



INSTALLED BUILDING PRODUCTS

Q3 2021

Reported November 4, 2021



Disclaimer

Q3 2021 IR Presentation

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,” “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, the impact of COVID-19, the supply chain and material constraints, the timing of increases in our selling prices, and the risks discussed in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2020, 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 and Adjusted EBITDA Margin, (2) Adjusted Net Income, (3) Adjusted Net Income per diluted share, (4) Adjusted Selling and Administrative (S&A), (5) Adjusted Cost of Sales, and (6) 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.

Strategy Overview

Installed Building Products



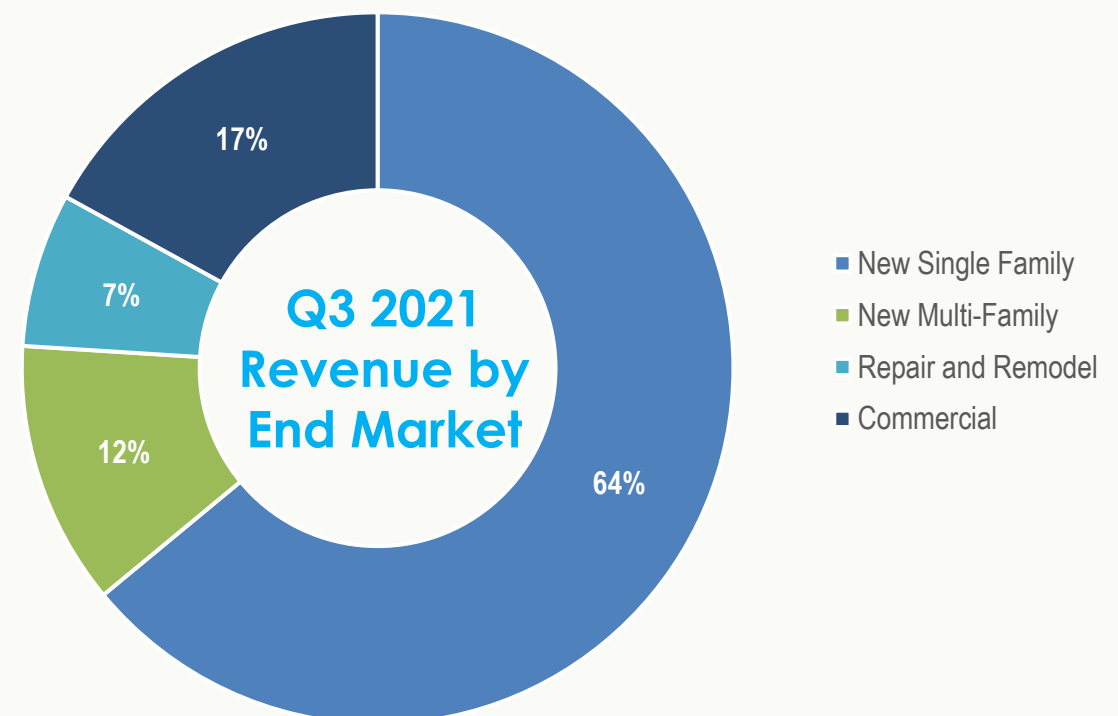
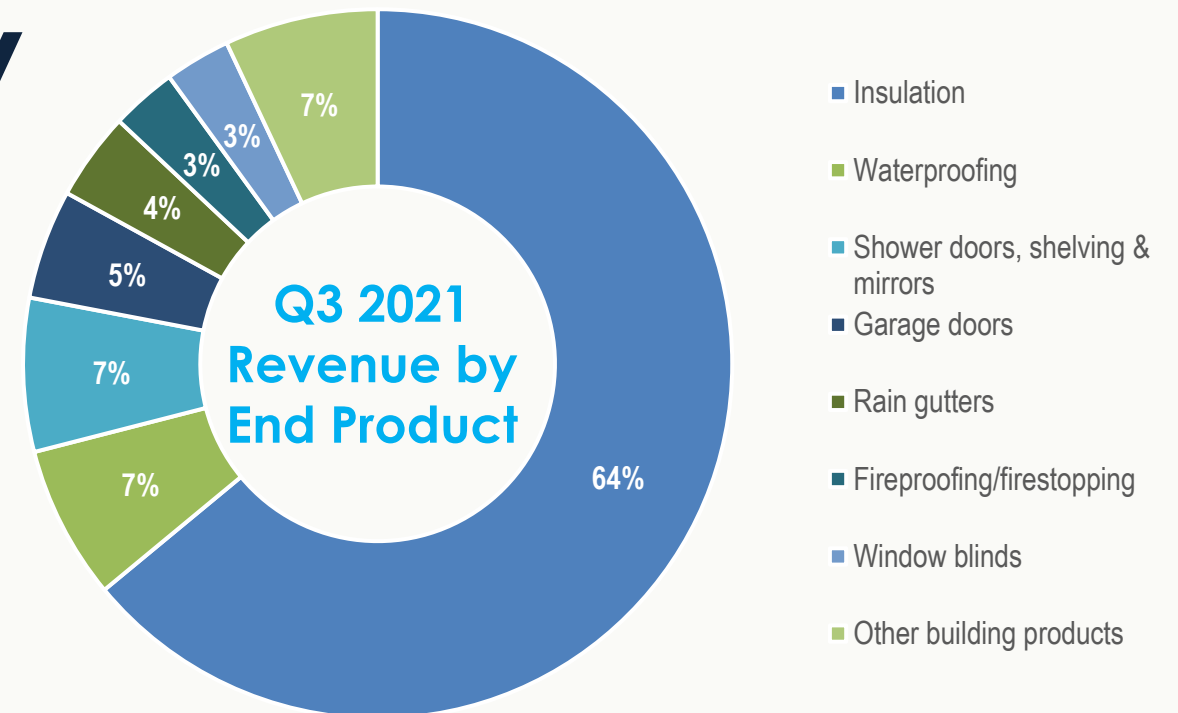
IBP Growth Strategy

Geographic

- ✓ Accretive acquisitions in primary residential end market
- ✓ Lead market entrance with insulation installers
- ✓ Open new branches in large commercial end market
- ✓ Acquire installers in new commercial markets
- ✓ Continue to leverage our multi-family sales growth in existing IBP branches

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 large commercial end market



Capitalize on New Residential and Commercial Construction Markets

Annual Operating Framework

	2016 - 2020 History	Long-Term Outlook	Acquisition Growth Assumptions
Organic Revenue Growth	5% - 16%	Outpace market completions	Target about \$100M of acquired revenue annually
Gross Profit Margin	27.8% - 30.8%	Stable	Benefits to GM from purchasing power and product diversification
Adjusted EPS Growth ¹	23.2% - 51.0%	Mid-teens	Immediately Accretive
Adjusted EBITDA Growth ¹	16.5% - 47.3%	20% - 25% Organic Incremental Growth	>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

We expect single family completion % growth to increase by mid to high-single digits into 2022

Compelling Financial Model Creates Long-Term Value

Growth-Focused Capital Allocation Strategy

Capital and Cash Flow Priorities

Acquisitions are Main Use of Capital

- Supports efficient and proven growth strategy
- Generates compelling IRR
- Acquisitions contribute to profitability in year 1

Asset-Light Business Model

- Primary capital requirement is to fund working capital
- Capital expenditures and finance capital leases as a percent of revenue were 2.1% at September 30, 2021

Maintain Strong Balance Sheet and Financial Flexibility

- Target net debt leverage ratio <2.0x
- Multiple funding sources and staggered maturities
- Maintain higher cash balances to support larger scale acquisitions
- Strong balance sheet, robust liquidity and low leverage provide flexibility regardless of cycle

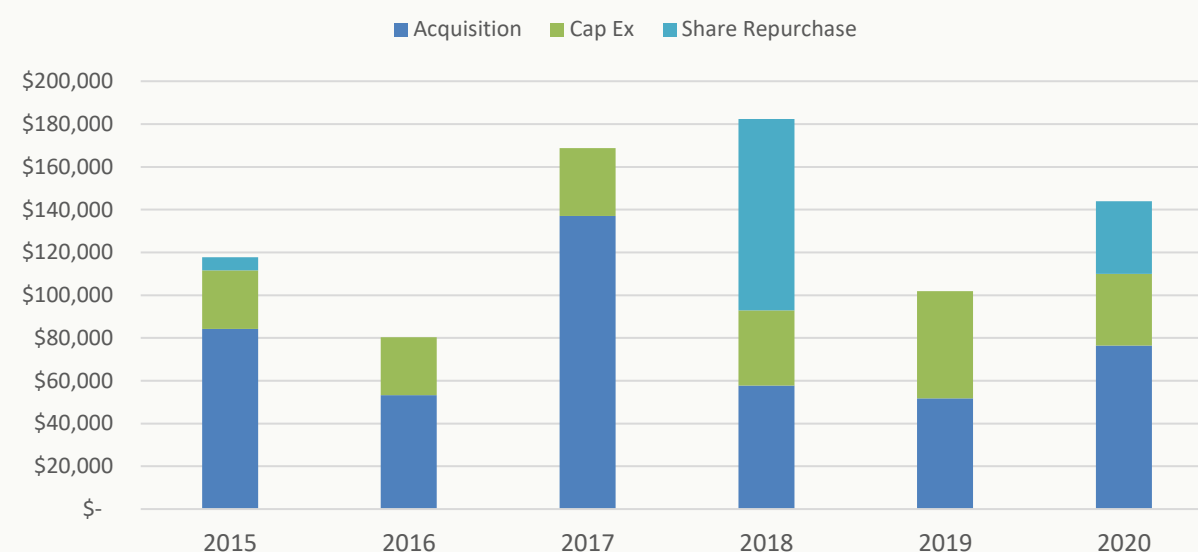
Dividend Policy

- Announced quarterly dividend of \$0.30 per share on November 4, 2021
- Variable annual dividends to be evaluated by the Board beginning in 2022

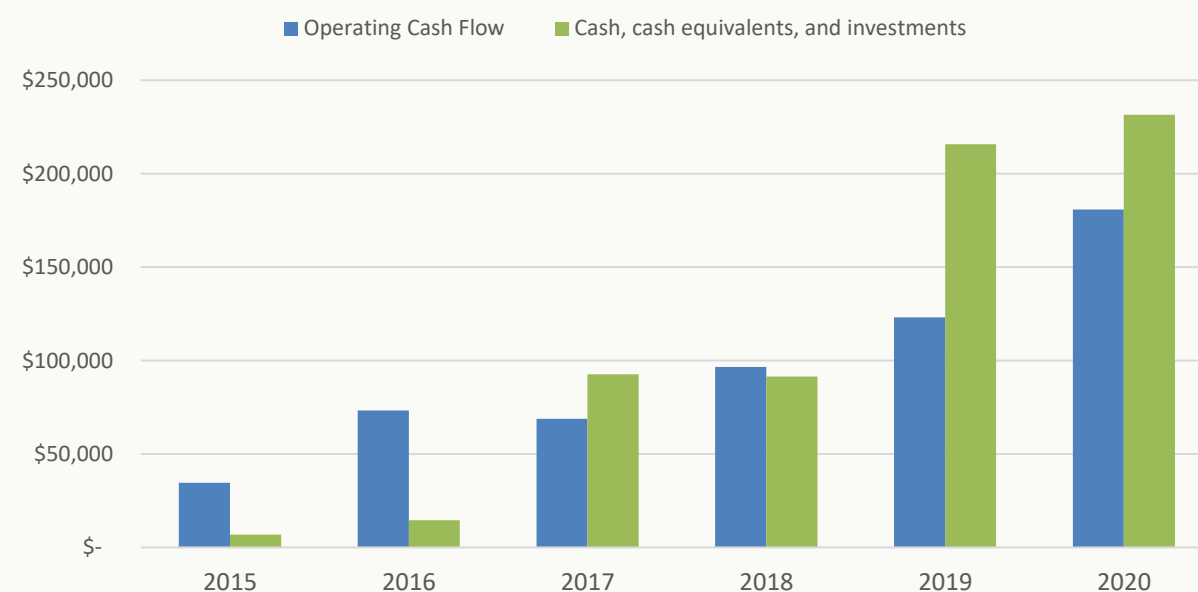
Opportunistic Share Repurchase

- \$100 million share repurchase program extended through March 1, 2022
- Over 2.7 million shares repurchased since 2017 at an average cost of \$45.06 per share

Capital Allocation (in thousands)

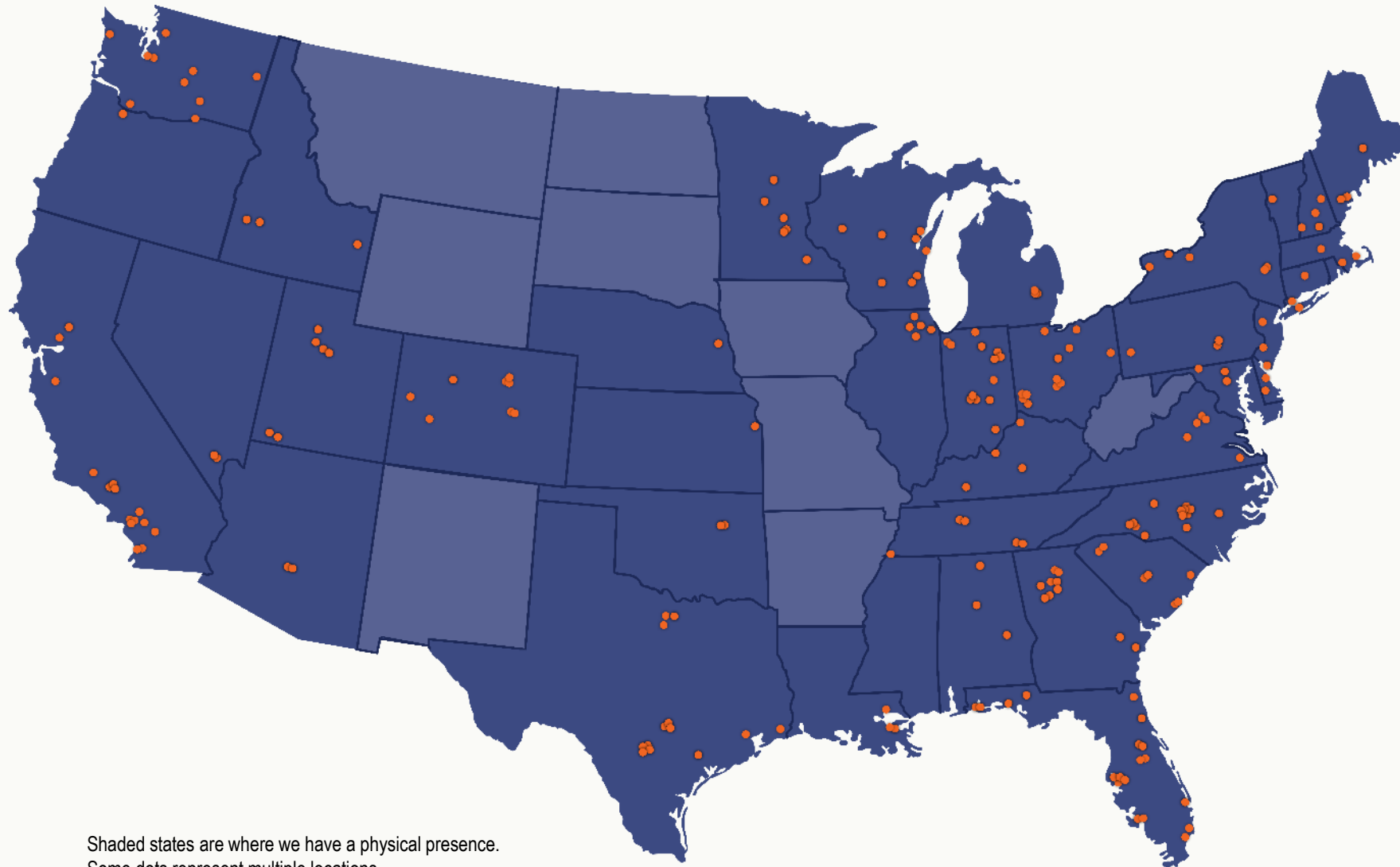


Operating Cash Flow and Cash Balance (in thousands)



National Scale

Strong Local Presence



- ✓ One of the nation's largest¹ new residential insulation installers
- ✓ Diversified installer of complementary building products, including waterproofing, fire-stopping, fireproofing, garage doors, rain gutters, window blinds, shower doors, closet shelving and mirrors and other products for residential and commercial builders
- ✓ National platform of over 190 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

¹ Based on internal estimates

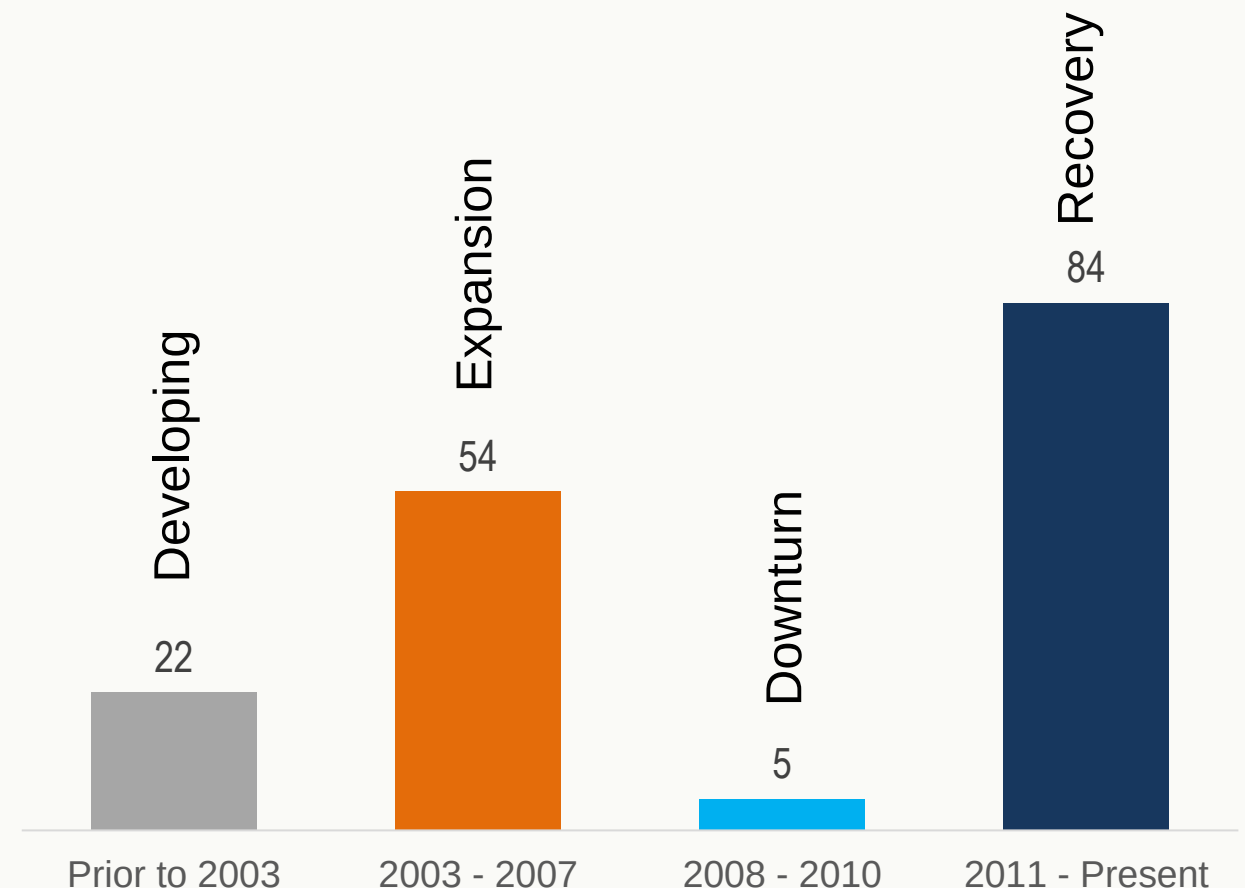
Additional Value from Operating Leverage and National Scale

Successful Track Record of Acquisitions

Acquirer of choice with over 160 successfully integrated acquisitions

Long-Term Strategy of Pursing Value-Enhancing Strategic 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 (CEO, CFO and COO) has been directing the Company's acquisition strategy for 20 years
- Apply national buying power
- Leverage national relationships with large homebuilders



Generates Significant Scale and Diversifies our Product Offerings while Expanding into New Construction Markets

Diverse Service and Product Offering

Product

Offering

Competitive Benefits of Diverse Service and Product Offering



Insulation

- Installs a wide range of insulation and air sealing materials including fiberglass insulation, spray foam insulation and cellulose insulation



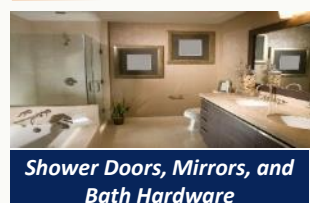
Commercial Products

- Installs waterproofing, fireproofing, fire-stopping and insulation in large, long-lead time commercial projects including office buildings, airports, sports complexes, museums, hospitals, hotels, and educational facilities



Closet Shelving

- Designs and installs closet shelving systems utilizing some of the highest quality products available from national brands



Shower Doors, Mirrors, and Bath Hardware

- Installs a variety of shower enclosures, ranging from basic sliding doors to custom designs, as well as custom designed mirrors



Garage Doors

- Installs and services commercial and residential steel, aluminum, wood and vinyl garage doors as well as opener systems



Rain Gutters

- Installs a wide range of rain gutters, constructed from aluminum or copper and assembled on the job site using special equipment



Window Blinds

- Installs a variety of cordless window blinds, shades and shutters



Cross Selling Opportunities



Ability to leverage branch cost across multiple products



Lessens exposure to a downturn in any particular product category



Diversifies end-market exposure



Diversifies customer base



Opportunity to strengthen established local relationships



Reduces cyclical

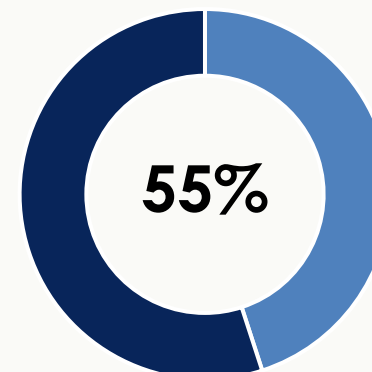
Housing Market Case Study

Revenues per residential permit in IBP's established market is 4.6x higher than a developing market

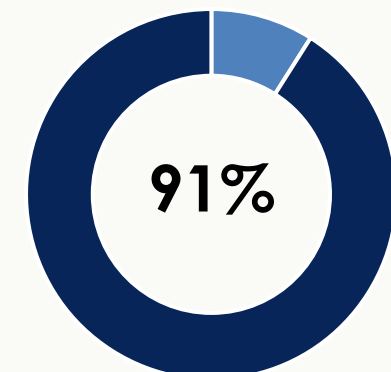
Insulation Revenues as a Percent of Market Revenues

Diversity in IBP's established market is driven by complementary installation services including shower, shelving and mirrors, gutters, window blinds, garages, and other building products.

Established Market

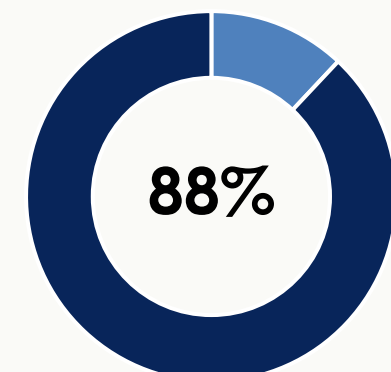
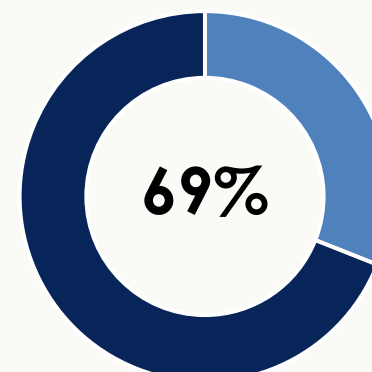


Developing Market



Single-Family Mix

Single family concentration in IBP's established market is offset by higher multi-family, repair and remodel, and commercial customers.



Residential Revenue / Residential Permit

\$3,158

\$683

Higher established market profitability driven by scale, productivity and higher gross profit

- Notes:
- Case study excludes Alpha Insulation and Waterproofing
 - Revenue per residential permit represents IBP sales across all residential permits and does not represent sales per unit completed
 - Case study reflects state-wide sales of an established market in a single state compared to a developing market in another state
 - Residential permits from U.S. Census Bureau
 - Market comparison prepared as of September 2019

Non-Insulation Market Opportunities

The market for each complementary product is highly fragmented, providing acquisition opportunities and leverage with existing relationships to grow in current IBP markets

- **Total IBP market share is approximately 2%***
- Residential and commercial installation services
- Residential and commercial repair and maintenance



Garage Doors



Gutters

- **Total IBP market share is approximately 6%***
- New residential construction and repair & remodel product

- **Total IBP market share is approximately 5%***
- Product introduced in 2017 in the new residential construction market
- Repair and remodel as well as new build opportunities



Blinds



Shower Shelving & Mirrors

- **Total IBP market share is approximately 7%***
- Offers single-family and multi-family market opportunity

* IBP new residential construction market share, based on internal estimates

Commercial Opportunities

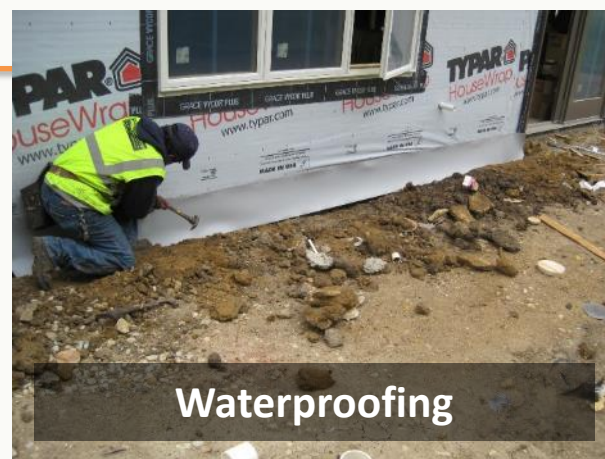
Expand current products in existing large commercial branches and grow repair and remodel opportunities

- Maintain structural integrity of steel and concrete exposed to fire



- Firestop is passive protection that impedes the passage of fire, smoke and gases in a fire-rated floor or wall

- Use of membranes and coatings of the building envelope to protect structural integrity from water penetration



- Expansion joint installation
- Roof restoration
- Commercial building restoration

ESG Highlights

Installed Building Products

[Click to view or download our ESG Report](#)



Environmental

Commitment to Sustainability

✓ 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

- Responsible material usage is something we consider in every insulation job. The most common type of insulation we install – over 80% of our insulation sales – is fiberglass, which is comprised of up to 80% recycled material. We also install cellulose insulation, which is comprised of at least 75% recycled waste paper.

✓ Reducing our Carbon Footprint

- Our products directly reduce carbon emissions through energy efficiency. As we look to the future, we are committed to impactful environmental and sustainability initiatives to:
 - ❖ 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
 - ❖ IBP recently entered a national waste management and recycling program, to measure and reduce the amount of landfill waste through increased recycling programs

Installation of insulation materials is our primary line of business and the best way to prevent energy waste

Social and Governance Responsibility

Commitment to our Employees

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

- Broad diversity of backgrounds and experience comprised of 37% women and minorities



- ✓ 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 (DE&I)

Initiatives

1

Management training programs will be adjusted to ensure opportunities are provided to employees consistent with the demographics 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

Community & Employee Engagement

Commitment to our Employees and Communities we Serve



INSTALLED BUILDING PRODUCTS FOUNDATION



\$1.0 million in scholarships have been committed to 150 employees and family members



Over \$95,000 in Employee Financial Assistance grants to help with financial hardships due to unexpected life events



Announced \$1.6 million in grants to nonprofit organizations dedicated to building or renovating houses or providing shelter for those in need

\$0.5 million committed and/or paid through IBP's corporate nonprofit donations

- ❖ **IBP employees have volunteered thousands of hours to non-profit organizations in their communities nationwide, including: Habitat for Humanity, United Way, Goodwill, local foodbanks and homeless shelters**

"Our mission is to prevent and alleviate homelessness, and the IBP Foundation has been a crucial driving force in helping us accomplish this. Through a \$60,000 grant, we've been able to provide up to \$700 in rental and bill assistance per household to prevent families from losing their homes and or services. This effort is vital to preventing homelessness because it targets those at risk of losing their housing or services. The IBP Foundation is truly committed to building a better tomorrow – today, and showed our community they focus on Framing Futures, Building Homes and Fostering Communities with excellence and care.

Not only will our organization be forever grateful for this partnership, but the people we serve in our local communities will never forget what IBP Foundation has been able to provide them with."

- Reach St. Pete, St. Petersburg, Florida

Financial Performance

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Strong Top-Line Momentum

20.2% CAGR from 2014 to LTM 2021



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	LTM 9/2021
Revenue Growth	-3.9%	7.0%	26.3%	43.4%	19.9%	27.9%	30.2%	31.3%	18.0%	13.1%	9.4%	16.3%
Total U.S. Completions (in thousands)	652	585	649	764	884	968	1,060	1,153	1,185	1,256	1,286	1,343
% U.S. Housing Completions Growth	-18.0%	-10.2%	11.0%	17.7%	15.6%	9.5%	9.5%	8.8%	2.8%	6.0%	2.5%	5.4%
IBP Net Rev/Completions	\$342	\$408	\$464	\$565	\$586	\$684	\$814	\$983	\$1,128	\$1,203	\$1,285	\$1,397

Source: U.S. Census Bureau, Company filings

Note: Historical revenue figures not pro forma for acquisitions

Sales Growth

Q3 2021 compared to Q3 2020

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Period-over-period Growth				
Sales Growth	21.2%	6.1%	18.4%	9.1%
Same Branch Sales Growth	11.2%	1.7%	8.9%	5.1%
Single-Family Sales Growth	23.3%	1.8%	20.2%	4.0%
Single-Family Same Branch Sales Growth	15.2%	-3.1%	13.0%	-0.5%
Multi-Family Sales Growth	18.2%	36.6%	17.0%	39.0%
Multi-Family Same Branch Sales Growth	10.9%	34.6%	7.0%	37.3%
Residential Sales Growth	22.5%	6.2%	19.7%	8.5%
Residential Same Branch Sales Growth	14.5%	1.6%	12.0%	4.4%
Commercial Sales Growth ¹	16.3%	2.7%	11.3%	12.9%
Commercial Same Branch Sales Growth	-5.6%	-1.5%	-8.3%	8.7%
Same Branch Sales Growth ²				
Volume Growth ³	4.6%	2.2%	10.2%	0.0%
Price/Mix Growth ³	7.2%	0.2%	-0.3%	5.5%
Large Commercial Same Branch Sales Growth ⁴	-1.1%	-2.0%	-4.2%	7.3%
U.S. Housing Market ⁵				
Total Completions Growth	-1.9%	8.6%	6.0%	2.1%
Single-Family Completions Growth	2.0%	2.1%	7.1%	1.6%
Multi-Family Completions Growth	-12.1%	25.2%	1.5%	3.3%

¹Our commercial end market consists of large and light commercial projects.

²During the nine months ended September 30, 2021, we changed the classification of one of our branches to the large commercial subset of the commercial end market, based on the type of work this branch performs. While this change is immaterial to the sales growth calculations, it affects comparability to the corresponding prior year metric as the change was made prospectively beginning January 1, 2021. We continually evaluate the branch classifications utilized in our sales growth metrics based on changes in our business and operations over time and future changes may occur to these classifications.

³Excludes the large commercial end market.

⁴The large commercial end market, as a subset of our total commercial market, comprises certain of our branches working on projects constructed in steel and concrete, which are much larger than our average job. This market is excluded from the above same branch price/mix and volume growth metrics as to not skew the rates given the much larger per-job revenue compared to our average job.

⁵U.S. Census Bureau data, as revised.

Summary Financial Results

<i>(in millions)</i>	2016	2017	2018	2019	2020	Q1 2021	Q2 2021	Q3 2021	LTM 9/2021
Net Revenue	\$ 863	\$ 1,133	\$ 1,336	\$ 1,512	\$ 1,653	\$ 437	\$ 488	\$ 510	\$ 1,876
% Net Revenue Growth ¹	30.2%	31.3%	18.0%	13.1%	9.4%	10.0%	23.9%	21.2%	16.3%
Same Branch Sales Growth	15.6%	9.8%	11.5%	8.6%	4.5%	2.2%	13.1%	11.2%	7.4%
COGS (Adjusted) ²	\$ 611	\$ 806	\$ 963	\$ 1,076	\$ 1,143	\$ 312	\$ 336	\$ 353	\$ 1,308
Adjusted Gross Profit ²	\$ 252	\$ 327	\$ 373	\$ 436	\$ 511	\$ 126	\$ 152	\$ 156	\$ 569
% Margin	29.2%	28.9%	27.9%	28.8%	30.9%	28.7%	31.1%	30.7%	30.3%
Adjusted S&A ³	\$ 171	\$ 214	\$ 242	\$ 278	\$ 306	\$ 82	\$ 85	\$ 89	\$ 334
% of Net Revenue	19.8%	18.9%	18.1%	18.4%	18.5%	18.7%	17.4%	17.5%	17.8%
Adjusted EBITDA ⁴	\$ 105	\$ 141	\$ 164	\$ 197	\$ 246	\$ 54	\$ 78	\$ 78	\$ 278
% of Net Revenue	12.1%	12.5%	12.3%	13.0%	14.9%	12.5%	16.0%	15.3%	14.8%

¹ % Net Revenue Growth over prior year period.

² COGS adjusted in 2017, 2018, 2019, 2020 and LTM 9/2021 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.

Strong Balance Sheet

(\$ in millions)	2016	2017	2018	2019	2020	Q3 2021
Cash	\$ 14.5	\$ 62.5	\$ 90.4	\$ 177.9	\$ 231.5	\$ 191.4
Short-Term Investments	-	30.1	10.1	38.0	-	-
Senior Notes, net of unamortized debt issuance costs ¹	-	-	-	295.2	295.8	296.2
Term Loan, net of unamortized debt issuance cost ²	95.8	293.3	390.9	198.3	198.7	198.9
Delayed Draw Term Loans, in effect, net of unamortized debt issuance costs ³	12.5	-	-	-	-	-
Vehicle and Equipment Notes Payable	38.2	50.4	60.4	72.7	67.5	68.8
Finance Lease Obligations	15.3	12.1	8.6	6.3	4.5	4.8
Various notes payable	5.0	3.9	3.5	3.0	3.4	3.2
Total Debt	\$ 166.8	\$ 359.7	\$ 463.4	\$ 575.5	\$ 569.9	\$ 571.9
Net Debt	152.3	267.1	362.9	359.6	338.4	380.5
Adjusted EBITDA ⁴	104.8	141.1	163.8	196.8	245.6	277.8
Credit Statistics:						
Net Debt / Adjusted EBITDA ⁴	1.5x	1.9x	2.2x	1.8x	1.4x	1.4x
Working Capital (Excluding Cash and Short-Term Investments)	\$ 47.8	\$ 102.6	\$ 129.3	\$ 151.9	\$ 155.9	\$ 196.7

¹ Unamortized debt issuance costs (in thousands): 2019 - \$4,823; 2020 - \$4,230 and Q3 2021 - \$3,783

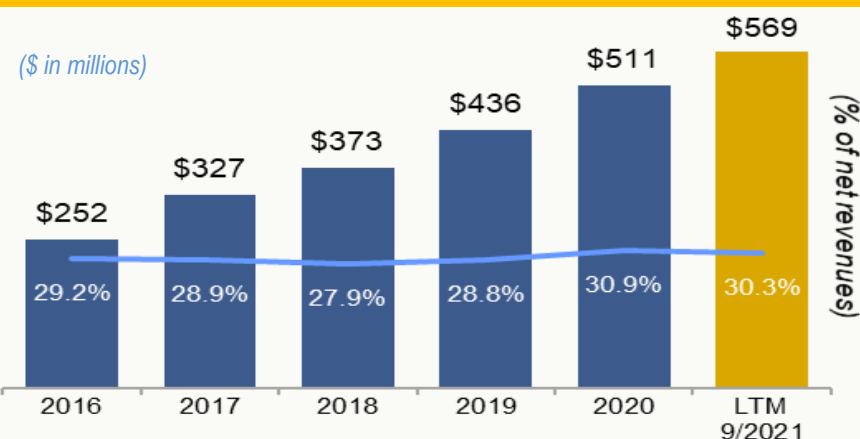
² Unamortized debt issuance costs (in thousands): 2016 - \$447; 2017 - \$5,146; 2018 - \$4,834; 2019 - \$1,662; 2020 - \$1,343; Q3 2021 - \$1,094

³ Unamortized debt issuance costs (in thousands): 2016 - \$50.

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 amount presented for Q3 2021 is LTM 9/2021.

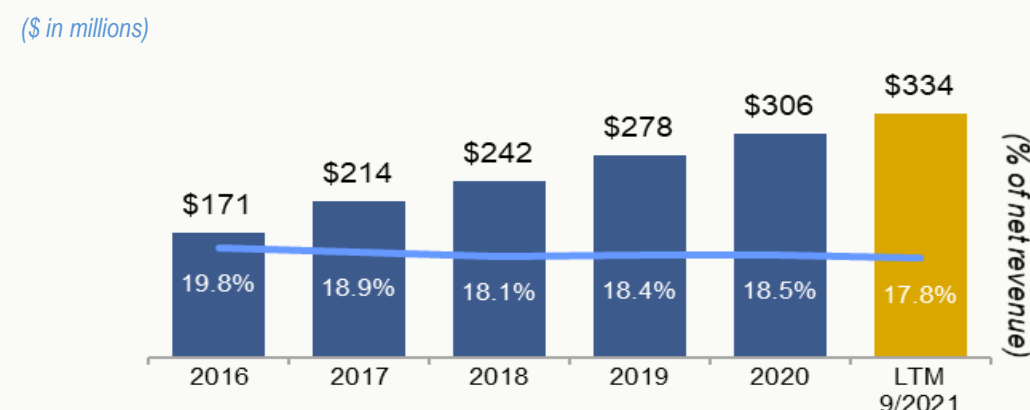
Improving Financial Performance

Adjusted Gross Profit¹



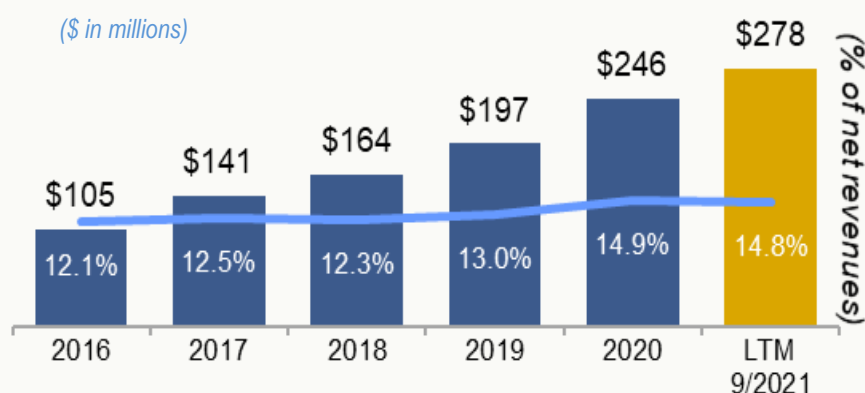
¹ Adjusted Gross Profit is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

Adjusted Selling & Administrative²



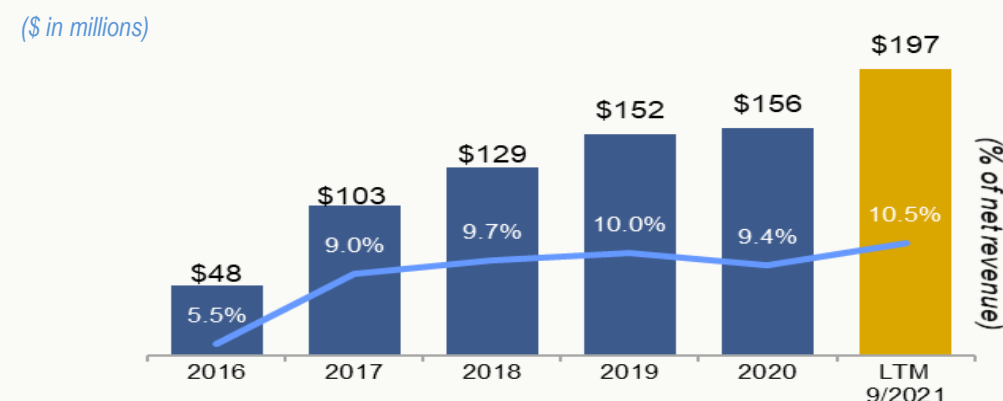
² Adjusted S&A is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

Adjusted EBITDA³



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.

Working Capital⁴



⁴ Working Capital excludes cash on hand (in thousands) of 2016 – \$14,482; 2017 – \$62,510; 2018 – \$90,442; 2019 – \$177,889; 2020 – \$231,520 and LTM 9/2021 – \$191,435 and short-term investments (in thousands) of 2017 – \$30,053; 2018 – \$10,060; 2019 – \$37,961; 2020 – \$0 and LTM 9/2021 – \$0.

Additional Value from Operating Leverage and National Scale

COVID Impact

Installed Building Products



Supply Chain Disruptions

As we continued to buy material from home centers and distributors due to manufacturer supply shortages, we estimate the following impacts on our 3Q21 financial results:

- Gross profit was reduced by approximately \$2.0 million with an estimated impact of 40 basis points on gross profit margin
- Adjusted EBITDA¹ was also reduced by approximately \$2.0 million with an estimated impact of 40 basis points on adjusted EBITDA margin¹
- The 40 basis points reduction to adjusted EBITDA margin also impacted our reported same branch incremental EBITDA contribution of 13.2%
- Earnings per share was reduced by approximately \$0.05 per diluted share

¹ Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. A reconciliation to the most comparable measures prepared in accordance with GAAP are included in the Appendix.

Appendix

Installed Building Products



EBITDA & Adjusted EBITDA Reconciliation

(in millions)

	2016	2017	2018	2019	2020	Q3 2020	Q1 2021	Q2 2021	Q3 2021	LTM 9/2021
Net income	\$ 38.4	\$ 41.1	\$ 54.7	\$ 68.2	\$ 97.2	\$ 28.1	\$ 17.3	\$ 37.2	\$ 34.9	\$ 117.2
Interest expense	6.2	17.4	20.5	28.1	30.3	7.6	7.6	7.5	7.7	30.4
Provision for income taxes	21.2	14.7	17.4	24.4	33.9	9.8	6.2	9.0	12.3	36.8
Depreciation and amortization	34.8	55.1	58.7	63.4	69.9	17.2	19.1	20.1	20.2	77.9
Miscellaneous non-operating income	-	-	-	-	(0.3)	-	-	-	-	-
Gain on bargain purchase	-	-	-	-	-	-	-	-	-	-
EBITDA	100.6	128.3	151.4	184.1	231.0	62.6	50.1	73.8	75.1	262.4
Legal reserves	-	-	1.0	1.2	-	-	-	-	-	-
Non-cash stock compensation	-	-	-	-	-	-	-	-	-	-
Acquisition related expenses	2.3	3.2	2.7	2.1	2.8	0.8	1.2	0.7	(0.3)	2.4
Share-based compensation expense	1.9	6.6	7.8	8.7	10.8	2.6	3.2	3.5	3.5	13.0
COVID-19 expenses ¹	-	-	-	-	0.9	0.1	0.1	0.0	0.3	0.5
Financial Wellness Program ²	-	2.2	0.6	-	-	-	-	-	-	-
Write-off of uncertain tax position ³	-	0.7	-	-	-	-	-	-	-	-
Branch start-up costs ⁴	-	-	0.8	0.7	-	-	-	-	-	-
Retirement expense	-	-	0.8	-	-	-	-	-	-	-
Gain on sale of assets	-	-	(0.8)	-	-	-	-	-	(0.5)	(0.5)
Adjusted EBITDA	\$ 104.8	\$ 141.0	\$ 164.4	\$ 196.8	\$ 245.5	\$ 66.2	\$ 54.5	\$ 78.0	\$ 78.1	\$ 277.8
<i>Adjusted EBITDA Margin</i>	12.2%	12.4%	12.3%	13.0%	14.9%	16.0%	12.5%	16.0%	15.3%	14.8%

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

² Represents employer match upon completion of program, net of waived executive bonuses.

³ Represents tax impacts on deferred tax and uncertain tax positions recorded as a result of the 2017 tax reform.

⁴ 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

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
<i>(in millions except for share and per share data)</i>				
Net income, as reported	\$ 34.9	\$ 28.1	\$ 89.4	\$ 69.4
Adjustments for adjusted net income:				
Share based compensation expense	3.5	2.6	10.2	8.0
Acquisition related expenses	(0.3)	0.8	1.6	2.0
COVID-19 expenses ¹	0.3	0.1	0.4	0.8
Gain on sale of assets	(0.5)	-	(0.5)	-
Amortization expense ²	9.2	7.0	26.8	20.4
Miscellaneous non-operating income	-	-	-	(0.3)
Tax impact of adjusted items at normalized tax rate ³	(3.2)	(2.7)	(10.0)	(8.0)
Adjusted net income	\$ 44.0	\$ 35.9	\$ 117.9	\$ 92.3
Weighted average shares outstanding (diluted)	29,620,748	29,698,028	29,615,162	29,737,716
Diluted net income per share, as reported	\$ 1.18	\$ 0.95	\$ 3.02	\$ 2.33
Adjustments for adjusted net income, net of tax impact, per diluted share ⁴	0.31	0.26	0.96	0.77
Diluted adjusted net income per share	\$ 1.49	\$ 1.21	\$ 3.98	\$ 3.10

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% applied to periods presented for 2021 and 2020

⁴ Includes adjustments related to the items noted above, net of tax

Adjusted S&A

(in millions)	2016	2017	2018	2019	2020	Q1 2021	Q2 2021	Q3 2021	LTM 9/2021
S&A	\$ 175.1	\$ 222.9	\$ 253.0	\$ 289.2	\$ 319.6	\$ 85.9	\$ 89.1	\$ 92.2	\$ 349.2
Legal settlement and reserves	-	-	1.0	1.2	-	-	-	-	-
Acquisition related expenses	2.3	3.2	2.7	2.1	2.8	1.2	0.7	(0.3)	2.4
Share-based compensation expense	1.9	5.6	7.0	8.4	10.5	3.1	3.4	3.4	12.7
COVID-19 ¹	-	-	-	-	0.4	0.0	0.0	0.0	(0.0)
Financial Wellness Program ²	-	(0.2)	(0.1)	-	-	-	-	-	-
Retirement expense	-	-	0.8	-	-	-	-	-	-
Adjusted S&A	\$ 170.9	\$ 214.3	\$ 241.6	\$ 277.5	\$ 305.9	\$ 81.6	\$ 84.9	\$ 89.1	\$ 334.1
Adjusted S&A - % Total Revenue	19.8%	18.9%	18.1%	18.4%	18.5%	18.7%	17.4%	17.5%	17.8%

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

² Employer match upon completion of the program, net of waived executive bonuses.

Adjusted Cost of Sales and Adjusted Gross Profit Reconciliations

<i>(in millions)</i>	2016	2017	2018	2019	2020	Q3 2020	Q1 2021	Q2 2021	Q3 2021	LTM 9/2021
Net revenues	\$ 863.0	\$ 1,132.9	\$ 1,336.4	\$ 1,511.6	\$ 1,653.2	\$ 420.5	\$ 437.1	\$ 488.1	\$ 509.8	\$ 1,876.4
Cost of Sales	\$ 610.5	\$ 808.9	\$ 964.8	\$ 1,076.8	\$ 1,143.3	\$ 288.8	\$ 311.6	\$ 336.2	\$ 353.9	\$ 1,308.3
Share-based compensation expense	-	1.0	0.8	0.4	0.3	0.1	0.1	0.1	0.2	0.3
COVID-19 expenses ¹	-	-	-	-	0.5	0.1	0.0	0.0	0.3	0.5
Financial Wellness Program ²	-	2.4	0.7	-	-	-	-	-	-	-
Branch start-up costs ³	-	-	0.8	0.7	-	-	-	-	-	-
Gain on sale of assets	-	-	(0.8)	-	-	-	-	-	-	-
Adjusted Cost of Sales	\$ 610.5	\$ 805.5	\$ 963.2	\$ 1,075.7	\$ 1,142.4	\$ 288.7	\$ 311.5	\$ 336.1	\$ 353.4	\$ 1,307.5
Gross Profit	\$ 252.4	\$ 324.0	\$ 371.6	\$ 434.8	\$ 510.0	\$ 131.6	\$ 125.4	\$ 151.9	\$ 155.9	\$ 568.1
Adjustments to Cost of Sales	-	3.4	1.6	1.1	0.8	0.2	0.1	0.1	0.5	0.8
Adjusted Gross Profit	\$ 252.4	\$ 327.4	\$ 373.2	\$ 435.9	\$ 510.8	\$ 131.8	\$ 125.5	\$ 152.0	\$ 156.4	\$ 568.9
<i>Adjusted Gross Profit - % Total Revenue</i>	29.3%	28.9%	27.9%	28.8%	30.9%	32.4%	28.7%	31.1%	30.7%	30.3%

¹ Addback of employee pay and employee medical expenses directly attributable to COVID-19.

² Employer match upon completion of the program, partially offset by waived executive bonuses.

³ Addback of costs related to organic branch expansion for Alpha locations.

Q&A

Installed Building Products

