operating segment, which is the wholesale distribution of building materials. The Company's revenues for its single operating segment are derived from the sale of residential and non-residential roofing products, as well as complementary products, such as siding and waterproofing.

The accounting policies for the wholesale distribution of building materials operating segment are the same as those described in Note 2. The CODM evaluates performance for the Company's single operating segment and decides how to allocate resources based on the Company's consolidated net income that is reported in the consolidated statements of operations as net income (loss). The measure of segment assets is reported on the consolidated balance sheets as total assets. The CODM allocates resources across the Company based on consolidated net income derived during the annual budgeting process and throughout the year in monitoring actual results compared to budget and updated forecasts. These results are used to assess segment performance and determine the compensation of certain employees.

The operating segment financial information regularly reviewed by the CODM, inclusive of assets, revenue, expenses, profit or loss, and noncash items are presented on a consolidated basis in the same amount and using the same captions as those included in the consolidated statements of operations, consolidated balance sheets, and consolidated statements of cash flows. There are no additional segment expense categories regularly provided to the CODM. Therefore, there are also no amounts classified as other segment items requiring disclosure.

23. Subsequent Events

On January 27, 2025, QXO, Inc. ("QXO") commenced a tender offer for all issued and outstanding shares of our common stock for $124.25 per share in cash (the "QXO Tender Offer"). Based on periodic reviews with financial advisors of the Company's business, strategy, historic, current and future valuation, and potential opportunities and a careful review of the QXO Tender Offer in consultation with the Company's independent financial and legal advisors, the Board unanimously determined that the QXO Tender

Offer is inadequate, undervalues the Company and is not in the best interests of the Company and its stockholders. As discussed in our Solicitation/Recommendation Statement in response to the QXO Tender Offer, filed with the SEC on Schedule 14D-9 on February 6, 2025 (and as subsequently amended), the Board recommended that the Company's stockholders reject the QXO Tender Offer and not tender their shares into the QXO Tender Offer.

On January 27, 2025, our Board adopted a stockholder rights agreement (the "Rights Agreement") and declared a dividend of one right for each outstanding share of Company common stock to stockholders of record at the close of business on February 7, 2025. Each right entitles its holder, subject to the terms of the Rights Agreement, to purchase from the Company one one-thousandth of a share of Series A Junior Participating Preferred Stock, par value $0.01 per share, of the Company at an exercise price of $640.00 per right, subject to adjustment. The rights will expire on the close of business on January 26, 2026, unless prior to such date stockholder approval has been obtained to extend the term of the rights or the rights have otherwise been redeemed or terminated in accordance with the Rights Agreement.

The Rights Agreement is intended to protect Beacon and its stockholders from anyone seeking to opportunistically gain control of Beacon without paying all stockholders an appropriate control premium. The Rights Agreement ensures the Board has sufficient time to review QXO's tender offer and consider the best approach to enhance the interests of the Company and its stockholders. The Rights Agreement will not, and is not intended to, prevent a takeover of the Company on terms that are fair to and in the best interests of the Company and all the Company's stockholders.

In addition, on February 12, 2025, QXO submitted to the Company a notice of its intention to nominate 10 directors for election at the Company's 2025 Annual Meeting of Stockholders. The Board is carefully reviewing QXO's nominees and will make a recommendation in due course.

The QXO Tender Offer expired 12:00 midnight (New York City time) at the end of February 24, 2025. On February 25, 2025, QXO extended the QXO Tender Offer, with the extended offer period to expire at 5:00 p.m. (New York City time) on March 3, 2025.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

1. Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of December 31, 2024. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2024, our disclosure controls and procedures were (1) designed to ensure that material information relating to Beacon Roofing Supply, Inc., including its consolidated subsidiaries, is made known to our Chief Executive Officer and Chief Financial Officer by others within those entities, particularly during the period in which this report was being prepared and (2) designed to be effective, and were effective, in that they provide reasonable assurance of achieving their objectives, including that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

2. Internal Control over Financial Reporting

(a) Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Our internal control system was designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations which may not prevent or detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal controls over financial reporting as of December 31, 2024, using the criteria set forth in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (COSO). Based on our assessment, we believe that, as of December 31, 2024, our internal control over financial reporting is effective at the reasonable assurance level based on those criteria.

Our Independent Registered Public Accounting Firm has issued a report on our internal control over financial reporting. This report appears below.

(b) Attestation Report of the Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of

Beacon Roofing Supply, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Beacon Roofing Supply, Inc.'s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Beacon Roofing Supply, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and our report dated February 27, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Tysons, Virginia

February 27, 2025

(c) Changes in Internal Control Over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) occurred during the fiscal quarter ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

During the three months ended December 31, 2024, none of our directors or Section 16 officers adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each such term is defined in Item 408 of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated by reference to our definitive proxy statement for our 2025 Annual Meeting of Stockholders to be filed with the SEC.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference to our definitive proxy statement for our 2025 Annual Meeting of Stockholders to be filed with the SEC.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Incorporated by reference to our definitive proxy statement for our 2025 Annual Meeting of Stockholders to be filed with the SEC.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Incorporated by reference to our definitive proxy statement for our 2025 Annual Meeting of Stockholders to be filed with the SEC.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated by reference to our definitive proxy statement for our 2025 Annual Meeting of Stockholders to be filed with the SEC.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) Financial Statements

The following financial statements of our Company and Report of the Independent Registered Public Accounting Firm are included in Part II, Item 8 of this Report:

- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets as of December 31, 2024 and 2023
- Consolidated Statements of Operations for the years ended December 31, 2024, 2023, and 2022
- Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023, and 2022
- Consolidated Statements of Stockholders' Equity for the years ended December 31, 2024, 2023, and 2022
- Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023, and 2022
- Notes to the Consolidated Financial Statements

(2) Financial Statement Schedules

Financial statement schedules have been omitted because they are either not applicable or the required information has been disclosed in the financial statements or notes thereto.

(3) Exhibits

INDEX TO EXHIBITS

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Second Amended and Restated Certificate of Incorporation of Beacon Roofing Supply, Inc.	10-K	3.1	December 23, 2004
3.2	Certificate of Designation of Series A Junior Participating Preferred Stock of Beacon Roofing Supply, Inc.	8-K	3.1	January 28, 2025
3.3	By-Laws of Beacon Roofing Supply, Inc. (effective August 11, 2021).	8-K	3.1	August 17, 2021
4.1*	Description of Common Stock.			
4.2	Stockholder Rights Agreement, dated as of January 27, 2025, by and between Beacon Roofing Supply, Inc. and Computershare Trust Company, N.A., as rights agent.	8-K	4.1	January 28, 2025
4.3	Indenture, dated as of October 9, 2019, by and among Beacon Roofing Supply, Inc., the subsidiary guarantors party thereto, and U.S. Bank National Association, as trustee and collateral agent.	8-K	4.1	October 9, 2019
4.4	Form of 4.500% Senior Secured Notes due 2026 (included as Exhibit A to the Indenture incorporated by reference as Exhibit 4.3).	8-K	4.2	October 9, 2019
4.5	Indenture, dated as of May 10, 2021, by and among Beacon Roofing Supply, Inc., the subsidiary guarantor party thereto, and U.S. Bank National Association, as trustee.	8-K	4.1	May 10, 2021
4.6	Form of 4.125% Senior Notes due 2029 (included as Exhibit A to the Indenture incorporated by reference as Exhibit 4.5).	8-K	4.2	May 10, 2021
4.7	Indenture, dated as of July 31, 2023, by and among Beacon Roofing Supply, Inc., the subsidiary guarantor party thereto, and U.S. Bank Trust Company, National Association, as trustee and collateral agent.	8-K	4.1	July 31, 2023
4.8	Form of 6.500% Senior Secured Notes due 2030 (included as Exhibit A to the Indenture incorporated by reference as Exhibit 4.7).	8-K	4.2	July 31, 2023
10.1	Amended and Restated Term Loan Credit Agreement, dated May 19, 2021, by and among Beacon Roofing Supply, Inc., as borrower, Citibank, N.A., as administrative agent and collateral agent, and the lenders from time to time party thereto.	8-K	10.1	May 21, 2021

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
10.2	Second Amended and Restated Credit Agreement, dated May 19, 2021, by and among Beacon Roofing Supply, Inc., as a guarantor, certain subsidiaries of Beacon Roofing Supply, Inc. party thereto as borrowers, and lenders from time to time party thereto and Wells Fargo Bank, N.A., as administrative agent for the lenders.	8-K	10.2	May 21, 2021
10.3	Amendment No. 2, dated as of June 6, 2023, to the Second Amended and Restated Credit Agreement among Beacon Roofing Supply, Inc., the other loan parties party thereto, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent.	8-K	10.1	June 9, 2023
10.4	Amendment No. 2, dated as of July 3, 2023, to the Amended and Restated Term Loan Credit Agreement among Beacon Roofing Supply, Inc., the other loan parties party thereto, the lenders party thereto and Citibank, N.A., as administrative agent.	8-K	10.1	July 10, 2023
10.5	Amendment No. 3 to Amended and Restated Term Loan Credit Agreement, dated as of March 28, 2024, by and among Beacon Roofing Supply, Inc., as borrower, Beacon Sales Acquisition, Inc., as guarantor, Citibank, N.A., as administrative agent, and the lenders party thereto.	8-K	10.1	March 28, 2024
10.6	Amendment No. 3, dated as of June 28, 2024, to the Second Amended and Restated Credit Agreement among Beacon Roofing Supply, Inc., the other loan parties party thereto, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent.	10-Q	10.1	October 31, 2024
10.7+	Description of Beacon Roofing Supply, Inc. Executive Annual Incentive Plan.	10-Q	10.1	May 5, 2023
10.8+	Beacon Roofing Supply, Inc. Second Amended and Restated 2014 Stock Plan (incorporated by reference to Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on January 9, 2020).	DEF 14A	Appendix A	January 9, 2020
10.9+	Beacon Roofing Supply, Inc. 2024 Stock Plan (incorporated by reference to Annex A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 3, 2024).	DEF 14A	Annex A	April 3, 2024
10.10+	Form of Beacon Roofing Supply, Inc. 2024 Stock Plan Restricted Stock Unit Award Agreement for Non-Employee Directors (Settlement at Retirement).	8-K	10.2	May 15, 2024
10.11+	Form of Beacon Roofing Supply, Inc. 2024 Stock Plan Restricted Stock Unit Award Agreement for Non-Employee Directors (Settlement at Vest).	8-K	10.3	May 15, 2024
10.12+	Form of Beacon Roofing Supply, Inc. 2024 Stock Plan Restricted Stock Unit Award Agreement for Employees (Performance-based Vesting).	8-K	10.4	May 15, 2024
10.13+	Form of Beacon Roofing Supply, Inc. 2024 Stock Plan Restricted Stock Unit Award Agreement for Employees (Performance-based Vesting, Optional Deferred Settlement).	8-K	10.5	May 15, 2024
10.14+	Form of Beacon Roofing Supply, Inc. 2024 Stock Plan Restricted Stock Unit Award Agreement for Employees (Time-based Vesting).	8-K	10.6	May 15, 2024
10.15+	Form of Beacon Roofing Supply, Inc. 2024 Stock Plan Restricted Stock Unit Award Agreement for Employees (Time-based Vesting, Optional Deferred Settlement).	8-K	10.7	May 15, 2024
10.16+	Form of Beacon Roofing Supply, Inc. 2024 Stock Plan Stock Option Agreement.	8-K	10.8	May 15, 2024
10.17+	Form of Beacon Roofing Supply, Inc. Second Amended and Restated 2014 Stock Plan A25 Performance and Time-Based Restricted Stock Unit Award Agreement.	8-K	10.1	March 14, 2022
10.18+	Beacon Roofing Supply, Inc. Deferred Compensation Plan dated February 16, 2023	8-K	10.1	February 17, 2023
10.19+	Executive Severance and Restrictive Covenant Agreement, dated as of September 10, 2020, between Beacon Roofing Supply, Inc., Beacon Sales Acquisition, Inc. and Julian G. Francis.	10-K	10.19	November 20, 2020
10.20+	Form of Executive Severance and Restrictive Covenant Agreement between Beacon Roofing Supply, Inc., Beacon Sales Acquisition, Inc. and executive officers and certain senior management.	10-K	10.20	November 20, 2020
10.21+	Form of Indemnification Agreement between Beacon Roofing Supply, Inc. and directors, executive officers and certain other officers.	8-K	10.1	November 17, 2021
19.1*	Beacon Roofing Supply, Inc. Insider Trading Policy			

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
19.2*	Beacon Roofing Supply, Inc. Guidelines for Rule 10b5-1 Trading Plans			
21*	Subsidiaries of Beacon Roofing Supply, Inc.			
23.1*	Consent of Independent Registered Public Accounting Firm			
31.1*	Rule 13a-14(a) certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
31.2*	Rule 13a-14(a) certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
32.1**	Section 1350 certification of CEO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
32.2**	Section 1350 certification of CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
97	Beacon Roofing Supply, Inc. Incentive Compensation Recoupment Policy	10-K	97	February 28, 2024
101*	101.INS Inline XBRL Instance–the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. 101.SCH Inline XBRL Taxonomy Extension Schema 101.CAL Inline XBRL Taxonomy Extension Calculation 101.PRE Inline XBRL Taxonomy Extension Presentation 101.LAB Inline XBRL Taxonomy Extension Labels 101.DEF Inline XBRL Taxonomy Extension Definition			
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)			

+ Management contract or compensatory plan/arrangement

* Filed herewith

** Furnished herewith

ITEM 16. 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BEACON ROOFING SUPPLY, INC. (REGISTRANT)

By: /s/ PRITHVI S. GANDHI

Prithvi S. Gandhi

Executive Vice President & Chief Financial Officer

Date: February 27, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ STUART A. RANDLE Stuart A. Randle	Chairman	February 27, 2025
/s/ JULIAN G. FRANCIS Julian G. Francis	President and Chief Executive Officer; Director	February 27, 2025
/s/ PRITHVI S. GANDHI Prithvi S. Gandhi	Executive Vice President and Chief Financial Officer	February 27, 2025
/s/ SAMUEL M. GUZMAN JR. Samuel M. Guzman Jr.	Vice President and Chief Accounting Officer	February 27, 2025
/s/ BARBARA G. FAST Barbara G. Fast	Director	February 27, 2025
/s/ ALAN GERSHENHORN Alan Gershenhorn	Director	February 27, 2025
/s/ MELANIE M. HART Melanie M. Hart	Director	February 27, 2025
/s/ RACQUEL H. MASON Racquel H. Mason	Director	February 27, 2025
/s/ ROBERT M. MCLAUGHLIN Robert M. McLaughlin	Director	February 27, 2025
/s/ EARL NEWSOME Earl Newsome	Director	February 27, 2025
/s/ NEIL S. NOVICH Neil S. Novich	Director	February 27, 2025
/s/ DOUGLAS L. YOUNG Douglas L. Young	Director	February 27, 2025

EXHIBIT 4.1

DESCRIPTION OF COMMON STOCK

The following summary description sets forth some of the general terms and provisions of the common stock, par value $0.01 per share (the "Common Stock"), of Beacon Roofing Supply, Inc., a Delaware corporation (the "Company"). Because this is a summary description, it does not contain all of the information that may be important to you. For a more detailed description of our Common Stock, you should refer to the provisions of our Second Amended and Restated Certificate of Incorporation, as amended by the Certificate of Designation for our Series A Junior Participating Preferred Stock (collectively, our "charter"), our Amended and Restated By-Laws (our "bylaws"), and the stockholder rights agreement, dated as of January 27, 2025 by and between the Company and Computershare Trust Company, N.A.

General

Under our charter, we are authorized to issue 100,000,000 shares of our Common Stock, $0.01 par value per share, and 5,000,000 shares of undesignated preferred stock, $0.01 par value per share.

Holders of our Common Stock are entitled to one vote per share.

Each of our directors is elected by an affirmative vote of a plurality of the votes properly cast with respect to such director. Vacancies on the board of directors may be filled by an affirmative vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy will hold office until the next annual meeting of stockholders.

Subject to any preferential rights of any then outstanding shares of our preferred stock to receive dividends before any dividends may be paid on our Common Stock, the holders of our Common Stock will be entitled to share ratably in any dividends that may be declared by our board of directors out of funds legally available for the payment of dividends. Our Common Stock does not carry any redemption rights or any preemptive rights enabling a holder to subscribe for, or receive shares of, any class of our Common Stock or any other securities convertible into shares of any class of our Common Stock. In the event of a liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary, after payment of our liabilities and obligations to creditors, and holders of any then outstanding preferred stock, our remaining assets will be distributed ratably among the holders of shares of Common Stock on a per share basis. In the event of a merger or consolidation with or into another entity, holders of each share of Common Stock will be entitled to receive the same per share consideration.

Anti-Takeover Provisions of the Delaware Law and Our Governing Documents

Delaware Law

We are subject to Section 203 ("Section 203") of the Delaware General Corporation Law (the "DGCL"). In general, Section 203 prohibits a publicly held Delaware corporation from engaging in "business combination"
transactions with any "interested stockholder" for a period of three years following the time that the stockholder became an interested stockholder, unless:

- prior to the time the stockholder became an interested stockholder, either the applicable business combination or the transaction which resulted in the stockholder becoming an interested stockholder is approved by the corporation's board of directors;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the voting stock owned by the interested stockholder) shares owned by directors who are also officers of the corporation and shares owned by employee stock plans in which the employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the time that the stockholder became an interested stockholder, the business combination is approved by the corporation's board of directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

A “business combination” is defined to include, in general and subject to exceptions, a merger of the corporation with the interested stockholder; a sale of 10% or more of the market value of the corporation’s consolidated assets to the interested stockholder; certain transactions that result in the issuance of the corporation’s stock to the interested stockholder; a transaction that has the effect of increasing the proportionate share of the corporation’s stock owned by the interested stockholder; and any receipt by the interested stockholder of loans, guarantees or other financial benefits provided by the corporation. An “interested stockholder” is defined to include, in general and subject to exceptions, a person that (1) owns 15% or more of the outstanding voting stock of the corporation or (2) is an “affiliate” or “associate” (as defined in Section 203) of the corporation and was the owner of 15% or more of the corporation’s outstanding voting stock at any time within the prior three year period.

A Delaware corporation may opt out of Section 203 with an express provision in its original certificate of incorporation or by an amendment to its certificate of incorporation or bylaws expressly electing not to be governed by Section 203 and approved by a majority of its outstanding voting shares. We have not opted out of Section 203. As a result, Section 203 could delay, deter or prevent a merger, change of control or other takeover of our Company that our stockholders might consider to be in their best interests, including transactions that might result in a premium being paid over the market price of our Common Stock, and may also limit the price that investors are willing to pay in the future for our Common Stock.

Undesignated Preferred Stock

Our charter authorizes our board of directors to provide for the issuance of shares of preferred stock in one or more classes or series. Prior to issuance of shares of each series, our board of directors is required by the DGCL and our charter to fix the designation, powers, preferences and rights of the shares of such series and the qualifications, limitations or restrictions thereof. Thus, our board of directors could authorize the issuance of additional shares of preferred stock that have priority over our Common Stock with respect to dividends or rights upon liquidation or with terms and conditions that could have the effect of delaying, deferring or preventing a transaction or a change of control of our Company that might involve a premium price for holders of our Common Stock or otherwise be in their best interests.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Special Meetings of Stockholders; Stockholder Action

A special meeting of our stockholders may be called only by the Chairman of the board, the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) or by the board of directors, pursuant to a resolution adopted by the affirmative vote of a majority of the total number of directors then in office. Our bylaws provide that our stockholders may not take action by written consent.

Amendment of Certificate of Incorporation and Bylaws

Our charter may be amended in accordance with the DGCL. Our bylaws may be amended by the affirmative vote of a majority of the stockholders present at any annual meeting of the stockholders at which a quorum is present. Our bylaws may also be amended by the affirmative vote of a majority of the directors present at any regular or special meeting of the board of directors at which a quorum is present.

Forum Selection

Unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company’s stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be a state or federal court located within the State of Delaware, in all cases subject to the court having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company is deemed to have notice of and consented to the foregoing provisions of our bylaws.

Preferred Stock Purchase Rights

On January 27, 2025, the board of directors (the "Board") of the Company adopted a stockholder rights agreement and declared a dividend of one right (a "Right") for each outstanding share of Common Stock, to stockholders of record at the close of business on February 7, 2025 (the "Record Date"). Each Right entitles its holder, subject to the terms of the Rights Agreement (as defined below), to purchase from the Company one one-thousandth of a share of Series A Junior Participating Preferred Stock, par value $0.01 per share ("Preferred Stock"), of the Company at an exercise price of $640.00 per Right, subject to adjustment. The description and terms of the Rights are set forth in a stockholder rights agreement, dated as of January 27, 2025 (the "Rights Agreement"), by and between the Company and Computershare Trust Company, N.A., a federally chartered trust company, as rights agent (and any successor rights agent, the "Rights Agent"). The Board adopted the Rights Agreement in response to the tender offer previously announced by QXO, Inc. ("QXO").

The Rights. The Rights will attach to any shares of Common Stock that become outstanding after the Record Date and prior to the earlier of the Distribution Time (as defined below) and the Expiration Time (as defined below), and in certain other circumstances described in the Rights Agreement.

Until the Distribution Time, the Rights are associated with Common Stock and evidenced by Common Stock certificates or, in the case of uncertificated shares of Common Stock, the book-entry account that evidences record ownership of such shares, which will contain a notation incorporating the Rights Agreement by reference, and the Rights are transferable with and only with the underlying shares of Common Stock.

Until the Distribution Time, the surrender for transfer of any shares of Common Stock will also constitute the transfer of the Rights associated with those shares. As soon as practicable after the Distribution Time, separate rights certificates will be mailed to holders of record of Common Stock as of the Distribution Time. From and after the Distribution Time, the separate rights certificates alone will represent the Rights.

The Rights are not exercisable until the Distribution Time. Until a Right is exercised, its holder will have no rights as a stockholder of the Company, including the right to vote or to receive dividends.

Separation and Distribution of Rights; Exercisability. Subject to certain exceptions, the Rights become exercisable and trade separately from Common Stock only upon the "Distribution Time," which occurs upon the earlier of:

- the close of business on the tenth (10th) day after the "Stock Acquisition Date" (which is defined as (a) the first date of public announcement that any person or group has become an "Acquiring Person," which is defined as a person or group that, together with its affiliates and associates, beneficially owns the Specified Percentage (as defined below) or more of the outstanding shares of Common Stock (with certain exceptions, including those described below) or (b) such other date, as determined by the Board, on which a person or group has become an Acquiring Person) or
- the close of business on the tenth (10th) business day (or such later date as may be determined by the Board prior to such time as any person or group becomes an Acquiring Person) after the commencement of a tender offer or exchange offer that, if consummated, would result in a person or group becoming an Acquiring Person.

"Specified Percentage" means 20% (twenty percent) when referring to the beneficial ownership of any person that is a passive investor but only for so long as such person is a passive investor and 15% (fifteen percent) when referring to the beneficial ownership of any person that is not a passive investor.

An Acquiring Person does not include:

- the Company or any subsidiary of the Company;
- any officer, director or employee of the Company or any subsidiary of the Company in his or her capacity as such;
- any employee benefit plan of the Company or of any subsidiary of the Company or any entity or trustee holding (or acting in a fiduciary capacity in respect of) shares of capital stock of the Company for or pursuant to the terms of any such plan or for the purpose of funding other employee benefits for employees of the Company or any subsidiary of the Company; or
- any person or group that, together with its affiliates and associates, as of immediately prior to the first public announcement of the adoption of the Rights Agreement, beneficially owns the Specified Percentage or more of the outstanding shares of Common Stock so long as such person or group continues to beneficially own at least the Specified Percentage of the outstanding shares of Common Stock and does not acquire shares of Common Stock to beneficially own an amount equal to or greater than the greater of the Specified Percentage and the sum of the lowest beneficial ownership of such person or group since the public announcement of the adoption of the Rights Agreement plus one share of Common Stock.

In addition, the Rights Agreement provides that no person or group will become an Acquiring Person as a result of security purchases or issuances directly from the Company or through an underwritten offering approved by the Board. Also, a person or group will not be an Acquiring Person if the Board determines that such person or group has become an Acquiring Person inadvertently and such person or group as promptly as practicable divests a sufficient number of shares so that such person or group would no longer be an Acquiring Person.

Certain synthetic interests in securities created by derivative positions, whether or not such interests are considered to be ownership of the underlying Common Stock or are reportable for purposes of Regulation 13D of the Securities Exchange Act of 1934, as amended, are treated as beneficial ownership of the number of shares of Common Stock equivalent to the economic exposure created by the derivative position, to the extent actual shares of Common Stock are directly or indirectly held by counterparties to the derivatives contracts.

Expiration Time. The Rights will expire on the earliest to occur of (a) the close of business on January 26, 2026 (the "Final Expiration Time"), unless prior to such date stockholder approval has been obtained to extend the term of the Rights, (b) the time at which the Rights are redeemed or exchanged by the Company (as described below), (c) the time at which the Rights are exchanged in accordance with the Rights Agreement, or (d) upon the closing of any merger or other acquisition transaction involving the Company pursuant to a merger or other acquisition agreement that has been approved by the Board before any person or group becomes an Acquiring Person (the earliest of (a), (b), (c) and (d) being herein referred to as the "Expiration Time").

Flip-in Event. In the event that any person or group (other than certain exempt persons) becomes an Acquiring Person (a "Flip-in Event"), each holder of a Right (other than such Acquiring Person, any of its affiliates or associates or certain transferees of such Acquiring Person or of any such affiliate or associate, whose Rights automatically become null and void) will have the right to receive, upon exercise, Common Stock having a value equal to two times the exercise price of the Right.

Flip-over Event. In the event that, at any time following the Stock Acquisition Date, any of the following occurs (each, a "Flip-over Event"):

- the Company consolidates with, or merges with and into, any other entity, and the Company is not the continuing or surviving entity;
- any entity engages in a share exchange with or consolidates with, or merges with or into, the Company, and the Company is the continuing or surviving entity and, in connection with such share exchange, consolidation or merger, all or part of the outstanding shares of Common Stock are changed into or exchanged for stock or other securities of any other entity or cash or any other property; or
- the Company sells or otherwise transfers, in one transaction or a series of related transactions, fifty percent (50%) or more of the Company's assets, cash flow or earning power, each holder of a Right (except Rights which previously have been voided as described above) will have the right to receive, upon exercise, common stock of the acquiring company having a value equal to two times the exercise price of the Right.

Preferred Stock Provisions. Each share of Preferred Stock, if issued: (i) will not be redeemable; (ii) will entitle the holder thereof, when, as and if declared, to quarterly dividend payments equal to the greater of $1,000 per share and 1,000 times the amount of all cash dividends plus 1,000 times the amount of non-cash dividends or other distributions paid on one share of Common Stock; (iii) will entitle the holder thereof to receive $1,000 plus accrued and unpaid dividends per share upon liquidation; (iv) will have the same voting power as 1,000 shares of Common Stock and; (v) if shares of Common Stock are exchanged via merger, consolidation or a similar transaction, will entitle the holder thereof to a per share payment equal to the payment made on 1,000 shares of Common Stock.

Anti-dilution Adjustments. The exercise price payable, and the number of shares of Preferred Stock or other securities or property issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution:

- in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Preferred Stock,
- if holders of the Preferred Stock are granted certain rights, options or warrants to subscribe for Preferred Stock or convertible securities at less than the current market price of the Preferred Stock, or
- upon the distribution to holders of the Preferred Stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

With certain exceptions, no adjustment in the exercise price will be required until cumulative adjustments amount to at least one percent (1%) of the exercise price. No fractional shares of Preferred Stock will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the Preferred Stock on the last trading day prior to the date of exercise.

Redemption; Exchange. At any time prior to the earlier of (i) such time as any person becomes an Acquiring Person or (ii) the Final Expiration Time, the Company may redeem the Rights in whole, but not in part, at a price of $0.001 per Right (subject to adjustment and payable in cash, Common Stock or other consideration deemed appropriate by the Board). Immediately upon the action of the Board authorizing any redemption or at a later time as the Board may establish for the effectiveness of the redemption, the Rights will terminate and the only right of the holders of Rights will be to receive the redemption price.

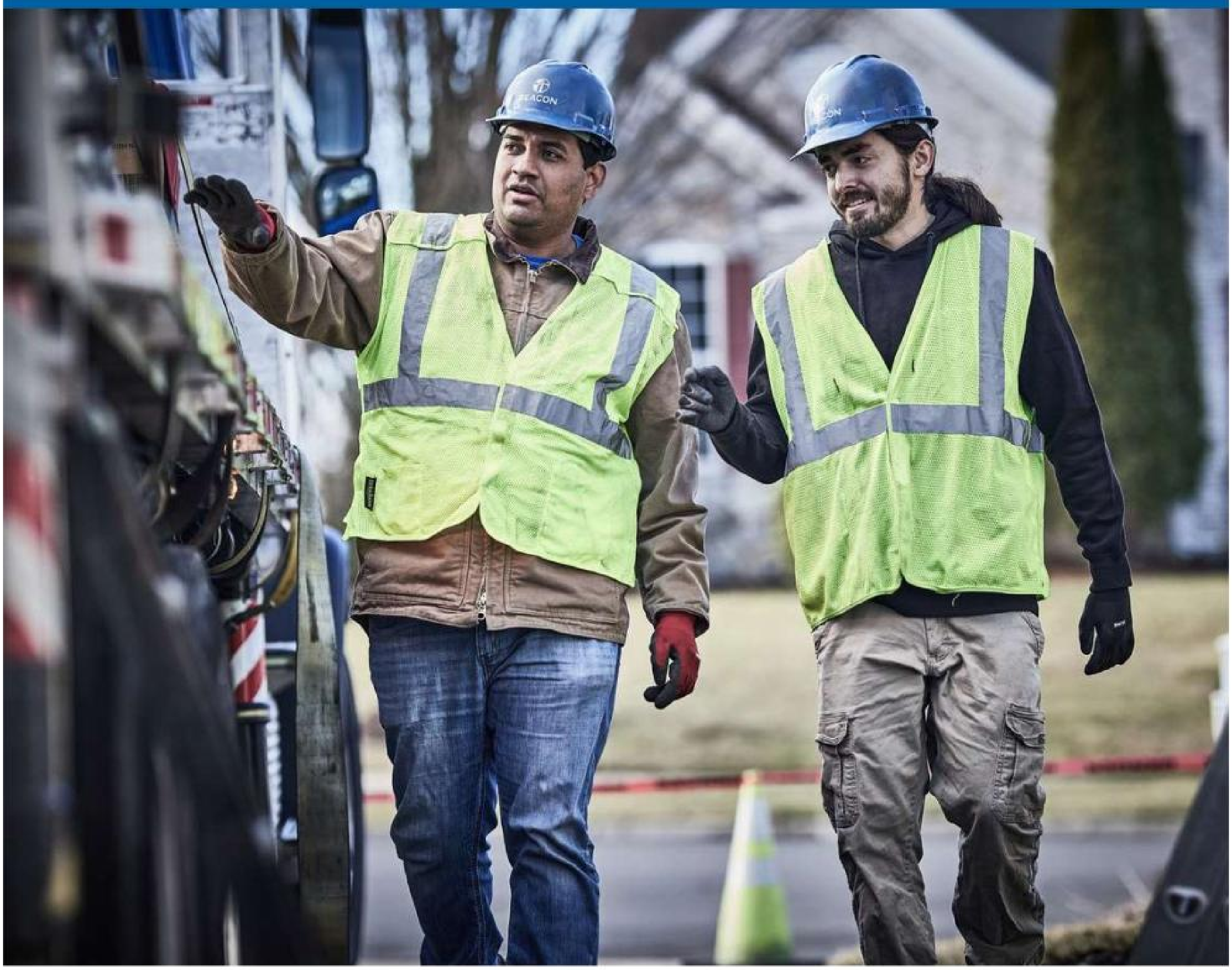
At any time before any Acquiring Person, together with all of its affiliates and associates, becomes the beneficial owner of fifty percent (50%) or more of the outstanding shares of Common Stock, the Company may exchange the Rights (other than Rights owned by the Acquiring Person, any of its affiliates or associates or certain transferees of Acquiring Person or of any such affiliate or associate, whose Rights will have become null and void), in whole or in part, at an exchange ratio of one share of Common Stock, or one one-thousandth of a share of Preferred Stock (or of a share of a class or series of the Company's preferred stock having equivalent rights, preferences and privileges), per Right (subject to adjustment).

Amendment of the Rights Agreement. The Company and the Rights Agent may from time to time amend or supplement the Rights Agreement without the consent of the holders of the Rights. However, on or after the Stock Acquisition Date, no amendment can materially adversely affect the interests of the holders of the Rights (other than the Acquiring Person, any of its affiliates or associates or certain transferees of Acquiring Person or of any such affiliate or associate).

EXHIBIT 19.1

BEACON BUILDING PRODUCTS

INSIDER TRADING POLICY



November 20, 2024

BEACON

BEACON BUILDING PRODUCTS INSIDER TRADING POLICY

November 20, 2024

I. PURPOSE

Beacon Roofing Supply, Inc. (the "Company") has adopted this Insider Trading Policy (this "Policy") to protect the Company and to help its directors, officers and employees comply with insider trading laws and to prevent even the appearance of improper insider trading.

Not only do we want to protect the Company from potential liability, but we also "Do The Right Thing". It's part of our Core Values. It is who we are. Doing the right thing includes not engaging in improper trading in Company Securities (defined below).

II. SCOPE

A. This Policy applies to all directors, officers and employees of the Company (collectively, "Insiders"). From time to time, the Compliance Officer (as defined below) may designate other individuals (e.g., contractors) as Insiders covered by this Policy because they have access to material nonpublic information concerning the Company.

B. Each Insider, including each Section 16 Individual (defined below) and each Key Employee (defined below), is also responsible for applying this Policy to members of his or her family living under his or her roof and trusts and entities he or she controls, and must acknowledge this responsibility when signing the Receipt and Acknowledgment of this Policy.

C. Except as set forth explicitly below, this Policy applies to any and all transactions in the Company's securities, including transactions in its common stock, options, preferred stock, restricted stock units, and any other type of securities that the Company may issue ("Company Securities"). This Policy applies to such Company Securities regardless of whether they are held in a brokerage account, any employee stock purchase plan, through Shareworks or otherwise.

D. Excluded from this Policy are transactions in Company Securities over which the Insider has no control. Examples include the receipt of dividends by all stockholders or an Insider's receipt of equity awards under a Board approved plan or the vesting of such awards by their terms, including the withholding of shares by the Company in satisfaction of any tax withholding obligations.

BUILD MORE

E. The portion of this Policy that is applicable to the Company may be found in Section IX below.

III. SPECIFIC GUIDANCE

A. Generally Prohibited Activities.

1. **Trading in Company Securities.**

   a. No Insider may buy, sell or otherwise trade in, or make a "gift" of, Company Securities while aware of material nonpublic information concerning the Company. A "gift" includes transfers without value and donations during the lifetime of the donor, but excludes acts to settle the estate of a deceased donor. Generally, a gift is not a purchase or sale, but a gift at a time the donor is in possession of material nonpublic information may provide the donor with indirect benefits and is prohibited.

   b. No Insider may buy, sell or otherwise trade in, or make a gift of, Company Securities during any trading blackout period applicable to such Insider as designated by the Compliance Officer.

2. **Tipping.** Providing material nonpublic information to another person who may trade or advise others to trade on the basis of that information is known as "tipping" and is illegal. Therefore, no Insider may "tip" or provide material nonpublic information concerning the Company to any person other than a director, officer or employee of the Company, unless required as part of that Insider's regular duties for the Company and authorized by the Compliance Officer.

3. **Giving Investment Advice.** No Insider may give investment advice of any kind, with or without compensation, about Company Securities to anyone, whether or not such Insider is aware of material nonpublic information about the Company.

4. **Engaging in Short-Swing Profits.** No Section 16 Individual (defined below) may realize profits from most matching purchases and sales of Company Securities during a six-month period regardless of intent and/or such trades occurring during open trading windows. If a Section 16 Individual profits from such short-swing matching transactions, such profits may have to be disgorged from the Section 16 Individual. There are certain transactions exempt from short-swing profit liability, including transactions affecting all stockholders (e.g., receipt of dividends), or vesting of some equity awards. Please consult with the General Counsel with questions.

5. **Engaging in Short Sales; Engaging in Derivative Transactions; Hedging.** No Insider may engage in short sales of Company Securities for his or her personal accounts or accounts of family members, trusts or entities he or she controls ("Personal Accounts"). A short sale is the sale of a security that the seller does not own at the time of the trade. No Insider may engage in transactions in puts, call options or other derivative instruments that relate to or involve Company Securities for his or her Personal Accounts. Such transactions are, in effect, bets on short-term movements in the Company's stock price and therefore create the appearance that the transaction is based on nonpublic information. No Insider may engage in hedging transactions involving Company Securities, including forward sale or purchase contracts, equity swaps or collars, for his or her Personal Accounts. Such transactions are speculative in nature and therefore, create the appearance that the transaction is based on nonpublic information.

6. **Trading on Margin or Pledging.** No Insider may hold Company Securities in a margin account or pledge (or hypothecate) Company Securities as collateral for a loan for his or her Personal Accounts. Margin sales may occur at a time when the Insider is aware of material nonpublic information or otherwise is not permitted to trade in Company Securities.

7. **Trading in Securities of Other Companies.** No Insider may, while in possession of material nonpublic information about any other public company gained in the course of employment with the Company, (a) trade in the securities of the other public company in his or her Personal Accounts, (b) "tip" or disclose such material nonpublic information concerning that public company to anyone, or (c) give investment advice, with or without compensation, to anyone concerning the other public company.

B. Exceptions to Trading in Company Securities in Section A.1.

The prohibitions in Section A.1 "Trading in Company Securities" do not apply to the following:

1. Trading in mutual funds, exchange-traded funds or other publicly traded collective investment trusts managed by a professional investment manager (e.g., a Vanguard or Fidelity mutual fund).
2. Purchases under any employee stock purchase plan that are made pursuant to an investment election made (1) while the Insider is not in possession of material nonpublic information or otherwise subject to a trading blackout, and (2) with respect to Section 16 Individuals and Key Employees, while the Company's trading window is open and subject to initial approval by the Compliance Officer in accordance with the procedures set forth in Section V.C.1 below. Likewise, a participant may stop or change payroll deductions or withdraw from a purchase plan only (1) while the Insider is not in possession of material nonpublic information or otherwise subject to a trading blackout, and (2) with respect to Section 16 Individuals and Key Employees, while the Company's trading window is open and subject to approval by the Compliance Officer.
3. Purchases or sales made pursuant to a Rule 10b5-1 plan that is adopted and operated in compliance with the terms of this Policy (see Section VII).
4. The receipt and vesting of Company stock options or other equity compensation, granted or awarded by the Company to an Insider, if such terms are approved in advance by the Board (or compensation committee), and happen in accordance with such approved terms.
5. The exercise of stock options, and payment of associated withholding, solely with cash provided by the Insider, and not from proceeds of an associated sale. This exception does not cover typical option exercises through the Shareworks platform, in which Shareworks sells shares in the open market to fund the exercise price and withholding. Any securities acquired pursuant to such exercise may only be sold (1) while the Insider is not in possession of material nonpublic information or otherwise subject to a trading blackout, and (2) with respect to Section 16 Individuals and Key Employees, while the Company's trading window is open and subject to approval by the Compliance Officer.

IV. DETERMINING WHETHER INFORMATION IS MATERIAL AND NONPUBLIC

A. Definition of "Material" Information.

1. There is no bright line test for determining whether particular information is material. Such a determination depends on the facts and circumstances unique to each situation, and cannot be made solely based on the potential financial impact of the information.
2. In general, information about the Company should be considered "material" if:
   - A reasonable investor would consider the information significant when deciding whether to buy or sell or vote Company Securities; or
   - The information, if disclosed, could be viewed by a reasonable investor as having significantly altered the total mix of information available in the marketplace about the Company.

   Put simply, if the information could reasonably be expected to affect the price of Company Securities, it should be considered material.

3. Whether information is material will be viewed by enforcement authorities with the benefit of hindsight. In other words, if the price of Company Securities changed as a result of the information having been made public, it will likely be considered material by enforcement authorities.

4. While it is not possible to identify every type of information that could be deemed "material," the following matters ordinarily should be considered material:

- Financial performance, especially quarterly and year-end earnings or significant changes in financial performance or liquidity.
- Potential significant mergers and acquisitions or the sale of significant assets or subsidiaries.
- New major contracts, orders, suppliers, customers, or finance sources, or the loss thereof.
- Significant changes or developments in supplies, pricing or inventory, including supply chain issues, excess inventory or product shortages.
- Stock splits, public or private securities/debt offerings, or changes in dividend policy.
- Significant changes in senior management.
- Actual or threatened major litigation, or the resolution of such litigation.
- An imminent change in the Company's credit rating by a rating agency.
- Cybersecurity incidents, including breaches.
- The contents of forthcoming publications that may affect the market price of Company Securities.

B. Definition of "Nonpublic" Information.

Information is "nonpublic" if it has not been disseminated to investors through a widely circulated news or wire service (such as Business Wire, Dow Jones, Bloomberg, PR Newswire, etc.) or disclosed by the Company in a conference call open to the general public or through a public filing with the Securities and Exchange Commission (the "SEC"). In order to give the public time to digest information, no Insider in possession of material nonpublic information should trade until after the opening of trading on the third trading day following (i) the Company's release of quarterly or annual earnings (if the nonpublic information relates to earnings) or (ii) widespread public release of information by Company press release, conference call or SEC filing (in the case of other nonpublic information).

C. **Limitations on Access to the Company Information.**

The following procedures are designed to maintain confidentiality with respect to the Company's business operations and activities.

1. All Company officers, directors and employees should take all steps and precautions necessary to restrict access to, and secure, material nonpublic information by, among other things:
   - Maintaining the confidentiality of Company-related transactions;
   - Conducting their business and social activities so as not to risk inadvertent disclosure of confidential information. Review of confidential documents in public places should be conducted so as to prevent access by unauthorized persons;
   - Restricting access to documents and files (including electronic files) containing material nonpublic information to individuals on a need-to-know basis (including maintaining control over the access to and distribution of Company information);
   - Promptly shredding all copies of confidential documents and other materials from conference rooms following the conclusion of any in-person meetings and deleting any confidential materials used in virtual meetings;
   - Properly disposing of all confidential documents and other papers, when there is no longer any business or other legally required need;
   - Restricting access to areas likely to contain confidential documents or material nonpublic information; and
   - Avoiding the discussion of material nonpublic information in places where the information could be overheard by others such as in elevators, restrooms, hallways, restaurants, airplanes or taxicabs.
2. Personnel involved with material non-public information, to the extent feasible, should always discuss and review such information in a secure setting.

D. **Consult the Compliance Officer for Guidance.**

Any Insider who is unsure whether the information that he or she possesses is material and/or nonpublic should consult the Compliance Officer for guidance before trading in any Company Securities.

E. **Examples.**

The following are illustrations of insider trading violations. These illustrations are hypothetical and are not intended to reflect actual activities or businesses:

1. **Trading by Insider:**
   - An employee of the Company learns that a publicly-announced Company deal to acquire a major competitor has unfortunately fallen through. Before the break-up is publicly announced and a trading window opens, the employee sells shares of the Company at a loss. The employee, an insider, is liable (it does not matter that losses were mitigated instead of profits gained).

2. **Trading by Tippee:**

- In the course of her employment, an employee of the Company learns that the Company is about to exceed earnings expectations by a wide margin and mentions this at a dinner party before the Company's earnings results are publicly announced. The employee, and any tippee who trades on the information, are liable for illegal insider trading.
- A spouse of an employee of the Company learns from her spouse negative information regarding the outcome of the Company's recent quarter before it is publicly announced. The spouse sells shares in the Company before the earnings announcement and open trading window, despite the fact her spouse specifically told her not to trade on the information. The tippee spouse misappropriated the confidential information in a breach of trust to her spouse and is liable for insider trading. Please note the tipper employee may still be in violation of Company policy and subject to discipline.

V. ADDITIONAL PROVISIONS FOR SECTION 16 INDIVIDUALS ANDKEY EMPLOYEES

A. Definitions of Section 16 Individuals and Key Employees.

1. **"Section 16 Individuals"** – Each member of the Company's Board of Directors ("Board") and those officers of the Company designated by the Board as "Section 16 officers" of the Company.

2. **"Key Employees"** – Key Employees are those individuals who are a) officers at the Vice President level or above or b) employees who have direct or indirect access to systems, data, or correspondence that may contain material nonpublic information and who have been so informed by the Compliance Officer of their status. The Company's Compliance Officer may change the designation of employees as Key Employees from time to time.

B. The Trading Window.

1. **Trading Only While Trading Window is Open.** Section 16 Individuals and Key Employees may buy, sell or trade in, or make gifts of, Company Securities for his or her Personal Accounts only while the Company's trading window is open. In general, the Company's trading window opens at the opening of trading on the third (3rd) trading day following the Company's release of quarterly or annual earnings, and closes at the close of market trading on the 15th day of the last month of any fiscal quarter (or if the 15th day falls on a non-trading day, the immediately preceding trading day.) For example, if the Company issues its earnings press release on Wednesday, October 30th then the trading window would open with the market opening on Monday, November 4th, and close when the market closes on Friday, December 13th, since the 15th day of the last month of the fiscal quarter ending December 31st falls on a non-trading day. Additionally, the Company may have special trading windows for certain Insiders based on their knowledge of material nonpublic information in connection with certain events, such as acquisitions.

2. **No Trading While Aware of Material Nonpublic Information.** Notwithstanding the provisions of the immediately preceding section, any Section 16 Individual or Key Employee who is in possession of material nonpublic information regarding the Company may not trade in Company Securities in his or her Personal Accounts during an open trading window until the opening of trading on the third (3rd) trading day following the Company's widespread public release of such information.

C. **Procedures for Pre-clearing Trades by Section 16 Individuals and Key Employees.**

1. **Section 16 Individual and Key Employee Trades.** No Section 16 Individual or Key Employee may trade in, or make gifts of, Company Securities in his or her Personal Accounts until:

   a. Each Section 16 Individual notifies the General Counsel and Chief Financial Officer, and each Key Employee (excluding Section 16 Individuals) notifies the Compliance Officer, in writing, of a proposed trade by the close of business of either Monday (for a proposed trade Wednesday through Friday of that week) or Thursday (for a proposed trade Monday through Wednesday of the following week), and each such notice sets forth the amount and nature of the proposed trade; and

   b. He or she certifies, in writing, with the notice of the proposed trade(s), that he or she is not aware of material nonpublic information regarding the Company.

   The notice and certification required by this Section V.C.1 shall be given using the form attached hereto as Exhibit A, or through an automated process or other means as designated by the Compliance Officer using substantially similar information. Reasonable best efforts will be made to pre-clear the proposed trades for which notice has been given pursuant to Section V.C.1.a prior to the relevant three day trading period, provided that the facts referred to in Section V.C.1.b remain correct. Once the trading period identified in the notice has expired, a new notice and certification pursuant to this Section V.C.1 must be given in order for the Section 16 Individual or Key Employee to trade in Company Securities.

   In the event that the date of an earnings release would result in in the trading window opening on a day that is not a Wednesday or a Monday, the Compliance Officer may set an alternative deadline for delivery of the first notice and certification of a trading window, with the start and end dates of the three day trading period adjusted accordingly.

2. **Trades of Compliance Officer, General Counsel and Chief Financial Officer.** If the Compliance Officer desires to complete any trades involving Company Securities for his or her Personal Account, he or she must first obtain the approval of the Chief Financial Officer or the General Counsel of the Company. If either the Chief Financial Officer or the General Counsel desires to complete any trades involving Company Securities for his or her Personal Account, he or she must first obtain the approval of the Compliance Officer of the Company and the other such individual (i.e., the General Counsel if the Chief Financial Officer desires to complete any such trades, or the Chief Financial Officer if the General Counsel desires to complete any such trades).

3. **No Obligation to Approve Trades**. The existence of these pre-clearance procedures does not obligate any of the Chief Financial Officer, General Counsel or Compliance Officer to approve any trades requested by Section 16 Individuals, Key Employees or the Compliance Officer.

D. **Post-Employment.**

Post-Employment Restrictions. In the event that an Insider, Section 16 Individual or Key Employee subject to a blackout period under this policy shall terminate his or her relationship with the Company, for any reason, during a period when the trading window is closed, the Company shall retain the right to apply the closed trading window then in effect to such former Insider, Section 16 Individual or Key Employee of the Company for the duration of such closed trading window in addition to other trading restrictions required by applicable law. In the event that a Section 16 Individual or Key Employee is, in the belief of the Company, in possession of material nonpublic information at the time his or her service terminates, the Company shall have the right to impose a trading blackout commencing on the date of such termination, even if not

during a closed trading window, and ending at the end of the next commencing closed trading window. If *any* Insider is in possession of material nonpublic information when his or her service terminates, that individual may not trade in Company Securities until that information has become public or is no longer material.

E. **Section 16 Reporting Obligations.**

Reporting Changes in Beneficial Ownership. Section 16 Individuals are required to report every change in beneficial ownership of Company Securities to the SEC on a Form 4 within 2 business days after the trade occurs or in certain cases on Form 5 within 45 days after fiscal year end. A Form 4 must be filed even if, as a result of balancing transactions, there has been no net change in holdings.

F. **Rule 144 Reporting Obligations.**

Rule 144. Rule 144 provides a safe harbor exemption to the registration requirements of the Securities Act of 1933 for certain resales of Company common stock by Company control persons. Section 16 Individuals are typically subject to Rule 144. If you are subject to Rule 144, you must instruct your broker who handles trades in Company common stock to follow the brokerage firm's Rule 144 compliance procedures in connection with all trades, including filing a Form 144 with the SEC. This obligation may continue post-employment and post-directorship.

VI. COMPLIANCE OFFICER

The Company has designated its Vice President, Capital Markets and Treasurer, named below, as the individual responsible for ensuring compliance with this Policy (the "Compliance Officer"). The duties of the Compliance Officer include the following:

A. Administering this Policy and monitoring and enforcing compliance with all Policy provisions and procedures.

B. Responding to all inquiries relating to this Policy.

C. Reviewing and pre-clearing all proposed trades by Key Employees (excluding Section 16 Individuals) in accordance with the procedures set forth in Section V.C.1 above.

D. After discussing with the blackout assessment team, designating and announcing trading blackout periods during which certain Insiders may not trade in Company Securities.

E. Providing copies of this Policy and other appropriate materials (including periodic training provided by the Company) to all new Insiders.

F. Administering, monitoring and enforcing compliance with all federal and state insider trading laws and regulations.

G. Assisting in the preparation and filing of all required SEC reports relating to insider trading in Company Securities.

H. Revising this Policy as necessary to reflect changes in federal or state insider trading laws and regulations, or as otherwise deemed necessary or appropriate.

The Compliance Officer may designate one or more individuals who may perform the Compliance Officer's duties in the event that the Compliance Officer is unable or unavailable to perform such duties.

VII. RULE 10b5-1 TRADING PLANS

A. General Information.

Under Rule 10b5-1 of the Securities Exchange Act of 1934, an individual has an affirmative defense against an allegation of insider trading if he or she demonstrates that the purchase, sale or trade in question took place pursuant to a binding contract, specific instruction or written plan that was put into place before he or she became aware of material nonpublic information. Such contracts, irrevocable instructions and plans are commonly referred to as Rule 10b5-1 plans.

Rule 10b5-1 plans have the advantage of protecting against insider trading liability. However, they also require advance commitments regarding the amounts, prices and timing of purchases or sales of Company Securities and thus limit trading control. Section 16 Individuals will have the adoption of their Rule 10b5-1 plans publicly disclosed in the Company's periodic reports. Such disclosure will include the date of adoption, duration and number of securities covered, but not pricing terms.

B. Specific Requirements.

1. **Pre-Approval.** For a Rule 10b5-1 plan to serve as a defense against an allegation of insider trading, a number of legal requirements must be satisfied. Accordingly, anyone wishing to establish a Rule 10b5-1 plan must first receive approval from the Compliance Officer or his or her designee. Section 16 Individuals or Key Employees wanting to establish a Rule 10b5-1 plan must also satisfy the notification and certification requirements set forth in Section V.C.1 above.

2. **Material Nonpublic Information and Blackouts**. An individual desiring to enter into a Rule 10b5-1 plan must enter into the plan at a time when he or she is not aware of any material nonpublic information about the Company or otherwise subject to a trading blackout.

3. **Trading Window.** Section 16 Individuals and Key Employees may only establish a Rule 10b5-1 plan when the Company's trading window is open.

4. **Cooling-off Period.** In order to comply with SEC rules, the Company requires that no purchases or sales may occur under a Rule 10b5-1 plan until expiration of a cooling-off period consisting of the later of: (i) ninety days after the adoption of the plan or (ii) two business days following the disclosure of the Company's financial results in a Form 10-Q or Form 10-K for the completed fiscal quarter in which the plan was adopted (but, in any event, this required cooling-off period is subject to a maximum of 120 days after adoption of the plan).

5. **Terminations, Modifications and Transactions Outside a Plan.** Entering into a Rule 10b5-1 plan requires a commitment regarding the amounts, prices and timing of purchases or sales of Company Securities. Accordingly, terminations and trading of any Company Securities outside a plan may limit the availability of the defense, are strongly discouraged, and are only permitted with the advance written approval of the Compliance Officer, which may be withheld in his or her sole discretion. Rule 10b5-1 plan modifications are not permitted. Section 16 Individuals will have the termination of their Rule 10b5-1 plans publicly disclosed in the Company's periodic reports.

The Company will post Guidelines for Rule 10b5-1 Plans from time to time with additional information and requirements.

VIII. POTENTIAL PENALTIES AND DISCIPLINARY SANCTIONS

A. Civil and Criminal Penalties.

The consequences of prohibited insider trading or tipping can be severe. Persons violating insider trading or tipping rules may be required to disgorge the profit made or the loss avoided by the trading, pay the loss suffered by the person who purchased securities from or sold securities to the Insider or tippee, pay significant civil and/or criminal penalties, and serve a jail term. The Company in such circumstances may also be required to pay civil or criminal penalties.

B. Company Discipline.

Violation of this Policy or federal or state insider trading or tipping laws by any Insider may, in the case of a director, subject the director to a demand for resignation and, in the case of an officer or employee, subject the officer or employee to disciplinary action by the Company up to and including termination for cause.

C. Reporting of Violations.

Any Insider who violates this Policy or any federal or state law governing insider trading or tipping, or knows of any such violation by any other Insider, must report the violation immediately to the Compliance Officer, who is currently Binit Sanghvi, Vice President, Capital Markets and Treasurer (Binit.Sanghvi@becn.com). Upon determining that any such violation has occurred, the Compliance Officer, in consultation with the Company's Disclosure Committee and, where appropriate, the Chair of the Audit Committee of the Board, will determine whether the Company should release any material nonpublic information, and, when required by applicable law, shall cause the Company to report the violation to the SEC or other appropriate governmental authorities.

IX. PROVISION APPLICABLE TO THE COMPANY

The Company may choose to repurchase shares of its common stock as part of a publicly announced share repurchase program authorized by the Board. The Company will not acquire shares of its common stock in such program at any time it is in possession of material nonpublic information (unless pursuant to a Rule 10b5-1 plan or an accelerated share repurchase agreement, in each case entered into at a time the Company is not in possession of material nonpublic information).

X. MISCELLANEOUS

This Policy will be delivered to all Insiders upon its adoption by the Company and to all new Section 16 Individuals or Key Employees when so designated.

Upon first receiving this Policy or any material revision of this Policy, each Section 16 Individual and Key Employee must sign an acknowledgment that he or she has received a copy of this Policy and agrees to comply with its terms and assist in the administration of the Policy with respect to members of his or her family living under his or her roof and trusts and entities he or she controls. Each such Section 16 Individual or Key Employee shall also re-acknowledge this Policy annually.

Insiders are responsible for complying with all federal and state securities laws imposed on them. It is important to note that regardless of pre-clearance or compliance with this Policy, Insiders bear the ultimate responsibility for avoiding improper trading, and that compliance with this Policy does not reduce or relieve the obligations imposed on Insiders by applicable laws. Furthermore, while compliance with this Policy is designed to reduce the risk that an insider trading violation will occur, it is not an assurance or guaranty that an insider trading violation will not be found to have occurred.

RECEIPT AND ACKNOWLEDGMENT

Upon first receiving a copy of the Beacon Roofing Supply, Inc. Insider Trading Policy, any material revision thereof, and thereafter annually, each member of the Board of Directors, each officer designated under the Policy as a "Section 16 Individual" and each individual meeting the definition of "Key Employee" must sign and return to the Compliance Officer the following receipt and acknowledgment.

I, ____, hereby acknowledge that I have received and read a copy of the Beacon Roofing Supply, Inc. Insider Trading Policy and consent and agree to comply with its terms, and any revisions or updates thereto, and to assist in the administration of the Policy with respect to members of my family living under my roof and trusts and entities I control. I understand that violation of insider trading or tipping laws or regulations may subject me to severe civil and/or criminal penalties, and that violation of the terms of the Insider Trading Policy may subject me to discipline by the Company up to and including termination for cause.

______________________________________ ______________________________

Signature Date

____

Print / Type Name

EXHIBIT A

THE BEACON ROOFING SUPPLY, INC.
INSIDER TRADING POLICY

Notice and Certification for Section 16 Individuals and Key Employees

For Section 16 Individuals, to General Counsel and Chief Financial Officer:

For Key Employees (excluding Section 16 Individuals), to Compliance Officer:

I hereby notify you of my intent to trade in securities of Beacon Roofing Supply, Inc. (the "Company"). The amount and nature of the proposed trade is as follows:

- ☐ Exercise ________________ stock options granted under the Beacon Roofing Supply, Inc. 2014 or 2024 Stock Plan and sell underlying Company common stock;
- ☐ Sell in the open market ________________ shares of Company common stock currently held at ________________ (example: Fidelity; another broker; in certificated form);
- ☐ Purchase in the open market ________________ shares of Company common stock;
- ☐ Gift ____________ shares of Company common stock to ______________________ ;
- ☐ Adopt the attached Rule 10b5-1 plan to sell up to ________________ shares of Company common stock;
- ☐ Other (explain) ____

I understand that I am not authorized to trade in Company Securities in my Personal Account(s) or adopt a Rule 10b5-1 plan in reliance upon this Notice and Certification unless and until I receive written pre-clearance. Such authorization, if in response to a request made before the close of business Monday, will continue from Wednesday through Friday of such week, or until the trading window closes, whichever comes first. Such authorization, if in response to a request made before the close of business Thursday, will continue from Monday through Wednesday of the following week, or until the trading window closes, whichever comes first. In the event the Compliance Officer sets an alternative deadline for delivery of the first Notice and Certification of a trading window, the start and end dates of the three day trading period will be adjusted accordingly as communicated by the Compliance Officer. I understand that if I have not completed my proposed trade or adopted my Rule 10b5-1 plan by the last date of the authorization period set forth in or determined pursuant to the three immediately preceding sentences, I must submit a new Notice and Certification in order to trade in Company Securities or adopt a Rule 10b5-1 plan.

I understand that: (i) regardless of pre-clearance of my request, I bear the ultimate responsibility for avoiding improper trading; (ii) pre-clearance of my request does not reduce or relieve the obligations imposed on me by applicable laws; and (iii) pre-clearance of this request is not an assurance or guaranty that an insider trading violation will not be found to have occurred.

I hereby certify that I am not aware of material nonpublic information concerning the Company as of the date of this Certification.

Date: ____________________ Signature: ____________________________________

Print / Type Name: ______________________________

TO BE COMPLETED BY GENERAL COUNSEL, CHIEF FINANCIAL OFFICER OR COMPLIANCE OFFICER, AS APPLICABLE

Pre-cleared: ______________________________ Date: ____________________

EXHIBIT 19.2

BEACON ROOFING SUPPLY, INC.
GUIDELINES FOR RULE 10b5-1 TRADING PLANS

SEC Rule 10b5-1 can help protect a person from Rule 10b-5 liability for trading while aware of material, non-public information concerning the company if the purchase or sale was made pursuant to a binding contract, specific instruction or written plan—a "Rule 10b5-1 trading plan"—that the person put into place while unaware of material, non-public information.

A Rule 10b5-1 trading plan potentially provides protection for insider trading liability only if the following conditions are met:

- the trading plan is entered into in "good faith" and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5;
- the trading plan is adopted at a time when the person was not aware of any material non-public information;
- the terms of the trading plan specify the amount, price, and date of the transaction(s) (or include a written formula, algorithm, or computer program for determining the amount, price, and date);
- the trading plan only becomes effective after a cooling off period;
- the person trading under the plan does not exercise any subsequent influence over how, when, or whether to make purchases or sales;
- the purchase or sale is made pursuant to the trading plan; and
- only one trading plan is effective at a time.

Rule 10b5-1 trading plans have recently come under intense scrutiny from the SEC, academia and the press due to perceived abuses, and the SEC has recently substantially tightened the relevant rules. Trading plans are not a guarantee that trading will not result in criminal or civil liability, particularly if it is determined that the plan was not entered into in good faith.

Accordingly, to bolster the argument that each trading plan is entered into in good faith, and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, we require that the following guidelines apply to all Rule 10b5-1 trading plans. We understand that certain forms used by broker-dealers may provide flexibility on certain points set forth below, and will state that the broker-dealer will defer to the decision of the company as to whether to permit certain conduct, e.g., modifications to trading plans, or shorter cooling off periods for certain individuals. Please be aware that we will decline any request not consistent with the guidelines below, and we reserve the right in our sole and complete discretion to decline any request to trade outside a plan or to terminate any plan. Please also note that we may change these guidelines from time to time without advance notice, even with respect to outstanding trading plans. We may do this because of evolving best practices or new SEC guidance. Accordingly, you should only enter into a plan with the assumption that you may be required to let the plan run in accordance with its terms until its scheduled termination.

- All trading plans must be entered into during open an trading window (that is, not during a regular blackout period or specially imposed blackout period.)
- All trading plans must be entered into at a time when you are not in possession of material, non-public information. The trading window being open does not guarantee that you are not in possession of material, non-public information.
- A trading plan must contain a so-called "cooling off" period. This means that a trade may not occur pursuant to a trading plan until the later of (i) and (ii): (i) the 91st day after the date the trading plan is adopted; or (ii) the earlier of: (a) the third business day following the disclosure of the company's financial results in a Form 10-Q or Form 10-K for the completed fiscal quarter in which the trading plan is adopted; or (b) the 121st day after the date the trading plan is adopted.
- You may enter into only one trading plan at a time.
- You may not engage in any trading outside the trading plan without our prior written approval. We reserve the right to prohibit such trading in our sole and complete discretion.
- You may not modify a trading plan.

- You may terminate a trading plan at any time, subject to notice to the company and our prior written approval. We reserve the right to prohibit such termination in our sole and complete discretion.

Please keep in mind that if you terminate a trading plan, or trade outside a plan, it can call into question whether the protections for trades made pursuant to that plan are available, since it may suggest the plan was not entered into in good faith. Terminations and trading outside a plan are strongly discouraged. You terminate a trading plan, or trade outside a plan, at your own risk. If you terminate a trading plan, we may prohibit you from using plans in the future, or require more restrictive terms in future plans.

If you wish to use a 10b5-1 trading plan, we encourage you to use the form provided by Morgan Stanley. If you wish to use another broker-dealer for a 10b5-1 trading plan, we must have substantial advance notice because we will need to review that firm’s form. Expect that process to take two weeks or longer.

EXHIBIT 21

REGISTRANT'S SUBSIDIARIES

The following table sets forth, as of December 31, 2024, the Registrant's significant operating subsidiaries and other associated companies and their respective incorporation jurisdictions. The Registrant owns 100% of the voting securities of each of the subsidiaries listed below. There are no subsidiaries not listed in the table, which would, in the aggregate, be considered significant.

Active Subsidiaries	Jurisdiction of Incorporation
Beacon Sales Acquisition, Inc.	Delaware
Beacon Roofing Supply Canada Company	Nova Scotia

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

1) Registration Statement (Form S-8 No. 333-242402) of Beacon Roofing Supply, Inc. pertaining to the Beacon Roofing Supply, Inc. Second Amended and Restated 2014 Stock Plan,
2) Registration Statement (Form S-8 No. 333-210416) pertaining to the Beacon Roofing Supply, Inc. Amended and Restated 2014 Stock Plan,
3) Registration Statement (Form S-8 No. 333-193904) pertaining to the Beacon Roofing Supply, Inc. 2014 Stock Plan,
4) Registration Statement (Form S-8 No. 333-273739) of Beacon Roofing Supply, Inc. pertaining to the Beacon Roofing Supply, Inc. 2023 Employee Stock Purchase Plan; and
5) Registration Statement (Form S-8 No. 333-279420) of Beacon Roofing Supply, Inc. pertaining to the Beacon Roofing Supply, Inc. 2024 Stock Plan,

of our reports dated February 27, 2025, with respect to the consolidated financial statements of Beacon Roofing Supply, Inc. and the effectiveness of internal control over financial reporting of Beacon Roofing Supply, Inc. included in this Annual Report (Form 10-K) of Beacon Roofing Supply, Inc. for the year ended December 31, 2024.

/s/ Ernst & Young LLP

Tysons, Virginia
February 27, 2025

EXHIBIT 31.1

CERTIFICATION

I, Julian G. Francis, certify that:

1. I have reviewed this annual report on Form 10-K of Beacon Roofing Supply, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ Julian G. Francis

Julian G. Francis

President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Prithvi S. Gandhi, certify that:

1. I have reviewed this annual report on Form 10-K of Beacon Roofing Supply, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ Prithvi S. Gandhi

Prithvi S. Gandhi

Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Beacon Roofing Supply, Inc. (the "Company") on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Julian G. Francis, the Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julian G. Francis

Julian G. Francis
President and Chief Executive Officer

February 27, 2025

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Beacon Roofing Supply, Inc. and will be retained by Beacon Roofing Supply, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Beacon Roofing Supply, Inc. (the "Company") on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Prithvi S. Gandhi, the Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Prithvi S. Gandhi

Prithvi S. Gandhi
Executive Vice President and Chief Financial Officer

February 27, 2025

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Beacon Roofing Supply, Inc. and will be retained by Beacon Roofing Supply, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.