

# INSTALLED BUILDING PRODUCTS

# Lender Presentation

March 2024



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This presentation includes the non-GAAP financial measures of Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA margin, Adjusted COGS, Adjusted Operating Expense, Free Cash Flow and Net Debt. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for the Company's financial results 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. Non-GAAP measures in this presentation may be calculated in a way that is not comparable to similarly titled measures reported by other companies.

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Name	Title
<b>Michael Miller</b>	Executive Vice President, CFO and Director
<b>Jeff Hire</b>	President, External Affairs
<b>Jason Niswonger</b>	Chief Administrative and Sustainability Officer
<b>Darren Hicks</b>	Managing Director, Investor Relations
<b>Tim Mundorf</b>	Managing Director, Finance
<b>Ryan Ricketts</b>	Director, Financial Planning & Analysis

**I** Transaction Overview

**II** Company Overview

**III** Credit Highlights

**IV** Historical Financial Performance

**V** Syndication Overview

**VI** Appendix

# Transaction Overview

Installed Building Products

Section I

- Installed Building Products, Inc. (“IBP” or the “Company”) is one of the largest<sup>(1)</sup> installers of insulation for new residential applications in the U.S. with ~250 locations serving all 48 continental states and the District of Columbia
  - #1 or #2 market position for new single-family insulation installation in more than half<sup>(1)</sup> of the markets in which IBP operates
  - Manages all aspects of the installation process for its customers including direct purchase of material from the manufacturers, supply of material to jobsites to ensure quality service, and timely installation
  - Installation of insulation is a critical phase in the construction process, as certain interior work cannot begin until the insulation phase passes inspection
  - 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
  - Company also has growing distribution businesses that sell insulation, gutters and accessories and a cellulose insulation manufacturing business
  - Publicly traded company (NYSE: IBP) with a \$6.7 billion market capitalization<sup>(2)</sup>
- For the LTM period ending December 31, 2023 (“LTM Period”), IBP generated Net Revenue and Adjusted EBITDA<sup>(3)</sup> of \$2,779 million and \$486 million (17.5% Adjusted EBITDA margin)<sup>(3)</sup>, respectively
  - We estimate that businesses acquired during the LTM Period would have generated approximately \$33 million of net revenue and \$5 million of Adjusted EBITDA<sup>(3)</sup> if we had owned them for the full LTM Period, for a total Net Revenue of \$2,812 million and a total Further Adjusted EBITDA<sup>(3)</sup> of \$490 million (17.4% Further Adjusted EBITDA margin)<sup>(3)</sup>, respectively

## Transaction Overview

- Given IBP’s continued strong performance, the Company is seeking to raise a new 7-year \$500 million term loan B with proceeds to be used to refinance the existing \$490 million term loan B
- IBP will have a conservative capital structure with expected total net leverage of 1.0x<sup>(3)</sup>

(1) Based on internal estimates. (2) As of March 11, 2024. (3) Adj. EBITDA and Adj. EBITDA Margin are non-GAAP financial measures. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix. Net leverage of 1.0x is based on LTM 12/31/23 Further Adj. EBITDA of \$490 million, which includes the estimated impact of acquisitions closed in 2023. Estimated Adjusted EBITDA for acquired companies is based on management estimates and the acquired company’s historical financials. A forward-looking estimate of net income (loss) is not provided with the forward-looking estimate of Adjusted EBITDA (a non-GAAP measure) because the items necessary to estimate net income (loss) are not accessible or estimable at this time without unreasonable efforts. Such items are not expected to have a significant impact on the Company’s net income (loss). Adj. EBITDA Margin is defined as Adj. EBITDA divided by Net Revenue.

# Sources & Uses and Pro Forma Capitalization



(\$ in millions)

## Sources & Uses of Funds

Sources of Funds		Uses of Funds	
New Term Loan B	\$500	Refinance Existing Term Loan B	\$490
		Est. Fees & Expenses	10
<b>Total Sources</b>	<b>\$500</b>	<b>Total Uses</b>	<b>\$500</b>

## Pro Forma Capitalization

	Current (as of 12/31/23)			Δ	Pro Forma		
	Amount	% of Cap	x LTM Adj. EBITDA <sup>(3)</sup>		Amount	% of Cap	x LTM Adj. EBITDA <sup>(3)</sup>
Cash & Cash Equivalents	\$386				\$386		
ABL Revolver (\$250 million)	\$-				\$-		
Term Loan B	490			(490)	-		
New Term Loan B	-			500	500		
Other Secured Debt <sup>(1)</sup>	94				94		
<b>Secured Debt</b>	<b>\$584</b>	<b>8%</b>	<b>1.2x</b>		<b>\$594</b>	<b>8%</b>	<b>1.2x</b>
<i>Secured Net Debt</i>	\$197		0.4x		\$207		0.4x
Senior Unsecured Notes	300				300		
<b>Total Debt</b>	<b>\$884</b>	<b>12%</b>	<b>1.8x</b>		<b>\$894</b>	<b>12%</b>	<b>1.8x</b>
<i>Net Debt</i> <sup>(2)</sup>	\$497		1.0x		\$507		1.0x
Market Capitalization	6,674	88%	13.6x		6,674	88%	13.6x
<b>Total Capitalization</b>	<b>\$7,557</b>	<b>100%</b>	<b>15.4x</b>		<b>\$7,567</b>	<b>100%</b>	<b>15.4x</b>
<i>Adjusted EBITDA</i> <sup>(3)</sup>			\$486				\$486
<i>Pre-Acquisition EBITDA Adjustments</i> <sup>(3)(4)</sup>			5				5
<i>Further Adjusted EBITDA</i> <sup>(3)(4)</sup>			\$490				\$490

(1) Other Secured Debt includes finance lease obligations, vehicle and equipment notes, and other notes payable.

(2) Net Debt is a non-GAAP financial measure and is calculated by subtracting cash and short-term investments from Total Debt.

(3) Adjusted EBITDA is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

(4) Includes estimated Adjusted EBITDA for all acquisitions that have been completed through 2023 as if they occurred January 1, 2023 using available historical financial data. Estimated Adjusted EBITDA for acquired companies is based on management estimates and the acquired company's historical financials. A forward-looking estimate of net income (loss) is not provided with the forward-looking estimate of Adjusted EBITDA (a non-GAAP measure) because the items necessary to estimate net income (loss) are not accessible or estimable at this time without unreasonable efforts. Such items are not expected to have a significant impact on the Company's net income (loss).

# Company Overview

Installed Building Products

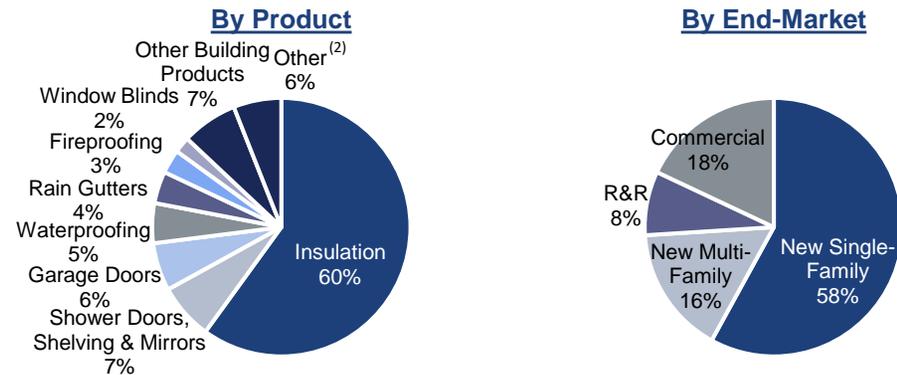
Section II

# Leading Platform with Proven Track Record of Growth

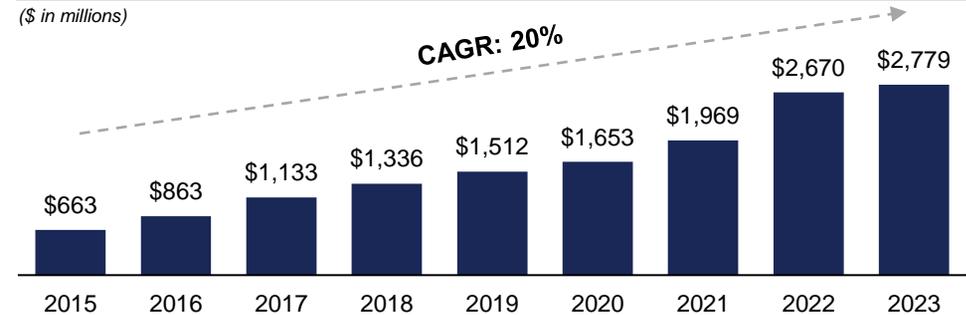


- IBP is one of the largest<sup>(1)</sup> new residential insulation installers in the U.S. with ~250 locations serving all 48 continental states and the District of Columbia
  - Specializes in installing all types of insulation including fiberglass, spray foam, and cellulose from industry-leading manufacturers
  - Also installs garage doors, waterproofing systems, rain gutters, closet shelving, shower doors, mirrors, and fireplaces
  - Manages all aspects of the installation process for customers including direct purchase of material from the manufacturers, supply of material to jobsites to ensure quality service, and timely installation with employee labor
- Operates in the fragmented insulation installation industry
  - ~30% current market share (up from 5% in 2005)<sup>(1)</sup>
  - #1 or #2 for new single-family insulation installation in more than half of the markets in which IBP operates, based on permits issued in these markets
- Founded in 1977 with a single location in Columbus, Ohio, IBP has grown to ~250 locations with \$2.8 billion of net revenue and \$486 million of Adjusted EBITDA<sup>(4)</sup> for FY2023
  - NYSE-listed with a market capitalization of \$6.7 billion<sup>(3)</sup>

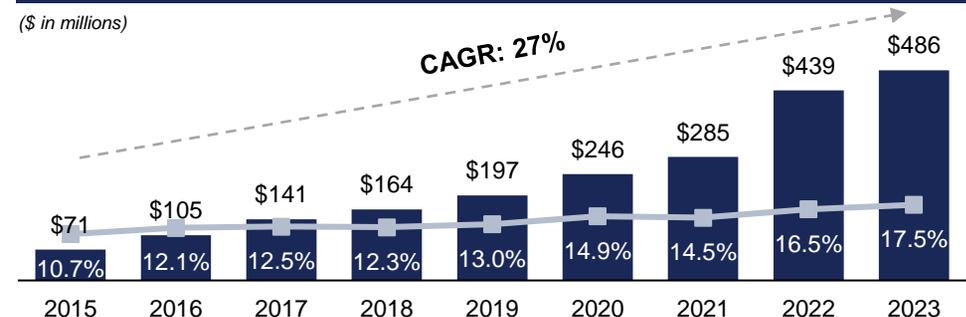
## Revenue Breakdown (FY2023)



## Revenue



## Adj. EBITDA and Margin<sup>(4)</sup>



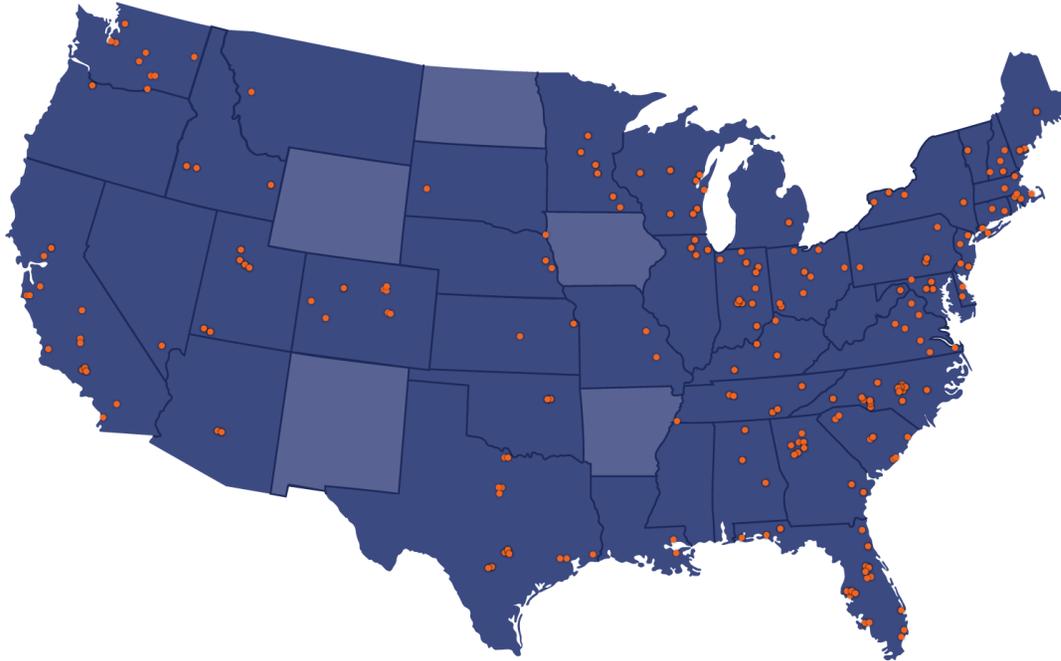
Source: Company reporting, Management estimates, U.S. Census.

(1) Based on internal estimates. (2) Other includes net revenue for manufacturing and distribution operations. (3) As of March 11, 2024. (4) 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.

# National Scale with Strong Local Presence



National Scale



- ✓ **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, mirrors, and other products for residential and commercial builders
- ✓ **National platform of ~250 locations** serving all 48 continental states and the District of Columbia

Local Presence

## Selected IBP Local Trade Names



- ✓ Local operating brands maintain strong customer relationships and brand equity

## Additional Value from Operating Leverage and National Scale

*Note:* Shaded states represent where IBP has a physical presence. Some dots represent multiple locations.

(1) Based on internal estimates.

# Diversification Growth Opportunity

*Further diversification enhances same branch revenue opportunity*

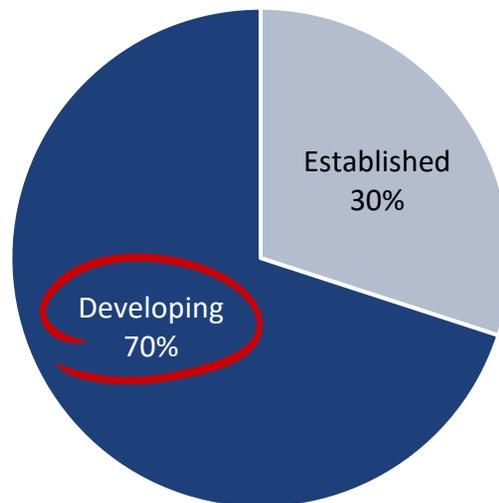
## Top 50 IBP Metropolitan Statistical Areas (MSAs)

### End Products

#### Core Installed End Products

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

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

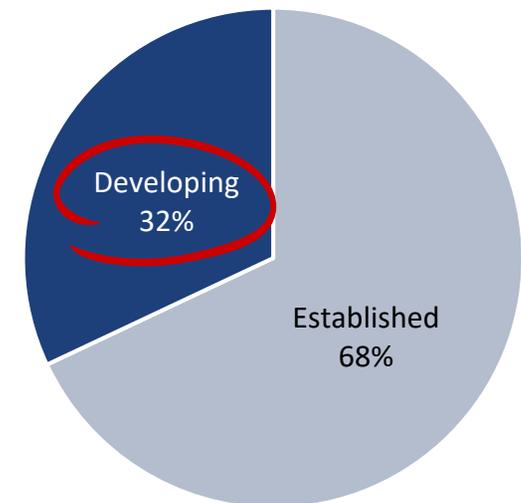


### End Markets

#### Core End Markets

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

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



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

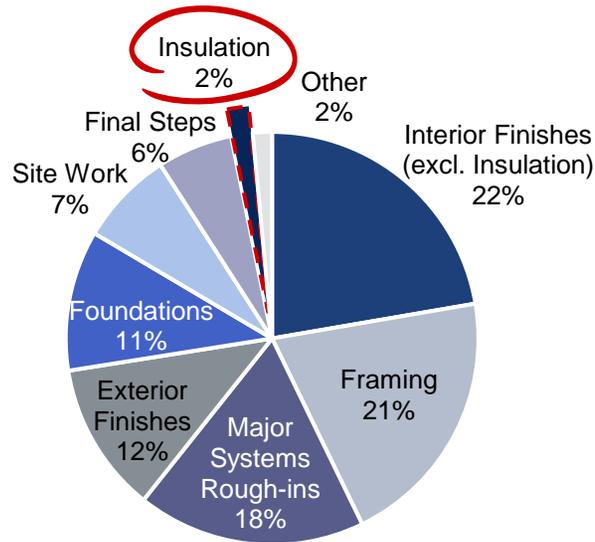
**Higher Established Market Profitability Driven by Scale, Productivity, and Higher Gross Profit**

*Source: U.S. Census Bureau and Company estimates.*

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

# Insulation is a Critical Building Product

## Single-Family Home Construction Cost



- Although lot sizes are shrinking, both the **cost per square foot and the value of insulation installed per home are increasing**
- On average, ~61% of home sale prices are represented by construction cost, but total insulation is only ~2% of construction cost
- In 2022, the average new single-family home sale price was ~\$645,000 with ~\$392,000 of construction costs, of which ~\$6,500 was total insulation and air sealant
- The amount of insulation per home is increasing due to a greater focus on energy efficiency and stronger energy codes

## IBP Offers a Wide Range of Insulation Materials



**Fiberglass Insulation**

- Made of fibrous glass held together by a thermoset resin
  - Contains average of 50-80% recycled content
  - Available as batts or loosefill
- Most widely used residential insulation material
- 76% of IBP insulation sales in 2023



**Spray Foam Insulation**

- Foam applied at a job site by mixing two chemical components together in specialized application equipment
- Most expensive offering but provides high insulating value and air sealant
- 18% of IBP insulation sales in 2023

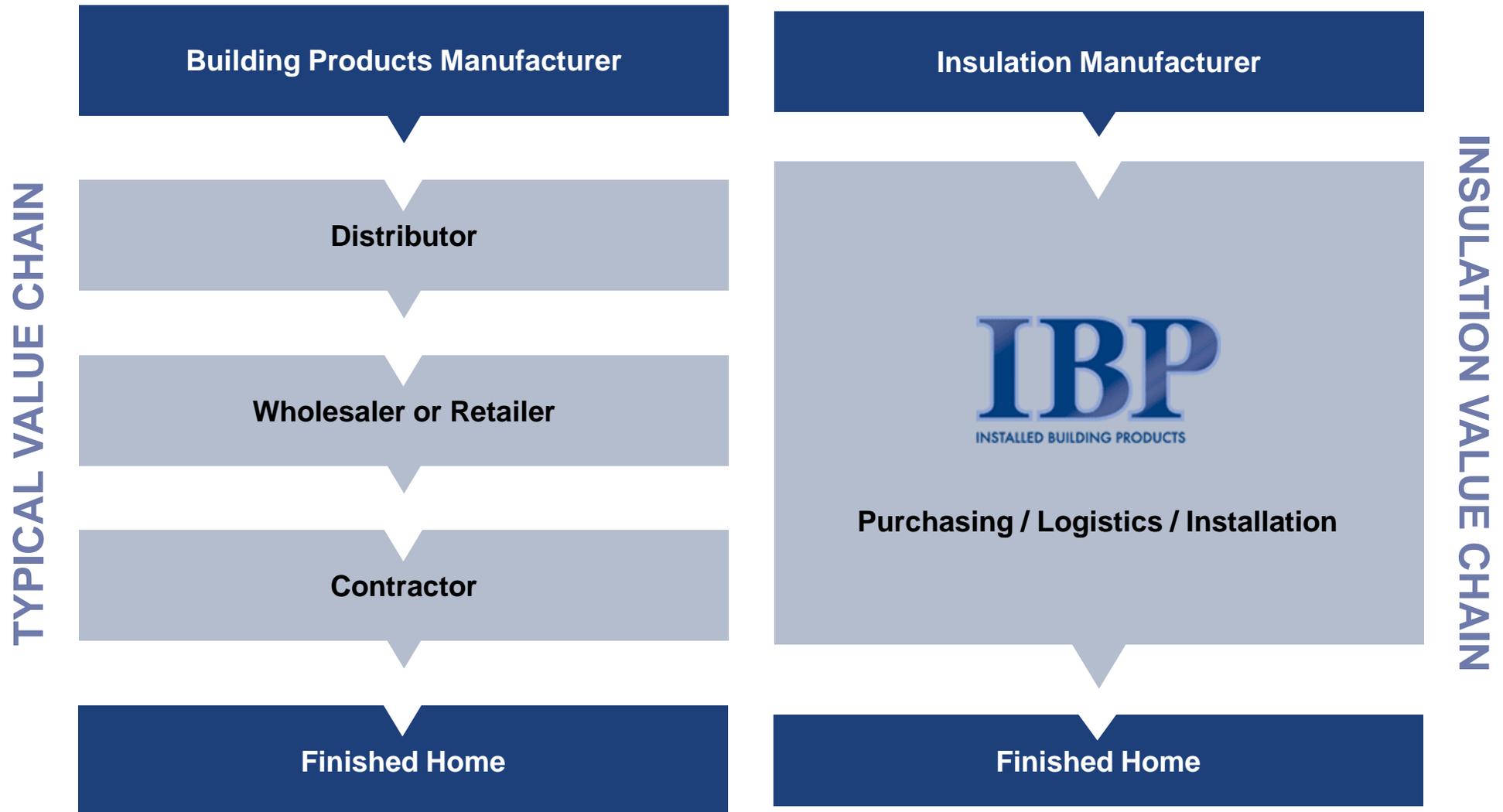


**Cellulose Insulation**

- Made of paper and cardboard, and has a very high recycled content
- Only available in loosefill form and is blown into the structure with specialized equipment
- 6% of IBP insulation sales in 2023

**The Amount of Insulation Per Home is Increasing as a Result of a Focus on ESG & Progressive Building Codes**

# Streamlined Value Chain

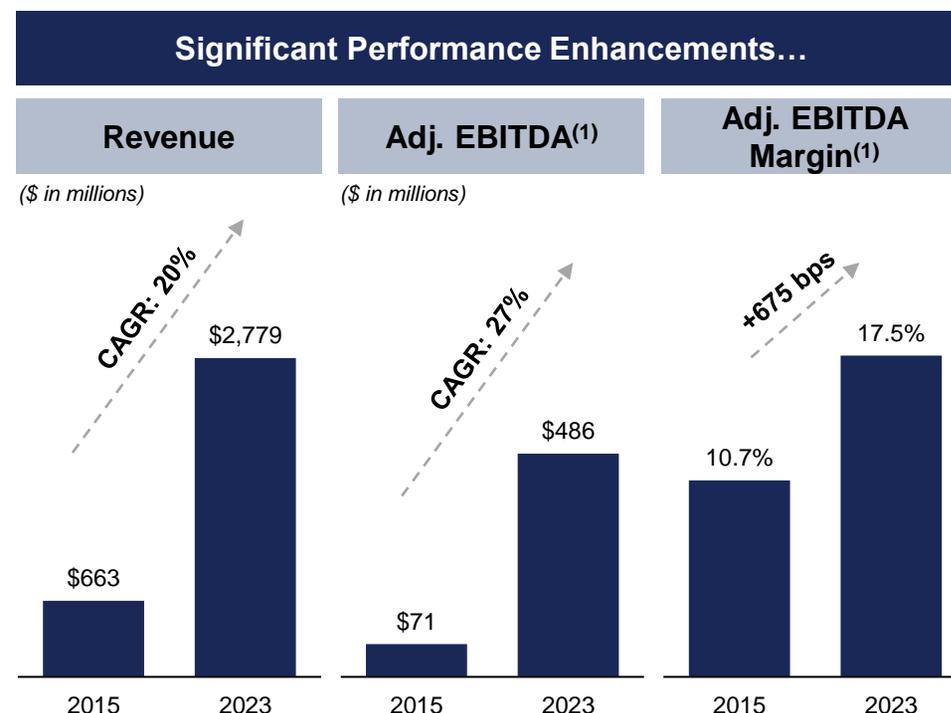


IBP's Scale Provides Direct Link Between a Consolidated Base of Manufacturers and Homebuilders

# Experienced Management with Strong Track Record



Management Overview		
Name / Position	Years with IBP	Prior Experience
<b>Jeffrey Edwards</b> <i>President, Chief Executive Officer, &amp; Chairman</i>	29	Over 25 years of experience in the building supply and homebuilding Industry
<b>Michael Miller</b> <i>Executive VP &amp; Chief Financial Officer</i>	24	Huntington Capital CIBC Deutsche Bank First Union
<b>Brad Wheeler</b> <i>Chief Operating Officer</i>	14	Regional President, IBP Regional Manager, IBP
<b>Jeff Hire</b> <i>President of External Affairs</i>	16	Owens Corning
<b>Jason Niswonger</b> <i>Chief Administrative &amp; Sustainability Officer</i>	12	Edwards Industries Commercial Vehicle Group Sterling Commerce
<b>Todd Fry</b> <i>Chief Accounting Officer</i>	10	Champion Industries Broughton Foods Coopers & Lybrand



- ### ...Positioned the Business for Future Success
- ✓ Best-in-class growth and margin profile
  - ✓ Disciplined and targeted strategic acquisitions combined with consistent and proven acquisition integration have allowed IBP to become the acquirer of choice
  - ✓ Adjacent products and markets provide growth opportunities outside of the core insulation business
  - ✓ Conservative capital structure with history of delevering

## Execution-Oriented Management Team with Deep Sector Expertise

(1) 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.

## 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 is the leading cause of energy waste in most homes
- ✓ The most common type of insulation we install is fiberglass
  - Fiberglass is comprised of up to 80% recycled material
- ✓ Some loosefill fiberglass insulation is made from scrap material, reducing landfill waste
- ✓ Cellulose insulation is comprised of at least 75% recycled waste paper

Click [here](#) for IBP's full ESG report

### Fiberglass Insulation



- Made of fibrous glass held together by a thermoset resin
- Contains average of 50-80% recycled content
- Available as blankets or loosefill
- Most widely used residential insulation material
- 76% of IBP insulation sales in 2023

### Cellulose Insulation



- Made of paper and cardboard, and has very high recycled content
- Only available in loosefill form and is blown into the structure with specialized equipment
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**Insulated Homes & Commercial Structures Reduce Energy Consumption & Greenhouse Gas Emissions**

## Commitment to 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

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



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

**Maintaining Turnover Significantly Below Industry Average Since the Beginning of 2017**

## Commitment to Employees and the Communities IBP Serves



**Installed Building  
Products Foundation**



Over \$3.5 million in scholarships have been committed to over 300 employees and family members

Over \$325,000 in Employee Financial Assistance grants to help with financial hardship



Awarded over \$6.5 million in grants to nonprofit organizations focused on housing, education and strengthening our communities



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

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

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

*- Bianca, IBP Foundation  
Scholarship Recipient*

**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**

# Annual Operating Framework & Growth Strategy

## Annual Operating Framework

	2018 - 2023 History	Long-Term Outlook	Acquisition Growth Assumptions
<b>Organic Revenue Growth<sup>(1)</sup></b>	0% - 25%	Outperform U.S. Residential Completions Growth	Target >\$100 million of acquired revenue annually
<b>Gross Profit Margin</b>	28% - 33%	Stable within historical range	Material purchasing power + Product diversification = Margin Benefit
<b>Adjusted EPS Growth<sup>(2)</sup></b>	15% - 65%	Mid-teens	Immediately accretive
<b>Adjusted EBITDA Growth<sup>(2)</sup></b>	11% - 54%	20% - 25% Organic Growth (Incremental)	>10% EBITDA Margin



## Growth Strategy

### Geographic

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

### Product

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

## Compelling and Proven Financial Model Creates Long-Term Value

(1) Based on same branch sales growth as disclosed in quarterly financial reporting.

(2) Adjusted Net Income per share and Adjusted EBITDA are non-GAAP financial measures. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

# Growth-Focused Capital Allocation Strategy

## Acquisitions are Primary Use of Capital

- Acquisitions contribute to profitability in year one
- Disciplined approach generates compelling ROIC
- Assists with revenue diversification

## Announced Dividends (2/22/2024) To Be Paid In First Quarter '24

- Quarterly dividend of \$0.35 per share
- Annual variable dividend of \$1.60 per share

## Opportunistic Share Repurchases

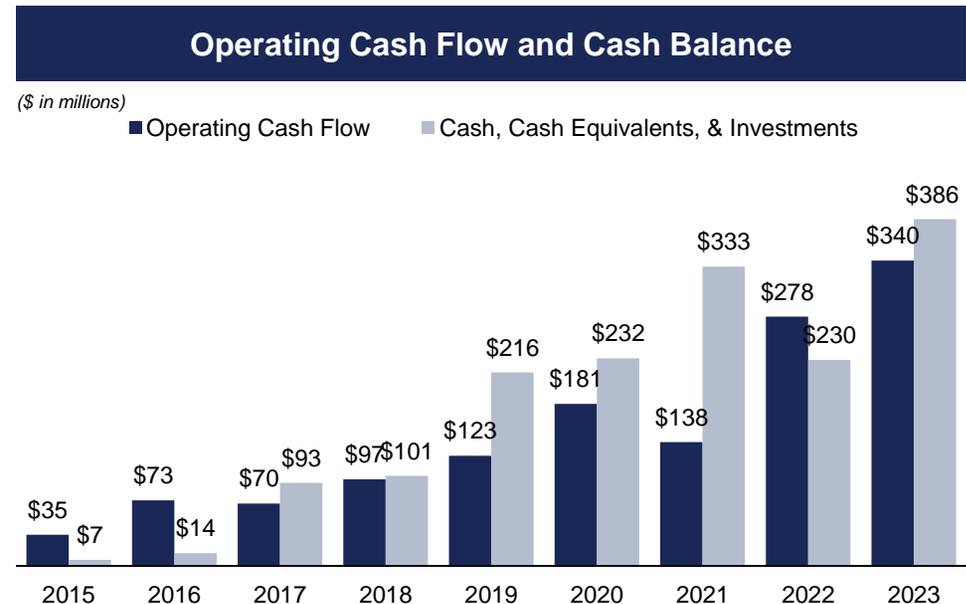
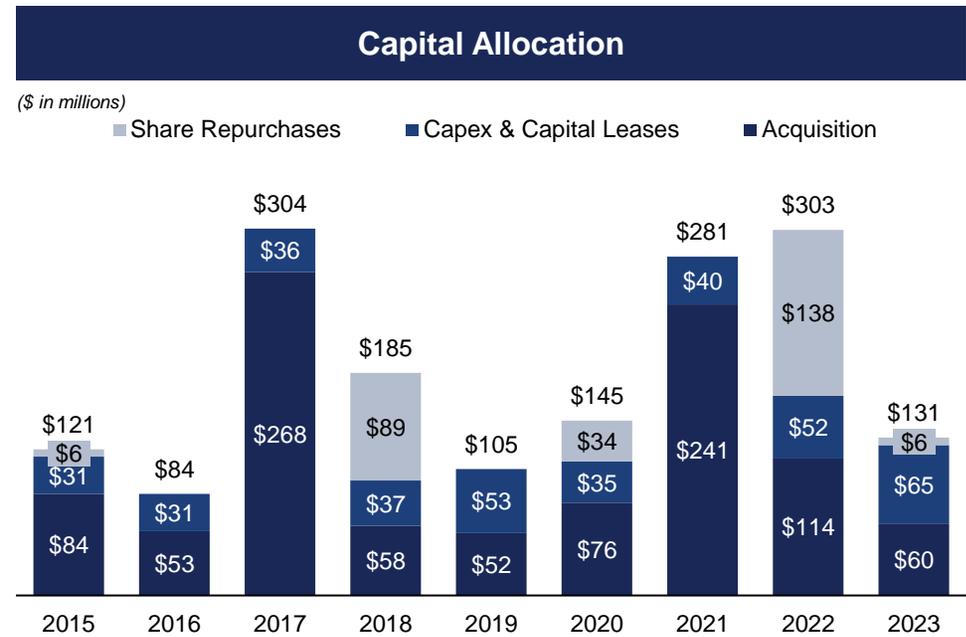
- New \$300 million stock repurchases program as of 2/22/2024, expires 3/1/25

## Asset-Light Model Generates Substantial Operating Cash Flow

- Working capital is largest use of operating cash
- Capital expenditures and finance capital lease expense averages ~2.0% of net revenue over the long term
- Building cash balances have supported acquisition growth

## Robust Liquidity and Low Leverage Provide Flexibility Through Cycle

- Multiple funding sources and staggered maturities
- Target leverage ratio < 2.0x, 1.0x as of 12/31/2023



# Credit Highlights

Installed Building Products

Section III



- 1 Market Leader in an Attractive Industry**
- 2 Critical Link Between Suppliers and Customers in a Growing Industry**
- 3 Strong Supplier & Customer Relationships**
- 4 Proven Ability to Grow Market Share**
- 5 Increasingly Diverse Business Mix**
- 6 Established Track Record of Successful Acquisitions**
- 7 Asset-Lite Business Model with Strong Free Cash Flow**
- 8 Conservative Capital Structure**

## Leadership...

- ✓ One of the largest new residential insulation installers in the U.S.<sup>(1)</sup>
- ✓ #1 or 2 in most markets in which IBP operates with a national market share of ~30%<sup>(1)</sup>
- ✓ Track record of increasing net revenues per U.S. housing completion every year from 2005 - 2022
- ✓ Access to over 2/3 of permits issued, up from 24% in 2005
- ✓ Market share gains driven by:
  - ✓ Quality customer service
  - ✓ Cross-selling complementary installation services
  - ✓ Successful acquisition and integration of local installation operations

## ...in an Attractive Industry

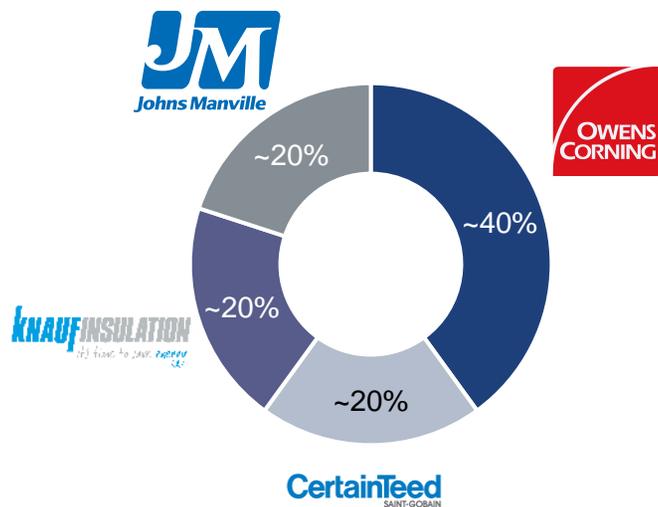
- ✓ Well-structured industry
- ✓ Fragmented customer base – top 5 customers only account for 12% of revenue
- ✓ Premium service levels rewarded with premium pricing
- ✓ Client business won and lost locally, not nationally – reduces risk of substantial revenue/customer loss
- ✓ Insulation represents a growing product category due to the energy and sustainability benefits
- ✓ Buyer volume discount for insulation at the top of any building product
- ✓ Insulation installation margins near the top of the contractor spectrum
- ✓ Most installer employees paid based on productivity / piece rate – results in high productivity and a variable cost structure
- ✓ Low union presence
- ✓ High inventory turns of a stable priced product and also low obsolescence risk
- ✓ Insulation is domestically manufactured, resulting in no tariff exposure
- ✓ Extensive technical and market knowledge required to start-up and operate installation business

**IBP is One of Two Leading Players in an Attractive Industry with Significant Competitive Advantage**

(1) Based on internal estimates; represents insulation market share.

### North American Insulation Manufacturers

#### Estimated Market Share



**IBP**  
 INSTALLED BUILDING PRODUCTS

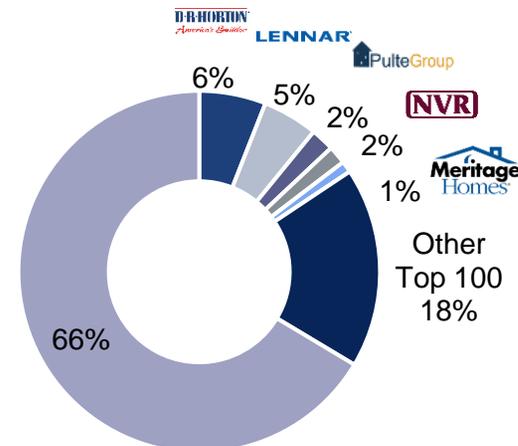
**~30%  
 Market Share<sup>(1)</sup>**

Primary link between  
 a concentrated  
 manufacturer base  
 and a highly  
 fragmented  
 customer base

### Fragmented Customers

#### Homebuilder Customers

2022 National Market Share by Homebuilder Based on Closings



#### Commercial and R&R Customers

- Also represents a very fragmented customer base
- Leading customers in these end markets include: JE Dunn, Balfour Beatty Construction, Turner Construction, DPR Construction

#### Value to Suppliers

- Strong relationships with the largest manufacturers
- Accounts for a meaningful portion of supplier insulation volume
- National scale allows manufacturers to better plan production schedules

#### Value to Customers

- Full service capabilities to handle the installation of “nuisance” products for customers
- Timely delivery and quality installation of products ensure projects remain on schedule
- Institutional knowledge of local building codes and standards

**IBP Serves an Irreplaceable Role in the Supply Chain**

Source: BUILDER Magazine, Wall Street research, Management estimates.

(1) Based on internal estimates; represents insulation market share.

# 2 ...in a Growing Industry

*IBP's core end-markets are benefitting from strong tailwinds and poised for sustained growth*

## New Residential Construction

- U.S. currently has an estimated ~4 million shortage of single-family homes
- Trends are shifting away from urban and towards rural and suburban living
- Wave of millennials are entering prime homebuying years
- Expectations for improving rate environment / housing affordability

## Residential Repair & Remodeling

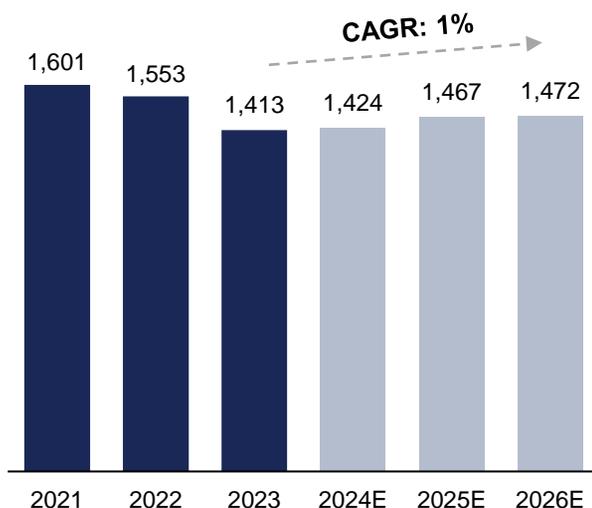
- Home equity levels are at all-time highs
- Aging of U.S. housing stock calls for increased repair and remodeling
- More time spent at home accelerates the replacement cycle and increases home repair spending
- Expect rebound in existing home sales in 2024 with improving rate backdrop

## Commercial Construction

- Commercial construction forecasted to rebound from effects of COVID and return to growth
- Activity never reached long-term averages following the financial crisis, resulting in significant pent-up demand for new buildings
- IBP is well-positioned in attractive segments of commercial

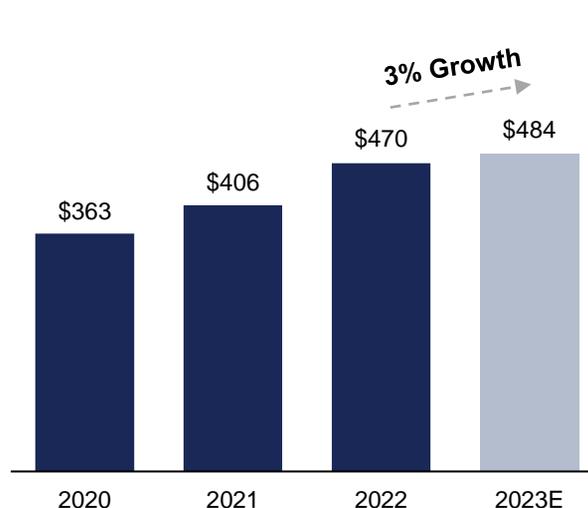
### Total New Housing Starts

(starts in thousands)



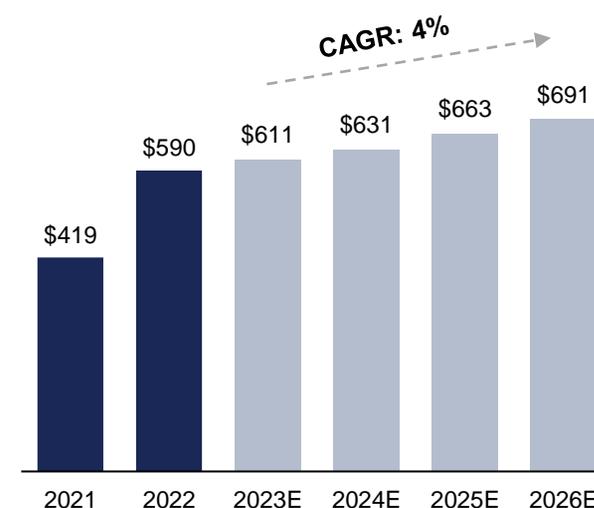
### R&R Expenditures

(\$ in billions)



### Commercial Construction Starts

(\$ in billions)



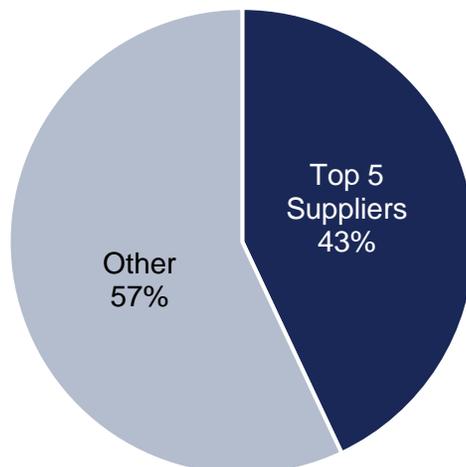
Source: MBA, Harvard JCHS, ConstructConnect.

## Strategic Supplier Base

- Predominately purchase materials direct from manufacturers
- National scale and long-term relationships enable IBP to negotiate attractive pricing
- Receives a consistent supply of product from a stable manufacturing base

### Supplier Concentration

(by 2023 purchases)

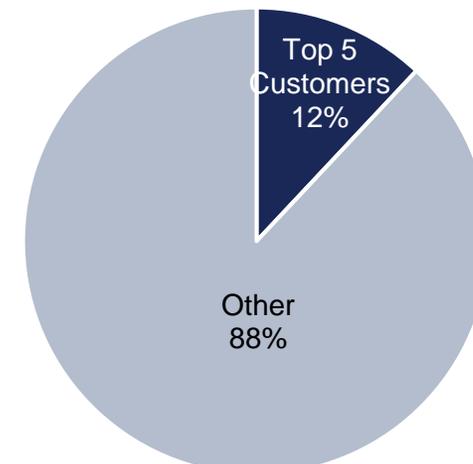


## Diversified Customer Base

- Sells to diverse set of national, regional, and custom builders with little concentration
- End-to-end product and service solution adds value to customers
- Additionally provides expertise in local building codes and national market trends

### Customer Concentration

(by 2023 revenue)



**Key Strategic Relationships with Manufacturers and an Attractive, Diversified Customer Base**

# Proven Ability to Grow Market Share

## Acquiror of Choice

Leading national player with ~30% share in fragmented market<sup>(1)</sup>

## Building Energy Codes

Recent adoption of new building codes require increased energy efficiency and greater insulation per home

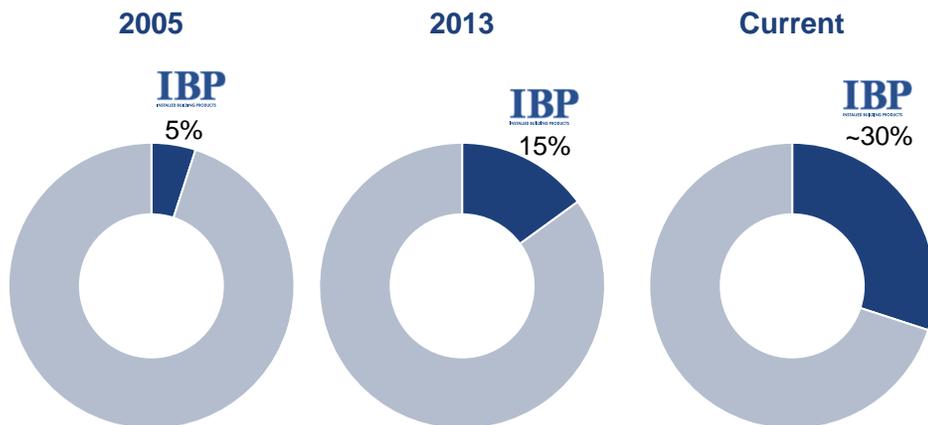
## Commercial Installation

Market potential is sizeable, and the largest player today has just a single digit percent market share

## Improved Operating Leverage

Extract additional value from operating leverage and national scale

### Market Share Expansion<sup>(1)</sup>



### IBP Resi. Install Revenue (\$) / U.S. Housing Completions<sup>(2)</sup>



## Long Track Record of Outpacing the Market and Gaining Market Share

Source: Management estimates, U.S. Census.

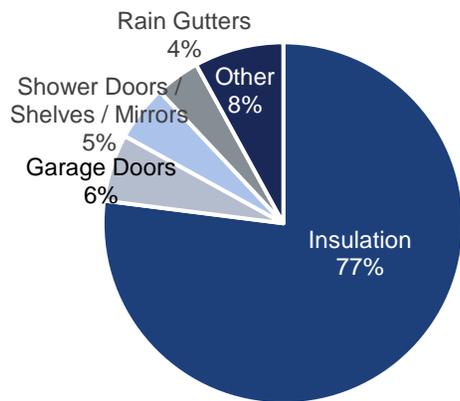
(1) Based on internal estimates.

(2) Based on as reported total residential installation revenue, represents insulation market share.

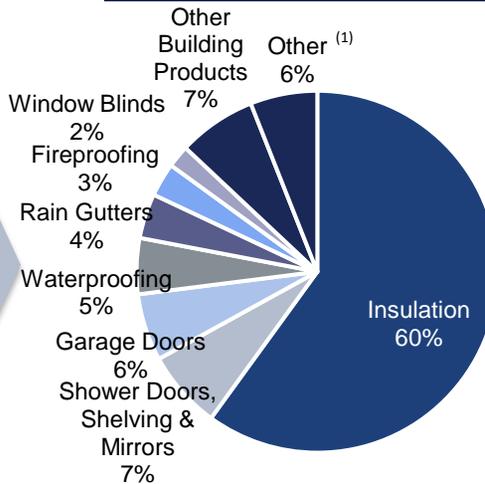
# 5 Increasingly Diverse Business Mix

Revenue by Product

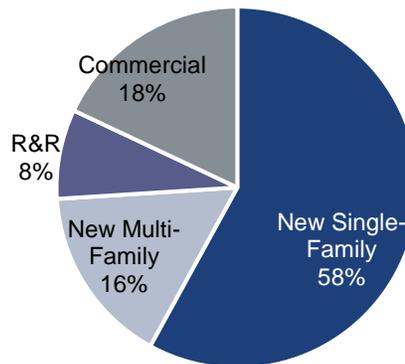
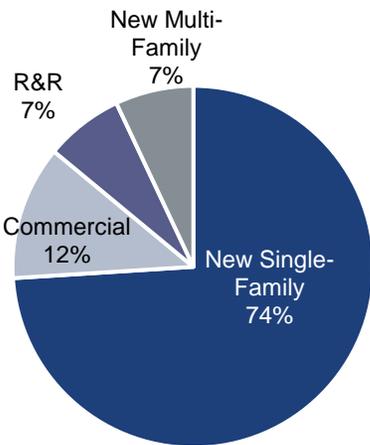
2016



FY2023



Revenue by End-Market



Key Growth Areas

- ✓ Garage doors
- ✓ Gutters
- ✓ Blinds
- ✓ Shower shelving & mirrors
  
- ✓ Fireproofing / firestop
- ✓ Waterproofing
- ✓ Expansion joint installation
- ✓ Roofing restoration
- ✓ Commercial building restoration

Strategic Focus on Building a Diverse and Stable Platform

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

*The market for each of IBP's complementary products are highly fragmented, providing acquisition opportunities and the ability to leverage existing relationships to grow in current IBP markets*

- Total IBP market share is approximately 2%<sup>(1)</sup>
- Residential and commercial installation services
- Residential and commercial repair and maintenance



- Total IBP market share is approximately 6%<sup>(1)</sup>
- New residential construction and repair & remodel product

- Total IBP market share is approximately 5%<sup>(1)</sup>
- Product introduced in 2017 in the new residential construction market
- Repair and remodel as well as new build opportunities



- Total IBP market share is approximately 7%<sup>(1)</sup>
- Offers single-family and multi-family market opportunity

**IBP is Leveraging its Proven Growth Model to Grow Complementary Product Categories**

<sup>(1)</sup> Reflects IBP new residential construction market share, based on management estimates

*Key strategic imperative to expand current products in existing large commercial branches and grow repair and remodel opportunities*

- Maintain structural integrity of steel and concrete exposed to fire



- Firestopping systems provide 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

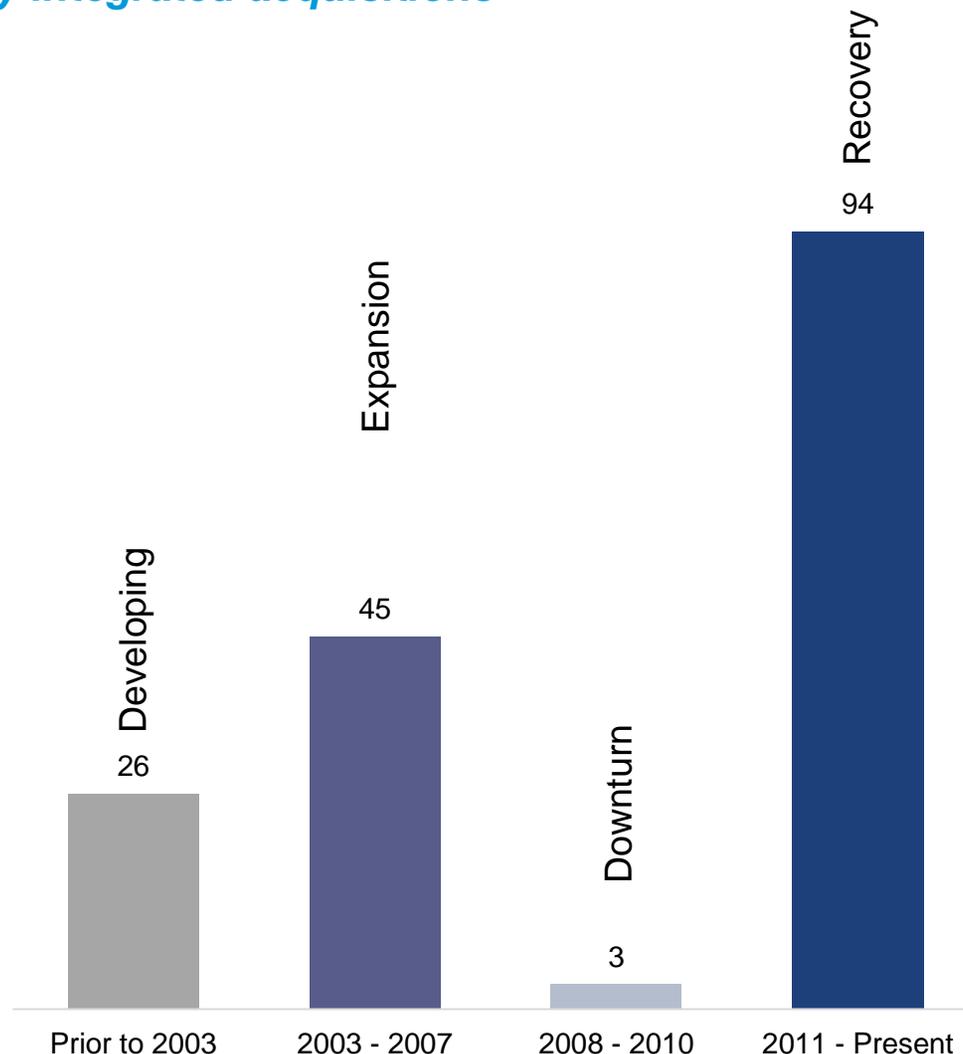


- Expansion joint installation
- Roof restoration
- Commercial building restoration

**Light and Heavy Commercial Represents a Large and Underpenetrated Opportunity for IBP**

## Acquiror of choice with over 160 successfully integrated acquisitions

- Key components include:
  - ✓ Ability to realize synergies within scalable infrastructure
  - ✓ Targeting profitable markets
  - ✓ Acquisition of operations with strong reputation and customer base
  - ✓ Maintaining local trade name and existing management team
- Corporate support allows more focus on customer service
- Senior management team (CEO, CFO, and former COO, now EVP) have been directing the IBP's acquisition strategy for 20 years
- Apply national buying power
- Leverage national relationships with large homebuilders



**Generates Significant Scale & Diversifies Product Offerings while Expanding into New Construction Markets**

(1) In Q2 2022, IBP changed the criteria for how acquisitions are counted in the above chart. Generally, acquisitions presented meet the following criteria: (1) we pay for goodwill; (2) business has a standalone location; (3) business name is projected to remain over the long term; and (4) purchase price greater than \$0.5 million. First acquisition in 1994.

- Combination of Adjusted EBITDA<sup>(1)</sup> growth and limited capital requirements has allowed IBP to complete over 160 acquisitions while maintaining an attractive leverage profile
- IBP leases all but one of its locations, which provides flexibility in the event of a downturn
- Since September 30, 2014, IBP has been financing a significant portion of its capital expenditures under a Master Loan Agreement which allows IBP to benefit from depreciation for tax purposes
  - These arrangements require IBP to pay cash up front for vehicles and equipment; IBP is reimbursed for the upfront cash payments after the assets are financed under the agreements

## Cumulative Free Cash Flow Since 2015<sup>(1)(2)</sup>

(\$ in millions)



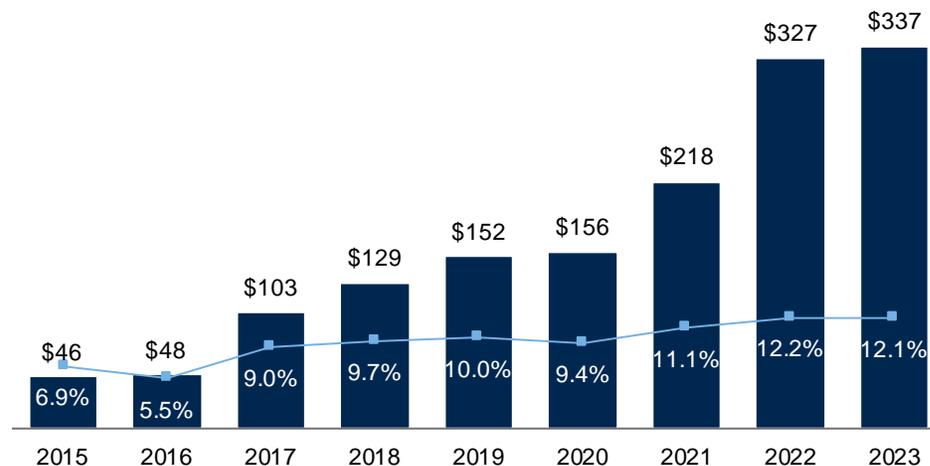
## Capex and Capital Leases and % of Net Revenue<sup>(2)</sup>

(\$ in millions)



## Working Capital and % of Net Revenue<sup>(2)(3)</sup>

(\$ in millions)



(1) Free cash flow is defined as Adj. EBITDA less Capex and Incurred Capital Leases. Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. A reconciliation to the most comparable measures prepared in accordance with GAAP is included in the Appendix.

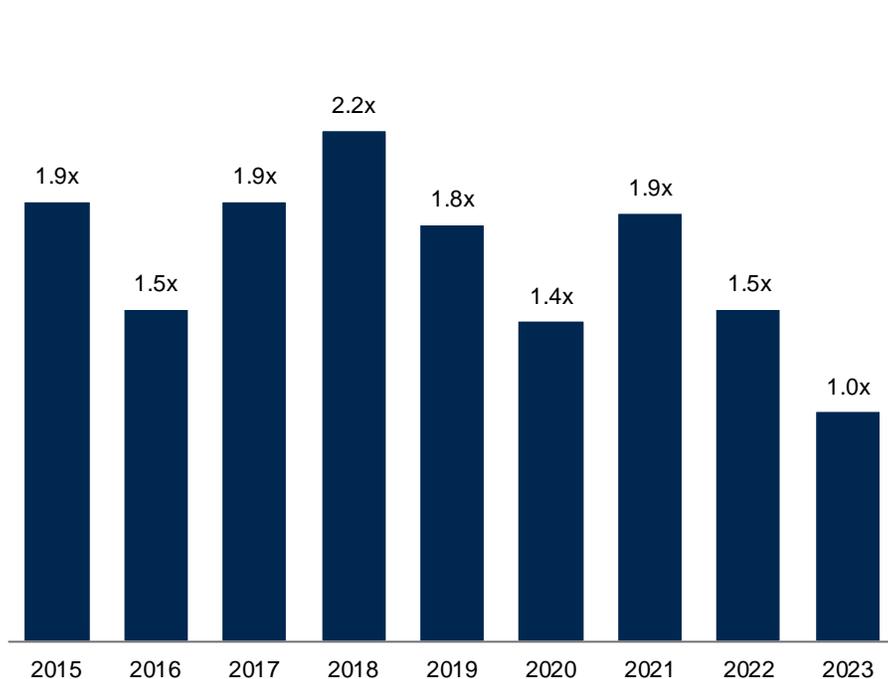
(2) Reflects as reported metrics. Refer to Appendix for a breakdown of Capex and Capital Leases by year

(3) Working capital excludes cash.

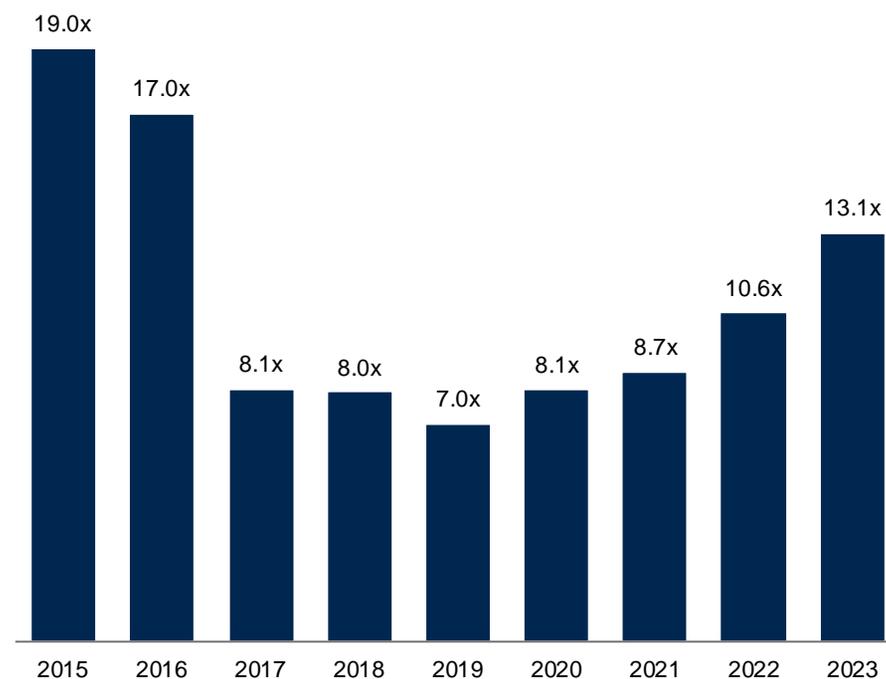
# 8 Conservative Capital Structure

- Total leverage has trended down even as IBP has been active with strategic acquisitions
- Adjusted EBITDA growth leads to strong coverage metrics
- Net leverage and interest coverage of 1.0x and 13.1x, respectively, for 2023

Net Leverage Ratio<sup>(1)</sup>



Interest Coverage Ratio<sup>(1)</sup>



**IBP Is Well-Capitalized and Positioned for Continued Growth**

(1) Based on as reported metrics, unless noted, and Adjusted EBITDA. Net leverage based on outstanding debt net of unamortized debt issuance costs. 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.

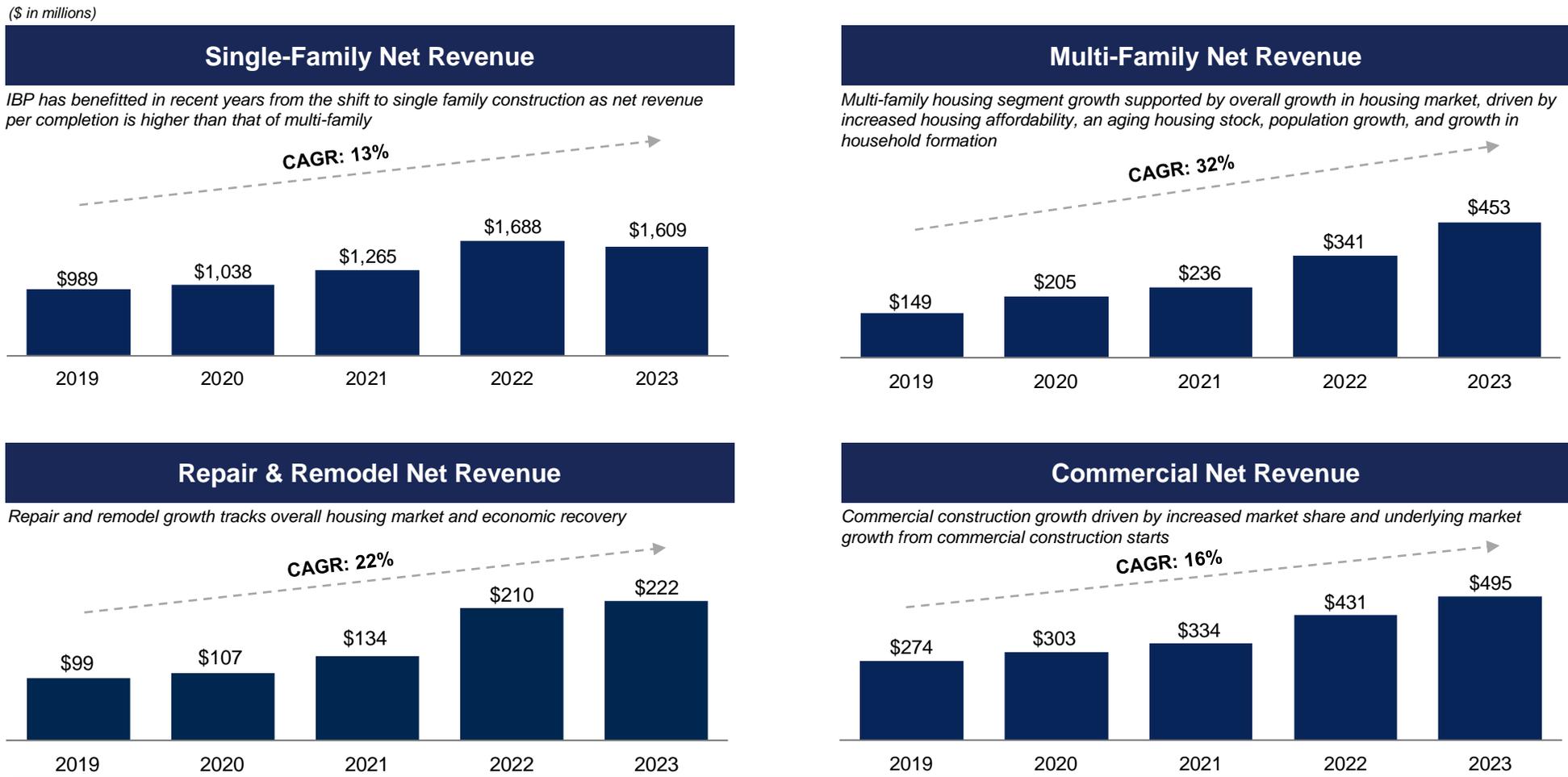
# Historical Financial Performance

Installed Building Products

Section IV

# Historical Net Revenue

- Growth driven primarily by market share gains and acquisitions
  - Market share has increased from 5% in 2005 to current of ~30%<sup>(1)</sup>
- Commercial continues to recover from COVID-19 impact, including project start delays and inefficiencies from social distancing requirements on jobsites



Note: Includes distribution and manufacturing operations as reported in the Other category for all periods presented.

(1) Based on internal estimates, represents insulation market share.

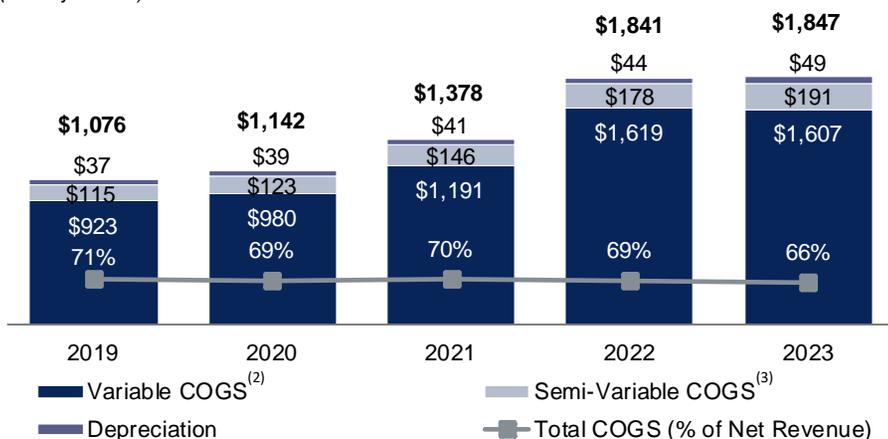
# Historical Cost Structure

(\$ in millions)

## Cost of Goods Sold

- Cost of Goods Sold has decreased as a % of revenue since 2019 driven by improved direct labor efficiency, improved material pricing, product and customer mix shift, and economies of scale achieved with higher sales
- Costs primarily include labor and installation materials
- As of 12/31/23, IBP has approximately 10,600 employees, most of which are installers on local construction sites
  - Less than 4% of employees are covered by collective bargaining agreements and IBP has never experienced a work stoppage or labor strike
- IBP primarily purchases materials directly from manufactures
  - IBP has historically been able to pass price increases on to customers and maintain installation margins

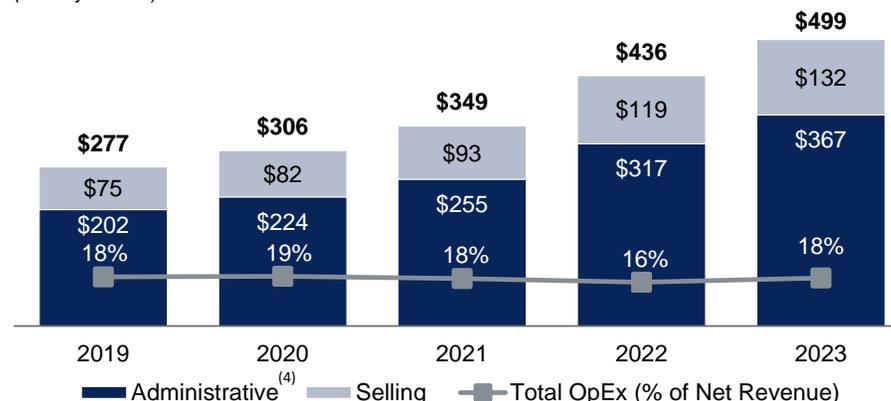
(As Adjusted<sup>(1)</sup>)



## Operating Expenses

- Total operating expenses are relatively constant as a percentage of revenue
- Selling expenses primarily include wages and commissions for sales staff, advertising and bad debt expense
- Administrative costs include wages and benefits for branch management, admin personnel, corporate staff, facility costs, etc.
  - Administrative costs have decreased from 13.4% of revenue in 2019 to 13.2% of revenue in 2023

(As Adjusted<sup>(4)</sup>)



(1) COGS adjusted for stock comp. expense, branch start-up costs, and employee pay / medical expenses attributable to COVID-19. Adjusted COGS is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

(2) Variable COGS include: materials, direct labor, workers compensation, COGS PR taxes and fuel.

(3) Semi-variable COGS include: indirect wages and benefits (warehouse staff, vacation pay, bonuses, etc.), production vehicle expense (except fuel), equipment expenses and job supplies.

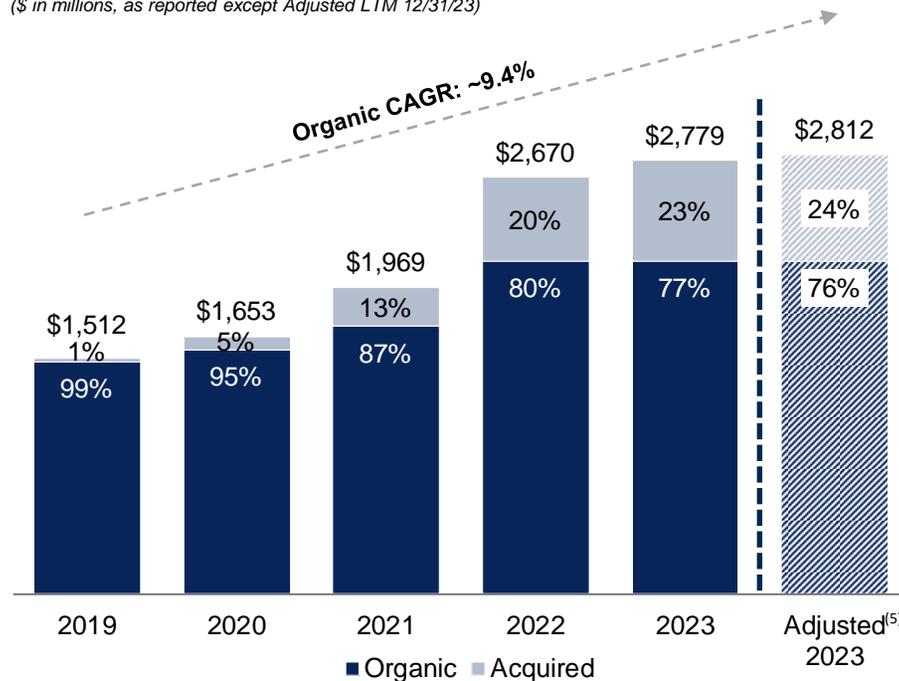
(4) Administrative expense adjusted to exclude amortization expense related to intangible assets from business combinations, non-cash stock compensation expense, expenses related to legal settlements and reserves, and COVID-19. Adjusted Operating Expense is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

# Organic Financial Performance

- IBP’s revenue is estimated to have grown 9.4% organically since 2019 driven by a continued recovery in the U.S. housing market coupled with increased revenue per completion and local market share gains
  - U.S. housing market has grown from 1.29 million total starts in 2019 to 1.42 million<sup>(1)</sup> total starts in December 2023, a 10.1% increase
  - Net Total Revenue per U.S. housing completion increased from \$895 in 2019 to \$1,379 in December 2023, a 54.1% increase
  - Total U.S. repair and remodel spending up ~10% from \$328 billion in 2019 to \$481 billion estimated for 2023<sup>(2)</sup>
- Substantial organic margin expansion estimated at ~397 bps since 2019, driven by cost efficiencies in cost of goods sold, economies of scale in operating expenses, and favorable customer and product mix

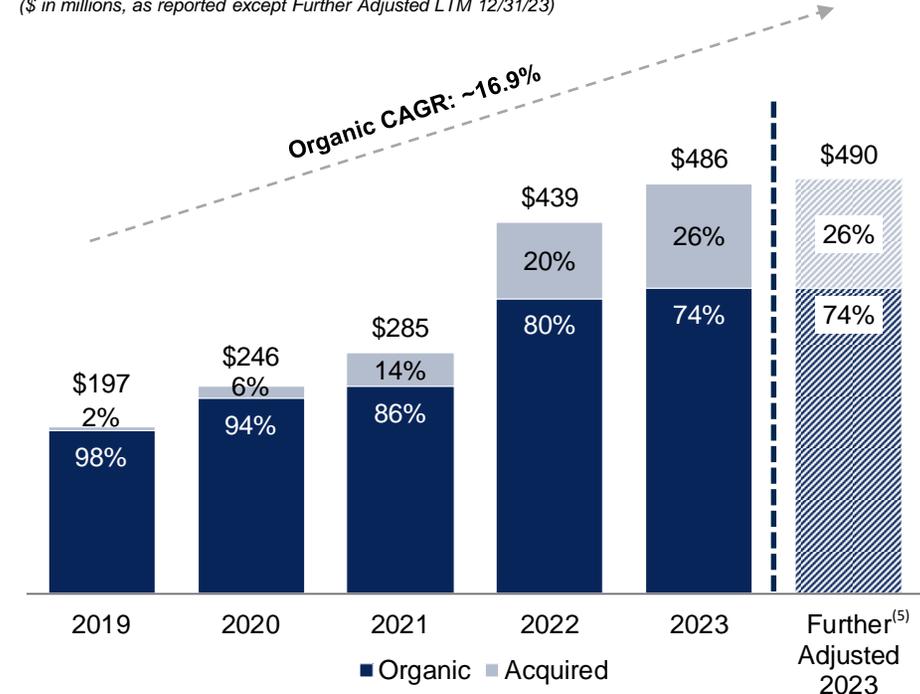
## Organic Net Revenue<sup>(3)</sup>

(\$ in millions, as reported except Adjusted LTM 12/31/23)



## Organic Adjusted EBITDA<sup>(3)(4)</sup>

(\$ in millions, as reported except Further Adjusted LTM 12/31/23)



**Note:** Organic data results based on the business as it existed on Jan. 1, 2019. Acquired data includes results of all acquisitions since Jan. 1, 2019 that are included in reported financials.

(1) Reflects the seasonally adjusted annual rate (“SAAR”) for December 2023. Sourced from US Census.

(2) Sourced from Harvard Joint Center for Housing Studies (JCHS).

(3) Percentages used in chart are approximate and based on Management estimates.

(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.

(5) Adjusted for all 2023 acquisitions as if they occurred January 1, 2023 using available historical financial data. Estimated Adjusted EBITDA for acquired companies is based on management estimates and the acquired company’s historical financials. A forward-looking estimate of net income (loss) is not provided with the forward-looking estimate of Adjusted EBITDA (a non-GAAP measure) because the items necessary to estimate net income (loss) are not accessible or estimable at this time without unreasonable efforts. Such items are not expected to have a significant impact on the Company’s net income (loss).

1

Continue focus on consistent and reliable EBITDA and cash flow growth

2

Continue to strengthen the company through geographic expansion and increased customer and products growth and diversification

3

Continue conservative and proven low-risk acquisition strategy

4

Maintain industry leading overall liquidity position with cash and revolver availability

5

Maintain net leverage below 2.0x

6

Maintain a strong balance sheet able to invest through the cycle

## Capital Prioritization

- ✓ Strong liquidity and balance sheet to optimize flexibility
- ✓ Invest in existing operations to support organic growth and continued diversification
- ✓ Low risk proven acquisitions
- ✓ Prudently return excess capital above priorities to shareholders

# **Syndication Overview**

**Installed Building Products**

**Section V**

# Summary Terms & Conditions: Term Loan B



<b>Borrower</b>	Installed Building Products, Inc. (the “Borrower”)
<b>Guarantors</b>	Each of the Borrower’s material direct and indirect domestic subsidiaries, subject to certain exceptions
<b>Security</b>	1 <sup>st</sup> lien on all the capital stock and substantially all tangible and intangible assets (excluding the ABL Priority Collateral <sup>(1)</sup> ) of the Borrower and each Guarantor (65% of the stock in the case of foreign subsidiaries of the Borrower and each Guarantor), and 2 <sup>nd</sup> lien on the ABL Priority Collateral <sup>(1)</sup>
<b>Size</b>	\$500 million
<b>Tenor</b>	7 years
<b>Margin</b>	S + [TBD]%
<b>SOFR Floor</b>	0.00%
<b>Issue Price</b>	TBD
<b>Amortization</b>	1% per annum
<b>Call Protection</b>	Prepayable at par, subject to 101% soft call for 6 months, subject to certain exceptions
<b>Incremental Facilities</b>	Substantially consistent with Credit Agreement; MFN will be reset at 50 bps for 12 months
<b>Negative Covenants</b>	Substantially consistent with Credit Agreement; certain dollar baskets will be updated
<b>Financial Covenant</b>	None (same as existing Credit Agreement)

(1) ABL Priority Collateral includes a 1st priority lien on the Borrower and Guarantors’ accounts receivable, inventory, cash, deposit accounts, and proceeds thereof.

# Transaction Timeline



March 2024						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

Key Dates
  Market Holidays

Date	Event
March 13 <sup>th</sup>	Lender Meeting
March 21 <sup>st</sup>	Commitments Due
Thereafter	Close and Fund

# Appendix

## Installed Building Products

### Section VI

# Historical EBITDA and Free Cash Flow Reconciliation



We believe Adjusted EBITDA is useful to investors and 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.

(\$ in millions)

	Notes	2015	2016	2017	2018	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023
Net Income		\$26.5	\$38.4	\$41.1	\$54.7	\$68.2	\$97.2	\$118.8	\$223.4	\$49.3	\$61.6	\$68.0	\$64.8	\$243.7
Interest Expense		3.7	6.2	17.4	20.5	28.1	30.3	32.8	41.6	9.7	9.8	9.7	7.8	37.0
Provision for Income Taxes		15.4	21.2	14.7	17.4	24.4	33.9	36.7	79.9	18.1	21.1	24.8	25.4	89.4
Depreciation and Amortization		23.2	34.8	55.1	58.7	63.4	69.9	80.6	91.0	24.0	24.1	24.3	24.3	96.7
Other		(1.1)	-	-	-	-	(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>\$231.0</b>	<b>\$269.0</b>	<b>\$435.9</b>	<b>\$101.0</b>	<b>\$116.7</b>	<b>\$126.8</b>	<b>\$122.3</b>	<b>\$466.8</b>
Acquisition Related Expenses		1.1	2.3	3.2	2.7	2.1	2.8	2.8	(13.1)	0.6	0.5	0.2	0.6	1.9
Share Based Compensation Expense		2.1	1.9	6.6	7.8	8.7	10.8	13.8	13.8	3.4	3.7	3.5	5.3	15.9
COVID-19 Expenses		-	-	-	-	-	0.9	0.4	0.3	0.0	-	-	-	0.0
Other Expenses <sup>(1)</sup>		-	-	2.9	1.4	0.7	-	(0.5)	-	-	-	-	-	-
Legal Reserve		0.1	-	-	1.0	1.2	-	(0.5)	2.3	-	1.3	-	-	1.3
<b>Adjusted EBITDA</b>		<b>\$71.2</b>	<b>\$104.8</b>	<b>\$141.1</b>	<b>\$164.4</b>	<b>\$196.8</b>	<b>\$245.5</b>	<b>\$285.0</b>	<b>\$439.3</b>	<b>\$105.0</b>	<b>\$122.2</b>	<b>\$130.5</b>	<b>\$128.2</b>	<b>\$485.9</b>
Net Profit Margin <sup>(2)</sup>		4.0%	4.5%	3.6%	4.1%	4.5%	5.9%	6.0%	8.4%	7.5%	8.9%	9.6%	9.0%	8.8%
Adjusted EBITDA Margin		10.7%	12.1%	12.5%	12.3%	13.0%	14.9%	14.5%	16.5%	15.9%	17.7%	18.5%	17.8%	17.5%
Pre-Acquisition EBITDA Adjustments	1													4.5
<b>Further Adjusted EBITDA</b>														<b>\$490.4</b>
<b>Free Cash Flow Build</b>														
<b>Adjusted EBITDA</b>		<b>\$71.2</b>	<b>\$104.8</b>	<b>\$141.1</b>	<b>\$164.4</b>	<b>\$196.8</b>	<b>\$245.5</b>	<b>\$285.0</b>	<b>\$439.3</b>	<b>\$105.0</b>	<b>\$122.2</b>	<b>\$130.5</b>	<b>\$128.2</b>	<b>\$485.9</b>
Capital Expenditure		(27.3)	(27.0)	(31.7)	(35.2)	(50.2)	(33.6)	(37.0)	(45.6)	(14.9)	(13.4)	(18.6)	(14.7)	(61.6)
Incurred Capital Leases		(3.4)	(3.7)	(4.4)	(2.2)	(2.8)	(1.0)	(2.7)	(6.2)	(1.0)	(1.3)	(0.7)	(0.4)	(3.3)
<b>Free Cash Flow</b>		<b>\$40.5</b>	<b>\$74.1</b>	<b>\$104.9</b>	<b>\$126.9</b>	<b>\$143.8</b>	<b>\$210.9</b>	<b>\$245.3</b>	<b>\$387.4</b>	<b>\$89.1</b>	<b>\$107.5</b>	<b>\$111.3</b>	<b>\$113.1</b>	<b>\$421.0</b>

1 Includes estimated results for all acquisitions completed through 2023 as if they occurred January 1, 2023 using available historical financial data

(1) Other expenses include (i) expenses related to employer match costs related to financial wellness program of \$0.6 million and \$2.2 million in the years ended December 31, 2018 and 2017 (ii) tax impacts on deferred tax and tax positions recorded as a result of the enactment of the Tax Cuts and Jobs Act (the "Tax Act") of \$0.7 million in the year ended December 31, 2017, (iii) branch start-up costs of \$0.7 million and \$0.8 million in the years ended December 31, 2019 and 2018, (iv) retirement expense of \$0.8 million in the year ended December 31, 2018, (v) gain on sale of assets of \$(0.5) million and \$(0.8) million in the year ended December 31, 2021 and the year ended December 31, 2018.

(2) Net profit margin defined as Net Income divided by Revenue

# COGS and Operating Expenses Reconciliation



(\$ in millions)

	2019	2020	2021	2022	2023
<b>Reported COGS</b>	<b>\$1,076.8</b>	<b>\$1,143.3</b>	<b>\$1,379.1</b>	<b>\$1,842.1</b>	<b>\$1,847.9</b>
Non-cash stock compensation	(0.4)	(0.3)	(0.4)	(0.6)	(0.9)
COVID-19	-	(0.5)	(0.4)	(0.0)	-
Branch start-up costs	(0.7)	-	-	-	-
<b>Adjusted COGS</b>	<b>\$1,075.7</b>	<b>\$1,142.4</b>	<b>\$1,378.3</b>	<b>\$1,841.4</b>	<b>\$1,847.0</b>

	2019	2020	2021	2022	2023
<b>Reported Operating Expense</b>	<b>\$313.7</b>	<b>\$348.1</b>	<b>\$401.7</b>	<b>\$482.4</b>	<b>\$561.6</b>
Amortization expense	(24.5)	(28.5)	(37.1)	(43.8)	(44.5)
Non-cash stock compensation	(8.4)	(10.5)	(13.3)	(13.2)	(15.0)
Acquisition related expenses	(2.1)	(2.8)	(2.8)	13.1	(1.9)
COVID-19	-	(0.4)	(0.0)	(0.3)	-
Legal Reserve	(1.2)	-	-	(2.3)	(1.3)
<b>Adjusted Operating Expense</b>	<b>\$277.5</b>	<b>\$305.9</b>	<b>\$348.5</b>	<b>\$435.9</b>	<b>\$498.9</b>

# Organizational Structure

