IBP
INSTALLED BUILDING PRODUCTS

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Q1 2024

NYSE: IBP
May 9, 2024

Safe Harbor

This presentation contains "forward-looking statements" as defined under U.S. federal securities laws. Forward -looking statements are generally identified by the use of the words "will," "may," "believes," "expects," "forecast," "intends," "anticipates," "projects," "outlook," "target," "plans" and "seeks," and, in each case their negative, and other variations or comparable terminology.

Forward-looking statements are based on management' s current expectations and involve risks and uncertainties that could cause actual results, performance or achievements to differ significantly from IBP's historical results or those implied in such forward-looking statements, including, without limitation, general economic and industry conditions, rising home prices, inflation and interest rates; the supply chain and material constraints; the timing of increases in our selling prices; and the risk discussed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2023, as the same may be updated from time-to-time in our subsequent filings with the SEC. You should not place undue reliance on forward-looking statement as a prediction of actual results. Any forward-looking statements in this presentation speak only as of the date hereof. IBP expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to result any change in expectations or events, conditions or circumstances on which any such statements are based.

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Non-GAAP Financial Measures

This presentation includes the following non-GAAP financial measures: (1) Adjusted EBITDA and Adjusted EBITDA Margin, (2) Adjusted Net Income, (3) Adjusted Net Income per diluted share, (4) Adjusted Selling Administrative (S&A), (5) Adjusted Cost of Sales, (6) Adjusted Gross Profit, (7) Free Cash Flow, and (8) Net Debt . These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation of a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

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

We believe the Adjusted EBITDA measure is useful to investors and us as a measure of comparative operating performance from period to period as it measures our changes in pricing decisions, cost controls and other factors that impact operating performance, and removes the effect of our capital structure (primarily interest expense), asset base (primarily depreciation and amortization), items outside our control (primarily income taxes) and the volatility related to the timing and extent of other activities such as asset impairments and non-core income and expenses. Accordingly, we believe that this measure is useful for comparing general operating performance from period to period. In addition, we use various EBITDA-based measures in determining the achievement of awards under certain of our incentive compensation programs. Other companies may define Adjusted EBITDA differently and, as a result, our measure may not be directly comparable to measures of other companies. In addition, Adjusted EBITDA may be defined differently for purposes of covenants contained in our revolving credit facility or any future facility.

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

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

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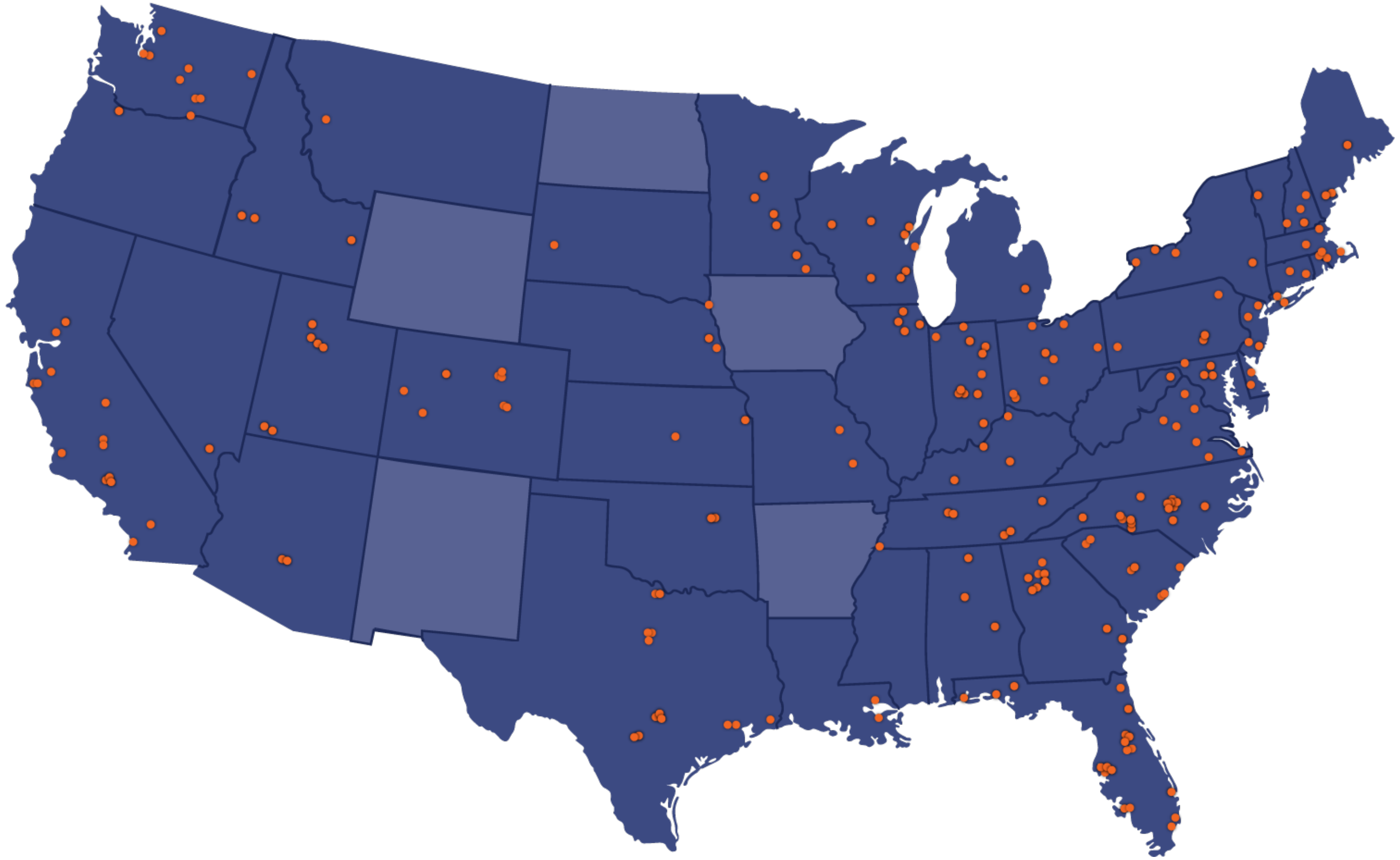
COMPANY OVERVIEW

National Scale

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



- One of the nation's largest[1] new residential insulation installers
- Installer of diversified mix of complementary building products for residential and commercial projects
- National platform of over 250 locations serving all 48 continental states and the District of Columbia

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

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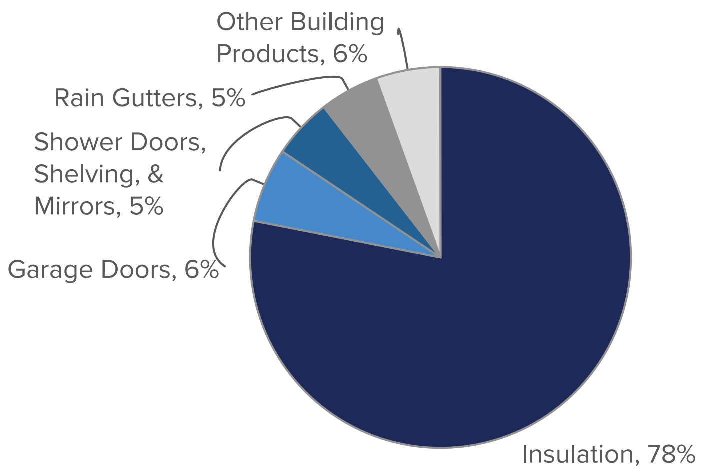
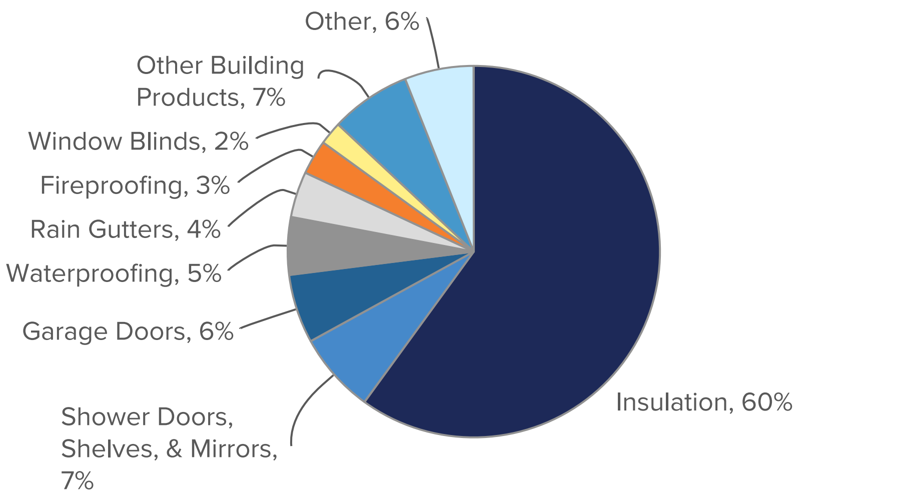
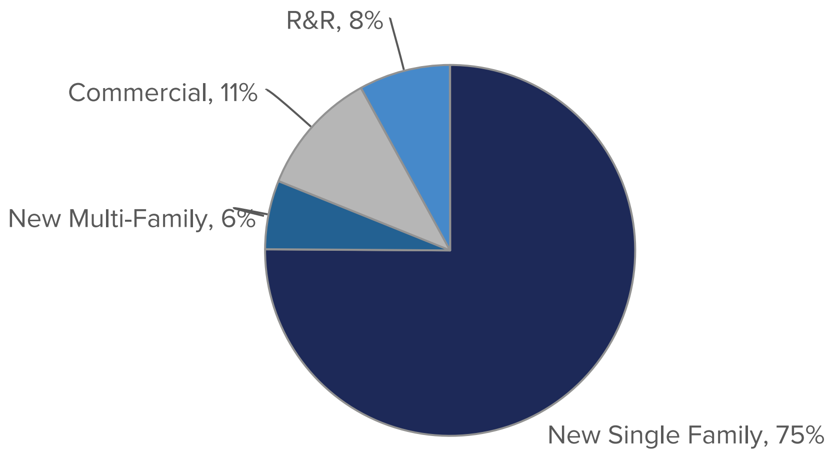
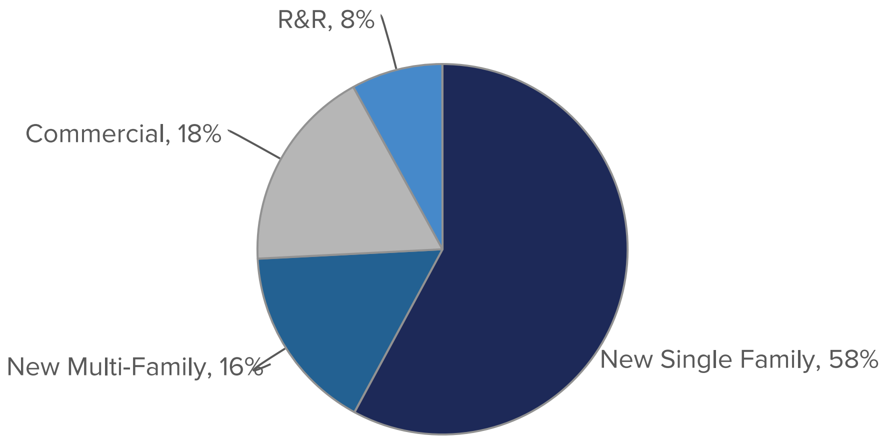
Increasing Product & End Market Diversification

	2015	2023
Revenue by Product		
Revenue by End-Market		

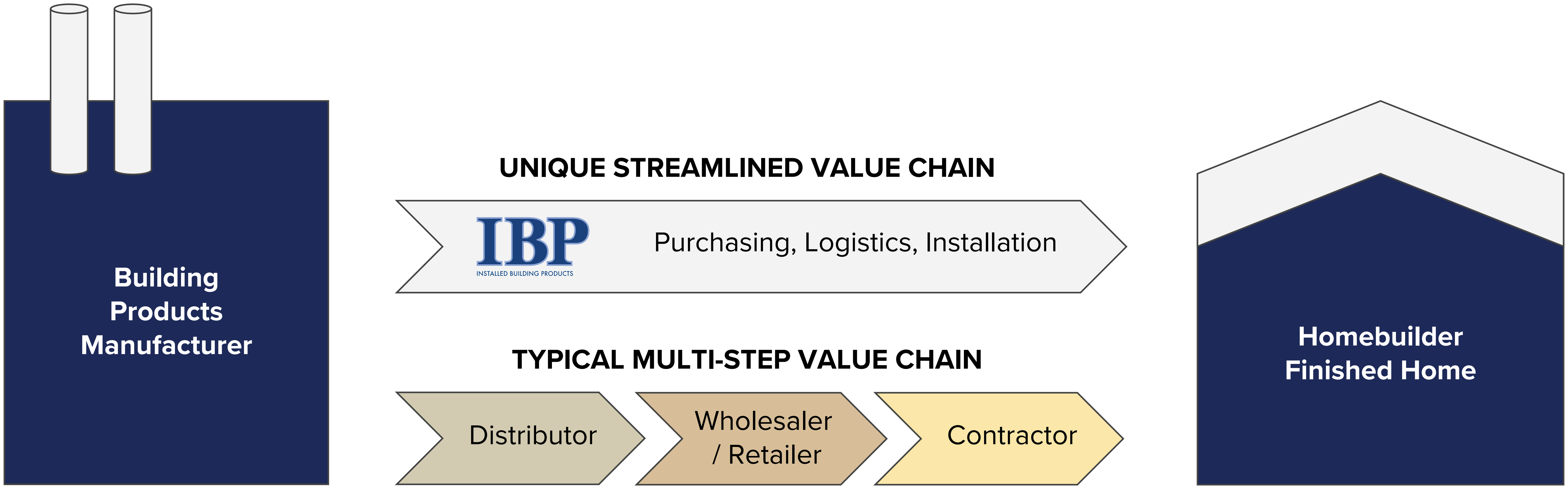
Areas for Growth

- Accretive acquisitions in residential end market
- Tuck-in acquisitions, organically introduce complementary building products
- Organically introduce our product offerings in existing branches
- New products
- Leverage centralized multi-family platform in existing IBP branches

Note: For 2023 revenue by product, Other includes net revenue for manufacturing and distribution operations.

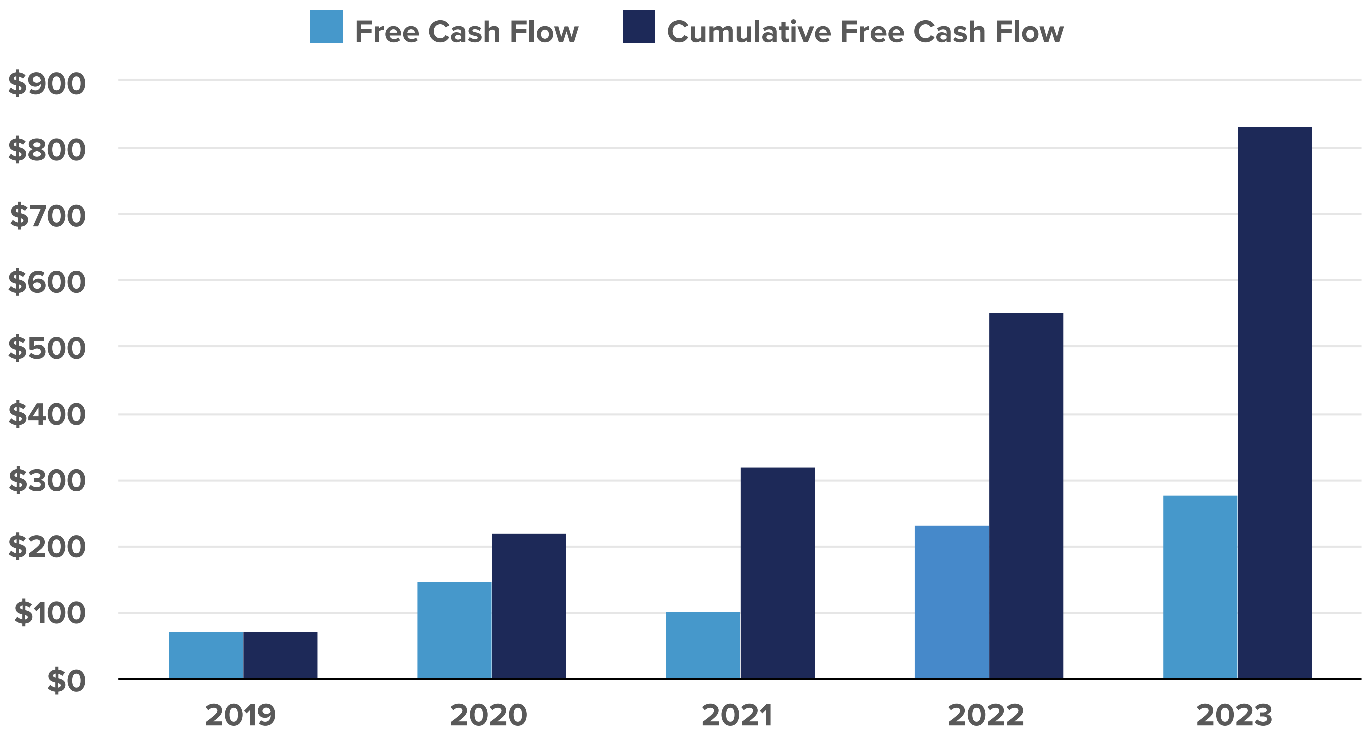
Benefits of a Unique Value Chain Structure

SCALE ALLOWS IBP TO BE THE DIRECT LINK BETWEEN MANUFACTURERS AND BUILDERS, AN EFFICIENT VALUE CHAIN



Business Model Generates Substantial Cash Flow

OVER $800 MILLION IN FREE CASH FLOW IN FIVE YEARS



* Free cash flow is a non-GAAP measure calculated as net cash provided by operating activities minus purchases of property and equipment. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

Asset-Light Model Generates Substantial Operating Cash Flow

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

Robust Liquidity and Low Leverage Provide Flexibility Through Cycle

- Multiple funding sources and staggered maturities
- Target leverage ratio < 2.00x, 0.97x as of 3/31/2024

Growth Focused Capital Allocation Strategy

CAPITAL ALLOCATION PRIORITIES

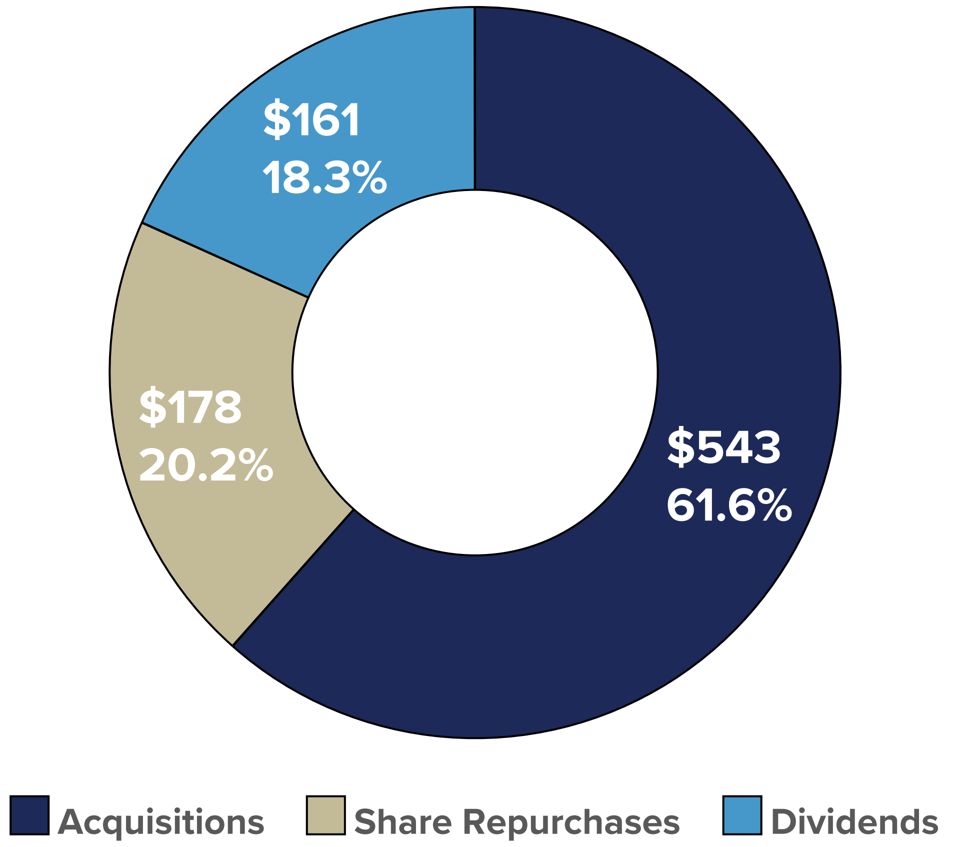
1 Acquisitions
- Contribute to profitability and revenue diversification

2 Quarterly Dividends
- Quarterly dividend of $0.35 per share

3 Opportunistic Share Repurchases
- $300 million buyback program

4 Annual Variable Dividend

5 YEAR CAPITAL ALLOCATION (in millions)

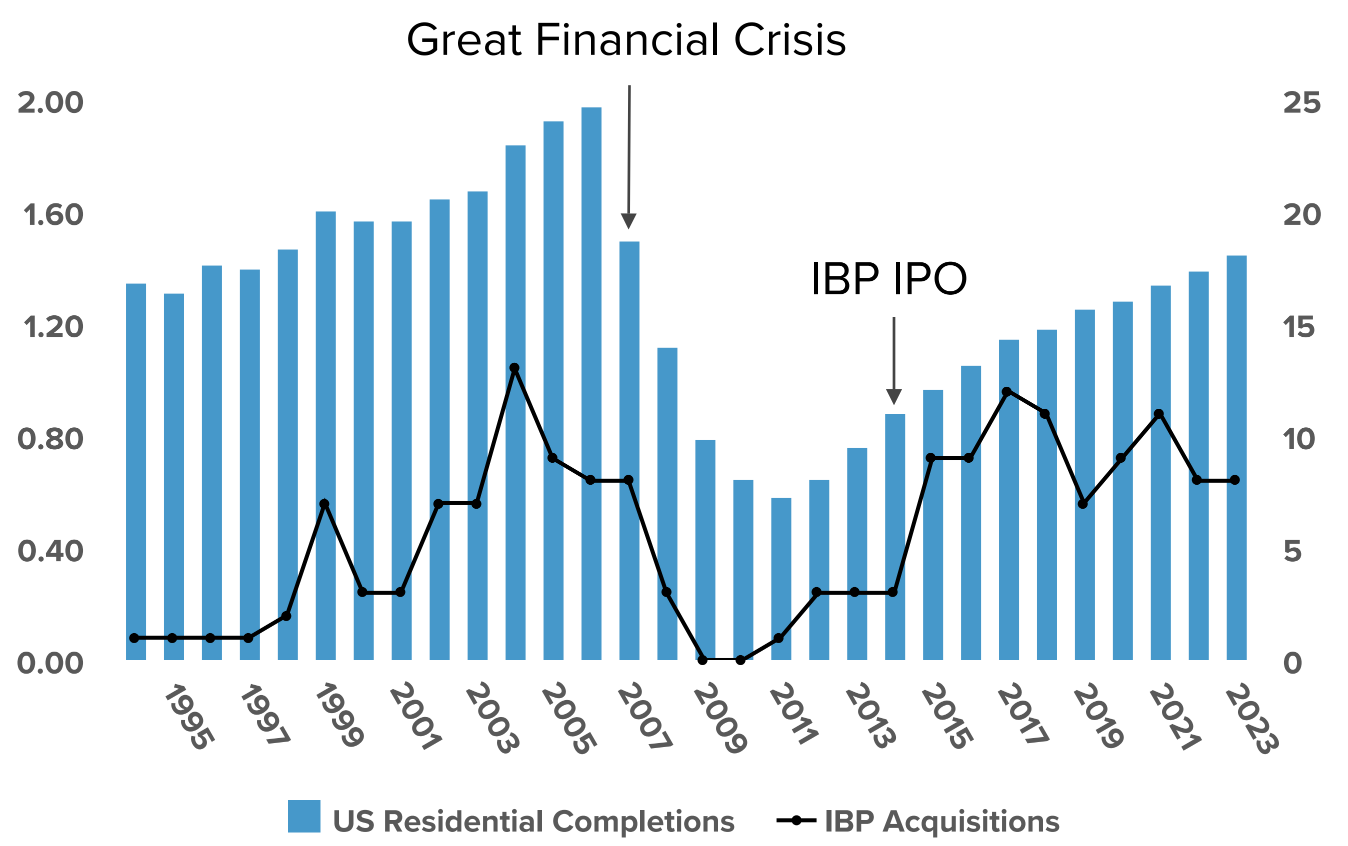


Successful Acquisition Strategy

LONG-TERM STRATEGY PURSUING VALUE-ENHANCING STRATEGIC ACQUISITIONS

- Executive Experience
  - CEO, CFO and EVP have been directing IBP's acquisition strategy for over 20 years
- Acquisition Focus
  - Expand scale, product diversification, geographic and end market presence
- Keys to our approach
  - Apply national buying power
  - Leverage builder relationships
  - Target profitable markets and strong operators
  - Maintain existing/local trade name and management team
  - Corporate support allows more focus on customer service at local branch

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



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

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Diversification Growth Opportunity

FURTHER DIVERSIFICATION ENHANCES SAME BRANCH REVENUE OPPORTUNITY

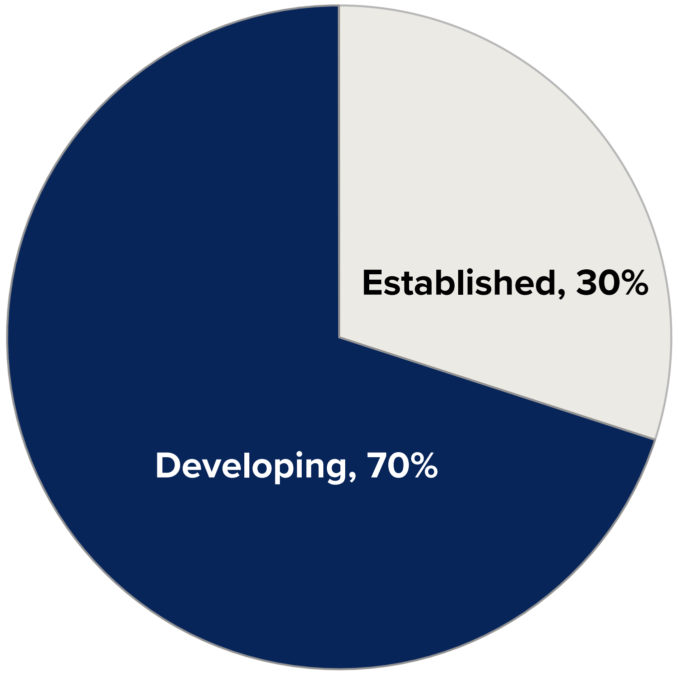
Top 50 IBP Metropolitan Statistical Areas (MSAs)

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.

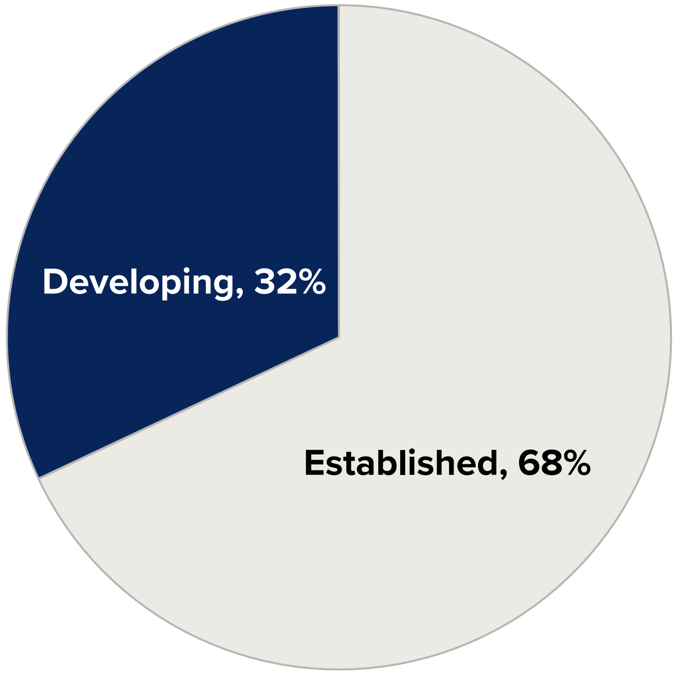


End Markets

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.



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

- 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

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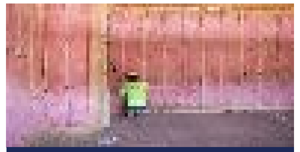
Diverse Service and Product Offering

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





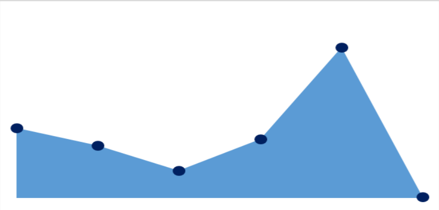
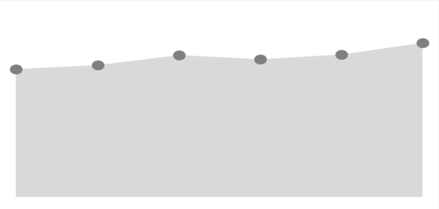
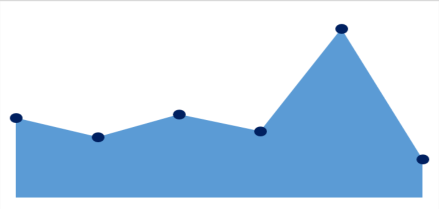
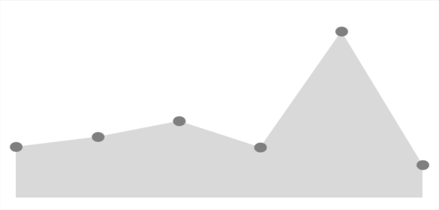



	INSULATION	SHOWER DOORS, SHELVING, MIRRORS	GARAGE DOORS	RAIN GUTTERS	WINDOW BLINDS	COMMERCIAL PRODUCTS	OTHER BUILDING PRODUCTS	OTHER
% of Revenue Three Months Ended March 31, 2024	62%	7%	6%	4%	3%	7%	6%	5%
Estimated Market Share	~30%	~7%	~2%	~6%	~5%	Single Digit % Share	NA	NA
	Fiberglass, spray foam, and cellulose insulation	Basic sliding doors, custom designs, closet shelving and custom mirrors	Steel, aluminum, wood, and vinyl doors and opener systems	Aluminum or copper, assembled on the job site	Cordless blinds, shades, and shutters	Waterproofing, fireproofing, firestopping	Install and design shelving systems using branded products	Distribution and manufacturing of building products

Note: All market share figures are internal estimates for IBP new residential construction. Other includes net revenue for manufacturing and distribution operations.

Annual Operating Framework

COMPELLING FINANCIAL MODEL CREATES LONG-TERM VALUE

	2018-2023		Long-Term Outlook	Acquisition Growth Assumptions
Organic Revenue Growth		0-25%	Outperform U.S. Residential Completions Growth	Target >$100M of acquired revenue annually
Gross Profit Margin		28-33%	30-32%	Material purchasing power + Product diversification = Margin % benefit
Adjusted EPS Growth[1]		15-65%	Mid-teens	Immediately accretive
Adjusted EBITDA Growth[1]		11-54%	20-25% Organic Incremental Margin	>10% EBITDA Margin

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

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ESG HIGHLIGHTS

Environmental, Social & Governance

OUR BUSINESS IS COMMITTED TO MAKING AN IMPACT WITH OUR PRODUCTS, OUR PEOPLE, AND COMMUNITIES WE SERVE

Environmental
- Committed to sustainability, insulation is the best way to prevent energy waste
- Reducing our carbon footprint

Social Governance & Responsibility
- Maintaining employee turnover significantly below industry average
- Employee benefits, programs, and training to enhance engagement, build culture, and promote a safe and productive workforce

Diversity, Equity, Inclusion & Belonging
- Maintaining workplaces free from discrimination and harassment

Community and Employee Engagement
- Making an impact with our employees and communities we serve through the IBP Foundation which issues scholarships, employee financial assistance and supports nonprofit organizations focused on housing, education, and strengthening our communities

CLICK HERE TO VIEW ESG REPORT

FINANCIAL PERFORMANCE

Strong Top-Line Momentum

SALES PER COMPLETION MORE THAN DOUBLED FROM 2015 TO 2023

	Twelve months ended December 31,									LTM
	2015	2016	2017	2018	2019	2020	2021	2022	2023	3/31/2024
IBP Residential Sales per Completion	$555	$654	$752	$864	$895	$956	$1,109	$1,425	$1,379	$1,385
U.S. Residential Completions	968	1,060	1,153	1,185	1,255	1,287	1,341	1,390	1,450	1,464
Completions growth %	9.5 %	9.4 %	8.8 %	2.8 %	5.9 %	2.5 %	4.2 %	3.7 %	4.3 %	2.7 %
Sales per completion growth %		17.9%	14.9%	14.9%	3.6%	6.8%	16.0%	28.5%	(3.2)%	0.4%

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

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Summary Financial Results

($ in millions)	Twelve months ended December 31, 2020	2021	2022	2023	LTM 3/31/2024
Net revenue	$ 1,653.2	$ 1,968.7	$ 2,669.8	$ 2,778.6	$ 2,812.2
% Net revenue growth[1]	*9.4%*	*19.1%*	*35.6%*	*4.1%*	*2.6%*
Same branch consolidated sales growth	*4.5%*	*9.7%*	*24.6%*	*0.2%*	*(0.6)%*
Adjusted cost of sales[2]	$ 1,142.4	$ 1,378.3	$ 1,841.4	$ 1,847.0	$ 1,856.5
Adjusted gross profit[2]	$ 510.8	$ 590.4	$ 828.4	$ 931.6	$ 955.7
Adjusted gross profit margin	*30.9%*	*30.0%*	*31.0%*	*33.5%*	*34.0%*
Adjusted Selling & Administrative expense[3]	$ 305.8	$ 348.5	$ 435.9	$ 498.9	$ 512.2
Adjusted Selling & Administrative expense - % Total Revenue	*18.5%*	*17.7%*	*16.3%*	*18.0%*	*18.2%*
Adjusted EBITDA[4]	$ 245.6	$ 285.4	$ 439.3	$ 485.9	$ 498.4
Adjusted EBITDA margin	*14.9%*	*14.5%*	*16.5%*	*17.5%*	*17.7%*

[1] % Net revenue growth over prior year period.

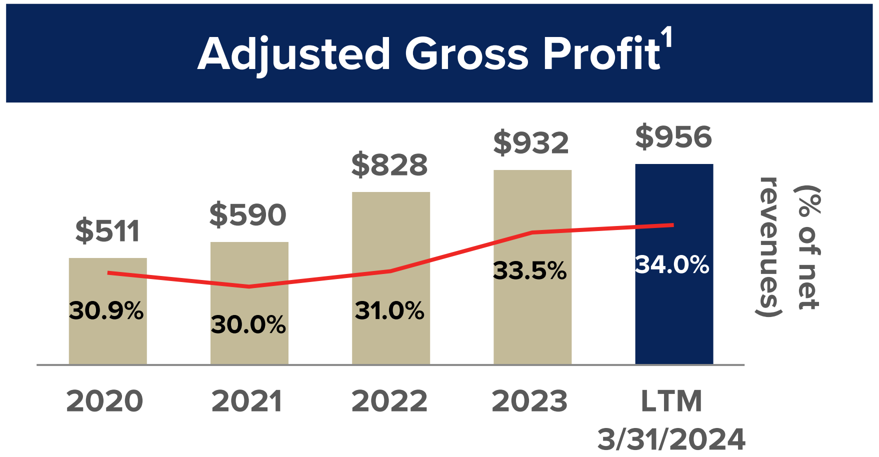
[2] Adjusted cost of sales relate to stock compensation expense, Financial Wellness Program, branch start-up costs and employee pay and employee medical expenses directly attributable to COVID-19. See the Adjusted Cost of Sales and Adjusted Gross Profit Reconciliation included in the Appendix. Adjusted Cost of Sales and Adjusted Gross Profit are non-GAAP financial measures.

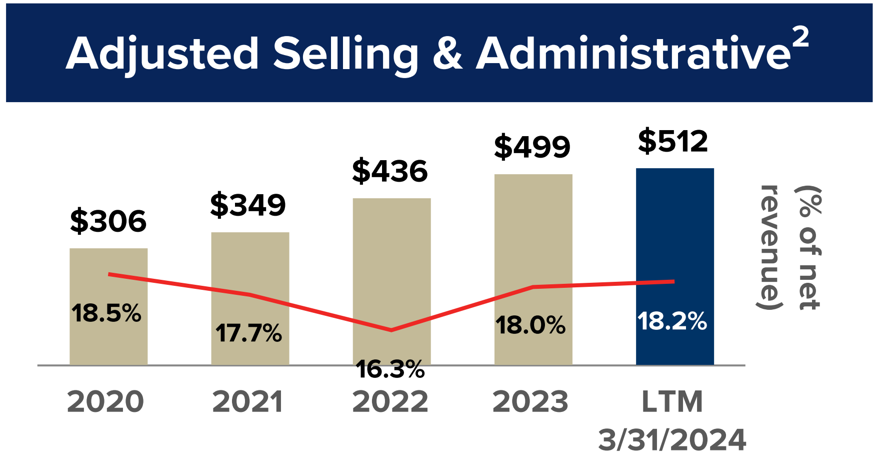
[3] Adjusted Selling & Administrative expense is a non-GAAP financial measures. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

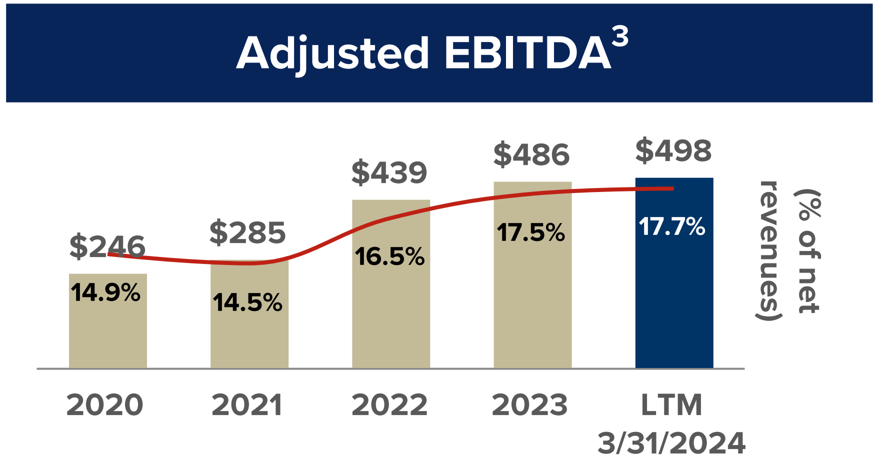
[4] Adjusted EBITDA is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

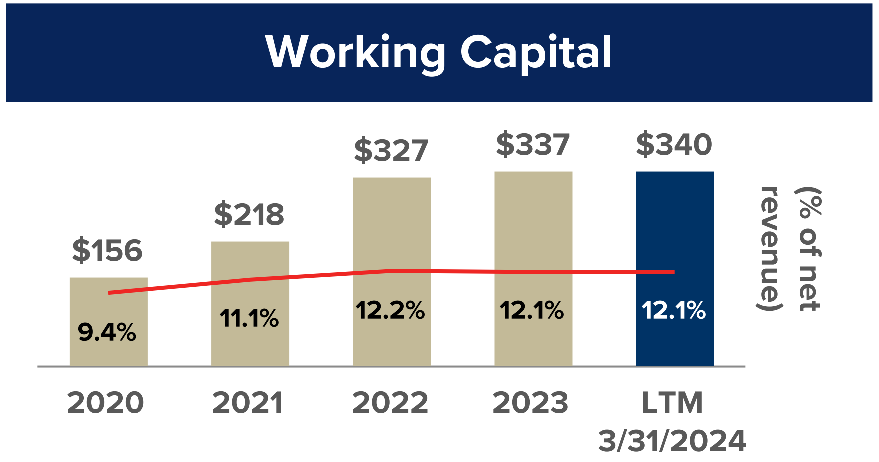
Multi-Year Financial Improvement

ADDITIONAL VALUE DRIVEN BY OPERATING LEVERAGE AND NATIONAL SCALE









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

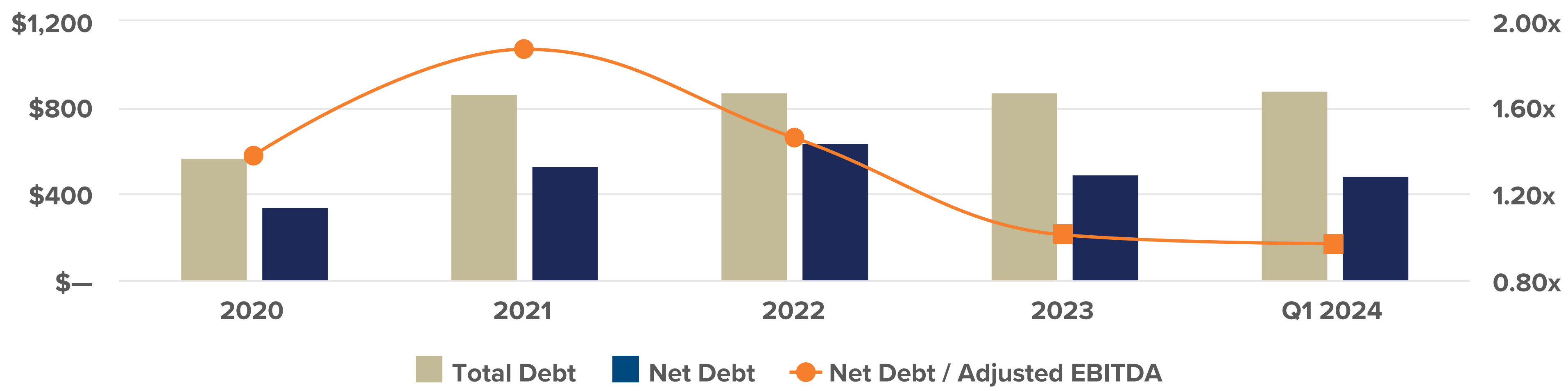
[2] Adjusted Selling & Administrative is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

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

[4] Working Capital excludes cash on hand (in millions) of 2020 - $231.5, 2021 - $333.5, 2022 -$229.6, 2023 - $386.5, and 3/31/2024 -$399.9.

Conservative Capital Structure

($ in millions)	Twelve months ended December 31, 2020	2021	2022	2023	Q1 2024
Cash	$ 231.5	$ 333.5	$ 229.6	$ 386.5	$ 399.9
Total Debt	569.9	868.1	870.1	876.6	884.7
Net Debt [1]	$ 338.4	$ 534.6	$ 640.5	$ 490.1	$ 484.8
Adjusted EBITDA [2]	$ 245.6	$ 285.4	$ 439.3	$ 485.9	$ 498.4
Net Debt / Adjusted EBITDA	1.38x	1.87x	1.46x	1.01x	0.97x
Working Capital (Excluding Cash)	$ 155.9	$ 218.3	$ 326.7	$ 337.1	$ 339.6

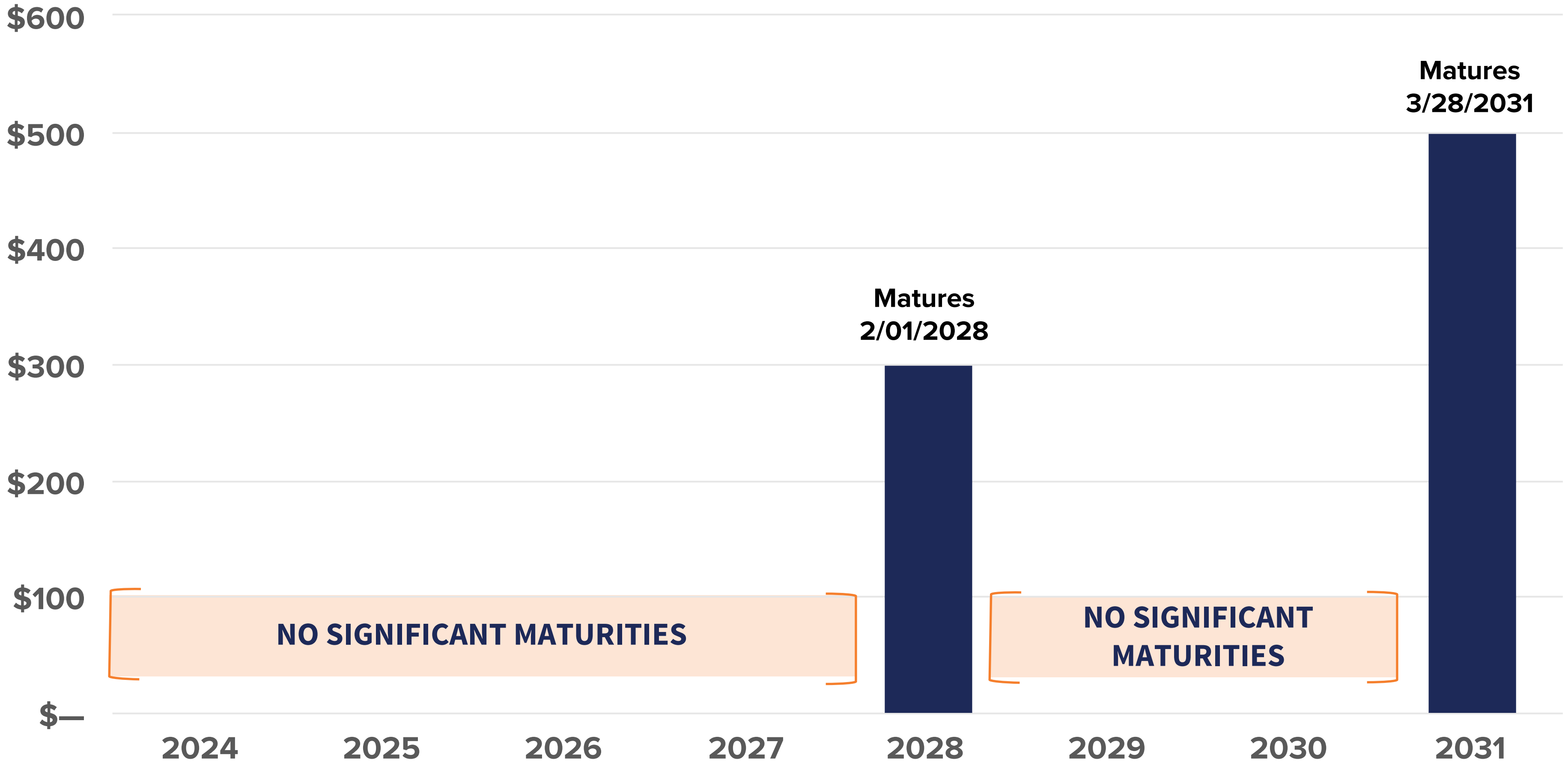


[1] Net debt is a non-GAAP financial measure and is calculated by subtracting cash from total debt.

[2] Adjusted EBITDA is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix. The most recent quarter is a last twelve months figure.

Note: Q1 2024 Net Debt / Adjusted EBITDA uses LTM Adjusted EBITDA as of 3/31/2024.

Debt Maturities and Credit Ratings



Current Corporate Credit Ratings

S&P: BB-

Moody's: Ba1

APPENDIX

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EBITDA and Adjusted EBITDA Reconciliation

($ in millions)	Twelve months ended December 31, 2020	2021	2022	2023	LTM 3/31/2024
Net income, as reported	$ 97.2	$ 118.8	$ 223.4	$ 243.7	$ 250.4
Interest expense	30.3	32.8	41.6	37.0	39.2
Provision for income tax	33.9	36.7	79.9	89.4	91.8
Depreciation and amortization	69.9	80.6	91.0	96.7	97.2
Miscellaneous	(0.3)	—	—	—	—
EBITDA	231.0	269.0	435.9	466.8	478.6
Acquisition related expenses	2.8	2.8	3.0	1.9	1.9
Share based compensation expense	10.8	13.8	13.8	15.9	16.6
COVID-19 expenses [1]	0.9	0.4	0.3	—	—
Gain on acquisition earnouts	—	—	(16.1)	—	—
Gain on sale of assets	—	(0.5)	—	—	—
Legal reserve	—	—	2.3	1.3	1.3
Adjusted EBITDA	$ 245.5	$ 285.5	$ 439.3	$ 485.9	$ 498.4
Net profit margin	*5.9%*	*6.0%*	*8.4%*	*8.8%*	*8.9%*
EBITDA margin	*14.0%*	*13.7%*	*16.3%*	*16.6%*	*17.0%*
Adjusted EBITDA margin	*14.9%*	*14.5%*	*16.5%*	*17.5%*	*17.7%*

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

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Adjusted Selling & Administrative Expense

($ in millions)	Twelve months ended December 31, 2020	2021	2022	2023	LTM 3/31/2024
Selling & administrative	$ 319.6	$ 364.6	$ 438.6	$ 517.1	$ 530.9
Acquisition related expenses	3.0	3.8	3.0	1.9	1.8
Gains on acquisition earnouts	(0.2)	(1.0)	(16.1)	—	—
Share-based compensation expense	10.5	13.3	13.2	15.0	15.5
COVID-19 [1]	0.4	—	0.3	—	—
Legal reserve	—	—	2.3	1.3	1.3
Adjusted Selling & Administrative	$ 305.9	$ 348.5	$ 435.9	$ 498.9	$ 512.3
Selling & Administrative - % Total revenue	*19.3 %*	*18.5 %*	*16.4 %*	*18.6 %*	*18.9 %*
Adjusted Selling & Administrative - % Total revenue	*18.5 %*	*17.7 %*	*16.3 %*	*18.0 %*	*18.2 %*

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

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Adjusted Net Income Reconciliation

($ in millions)	Three months ended March 31, 2024		Three months ended March 31, 2023	
Net income, as reported	$	55.9	$	49.3
Adjustments for adjusted net income				
Share-based compensation expense		4.0		3.4
Acquisition related expenses		0.5		0.6
Amortization expense [1]		10.7		11.4
Loan refinancing expenses [2]		4.1		—
Tax impact of adjusted items at a normalized tax rate [3]		(5.0)		(4.0)
Adjusted net income	$	70.2	$	60.7
Weighted average shares outstanding (diluted)		28,385,001		28,278,220
Diluted net income per share, as reported	$	1.97	$	1.74
Adjustments for adjusted net income, net of tax impact, per diluted share [4]		0.50		0.41
Diluted adjusted net income per share	$	2.47	$	2.15
Net profit margin		*8.1 %*		*7.5 %*
Adjusted net profit margin		*10.1 %*		*9.2 %*

(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 three months ended March 31, 2024.
(3) Normalized effective tax rate of 26.0% applied to periods presented.
(4) Includes adjustments related to the items noted above, net of tax.

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Adjusted Cost of Sales and Adjusted Gross Profit Reconciliation

	Twelve months ended December 31,				
($ in millions)	2020	2021	2022	2023	LTM 3/31/2024
Net revenue	$ 1,653.2	$ 1,968.6	$ 2,669.8	$ 2,778.6	$ 2,812.2
Cost of sales	1,143.3	1,379.1	1,842.1	1,847.9	1,857.4
Share-based compensation expense	0.3	0.4	0.6	0.9	1.0
COVID-19 expenses [1]	0.5	0.4	—	—	—
Adjusted cost of sales	$ 1,142.4	$ 1,378.3	$ 1,841.4	$ 1,847.0	$ 1,856.4
Gross Profit	$ 510.0	$ 589.5	$ 827.8	$ 930.7	$ 954.8
Adjustments to cost of sales	0.8	0.9	0.7	0.9	1.0
Adjusted gross profit	$ 510.8	$ 590.4	$ 828.4	$ 931.6	$ 955.8
Gross Profit - % of Total Revenue	*30.8 %*	*29.9 %*	*31.0 %*	*33.5 %*	*34.0 %*
Adjusted Gross Profit - % Total Revenue	*30.9 %*	*30.0 %*	*31.0 %*	*33.5 %*	*34.0 %*

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

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Free Cash Flow Reconciliation

($ in millions)	Twelve months ended December 31, 2020	2021	2022	2023	LTM 3/31/2024
Net cash provided by operating activities	$ 180.8	$ 138.3	$ 277.9	$ 340.2	$ 351.2
Purchases of property and equipment	(33.6)	(37.0)	(45.6)	(61.6)	(68.5)
Free cash flow	$ 147.2	$ 101.3	$ 232.3	$ 278.6	$ 282.7

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