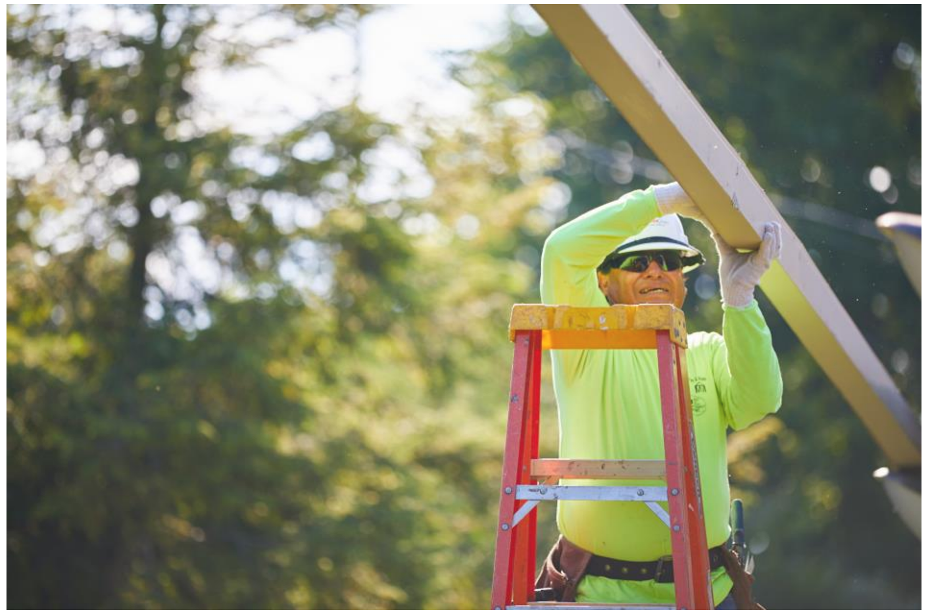



INSTALLED BUILDING PRODUCTS





Q2 2018

As reported August 2, 2018

Disclaimer

This presentation contains “forward-looking statements” as defined under U.S. federal securities laws. Forward-looking statements are generally identified by the use of the words “will,” “may,” “believes,” “expects,” “forecasts,” “intends,” “anticipates,” “projects,” “plans” and “seeks,” and, in each case their negative, and other variations or comparable terminology.

Forward-looking statements are based on management’s current expectations and involve risks and uncertainties that could cause actual results, performance or achievements to differ significantly from IBP’s historical results or those implied in such forward-looking statements, including, without limitation, the risks discussed in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2017, as the same may be updated from time-to-time in our subsequent filings with the SEC. You should not place undue reliance on forward-looking statements as a prediction of actual results. Any forward-looking statements in this presentation speak only as of the date hereof. IBP expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

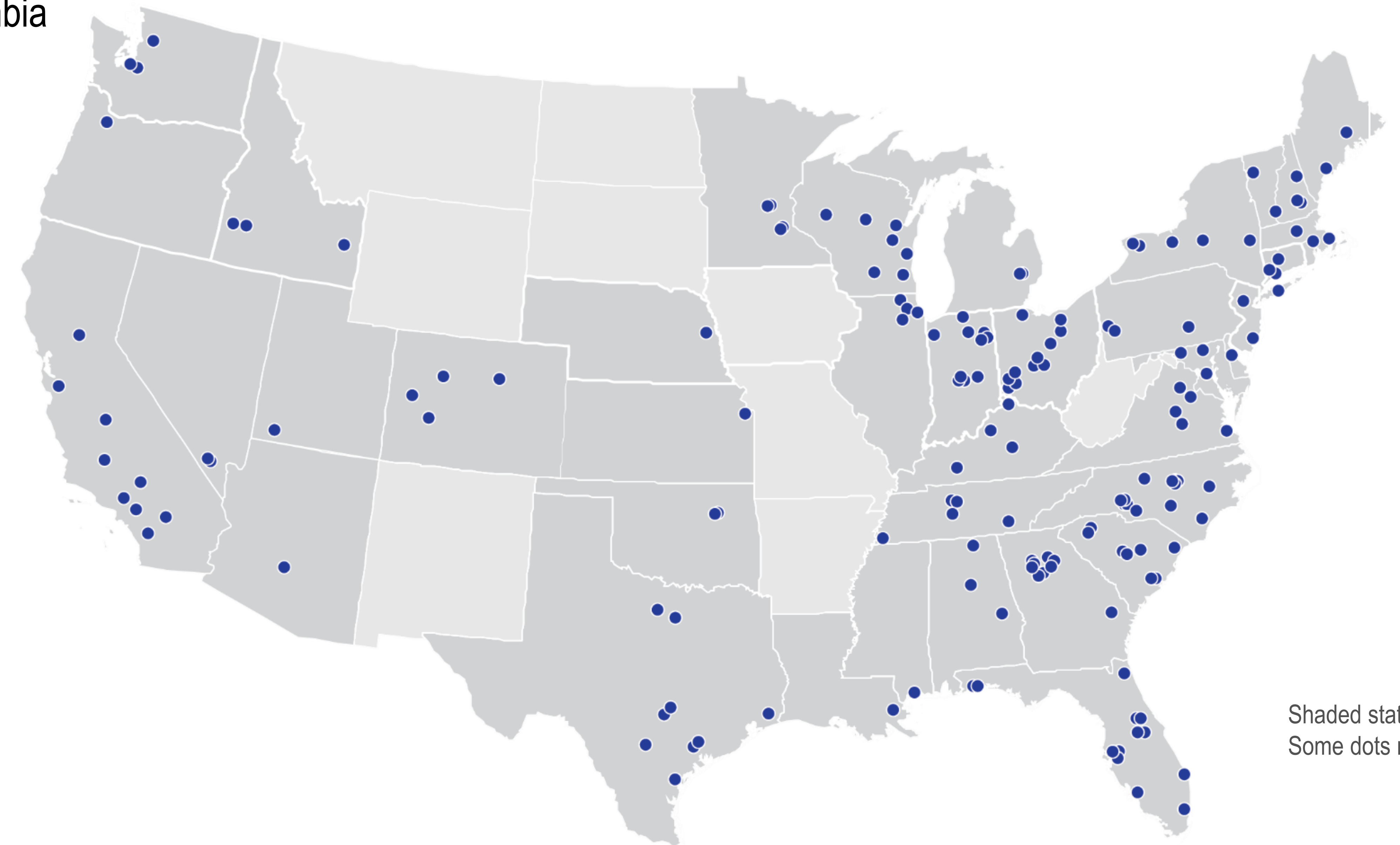
This presentation includes the following non-GAAP financial measures: (1) Adjusted EBITDA, (2) Adjusted Net Income, (3) Adjusted Net Income per diluted share, (3) Adjusted Selling and Administrative (S&A) and (4) Adjusted Gross Profit. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

Business Overview

Local Presence

National Scale

One of the nation's largest[1] insulation installers for the residential new construction market and a diversified installer of complementary building products, including waterproofing, fire-stopping and fireproofing, garage doors, rain gutters, shower doors, close shelving, mirrors and other products, with a national platform of over 125 locations serving all 48 continental states and the District of Columbia

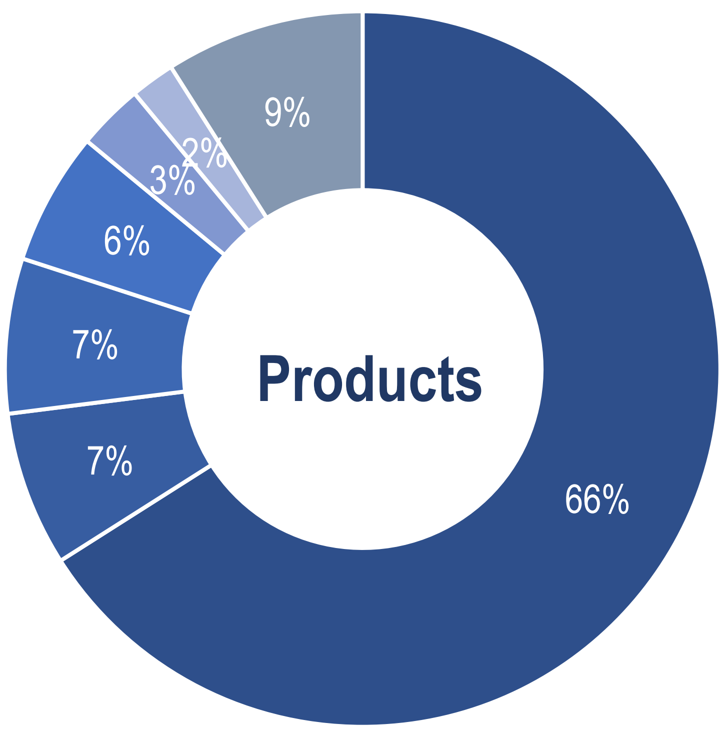


Shaded states are where we have a physical presence. Some dots represent multiple locations.

[1] Based on internal estimates

Q2 2018

Products and End Markets



- Insulation (66%)

- Waterproofing (7%)

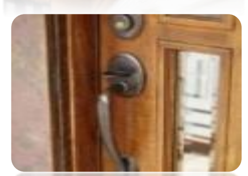
- Shower Doors, Shelving & Mirrors (7%)

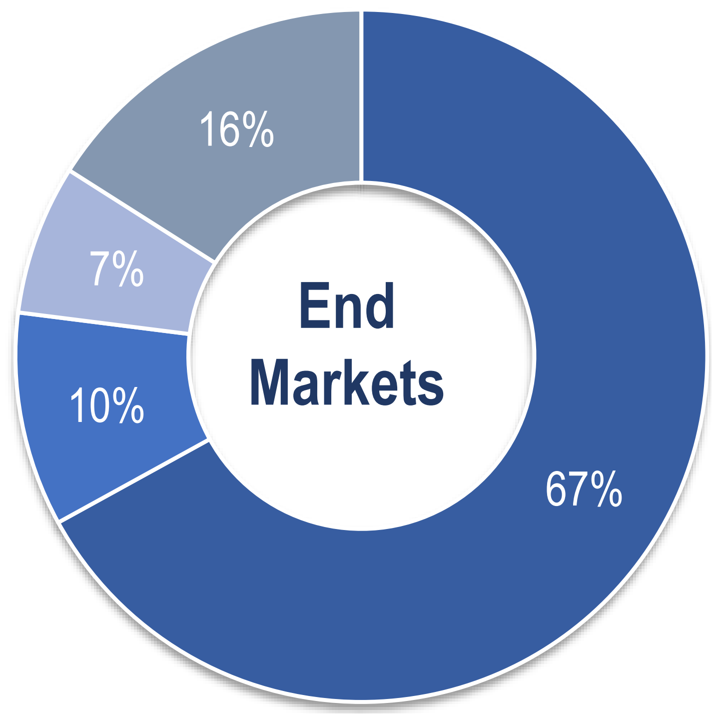
- Garage Doors (6%)

- Gutters (3%)

- Blinds (2%)

- Other (9%)





- Single-Family New Construction (67%)

- Multi-Family New Construction (10%)

- Repair and Remodel (7%)

- Commercial (16%)

Scale provides direct link between manufacturers and builders

Streamlined Value Chain

Typical Building Product Value Chain

1. Building Products Manufacturer
2. Distributor
3. Wholesaler or Retailer
4. Contractor
5. Finished Building

Insulation Value Chain

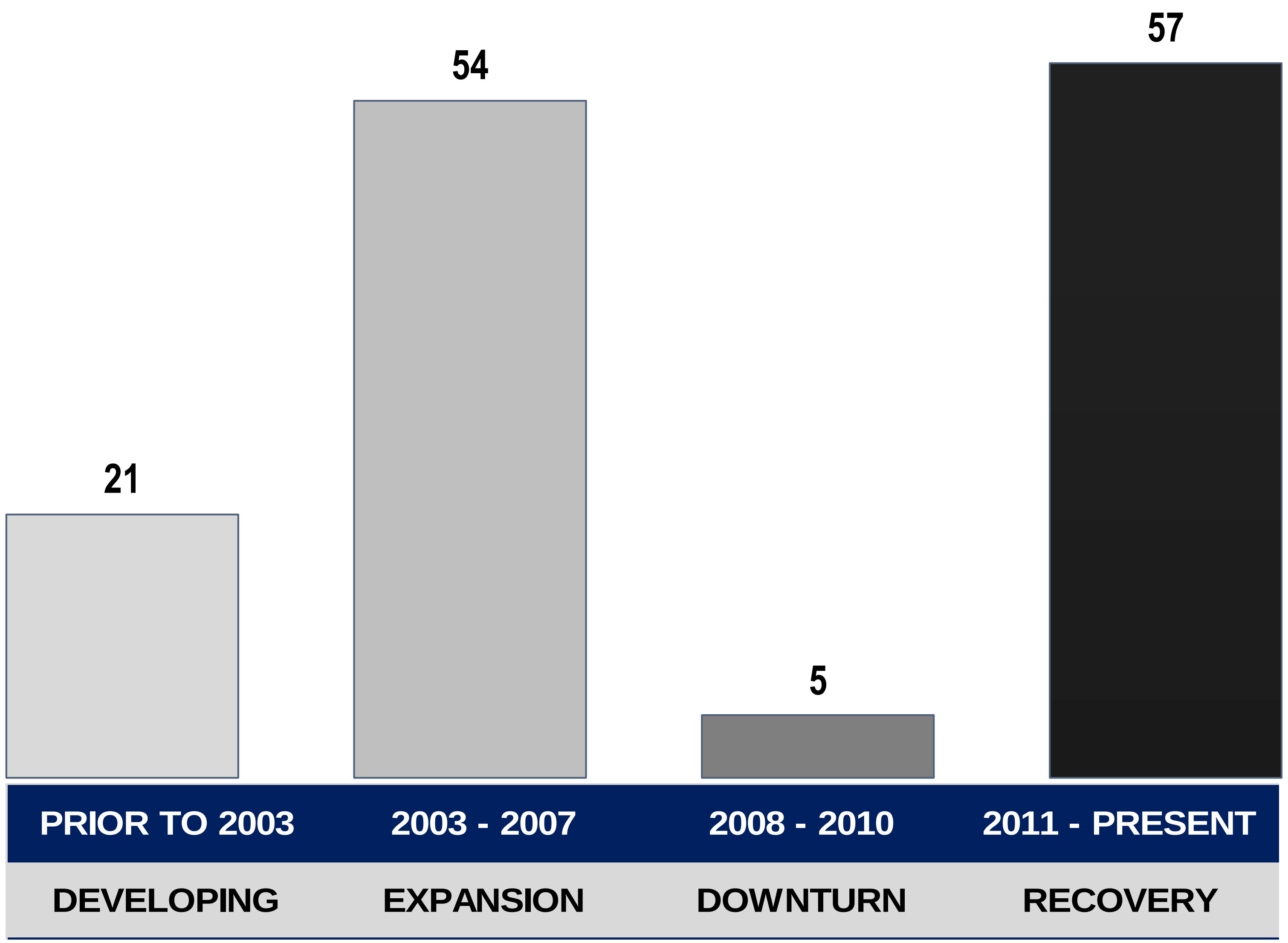
1. Insulation Manufacturer
2. Purchasing Logistics Installation
3. Finished Building

IBP
INSTALLED BUILDING PRODUCTS

Acquirer of choice with over 125 successfully integrated acquisitions

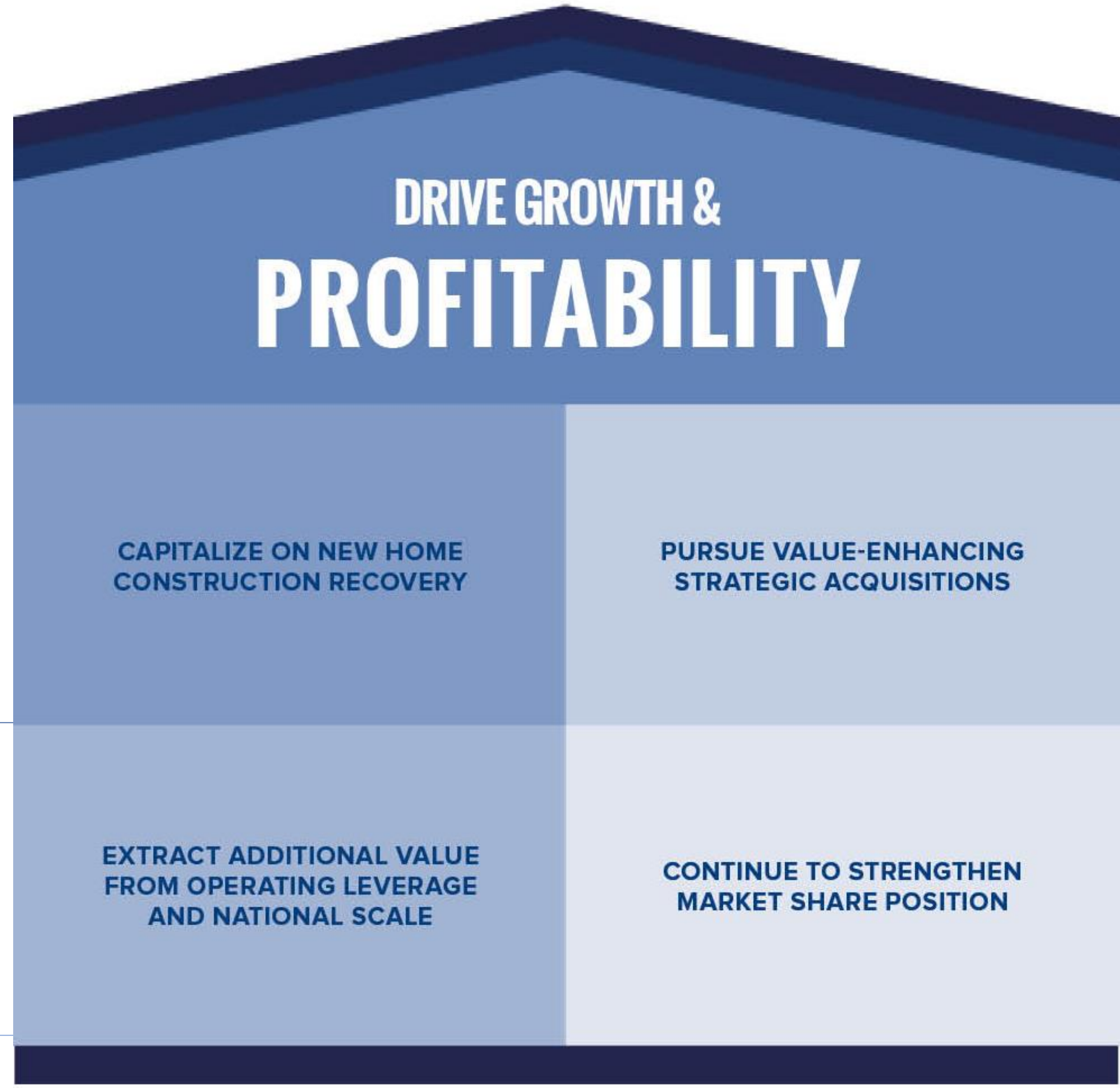
Successful Track Record of Acquisitions

- Key components include:
  - Ability to realize synergies within scalable infrastructure
  - Target profitable markets
  - Acquire operations with strong reputation and customer base
  - Maintain local trade name and existing management team
- Corporate support allows more focus on customer service
- Senior management team has been directing the Company's acquisition strategy for close to 20 years
- Apply national insulation buying power
- Leverage national relationships with large homebuilders



Asset Lite Model Accommodates Growth

Without Significant Capital Needs



Total U.S. Housing Starts forecasted to increase to 9.7% from 2017 to 2018E[1], predominately driven by single-family growth as housing starts trend toward stabilization of 1.5 million starts

Attractive opportunities in fragmented market of independent contractors

Demonstrated scale economies in costs with improvement of 100 bps in Adjusted S&A[3] in Q2

Q2 2018 single-family sales growth of 22.4% compared to U.S. single-family completions growth of 6.5%[2] and same branch residential sales growth of 12.1% compared to 7.8% U.S. housing completions[2]

[1] Per July 2018 Blue Chip Economic Indicators Consensus Housing Starts Forecast
[2] Per U.S. Census Bureau
[3] Adjusted S&A is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

Industry Highlights

Link between concentrated manufacturer base and a fragmented customer base

Critical Position in Attractive Industry

Value to Suppliers

- Strong relationships with the largest manufacturers
- Accounts for a meaningful portion of supplier insulation volume
- National scale allows manufacturers to better plan production schedules

Value to Customers

- Full service capabilities eliminate “nuisance” work for customers
- Timely delivery and quality installation of products ensures projects remain on schedule
- Institutional knowledge of local building codes and standards

NORTH AMERICAN INSULATION MANUFACTURERS

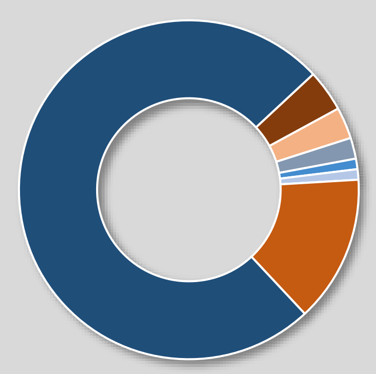
KNAUF INSULATION it's time to save energy

JM Johns Manville

OWENS CORNING

CertainTeed SAINT-GOBAIN

HOMEBUILDERS BY 2017 CLOSINGS



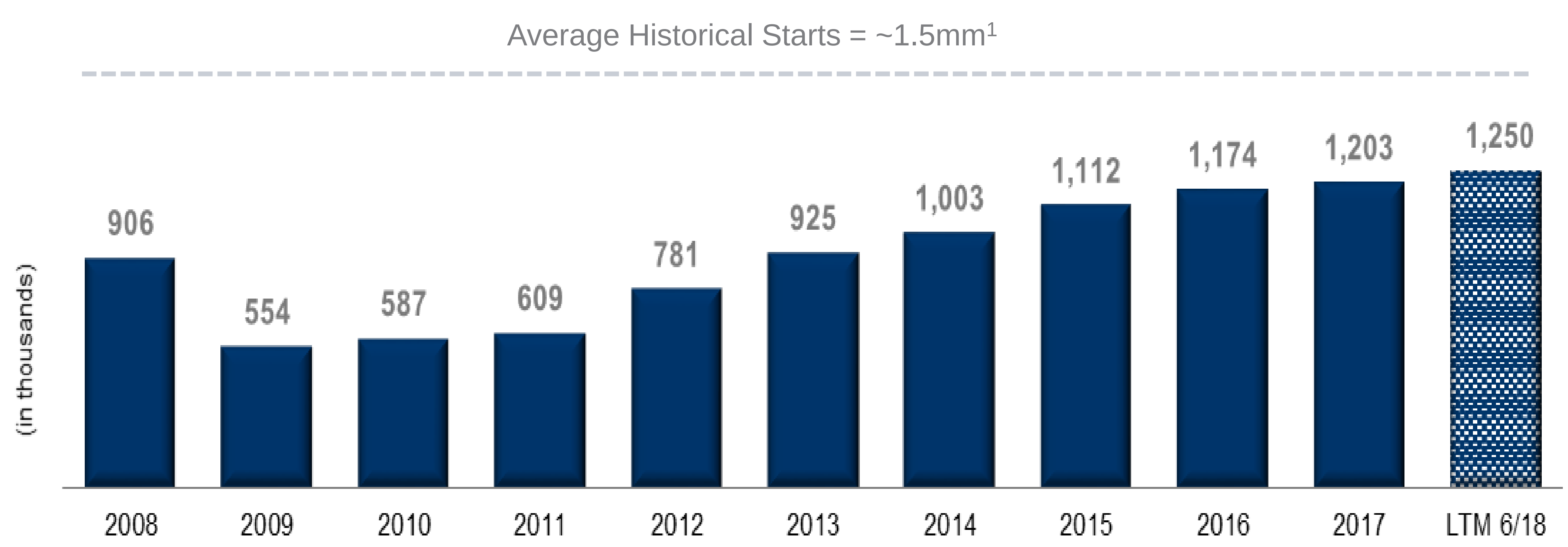
D.R. HORTON	4%
LENNAR	3%
PULTE GROUP	2%
RYAN HOMES	1%
CALATLANTIC GROUP	1%
OTHER TOP 100	14%
REGIONAL & LOCAL	75%

Source: Builder Magazine, Builder 100 List, based on number of home closings, issued May 7, 2018

Continued U.S. Housing Improvement

Housing Market History

- Total U.S. housing starts forecasted to increase 9.7% from 2017 to 2018E, with high single digit growth expected in single-family
- Lag time between U.S. housing starts and U.S. housing completions is greater when the rate of change in starts is higher

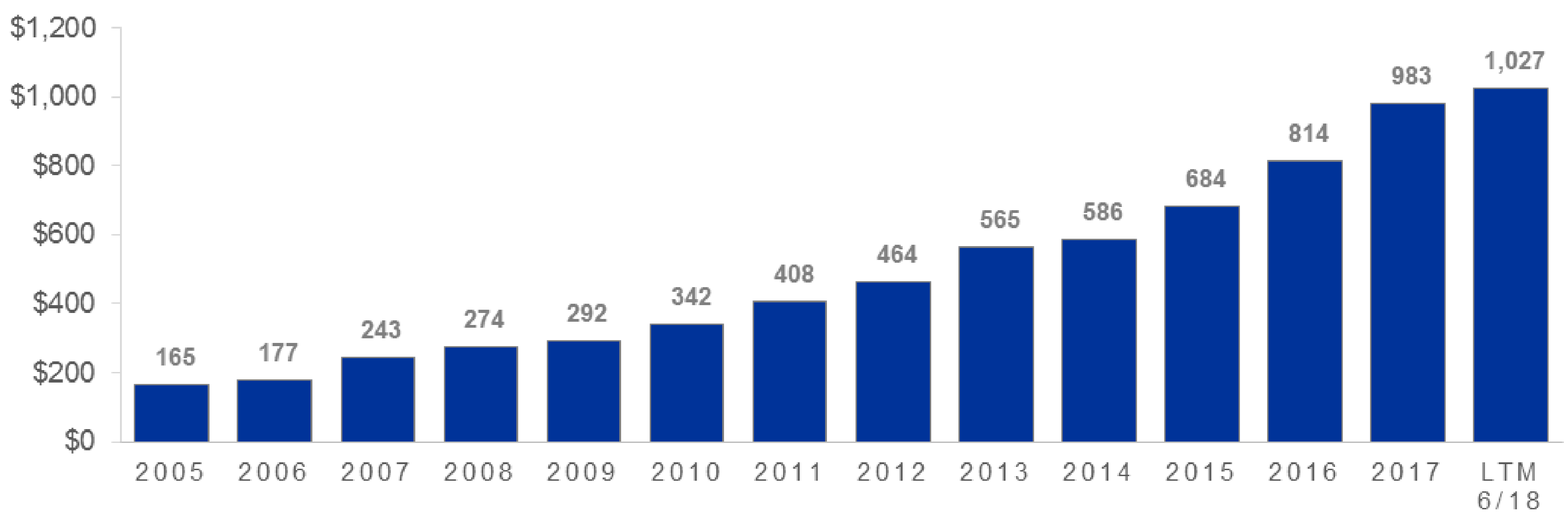


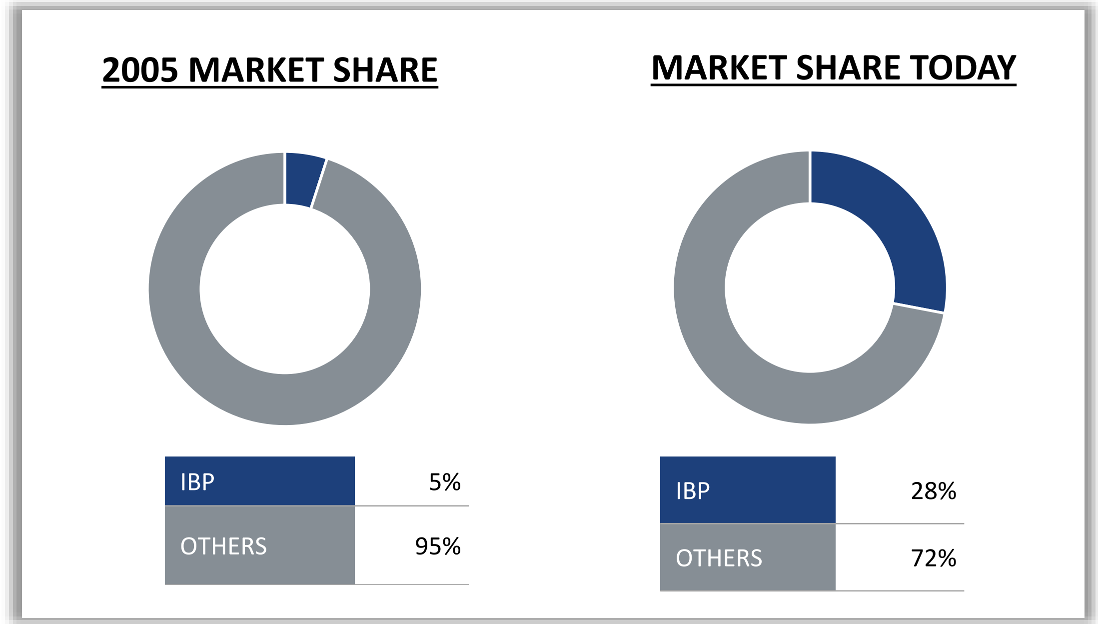
[1] Total housing starts averaged since 1968

Source: U.S. Census Bureau, July 2018 Blue Chip Economic Indicators Forecasts, Street Estimates

Proven Ability to Grow Market Share

IBP NET REVENUE / U.S. HOUSING COMPLETIONS
($ / U.S. Completions)





Note: Market share of new residential construction based on internal estimates

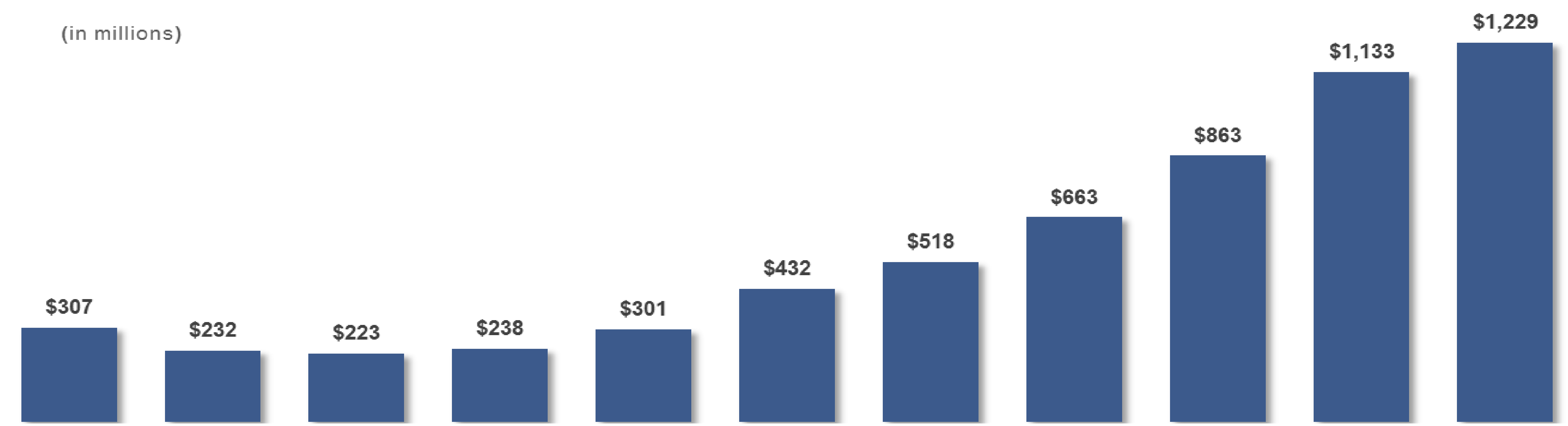
Source: Management, Completions from U.S. Census Bureau

- One of the nation's largest insulation installers for residential new construction in the U.S.
- We estimate that the markets which we serve cover approximately 70% of permits issued up from 24% in 2005
- Market share gains driven by:
  - Successful acquisition and integration of local installation operations
  - Quality customer service
  - Cross-selling complementary installation services

Financial Performance

23.3% CAGR from 2013 to LTM 6/18

Strong Top-Line Momentum



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	LTM 6/18
Revenue Growth	-16.0%	-24.4%	-3.9%	7.0%	26.3%	43.4%	19.9%	27.9%	30.2%	31.3%	23.3%
Total U.S. Completions (in thousands)	1,120	794	652	585	649	764	884	968	1,060	1,153	1,197
% U.S. Housing Completions Growth	-25.5%	-29.1%	-18.0%	-10.2%	11.0%	17.7%	15.6%	9.5%	9.5%	8.8%	7.0%
IBP Net Rev/Completions	$274	$292	$342	$408	$464	$565	$586	$684	$814	$983	$1,027

Source: U.S. Census Bureau, Company filings

Note: Historical revenue figures not pro forma for acquisitions

Sales Growth

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Period-over-period Growth				
Sales Growth	17.9%	33.2%	17.9%	33.3%
Same Branch Sales Growth	11.3%	11.6%	11.3%	10.2%
Single-Family Sales Growth	22.4%	19.4%	22.2%	17.0%
Single-Family Same Branch Sales Growth	14.5%	9.8%	13.6%	7.2%
Residential Sales Growth	18.9%	28.1%	19.1%	25.9%
Residential Same Branch Sales Growth	12.1%	14.2%	11.7%	11.2%
U.S. Housing Market[1]				
Total Completions Growth	7.8%	14.2%	8.3%	12.4%
Single-Family Completions Growth	6.5%	9.1%	8.4%	9.9%
Same Branch Sales Growth [2]				
Volume Growth	6.6%	8.7%	7.0%	6.8%
Price/Mix Growth	5.5%	2.8%	4.6%	3.4%
Alpha Sales Growth	4.1%	0.0%	8.6%	0.0%

1 U.S. Census Bureau data, as revised

2 Same branch volume and price/mix growth excludes Alpha sales growth

Summary Financial Results

(in millions)	2013	2014	2015	2016	2017	Q1 2018	Q2 2018	LTM 6/2018
Net Revenue	$ 432	$ 518	$ 663	$ 863	$ 1,133	$ 302	$ 333	$1,229
% Net Revenue Growth	*43.4%*	*19.9%*	*27.9%*	*30.1%*	*31.3%*	*18.0%*	*17.9%*	*23.3%*
Same Branch Sales Growth	29.6%	16.4%	11.7%	15.6%	9.8%	11.3%	*11.3%*	*10.4%*
COGS (Adjusted)[1]	$ 322	$ 376	$ 475	$ 611	$ 806	$ 220	$ 237	$ 882
Adjusted Gross Profit[1]	$ 110	$ 142	$ 188	$ 252	$ 327	$ 81	*96*	*348*
% Margin	*25.4%*	*27.4%*	*28.4%*	*29.2%*	*28.9%*	*27.0%*	*28.9%*	*28.3%*
Adjusted S&A[2]	$ 91	$ 110	$ 134	$ 171	$ 214	$ 58	$ 59	$ 225
% of Net Revenue	*21.1%*	*21.3%*	*20.2%*	*19.8%*	*18.9%*	*19.2%*	*17.6%*	***18.3%***
Adjusted EBITDA[3]	$ 25	$ 44	$ 71	$ 105	$ 141	$ 31	$ 46	$ 153
% of Net Revenue	*5.9%*	*8.5%*	*10.7%*	*12.1%*	*12.5%*	*10.4%*	*13.7%*	*12.4%*

1 COGS adjusted in 2014 for $1.8 million adverse development in workers' compensation. Adjustments in 2017 and 2018 relate to stock compensation expense, Financial Wellness Program and branch start-up costs. See the Gross Profit and Adjusted Gross Profit Reconciliation in the Appendix. Adjusted Gross Profit is a non-GAAP financial measure.

2 Adjusted Gross Profit and Adjusted S&A are non-GAAP financial measures. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

3 Adjusted EBITDA is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

Strong Balance Sheet

($ in millions)	2013	2014	2015	2016	2017	Q2 2018
Cash	**$ 4.1**	**$ 10.8**	**$ 6.8**	**$ 14.5**	**$ 62.5**	**$ 139.7**
Short-Term Investments	**-**	**-**	**-**	**-**	**30.1**	**20.3**
Revolver	27.3	-	-	-	-	-
Term Loan, net of unamortized discount[1]	-	24.7	47.9	95.8	293.3	392.5
Delayed Draw Term Loans, in effect, net[2] of unamortized debt issuance costs	-	-	49.7	12.5	-	-
Vehicle and Equipment Notes Payable	-	1.3	21.1	38.2	50.4	57.6
Capital Lease Obligations	22.0	26.9	20.4	15.3	12.1	9.9
Various notes payable	0.8	0.8	4.5	5.0	3.9	3.3
Total Debt	**$ 50.1**	**$ 53.7**	**$ 143.6**	**$ 166.8**	**$ 359.7**	**$ 463.3**
Net Debt	$ 46.0	$ 42.9	$ 136.8	$ 152.3	$ 267.1	$ 303.3
Adjusted EBITDA[3]	$ 25.4	$ 44.0	$ 71.2	$ 104.8	$ 141.1	$ 152.5
Credit Statistics:						
Net Debt / Adjusted EBITDA[3]	1.8x	1.0x	1.9x	1.5x	1.9x	2.0x
Working Capital (Excluding Cash and Short-Term Investments)	$ 27.0	$ 32.0	$ 46.0	$ 47.8	$ 102.6	$ 130.1

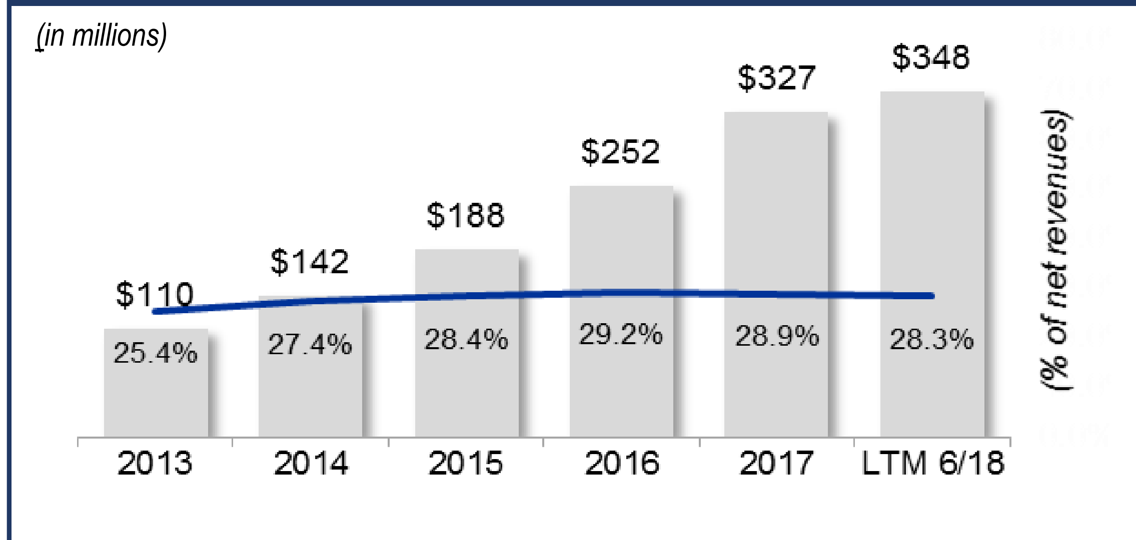
[1] Unamortized discount (in thousands): 2015 - $249; 2016 - $447; 2017 - $5,146 and Q2 2018 - $5,213.

[2] Unamortized discount (in thousands): 2015 - $261; 2016 - $50.

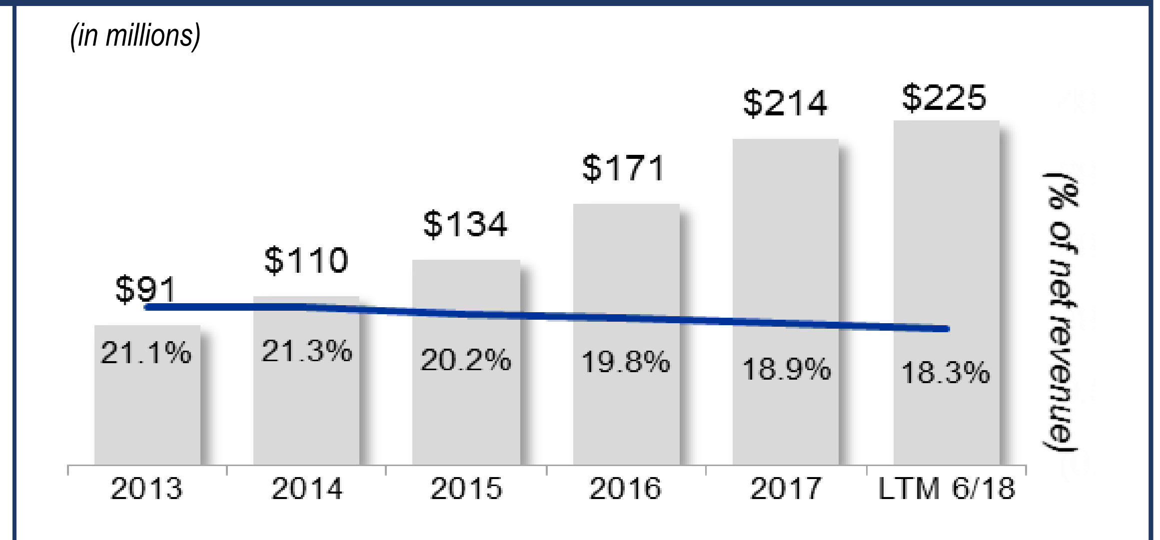
[3] Adjusted EBITDA is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix. Q2 2018 Adjusted EBITDA is LTM as of 6/30/18.

Improving Financial Performance

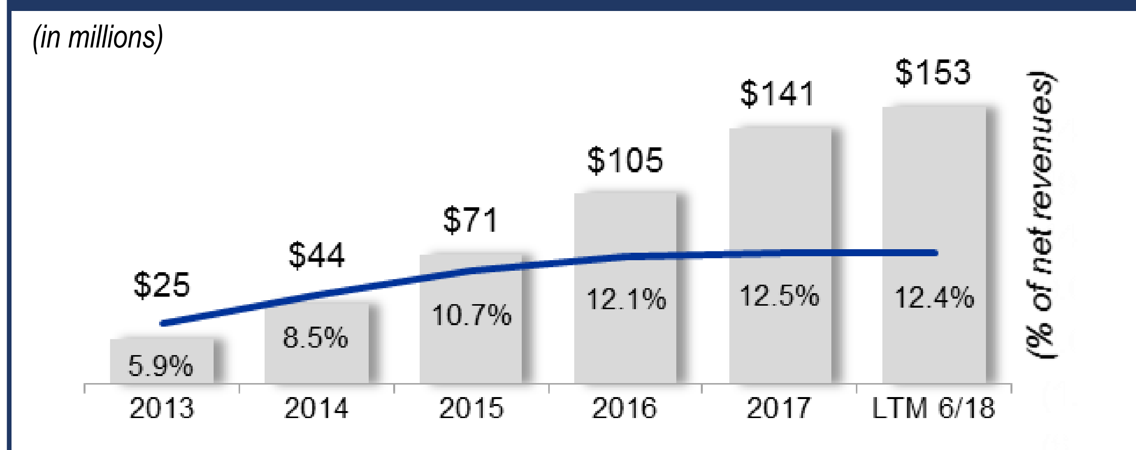
Adjusted Gross Profit[1]



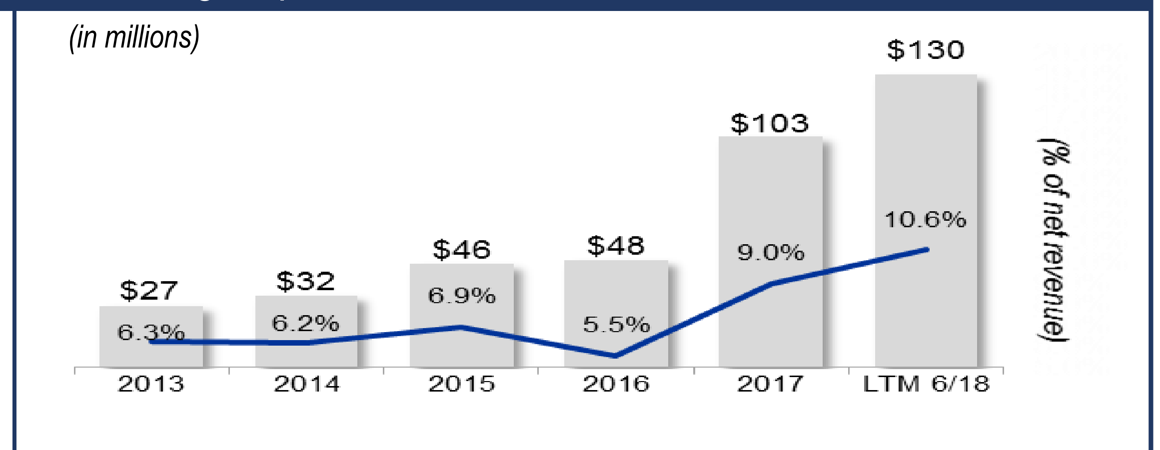
Adjusted Selling & Administrative[2]



Adjusted EBITDA[3]



Working Capital[4]



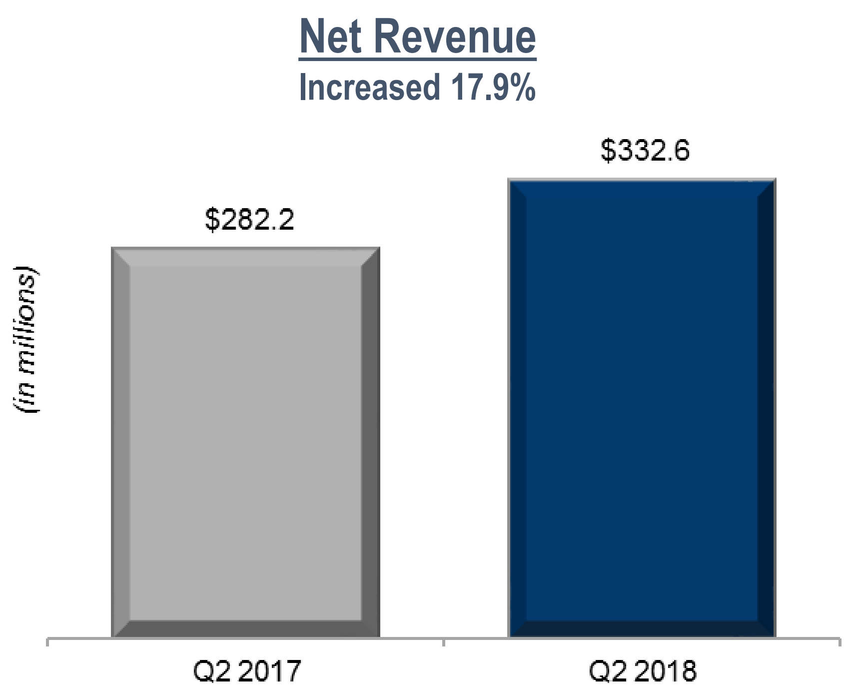
1 Adjusted Gross Profit is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

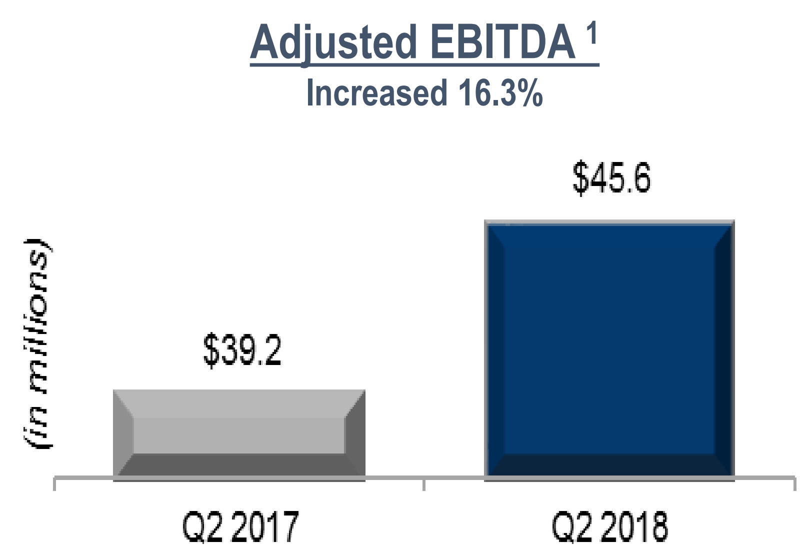
2 Adjusted S&A is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

3 Adjusted EBITDA is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

4 Working Capital excludes cash on hand (in thousands) of 2013 – $4,065; 2014 – $10,761; 2015 – $6,818; 2016 – $14,482; 2017 – $62,510 and short-term investments of $30,053; 6/18 LTM 2018 – $139,746 and short-term investments of $20,312.

Q2 2018 Performance





- Strong Q2 2018 performance attributable to growth of 14.5% in single-family same branch sales
- Net revenue growth was predominantly attributable to acquisitions and organic growth in the volume of completed jobs and price and mix
- Growth in Adjusted EBITDA due to higher net revenue and a more favorable mix of installation services and leverage of selling and administrative expense

[1] Adjusted EBITDA is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

Appendix

EBITDA & Adjusted EBITDA Reconciliation

(in millions)	2013	2014	2015	2016	2017	Q1 2018	Q2 2018	LTM 6/18
Net income	$ 6.0	$ 13.9	$ 26.5	$ 38.4	$ 41.1	$ 6.4	$ 16.3	$ 45.5
Interest expense	2.3	3.2	3.7	6.2	17.4	4.0	5.7	20.1
Provision for income taxes[1]	4.2	8.6	15.4	21.2	14.7	2.2	5.2	12.4
Depreciation and amortization	11.5	15.0	23.2	34.8	55.1	15.1	15.6	59.4
Gain on bargain purchase	-	-	(1.1)	-	-	-	-	-
EBITDA	**$ 24.0**	**$ 40.7**	**$ 67.8**	**$ 100.6**	**$ 128.3**	**$ 27.8**	**$ 42.8**	**$ 137.3**
Legal settlement and reserves[2]	1.4	1.8	0.1	-	-	-	-	-
Gain from put option Redeemable Preferred Stock[3]	-	(0.5)	-	-	-	-	-	-
Acquisition related expenses	-	0.1	1.1	2.3	3.2	0.5	0.6	3.0
IPO and follow-on cost expensed	-	1.3	-	-	-	-	-	-
Share-based compensation expense	-	0.3	2.1	1.9	6.6	2.2	2.0	8.2
Financial Wellness Program[4]	-	-	-	-	2.2	0.6	-	2.8
Write-off of uncertain tax position[5]	-	-	-	-	0.7	-	-	0.7
Branch start-up costs[6]	-	-	-	-	-	0.3	0.2	0.5
Adjusted EBITDA	**$ 25.4**	**$ 44.0**	**$ 71.2**	**$ 104.8**	**$ 141.0**	**$ 31.4**	**$ 45.6**	**$ 152.5**

EBITDA & Adjusted EBITDA Reconciliation Notes

[1] Excludes income taxes related to discontinued operations.

[2] Represents the settlement expenses related to two lawsuits against us that were settled in January and February 2014, which were included in administrative expenses for the year ended December 31, 2013. Impact of adverse change in workers' compensation experience included in other costs of sales in 4Q 2014.

[3] Represents non-cash gain recorded to accelerate the maturity of the Redeemable Preferred Stock, redeemed in full with IPO proceeds in February 2014.

[4] Represents employer match upon completion of program, net of waived executive bonuses.

[5] Represents tax impacts on deferred tax and uncertain tax positions recorded as a result of the 2017 tax reform.

[6] Addback of costs related to organic branch expansion for Alpha locations.

We believe Adjusted EBITDA is useful to investors and us as a measure of comparative operating performance from period to period as it measures our changes in pricing decisions, cost controls and other factors that impact operating performance, and removes the effect of our capital structure (primarily interest expense), asset base (primarily depreciation and amortization), items outside our control (primarily income taxes) and the volatility related to the timing and extent of other activities such as asset impairments and non-core income and expenses. Accordingly, we believe that this measure is useful for comparing general operating performance from period to period. In addition, we use various EBITDA-based measures in determining the achievement of awards under certain of our incentive compensation programs. Other companies may define Adjusted EBITDA differently and, as a result, our measure may not be directly comparable to measures of other companies. In addition, Adjusted EBITDA may be defined differently for purposes of covenants contained in our revolving credit facility or any future facility.

Adjusted Net Income Reconciliation

(in millions except for share and per share data)	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Net income, as reported	$ 16.3	$ 12.0	$ 22.7	$ 18.3
Adjustments for adjusted net income:				
Writeoff of capitalized loan costs	1.1	1.2	1.1	1.2
Share based compensation expense	2.0	2.1	4.2	2.6
Acquisition related expenses	0.6	0.8	1.2	1.3
Financial Wellness Program [1]	-	-	0.6	-
Branch start-up costs [2]	0.2	-	0.5	-
Amortization expense [3]	7.3	6.6	14.5	13.0
Tax impact of adjusted items at normalized tax rate [4]	(2.9)	(3.9)	(5.7)	(6.7)
Adjusted net income	**$ 24.6**	**$ 18.7**	**$ 39.0**	**$ 29.7**
Weighted average shares outstanding (diluted)	31,452,583	31,709,554	31,612,581	31,698,460
Diluted net income per share, as reported	$ 0.52	$ 0.38	$ 0.72	$ 0.58
Adjustments for adjusted net income, net of tax impact, per diluted share [5]	0.27	0.21	0.52	0.36
Diluted adjusted net income per share	**$ 0.8**	**$ 0.6**	**$ 1.2**	**$ 0.9**

[1] Employer match upon completion of the program, net of waived bonuses.

[2] Addback of costs related to organic branch expansion for Alpha locations.

[3] Addback of all non-cash amortization resulting from business combinations.

[4] Estimated tax rate of 26.0% applied to 2018 period, normalized rate of 37.0% applied to 2017 period.

[5] Includes adjustments related to the items noted above, net of tax.

Adjusted S&A

(in millions)	2013	2014	2015	2016	2017	Q1 2018	Q2 2018	LTM 6/18
S&A	$ 93.1	$ 111.6	$ 137.1	$ 175.1	$ 222.9	$ 60.0	$ 61.0	$ 235.2
Legal settlement and reserves	1.8	-	0.1	-	-	-	-	-
Acquisition related expenses	-	-	1.1	2.3	3.2	0.5	0.6	3.0
Share-based compensation expense	-	-	2.1	1.9	5.6	1.8	1.8	6.6
Financial Wellness Program [1]	-	-	-	-	(0.2)	(0.1)	-	(0.3)
IPO Costs	-	1.3	-	-	-	-	-	-
SOX Implementation	-	0.3	-	-	-	-	-	-
Gain on Redeemable Preferred Stock	-	(0.5)	-	-	-	-	-	-
					-			
Adjusted S&A	**$ 91.3**	**$ 110.5**	**$ 133.8**	**$ 170.9**	**$ 214.3**	**$ 57.9**	**$ 58.6**	**$ 225.9**

[1] Employer match upon completion of the program, net of waived executive bonuses

Gross Profit & Adjusted Gross Profit Reconciliation

(in millions)	2013	2014	2015	2016	2017	Q1 2018	Q2 2018	LTM 6/18
Gross Profit	$ 109.7	$ 140.0	$ 188.3	$ 252.4	$ 324.0	$ 80.0	$ 95.6	$ 342.5
Reserve for workers' compensation[1]	-	1.8	-	-	-	-	-	-
Share-based compensation expense[2]	-	-	-	-	1.0	0.5	0.2	1.7
Financial Wellness Program[3]	-	-	-	-	2.4	0.7	-	3.1
Branch start-up costs	-	-	-	-	-	0.3	0.2	0.5
Adjusted Gross Profit	**$ 109.7**	**$ 141.8**	**$ 188.3**	**$ 252.4**	**$ 327.4**	**$ 81.4**	**$ 96.0**	**$ 347.8**

[1] Gross profit adjustment for adverse development in workers' compensation expense in 2014

[2] Gross profit adjustment for stock compensation expense relating to issuance of restricted stock units

[3] Employer match upon completion of the program, partially offset by waived executive bonuses

THANK YOU

Installed Building Products, Inc.
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