INSTALLED BUILDING PRODUCTS

3Q 2023

Reported November 8, 2023

Safe Harbor

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," "forecast," "intends," "anticipates," "projects," "outlook," "target," "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, general economic and industry conditions, rising home prices, inflation and interest rates; the potential impact of the ongoing COVID-19 pandemic; the supply chain and material constraints; the timing of increases in our selling prices; and the risk discussed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2022, 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 statement 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 result any change in expectations or events, conditions or circumstances on which any such statements are based.

Non-GAAP Financial Measures

This presentation includes the following non-GAAP financial measures: (1) Adjusted EBITDA and Adjusted EBITDA Margin, (2) Adjusted Net Income, (3) Adjusted Net Income per diluted share, (4) Adjusted Selling Administrative (S&A), (5) Adjusted Cost of Sales, (6) Adjusted Gross Profit, (7) Free Cash Flow, and (8) Net Debt . 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 of a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Adjusted Gross Profit, Adjusted Selling and Administrative Expense, and Free Cash Flow measure performance by adjusting EBITDA, GAAP net income, gross profit and selling and administrative expense, and GAAP net income, respectively, for certain income or expense items that are not considered part of our core operations. We believe that the presentation of these measures provides useful information to investors regarding our results of operations because it assists both investors and us in analyzing and benchmarking the performance and value of our business.

We believe the Adjusted EBITDA measure 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.

Although we use the Adjusted EBITDA measure to assess the performance of our business, the use of the measure is limited because it does not include certain material expenses, such as interest and taxes, necessary to operate our business. Adjusted EBITDA should be considered in addition to, and not as a substitute for, GAAP net income as a measure of performance. Our presentation of this measure should not be construed as an indication that our future results will be unaffected by unusual or non-recurring items. This measure has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Because of these limitations, this measure is not intended as an alternative to net income as an indicator of our operating performance, as an alternative to any other measure of performance in conformity with GAAP or as an alternative to cash flow provided by operating activities as a measure of liquidity. You should therefore not place undue reliance on this measure or ratios calculated using this measure.

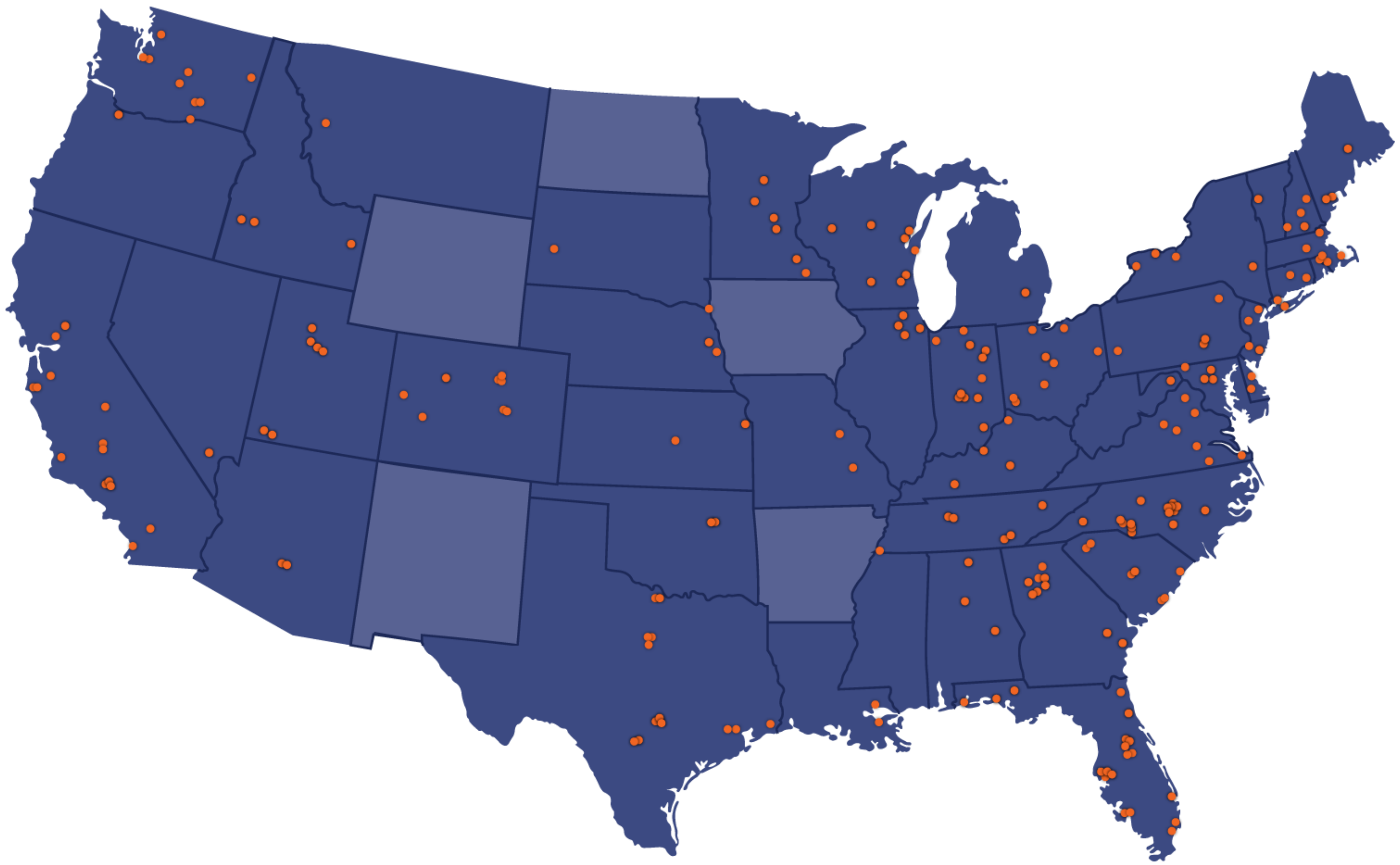
We also believe the Adjusted Net Income measure is useful to investors and us as a measure of comparative operating performance from period to period as it measures our changes in pricing decisions, cost controls and other factors that impact operating performance, and removes the effect of certain non-core items such as discontinued operations, acquisition related expenses, amortization expense, the tax impact of these certain non-core items, and the volatility related to the timing and extent of other activities such as asset impairments and non-core income and expenses. To make the financial presentation more consistent with other public building products companies, beginning in the fourth quarter 2016 we included an addback for non-cash amortization expense related to acquisitions. Accordingly, we believe that this measure is useful for comparing general operating performance from period to period. Other companies may define Adjusted Net Income differently and, as a result, our measure may not be directly comparable to measures of other companies. In addition, Adjusted Net Income may be defined differently for purposes of covenants contained in our revolving credit facility or any future facility.

Company Overview

IBP
INSTALLED BUILDING PRODUCTS

National Scale

STRONG LOCAL PRESENCE + NATIONAL SCALE = HIGH QUALITY SERVICE WITH OPERATING LEVERAGE



- One of the nation's largest[1] new residential insulation installers
- Diversified installer of complementary building products for residential and commercial builders
- National platform of over 240 locations serving all 48 continental states and the District of Columbia
- Each of our branches has the capacity to serve all of our end markets

Note: Shaded states are where we have a physical presence. Some dots represent multiple locations.
[1] Based on internal estimates.

IBP

IBP Growth Strategy

CAPITALIZE ON NEW RESIDENTIAL AND COMMERCIAL CONSTRUCTION MARKETS IN INSTALLATION SEGMENT

GEOGRAPHIC

- Accretive acquisitions in primary residential end market
- Lead market entrance with insulation installers
- Continue to leverage our multi-family sales growth in existing IBP branches

	Three Months Ended September 30, 2023	
Residential new construction	$ 518,080	73 %
Repair and remodel	37,839	6 %
Commercial	105,272	15 %
Net revenues - Installation	661,191	94 %
Other	45,274	6 %
Net revenue, as reported	$ 706,465	100 %

PRODUCT

- Pursue tuck-in acquisitions of complementary products in existing IBP markets
- Organically introduce our product offerings in existing markets
- Pursue new product categories in heavy commercial end market

	Three Months Ended September 30, 2023	
Installation		
Insulation	$ 424,166	60 %
Shower doors, shelving and mirrors	48,223	7 %
Garage doors	40,597	6 %
Waterproofing	36,186	5 %
Rain gutters	31,227	4 %
Fireproofing/firestopping	18,889	3 %
Window blinds	16,147	2 %
Other building products	45,756	7 %
Net revenues	661,191	94 %
Other [1]	45,274	6 %
Net revenue, as reported	$ 706,465	100 %

(1) Other includes net revenue for manufacturing and distribution operations

Growth Focused Capital Allocation Strategy

CAPITAL AND CASH FLOW PRIORITIES

Acquisitions are Primary Use of Capital
- Acquisitions contribute to profitability in year one
- Disciplined approach generates compelling IRR
- Assists with revenue diversification

Recent Dividends Announced (11/8/2023)
- Quarterly dividend of $0.33 per share

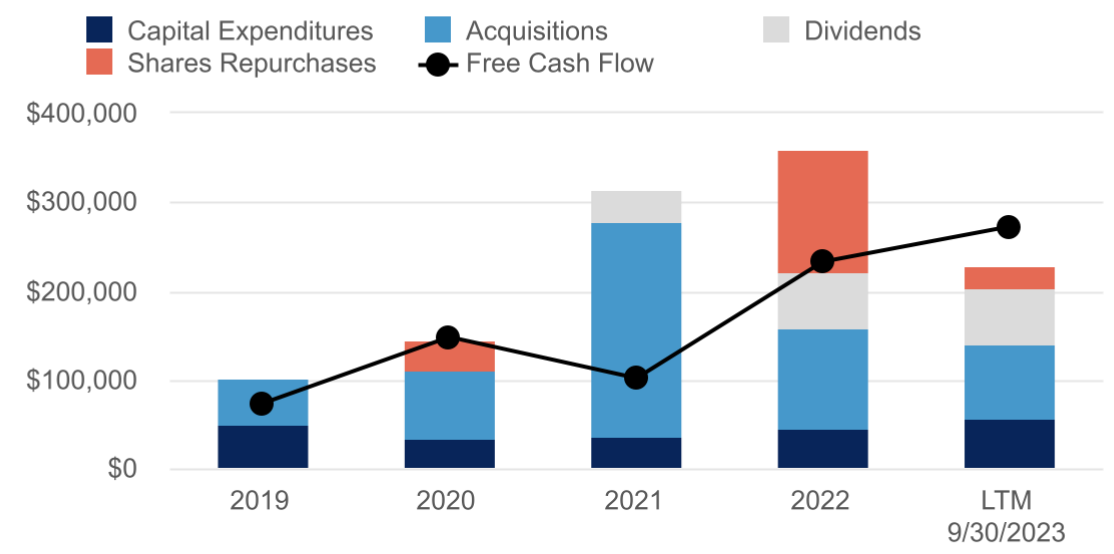
Opportunistic Share Repurchases
- $200 million available for stock repurchases under the program as of 9/30/2023, expires 3/1/24

Asset-Light Model Generates Substantial Operating Cash Flow
- Working capital is largest use of operating cash
- Capital expenditures and finance capital lease expense averages ~2.0% of net revenue over the long term
- Building cash balances have supported acquisition growth

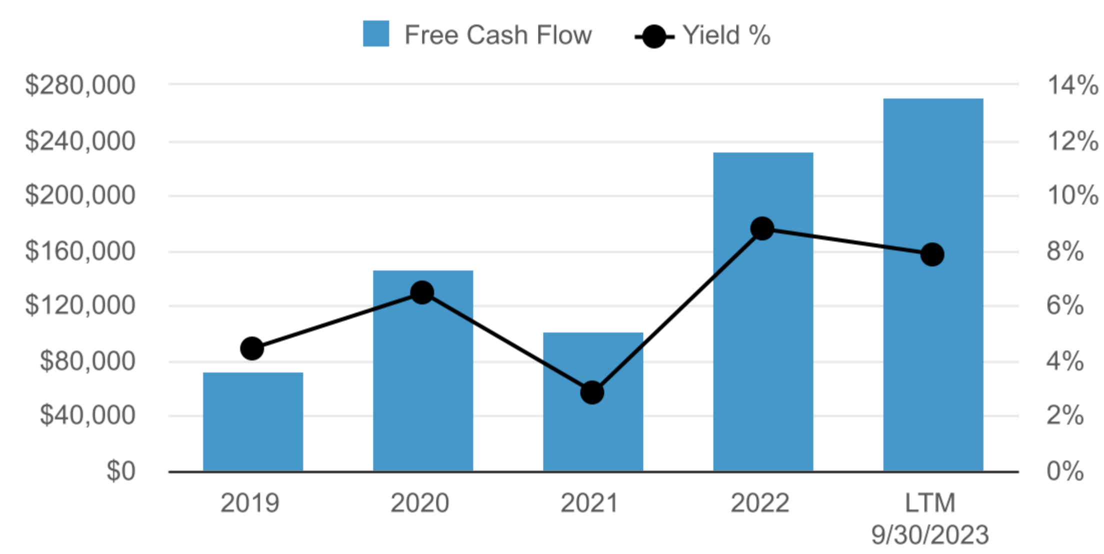
Robust Liquidity and Low Leverage Provide Flexibility Through Cycle
- Multiple funding sources and staggered maturities
- Target leverage ratio < 2.00x, 1.13x as of 9/30/2023

* Free cash flow is a non-GAAP measure calculated as net cash provided by operating activities minus purchases of property and equipment. Free cash flow yield is free cash flow as a percentage of the average market cap over each respective period.

CAPITAL ALLOCATION (in thousands)



Free Cash Flow* (in thousands) / Free Cash Flow Yield %

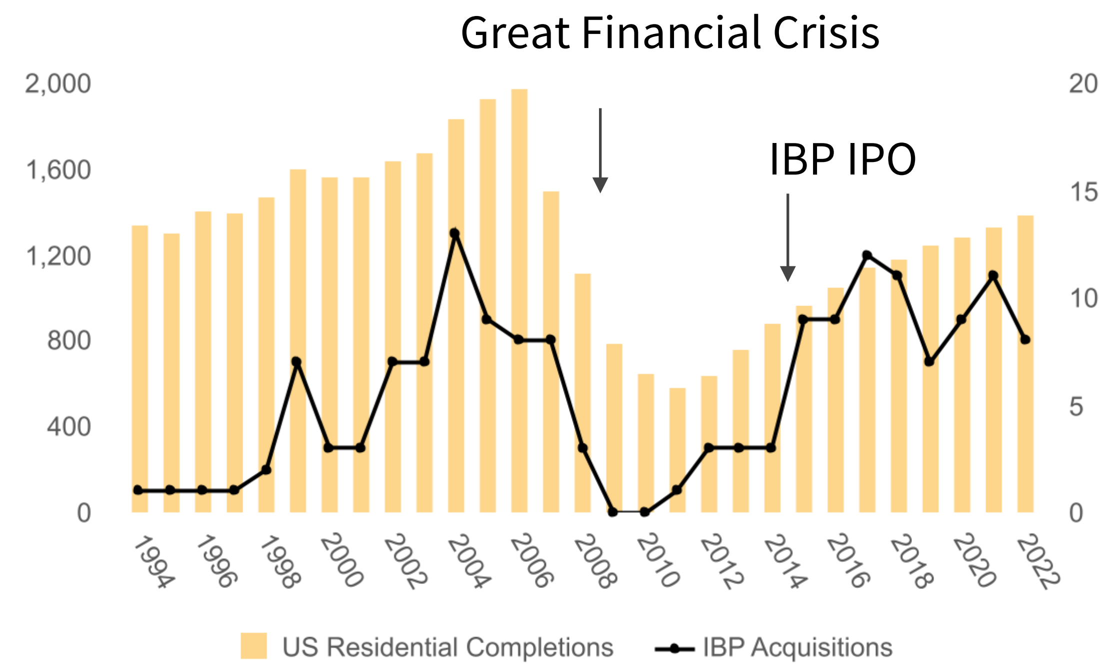


Successful Acquisition Strategy

LONG-TERM STRATEGY OF PURSUING VALUE-ENHANCING STRATEGIC ACQUISITIONS

- Acquisition rationale
  - Expand scale, product diversification, market presence
- Keys to our approach
  - Realize synergies within scalable infrastructure
  - Target profitable markets
  - Acquire operators with strong reputation and customer base
  - Maintain existing trade name and management team
- Corporate support allows more focus on customer service
- CEO, CFO and COO have been directing IBP's acquisition strategy for over 20 years
- Apply national buying power
- Leverage relationships with national homebuilders

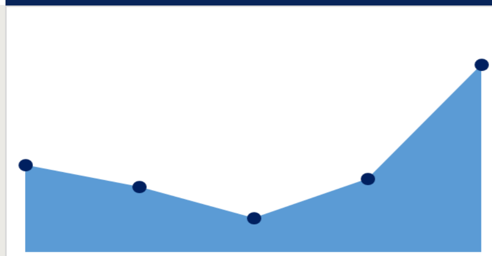
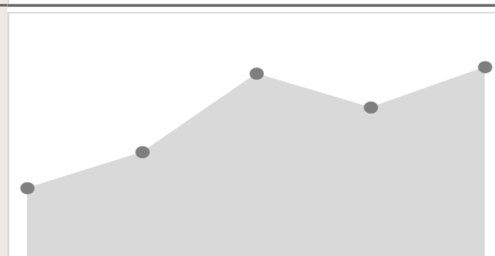
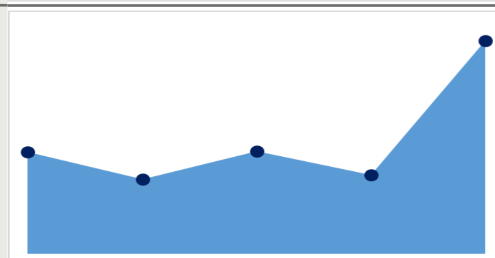
Consistently Deploying Capital Across Nearly Three Decades, Driving Growth and Market Expansion



Note: In Q2 2022, we changed the criteria for how acquisitions are counted in the above chart. Generally, acquisitions presented meet the following criteria: (1) we pay for goodwill; (2) business has a standalone location; (3) business name is projected to remain over the long term; and (4) purchase price greater than $0.5 million. First acquisition in 1994. US residential completions data based on US Census Bureau in thousand units, left axis.

Annual Operating Framework

COMPELLING FINANCIAL MODEL CREATES LONG-TERM VALUE

	2018-2022		Long-Term Outlook	Acquisition Growth Assumptions
Organic Revenue Growth		5-25%	Outperform U.S. Residential Completions Growth	Target >$100M of acquired revenue annually
Gross Profit Margin		28-31%	Stable within historical range	Material purchasing power + Product diversification = Margin benefit
Adjusted EPS Growth[1]		23-66%	Mid-teens	Immediately accretive
Adjusted EBITDA Growth[1]		16-54%	20-25% Organic Growth (Incremental)	>10% EBITDA Margin

[1] Adjusted Net Income per share, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix

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Benefits of a Unique Value Chain Structure

SCALE PROVIDES A DIRECT LINK BETWEEN MANUFACTURERS AND BUILDERS, A STREAMLINED VALUE CHAIN

TYPICAL VALUE CHAIN

- Building Products Manufacturer
- Distributor
- Wholesaler or Retailer
- Contractor
- Finished Home

INSULATION VALUE CHAIN

- Insulation Manufacturer
- IBP INSTALLED BUILDING PRODUCTS — Purchasing / Logistics / Installation
- Finished Home

Diverse Service and Product Offering

FRAGMENTED NON-INSULATION PRODUCT MARKET ALLOWS FOR REVENUE DIVERSIFICATION AND ACQUISITIONS

INSULATION

~30% Share

Fiberglass, spray foam, and cellulose insulation

CLOSET SHELVING

NA

Install and design shelving systems using branded products

SHOWER DOORS, MIRRORS, HARDWARE

~7% Share

Basic sliding doors, custom designs, and custom mirrors

GARAGE DOORS

~2% Share

Steel, aluminum, wood, and vinyl doors and opener systems

RAIN GUTTERS

~6% Share

Aluminum or copper, assembled on the job site

WINDOW BLINDS

~5% Share

Cordless blinds, shades, and shutters

COMMERCIAL PRODUCTS

Single Digit % Share

Waterproofing, fireproofing, firestopping

Note: All market share figures reflect IBP new residential construction market share and are based on internal estimates

Diversification Growth Opportunity

Diversification Growth Opportunity

FURTHER DIVERSIFICATION ENHANCES SAME BRANCH REVENUE OPPORTUNITY

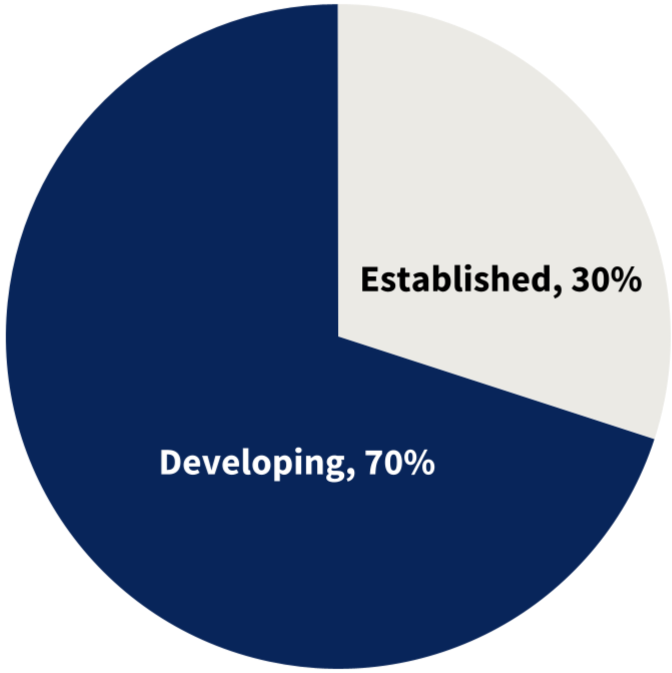
Top 50 IBP Metropolitan Statistical Areas (MSAs)

End Products

Core Installed End Products

- Fiberglass insulation
- Spray foam insulation
- Shower shelving and mirrors
- Gutters
- Waterproofing
- Garage doors
- Window blinds

If a branch has four or more products that represent more than 10% of its revenue, then it is categorized as established.

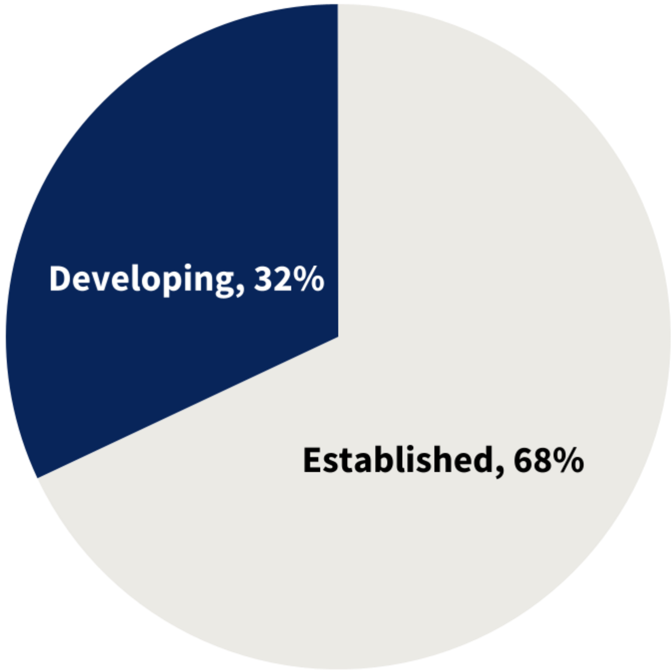


End Markets

Core End Markets

- New single-family
- New multi-family
- Commercial
- Repair & Remodel

If a branch has 3 or more end markets that represent more than 10% of its revenue, then it is categorized as established.



- On average, an established IBP branch with diversified revenue by product and/or end market generates ~$4,400 per residential permit, while a developing branch with more concentrated revenue generates ~$2,200 per residential permit

Source: Company estimates. Note: The categorization (developing / established) of each of IBPs top 50 MSAs is based on the product and end market revenue contribution of multiple IBP branches within that MSA

ESG Highlights

CLICK HERE TO VIEW ESG REPORT

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Environmental

OUR BUSINESS IS COMMITTED TO SUSTAINABILITY, INSULATION IS THE BEST WAY TO PREVENT ENERGY WASTE

Energy Efficiency

- Our customers are creating homes in the houses we build with them, and that includes keeping their families safe and warm while also saving energy

Responsible Materials

- The most common type of insulation we install – over 80% of our insulation sales – is fiberglass, which is comprised of an average of 50-80% recycled material. We also install cellulose insulation, which is comprised of at least 75% recycled waste paper

Reducing our Carbon Footprint

- Our insulation products directly reduce carbon emissions through energy efficiency. We are committed to the following environmental and sustainability initiatives:
  - Reduce by 50% our carbon producing electricity usage from 2020 baseline measured as KWH/average square foot, by 2030
  - Reduce by 50% the HFC blowing agent used from 2020 baseline, measured as CO2e, metric tones per $1 million of revenue, as states adopt HBO alternative, by 2030
  - Reduce by 50% mobile combustion emissions from 2020 baseline, measured as CO2e metric ton emissions per average vehicle, by 2030
  - Measure and reduce the amount of landfill waste through increased recycling programs
  - Provide actionable insight into a company's energy usage and carbon emissions by investing in Energi.ai, which uses machine learning-. IBP has also become its first US-based customer

Social Governance and Responsibility

MAINTAINING TURNOVER SIGNIFICANTLY BELOW INDUSTRY AVERAGE SINCE EARLY 2017

Employee Benefits
- Medical insurance
- 401k
- Paid time-off benefits

Employee Programs
- Longevity-based stock awards
- Financial wellness program
- Installed Building Products Foundation

Opportunities
- Professional growth
- Career advancement

Safety Wanted 365
- Year-round education and training focused on creating a safer working environment

Community Engagement
- Encourage and offer opportunities for employees to volunteer and contribute to local organizations that serve our communities

Board Leadership
- 44% of our board of directors is diverse based on gender, racial, ethnic and orientation diversity

- Enhances employee engagement
- Builds family culture
- Promotes safer working environment
- Reduces recurring training investment
- Increases workforce productivity
- Encourages repeat business and customer and employee loyalty
- Promotes community and social engagement

Diversity, Equity, and Inclusion (DEI)

WE ARE COMMITTED TO MAINTAINING WORKPLACES FREE FROM DISCRIMINATION AND HARASSMENT

1. Management training programs intend to address minority representation in management and sales positions, as well as gender income equality
2. Assessment of vendors and suppliers to source products and services from minority and women owned business, where possible
3. Building a pipeline for diversity in applicant pools
4. Employee focus groups to understand diversity needs and perceptions throughout the organization
5. In conjunction with our Positive Production Program, videos will play daily on each branch television to provide education and encourage inclusion
6. Offer English as a Second Language and Spanish as a Second Language classes to remove communication hurdles

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Community and Employee Engagement

COMMITMENT TO OUR EMPLOYEES AND COMMUNITIES WE SERVE

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Impact

$2.4 million in scholarships have been committed to 230 employees and family members

Over $280,000 in Employee Financial Assistance grants to help with financial hardship

Awarded $5 million in grants to nonprofit organizations focused on housing, education and strengthening our communities

Finalized multi-year commitments to support the local and national organizations through nonprofit donations

Employees have volunteered thousands of hours to nonprofit organizations in their communities nationwide

The scholarship has allowed me to focus on my studies without having to be worried about my financial responsibilities at school. With this stress off my shoulders, I believe I was able to make the most out of my college experience by dedicating more time to what means most to me. I am happy to say that I graduated with the honors of magna cum laude. I could not have done this without the help of my family, as well as, the support from IBP, thank you!

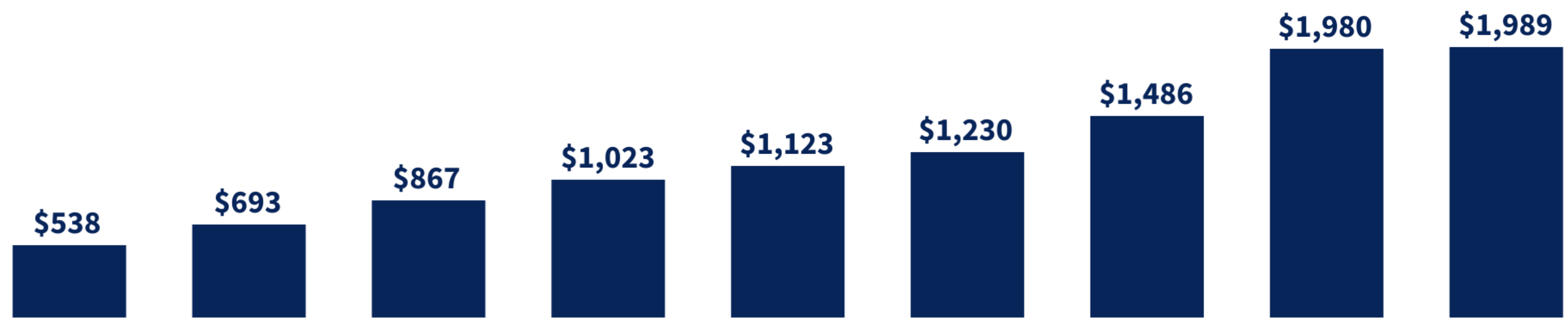
-Bianca, IBP Foundation Scholarship Recipient

Note: All figures as of August 2, 2023

Financial Performance

Strong Top-Line Momentum

20% REVENUE CAGR FROM 2015 TO 2023



(in millions)	Twelve months ended December 31, 2015	2016	2017	2018	2019	2020	2021	2022	LTM 9/30/2023
IBP Residential Sales									
Residential Sales Growth %		29.0 %	25.0 %	18.1 %	9.8 %	9.5 %	20.8 %	33.2 %	5.5 %
U.S. Residential Completions	968	1,060	1,153	1,185	1,255	1,287	1,341	1,390	1,440
Completions Growth %		9.4 %	8.8 %	2.8 %	5.9 %	2.5 %	4.2 %	3.7 %	5.5 %
IBP Residential Sales per Completion	$ 556	$ 654	$ 752	$ 863	$ 895	$ 956	$ 1,108	$ 1,424	$ 1,381
Sales per Completion Growth %		17.9%	14.9%	14.9%	3.6%	6.8%	16.0%	28.5%	0.0%

Source: U.S. Census Bureau, Company filings
Note: Historical revenue figures are not pro forma for acquisitions. Residential sales and sales growth from Installation segment only in million dollars. U.S. residential completions in thousand units. All growth percentages are year-over-year.

Summary Financial Results

($ in millions)	Twelve months ended December 31, 2019	2020	2021	2022	LTM 9/30/2023
Net Revenue	$ 1,512	$ 1,653	$ 1,969	$ 2,670	$ 2,744
% Net Revenue Growth[1]	*13.1%*	*9.4%*	*19.1%*	*35.6%*	*9.0%*
Same Branch Consolidated Sales Growth	*8.6%*	*4.5%*	*9.7%*	*24.6%*	*(76.4)%*
COGS (Adjusted)[2]	$ 1,076	$ 1,142	$ 1,379	$ 1,842	$ 1,841
Adjusted Gross Profit[2]	$ 436	$ 511	$ 590	$ 828	$ 903
% Margin	*28.8%*	*30.9%*	*30.0%*	*31.0%*	*32.9%*
Adjusted S&A[3]	$ 278	$ 306	$ 349	$ 436	$ 482
% of Net Revenue	*18.4%*	*18.5%*	*17.7%*	*16.3%*	*17.6%*
Adjusted EBITDA[4]	$ 197	$ 246	$ 285	$ 439	$ 473
% of Net Revenue	*13.0%*	*14.9%*	*14.5%*	*16.5%*	*17.2%*

[1] % Net Revenue Growth over prior year period.

[2] COGS adjusted relate to stock compensation expense, Financial Wellness Program, branch start-up costs and employee pay and employee medical expenses directly attributable to COVID-19. See the and Adjusted Gross Profit Reconciliation included in the Appendix. Adjusted Gross Profit is a non-GAAP financial measure.

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

[4] 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.

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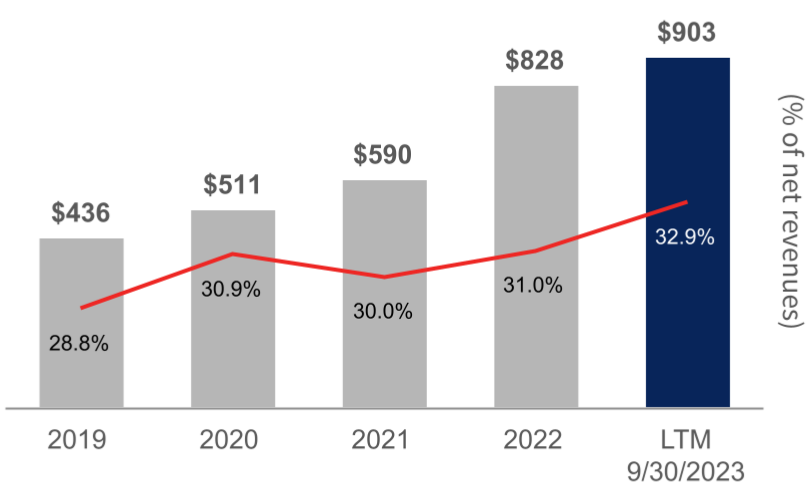
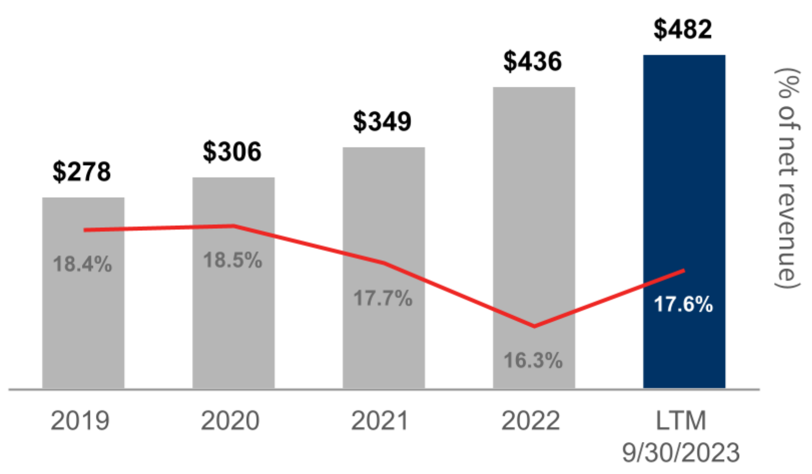
Multi-Year Financial Improvement

ADDITIONAL VALUE DRIVEN BY OPERATING LEVERAGE AND NATIONAL SCALE

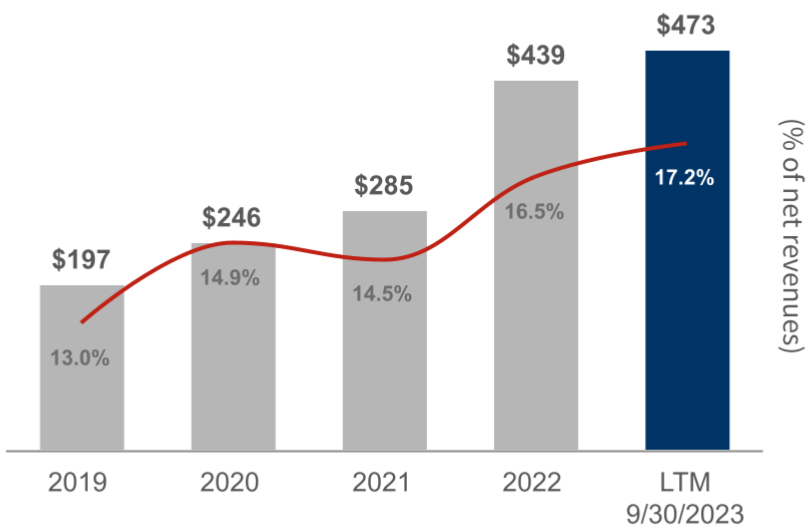
Adjusted Gross Profit[1]



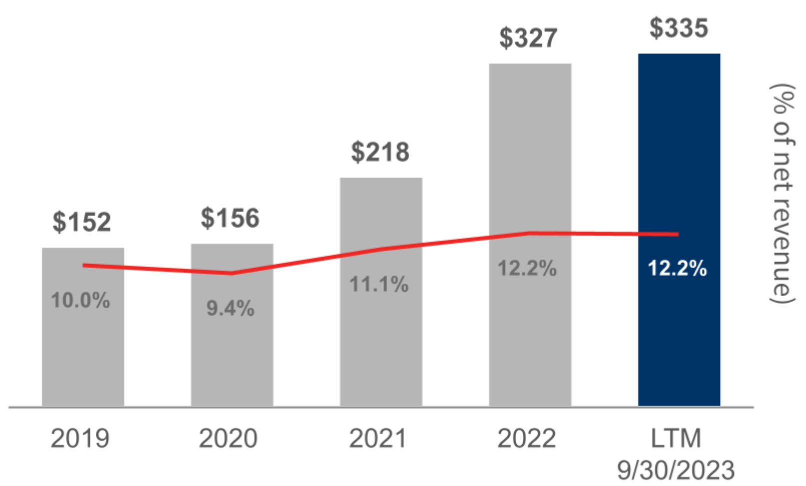
Adjusted Selling & Administrative[2]



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 2019 – $177,889; 2020 - $231,520, 2021 - $333,485, 2022 - $229,627 and LTM 3/31/23 - $339,759 and investments (in thousands) of 2019 - $37,961; 2020 - $0, 2021 - $0; 2022 – $0 and LTM 3/31/23 - $0.

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Strong Balance Sheet

($ in millions)	2019	2020	2021	2022	Q3 2023
	Twelve months ended December 31,				
Cash	$ 178	$ 232	$ 334	$ 230	$ 340
Short-Term Investments	38	—	—	—	—
Senior Notes, net of unamortized debt issuance costs[1]	295	296	296	297	297
Term Loan, net of unamortized debt issuance costs[2]	198	199	493	489	487
Vehicle and Equipment Notes Payable	73	68	69	73	80
Finance Lease Obligations	6	5	5	9	10
Various note payable	3	3	4	2	1
Total Debt	$ 576	$ 570	$ 868	$ 870	$ 875
Net Debt [3]	$ 360	$ 338	$ 535	$ 640	$ 535
Adjusted EBITDA[4]	$ 197	$ 246	$ 285	$ 439	$ 473
Credit Statistics:					
Net Debt/ Adjusted EBITDA	1.83x	1.38x	1.87x	1.46x	1.13x
Working Capital (Excluding Cash and short-Term Investments)	$ 152	$ 156	$ 218	$ 327	$ 335

[1] Unamortized debt issuance costs (in thousands): 2019 - $4,823; 2020 – $4,230, 2021 - $3,633; 2022 - $3,036 and Q1 2023 - $2,588

[2] Unamortized debt issuance costs (in thousands): 2019 - $1,662; 2020 - $1,343; 2021 - $6,735; 2022 - $5,767 and Q1 2023 - $4,543

[3] Net debt is a non-GAAP financial measure and is calculated by subtracting cash and short-term investments from total debt.

[4] 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. The most recent quarter is a last twelve months figure.

Appendix

EBITDA and Adjusted EBITDA Reconciliation

($ in millions)	Twelve months ended December 31, 2019	2020	2021	2022	LTM 9/30/2023
Net Income	$ 68	$ 97	$ 119	$ 223	$ 248
Interest expense	28	30	33	42	39
Provision for income taxes	24	34	37	80	88
Depreciation and amortization	63	70	81	91	95
Miscellaneous	—	—	—	—	—
EBITDA	$ 184	$ 231	$ 269	$ 436	$ 470
Legal reserves	1	—	(1)	2	3
Acquisition related expense	2	3	3	3	2
Gain on acquisition earnouts	—	—	—	(16)	(15)
Share-based compensation expense	9	11	14	14	14
COVID-19 expenses[1]	—	1	—	—	—
Branch start-up costs[2]	1	—	—	—	—
Gain on sale of assets	—	—	(1)	—	—
Adjusted EBITDA	$ 197	$ 246	$ 285	$ 439	$ 473
Net profit margin	*4.5%*	*5.9%*	*6.0%*	*8.4%*	*9.0%*
EBITDA margin	*12.2%*	*14.0%*	*13.7%*	*16.3%*	*17.1%*
Adjusted EBITDA margin	*13.0%*	*14.9%*	*14.5%*	*16.5%*	*17.2%*

[1] Addback of employee pay, employee medical expenses and legal fees directly attributable to COVID-19.

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

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Adjusted Selling & Administrative Expense

($ in millions)	Twelve months ended December 31, 2019	2020	2021	2022	LTM 9/30/2023
Selling & administrative	$ 289	$ 320	$ 365	$ 439	$ 485
Acquisition related expenses	3	3	4	3	2
Gains on acquisition earnouts	—	—	(1)	(16)	(15)
Share-based compensation expense	8	11	13	13	13
COVID-19[1]	—	—	—	—	—
Legal reserve	1	—	—	2	3
Adjusted selling & administrative	$ 278	$ 306	$ 349	$ 436	$ 482
Selling & administrative - % Total net revenue	*19.1 %*	*19.3 %*	*18.5 %*	*16.4 %*	*17.7 %*
Adjusted selling & administrative - % Total net revenue	*18.4 %*	*18.5 %*	*17.7 %*	*16.3 %*	*17.6 %*

[1] Addback of employee pay, employee-related expenses, and legal fees related to COVID-19.

IBP
INSTALLED BUILDING PRODUCTS

Adjusted Net Income Reconciliation

($ in millions)	Three months ended September 30, 2023		2022	
Net income, as reported	$	67,992	$	60,978
Adjustments for adjusted net income				
Share based compensation expense		3,516		3,212
Acquisition related expenses		157		(94)
COVID-19 expenses [1]		—		2
Amortization expense [2]		11,031		11,370
Legal Reserve		—		—
Tax impact of adjusted items at a normalized tax rate [3]		(3,823)		(3,767)
Adjusted net income	$	78,873	$	71,701
Weighted average shares outstanding (diluted)		28,318,633		28,595,707
Diluted net income per share, as reported	$	2.40	$	2.13
Adjustments for adjusted net income, net of tax impact, per diluted share [4]		0.39		0.38
Diluted adjusted net income per share	$	2.79	$	2.51
Net profit margin		*9.6 %*		*8.5 %*
Adjusted net profit margin		*11.2 %*		*10.0 %*

[1] Addback of employee pay, employee medical expenses, and legal fees directly attributable to COVID-19. [2] Addback of all non-cash amortization resulting from business combinations. [3] Normalized effective tax rate of 26.0% applied to periods presented. [4] Includes adjustments related to the items noted above, net of tax.

Adjusted Cost of Sales and Adjusted Gross Profit Reconciliation

($ in millions)	Twelve months ended December 31, 2019	2020	2021	2022	LTM 9/30/2023
Net revenue	$ 1,512	$ 1,653	$ 1,969	$ 2,670	$ 2,744
Cost of sales	1,077	1,143	1,379	1,842	1,842
Share-based compensation expense	—	—	—	1	1
COVID-19 expenses[1]	—	1	—	—	—
Branch start-up costs[2]	1	—	—	—	—
Gain on sale of assets	—	—	(1)	—	—
Adjusted cost of sales	$ 1,076	$ 1,142	$ 1,378	$ 1,841	$ 1,841
Gross Profit	$ 435	$ 510	$ 590	$ 828	$ 902
Adjustments to cost of sales	1	1	1	1	1
Adjusted gross profit	$ 436	$ 511	$ 590	$ 828	$ 903
Gross Profit - % of Total Revenue	*28.8 %*	*30.9 %*	*30.0 %*	*31.0 %*	*32.9 %*
Adjusted Gross Profit - % Total Revenue	*28.8 %*	*30.9 %*	*30.0 %*	*31.0 %*	*32.9 %*

[1] Addback of employee pay and employee medical expenses directly attributable to COVID-19.
[2] Addback of costs related to organic branch expansion for Alpha locations.

Free Cash Flow Reconciliation

($ in millions)	Twelve months ended December 31, 2019	2020	2021	2022	LTM 9/30/2023
Net cash provided by operating activities	$ 123	$ 181	$ 138	$ 278	$ 330
Purchases of property and equipment	(50)	(34)	(37)	(46)	(57)
Free cash flow	$ 73	$ 147	$ 101	$ 232	$ 273

INVESTOR RELATIONS
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