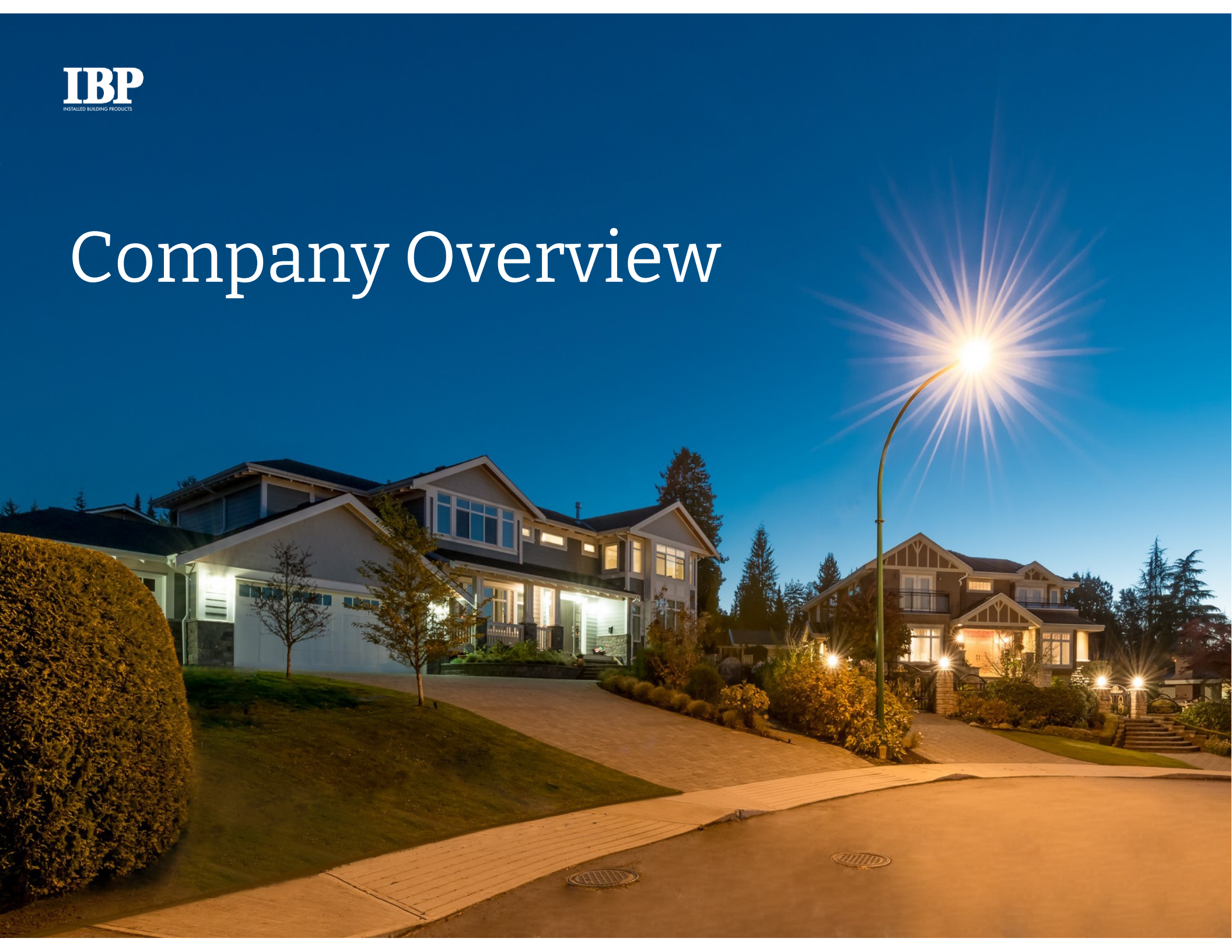


Installed Building Products (IBP)

April 11, 2023

MicNOVA Model Club

Company Overview



IBP Growth Strategy

CAPITALIZE ON NEW RESIDENTIAL AND COMMERCIAL CONSTRUCTION MARKETS IN INSTALLATION SEGMENT

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

	Twelve months ended December 31, 2022	
Residential new construction	\$ 1,980,253	74 %
Repair and remodel	151,761	6 %
Commercial	381,543	14 %
Net revenue, Installation	\$ 2,513,557	94 %
Other ⁽¹⁾	156,287	6 %
Net revenue, as reported	\$ 2,669,844	100 %

	Twelve months ended December 31, 2022	
Insulation	\$ 1,611,037	61 %
Shower doors, shelving and mirrors	172,979	7 %
Garage doors	168,800	6 %
Waterproofing	124,808	5 %
Rain gutters	114,022	4 %
Fireproofing/firestopping	63,498	2 %
Window blinds	61,295	2 %
Other building products	197,118	7 %
Net revenues, Installation	\$ 2,513,557	94 %
Other ⁽¹⁾	156,287	6 %
Net revenue, as reported	\$ 2,669,844	100 %

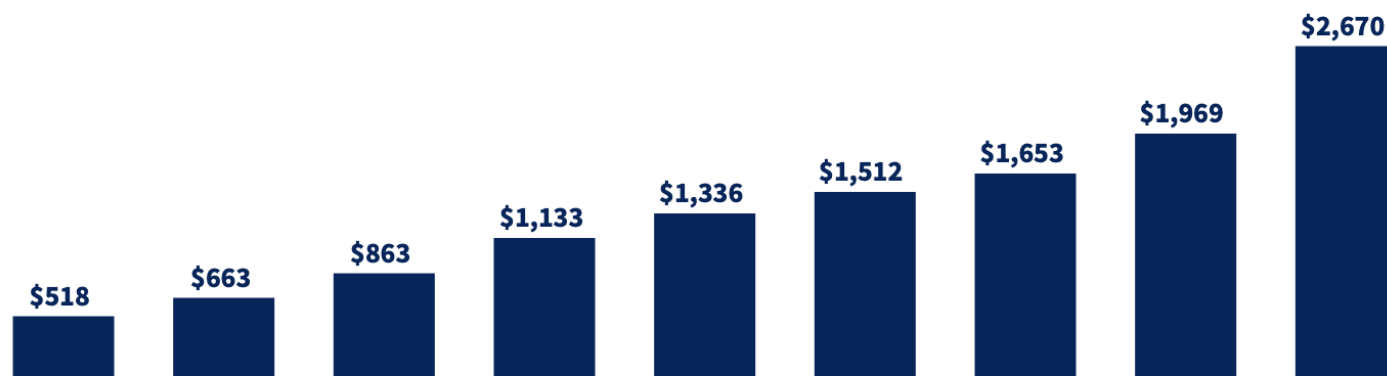
(1) Net revenue for manufacturing operations are included in the Other category for all periods presented to conform with our change in composition of operating segments.

Financial Performance



Strong Top-Line Momentum

22.6% REVENUE CAGR FROM 2014 TO 2022



Twelve months ended December 31,

(in millions)	2014	2015	2016	2017	2018	2019	2020	2021	2022
IBP Net Revenue Growth	19.9 %	27.9 %	30.2 %	31.3 %	18.0 %	13.1 %	9.4 %	19.1 %	35.6 %
Total U.S. Completions	884	968	1,060	1,153	1,185	1,255	1,287	1,341	1,391
Total U.S. Completions Growth	15.6 %	9.5 %	9.4 %	8.8 %	2.8 %	5.9 %	2.5 %	4.2 %	3.7 %
IBP Net Revenue per Completion	\$586	\$684	\$814	\$983	\$1,128	\$1,204	\$1,285	\$1,468	\$1,919

Source: U.S. Census Bureau, Company filings

Note: Historical revenue figures are not pro forma for acquisitions. IBP Net Revenue in millions. Total U.S. Completions in thousand units.

Summary Financial Results

(\$ in millions)	Twelve months ended December 31,				
	2018	2019	2020	2021	2022
Net Revenue	\$ 1,336	\$ 1,512	\$ 1,653	\$ 1,969	\$ 2,670
<i>% Net Revenue Growth¹</i>	<i>18.0%</i>	<i>13.1%</i>	<i>9.4%</i>	<i>19.1%</i>	<i>35.6%</i>
Same Branch Consolidated Sales Growth	<i>11.5%</i>	<i>8.6%</i>	<i>4.5%</i>	<i>9.7%</i>	<i>24.6%</i>
COGS (Adjusted) ²	\$ 963	\$ 1,076	\$ 1,143	\$ 1,379	\$ 1,842
Adjusted Gross Profit ²	\$ 373	\$ 436	\$ 511	\$ 590	\$ 828
<i>% Margin</i>	<i>27.9%</i>	<i>28.8%</i>	<i>30.9%</i>	<i>30.0%</i>	<i>31.0%</i>
Adjusted S&A ³	\$ 242	\$ 278	\$ 306	\$ 348	\$ 436
<i>% of Net Revenue</i>	<i>18.1%</i>	<i>18.4%</i>	<i>18.5%</i>	<i>17.7%</i>	<i>16.3%</i>
Adjusted EBITDA ⁴	\$ 164	\$ 197	\$ 246	\$ 285	\$ 439
<i>% of Net Revenue</i>	<i>12.3%</i>	<i>13.0%</i>	<i>14.9%</i>	<i>14.5%</i>	<i>16.5%</i>

¹ % Net Revenue Growth over prior year period.

² COGS adjusted 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 and Adjusted Gross Profit Reconciliation included in the Appendix. Adjusted Gross Profit is a non-GAAP financial measure.

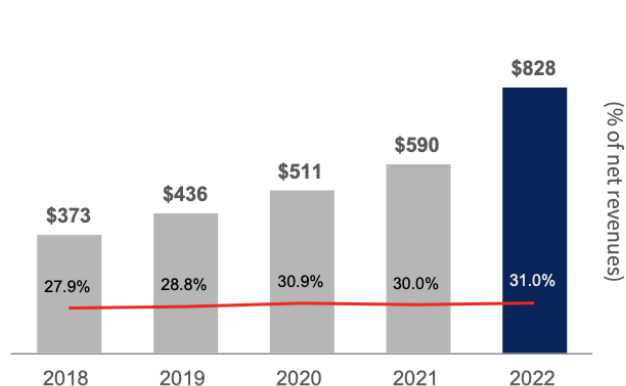
³ Adjusted S&A is a non-GAAP financial measures. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

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.

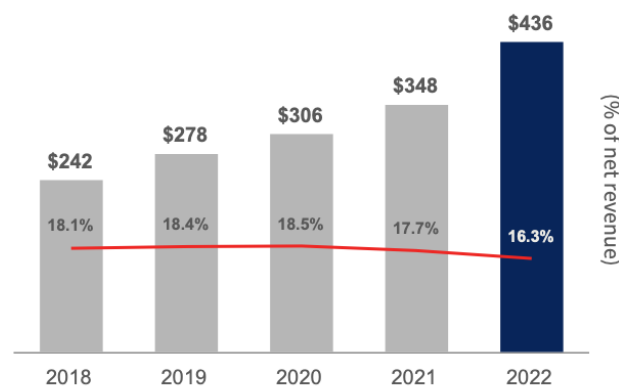
Multi-Year Financial Improvement

ADDITIONAL VALUE DRIVEN BY OPERATING LEVERAGE AND NATIONAL SCALE

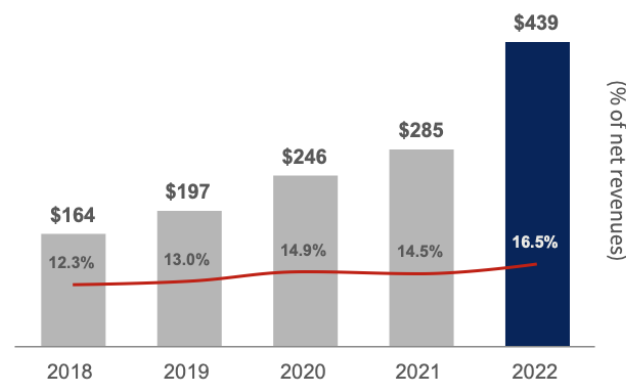
Adjusted Gross Profit¹



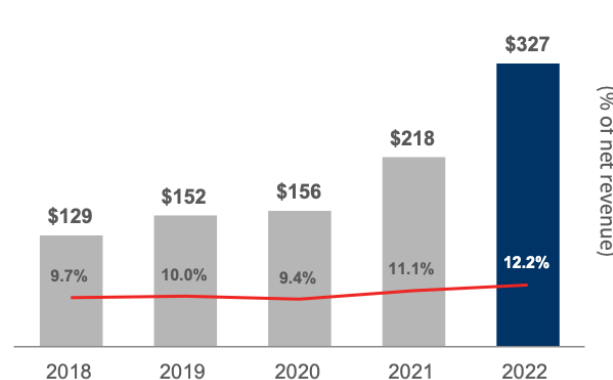
Adjusted Selling & Administrative²



Adjusted EBITDA³



Working Capital⁴



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 S&A is a non-GAAP financial measure. A reconciliation to the most comparable measure prepared in accordance with GAAP is included in the Appendix.

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 thousands) of 2017 – \$62,510; 2018 – \$90,442; 2019 – \$177,889; 2020 – \$231,520, 2021 – \$333,485 and 2022 – \$229,627 and investments (in thousands) of 2017 – \$30,053; 2018 – \$10,060; 2019 – \$37,961; 2020 – \$0, 2021 – \$0 and 2022 – \$0.

Strong Balance Sheet

(\$ in millions)	Twelve months ended December 31,				
	2018	2019	2020	2021	2022
Cash	\$ 90	\$ 178	\$ 232	\$ 334	\$ 230
Short-Term Investments	10	38	—	—	—
Senior Notes, net of unamortized debt issuance costs ¹	—	295	296	296	297
Term Loan, net of unamortized debt issuance costs ²	391	198	199	493	489
Vehicle and Equipment Notes Payable	60	73	68	69	73
Finance Lease Obligations	9	6	5	5	9
Variance note payable	4	3	3	4	2
Total Debt	\$ 463	\$ 576	\$ 570	\$ 868	\$ 870
Net Debt³	\$ 363	\$ 360	\$ 338	\$ 535	\$ 640
Adjusted EBITDA⁴	\$ 164	\$ 197	\$ 246	\$ 285	\$ 439
Credit Statistics:					
Net Debt/ Adjusted EBITDA	2.22x	1.83x	1.38x	1.87x	1.46x
Working Capital (Excluding Cash and short-Term Investments)	\$ 129	\$ 152	\$ 156	\$ 218	\$ 327

¹ Unamortized debt issuance costs (in thousands): 2019 - \$4,823; 2020 - \$4,230, 2021 - \$3,633 and 2022 - \$3,036

² Unamortized debt issuance costs (in thousands): 2017 - \$5,146; 2018 - \$4,834; 2019 - \$1,662; 2020 - \$1,343; 2021 - \$6,735 and 2022 - \$5,767

³ Net debt is a non-GAAP financial measure and is calculated by subtracting cash and short-term investments from total debt.

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.

Annual Operating Framework

COMPELLING FINANCIAL MODEL CREATES LONG-TERM VALUE

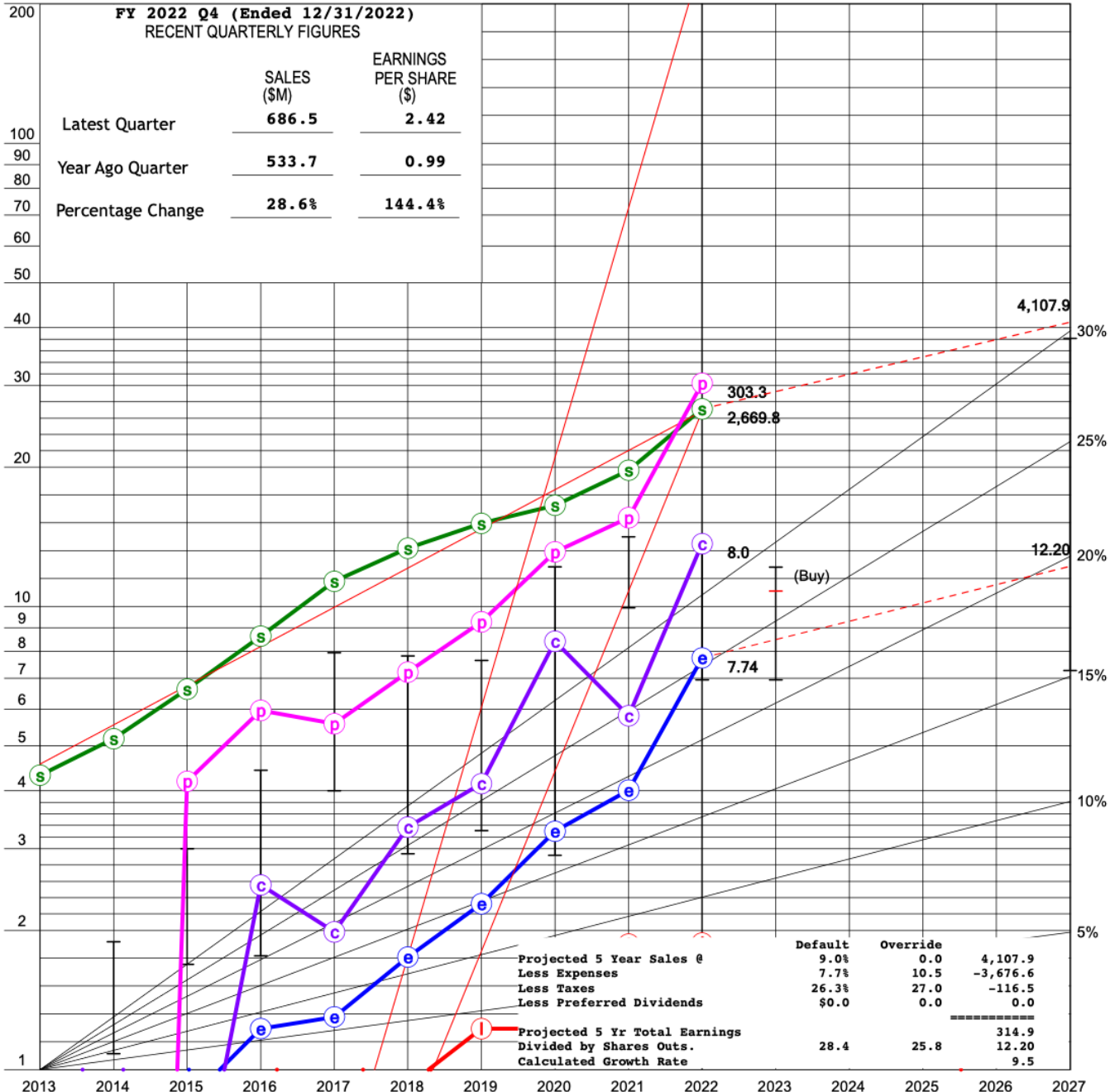
	2018-2022	Long-Term Outlook	Acquisition Growth Assumptions
Organic Revenue Growth	<p>5-25%</p>	Outperform U.S. Residential Completions Growth	Target >\$100M of acquired revenue annually
Gross Profit Margin	<p>28-31%</p>	Stable within historical range	Material purchasing power + Product diversification = Margin benefit
Adjusted EPS Growth ¹	<p>23-66%</p>	Mid-teens	Immediately accretive
Adjusted EBITDA Growth ¹	<p>16-54%</p>	20-25% Organic Growth (Incremental)	>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

Stock Selection Guide

1 Growth Analysis

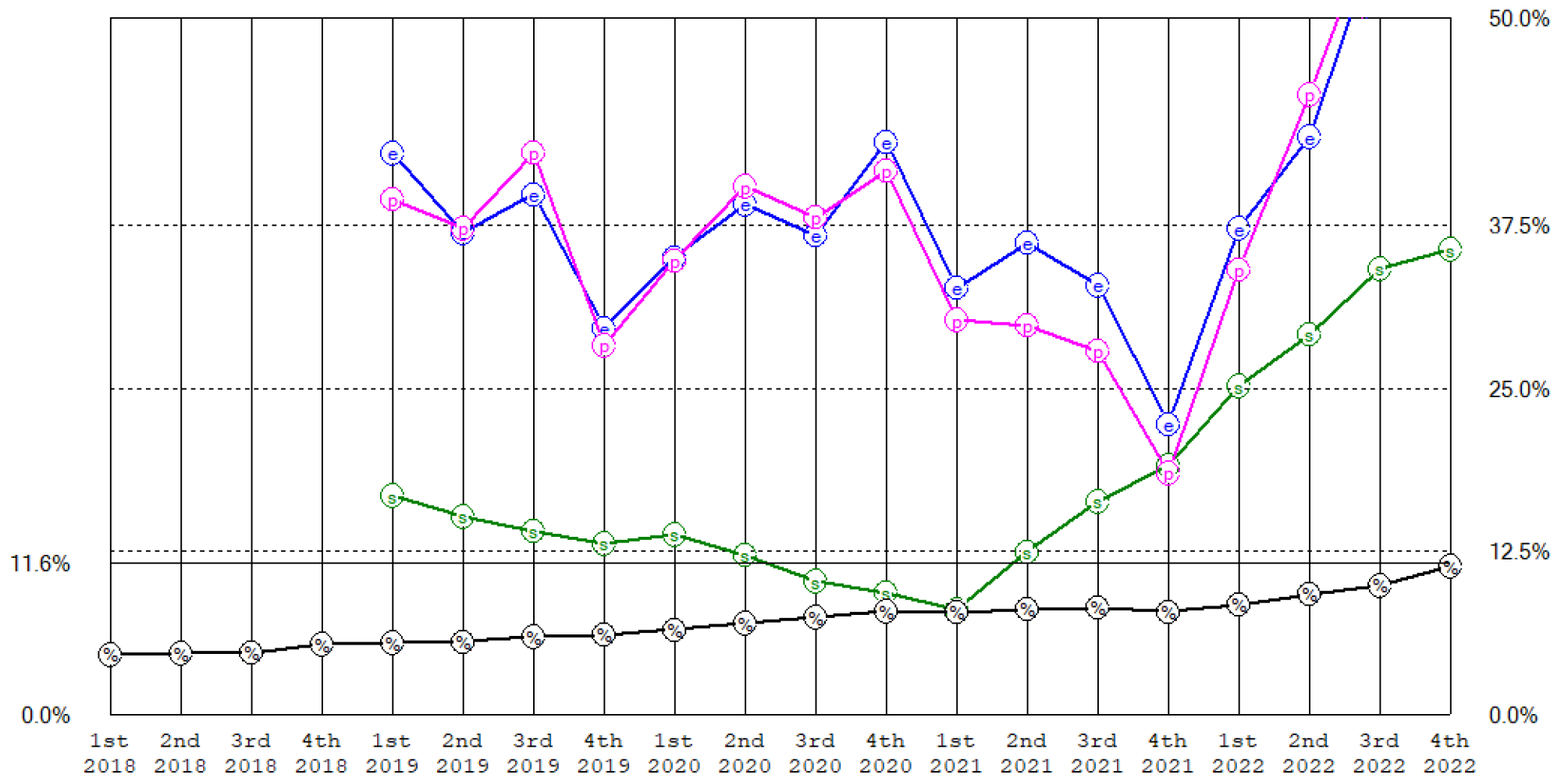
NYS: IBP



- (1) Historical Sales Growth 21.5 %
- (2) Estimated Future Sales Growth 9.0 %
- (3) Historical Earnings Per Share Growth 144.6 %
- (4) Estimated Future Earnings Per Share Growth 9.5 %
- (5) Sales Growth R² 0.98
- (6) Earnings Per Share Growth R² 0.67

Trailing 4 Quarters

Positive Trends



2 QUALITY ANALYSIS

Company **Installed Building Products**

(IBP)

04/10/23

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	-0.1	-1.9	6.3	6.9	4.9	5.4	6.1	7.9	7.9	11.4	7.7	UP
B % ROE (Beginning Yr)	0.0	NMF	29.1	36.8	28.7	28.3	31.8	43.1	39.1	58.5	40.2	UP
C % LT Debt to Equity	0.0	48.4	120.3	100.4	171.5	194.9	255.4	189.7	225.1	191.9	211.4	DOWN

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) **107.94 (13.9)** 52-WEEK HIGH (P/E) **121.60 (15.7)** 52-WEEK LOW (P/E) **69.45 (8.9)**

	Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield	
1	2018	78.2	29.2	1.75	44.7	16.7	0.000	0.0	0.0	
2	2019	76.5	32.8	2.28	33.6	14.4	0.000	0.0	0.0	
3	2020	121.7	29.0	3.27	37.2	8.9	0.000	0.0	0.0	
4	2021	141.4	99.4	4.01	35.3	24.8	1.200	29.9	1.2	
5	2022	140.7	69.4	7.74	18.2	9.0	1.260	16.3	1.8	
6	AVERAGE		52.0		31.1	14.3		23.1		
AVERAGE P/E RATIO		24.3	22.7	PROJECTED P/E RATIO		12.7	TTM EPS		7.76	
CURRENT P/E RATIO		13.9		PEG RATIO		1.3	FTM EPS		8.50	
RELATIVE VALUE		57.2%	61.2%	PROJ. RELATIVE VALUE		52.3%	55.9%	AVG TTM + FTM EPS		8.13

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS – NEXT 5 YEARS

Selected High P/E 31.1 X Estimated High Earnings/Share 12.20 = Forecast High Price \$ 379.4

B FUTURE LOW PRICE ANALYSIS – NEXT 5 YEARS

(a) Sel. Low P/E 14.3 (as adj.) X Estimated Low Earnings/Share 7.74 = \$ 110.7

(b) Average 5-Year Low Price = 52.0

(c) Recent Severe Low Price = 69.4

(d) Price Dividend Will Support = Present Div. ÷ High Yield = 1.32 ÷ 0.018 = 72.7

Selected Estimated Low Price = \$ 72.7

C PRICE RANGES

Forecast High Price 379.4 - Estimated Low Price 72.7 = Range 306.7 33% of Range = 102.2

BUY (Lower 33% of Range) = 72.7 to 174.9

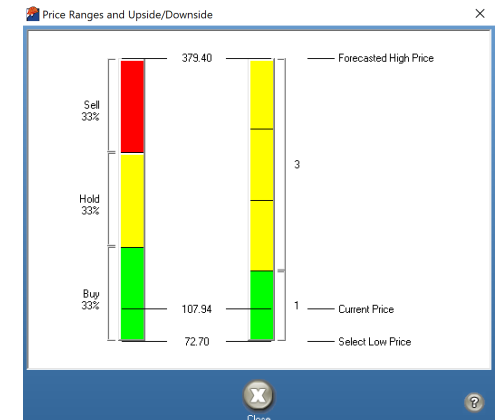
MAYBE (Middle 33% of Range) = 174.9 to 277.2

SELL (Upper 33% of Range) = 277.2 to 379.4

Current Price 107.94 is in the Buy Range

D UPSIDE/DOWNSIDE ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 379.4 - Current Price 107.94) ÷ (Current Price 107.94 - Estimated Low Price 72.7) = 7.7 To 1



5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ 1.320 ÷ Current Price of Stock \$ 107.94 = 1.2 % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 23.1 ÷ Forecast High P/E 31.1 = Avg. Yield 0.7

AVERAGE YIELD - USING FORECAST AVERAGE P/E

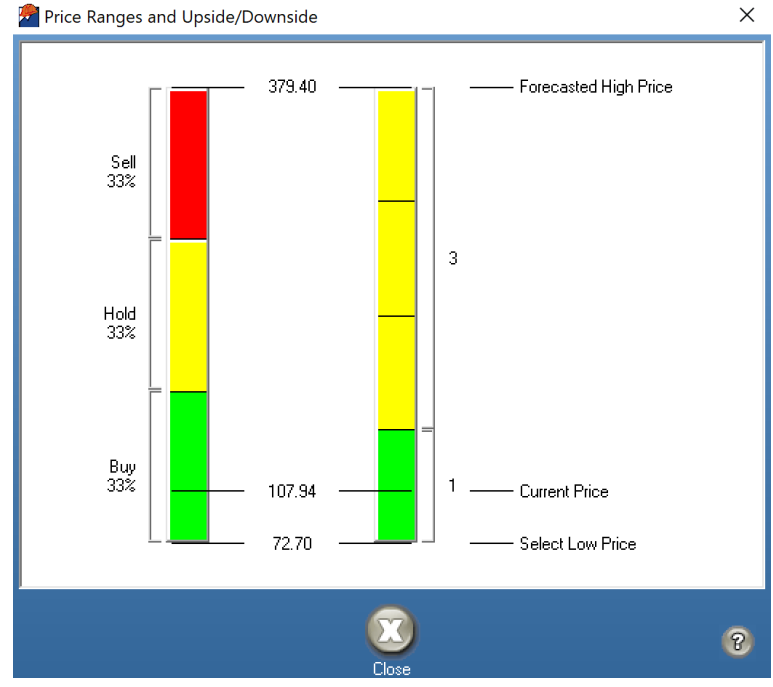
Avg. % Payout 23.1 ÷ Forecast Avg P/E 22.7 = Avg. Yield 1.0

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 0.7 % + Annual Appreciation 28.6 % = Compound Annual Total Return 29.3 %

D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 1.0 % + Annual Appreciation 20.7 % = Projected Average Total Return 21.8 %



Other Views

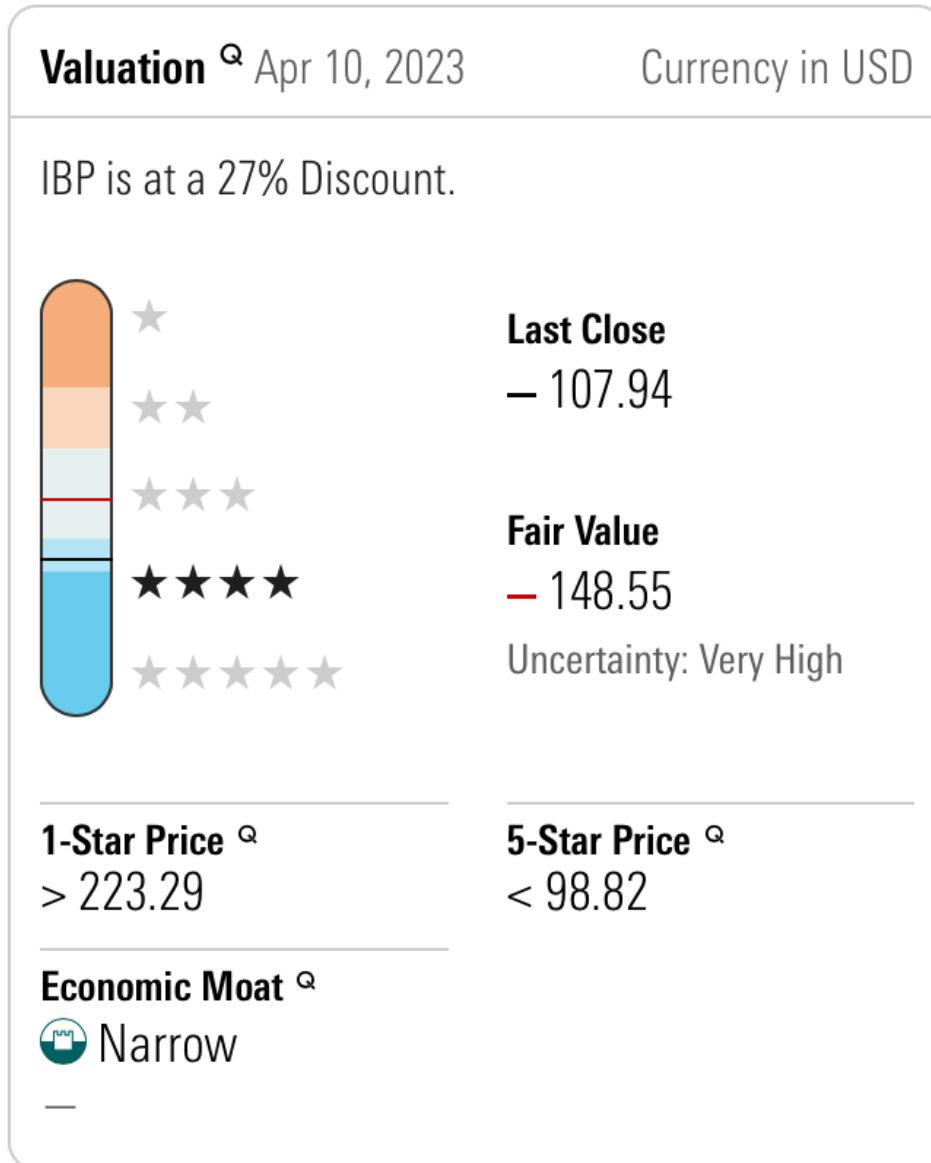
Morningstar

Quantitative Analysis

4 stars

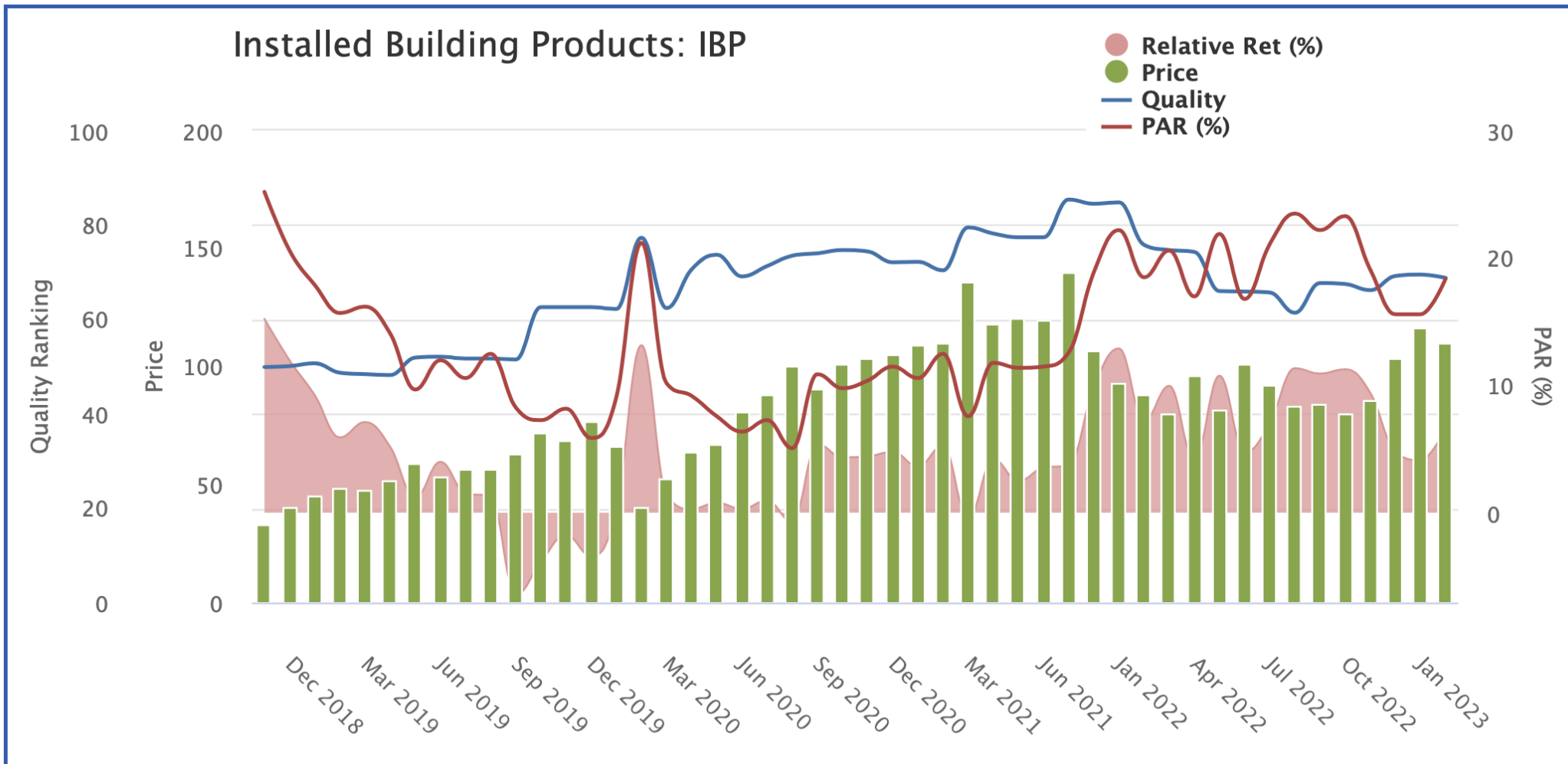
Fair value = \$148.55

Current price =
\$107.94



Manifest Investing

PAR 18.9% Quality 69



Price Chart

Weekly

IBP Installed Building Products Inc. NYSE

11-Apr-2023

© StockCharts.com

Open 106.27 High 112.70 Low 105.13 Close 111.55 Volume 324.1K Chg +4.68 (+4.38%) ▲

IBP (Weekly) 111.55

MA(12) 110.08

MA(40) 94.77

Volume 324,062



Questions?