

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

November 7, 2024
Date of Report (date of earliest event reported)

Installed Building Products, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-36307
(Commission File Number)

45-3707650
(I.R.S. Employer Identification Number)

495 South High Street, Suite 50
Columbus, OH 43215
(Address of principal executive offices and zip code)
(614) 221-3399
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock	IBP	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 7, 2024, Installed Building Products, Inc. (the “Company”) issued a press release reporting the financial results for the three and nine months ended September 30, 2024. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information contained in this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Furthermore, the information contained in this Item 2.02, including Exhibit 99.1 attached hereto, shall not be deemed to be incorporated by reference into any registration statement or other document filed with the Securities and Exchange Commission, except as shall be expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure

The November 7, 2024 press release also announced that the Board of Directors approved a quarterly cash dividend of \$0.35 per share payable on December 31, 2024 to stockholders of record at the close of business on December 15, 2024.

One or more representatives of the Company will meet with prospective investors during the fourth quarter of 2024. The materials used in connection with these meetings have been posted on the Company’s website (www.installdbuildingproducts.com) under the Investor Relations section.

The information contained in this Item 7.01 is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Furthermore, the information contained in this Item 7.01 shall not be deemed to be incorporated by reference into any registration statement or other document filed with the Securities and Exchange Commission, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release , dated November 7, 2024, announcing results for the three and nine months ended September 30, 2024 and quarterly dividend
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 7th day of November, 2024.

INSTALLED BUILDING PRODUCTS, INC.

By: /s/ Michael T. Miller

Name: Michael T. Miller

Title: Chief Financial Officer

INSTALLED BUILDING PRODUCTS REPORTS RECORD THIRD QUARTER 2024 RESULTS; DECLARES REGULAR QUARTERLY CASH DIVIDEND

Columbus, Ohio, November 7, 2024, Installed Building Products, Inc. (the "Company" or "IBP") (NYSE: IBP), an industry-leading installer of insulation and complementary building products, today announced results for the third quarter ended September 30, 2024.

Third Quarter 2024 Highlights (Comparisons are to Prior Year Period)

- Net revenue increased 7.7% to an all-time record of \$760.6 million
 - Installation revenue increased 7.9% to \$713.7 million, as growth across all end markets combined with sales from IBP's recent acquisitions
 - Other revenue, net of eliminations, which includes IBP's manufacturing and distribution operations, increased to \$46.9 million from \$45.3 million
- Net income increased 0.9% to a third quarter record of \$68.6 million
- Adjusted EBITDA* increased 1.4% to an all-time record of \$132.3 million
- Net income per diluted share increased 1.7% to an all-time record of \$2.44
- Adjusted net income* increased 1.5% to \$80.1 million, or \$2.85 per diluted share
- At September 30, 2024, IBP had \$406.2 million in cash and cash equivalents
- Repurchased 100,000 shares of common stock at a total cost of \$20.7 million
- Declared third quarter dividend of \$0.35 per share that was paid to shareholders on September 30, 2024

Recent Developments

- IBP's Board of Directors declared the fourth quarter regular cash dividend of \$0.35 per share
- In October 2024, acquired Insulation Supplies, a specialty distributor focused on insulation and related accessories and machinery sales

"I want to acknowledge the emotional devastation and personal loss many people across the Southeast and Mid-Atlantic regions of the United States experienced as a result of two hurricanes that made landfall in late September and early October," said Brad Wheeler, Chief Operating Officer. "Our thoughts are with all those affected, particularly in Florida and North Carolina. Several of our branches were affected, but thanks to a total team effort and our Employee Financial Assistance program, we were able to swiftly mobilize resources to restore operations and support our employees when they needed it most."

"IBP delivered record third-quarter revenue and profitability, with each end market, from residential to commercial, growing organically. Our talented and committed employees across the country focused on what they can control by providing our customers with reliable, high-quality building product installation service. The long-term view on demand for our installed service is unchanged. We believe residential and commercial end market trends are favorable as builders work to meet demand through the increased supply of houses, apartments, and commercial structures," stated Jeff Edwards, Chairman and Chief Executive Officer.

"Our capital allocation initiatives remain consistent with two additional acquisitions closing in July and October. Year-to-date, we have acquired over \$73 million in annual revenue. Based on our current acquisition pipeline, we expect more deals to be completed before year end and although deal timing is hard to predict, our outlook for 2025 is positive. In addition, during the nine-month period ending September 2024, we utilized our strong cash flow generation and healthy balance sheet to repurchase approximately \$66 million of our common stock and pay \$75 million in dividends," continued Mr. Edwards.

“As we approach the final month of 2024, we are positioned to close out the year on a favorable note and begin 2025 from a position of strength,” concluded Mr. Edwards.

Acquisition Update

IBP continues to prioritize profitable growth through its proven strategy of acquiring well-run installers of insulation and complementary building products. To date in 2024, IBP has acquired over \$73 million of annual revenue.

During the 2024 third quarter and in October 2024, IBP completed the following acquisitions:

- In July 2024, IBP acquired Euroview Enterprises, LLC, Contract Mirror and Supply Co., and CLM Solutions, LLC (collectively “Euroview”), an Illinois-based residential and commercial installer of building products in key construction markets in the Midwest. Euroview has annual revenue of approximately \$20 million.
- In October 2024, IBP acquired Wholesale Insulation Supply, Inc. doing business as Insulation Supplies, a specialty distributor focused on supplying fiberglass insulation, spray foam insulation, cellulose insulation, and related accessories and machinery to residential and commercial end markets with annual revenue of over \$22 million.

2024 Fourth Quarter Cash Dividend

IBP’s Board of Directors has approved the Company’s quarterly cash dividend of \$0.35 per share, payable on December 31, 2024, to stockholders of record on December 15, 2024. The fourth quarter regular cash dividend represents a 6% increase from last year’s fourth quarter cash dividend payment.

Share Repurchases

During the three months ended September 30, 2024, IBP repurchased 100,000 shares of its common stock in a privately negotiated transaction at a total cost of \$20.7 million. At September 30, 2024, the Company had approximately \$234 million available under its stock repurchase program.

Third Quarter 2024 Results Overview

For the third quarter of 2024, net revenue was \$760.6 million, an increase of 7.7% from \$706.5 million for the third quarter of 2023. On a consolidated same branch basis, net revenue increased 5.2% from the prior year quarter, supported by growth in our residential and commercial end markets. Residential sales growth within the Company’s Installation segment was up 5.0% on a same branch basis in the quarter, both single-family and multi-family same branch sales increased from the prior year quarter. Commercial sales in the Installation segment were up 6.1% from the prior year quarter on a same branch basis.

Gross profit improved 6.1% to \$256.8 million from \$242.1 million in the prior year quarter. Gross profit and adjusted gross profit* as a percent of net revenue were both 33.8%, compared to 34.3% in the same period last year. Adjusted gross profit primarily adjusts for the Company’s share-based compensation expense.

Selling and administrative expense, as a percent of total revenue, was 19.1% compared to 18.2% in the prior year quarter. Adjusted selling and administrative expense*, as a percent of net revenue, was 18.5% compared to 17.7% in the prior year quarter.

Net income was \$68.6 million, or \$2.44 per diluted share, compared to \$68.0 million, or \$2.40 per diluted share in the prior year quarter. Net profit margin for the third quarter was 9.0% compared to 9.6% in the prior year quarter. Adjusted net income* was \$80.1 million, or \$2.85 per diluted share, compared to \$78.9 million, or \$2.79 per diluted share in the prior year quarter. Adjusted net profit margin* for the third quarter was 10.5% compared to 11.2% in the prior year quarter. Adjusted net income accounts for the impact of non-core items in both periods, including an addback for non-cash amortization expense related to acquisitions.

EBITDA* was \$127.3 million, a 0.4% increase from \$126.8 million in the prior year quarter. Adjusted EBITDA* was \$132.3 million, a 1.4% increase from \$130.5 million in the prior year quarter, representing an adjusted EBITDA margin* of 17.4% and 18.5%, respectively.

Net profit, adjusted net profit, and adjusted EBITDA margin reductions during the quarter were primarily due to a greater proportion of our single-family sales shifting to production builders as well as higher growth in non-insulation product sales relative to a year ago. Additionally, we experienced initial start-up costs related to building out our internal distribution operations and higher insurance expense from the prior year period.

Conference Call and Webcast

The Company will host a conference call and webcast on November 7, 2024 at 10:00 a.m. Eastern Time to discuss these results. To participate in the call, please dial 877-407-0792 (domestic) or 201-689-8263(international). The live webcast will be available at www.installedbuildingproducts.com in the investor relations section. A replay of the conference call will be available through December 7, 2024, by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the passcode 13748499.

About Installed Building Products

Installed Building Products, Inc. is one of the nation's largest new residential insulation installers and is a 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 located in the continental United States. The Company manages all aspects of the installation process for its customers, from direct purchase and receipt of materials from national manufacturers to its timely supply of materials to job sites and quality installation. The Company offers its portfolio of services for new and existing single-family and multi-family residential and commercial building projects in all 48 continental states and the District of Columbia from its national network of over 250 branch locations.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws, including with respect to the housing market and the commercial market, our operations, industry and economic conditions, our financial and business model, payment of dividends, the demand for our services and product offerings, expansion of our national footprint and end markets, diversification of our products, our ability to grow and strengthen our market position, our ability to pursue and integrate value-enhancing acquisitions and the expected amount of acquired revenue, our ability to improve sales and profitability, and expectations for demand for our services and our earnings. Forward-looking statements may generally be identified by the use of words such as "anticipate," "believe," "expect," "intends," "plan," and "will" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Any forward-looking statements that we make herein and in any future reports and statements are not guarantees of future performance, and actual results may differ materially from those expressed in or suggested by such forward-looking statements as a result of various factors, including, without limitation, general economic and industry conditions; increases in mortgage interest rates and rising home prices; inflation and interest rates; the material price and supply environment; the timing of increases in our selling prices; the risk that the Company may reduce, suspend or eliminate dividend payments in the future; and the factors discussed in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2023, as the same may be updated from time to time in our subsequent filings with the Securities and Exchange Commission. In addition, any future declaration of dividends will be subject to the final determination of our Board of Directors. Any forward-looking statement made by the Company in this press release speaks only as of the date hereof. New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these events or how they may affect it. The Company has no obligation, and does not intend, to update any forward-looking statements after the date hereof, except as required by federal securities laws.

***Use of Non-GAAP Financial Measures**

In addition to the financial measures prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), this press release contains the non-GAAP financial measures of EBITDA, Adjusted EBITDA, Adjusted EBITDA, net of dispositions, Adjusted EBITDA margin (i.e., Adjusted EBITDA divided by net revenue), Adjusted Net Income, Adjusted Net Income, net of dispositions, Adjusted Net Income per diluted share, Adjusted Gross Profit and Adjusted Selling and Administrative expense. The reasons for the use of these measures, reconciliations of EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income per diluted share, Adjusted Gross Profit, and Adjusted Selling and Administrative expense to the most directly comparable GAAP measures and other information relating to these measures are included below following the unaudited condensed consolidated financial statements. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for IBP’s financial results prepared in accordance with GAAP.

During the three months ended June 30, 2024, we decided to wind down the operations of a single new commercial end market-oriented branch that focused on the installation of a non-core end product, due to shifting market conditions, an unfavorable contract settlement, and sub-standard operating performance. All dispositions figures reflect the results of this single branch. All net of dispositions figures reflect the exclusion of the results of this single branch.

INSTALLED BUILDING PRODUCTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(unaudited, in millions, except share and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net revenue	\$ 760.6	\$ 706.5	\$ 2,191.1	\$ 2,057.9
Cost of sales	503.8	464.4	1,448.4	1,372.9
Gross profit	256.8	242.1	742.7	685.0
Operating expenses				
Selling	35.8	32.0	103.6	97.5
Administrative	109.2	96.8	318.5	282.3
Asset impairment	—	—	4.9	—
Amortization	10.5	11.0	31.7	33.7
Operating income	101.3	102.3	284.0	271.5
Other expense, net				
Interest expense, net	7.7	9.7	27.8	29.2
Other (income)	(0.3)	(0.2)	(0.8)	(0.5)
Income before income taxes	93.9	92.8	257.0	242.8
Income tax provision	25.3	24.8	67.3	63.9
Net income	\$ 68.6	\$ 68.0	\$ 189.7	\$ 178.9
Other comprehensive (loss) income, net of tax:				
Net change on cash flow hedges, net of tax (provision) benefit of \$3.8 and \$(2.0) for the three months ended September 30, 2024 and 2023, respectively, and \$2.1 and \$(1.6) for the nine months ended September 30, 2024 and 2023, respectively	(10.6)	5.5	(5.9)	4.6
Comprehensive income	\$ 58.0	\$ 73.5	\$ 183.8	\$ 183.5
Earnings Per Share:				
Basic	\$ 2.45	\$ 2.41	\$ 6.75	\$ 6.35
Diluted	\$ 2.44	\$ 2.40	\$ 6.71	\$ 6.32
Weighted average shares outstanding:				
Basic	27,986,997	28,204,328	28,110,587	28,151,899
Diluted	28,116,557	28,318,633	28,272,667	28,290,533
Cash dividends declared per share	\$ 0.35	\$ 0.33	\$ 2.65	\$ 1.89

INSTALLED BUILDING PRODUCTS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in millions, except share and per share amounts)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 406.2	\$ 386.5
Accounts receivable (less allowance for credit losses of \$11.4 and \$11.2 at September 30, 2024 and December 31, 2023, respectively)	451.0	423.3
Inventories	182.3	162.8
Prepaid expenses and other current assets	85.3	97.4
Total current assets	1,124.8	1,070.0
Property and equipment, net	167.0	137.2
Operating lease right-of-use assets	86.1	78.1
Goodwill	415.1	398.8
Customer relationships, net	169.6	179.6
Other intangibles, net	86.2	89.1
Other non-current assets	23.7	28.5
Total assets	\$ 2,072.5	\$ 1,981.3
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Current maturities of long-term debt	\$ 31.5	\$ 32.2
Current maturities of operating lease obligations	31.2	28.3
Current maturities of finance lease obligations	2.8	2.7
Accounts payable	169.4	158.6
Accrued compensation	68.6	59.6
Other current liabilities	73.2	65.0
Total current liabilities	376.7	346.4
Long-term debt	840.8	835.1
Operating lease obligations	54.6	49.9
Finance lease obligations	6.0	6.6
Deferred income taxes	22.1	24.5
Other long-term liabilities	55.9	48.5
Total liabilities	1,356.1	1,311.0
Commitments and contingencies (Note 16)		
Stockholders' equity		
Preferred Stock; \$0.01 par value; 5,000,000 authorized and 0 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	—	—
Common stock; \$0.01 par value; 100,000,000 authorized, 33,713,662 and 33,587,701 issued and 28,141,744 and 28,367,338 shares outstanding at September 30, 2024 and December 31, 2023, respectively	0.3	0.3
Additional paid in capital	257.0	244.7
Retained earnings	808.4	693.8
Treasury stock; at cost: 5,571,918 and 5,220,363 shares at September 30, 2024 and December 31, 2023, respectively	(377.1)	(302.2)
Accumulated other comprehensive income	27.8	33.7
Total stockholders' equity	716.4	670.3
Total liabilities and stockholders' equity	\$ 2,072.5	\$ 1,981.3

INSTALLED BUILDING PRODUCTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

	Nine months ended September 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 189.7	\$ 178.9
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of property and equipment	43.1	38.7
Amortization of operating lease right-of-use assets	24.4	21.7
Amortization of intangibles	31.7	33.7
Amortization of deferred financing costs and debt discount	1.2	1.4
Provision for credit losses	4.9	4.4
Write-off of debt issuance costs	1.1	0.9
Gain on sale of property and equipment	(1.6)	(1.5)
Non-cash stock compensation	13.2	10.6
Asset impairment	4.9	—
Other, net	(10.3)	(8.8)
Changes in assets and liabilities, excluding effects of acquisitions		
Accounts receivable	(31.5)	(28.7)
Inventories	(16.4)	18.7
Other assets	5.3	10.7
Accounts payable	7.5	(8.3)
Income taxes receivable/payable	4.6	(0.2)
Other liabilities	(6.6)	(21.7)
Net cash provided by operating activities	<u>265.2</u>	<u>250.5</u>
Cash flows from investing activities		
Purchases of property and equipment	(66.7)	(46.9)
Acquisitions of businesses, net of cash acquired of \$— in 2024 and 2023, respectively	(41.9)	(44.8)
Proceeds from sale of property and equipment	2.4	2.1
Settlements with interest rate swap counterparties	13.6	12.2
Other	(1.8)	(0.5)
Net cash used in investing activities	<u>\$ (94.4)</u>	<u>\$ (77.9)</u>

INSTALLED BUILDING PRODUCTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(unaudited, in millions)

	Nine months ended September 30,	
	2024	2023
Cash flows from financing activities		
Proceeds from Term Loan	\$ 142.9	\$ —
Payments on Term Loan	(135.5)	(3.7)
Proceeds from vehicle and equipment notes payable	18.8	28.4
Debt issuance costs	(1.5)	(0.4)
Principal payments on long-term debt	(22.7)	(22.2)
Principal payments on finance lease obligations	(2.2)	(2.2)
Dividends paid	(75.0)	(53.8)
Acquisition-related obligations	(1.5)	(2.7)
Repurchase of common stock	(66.4)	—
Surrender of common stock awards by employees	(8.0)	(5.8)
Net cash used in financing activities	(151.1)	(62.4)
Net change in cash and cash equivalents	19.7	110.2
Cash and cash equivalents at beginning of period	386.5	229.6
Cash and cash equivalents at end of period	\$ 406.2	\$ 339.8
Supplemental disclosures of cash flow information		
Net cash paid during the period for:		
Interest	\$ 37.0	\$ 36.3
Income taxes, net of refunds	62.8	64.2
Supplemental disclosure of non-cash activities		
Right-of-use assets obtained in exchange for operating lease obligations	\$ 31.5	\$ 23.2
Property and equipment obtained in exchange for finance lease obligations	1.9	2.9
Seller obligations in connection with acquisition of businesses	3.8	8.3
Unpaid purchases of property and equipment included in accounts payable	5.5	1.9
Accrued excise tax on common stock repurchases	0.5	—

INSTALLED BUILDING PRODUCTS, INC.
SEGMENT INFORMATION
(unaudited, in millions)

Information on Segments

Our Company has three operating segments consisting of Installation, Distribution and Manufacturing. The Other category reported below reflects the operations of our Distribution and Manufacturing operating segments.

	Three months ended September 30, 2024				Nine months ended September 30, 2024			
	Installation	Other	Eliminations	Consolidated	Installation	Other	Eliminations	Consolidated
Revenue	\$ 713.7	\$ 51.7	\$ (4.8)	\$ 760.6	\$ 2,066.9	\$ 136.0	\$ (11.8)	\$ 2,191.1
Cost of sales ⁽¹⁾	455.9	37.0	(3.3)	489.6	1,318.4	98.0	(8.4)	1,408.0
Segment gross profit	\$ 257.8	\$ 14.7	\$ (1.5)	\$ 271.0	\$ 748.5	\$ 38.0	\$ (3.4)	\$ 783.1
Segment gross profit percentage	36.1%	28.4%	30.1%	35.6%	36.2%	27.9%	28.5%	35.7%

	Three months ended September 30, 2023				Nine months ended September 30, 2023			
	Installation	Other	Eliminations	Consolidated	Installation	Other	Eliminations	Consolidated
Revenue	\$ 661.2	\$ 47.5	\$ (2.2)	\$ 706.5	\$ 1,935.8	\$ 128.5	\$ (6.4)	\$ 2,057.9
Cost of sales ⁽¹⁾	419.5	34.0	(1.6)	451.9	1,248.5	92.8	(4.9)	1,336.4
Segment gross profit	\$ 241.7	\$ 13.5	\$ (0.6)	\$ 254.6	\$ 687.3	\$ 35.7	\$ (1.5)	\$ 721.5
Segment gross profit percentage	36.6%	28.4%	26.4%	36.0%	35.5%	27.8%	22.4%	35.1%

⁽¹⁾ Cost of sales included in segment gross profit is exclusive of depreciation and amortization for the three and nine months ended September 30, 2024 and 2023.

The reconciliation between consolidated segment gross profit for each period as shown in the tables above to consolidated income before income taxes as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Segment gross profit - consolidated	\$ 271.0	\$ 254.6	\$ 783.1	\$ 721.5
Depreciation and amortization ⁽¹⁾	14.2	12.5	40.4	36.5
Gross profit, as reported	256.8	242.1	742.7	685.0
Operating expenses	155.5	139.8	458.7	413.5
Operating income	101.3	102.3	284.0	271.5
Other expense, net	7.4	9.5	27.0	28.7
Income before income taxes	\$ 93.9	\$ 92.8	\$ 257.0	\$ 242.8

⁽¹⁾ Depreciation and amortization is excluded from segment gross profit for the three and nine months ended September 30, 2024 and 2023.

INSTALLED BUILDING PRODUCTS, INC.
REVENUE BY END MARKET
(unaudited, in millions)

	Three months ended September 30,				Nine months ended September 30,				
	2024		2023		2024		2023		
Installation									
Residential new construction	\$ 548.8	72 %	\$ 518.1	73 %	\$ 1,594.0	73 %	\$ 1,488.9	72 %	
Repair and remodel	44.9	6 %	37.8	6 %	127.5	6 %	114.4	6 %	
Commercial	120.0	16 %	105.3	15 %	345.4	15 %	332.5	16 %	
Net revenues - Installation	\$ 713.7	94 %	\$ 661.2	94 %	\$ 2,066.9	94 %	\$ 1,935.8	94 %	
Other									
	46.9	6 %	45.3	6 %	124.2	6 %	122.1	6 %	
Net revenue, as reported	<u>\$ 760.6</u>	100 %	<u>\$ 706.5</u>	100 %	<u>\$ 2,191.1</u>	100 %	<u>\$ 2,057.9</u>	100 %	

Reconciliation of Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Adjusted Gross Profit and Adjusted Selling and Administrative Expense measure performance by adjusting GAAP net income, EBITDA, gross profit and selling and administrative expense, 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.

INSTALLED BUILDING PRODUCTS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
ADJUSTED NET INCOME CALCULATIONS
(unaudited, in millions, except share and per share amounts)

The tables below reconcile Adjusted Net Income, Adjusted Net Income, net of dispositions, and Adjusted Net Loss, dispositions to the most directly comparable GAAP financial measure, net income, for the periods presented therein. We have included Adjusted Net Income, net of dispositions, in this press release because it is a key measure used by our management team to understand the operating performance and profitability of our business. During the three months ended June 30, 2024, we decided to wind down the operations of a single new commercial end market-oriented branch that focused on the installation of a non-core end product, due to shifting market conditions, an unfavorable contract settlement, and sub-standard operating performance. Accordingly, we believe that excluding the financial results of this branch from our typical Adjusted Net Income measure of profitability provides useful insight and metrics relevant to understanding and evaluating the results of our ongoing operations. The Adjusted Net Loss, dispositions line item included below represents the Adjusted Net Loss of this single branch. We currently expect the closing of this branch to be substantially complete by March 31, 2025.

Per share figures may reflect rounding adjustments and consequently totals may not appear to sum.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income, as reported	\$ 68.6	\$ 68.0	\$ 189.7	\$ 178.9
Adjustments for adjusted net income				
Share-based compensation expense	4.5	3.5	13.2	10.6
Acquisition related expenses	0.5	0.2	1.6	1.3
Amortization expense ⁽¹⁾	10.5	11.0	31.7	33.7
Legal reserve	—	—	—	1.3
Loan refinancing expenses ⁽²⁾	—	—	4.1	—
Asset impairment ⁽³⁾	—	—	4.9	—
Tax impact of adjusted items at a normalized tax rate ⁽⁴⁾	(4.0)	(3.8)	(14.4)	(12.2)
Adjusted net income	\$ 80.1	\$ 78.9	\$ 230.8	\$ 213.6
Less: Adjusted net income (loss), dispositions ⁽⁵⁾	0.1	(1.0)	(6.4)	(1.7)
Adjusted net income, net of dispositions	\$ 80.0	\$ 79.9	\$ 237.2	\$ 215.3
Weighted average shares outstanding (diluted)	28,116,557	28,318,633	28,272,667	28,290,533
Diluted net income per share, as reported	\$ 2.44	\$ 2.40	\$ 6.71	\$ 6.32
Adjustments for diluted adjusted net income, net of tax impact, per share ⁽⁶⁾	0.41	0.39	1.45	1.23
Diluted adjusted net income per share	\$ 2.85	\$ 2.79	\$ 8.16	\$ 7.55
Less: Diluted adjusted net income (loss), dispositions, net of tax impact, per share ⁽⁵⁾	—	(0.04)	(0.23)	(0.06)
Diluted adjusted net income, net of dispositions per share	\$ 2.85	\$ 2.83	\$ 8.39	\$ 7.61

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

⁽²⁾ Includes \$1.1 million of non-cash write-off of capitalized loan expense and \$3.0 million of cash paid to third parties in connection with loan refinancing for the nine months ended September 30, 2024.

- ⁽³⁾ During the nine months ended September 30, 2024, we recognized intangible and asset impairment charges for a combined amount of \$4.9 million related to winding down the operations of a branch that installs one of our non-core building products.
- ⁽⁴⁾ Normalized effective tax rate of 26.0% applied to periods presented.
- ⁽⁵⁾ Represents adjusted net income (loss) and diluted adjusted net income (loss), per share of a single branch. Please see preceding paragraph at the beginning of this section for additional information.
- ⁽⁶⁾ Includes adjustments related to the items noted above, net of tax.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income (loss), dispositions, as reported	\$ 0.1	\$ (1.1)	\$ (10.2)	\$ (1.9)
Amortization expense	—	0.1	0.2	0.3
Asset impairment ⁽¹⁾	—	—	4.9	—
⁽²⁾ Tax impact of adjusted items at a normalized tax rate	—	—	(1.3)	(0.1)
Adjusted net income (loss), dispositions ⁽³⁾	<u>\$ 0.1</u>	<u>\$ (1.0)</u>	<u>\$ (6.4)</u>	<u>\$ (1.7)</u>

- ⁽¹⁾ During the nine months ended September 30, 2024, we recognized intangible and asset impairment charges for a combined amount of \$4.9 million related to winding down the operations of a branch that installs one of our non-core building products.
- ⁽²⁾ Normalized effective tax rate of 26.0% applied to periods presented.
- ⁽³⁾ Represents Adjusted net income (loss) of a single branch. Please see preceding paragraph at the beginning of this section for additional information.

INSTALLED BUILDING PRODUCTS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
ADJUSTED GROSS PROFIT CALCULATIONS
(unaudited, in millions)

The table below reconciles Adjusted Gross Profit to the most directly comparable GAAP financial measure, gross profit, for the periods presented therein.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Gross profit	\$ 256.8	\$ 242.1	\$ 742.7	\$ 685.0
Share-based compensation expense	0.2	0.3	0.8	0.7
Adjusted gross profit	\$ 257.0	\$ 242.4	\$ 743.5	\$ 685.7
Gross profit margin	33.8%	34.3%	33.9%	33.3%
Adjusted gross profit margin	33.8%	34.3%	33.9%	33.3%

INSTALLED BUILDING PRODUCTS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
ADJUSTED SELLING AND ADMINISTRATIVE EXPENSE CALCULATIONS
(unaudited, in millions)

The table below reconciles Adjusted Selling and Administrative to the most directly comparable GAAP financial measure, selling and administrative, for the periods presented therein.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Selling expense	\$ 35.8	\$ 32.0	\$ 103.6	\$ 97.5
Administrative expense	109.2	96.8	318.5	282.3
Selling and Administrative expense, as reported	145.0	128.8	422.1	379.8
Share-based compensation expense	4.1	3.3	12.3	10.0
Acquisition related expenses	0.5	0.2	1.6	1.3
Legal reserve	—	—	—	1.3
Adjusted Selling and Administrative expense	\$ 140.4	\$ 125.3	\$ 408.2	\$ 367.2
Selling and Administrative expense - % Total revenue	19.1%	18.2%	19.3%	18.5%
Adjusted Selling and Administrative expense - % Total revenue	18.5%	17.7%	18.6%	17.8%

INSTALLED BUILDING PRODUCTS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
EBITDA AND ADJUSTED EBITDA CALCULATIONS
(unaudited, in millions)

The tables below reconcile EBITDA, Adjusted EBITDA, Adjusted EBITDA, net of dispositions and Adjusted EBITDA, dispositions to the most directly comparable GAAP financial measure, net income, for the periods presented therein. We have included Adjusted EBITDA, net of dispositions, in this press release because it is a key measure used by our management team to understand the operating performance and profitability of our business. During the three months ended June 30, 2024, we decided to wind down the operations of a single new commercial end market-oriented branch that focused on the installation of a non-core end product, due to shifting market conditions, an unfavorable contract settlement, and sub-standard operating performance. Accordingly, we believe that excluding the financial results of this branch from our typical Adjusted EBITDA measure of profitability provides useful insight and metrics relevant to understanding and evaluating the results of our ongoing operations. The Adjusted EBITDA, dispositions line item included below represents the Adjusted EBITDA of this single branch. We currently expect the closing of this branch to be substantially complete by March 31, 2025.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income, as reported	\$ 68.6	\$ 68.0	\$ 189.7	\$ 178.9
Interest expense	7.7	9.7	27.8	29.2
Provision for income tax	25.3	24.8	67.3	63.9
Depreciation and amortization	25.7	24.3	74.9	72.4
EBITDA	127.3	126.8	359.7	344.4
Acquisition related expenses	0.5	0.2	1.6	1.3
Share based compensation expense	4.5	3.5	13.2	10.6
Legal reserve	—	—	—	1.3
Asset impairment ⁽¹⁾	—	—	4.9	—
Adjusted EBITDA	\$ 132.3	\$ 130.5	\$ 379.4	\$ 357.6
Adjusted EBITDA, dispositions ⁽²⁾	0.2	(1.2)	(8.4)	(1.7)
Adjusted EBITDA, net of dispositions ⁽³⁾	\$ 132.1	\$ 131.7	\$ 387.8	\$ 359.3
Net profit margin	9.0 %	9.6 %	8.7 %	8.7 %
EBITDA margin	16.7 %	18.0 %	16.4 %	16.7 %
Adjusted EBITDA margin	17.4 %	18.5 %	17.3 %	17.4 %
Adjusted EBITDA margin, net of dispositions ⁽³⁾	17.4 %	18.7 %	17.7 %	17.6 %

⁽¹⁾ During the nine months ended September 30, 2024, we recognized intangible and asset impairment charges for a combined amount of \$4.9 million related to winding down the operations of a branch that installs one of our non-core building products.

⁽²⁾ Represents Adjusted EBITDA of a single branch. Please see preceding paragraph at the beginning of this section for additional information.

⁽³⁾ Adjusted EBITDA, net of dispositions and Adjusted EBITDA margin, net of dispositions exclude the results of a single branch. Please see preceding paragraph at the beginning of this section for additional information.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net revenue, as reported	\$ 760.6	\$ 706.5	\$ 2,191.1	\$ 2,057.9
Less: net revenue, dispositions ⁽¹⁾	3.3	3.3	2.8	14.8
Net revenue, net of dispositions	<u>\$ 757.3</u>	<u>\$ 703.2</u>	<u>\$ 2,188.3</u>	<u>\$ 2,043.1</u>

⁽¹⁾ Represents net revenue of a single branch. Please see preceding paragraph at the beginning of this section for additional information.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income (loss), dispositions, as reported	\$ 0.1	\$ (1.1)	\$ (10.2)	\$ (1.9)
Interest expense	0.1	0.1	0.2	0.4
(Benefit) for income tax	—	(0.4)	(3.6)	(0.7)
Depreciation and amortization	—	0.2	0.3	0.5
EBITDA, dispositions	0.2	(1.2)	(13.3)	(1.7)
Asset impairment ⁽¹⁾	—	—	4.9	—
Adjusted EBITDA, dispositions ⁽²⁾	<u>\$ 0.2</u>	<u>\$ (1.2)</u>	<u>\$ (8.4)</u>	<u>\$ (1.7)</u>

⁽¹⁾ During the nine months ended September 30, 2024, we recognized intangible and asset impairment charges for a combined amount of \$4.9 million related to winding down the operations of a branch that installs one of our non-core building products.

⁽²⁾ Represents Adjusted EBITDA of a single branch. Please see preceding paragraph at the beginning of this section for additional information.

INSTALLED BUILDING PRODUCTS, INC.
SUPPLEMENTARY TABLE
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Period-over-period Growth				
Consolidated Sales Growth	7.7%	(1.8)%	6.5%	3.8%
Consolidated Same Branch Sales Growth	5.2%	(5.2)%	4.3%	(0.3)%
Installation				
Sales Growth	7.9%	(1.7)%	6.8%	3.4%
Same Branch Sales Growth	5.4%	(5.4)%	4.6%	(0.5)%
Single-Family Sales Growth	8.8%	(8.7)%	7.7%	(6.0)%
Single-Family Same Branch Sales Growth	5.7%	(12.2)%	5.1%	(9.7)%
Multi-Family Sales Growth	3.6%	30.9%	7.5%	36.4%
Multi-Family Same Branch Sales Growth	2.4%	28.4%	6.6%	34.7%
Residential Sales Growth	7.7%	(2.7)%	7.7%	0.6%
Residential Same Branch Sales Growth	5.0%	(6.0)%	5.4%	(2.8)%
Commercial Sales Growth ⁽¹⁾	7.7%	3.7%	2.0%	17.7%
Commercial Same Branch Sales Growth	6.1%	(1.3)%	(0.1)%	11.8%
Other⁽²⁾				
Sales Growth	9.1%	(0.7)%	6.0%	12.0%
Same Branch Sales Growth	7.2%	(0.7)%	4.7%	4.5%
Same Branch Sales Growth - Installation				
Volume Growth ⁽³⁾	2.6%	(10.8)%	—%	(10.1)%
Price/Mix Growth ⁽³⁾	2.7%	3.5%	4.3%	8.6%
U.S. Housing Market⁽⁴⁾				
Total Completions Growth	22.7%	(1.4)%	13.7%	5.0%
Single-Family Completions Growth	5.7%	(4.7)%	2.5%	(2.1)%
Multi-Family Completions Growth	62.3%	5.0%	37.7%	24.6%

(1) Our commercial end market consists of heavy and light commercial projects.

(2) Other business segment category includes our manufacturing and distribution businesses operating segments.

(3) The heavy commercial end market is excluded from these metrics given its much larger per-job revenue compared to our average job.

(4) U.S. Census Bureau data, as revised.

INSTALLED BUILDING PRODUCTS, INC.
 INCREMENTAL REVENUE AND ADJUSTED EBITDA MARGINS
 (unaudited, in millions)

Revenue Increase

	Three months ended September 30,				Nine months ended September 30,			
	2024	% Total	2023	% Total	2024	% Total	2023	% Total
Same Branch	\$ 36.6	67.7 %	\$ (37.4)	295.9 %	\$ 88.5	66.4 %	\$ (6.5)	(8.7)%
Acquired	17.5	32.3 %	24.8	(195.9)%	44.7	33.6 %	81.0	108.7 %
Total	\$ 54.1	100.0 %	\$ (12.6)	100.0 %	\$ 133.2	100.0 %	\$ 74.5	100.0 %

Adjusted EBITDA Margin Contributions *

	Three months ended September 30,				Nine months ended September 30,			
	2024	% Margin	2023	% Margin	2024	% Margin	2023	% Margin
Same Branch ⁽¹⁾	\$ (1.4)	(3.8)%	\$ 5.5	(14.7)%	\$ 13.7	15.5 %	\$ 19.1	(293.8)%
Acquired	3.3	18.9 %	4.8	19.4 %	8.1	18.1 %	14.7	18.1 %
Total	\$ 1.9	3.5 %	\$ 10.3	(81.7)%	\$ 21.8	16.4 %	\$ 33.8	45.4 %

⁽¹⁾ Same branch adjusted EBITDA margin contribution percentage is a percentage of same branch revenue increase.

* During the three months ended September 30, 2023, same branch and total revenue declined while same branch and total adjusted EBITDA increased. During the nine months ended September 30, 2023, same branch revenue declined while same branch adjusted EBITDA increased. The negative % margin result in both periods does not reflect a decremental margin, but rather, a quotient with mixed signs for the numerator and denominator.

Revenue Increase, Net of Dispositions ⁽¹⁾

	Three months ended September 30,				Nine months ended September 30,			
	2024	% Total	2023	% Total	2024	% Total	2023	% Total
Same Branch	\$ 36.6	67.7 %	\$ (30.7)	520.3 %	\$ 100.5	69.2 %	\$ (1.1)	(1.4)%
Acquired	17.5	32.3 %	24.8	(420.3)%	44.7	30.8 %	81.0	101.4 %
Total	\$ 54.1	100.0 %	\$ (5.9)	100.0 %	\$ 145.2	100.0 %	\$ 79.9	100.0 %

⁽¹⁾ Please see the section - Reconciliation of GAAP to Non-GAAP measures EBITDA and Adjusted EBITDA calculations - in this press release for additional information.

Adjusted EBITDA, Net of Dispositions Margin Contributions ^{(1)*}

	Three months ended September 30,				Nine months ended September 30,			
	2024	% Margin	2023	% Margin	2024	% Margin	2023	% Margin
Same Branch ⁽²⁾	\$ (2.8)	(7.7)%	\$ 6.5	(21.2)%	\$ 20.4	20.3 %	\$ 19.3	(1754.5)%
Acquired	3.3	18.9 %	4.8	19.4 %	8.1	18.1 %	14.7	18.1 %
Total	\$ 0.5	0.9 %	\$ 11.3	(191.5)%	\$ 28.5	19.6 %	\$ 34.0	42.6 %

⁽¹⁾ Please see the section - Reconciliation of GAAP to Non-GAAP measures EBITDA and Adjusted EBITDA calculations - in this press release for additional information.

⁽²⁾ Same branch adjusted EBITDA margin contribution percentage is a percentage of same branch revenue increase.

* During the three months ended September 30, 2023, same branch and total revenue declined while same branch and total adjusted EBITDA increased. During the nine months ended September 30, 2023, same branch revenue declined while same branch adjusted EBITDA increased. The negative % margin result in both periods does not reflect a decremental margin, but rather, a quotient with mixed signs for the numerator and denominator.

Source: Installed Building Products, Inc.

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