



Q3 2017

As reported November 3, 2017

IBP

INSTALLED BUILDING PRODUCTS

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, 2016, 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.

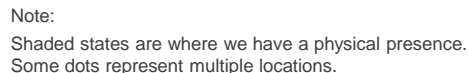
A construction worker is shown from the back, wearing a bright yellow long-sleeved shirt and a white hard hat. The worker is using a tool to install or remove insulation between vertical wooden studs. The insulation appears to be a mix of fiberglass and reflective foil. The scene is set in a construction or renovation project.

BUSINESS OVERVIEW

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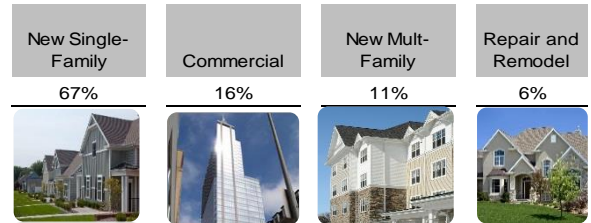
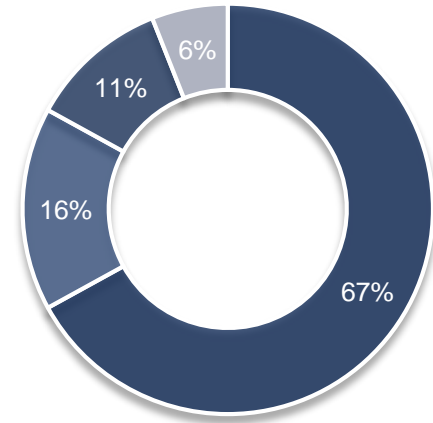
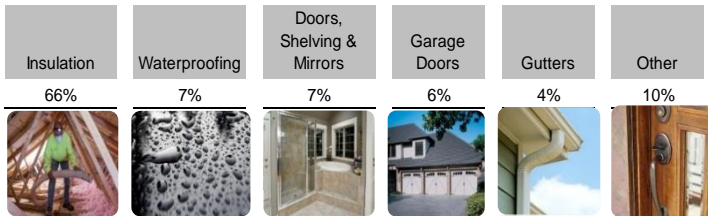
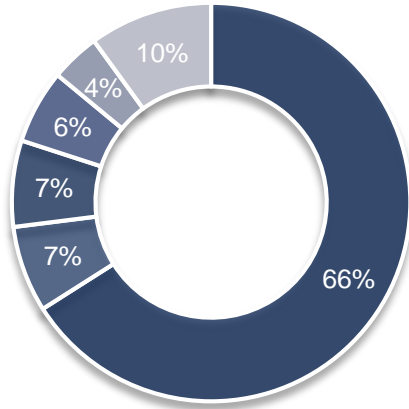
IBP

One of the nation's largest¹ installers for the new residential insulation market with a national platform consisting of over 125 locations serving all 48 continental states and the District of Columbia



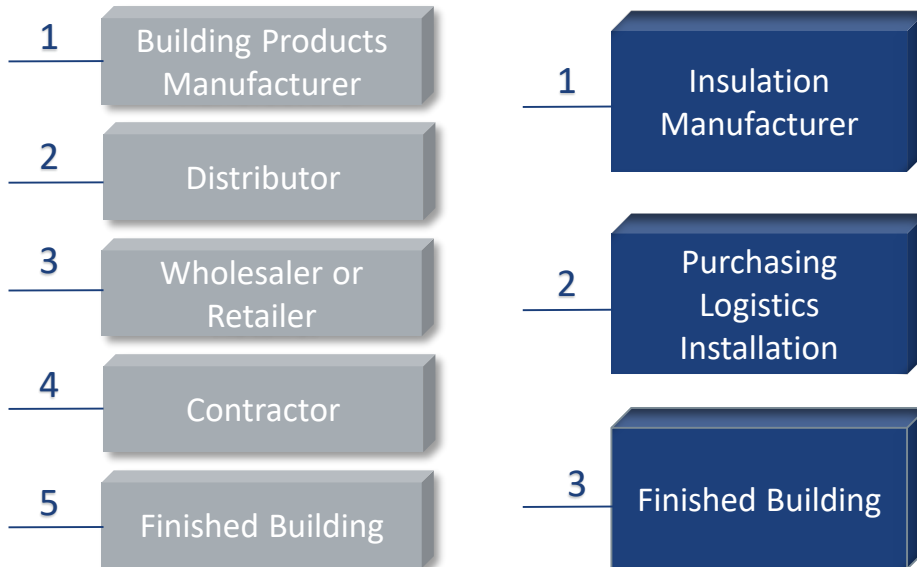
¹ Based on internal estimates

Q3 2017 Products and End Markets



Benefits of a Streamlined Value Chain

Scale provides direct link between manufacturers and builders



Track Record of Successful Acquisitions and Proven Integration

Acquirer of choice with over 120 successfully integrated acquisitions

✓ **Key components include:**

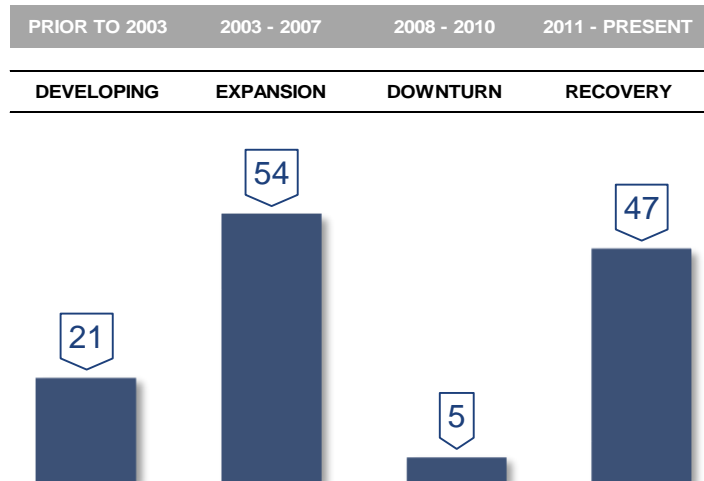
- Ability to realize synergies within scalable infrastructure
- Target profitable markets
- Acquire operations with strong reputation and customer base
- Maintain local trade name and existing management team

✓ **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**



Drive Growth and Profitability

Asset lite model accommodates growth without significant capital needs

Capitalize on New Home Construction Recovery

Total US Housing Starts forecasted to increase to 5% CAGR from 2016 to 2018E¹



Continue to Strengthen Market Share Position

Q3 2017 same branch single-family sales matched U.S. single-family completions growth of 7.2%² and same branch residential sales growth of 11.7% compared to 8.3% U.S. housing completions²



Pursue Value Enhancing Strategic Acquisitions

Attractive opportunities in fragmented market of independent contractors



Extract Additional Value from Operating Leverage & National Scale

Demonstrated scale economies in costs with improvement of 110 bps in Adjusted S&A³ in Q3 2017



¹ Per October 2017 Blue Chip consensus housing starts forecast

² Per US 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.

A construction worker is shown from the back, wearing a bright yellow long-sleeved shirt and a white hard hat. The worker is using a tool to install or remove insulation between vertical wooden studs. The insulation appears to be a mix of fiberglass and reflective foil. The scene is set in a construction or renovation project.

INDUSTRY HIGHLIGHTS

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Critical Position in Attractive Industry

Link between concentrated manufacturer base and a fragmented customer base

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
The Power to Save Energy

JM
Johns Manville

OWENS
CORNING

CertainTeed
SAINT-GOBAIN

HOMEBUILDERS BY CLOSING (2016)



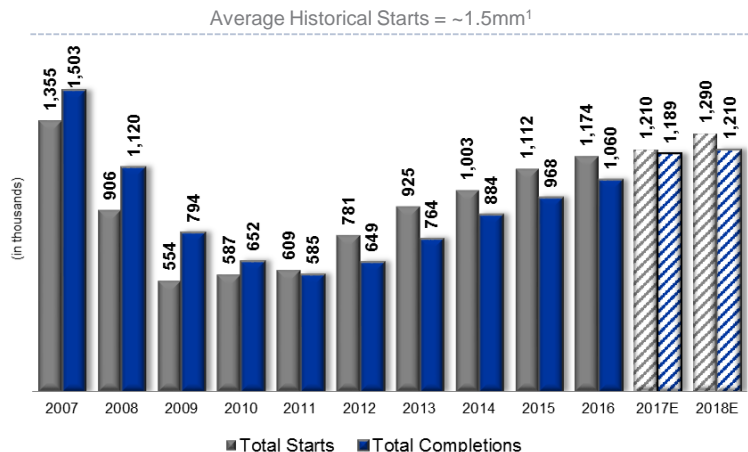
D.R. HORTON	4%
LENNAR	3%
PULTE GROUP	2%
RYAN HOMES	1%
CALATLANTIC GROUP	1%
OTHER TOP 100	14%
REGIONAL & LOCAL	75%

Source: *Builder Magazine, Builder 100 List*, based on number of home closings, issued May 5, 2017

Housing Market History

Continued US Housing Improvement

- ✓ Total US housing starts forecasted to increase 5% and total completions forecasted to increase 7% from 2016 to 2018E
 - Approximately 67% of IBP net revenue in Q3 2017 derived from single-family new construction
 - IBP enjoys strong competitive and geographic position
- ✓ Lag time between US housing starts and US housing completions is greater when the rate of change in starts is higher



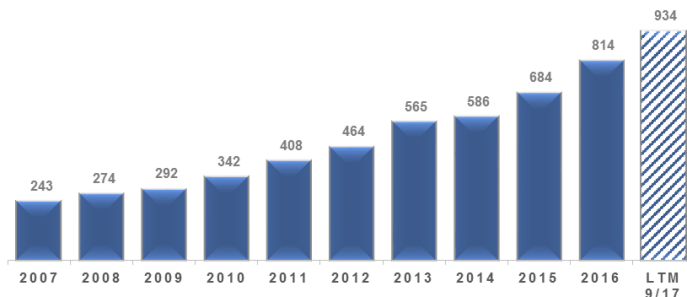
¹ Total housing starts averaged since 1968

Source: US Census Bureau, October 2017 Blue Chip Economic Forecasts, Street Estimates

Proven Ability to Grow Market Share

Track record of increasing net revenue per US housing completions since 2005

IBP NET REVENUE / US HOUSING COMPLETIONS
(\$ / US Completions)



2005 MARKET SHARE



MARKET SHARE TODAY



Source: Management, Completions from US Census Bureau

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

- ✓ One of the nation's largest insulation installers for residential new construction in the US
- ✓ 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

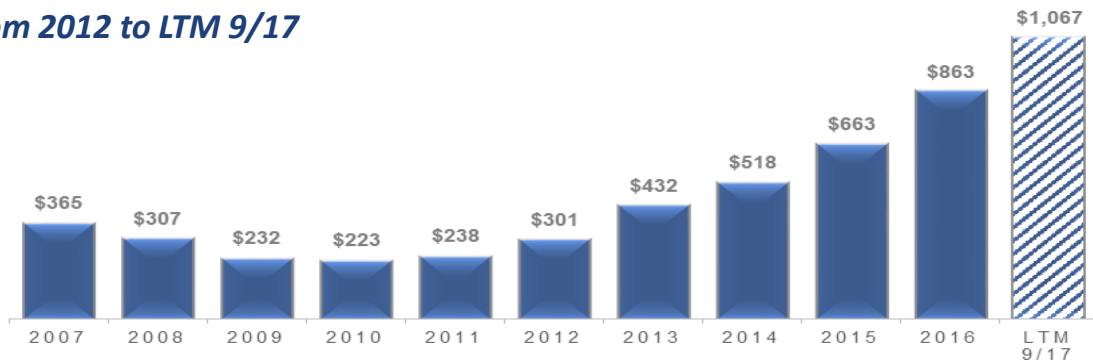
FINANCIAL PERFORMANCE

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Strong Top-Line Momentum

9% CAGR from 2012 to LTM 9/17



Revenue Growth	4.2%	-16.0%	-24.4%	-3.9%	7.0%	26.3%	43.4%	19.9%	27.9%	30.2%	30.0%
Total US Completions (in thousands)	1,503	1,120	794	652	585	649	764	884	968	1,060	1,142
% US Housing Completions Growth	-24.1%	-25.5%	-29.1%	-18.0%	-10.2%	11.0%	17.7%	15.6%	9.5%	9.4%	11.4%
IBP Net Rev/Completions	\$243	\$274	\$292	\$342	\$408	\$464	\$565	\$586	\$684	\$814	\$934

Source: U.S. Census Bureau, Company filings

Note: Historical revenue figures not pro forma for acquisitions

Sales Growth

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	2017	2016	2017	2016
Period-over-period Growth				
Sales Growth	31.0%	24.1%	32.4%	33.5%
Same Branch Sales Growth	9.4%	12.2%	9.9%	17.6%
Single-Family Sales Growth	18.3%	21.6%	17.5%	30.9%
Single-Family Same Branch Sales Growth	7.2%	9.7%	7.2%	15.8%
Residential Sales Growth	25.6%	23.5%	25.8%	33.0%
Residential Same Branch Sales Growth	11.7%	12.1%	11.4%	17.5%
U.S. Housing Market ¹				
Total Completions Growth	8.3%	2.7%	10.9%	7.6%
Single-Family Completions Growth	7.2%	12.1%	8.9%	13.1%
Same Branch Sales Growth				
Volume Growth	3.7%	7.4%	5.7%	10.2%
Price/Mix Growth	5.7%	4.8%	4.2%	7.4%

¹ Source: U.S. Census Bureau data, as revised

Summary Financial Results

<i>(in millions)</i>	2012	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	LTM 9/17
Net Revenue	\$ 301	\$ 432	\$ 518	\$ 663	\$ 863	\$ 256	\$ 282	\$ 295	\$1,067
% Net Revenue Growth	26.3%	43.4%	19.9%	27.9%	30.1%	33.5%	33.0%	31.1%	30.0%
Same Branch Sales Growth	20.5%	29.6%	16.4%	11.7%	9.4%	8.7%	11.6%	9.4%	10.1%
COGS ^①	\$ 227	\$ 322	\$ 376	\$ 475	\$ 611	\$ 183	\$ 197	\$ 209	\$ 755
Adjusted Gross Profit ^①	74	110	142	188	252	72	85	86	312
% Margin	24.6%	25.4%	27.4%	28.4%	29.2%	28.2%	30.1%	29.2%	29.2%
Adjusted S&A ^②	\$ 71	\$ 91	\$ 110	\$ 134	\$ 171	\$ 52	\$ 53	\$ 54	\$ 204
% of Net Revenue	23.7%	21.1%	21.3%	20.2%	19.8%	20.4%	18.6%	18.3%	19.1%
Adjusted EBITDA ^③	\$ 6	\$ 25	\$ 44	\$ 71	\$ 105	\$ 26	\$ 39	\$ 39	\$ 135
% of Net Revenue	2.1%	5.9%	8.5%	10.7%	12.1%	10.3%	13.9%	13.3%	12.6%

- ① COGS adjusted in 2014 for \$1.8 million adverse development in workers' compensation and in Q3 2017 and LTM 2017 for \$0.5 million share-based compensation expense relating to restricted stock units. See the Gross Profit and Adjusted Gross Profit Reconciliation in the Appendix. Adjusted Gross Profit is a non-GAAP financial measure.
- 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.

Strong Balance Sheet

(\$ in millions)	2012	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017
Cash	\$ 3.9	\$ 4.1	\$ 10.8	\$ 6.8	\$ 14.5	\$ 24.6	\$ 66.7	\$ 67.0
Short-Term Investments	-	-	-	-	-	-	25.3	25.1
Revolver	17.2	27.3	-	-	-	-	-	-
Term Loan, net of unamortized discount ^①	-	-	24.7	47.9	95.8	94.6	293.6	293.1
Delayed Draw Term Loans, in effect, net of unamortized debt issuance costs ^②	-	-	-	49.7	12.5	124.5	-	-
Vehicle and Equipment Notes Payable	-	-	1.3	21.1	38.2	40.3	42.8	46.7
Capital Lease Obligations	12.2	22.0	26.9	20.4	15.3	14.2	13.9	13.6
Various notes payable	0.7	0.8	0.8	4.5	5.0	4.8	4.1	4.1
Total Debt	\$ 30.1	\$ 50.1	\$ 53.7	\$ 143.6	\$ 166.8	\$ 278.4	\$ 354.4	\$ 357.5
Net Debt	\$ 26.2	\$ 46.0	\$ 42.9	\$ 136.8	\$ 152.3	\$ 253.8	\$ 262.4	\$ 265.4
LTM Adjusted EBITDA ^③	\$ 6.2	\$ 25.4	\$ 44.0	\$ 71.2	\$ 104.8	\$ 111.9	\$ 124.8	\$ 134.6
Credit Statistics:								
Net Debt / LTM Adjusted EBITDA	4.2x	1.8x	1.0x	1.9x	1.5x	2.3x	2.1x	2.0x
Working Capital (Excl. Cash and Short-Term Investments)	\$ 19.1	\$ 27.0	\$ 32.0	\$ 46.0	\$ 47.8	\$ 66.7	\$ 92.2	\$ 95.6

^① Unamortized discount (in thousands): 2015 - \$249; 2016 - \$447; Q1 2017 - \$399; Q2 2017 - \$6,422 and Q3 2017 - \$6,184

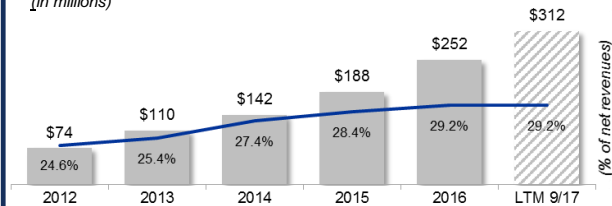
^② Unamortized discount (in thousands): 2015 - \$261; 2016 - \$50; and Q1 2017 - \$499

^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

Improving Financial Performance

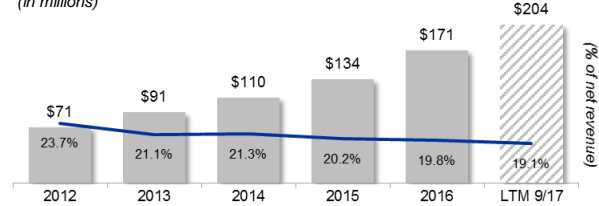
Adjusted Gross Profit ^①

(in millions)



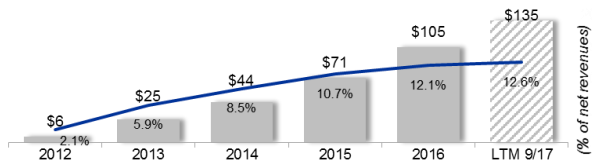
Adjusted Selling & Administrative ^②

(in millions)



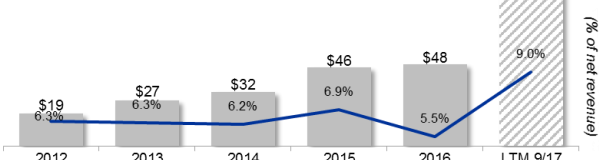
Adjusted EBITDA ^③

(in millions)



Working Capital ^④

(in millions)

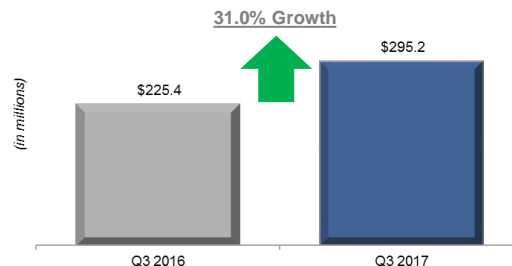


- ① Adjusted Gross Profit is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix
- ② Adjusted S&A is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is 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; LTM 2017 - \$67,008 and short-term investments of LTM \$25,114

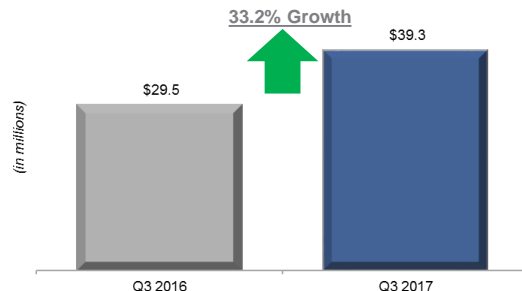
Q3 2017 Performance

- ✓ Strong Q3 2017 performance attributable to growth in same branch sales of 7.2%. Same branch residential sales increased 11.7%
- ✓ Net revenue growth was predominantly attributable to acquisitions and organic growth in the volume of completed jobs and price and mix in all end markets
- ✓ Growth in Adjusted EBITDA due to higher net revenue and a more favorable mix of installation services

Net Revenue



Adjusted EBITDA



① Net income grew 19.8% from Q2 2016 to Q2 2017. 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

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EBITDA & Adjusted EBITDA Reconciliation

<i>(in millions)</i>	Notes	2012	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	LTM 9/17
Net (loss) income		\$ (1.9)	\$ 6.0	\$ 13.9	\$ 26.5	\$ 38.4	\$ 6.4	\$ 12.0	\$ 12.0	\$ 41.4
Interest expense		2.0	2.3	3.2	3.7	6.2	2.2	4.9	4.4	13.0
Provision for income taxes	①	0.6	4.2	8.6	15.4	21.2	3.8	6.0	5.7	21.9
Depreciation and amortization		7.9	11.5	15.0	23.2	34.8	13.0	13.4	14.1	49.8
Gain on bargain purchase		-	-	-	(1.1)	-	-	-	-	-
EBITDA		\$ 8.6	\$ 24.0	\$ 40.7	\$ 67.8	\$ 100.6	\$ 25.3	\$ 36.3	\$ 36.2	\$126.2
Legal settlement and reserves	②	(7.0)	1.4	1.8	0.1	-	-	-	-	-
Non-cash stock compensation	③	4.7	-	-	-	-	-	-	-	-
Gain from put option Redeemable Preferred Stock	④	-	-	(0.5)	-	-	-	-	-	-
Acquisition related expenses		-	-	0.1	1.1	2.3	0.6	0.8	0.9	3.3
IPO and follow-on cost expensed		-	-	1.3	-	-	-	-	-	-
Share-based compensation expense		-	-	0.3	2.1	1.9	0.5	2.1	2.2	5.2
Sarbanes-Oxley initial implementation		-	-	0.3	-	-	-	-	-	-
Adjusted EBITDA		\$ 6.2	\$ 25.4	\$ 44.0	\$ 71.2	\$ 104.8	\$ 26.3	\$ 39.2	\$ 39.3	\$134.6

EBITDA & Adjusted EBITDA Reconciliation Notes

- ① Excludes income taxes related to discontinued operations
- ② Represents the settlement in 2012 of a class action lawsuit in which IBP was one of the plaintiffs. The lawsuit related to excess material prices being charged by certain manufacturers. Also included in this line are 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 In 2010, IBP Management Holdings, LLC and, in 2011, IBP Investment Holdings, LLC issued awards of their equity interests to certain employees. Certain of these employees were granted rights to put such equity awards during a limited period to Jeff Edwards. Accounting guidance requires that the compensation associated with these equity awards be pushed down to IBP and recorded as non-cash compensation expense
- ④ Represents non-cash gain recorded to accelerate the maturity of the Redeemable Preferred Stock, redeemed in full with IPO proceeds in February 2014

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 thousands, except for share and per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Net income, as reported	\$ 12,010	\$ 11,549	\$ 30,347	\$ 27,355
Adjustments for adjusted net income:				
Write-off of capitalized loan costs	-	-	1,201	286
Share based compensation expense	2,179	361	4,749	1,531
Acquisition related expenses	926	508	2,273	1,331
Amortization expense ¹	6,824	2,889	19,790	8,178
Tax rate on adjusted items at normalized tax rate	(3,674)	(1,390)	(10,365)	(4,191)
Adjusted net income	<u>\$ 18,265</u>	<u>\$ 13,917</u>	<u>\$ 47,995</u>	<u>\$ 34,490</u>
Income before income taxes	17,731	18,272	45,849	42,147
Stated income tax provision	5,721	6,723	15,502	14,792
Normalized tax rate (37%) applied to each period	37.00	37.00	37.00	37.00
Diluted shares outstanding	31,766,881	31,377,790	31,712,515	31,351,991
Diluted net income per share, as reported	\$ 0.38	\$ 0.37	\$ 0.96	\$ 0.87
Adjustments for adjusted net income, net of tax impact, per diluted share ²	<u>0.19</u>	<u>0.07</u>	<u>0.55</u>	<u>0.23</u>
Diluted adjusted net income per share, to conform with current presentation	\$ 0.57	\$ 0.44	\$ 1.51	\$ 1.10

¹ Addback of all non-cash amortization resulting from business combinations

² Normalized tax impact of 37.0% applied to each period in 2017 and 2016

S&A & Adjusted S&A

<i>(in millions)</i>	2012	2013	2014	2015	2016	Q1 17	Q2 17	Q3 17	LTM 9/17
S&A	\$ 76.1	\$ 93.1	\$ 111.6	\$ 137.1	\$ 175.1	\$ 53.3	\$ 55.4	\$ 56.5	\$211.4
Legal settlement and reserves	-	1.8	-	0.1	-	-	-	-	-
Acquisition related expenses	-	-	-	1.1	2.3	0.5	0.8	0.9	3.2
Share-based compensation expense	-	-	-	2.1	1.9	0.5	2.1	1.7	4.7
Non-cash stock compensation	4.7	-	-	-	-	-	-	-	-
IPO Costs	-	-	1.3	-	-	-	-	-	-
SOX Implementation	-	-	0.3	-	-	-	-	-	-
Gain on Redeemable Preferred Stock	-	-	(0.5)	-	-	-	-	-	-
Adjusted S&A	\$ 71.4	\$ 91.3	\$ 110.5	\$ 133.8	\$ 170.9	\$ 52.3	\$ 52.5	\$ 53.9	\$203.5

Gross Profit & Adjusted Gross Profit Reconciliation

<i>(in millions)</i>	2012	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	LTM 9/17
Gross Profit	\$ 74.0	\$109.7	\$140.0	\$188.3	\$252.4	\$ 72.2	\$ 84.9	\$ 85.6	\$ 311.0
Reserve for workers' compensation ¹	-	-	1.8	-	-	-	-	-	-
Stock compensation expense ²	-	-	-	-	-	-	-	0.5	0.5
Adjusted Gross Profit	\$ 74.0	\$109.7	\$141.8	\$188.3	\$252.4	\$ 72.2	\$ 84.9	\$ 86.1	\$ 311.5

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

An aerial photograph of a suburban neighborhood. The houses are mostly two-story with dark roofs, surrounded by green lawns and trees with some autumn-colored foliage. A winding road runs through the right side of the image. A semi-transparent white box with a thin gold border is centered over the image, containing text.

THANK YOU

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