INSTALLED BUILDING PRODUCTS

August 12, 2014

Installed Building Products Reports Results for Second Quarter 2014

- Net Revenue Increases 20.7% to $126.3 Million in Second Quarter 2014 -

- Produced Adjusted EBITDA of $10.0 Million, Representing 89.1% Growth -

COLUMBUS, Ohio--(BUSINESS WIRE)-- Installed Building Products, Inc. (the "Company" or "IBP") (NYSE:IBP), an industry-leading installer of insulation products, announced today results for the second quarter ended June 30, 2014.

Second Quarter 2014 Highlights

- Net revenue increased 20.7% to $126.3 million compared to second quarter 2013; same branch sales increased 17.9% compared to second quarter 2013
- Adjusted EBITDA improved 89.1% to $10.0 million compared to second quarter 2013
- Operating income grew 83.9% to $4.6 million compared to second quarter 2013
- Adjusted net income from continuing operations increased to $3.5 million, or $0.11 per diluted share, compared to $1.4 million, or $0.07 per diluted share, in the second quarter 2013. GAAP earnings per share increased to $0.07 compared to a net loss per share of $0.02 in the second quarter 2013
- Completed a follow on offering of approximately $116 million, including net proceeds of approximately $14.4 million to the Company in June 2014
- Following the end of the second quarter, in July 2014, we entered into a new five year, $100 million senior secured credit facility, consisting of a $75 million revolving line of credit and a $25 million term loan, which replaced the Company's prior $50 million revolving credit facility
- Following the end of the second quarter, in August 2014, the Company acquired Marv's Insulation Inc., an installer of insulation in the Boise, Idaho market, with trailing twelve months revenues of approximately $3.5 million as of June 30, 2014, which marked the Company's entry into the state of Idaho

"We are pleased that we produced another solid quarter that contributed to our growth and profitability," stated Jeff Edwards, Chairman and Chief Executive Officer. "During the second quarter we experienced a robust demand environment for our installation services in residential end markets across our national network of branch locations which are strategically positioned in many of the strongest housing markets throughout the country. Our strong performance reflects the successful investments we have made to improve our operations, scale our business in a disciplined manner, and dedicate our efforts to customers at the local level. As we leverage the improving residential construction markets and pursue select accretive acquisitions we expect to continue to drive strong results."

Second Quarter 2014 Results Overview

For the second quarter of 2014, net revenue was $126.3 million, an increase of 20.7% from $104.7 million in the second quarter of 2013. On a same branch basis, net revenue grew 17.9% from the prior year quarter, with approximately two-thirds of the increase attributable to growth in the number of completed jobs in the residential new construction end market and the remainder achieved through mix, price and higher energy efficiency standards.

Gross profit improved 32.6% to $34.8 million from $26.3 million in the prior year quarter. Gross margin expanded to 27.6% from 25.1% in the prior year quarter, primarily due to higher net revenue and cost efficiencies.

Selling, general and administrative expense as a percentage of net revenue was 23.4% compared to 22.0% in the prior year quarter, primarily due to an increase in costs associated with being a publicly traded company, including secondary public offering costs, and increased personnel costs to support higher sales.

Adjusted EBITDA was $10.0 million, an 89.1% increase from $5.3 million in the prior year quarter, largely due to higher net revenue and an improvement in gross margin. Adjusted EBITDA as a percentage of net revenue was 7.9%, a 290 basis point increase from 5.0% the prior year quarter. Operating income was $4.6 million, an increase from $2.5 million in the prior year quarter.

Net income attributable to common shareholders was $2.3 million, or $0.07 per diluted share compared to a net loss of $0.3 million, or a $0.02 loss per diluted share in the prior year quarter. The net loss attributable to common shareholders in the second quarter 2013 included the impact of accretion charges on Redeemable Preferred Stock, which was redeemed in full with a portion of the proceeds from the Company's initial public offering in February 2014. Adjusted net income from continuing operations was $3.5 million, or $0.11 per diluted share, compared to $1.4 million, or $0.07 per diluted share in the prior year quarter. Adjusted net income adjusts for the impact of non core items including accretion charges on Redeemable Preferred Stock, discontinued operations, and public offering costs.

Conference Call and Webcast

The Company will host a conference call and webcast on Tuesday, August 12, 2014 at 10:00 a.m. Eastern time to discuss these results. To participate in the call, please dial 877-407-9039 (domestic) or 201-689-8470 (international). The live webcast will be available at www.installedbuildingproducts.com in the investor relations section. A replay of the conference call will be available through September 12, 2014, by dialing 877-870-5176 (domestic) or 858-384-5517 (international) and entering the pass code 13586512.

About Installed Building Products

Installed Building Products, Inc. is the nation's second largest insulation installer for the residential new construction market and is also a diversified installer of complementary building products, including garage doors, rain gutters, shower doors, closet shelving and mirrors, throughout the United States. The Company manages all aspects of the installation process for its customers, including direct purchases of materials from national manufacturers, supply of materials to job sites and quality installation. The Company offers its portfolio of services for new and existing single-family residential, multifamily, and commercial building projects from its national network of branch locations.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws, including with respect to the demand for our services, expansion of our national footprint, our ability to capitalize on the new home construction recovery, our ability to strengthen our market position, our ability to pursue value-enhancing acquisitions, our ability to improve profitability and expectations for demand for our services for the remainder of 2014. Forward-looking statements may generally be identified by the use of words such as "anticipate," "believe," "expect," "intends," "plan," and "will" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. As a result, actual events may differ materially from those expressed in or suggested by the forward-looking statements. Any forward-looking statement made by the Company in this press release speaks only as of the date hereof.

A full discussion of our operations and financial condition, including factors that may affect our business and future prospects, is contained in documents we have filed with the SEC and will be contained in all subsequent periodic filings we make with the SEC. These documents identify in detail important risk factors that could cause our actual performance to differ materially from current expectations.

Risk factors and uncertainties that could cause actual results to differ materially from current and historical results include, but are not limited to: our dependence on the residential construction industry, the economy and the credit markets; uncertainty regarding the housing recovery; declines in the economy or expectations regarding the housing recovery that could lead to additional significant impairment charges; the cyclical and seasonal nature of our business; our exposure to severe weather conditions; the highly fragmented and competitive nature of our industry; product shortages or the loss of key suppliers; changes in the costs and availability of products; inability to successfully acquire and integrate other businesses; our exposure to claims arising from our acquired operations; our reliance on key personnel; our ability to attract, train and retain qualified employees while controlling labor costs; our exposure to product liability, workmanship warranty, casualty, construction defect and other claims and legal proceedings; changes in, or failure to comply with, federal, state, local and other regulations; disruptions in our information technology systems; and our ability to implement and maintain effective internal control over financial reporting and remediate any outstanding material weakness and significant deficiencies. The order in which these factors appear should not be construed to indicate their relative importance or priority.

New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these events or how they may affect it. The Company has no obligation, and does not intend, to update any forward-looking statements after the date hereof, except as required by federal securities laws.

Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), this press release contains the non-GAAP financial measures of Adjusted EBITDA and Adjusted Net Income. The reasons for the use of Adjusted EBITDA and Adjusted Net Income, reconciliations of Adjusted EBITDA and Adjusted Net Income to the most directly comparable GAAP measures and other information relating to Adjusted EBITDA and Adjusted Net Income are included below following the unaudited consolidated financial statements.

INSTALLED BUILDING PRODUCTS, INC.
Condensed Consolidated Statements of Operations
(unaudited, in thousands, except share and per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2014	**2013**	**2014**	**2013**
Net revenue	$ 126,348	$ 104,687	$ 232,294	$ 196,649
Cost of sales	91,539	78,432	171,080	148,120
Gross profit	34,809	26,255	61,214	48,529
Operating expenses				
Selling	7,556	6,156	14,026	11,908
Administrative	21,957	16,854	40,318	32,300
Amortization	714	753	1,411	1,544
Operating income	4,582	2,492	5,459	2,777
Other expense (income)				
Interest expense	674	582	1,262	1,044
Other	98	(235)	(364)	(164)
Income before income taxes	3,810	2,145	4,561	1,897
Income tax provision	1,483	709	1,833	704
Net income from continuing operations	2,327	1,436	2,728	1,193
Loss from discontinued operations	33	486	78	773
Income tax benefit	(13)	(276)	(30)	(276)
Loss from discontinued operations, net of income taxes	20	210	48	497
Net income	2,307	1,226	2,680	696
Accretion charges on Redeemable Preferred Stock	-	(1,532)	(19,897)	(3,019)
Net income (loss) attributable to common shareholders	$ 2,307	$ (306)	$ (17,217)	$ (2,323)
Weighted average shares outstanding (basic and diluted)	30,777,955	22,033,901	28,370,787	22,033,901
Net income (loss) per share (basic and diluted)				
Income (loss) per share from continuing operations attributable to common stockholders (basic and diluted)	$ 0.08	$ (0.01)	$ (0.61)	$ (0.09)
Loss per share from discontinued operations attributable to common stockholders (basic and diluted)	(0.01)	(0.01)	-	(0.02)
Income (loss) per share attributable to common stockholders (basic and diluted)	$ 0.07	$ (0.02)	$ (0.61)	$ (0.11)

INSTALLED BUILDING PRODUCTS, INC.
Condensed Consolidated Balance Sheets
(unaudited, in thousands, except share and per share amounts)

	June 30, 2014	December 31, 2013
ASSETS		
Current assets		
Cash	$ 5,133	$ 4,065
Restricted cash	1,638	1,708
Accounts receivable (less allowance for doubtful accounts of $2,164 and $1,738 at June 30, 2014 and December 31, 2013, respectively)	63,325	58,351

Accounts receivable, related parties		1,350	475
Inventories		21,866	19,731
Income taxes receivable		896	41
Deferred offering costs		-	5,156
Other current assets		5,130	5,985
	Total current assets	99,338	95,512
Property and equipment, net		35,130	29,475
Non-current assets			
Goodwill		50,530	49,328
Intangibles, net		12,862	13,400
Other non-current assets		3,957	3,355
	Total non-current assets	67,349	66,083
	Total assets	$ 201,817	$ 191,070
LIABILITIES, REDEEMABLE INSTRUMENTS AND STOCKHOLDERS' EQUITY (DEFICIT)			
Current liabilities			
Current maturities of long-term debt		$ 122	$ 255
Current maturities of capital lease obligations		9,224	7,663
Accounts payable		44,478	40,114
Accounts payable, related parties		1,071	539
Accrued compensation		9,142	8,942
Other current liabilities		6,165	6,930
	Total current liabilities	70,202	64,443
Long-term debt		7,294	27,771
Capital lease obligations, less current maturities		17,369	14,370
Put option - Redeemable Preferred Stock		-	490
Deferred income taxes		9,967	9,571
Other long-term liabilities		11,080	9,006
	Total liabilities	115,912	125,651
		-	-
Commitments and contingencies			
Redeemable Preferred Stock; $0.01 par value: 0 and 1,000 authorized, issued and outstanding at June 30, 2014 and December 31, 2013, respectively		-	55,838
Redeemable Common Stock; $0.01 par value: 0 and 5,850,000 authorized, issued and outstanding at June 30, 2014 and December 31, 2013, respectively		-	81,010
Stockholders' equity (deficit)			
Preferred Stock; $0.01 par value: 5,000,000 and 0 authorized, 0 and 0 shares issued and outstanding at June 30, 2014 and December 31, 2013, respectively		-	-
Common Stock; $0.01 par value: 100,000,000 and 27,200,862 authorized, 31,839,087 and 16,183,901 shares issued and outstanding at June 30, 2014 and December 31, 2013, respectively		319	162
Additional paid in capital		154,497	-
Accumulated deficit		(68,911)	(71,591)
	Total stockholders' equity (deficit)	85,905	(71,429)
	Total liabilities, redeemable instruments and stockholders' equity (deficit)	$ 201,817	$ 191,070

INSTALLED BUILDING PRODUCTS, INC.
Condensed Consolidated Statements of Cash Flows
(unaudited, in thousands)

Six months ended June 30,

	2014	2013
Net cash provided by (used in) operating activities	$ 7,630	$ (7,554)
Cash flows from investing activities		
Restricted cash	70	95
Purchases of property and equipment	(1,518)	(1,421)
Acquisitions of businesses	(2,006)	(687)
Proceeds from sale of property and equipment	390	972
Net cash used in investing activities	(3,064)	(1,041)
Cash flows from financing activities		
Proceeds from initial public offering of common stock, net of costs	87,645	-
Proceeds from secondary public offering of common stock, net of costs	14,418	-
Redemption of Redeemable Preferred Stock	(75,735)	-
(Payments) proceeds from revolving line of credit, net	(20,280)	11,696
Principal payments on long term debt	(689)	(425)
Payments on capital lease obligations	(4,477)	(2,721)
Payments for deferred initial public offering costs	(4,254)	-
Payments for deferred secondary public offering costs	(126)	-
Net cash (used in) provided by financing activities	(3,498)	8,550
Net change in cash	1,068	(45)
Cash at beginning of period	4,065	3,898
Cash at end of period	$ 5,133	$ 3,853
Supplemental disclosures of cash flow information		
Net cash paid during the period for:		
Interest	$ 1,183	$ 964
Income taxes, net of refunds	2,579	6,181
Supplemental disclosure of noncash investing and financing activities		
Vehicles capitalized under capital leases and related lease obligations	9,367	10,990
Note payable issued in connection with acquisition of business	-	300

Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted Net Income measure performance by adjusting EBITDA 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 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, net (loss) income in accordance with GAAP 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 (loss) income from continuing operations 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 (used in) 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 accretion charges on Redeemable Preferred Stock, discontinued operations, public offering costs, 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. Accordingly, we believe that this measure is useful for comparing general operating performance from period to period. Other companies may define Adjusted Net Income differently and, as a result, our measure may not be directly comparable to measures of other companies. In addition, Adjusted Net Income may be defined differently for purposes of covenants contained in our revolving credit facility or any future facility.

INSTALLED BUILDING PRODUCTS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(unaudited, in thousands except for share and per share amounts)

The table below reconciles Adjusted Net Income to the most directly comparable GAAP financial measure, GAAP net income (loss) for the periods presented therein.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	**2013**	**2014**	**2013**
Net income (loss) attributable to common shareholders, as reported	$ 2,307	$ (306)	$ (17,217)	$ (2,323)
Adjustments for net income from continuing operations:				
Accretion charges on Redeemable Preferred Stock	-	1,532	19,897	3,019
Loss from discontinued operations, net of income taxes	20	210	48	497
Net income (loss) from continuing operations	$ 2,327	$ 1,436	$ 2,728	$ 1,193
Adjustments for adjusted net income from continuing operations:				
IPO and follow-on costs	1,259	-	1,335	-
Gain from put option Redeemable Preferred Stock	-	-	(490)	-
Share based compensation expense	300	-	300	-
Sarbanes-Oxley initial implementation	262	-	262	-
Tax impact of adjusted items at 37% effective tax rate in 2013 and 2014 [1]	(674)	-	(521)	-
Adjusted net income from continuing operations	$ 3,474	$ 1,436	$ 3,614	$ 1,193
Weighted average shares outstanding (basic and diluted)	30,777,955	22,033,901	28,370,787	22,033,901
Net income (loss) per share attributable to common stockholders (basic and diluted), as reported	$ 0.07	$ (0.02)	$ (0.61)	$ (0.11)
Adjustments for net income from continuing operations per basic and diluted share [2]	0.01	0.09	0.71	0.16
Net income per share from continuing operations (basic and diluted)	$ 0.08	$ 0.07	$ 0.10	$ 0.05
Adjustments for adjusted net income from continuing operations, net of tax impact, per basic and diluted share [3]	0.03	-	0.03	-
Adjusted net income per share from continuing operations (basic and diluted)	$ 0.11	$ 0.07	$ 0.13	$ 0.05

[1] An estimated full year effective tax rate of 37% was applied to the 2014 adjustments for consistency in presentation

[2] Includes adjustments related to accretion charges on Redeemable Preferred Stock and loss from discontinued operations, net of income taxes

[3] Includes adjustments related to IPO and follow-on costs, gain from put option Redeemable Preferred Stock, share based compensation expense, Sarbanes-Oxley initial implementation, and tax impact of adjusted items

Per share figures in the above earnings per share calculation table may reflect rounding adjustments and consequently totals may not appear to sum.

The table below reconciles Adjusted EBITDA to the most directly comparable GAAP financial measure, net income (loss) for the periods presented therein.

Adjusted EBITDA Calculations
For the Three and Six Months Ended June 30, 2014 and June 30, 2013
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	**2013**	**2014**	**2013**
Adjusted EBITDA:				
Net income (GAAP)	$ 2,307	$ 1,226	$ 2,680	$ 696
Interest expense	674	582	1,262	1,044
Provision for income taxes, continuing operations	1,483	709	1,833	704
Depreciation and amortization	3,677	2,752	7,012	5,100
EBITDA	8,141	5,269	12,787	7,544
IPO and follow-on costs	1,259	-	1,335	-
Share based compensation expense	300	-	300	-
Sarbanes-Oxley initial implementation	262	-	262	-
Gain from put option Redeemable Preferred Stock	-	-	(490)	-
Adjusted EBITDA	$ 9,962	$ 5,269	$ 14,194	$ 7,544
Adjusted EBITDA margin	7.9%	5.0%	6.1%	3.8%

Installed Building Products, Inc.
Investor Relations:
614-221-9944
investorrelations@installed.net