

Builders FirstSource, Inc.
Form 424B5
September 08, 2017
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**Filed pursuant to Rule 424(b)(5)
Registration Statement No. 333-199955**

Prospectus Supplement

(To Prospectus dated November 26, 2014)

13,482,177 Shares

Builders FirstSource, Inc.

Common Stock

The selling stockholder named in this prospectus supplement is offering 13,482,177 shares of our common stock, par value \$0.01 per share. We will not receive any proceeds from the sale of our common stock by the selling stockholder.

Our common stock is traded on the NASDAQ Global Select Market (which we refer to as NASDAQ in this prospectus supplement) under the symbol BLDR. On September 5, 2017, the last reported sale price of our common stock on NASDAQ was \$16.39 per share.

Investing in our common stock involves a high degree of risk. You should review carefully the risks and uncertainties referenced under the heading Risk Factors on page S-5 of this prospectus supplement.

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

	Per Share	Total
Public offering price	\$ 16.30	\$ 219,759,485.10
Underwriting discount ⁽¹⁾	\$ 0.13	\$ 1,752,683.01
Proceeds, before expenses, to the selling stockholder	\$ 16.17	\$ 218,006,802.09

(1) See Underwriting for a detailed description of compensation payable to the underwriter. The underwriter expects to deliver the shares of common stock against payment on September 8, 2017.

Goldman Sachs & Co. LLC

The date of this prospectus supplement is September 6, 2017.

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ABOUT THIS PROSPECTUS SUPPLEMENT

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

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

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

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

Except where the context requires otherwise, references in this prospectus supplement to the Company, us, we or our refer to Builders FirstSource, Inc. and its consolidated subsidiaries.

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PROSPECTUS SUPPLEMENT SUMMARY

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

Our Company

We are a leading supplier and manufacturer of building materials, manufactured components and construction services to professional homebuilders, sub-contractors, remodelers and consumers. The Company operates 400 locations in 40 states across the United States. We offer an integrated solution to our customers providing manufacturing, supply and installation of a full range of structural and related building products. Our manufactured products include our factory-built roof and floor trusses, wall panels and stairs, vinyl windows, custom millwork and trim, as well as engineered wood that we design, cut, and assemble for each home. We also assemble interior and exterior doors into pre-hung units. Additionally, we supply our customers with a broad offering of professional grade building products not manufactured by us, such as dimensional lumber and lumber sheet goods and various window, door and millwork lines. Our full range of construction-related services includes professional installation, turn-key framing and shell construction, and spans all our product categories.

We group our building products and services into six product categories:

Lumber & Lumber Sheet Goods. Lumber & lumber sheet goods include dimensional lumber, plywood and oriented strand board products used in on-site house framing.

Manufactured Products. Manufactured products consist of wood floor and roof trusses, steel roof trusses, wall panels, stairs, and engineered wood.

Windows, Doors & Millwork. Windows & doors are comprised of the manufacturing, assembly and distribution of windows, and the assembly and distribution of interior and exterior door units. Millwork includes interior trim and custom features that we manufacture under the Synboard[®] brand name.

Gypsum, Roofing & Insulation. Gypsum, roofing, and insulation include wallboard, ceilings, joint treatment and finishes.

Siding, Metal, and Concrete. Siding, metal, and concrete includes vinyl, composite, and wood siding, exterior trim, other exteriors, metal studs and cement.

Other Building Products & Services. Other building products & services are comprised of products such as cabinets and hardware as well as services such as turn-key framing, shell construction, design assistance, and professional installation spanning the majority of our product categories.

We compete in a fragmented marketplace. We believe our integrated approach and scale allow us to compete effectively through our comprehensive product lines, prefabricated components, and value-added services combined with the knowledge of our integrated sales forces to enable our homebuilder customers to complete construction more quickly, with higher quality and at a lower cost. While we expect these benefits to be particularly valuable to our

customers in market environments characterized by labor shortages, sourcing challenges or sharply rising demand for new homes, we expect such benefits will also be increasingly valued and demanded by our customers operating under normal market conditions.

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Recent Developments

On August 9, 2017 we announced that our Chief Executive Officer (CEO) Floyd Sherman, age 78, has advised our board of directors that he intends to step down as CEO effective January 1, 2018. In accordance with our succession plan, Paul S. Levy, Chairman of the board of directors, confirmed that the board of directors intends to appoint Chad Crow, currently President and Chief Operating Officer, as President and CEO effective January 1, 2018. Paul S. Levy will continue to serve as Chairman of our board of directors after this offering.

Our Sponsor

We are a publicly traded company, with our common stock listed on the NASDAQ under the ticker symbol BLDR. As of September 6, 2017, affiliates of JLL Partners, Inc. (JLL) owned approximately 12.73% of our outstanding common stock. Fifteen business days after completion of this offering, JLL will distribute 862,407 shares to its general partner and certain of its limited partners. Paul S. Levy, Chairman of our board of directors and a Senior Managing Director of affiliates of JLL, is purchasing approximately 800,000 shares in the offering at the price paid by the underwriters. As a result of such purchase and the shares he will receive in the distribution from JLL, he will own approximately one million shares after the completion of this offering.

Corporate Information

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

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THE OFFERING

The summary below describes the principal terms of this offering. The **Description of Capital Stock** section of the accompanying prospectus contains a more detailed description of the shares of our common stock.

Common stock offered by the selling

stockholder 13,482,177 shares of our common stock.

Common stock outstanding

As of September 6, 2017, we had 112,642,753 shares of common stock outstanding.

Use of Proceeds

We will not receive any proceeds from the sales of our common stock by the selling stockholder.

NASDAQ Trading Symbol

BLDR

Settlement Date

Delivery of the shares of common stock will be made against payment therefor on or about September 8, 2017.

Risk Factors

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

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

excludes 3,004,921 shares of common stock issuable upon the exercise of vested and unvested stock options outstanding as of September 6, 2017 at a weighted average exercise price of \$5.65, including options to purchase shares granted under our stock incentive plans, including our 2014 Incentive Plan; and

excludes 2,215,668 shares of common stock issuable upon the conversion of restricted stock units granted under our stock incentive plans.

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*Investing in our securities involves a high degree of risk. You should carefully consider the specific risks described below, as well as other information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated herein by reference, including the risks described in our Annual Report on Form 10-K for the year ended December 31, 2016 and any risks described in our other filings with the SEC incorporated into the accompanying prospectus by reference, before making an investment decision. See the section of this prospectus supplement entitled *Where You Can Find Additional Information*. Any of the risks we describe below or in the information incorporated herein by reference could cause our business, financial condition, or operating results to suffer. The market price of our common stock could decline if one or more of these risks and uncertainties develop into actual events. You could lose all or part of your investment. Some of the statements in this section of the prospectus supplement are forward-looking statements. For more information about forward-looking statements, please see the section of this prospectus supplement entitled *Disclosure Regarding Forward-Looking Statements*.*

Risks Related to our Common Stock**The ownership position of affiliates of JLL limits other stockholders' ability to influence corporate matters.**

Affiliates of JLL owned approximately 12.73% of our outstanding common stock as of September 6, 2017 and following this offering JLL will distribute 862,407 shares to its general partner and certain of its limited partners. Two of our nine directors hold positions with affiliates of JLL. Additionally, Paul S. Levy is Chairman of our board of directors and a Senior Managing Director of affiliates of JLL. He is purchasing approximately 800,000 shares in the offering. As a result of such purchase and the shares he will receive in the distribution from JLL, he will own approximately one million shares after completion of the offering. Additionally, JLL is in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us. These entities may also pursue, for their own accounts, acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. Further, certain provisions of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws may limit your ability to influence corporate matters, and, as a result, we may take actions that some of our stockholders do not view as beneficial.

The sale of our common stock pursuant to this offering is expected to impair or reduce our ability to utilize our net operating loss (NOL) carryforwards and certain other tax attributes in the future.

Section 382 of the Internal Revenue Code imposes annual limitations on a company's utilization of NOL carryforwards, other tax carryforwards, and certain built-in losses upon an ownership change as defined under that section. In general terms, an ownership change may result from transactions that increase the aggregate ownership of certain stockholders in the Company's stock by more than 50 percentage points over a three year testing period (a Section 382 Ownership Change). If a Section 382 Ownership Change occurs, the annual limitation on the use of pre-ownership change NOL carryforwards and certain other tax attributes to offset taxable income earned after the Section 382 Ownership Change will be equal to the product of the applicable long-term tax exempt rate and the value of the Company's stock immediately before the Section 382 Ownership Change, subject to certain adjustments. In addition, Section 383 generally limits the amount of tax liability in any post-ownership change year that can be reduced by pre-ownership change tax credit carryforwards.

We believe that the completion of this offering will trigger a Section 382 Ownership Change. As such, an annual limitation will be imposed that defers the timing on certain of the Company's tax attributes, including NOL and capital loss carryforwards, and certain other losses, credits, deductions or tax basis. Our ability to utilize these tax attributes is

ultimately dependent on the generation of sufficient taxable income. However, there can be no assurance that we will generate enough taxable income to fully utilize these tax attributes prior to their

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expirations. In addition, we expect that this limitation will negatively impact our fiscal year 2017 cash flows by approximately \$15 million due to the anticipated increase in federal cash tax payments.

As of December 31, 2016, we had \$226.5 million of federal net operating loss carry-forwards that will expire at various dates through 2036. We also had \$411.4 million of state net operating loss carry-forwards, which includes \$2.5 million of state tax credit carry-forwards expiring at various dates through 2036.

Provisions of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws could delay or prevent a takeover of us by a third party and may prevent attempts by stockholders to replace or remove our current management.

Provisions in our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws and of Delaware law may make it difficult and expensive for a third party to pursue a tender offer, change in control or takeover attempt that is opposed by our management and board of directors. These provisions include the following:

Staggered board of directors;

Elimination of stockholder action through written consent;

Elimination of the ability to call special meetings;

Advance notice procedures for stockholder proposals;

Limitations on the removal of directors;

Process for filling board of directors vacancies; and

Supermajority requirements for amendment of certificate of incorporation and bylaws.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after a person becomes an interested stockholder. These provisions could limit the price that certain investors might be willing to pay in the future for shares of our common stock and limit the return, if any, you are able to achieve on your investment in us.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain certain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 with respect to our business, financial condition, liquidity and results of operations. Words such as anticipates, expects, intends, plans, predicts, believes, seeks, estimates, could, may, can, continue, potential, should, and the negative of these terms or other comparable terminology often identify forward-looking statements. Statements in this prospectus, the accompanying prospectus and the documents incorporated by reference that are not historical facts are hereby identified as forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. These forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements, including the risks discussed in this prospectus supplement, the accompanying prospectus, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 in Item 1A under Risk Factors as well as in Item 7A Quantitative and Qualitative Disclosures About Market Risk and the risks detailed from time to time in our future SEC reports. Factors, risks, and uncertainties that could cause actual outcomes and results to be materially different from those contemplated include, among others:

dependence on the residential building industry, the commercial building industry, as well as the economy, the credit markets and other important factors;

uncertainty surrounding the economy and credit markets;

cyclical and seasonal nature of the building products supply industry;

product shortages, fluctuations in the prices of raw materials, loss of key suppliers, and our dependence on third-party suppliers and manufacturers;

additional impairment charges or the need to idle or permanently close under-performing locations;

our ability to renew long-term leases for our facilities;

influence of significant stockholders;

loss of significant customers;

competition in the highly fragmented building products supply industry;

pricing pressure from our customers;

our future capital needs and our ability to obtain additional financing on acceptable terms;

our level of indebtedness and our ability to meet our obligations under our debt instruments;

our incurrence of additional indebtedness and our inability to take certain actions because of restrictions in our debt agreements;

our reliance on our subsidiaries;

dependence on key personnel;

exposure to product liability, product warranty, casualty, construction defect and other liability claims;

variability of our quarterly revenues and earnings;

disruptions at our facilities or in our information technology systems;

our ability to execute our strategic plans;

effects of regulatory conditions on our operations;

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exposure to environmental liabilities and regulation; and

economic and financial uncertainty resulting from terrorism and war.

Many of the important factors that will determine these results are beyond our ability to control or predict. You are cautioned not to put undue reliance on any forward-looking statements, which speak only as of the date of this prospectus supplement and the accompanying prospectus, as applicable, or, in the case of documents incorporated by reference, as of the date of such documents. Except as otherwise required by law, we do not assume any obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this prospectus supplement and the accompanying prospectus or to reflect the occurrence of unanticipated events.

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The following table sets forth, for the fiscal quarters indicated, the high and low sales prices for our common stock as reported by NASDAQ from January 1, 2015 through September 5, 2017.

	High	Low
Fiscal Year ended December 31, 2017		
First Quarter	\$ 15.85	\$ 10.57
Second Quarter	16.50	13.33
Third Quarter (through September 5, 2017)	16.80	16.34
Fiscal Year ended December 31, 2016		
First Quarter	\$ 11.34	\$ 6.50
Second Quarter	12.77	10.15
Third Quarter	14.09	10.99
Fourth Quarter	12.28	9.04
Fiscal Year ended December 31, 2015		
First Quarter	\$ 7.06	\$ 5.71
Second Quarter	14.24	6.54
Third Quarter	16.69	11.98
Fourth Quarter	15.72	10.02

Dividend Policy

We have not declared or paid cash dividends in the two most recent fiscal years. Any future determination relating to dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including restrictions in our debt instruments, as well as our future earnings, capital requirements, financial condition, prospects and other factors that our board of directors may deem relevant. Our debt agreements currently restrict our ability to pay dividends.

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USE OF PROCEEDS

We will not receive any proceeds from the sale of shares of our common stock by the selling stockholder.

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The table below presents information regarding the selling stockholder and the shares that such selling stockholder is offering under this prospectus supplement. Unless otherwise indicated, beneficial ownership is calculated based on 112,642,753 shares of our common stock outstanding as of September 6, 2017. The number of shares in the column Shares of Common Stock Offered By This Prospectus Supplement represents all of the shares that the selling stockholder is offering under this prospectus supplement. The column Shares of Common Stock Beneficially Owned After Offering reflects the beneficial ownership of the selling stockholder after giving effect to this offering.

Except as noted in this Selling Stockholder section or disclosed in our Proxy Statement on Schedule 14A, which is incorporated by reference herein, the selling stockholder has not had, within the past three years, any position, office or material relationship with us or any of our predecessors or affiliates.

The address of the selling stockholder is 450 Lexington Avenue, 31st Floor, New York, New York 10017.

Beneficial Owner	Shares of Common Stock Beneficially Owned Prior to Offering		Shares of Common Stock Offered by this Prospectus Supplement	Shares of Common Stock Beneficially Owned After Offering	
	Number	Percent		Number	Percent
JLL Buildings Holdings, LLC ⁽¹⁾	14,344,584	12.73%	13,482,177	0	0%

- (1) The stockholder of the Company is JLL Building Holdings, LLC, a Delaware limited liability company (JLL Holdings). JLL Partners Fund V, L.P., a Delaware limited partnership (JLL Fund V), is the sole member of JLL Holdings. JLL Associates V, L.P., a Delaware limited partnership (JLL Associates V), is the general partner of JLL Fund V. JLL Associates G.P. V, L.L.C., a Delaware limited liability company (JLL Associates G.P.), is the general partner of JLL Associates V. Mr. Paul Levy is the sole member of JLL Associates G.P. Each of JLL Holdings, JLL Fund V, JLL Associates V, and JLL Associates G.P. disclaims beneficial ownership of all shares held by the JLL entities. The address of the JLL entities is 450 Lexington Avenue, 31st Floor, New York, New York 10017. Additionally, each of Daniel Agroskin and Paul S. Levy is a member of our board of directors and a Managing Director of JLL. Messers Agroskin and Levy disclaim beneficial ownership of all shares held by the JLL entities. Fifteen business days after completion of this offering, JLL will distribute 862,407 shares to its general partner and certain of its limited partners. Paul S. Levy, Chairman of our board of directors and a Senior Managing Director of affiliates of JLL, has indicated that he is purchasing approximately 800,000 shares in the offering at the price paid by the underwriters. As a result of such purchase and the shares he will receive in the distribution from JLL, he will own approximately one million shares after the completion of this offering.

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U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a summary of U.S. federal income tax considerations generally applicable to non-U.S. holders (as defined below) with respect to the ownership and disposition of our common stock. This summary applies only to non-U.S. holders who purchase our common stock in this offering and hold our common stock as a capital asset (generally, property held for investment purposes). This summary does not address all aspects of U.S. federal income taxation that may be relevant to particular non-U.S. holders in light of their individual circumstances or the U.S. federal income tax consequences applicable to non-U.S. holders that are subject to special rules, such as controlled foreign corporations, passive foreign investment companies, corporations that accumulate earnings to avoid U.S. federal income tax, banks or other financial institutions, insurance companies, tax-exempt entities (including private foundations), U.S. expatriates, broker-dealers and traders in securities or currencies, non-U.S. holders that hold common stock as part of a straddle, hedge, conversion transaction or other integrated investment.

This summary is based on provisions of the Internal Revenue Code of 1986, as amended, U.S. Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof, and all of which are subject to change or differing interpretation, possibly on a retroactive basis. The summary does not describe any U.S. state, local or non-U.S. income or other tax consequences (including estate, gift and Medicare contribution tax consequences) of owning and disposing of our common stock.

For purposes of this summary, the term non-U.S. holder means a beneficial owner of our common stock that is, for U.S. federal income tax purposes, neither a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes) nor any of the following:

a citizen or individual resident of the United States;

a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or

a trust if (a) a United States court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our common stock, and partners in such partnerships, should consult their tax advisers as to the U.S. federal income tax consequences applicable to them in their particular circumstances.

EACH NON-U.S. HOLDER IS URGED TO CONSULT ITS TAX ADVISER REGARDING THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF OWNING AND DISPOSING OF OUR COMMON STOCK.

Distributions on Common Stock

Distributions on our common stock generally will be treated as dividends to the extent paid from our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated first as a return of capital to the extent of a non-U.S. holder's adjusted tax basis in our common stock and thereafter as capital gain from the sale or exchange of such common stock, subject to the tax treatment described below in Sale, Exchange or Other

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Taxable Disposition of Common Stock. Generally, the gross amount of dividends paid to a non-U.S. holder with respect to our common stock will be subject to withholding of U.S. federal income tax at a rate of 30%, or at a lower rate if an applicable income tax treaty so provides and the distribution agent has received proper certification as to the application of that treaty.

Dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable tax treaty, are attributable to a U.S. permanent establishment of the non-U.S. holder) are generally subject to U.S. federal income tax on a net income basis and are exempt from the 30% withholding tax described above (assuming compliance with certain certification requirements). Any such effectively connected dividends received by a non-U.S. holder that is a corporation may also, under certain circumstances, be subject to an additional branch profits tax at a rate of 30% (or lower applicable treaty rate).

To claim the benefit of an applicable tax treaty or an exemption from withholding because the income is effectively connected with the conduct of a trade or business in the United States, a non-U.S. holder generally will be required to provide a properly executed Internal Revenue Service (IRS) Form W-8BEN or W-8BEN-E (if the holder is claiming the benefits of an income tax treaty) or IRS Form W-8ECI (for income effectively connected with a trade or business in the United States) or other suitable form. If you are a non-U.S. holder, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. holders should consult their tax advisers regarding their entitlement to benefits under an applicable income tax treaty and the specific manner of claiming the benefits of the treaty.

Sale, Exchange or Other Taxable Disposition of Common Stock

A non-U.S. holder generally will not be subject to U.S. federal income or withholding tax with respect to gain on the sale, exchange or other taxable disposition of our common stock unless (i) the gain is effectively connected with such non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable tax treaty, is attributable to a U.S. permanent establishment of such non-U.S. holder), (ii) in the case of a non-U.S. holder that is a non-resident alien individual, such non-U.S. holder is present in the United States for 183 or more days in the taxable year of disposition and certain other requirements are met, or (iii) we are or have been a United States real property holding corporation for U.S. federal income tax purposes at any time within the shorter of the five-year period ending on the date of such sale, exchange, or other taxable disposition or the period that such non-U.S. holder held our common stock and either (a) our common stock was not treated as regularly traded on an established securities market at any time during the calendar year in which the sale, exchange or other taxable disposition occurs, or (b) such non-U.S. holder owns or owned (actually or constructively) more than five percent of our common stock at any time during the shorter of the two periods mentioned above. We have determined that we are not currently a U.S. real property holding corporation and do not anticipate becoming a U.S. real property holding corporation in the foreseeable future.

If gain or loss is effectively connected with a non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable tax treaty, is attributable to a U.S. permanent establishment of such non-U.S. Holder), the U.S. Holder will be subject to U.S. federal income tax on the disposition of our common stock on a net income basis in the same manner in which citizens or residents of the United States would be subject to U.S. federal income tax. In the case of a non-U.S. holder that is a foreign corporation, such gain may also be subject to an additional branch profits tax at a rate of 30% (or a lower applicable treaty rate). If a non-U.S. holder is an individual that is present in the United States for 183 or more days in the taxable year of disposition and certain other requirements are met, the non-U.S. holder generally will be subject to a flat income tax at a rate of 30% (or lower applicable treaty rate) on any capital gain recognized on the disposition of our common stock, which may be offset by certain U.S. source capital losses.

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Information Reporting and Backup Withholding

You generally will be required to comply with certain certification procedures to establish that you are not a U.S. person in order to avoid backup withholding with respect to dividends or the proceeds of a sale, exchange or other taxable disposition of common stock. In addition, we are required to annually report to the IRS and you the amount of any dividends paid to you, regardless of whether we actually withheld any tax. Copies of the information returns reporting such dividends and the amount withheld may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or credit against your U.S. federal income tax liability, provided that certain required information is provided on a timely basis to the IRS.

Foreign Account Tax Compliance Act

Withholding at a rate of 30% generally will be required in certain circumstances on dividends in respect of, and, after December 31, 2018, gross proceeds from the sale or other disposition of, shares of our common stock held by or through certain foreign financial institutions (including investment funds), unless such institution (i) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, or accounts maintained by, the institution that are owned by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (ii) if required under an intergovernmental agreement between the United States and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Accordingly, the entity through which our common stock is held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and after December 31, 2018, gross proceeds from the sale or other disposition of, our common stock held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exceptions generally will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us or our paying agent that such entity does not have any substantial United States owners or (ii) provides certain information regarding the entity's substantial United States owners, which we will in turn provide to the U.S. Department of the Treasury. Prospective investors should consult their tax advisers regarding the possible implications of these rules on their investment in our common stock.

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We, the selling stockholder and Goldman Sachs & Co. LLC, as the underwriter, have entered into an underwriting agreement with respect to the 13,482,177 shares of common stock being offered hereby.

The underwriting agreement provides that the underwriter is obligated to purchase all the shares of common stock in the offering if any are purchased.

The underwriter is offering the shares, subject to prior sale, when, as and if issued to and accepted by it, subject to approval of legal matters by its counsel including the validity of the shares, and subject to other conditions contained in the underwriting agreement, such as the receipt by the underwriter of officer's certificates and legal opinions.

The underwriter proposes to offer the shares for sale directly to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers at that price less a concession not in excess of \$0.065 per share. After the public offering of the shares, the offering price and other selling terms may be changed by the underwriter. Sales of the shares made outside of the United States may be made by affiliates of the underwriter.

The offering of the shares by the underwriter is subject to receipt and acceptance and subject to the underwriter's right to reject any order in whole or in part. The following table shows the public offering price, underwriting discount and proceeds before expenses to the selling stockholder.

	Per Share	Total
Public offering price	\$	16.30
Underwriting discounts	\$	0.13
Proceeds, before expenses, to the selling stockholder	\$	16.17

We estimate that the expenses for this offering will be approximately \$275,000.

We have agreed that for a period of 45 days after the date of this prospectus supplement, subject to certain exceptions, directly or indirectly, we will not take any of the following actions with respect to shares of our common stock or any securities convertible into or exchangeable or exercisable for our common stock (the "Lock-Up Securities"): (i) offer, sell, issue, contract to sell, pledge or otherwise dispose of Lock-Up Securities, (ii) offer, sell, issue, contract to sell, contract to purchase or grant any option, right or warrant to purchase Lock-Up Securities, (iii) enter into any swap, hedge or any other agreement that transfers, in whole or in part, the economic consequences of ownership of Lock-Up Securities, (iv) establish or increase a put equivalent position or liquidate or decrease a call equivalent position in Lock-Up Securities within the meaning of Section 16 of the Exchange Act or (v) file with the SEC a registration statement under the Securities Act of 1933, as amended (the "Securities Act") relating to Lock-Up Securities, or publicly disclose the intention to take any such action, without the prior written consent of the underwriter.

We and the selling stockholder have agreed to indemnify the underwriter against liabilities under the Securities Act or contribute to payments that the underwriter may be required to make in that respect.

Our common stock is listed on NASDAQ under the symbol "BLDR". On September 5, 2017, the closing price of our common stock as reported on NASDAQ was \$16.39 per share.

In connection with the offering, the underwriter may engage in short sales, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

Short sales involve the sale by the underwriter of a greater number of shares than it is required to purchase in the offering, and a short position represents the amount of such sales that have not

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been covered by subsequent purchases. The underwriter must close out any naked short position by purchasing shares in the open market.

Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. A naked short position is more likely to be created if the underwriter is concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

Penalty bids permit the underwriter to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a syndicate covering transaction to cover syndicate short positions.

These syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NASDAQ or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the web site maintained by the underwriter participating in this offering, and the underwriter participating in this offering may distribute prospectuses electronically.

The underwriter is a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The underwriter and its affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of its various business activities, the underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriter or its affiliates that have a lending relationship with us routinely hedge or may hedge, their credit exposure to us consistent with their customary risk management policies. A typical hedging strategy would include such entity hedging such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities. The underwriter and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

European Economic Area

In relation to each Member State of the European Economic Area, no offer of any shares of our common stock (the Shares) may be made to the public in that Member State, except that an offer to the public in that Relevant Member State of any Shares may be made at any time under the following exemptions under the Prospectus Directive:

- (a) to any legal entity that is a qualified investor as defined in the Prospectus Directive;

- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the underwriter for any such offer; or

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- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Shares shall result in a requirement for the publication by us or the underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Member State who initially acquires any Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Member State to qualified investors as so defined or in circumstances in which the prior consent of the underwriter has been obtained to each such proposed offer or resale.

The Issuer, the underwriter and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus has been prepared on the basis that any offer of Shares in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Shares. Accordingly any person making or intending to make an offer in that Member State of Shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Issuer or the underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. None of the Issuer, the selling stockholder or the underwriter have authorized, nor do they authorize, the making of any offer of Shares in circumstances in which an obligation arises for the Issuer, the selling stockholder or the underwriter to publish a prospectus for such offer.

For the purposes of this provision, the expression an offer to the public in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including 2010/73/EU), and includes any relevant implementing measure in the Member State.

United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons).

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

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Canada

The common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriter is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

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Notice to Investors

Each purchaser of our common stock that is (1) an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), (2) a plan or account subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the Code) or (3) an entity deemed to hold plan assets of any such employee benefit plan, plan or account, by acceptance of any common stock, will be deemed to have represented and warranted that a fiduciary acting on its behalf is causing it to purchase the common stock and that such fiduciary:

- (a) Is a bank, an insurance carrier, a registered investment adviser, a registered broker-dealer or an independent fiduciary with at least \$50 million of assets under management or control as specified in 29 CFR Section 2510.3-21(c)(1)(i) (excluding the IRA owner if the purchaser is an IRA);
- (b) Is independent (for purposes of 29 CFR Section 2510.3-21(c)(1)) of the Company, the selling shareholder, the underwriter and their respective affiliates (the Transaction Parties);
- (c) Is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies, including the purchaser s transactions with the Transaction Parties contemplated hereby;
- (d) Has been advised that none of the Transaction Parties has undertaken or will undertake to provide impartial investment advice, or has given or will give advice in a fiduciary capacity, in connection with the purchaser s transactions with the Transaction Parties contemplated hereby;
- (e) Is a fiduciary under Section 3(21)(a) of ERISA or Section 4975(e)(3) of the Code, or both, as applicable, with respect to, and is responsible for exercising independent judgment in evaluating, the purchaser s transactions with the Transaction Parties contemplated hereby; and
- (f) Understands and acknowledges the existence and nature of the underwriting discounts, commissions and fees, and any other related fees, compensation arrangements or financial interests, described in this prospectus supplement; and understands, acknowledges and agrees that no such fee or other compensation is a fee or other compensation for the provision of investment advice, and that none of the Transaction Parties, nor any of their respective directors, officers, members, partners, employees, principals or agents has received or will receive a fee or other compensation from the purchaser or such fiduciary for the provision of investment advice (rather than other services) in connection with the purchaser s transactions with the Transaction Parties contemplated hereby.

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LEGAL MATTERS

Certain legal and tax matters will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP. Certain legal matters will be passed upon for the underwriter by Cahill Gordon & Reindel LLP. Donald McAleenan will pass on the validity of the shares sold by the selling stockholder. Certain legal matters will be passed upon for the selling stockholder by Skadden, Arps, Slate, Meagher & Flom LLP.

EXPERTS

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement by reference to the Annual Report on Form 10-K of Builders FirstSource, Inc. for the year ended December 31, 2016 and the audited historical financial statements of ProBuild Holdings, Inc. incorporated in this prospectus supplement by reference to Exhibit 99.1 of Builders FirstSource, Inc.'s Current Report on Form 8-K dated May 1, 2015 have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file reports, proxy statements and other information with the SEC. You may read and copy any reports, proxy statements or other information filed by us at the SEC's Public Reference Room at 100 F Street NE, Washington, D.C. 20549. You may obtain information on the op