



# Installed Building Products

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Q1 2020

Reported May 8, 2020

**IBP**

# Disclaimer

## Q1 2020 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," "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 material price environment, 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, 2019, as the same may be updated from time-to-time in our subsequent filings with the SEC. You should not place undue reliance on forward-looking statements as a prediction of actual results. Any forward-looking statements in this presentation speak only as of the date hereof. IBP expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

This presentation includes the following non-GAAP financial measures: (1) Adjusted EBITDA, (2) Adjusted Net Income, (3) Adjusted Net Income per diluted share, (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.



# COVID – 19 Update

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# Response to COVID-19

## PEOPLE

- Providing a healthy and safe work environment for all employees is our priority
  - ❖ Increased health and safety protocols at all of our facilities to ensure proper social-distancing and compliance with local, state and federal requirements
  - ❖ Telecommuting for all branch and office employees, where possible, staggering schedules at times when people are required to be in the office
- All non-essential travel suspended indefinitely
- Prohibit outside visitors to IBP locations
- Provided benefit to 123 employees under the Families First Coronavirus Response Act

## OPERATIONS

- As of March 31 - Branches representing approximately 90% of revenue were located in markets where construction was deemed "essential"
  - ❖ Layoffs impacted 563 employees in markets where construction was deemed "non-essential"
  - ❖ Closed locations reduced 1Q Net Revenue between \$2.0 - \$2.5 million
- As of May 8 – Approximately 98% of revenue is located in markets where construction is deemed "essential"
  - ❖ Rehired nearly 280 employees in markets previously closed
- Continuity of material supply remains a focus, with no disruptions to date

## FINANCIAL

- April 2020 revenue increased 2% compared to the prior year period
  - ❖ Alpha, our large commercial construction business, has April sales growth of 25%
  - ❖ Excluding Royals Commercial Services Inc, acquired in March 2020, large commercial construction growth was 17%
  - ❖ Adjusting for branch closures, April 2020 sales growth was 10% and 6% on a same branch basis
- At March 31, 2020 – we had \$213.7 million in cash and investments and \$154.4 million in net working capital
- Nothing drawn on our existing \$200 million revolving line of credit
- Covenant light debt structure, with the next maturity due in 2025
- Delayed closing of acquisitions and suspended share repurchase program



# Strategy Overview

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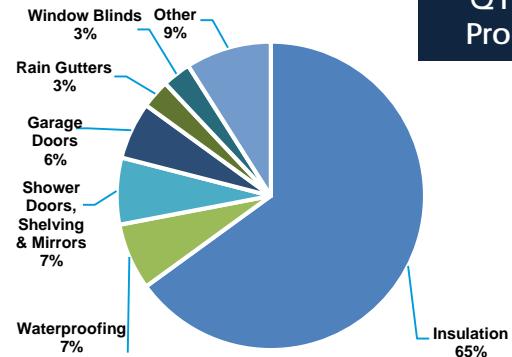
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# IBP Growth Strategy

## Expansion

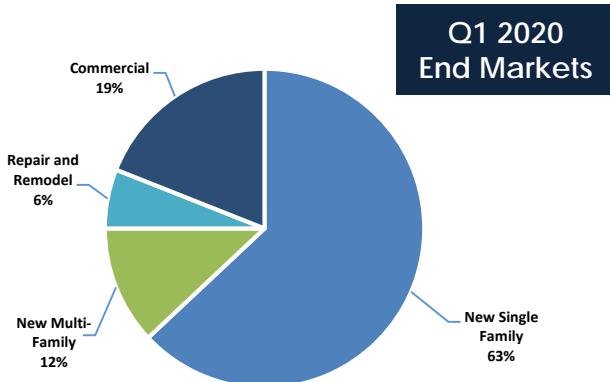
### Geographic

- ✓ 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

# National Scale

## Strong Local Presence



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

- One of the nation's largest<sup>1</sup> 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 180 locations serving all 48 continental states and the District of Columbia

<sup>1</sup> Based on internal estimates

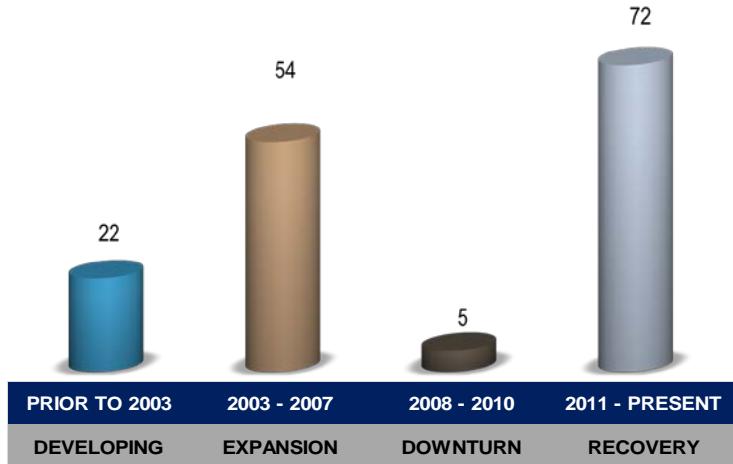
Additional Value from Operating Leverage and National Scale

# Successful Track Record of Acquisitions

Acquirer of choice with over 150 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 close to 20 years
- Apply national buying power
- Leverage national relationships with large homebuilders



# Diverse Service and Product Offering

Product	Offering
 Insulation	<ul style="list-style-type: none"><li>Installs a wide range of insulation and air sealing materials including fiberglass insulation, spray foam insulation and cellulose insulation</li></ul>
 Commercial Products	<ul style="list-style-type: none"><li>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</li></ul>
 Closet Shelving	<ul style="list-style-type: none"><li>Designs and installs closet shelving systems utilizing some of the highest quality products available from national brands</li></ul>
 Shower Doors, Mirrors, and Bath Hardware	<ul style="list-style-type: none"><li>Installs a variety of shower enclosures, ranging from basic sliding doors to custom designs, as well as custom designed mirrors</li></ul>
 Garage Doors	<ul style="list-style-type: none"><li>Installs and services commercial and residential steel, aluminum, wood and vinyl garage doors as well as opener systems</li></ul>
 Rain Gutters	<ul style="list-style-type: none"><li>Installs a wide range of rain gutters, constructed from aluminum or copper and assembled on the job site using special equipment</li></ul>
 Window Blinds	<ul style="list-style-type: none"><li>Installs a variety of cordless window blinds, shades and shutters</li></ul>

## Competitive Benefits of Diverse Service and Product Offering

-  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 cyclicity

Our oldest and most established branches tend to exhibit the greatest diversity of service and product offerings. This diversity contributes to enhanced profitability including higher revenue per residential permit and higher EBITDA margins as compared to branches in our newer, less developed markets

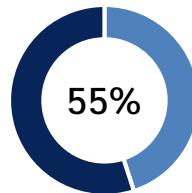
# Housing Market Case Study

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

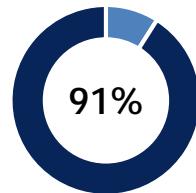
## Insulation Revenues as a Percent of Market Revenues

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

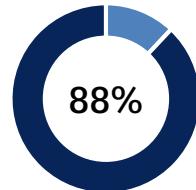
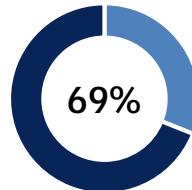


Developing Market



## 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

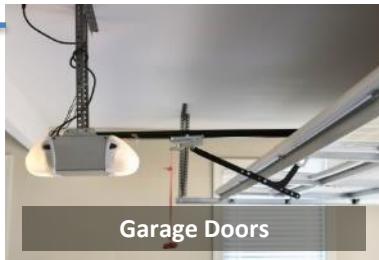
Notes: - Case study excludes Alpha Insulation and Waterproofing

- 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
- Calculated on the LTM period ending 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 3%\*
- Residential and commercial installation services
- Residential and commercial repair and maintenance



Garage Doors

- Total IBP market share is approximately 5%\*
- New residential construction and repair & remodel product



Gutters

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



Blinds

- Total IBP market share is approximately 9%\*
- Offers single-family and multi-family market opportunity



Shower Shelving & Mirrors

\* IBP market shares based on internal estimates; compares to residential insulation market share of approximately 28%

# 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



Fireproofing

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



Firestop

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



Waterproofing

- Expansion joint installation
- Roof restoration
- Commercial building restoration



Growth opportunities



# **ESG Highlights**

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# Environmental Highlights

## Sustainability

- ✓ Promote energy efficiency through insulating homes and commercial structures
  - Over half of the energy used in the average American home is for heating and cooling
  - Inadequate insulation and air leakage are the leading cause of energy waste in most homes
- ✓ The most common type of insulation we install is fiberglass
  - Fiberglass is comprised of 40-80% recycled material
- ✓ Some loosefill fiberglass insulation is made from scrap material, reducing landfill waste
- ✓ Cellulose insulation is comprised of 75-85% recycled waste paper



Fiberglass Insulation

- Made of fibrous glass held together by a thermoset resin
  - ❖ Contains average of 50% recycled content
  - ❖ Available as blankets or loosefill
- Most widely used residential insulation material
- 83% of IBP insulation sales in 2019



Cellulose Insulation

- Made of paper and cardboard, has a very high recycled content
- Only available in loosefill form and is blown into the structure with specialized equipment
- 2% of IBP insulation installation sales in 2019

Installation of insulation materials is our primary business model

Insulated homes and commercial structures reduces energy consumption and greenhouse gas emissions

# Social and Governance Highlights

## 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



Reduced turnover by 40% since the beginning of 2017 – significantly below industry standards

# Community and Employee Engagement

Committed to our Employees and Communities we Serve



## Installed Building Products Foundation

\$1.35 million contributed in the first year of the foundation



Awarded 44 scholarships to employees and their families



Over \$18,000 in Employee Financial Assistance grants to help with financial hardships due to unexpected life events



Announced \$825,000 in grants to nonprofit organizations dedicated to building or renovating houses or providing shelter for those in need

- ❖ 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

## Financial Wellness Program

- More than 5,200 participants
- 93% of participants now have an emergency fund
- 94% with debt now have a payment plan
- 72% are now saving for retirement

(Based on completed surveys)



# Financial Performance

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# Strong Top-Line Momentum

24.8% CAGR from 2014 to LTM 3/2020



Source: U.S. Census Bureau, Company filings

Note: Historical revenue figures not pro forma for acquisitions

# Sales Growth

## Q1 2020 compared to Q1 2019

	Three months ended March 31,	
	2020	2019
<b>Period-over-period Growth</b>		
Sales Growth	16.1%	13.4%
Same Branch Sales Growth	12.1%	7.4%
Single-Family Sales Growth	11.0%	14.4%
Single-Family Same Branch Sales Growth	5.9%	6.5%
Residential Sales Growth	14.2%	13.8%
Residential Same Branch Sales Growth	9.7%	7.0%
<b>Same Branch Sales Growth</b>		
Volume Growth <sup>1</sup>	-0.2%	3.4%
Price/Mix Growth <sup>1</sup>	12.1%	4.1%
Large Commercial Construction Sales Growth	14.1%	6.6%
<b>U.S. Housing Market<sup>2</sup></b>		
Total Completions Growth	-2.2%	5.7%
Single-Family Completions Growth	2.4%	4.2%

<sup>1</sup> Excludes the large commercial end market

<sup>2</sup> U.S. Census Bureau data, as revised

# Summary Financial Results

(in millions)	2015	2016	2017	2018	2019	LTM 3/2020
Net Revenue	\$ 663	\$ 863	\$ 1,133	\$ 1,336	\$ 1,512	\$ 1,567
% Net Revenue Growth	27.9%	30.2%	31.3%	18.0%	13.1%	13.8%
Same Branch Sales Growth	11.7%	15.6%	9.8%	11.5%	8.6%	9.7%
COGS (Adjusted) <sup>1</sup>	\$ 475	\$ 611	\$ 806	\$ 963	\$ 1,076	\$ 1,104
Adjusted Gross Profit <sup>1</sup>	\$ 188	\$ 252	\$ 327	\$ 373	\$ 436	\$ 463
% Margin	28.4%	29.2%	28.9%	27.9%	28.8%	29.5%
Adjusted S&A <sup>2</sup>	\$ 134	\$ 171	\$ 214	\$ 242	\$ 278	\$ 292
% of Net Revenue	20.2%	19.8%	18.9%	18.1%	18.4%	18.6%
Adjusted EBITDA <sup>3</sup>	\$ 71	\$ 105	\$ 141	\$ 164	\$ 197	\$ 210
% of Net Revenue	10.7%	12.1%	12.5%	12.3%	13.0%	13.4%

<sup>1</sup> COGS adjusted in 2017, 2018 and 2019 relate to stock compensation expense, Financial Wellness Program and branch start-up costs. See the Gross Profit and Adjusted Gross Profit Reconciliation included in the Appendix. Adjusted Gross Profit is a non-GAAP financial measure.

<sup>2</sup> 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.

<sup>3</sup> 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

<i>(\$ in millions)</i>	2015	2016	2017	2018	2019	3/2020
Cash	\$ 6.8	\$ 14.5	\$ 62.5	\$ 90.4	\$ 177.9	\$ 187.2
Short-Term Investments	-	-	30.1	10.1	38.0	26.5
Senior Notes, net of unamortized debt issuance costs <sup>1</sup>	-	-	-	-	295.2	295.3
Term Loan, net of unamortized debt issuance cost <sup>2</sup>	47.9	95.8	293.3	390.9	198.3	198.4
Delayed Draw Term Loans, in effect, net of unamortized debt issuance costs <sup>3</sup>	49.7	12.5	-	-	-	-
Vehicle and Equipment Notes Payable	21.1	38.2	50.4	60.4	72.7	73.1
Finance Lease Obligations	20.4	15.3	12.1	8.6	6.3	5.9
Various notes payable	4.5	5.0	3.9	3.5	3.0	3.0
<b>Total Debt</b>	<b>\$ 143.6</b>	<b>\$ 166.8</b>	<b>\$ 359.7</b>	<b>\$ 463.4</b>	<b>\$ 575.5</b>	<b>\$ 575.7</b>

<b>Net Debt</b>	<b>\$ 136.8</b>	<b>\$ 152.3</b>	<b>\$ 267.1</b>	<b>\$ 362.9</b>	<b>\$ 359.6</b>	<b>\$ 362.0</b>
<b>Adjusted EBITDA<sup>4</sup></b>	<b>\$ 71.2</b>	<b>\$ 104.8</b>	<b>\$ 141.1</b>	<b>\$ 163.8</b>	<b>\$ 196.8</b>	<b>\$ 210.3</b>

## Credit Statistics:

Net Debt / Adjusted EBITDA <sup>4</sup>	1.9x	1.5x	1.9x	2.2x	1.8x	1.7x
Working Capital (Excluding Cash and Short-Term Investments)	\$ 46.0	\$ 47.8	\$ 102.6	\$ 129.3	\$ 151.9	\$ 154.4

<sup>1</sup> Unamortized debt issuance costs (in thousands): 2019 - \$4,823 and 3/31/2020 - \$4,678.

<sup>2</sup> Unamortized debt issuance costs (in thousands): 2015 - \$249; 2016 - \$447; 2017 - \$5,146; 2018 - \$4,834; 2019 - \$1,662 and 3/31/2020 - \$1,592.

<sup>3</sup> Unamortized debt issuance costs (in thousands): 2015 - \$261; 2016 - \$50.

<sup>4</sup> Adjusted EBITDA is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

# Improving Financial Performance

## Adjusted Gross Profit<sup>1</sup>

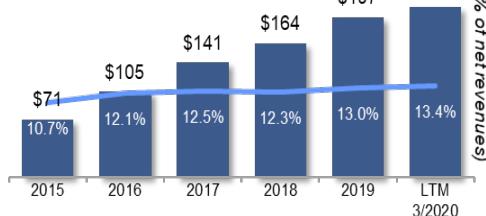
(*\$ in millions*)



<sup>1</sup> 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 EBITDA<sup>3</sup>

(*\$ in millions*)



<sup>3</sup> 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.

## Adjusted Selling & Administrative<sup>2</sup>

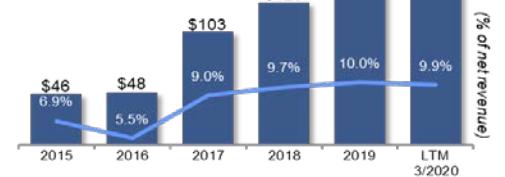
(*\$ in millions*)



<sup>2</sup> 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.

## Working Capital<sup>4</sup>

(*\$ in millions*)



<sup>4</sup> Working Capital excludes cash on hand (in thousands) of 2014 - \$10,761; 2015 - \$6,181; 2016 - \$14,482; 2017 - \$62,510; 2018 - \$90,442; 2019 - \$177,889 and LTM 3/2020 - \$187,183 and short-term investments (in thousands) of 2017 - \$30,053; 2018 - \$10,060; 2019 - \$37,961 and LTM 3/2020 - \$26,5487

## Additional Value from Operating Leverage and National Scale



# Appendix

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# EBITDA & Adjusted EBITDA Reconciliation

(in millions)	2015	2016	2017	2018	2019	LTM 3/2020
Net income	\$ 26.5	\$ 38.4	\$ 41.1	\$ 54.7	\$ 68.2	\$ 75.3
Interest expense	3.7	6.2	17.4	20.5	28.1	29.8
Provision for income taxes	15.4	21.2	14.7	17.4	24.4	26.8
Depreciation and amortization	23.2	34.8	55.1	58.7	63.4	65.4
Gain on bargain purchase	(1.1)	-	-	-	-	-
Miscellaneous non-operating income	-	-	-	-	-	(0.3)
<b>EBITDA</b>	<b>\$ 67.8</b>	<b>\$ 100.6</b>	<b>\$ 128.3</b>	<b>\$ 151.4</b>	<b>\$ 184.1</b>	<b>\$ 197.0</b>
Legal reserves	0.1	-	-	1.0	1.2	1.2
Non-cash stock compensation	-	-	-	-	-	-
Acquisition related expenses	1.1	2.3	3.2	2.7	2.1	2.2
Share-based compensation expense	2.1	1.9	6.6	7.8	8.7	9.5
Financial Wellness Program <sup>1</sup>	-	-	2.2	-	-	-
Write-off of uncertain tax position <sup>2</sup>	-	-	0.7	-	-	-
Branch start-up costs <sup>3</sup>	-	-	-	0.8	0.7	0.5
Retirement expense	-	-	-	0.8	-	-
Gain on sale of assets	-	-	-	(0.8)	-	-
<b>Adjusted EBITDA</b>	<b>\$ 71.2</b>	<b>\$ 104.8</b>	<b>\$ 141.0</b>	<b>\$ 163.8</b>	<b>\$ 196.8</b>	<b>\$ 210.3</b>

<sup>1</sup> Represents employer match upon completion of program, net of waived executive bonuses.

<sup>2</sup> Represents tax impacts on deferred tax and uncertain tax positions recorded as a result of the 2017 tax reform.

<sup>3</sup> 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 March 31,	
	2020	2019
(in millions except for share and per share data)		
<b>Net income, as reported</b>	\$ 16.0	\$ 8.8
Adjustments for adjusted net income:		
Share based compensation expense	2.7	1.9
Acquisition related expenses	0.7	0.6
Branch start-up costs <sup>1</sup>	-	0.3
Amortization expense <sup>2</sup>	6.7	5.9
Miscellaneous non-operating income	(0.3)	-
Tax impact of adjusted items at normalized tax rate <sup>3</sup>	(2.5)	(2.3)
<b>Adjusted net income</b>	<b>\$ 23.2</b>	<b>\$ 15.3</b>
Weighted average shares outstanding (diluted)	29,930,954	29,806,653
Diluted net income per share, as reported	\$ 0.53	\$ 0.30
Adjustments for adjusted net income, net of tax impact, per diluted share <sup>4</sup>	0.25	0.21
<b>Diluted adjusted net income per share</b>	<b>\$ 0.78</b>	<b>\$ 0.51</b>

<sup>1</sup> Addback of costs related to organic branch expansion for Alpha locations

<sup>2</sup> Addback of all non-cash amortization resulting from business combinations

<sup>3</sup> Normalized effective tax rate of 26.0% applied to both periods presented

<sup>4</sup> Includes adjustments related to the items noted above, net of tax

# Adjusted S&A

<i>(in millions)</i>	2015	2016	2017	2018	2019	LTM 3/2020
S&A	\$ 137.1	\$ 175.1	\$ 222.9	\$ 253.0	\$ 289.2	\$ 304.1
Legal settlement and reserves	0.1	-	-	1.0	1.2	1.2
Acquisition related expenses	1.1	2.3	3.2	2.7	2.1	2.2
Share-based compensation expense	2.1	1.9	5.6	7.0	8.4	9.1
Financial Wellness Program <sup>1</sup>	-	-	(0.2)	(0.1)	-	-
Retirement expense	-	-	-	0.8	-	-
<b>Adjusted S&amp;A</b>	<b>\$ 133.8</b>	<b>\$ 170.9</b>	<b>\$ 214.3</b>	<b>\$ 241.6</b>	<b>\$ 277.5</b>	<b>\$ 291.7</b>

<sup>1</sup> Employer match upon completion of the program, net of waived executive bonuses.

# Adjusted Cost of Sales and Adjusted Gross Profit Reconciliations

(in millions)	2015	2016	2017	2018	2019	LTM 3/2020
Net revenues	\$ 662.7	\$ 863.0	\$ 1,132.9	\$ 1,336.4	\$ 1,511.6	\$ 1,566.8
Cost of Sales	\$ 474.4	\$ 610.5	\$ 808.9	\$ 964.8	\$ 1,076.8	\$ 1,105.2
Share-based compensation expense	-	-	1.0	0.8	0.4	0.4
Financial Wellness Program <sup>1</sup>	-	-	2.4	0.7	-	-
Branch start-up costs <sup>2</sup>	-	-	-	0.8	0.7	0.5
Gain on sale of assets	-	-	-	(0.8)	-	-
Adjusted Cost of Sales	\$ 474.4	\$ 610.5	\$ 805.5	\$ 963.2	\$ 1,075.7	\$ 1,104.3
Gross Profit	\$ 188.3	\$ 252.4	\$ 324.0	\$ 371.6	\$ 434.8	\$ 461.6
Adjustments to Cost of Sales	-	-	3.4	1.6	1.1	0.9
Adjusted Gross Profit	\$ 188.3	\$ 252.4	\$ 327.4	\$ 373.2	\$ 435.9	\$ 462.5

<sup>1</sup> Employer match upon completion of the program, partially offset by waived executive bonuses.

<sup>2</sup> Addback of costs related to organic branch expansion for Alpha locations.



# Q&A

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## Installed Building Products

# IBP