UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period From __________ To __________

Commission File Number: 001-36307

Installed Building Products, Inc.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**45-3707650** **(I.R.S. Employer Identification No.)**
495 South High Street, Suite 50 **Columbus, Ohio** **(Address of principal executive offices)**	**43215** **(Zip Code)**

(614) 221-3399
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by a check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b–2 of the Exchange Act). Yes ☐ No ☒

On July 27, 2018 the registrant had 31,606,349 shares of common stock, par value $0.01 per share, outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

INSTALLED BUILDING PRODUCTS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except share and per share amounts)

	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	$139,746	$ 62,510
Investments	20,312	30,053
Accounts receivable (less allowance for doubtful accounts of $4,711 and $4,805 at June 30, 2018 and December 31, 2017, respectively)	202,150	180,725
Inventories	48,574	48,346
Other current assets	40,838	33,308
Total current assets	451,620	354,942
Property and equipment, net	85,048	81,075
Non-current assets		
Goodwill	163,023	155,466
Intangibles, net	134,233	137,991
Other non-current assets	11,246	9,272
Total non-current assets	308,502	302,729
Total assets	$845,170	$ 738,746
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	$ 20,083	$ 16,650
Current maturities of capital lease obligations	5,143	5,666
Accounts payable	87,299	87,425
Accrued compensation	22,117	25,399
Other current liabilities	26,802	24,666
Total current liabilities	161,444	159,806
Long-term debt	433,324	330,927
Capital lease obligations, less current maturities	4,752	6,479
Deferred income taxes	7,667	6,444
Other long-term liabilities	22,920	24,562
Total liabilities	630,107	528,218
Commitments and contingencies (Note 13)		
Stockholders' equity		
Preferred Stock; $0.01 par value: 5,000,000 authorized and 0 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	—	—
Common Stock; $0.01 par value: 100,000,000 authorized, 32,723,972 and 32,524,934 issued and 31,606,349 and 31,862,146 shares outstanding at June 30, 2018 and December 31, 2017, respectively	327	325
Additional paid in capital	178,266	174,043
Retained earnings	73,919	48,434
Treasury Stock; at cost: 1,117,623 and 662,788 shares at June 30, 2018 and December 31, 2017, respectively	(39,703)	(12,781)
Accumulated other comprehensive income	2,254	507
Total stockholders' equity	215,063	210,528
Total liabilities and stockholders' equity	$845,170	$ 738,746

See accompanying notes to consolidated financial statements

INSTALLED BUILDING PRODUCTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)
(in thousands, except share and per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Net revenue	$ 332,584	$ 282,196	$ 634,312	$ 537,865
Cost of sales	236,941	197,268	458,693	380,765
Gross profit	95,643	84,928	175,619	157,100
Operating expenses				
Selling	16,020	13,650	31,866	27,676
Administrative	44,971	41,761	89,174	81,022
Amortization	7,322	6,550	14,450	12,966
Operating income	27,330	22,967	40,129	35,436
Other expense				
Interest expense, net	5,691	4,865	9,731	7,035
Other	163	131	285	283
Income before income taxes	21,476	17,971	30,113	28,118
Income tax provision	5,161	5,998	7,404	9,781
Net income	$ 16,315	$ 11,973	$ 22,709	$ 18,337
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on cash flow hedge, net of tax (provision) benefit of ($159) and $50 for the three months ended June 30, 2018 and 2017, respectively, and ($545) and $50 for the six months ended June 30, 2018 and 2017, respectively	475	(77)	1,635	(77)
Comprehensive income	$ 16,790	$ 11,896	$ 24,344	$ 18,260
Basic and diluted net income per share	$ 0.52	$ 0.38	$ 0.72	$ 0.58
Weighted average shares outstanding:				
Basic	31,345,390	31,646,460	31,447,067	31,618,624
Diluted	31,452,583	31,709,554	31,612,581	31,698,460

See accompanying notes to consolidated financial statements

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INSTALLED BUILDING PRODUCTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands, except share amounts)

	Common Stock		Additional Paid In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Stockholders' Equity
	Shares	Amount			Shares	Amount		
BALANCE - January 1, 2017	32,135,176	$ 321	$158,581	$ 7,294	(650,402)	$(12,219)	$ —	$ 153,977
Net Income				18,337				18,337
Issuance of Common Stock for Acquisition	282,577	3	10,856					10,859
Issuance of Common Stock Awards to Employees	101,241	1	(1)					—
Surrender of Common Stock Awards by Employees					(11,587)	(550)		(550)
Share-Based Compensation Expense			2,270					2,270
Share-Based Compensation Issued to Directors	5,940		300					300
Other Comprehensive Loss, Net of Tax							(77)	(77)
BALANCE - June 30, 2017	32,524,934	$ 325	$172,006	$25,631	(661,989)	$(12,769)	$ (77)	$ 185,116

	Common Stock		Additional Paid In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Income	Stockholders' Equity
	Shares	Amount			Shares	Amount		
BALANCE - January 1, 2018	32,524,934	$ 325	$174,043	$48,434	(662,788)	$(12,781)	$ 507	$ 210,528
Net Income				22,709				22,709
Cumulative Effect of Accounting Changes, Net of Tax				2,776			112	2,888
Issuance of Common Stock Awards to Employees	194,093	2	(2)					—
Surrender of Common Stock Awards by Employees					(42,118)	(2,282)		(2,282)
Share-Based Compensation Expense			4,200					4,200
Share-Based Compensation Issued to Directors	4,945		25					25
Common Stock Repurchase					(412,717)	(24,640)		(24,640)
Other Comprehensive Income, Net of Tax							1,635	1,635
BALANCE - June 30, 2018	32,723,972	$ 327	$178,266	$73,919	(1,117,623)	$(39,703)	$ 2,254	$ 215,063

See accompanying notes to consolidated financial statements

INSTALLED BUILDING PRODUCTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Six months ended June 30, 2018	2017
Cash flows from operating activities		
Net income	$ 22,709	$ 18,337
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of property and equipment	16,231	13,482
Amortization of intangibles	14,450	12,966
Amortization of deferred financing costs and debt discount	601	424
Provision for doubtful accounts	1,108	1,807
Write-off of debt issuance costs	1,114	1,201
Gain on sale of property and equipment	(227)	(190)
Noncash stock compensation	4,196	2,570
Changes in assets and liabilities, excluding effects of acquisitions		
Accounts receivable	(20,192)	(17,421)
Inventories	(3,995)	342
Other assets	(3,739)	(1,263)
Accounts payable	304	(2,043)
Income taxes payable/receivable	5,187	(4,102)
Other liabilities	(4,622)	2,316
Net cash provided by operating activities	33,125	28,426
Cash flows from investing activities		
Purchases of investments	(17,782)	(25,328)
Maturities of short term investments	27,500	—
Purchases of property and equipment	(18,478)	(14,681)
Acquisitions of businesses, net of cash acquired of $0 and $247, respectively	(18,626)	(116,883)
Proceeds from sale of property and equipment	557	451
Other	(1,540)	(1,532)
Net cash used in investing activities	(28,369)	(157,973)
Cash flows from financing activities		
Proceeds from term loan under credit agreement applicable to respective period (Note 6)	100,000	300,000
Payments on term loan under credit agreement applicable to respective period (Note 6)	(750)	(96,250)
Proceeds from delayed draw term loan under credit agreement applicable to respective period (Note 6)	—	112,500
Payments on delayed draw term loan under credit agreement applicable to respective period (Note 6)	—	(125,000)
Proceeds from vehicle and equipment notes payable	14,271	9,317
Debt issuance costs	(1,933)	(7,940)
Principal payments on long-term debt	(6,863)	(4,915)
Principal payments on capital lease obligations	(3,028)	(3,738)
Acquisition-related obligations	(2,295)	(1,669)
Repurchase of common stock	(24,640)	—
Surrender of common stock awards by employees	(2,282)	(550)
Net cash provided by financing activities	72,480	181,755
Net change in cash and cash equivalents	77,236	52,208
Cash and cash equivalents at beginning of period	62,510	14,482
Cash and cash equivalents at end of period	$139,746	$ 66,690
Supplemental disclosures of cash flow information		
Net cash paid during the period for:		
Interest	$ 8,349	$ 5,634
Income taxes, net of refunds	1,906	13,401
Supplemental disclosure of noncash investing and financing activities		
Common stock issued for acquisition of business	—	10,859
Vehicles capitalized under capital leases and related lease obligations	814	2,519
Seller obligations in connection with acquisition of businesses	3,801	3,025
Unpaid purchases of property and equipment included in accounts payable	1,027	658

See accompanying notes to consolidated financial statements

INSTALLED BUILDING PRODUCTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 – ORGANIZATION

Installed Building Products, Inc. ("IBP"), a Delaware corporation formed on October 28, 2011, and its wholly-owned subsidiaries (collectively referred to as the "Company" and "we," "us" and "our") primarily install insulation, waterproofing, fire-stopping, fireproofing, garage doors, rain gutters, shower doors, closet shelving and mirrors and other products for residential and commercial builders located in the continental United States. The Company operates in over 125 locations and its corporate office is located in Columbus, Ohio.

We have one operating segment and a single reportable segment. We offer our portfolio of services for new and existing single-family and multi-family residential and commercial building projects from our national network of branch locations. Each of our branches has the capacity to serve all of our end markets. See Note 3, Revenue Recognition, for information on our revenues by product and end market.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying Condensed Consolidated Financial Statements include all of our wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

The information furnished in the Condensed Consolidated Financial Statements includes normal recurring adjustments and reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the results of operations and statements of financial position for the interim periods presented. Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission (the "SEC") have been omitted pursuant to such rules and regulations. We believe that the disclosures are adequate to prevent the information presented from being misleading when read in conjunction with our audited consolidated financial statements and the notes thereto included in Part II, Item 8, Financial Statements and Supplementary Data, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the "2017 Form 10-K"), as filed with the SEC on February 28, 2018. The December 31, 2017 condensed consolidated balance sheet data herein was derived from the audited consolidated financial statements but does not include all disclosures required by U.S. GAAP.

Our interim operating results for the three and six months ended June 30, 2018 are not necessarily indicative of the results to be expected in future operating quarters. See Item 1A, Risk Factors, in our 2017 Form 10-K for additional information regarding risk factors that may impact our results.

Note 2 to the audited consolidated financial statements in our 2017 Form 10-K describes the significant accounting policies and estimates used in preparation of the audited consolidated financial statements. There have been no changes to our significant accounting policies during the three or six months ended June 30, 2018 except in the area of our revenue recognition, as a result of the adoption of ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)" and related subsequently issued amendments, effective January 1, 2018. Our revenue recognition accounting policy is described in Note 3, Revenue Recognition.

Recently Adopted Accounting Pronouncements

Standard	Adoption
ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*	ASC 606 sets forth a new revenue recognition model that requires identifying the contract(s) with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations and recognizing the revenue upon satisfaction of performance obligations. We adopted the provisions of ASU 2014-09 and related subsequently-issued amendments beginning on January 1, 2018 using the modified retrospective approach and, as such, recognized a $2.9 million cumulative effect, net of tax, of initially applying the standard as an increase to the opening balance of retained earnings on January 1, 2018. See Note 3, Revenue Recognition, for further information regarding our revenue recognition policies.
ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to accounting for Hedging Activities*	ASU 2017-12 better aligns a company’s risk management activities and financial reporting for hedging relationships and makes certain improvements to simplify the application of hedge accounting guidance. For public business entities, this update is effective for financial statements issued for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years, with early adoption permitted. We elected to early adopt this ASU effective January 1, 2018 and, as such, recognized a $0.1 million adjustment to our opening retained earnings and accumulated other comprehensive income as of January 1, 2018 to reclassify the cash flow hedge ineffectiveness previously recorded in net income in the fourth quarter of 2017 to accumulated other comprehensive income.
ASU 2018-05, *Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118*	In March 2018, the Financial Accounting Standards Board issued ASU 2018-05, which became effective immediately. ASU 2018-05 adds various SEC paragraphs pursuant to the issuance of the December 2017 SEC Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act (“SAB 118”). See Note 11, Income Taxes, for additional information regarding the adoption of ASU 2018-05.

Recently Issued Accounting Pronouncements Not Yet Adopted

We are currently evaluating the impact of certain ASUs on our Condensed Consolidated Financial Statements or Notes to Consolidated Financial Statements, which are described below:

INSTALLED BUILDING PRODUCTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Standard	Description	Effective Date	Effect on the financial statements or other significant matters
ASU 2016-02, *Leases (Topic 842)*	This pronouncement and related subsequently-issued amendments change the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASC 842 requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief.	Annual periods beginning after December 15, 2018, including interim periods therein. Early adoption is permitted.	We are currently in the process of completing the design phase of our implementation of this standard and will begin implementation in the 3rd quarter of 2018. To date, we have identified the system we will utilize to track related data, selected a vendor and are in the final stages of testing the system. We expect the adoption of this standard will have a significant impact on our Condensed Consolidated Balance Sheets. Additionally, we are evaluating our existing processes and internal controls to ensure we meet the standard's reporting and disclosure requirements. We will adopt these standards effective January 1, 2019.
ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326)*	This pronouncement amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. In addition, these amendments require the measurement of all expected credit losses for financial assets, including trade accounts receivable, held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts.	Annual periods beginning after December 15, 2019, including interim periods therein. Early adoption is permitted.	We are currently evaluating whether this ASU will have a material impact on our consolidated financial statements.

NOTE 3 – REVENUE RECOGNITION

Adoption of ASC Topic 606, "Revenue from Contracts with Customers"

On January 1, 2018, we adopted the new accounting standard ASC 606, "Revenue from Contracts with Customers" using the modified retrospective method applied to those contracts that were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under Topic

606, while prior period amounts are not adjusted and continue to be reported in accordance with our historic accounting under Topic 605.

We recorded a $2.9 million increase to opening retained earnings, net of tax, on January 1, 2018 due to the impact of adopting Topic 606, with the impact primarily related to the change in accounting for certain of our short-term contracts that were previously accounted for on a completed contract basis, whereas, under ASC 606, we now recognize revenue associated with these contracts over time as service is performed and the transfer of control occurs, based on a percentage-of-completion method using cost-to-cost input methods as a measure of progress. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

Revenue Recognition

Our revenues are derived primarily through contracts with customers whereby we install insulation and other complementary building products and are recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. We recognize revenue using the percentage-of-completion method of accounting, utilizing a cost-to-cost input approach as we believe this represents the best measure of when goods and services are transferred to the customer. An insignificant portion of our sales, primarily retail sales, is accounted for on a point-in-time basis when the sale occurs, adjusted accordingly for any return provisions. We do offer assurance-type warranties on certain of our installed products and services that do not represent a separate performance obligation and, as such, do not impact the timing or extent of revenue recognition.

When the percentage-of-completion method is used, we estimate the costs to complete individual contracts and record as revenue that portion of the total contract price that is considered complete based on the relationship of costs incurred to date to total anticipated costs (the cost-to-cost approach). Under the cost-to-cost approach, the use of estimated costs to complete each contract is a significant variable in the process of determining recognized revenue, requires significant judgment and can change throughout the duration of a contract due to contract modifications and other factors impacting job completion. The costs of earned revenue include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools and repairs. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

Our long-term contracts can be subject to modification to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Most of our contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

Billing on our long-term contracts occurs primarily on a monthly basis throughout the contract period whereby we submit invoices for customer payment based on actual or estimated costs incurred during the billing period. On certain of our long-term contracts the customer may withhold payment on an invoice equal to a percentage of the invoice amount, which will be subsequently paid after satisfactory completion of each installation project. This amount is referred to as retainage and is common practice in the construction industry, as it allows for customers to ensure the quality of the service performed prior to full payment. Retainage receivables are classified as current or long-term assets based on the expected time to project completion.

We disaggregate our revenue from contracts with customers by end market and product, as we believe it best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. The following tables present our revenues disaggregated by end market and product (in thousands):

	Three months ended June 30,				Six months ended June 30,			
	2018		2017(1)		2018		2017(1)	
Residential new construction	$257,904	77%	$216,866	77%	$487,546	77%	$409,388	76%
Repair and remodel	21,873	7%	18,006	6%	42,345	7%	34,875	7%
Commercial	52,807	16%	47,324	17%	104,421	16%	93,602	17%
Net revenues	$332,584	100%	$282,196	100%	$634,312	100%	$537,865	100%

	Three months ended June 30,				Six months ended June 30,			
	2018		2017(1)		2018		2017(1)	
Insulation	$218,493	66%	$189,967	67%	$420,768	67%	$365,590	68%
Waterproofing	24,892	7%	22,119	8%	47,498	7%	43,124	8%
Shower doors, shelving and mirrors	22,773	7%	18,373	6%	43,032	7%	31,258	6%
Garage doors	19,326	6%	15,176	5%	34,792	5%	29,464	5%
Rain gutters	10,608	3%	10,188	4%	19,266	3%	18,630	3%
Blinds	8,079	2%	1,890	1%	13,385	2%	3,274	1%
Other building products	28,413	9%	24,483	9%	55,571	9%	46,525	9%
Net revenues	$332,584	100%	$282,196	100%	$634,312	100%	$537,865	100%

(1) As noted above, prior period amounts have not been adjusted under the modified retrospective method.

Contract Assets and Liabilities

Our contract assets consist of unbilled amounts typically resulting from sales under long-term contracts when the cost-to-cost method of revenue recognition is utilized and revenue recognized, based on costs incurred, exceeds the amount billed to the customer. Our contract assets are recorded in other current assets in our Consolidated Balance Sheets. Our contract liabilities consist of customer deposits and billings in excess of revenue recognized, based on costs incurred and is included in other current liabilities in our Consolidated Balance Sheets.

Contract assets and liabilities related to our uncompleted contracts and customer deposits were as follows (in thousands):

	June 30, 2018	December 31, 2017
Contract assets	$18,132	$ 6,182
Contract liabilities	(6,900)	(4,376)

The increase in contract assets as of June 30, 2018 compared to December 31, 2017 is primarily a result of the adoption of ASC 606 on January 1, 2018, which increased the unbilled receivable balance included in other current assets.

Uncompleted contracts were as follows (in thousands):

	June 30, 2018	Deember 31, 2017
Costs incurred on uncompleted contracts	$109,643	$ 79,235
Estimated earnings	57,995	44,035
Total	167,638	123,270
Less: Billings to date	153,687	121,464
Net under (over) billings	$ 13,951	$ 1,806

Net under (over) billings were as follows (in thousands):

	June 30, 2018	December 31, 2017
Costs and estimated earnings in excess of billings on uncompleted contracts (contract assets)	$18,132	$ 6,182
Billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities)	(4,181)	(4,376)
Net under (over) billings	$13,951	$ 1,806

During the three and six months ended June 30, 2018, we recognized $0.6 and $6.9 million of revenue, respectively, that was included in the contract liability balance at December 31, 2017. We did not recognize any impairment losses on our receivables and contract assets during the three and six months ended June 30, 2018.

Remaining performance obligations represent the transaction price of contracts for which work has not been performed and excludes unexercised contract options and potential modifications. As of June 30, 2018, the aggregate amount of the transaction price allocated to remaining uncompleted contracts was $83.8 million. We expect to recognize revenue on substantially all of these uncompleted contracts over the next 18 months.

Practical Expedients and Exemptions

We generally expense sales commissions and other incremental costs of obtaining a contract when incurred because the amortization period is usually one year or less. Sales commissions are recorded within selling expenses within the Condensed Consolidated Statements of Operations and Comprehensive Income.

NOTE 4 – INVESTMENTS

Cash and cash equivalents includes investments in money market funds that are valued based on the net asset value of the funds. The cash equivalents consist primarily of money market funds that are Level 1 measurements. The investments in these funds were $123.0 million and $55.6 million as of June 30, 2018 and December 31, 2017, respectively. As of June 30, 2018, approximately $100.0 million of the $123.0 million in investments in money market funds stems from an additional $100.0 million in loan proceeds received in connection with our term loan amendment that took place on June 19, 2018. See Note 6, Long-Term Debt, for additional information.

All other investments are classified as held-to-maturity and consist of highly liquid instruments, primarily including corporate bonds and commercial paper. As of June 30, 2018 and December 31, 2017, the amortized cost of these investments equaled the net carrying value, which was $20.3 million and $30.1 million, respectively. All held-to-maturity securities as of June 30, 2018 mature in one year or less. See Note 7, Fair Value Measurements, for additional information.

NOTE 5 – GOODWILL AND INTANGIBLES

Goodwill

The change in carrying amount of goodwill was as follows (in thousands):

	Goodwill (Gross)	Accumulated Impairment Losses	Goodwill (Net)
January 1, 2018	$225,470	$ (70,004)	$155,466
Business Combinations	7,086	—	7,086
Other	471	—	471
June 30, 2018	$233,027	$ (70,004)	$163,023

Other changes included in the above table represent minor adjustments for the allocation of certain acquisitions still under measurement and one immaterial acquisition completed during the six months ended June 30, 2018.

We test goodwill for impairment annually during the fourth quarter of our fiscal year or earlier if there is an impairment indicator. No impairment was recognized during either of the six month periods ended June 30, 2018 or 2017.

Intangibles, net

The following table provides the gross carrying amount, accumulated amortization and net book value for each major class of intangibles (in thousands):

	As of June 30, 2018			As of December 31, 2017		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Amortized intangibles:						
Customer relationships	$127,900	$ 45,211	$ 82,689	$121,015	$ 38,651	$ 82,364
Covenants not-to-compete	12,715	6,120	6,595	11,807	4,773	7,034
Trademarks and trade names	61,068	16,119	44,949	58,136	14,076	44,060
Backlog	13,600	13,600	—	13,600	9,067	4,533
	$215,283	$ 81,050	$134,233	$204,558	$ 66,567	$137,991

The gross carrying amount of intangibles increased approximately $10.7 million during the six months ended June 30, 2018 primarily due to business combinations. See Note 14, Business Combinations, for more information. Remaining estimated aggregate annual amortization expense is as follows (amounts, in thousands, are for the fiscal year ended):

Remainder of 2018	10,084
2019	19,685
2020	18,893
2021	17,850
2022	16,932
Thereafter	50,789

NOTE 6 – LONG-TERM DEBT

Long-term debt consisted of the following (in thousands):

	As of June 30, 2018	As of December 31, 2017
Term loan, net of unamortized debt issuance costs of $5,213 and $5,146, respectively	$ 392,537	$ 293,354
Vehicle and equipment notes, maturing June 2023; payable in various monthly installments, including interest rates ranging from 2.5% to 4.6%	57,603	50,357
Various notes payable, maturing through March 2025; payable in various monthly installments, including interest rates ranging from 4% to 5%	3,267	3,866
	453,407	347,577
Less: current maturities	(20,083)	(16,650)
Long-term debt, less current maturities	$ 433,324	$ 330,927

On April 13, 2017, we entered into, and subsequently amended on November 30, 2017, a term loan credit agreement (the “Term Loan Agreement”) which provided for a seven-year $300.0 million term loan facility (the “Term Loan”) and an asset-based lending credit agreement (the “ABL Credit Agreement”) which provided for up to approximately $100.0 million with a sublimit up to $50.0 million for the issuance of letters of credit (the “ABL Revolver”), which may be reduced or increased pursuant to the ABL Credit Agreement.

On June 19, 2018, we entered into a second amendment to the Term Loan Agreement (the “Term Loan Second Amendment”) to (i) extend the maturity date from April 15, 2024 to April 15, 2025 and (ii) increase the aggregate principal amount of the facility from $297.8 million to $397.8 million. In conjunction with the Term Loan Second Amendment, we wrote off fees of $1.1 million. All other provisions of the Term Loan Agreement were unchanged.

Also on June 19, 2018, we entered into a third amendment to the ABL Credit Agreement (the “ABL Third Amendment”) to (i) extend the maturity date from April 13, 2022 to June 19, 2023, (ii) increase the aggregate revolving loan commitments from $100.0 million to $150.0 million and (iii) provide enhanced borrowing availability against certain types of accounts receivable.

NOTE 7 – FAIR VALUE MEASUREMENTS

Assets and Liabilities Measured at Fair Value on a Recurring Basis

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. During the periods presented, there were no transfers between fair value hierarchical levels.

Assets Measured at Fair Value on a Nonrecurring Basis

Certain assets, specifically other intangible and long-lived assets, are measured at fair value on a nonrecurring basis in periods subsequent to initial recognition. Assets measured at fair value on a nonrecurring basis as of June 30, 2018 and December 31, 2017 are categorized based on the lowest level of significant input to the valuation. The assets are measured at fair value when our impairment assessment indicates a carrying value for each of the assets in excess of the asset's estimated fair value. Undiscounted cash flows, a Level 3 input, are utilized in determining estimated fair values. During each of the three and six months ended June 30, 2018 and 2017, we did not record any impairments on these assets required to be measured at fair value on a nonrecurring basis.

Estimated Fair Value of Financial Instruments

Accounts receivable, accounts payable and accrued liabilities as of June 30, 2018 and December 31, 2017 approximate fair value due to the short-term maturities of these financial instruments. The carrying amounts of our long-term debt, including the Term Loan and ABL Revolver as of June 30, 2018 and December 31, 2017, approximate fair value due to the variable rate nature of the agreements. The carrying amounts of the obligations associated with our capital leases and vehicle and equipment notes approximate fair value as of June 30, 2018 and December 31, 2017. All debt classifications represent Level 2 fair value measurements. Market risk associated with our long-term debt relates to the potential reduction in fair value and negative impact to future earnings, respectively, from an increase in interest rates.

Derivative financial instruments are measured at fair value based on observable market information and appropriate valuation methods. Contingent consideration liabilities arise from future earnout payments to the sellers associated with certain acquisitions and are based on predetermined calculations of certain future results. These future payments are estimated by considering various factors including business risk and projections. The contingent consideration liabilities are measured at fair value by discounting estimated future payments to their net present value using the appropriate weighted average cost of capital (WACC). The fair values of financial assets and liabilities that are recorded at fair value in the Condensed Consolidated Balance Sheets are as follows (in thousands):

	As of June 30, 2018				As of December 31, 2017			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial assets:								
Cash equivalents	$123,027	$123,027	$ —	$ —	$55,634	$55,634	$ —	$ —
Derivative financial instruments	3,003	—	3,003	—	618	—	618	—
Total financial assets	$126,030	$123,027	$3,003	$ —	$56,252	$55,634	$ 618	$ —
Financial liabilities:								
Contingent consideration	$ 4,485	$ —	$ —	$4,485	$ 1,834	$ —	$ —	$1,834

The change in fair value of the contingent consideration was as follows (in thousands):

Contingent consideration liability - January 1, 2018	$1,834
Preliminary purchase price	3,360
Fair value adjustments	(544)
Accretion in value	235
Amounts paid to sellers	(400)
Contingent consideration liability - June 30, 2018	$4,485

The accretion in value of contingent consideration liabilities is included within administrative expenses on the Condensed Consolidated Statements of Operations and Comprehensive Income.

The carrying values and associated fair values of financial assets and liabilities that are not recorded at fair value in the Condensed Consolidated Balance Sheets and not described above include investments which represent a Level 2 fair value measurement and are as follows (in thousands):

	As of June 30, 2018		As of December 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Investments	$ 20,312	$20,294	$ 30,053	$30,038

See Note 4, Investments, for more information on cash equivalents and investments included in the table above. Also see Note 8, Derivatives and Hedging Activities, for more information on derivative financial instruments.

NOTE 8 – DERIVATIVES AND HEDGING ACTIVITIES

Cash Flow Hedges of Interest Rate Risk

Our purpose for using interest rate derivatives is to add stability to interest expense and to manage our exposure to interest rate movements. During the first six months of 2018, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt. To accomplish these objectives, we primarily use interest rate swaps as part of our interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. As of June 30, 2018 and December 31, 2017, we had two interest rate swaps with a beginning notional of $100.0 million that amortize quarterly to $95.3 million at a maturity date of May 31, 2022.

The changes in the fair value of derivatives designated and that qualify as cash flow hedges are recorded in accumulated other comprehensive income and subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. Any ineffectiveness arising during the period, as a result of a change to the hedge or the item(s) being hedged, is recognized directly in earnings. We had no such changes during the six months ended June 30, 2018.

Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense, net as interest payments are made on our variable-rate debt. Over the next twelve months, we estimate that an additional $0.5 million will be reclassified as a decrease to interest expense, net.

Additionally, we do not use derivatives for trading or speculative purposes and we currently do not have any derivatives that are not designated as hedges. As of June 30, 2018, the Company has not posted any collateral related to these agreements.

We elected to early adopt ASU 2017-12, "Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities." as of January 1, 2018 and, as such, recognized a $0.1 million adjustment to our opening retained earnings and accumulated other comprehensive income as of January 1, 2018 to reclassify the cash flow hedge ineffectiveness previously recorded in net income in the fourth quarter of 2017 to accumulated other comprehensive income.

NOTE 9 – STOCKHOLDERS' EQUITY

As of June 30, 2018, we had $2.3 million in accumulated other comprehensive income on our Condensed Consolidated Balance Sheet, which represents the effective portion of the unrealized gain on our derivative instruments. For additional information, see Note 8, Derivatives and Hedging Activities.

On February 28, 2018, we announced that our Board of Directors authorized a $50 million stock repurchase program effective March 2, 2018 through February 28, 2019, unless extended by the Board of Directors. During the six months ended June 30, 2018, we repurchased approximately 413 thousand shares of our common stock for an aggregate purchase price of approximately $24.6 million or $59.70 average price per share as part of our 2018 stock repurchase plan. The effect of these treasury shares reducing the number of common shares outstanding is reflected in our earnings per share calculation.

NOTE 10 – EMPLOYEE BENEFITS

Healthcare

Our healthcare benefit expense (net of employee contributions) for all plans was approximately $4.4 million and $4.3 million for the three months ended June 30, 2018 and 2017, respectively, and $8.8 million and $8.3 million for the six months ended June 30, 2018 and 2017, respectively. An accrual for estimated healthcare claims incurred but not reported ("IBNR") is included within accrued compensation on the Condensed Consolidated Balance Sheets and was $2.1 million and $1.8 million as of June 30, 2018 and December 31, 2017, respectively.

Workers' Compensation

Workers' compensation expense totaled $1.5 million and $2.6 million for the three months ended June 30, 2018 and 2017, respectively, and $5.3 million and $6.7 million for the six months ended June 30, 2018 and 2017, respectively. Workers' compensation known claims and IBNR reserves included on the Condensed Consolidated Balance Sheets were as follows (in thousands):

	June 30, 2018	December 31, 2017
Included in other current liabilities	$ 6,066	$ 5,899
Included in other long-term liabilities	8,018	8,721
	$14,084	$ 14,620

We also had an insurance receivable for claims that exceeded the stop loss limit included on the Condensed Consolidated Balance Sheets. This receivable offsets an equal liability included within the reserve amounts noted above and was as follows (in thousands):

	June 30, 2018	December 31, 2017
Included in other non-current assets	$1,894	$ 1,826

Retirement Plans

We participate in multiple 401(k) plans, whereby we provide a matching contribution of wages deferred by employees and can also make discretionary contributions to each plan. Certain plans allow for discretionary employer contributions only. These plans cover substantially all our eligible employees. During each of the three months ended June 30, 2018 and 2017, we recognized 401(k) plan expenses of $0.5 million, and we recognized $0.9 million for each of the six months ended June 30, 2018 and 2017, respectively. These expenses are included in administrative expenses on the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income.

Share-Based Compensation

Common Stock Awards

During the six months ended June 30, 2018 and 2017, we granted approximately five thousand and six thousand shares of our common stock on June 1, respectively, under our 2014 Omnibus Incentive Plan to non-employee members of our Board of Directors. The stock issued to the Board of Directors on June 1, 2017 vested immediately, whereas the stock issued on June 1, 2018 will vest over a one year service term. Accordingly, for the three and six months ended June 30, 2017, we recorded approximately $0.3 million in compensation expense within administrative expenses on the Condensed Consolidated Statements of Operations and Comprehensive Income at the time of the grant, while twenty-five thousand dollars of compensation expense was recorded during the three and six months ending June 30, 2018.

In addition, during the three and six months ended June 30, 2018 and 2017, we granted approximately 0.1 million shares of our common stock under our 2014 Omnibus Incentive Plan to our employees. The shares granted during the three and six months ended June 30, 2018 and 2017 vest in three equal installments (rounded to the nearest whole share) annually on April 20 through 2021.

During the six months ended June 30, 2018 and 2017, our employees surrendered approximately forty-one thousand shares and ten thousand shares, respectively, of our common stock to satisfy tax withholding obligations arising in connection with the vesting of common stock awards issued under our 2014 Omnibus Incentive Plan. Share-based compensation expense associated with non-performance-based awards issued to employees was $1.0 million and $1.9 million for the three and six months ended June 30, 2018, respectively, and $0.7 million and $1.1 million for the three and six months ended June 30, 2017, respectively. We recognized excess tax benefits of $0.4 million and $0.5 million within the income tax provision in the Condensed Consolidated Statements of Operations and Comprehensive Income for the three and six months ended June 30, 2018, respectively, and $0.5 million and $0.6 million for the three and six months ended June 30, 2017, respectively.

As of June 30, 2018, we had $7.2 million of unrecognized compensation expense related to these nonvested common stock awards issued to the Board of Directors and our employees. This expense is subject to future adjustments for forfeitures and is expected to be recognized on a straight-line basis over the remaining weighted-average period of 2.1 years. Shares forfeited are returned as treasury shares and available for future issuances. See the table below for changes in shares and related weighted average fair market value per share.

Employees – Performance-Based Stock Awards

During the six months ended June 30, 2018, we granted under our 2014 Omnibus Incentive Plan approximately 0.1 million shares of our common stock to certain officers, which vest in two equal installments on each of April 20, 2019 and April 20, 2020. These shares were issued in connection with the performance-based targets established in 2017. In addition, during the six months ended June 30, 2018, we established, and our Board of Directors approved, performance-based targets in connection with common stock awards to be issued to certain officers in 2019 contingent upon achievement of these 2018 targets. Share-based compensation expense associated with these performance-based awards was $0.6 million and $1.0 million for the three and six months ended June 30, 2018, respectively, and $0.3 million and $0.4 million for the three and six months ended June 30, 2017, respectively.

As of June 30, 2018, we had $4.2 million of unrecognized compensation expense related to nonvested performance-based common stock units. This expense is subject to future adjustments for forfeitures and is expected to be recognized over the remaining weighted-average period of 2.0 years using the graded-vesting method. See the table below for changes in shares and related weighted average fair market value per share.

Employees – Performance-Based Restricted Stock Units

During the six months ended June 30, 2017, we established, and our Board of Directors approved, performance-based restricted stock units in connection with common stock awards which we issued to certain employees during the six months ended June 30, 2018. In addition, during the six months ended June 30, 2018, we established, and our Board of Directors approved, performance-based restricted stock units in connection with common stock awards to be issued to certain employees in 2019 based upon achievement of a performance target. Share-based compensation expense associated with these performance-based awards was $0.3 million and $1.2 million for the three and six months ended June 30, 2018, respectively, and $0.8 million for both the three and six months ended June 30, 2017, respectively. All restricted stock units are accounted for as equity-based awards that are settled with a fixed number of common shares.

As of June 30, 2018, we had $0.6 million of unrecognized compensation expense related to nonvested performance-based common stock units. This expense is subject to future adjustments for forfeitures and is expected to be recognized on a straight-line basis over the remaining weighted-average period of 0.8 years. See the table below for changes in shares and related weighted average fair market value per share.

Share-Based Compensation Summary

Amounts for each category of equity-based award for employees as of December 31, 2017 and changes during the six months ended June 30, 2018 were as follows:

	Common Stock Awards		Performance-Based Stock Awards		Performance-Based Restricted Stock Units	
	Awards	Weighted Average Fair Market Value Per Share	Awards	Weighted Average Fair Market Value Per Share	Units	Weighted Average Fair Market Value Per Share
Nonvested awards/units at December 31, 2017	202,331	$ 39.09	77,254	$ 41.00	72,000	$ 52.16
Granted	65,112	57.51	52,892	65.60	14,072	55.92
Vested	(90,952)	36.10	—	—	(71,120)	52.15
Forfeited/Cancelled	(1,329)	44.82	(14,448)	41.00	(1,464)	52.94
Nonvested awards/units at June 30, 2018	175,162	$ 47.45	115,698	$ 52.25	13,488	$ 56.05

During the three and six months ended June 30, 2018 and 2017, we recorded the following stock compensation expense, by income statement category (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Cost of sales	$ 180	$ —	$ 655	$ —
Selling	89	—	372	—
Administrative	1,687	2,090	3,169	2,570
	$ 1,956	$ 2,090	$ 4,196	$ 2,570

Administrative stock compensation expense includes all stock compensation earned by our administrative personnel, while cost of sales and selling stock compensation represents all stock compensation earned by our installation and sales employees, respectively.

NOTE 11 – INCOME TAXES

Our provision for income taxes as a percentage of pretax earnings is based on a current estimate of the annual effective income tax rate adjusted to reflect the impact of discrete items.

During the three and six months ended June 30, 2018, our effective tax rate was 24.0% and 24.6%, respectively. This rate was favorably impacted primarily by the enactment of Pub.L. 115–97, an Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 (the "Tax Act"). The Tax Act reduced the U.S federal corporate tax rate from 35% to 21% effective January 1, 2018, among other changes. ASC Topic 740, *Accounting for Income Taxes*, requires companies to recognize the effect of tax law changes in the period of enactment. Pursuant to ASU 2018-05 and Staff Accounting Bulletin No. 118 ("SAB 118") issued by the Securities and Exchange Commission, a company is expected to record a provisional amount when it does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain tax effects of the Tax Act, but a reasonable estimate can be determined. A provisional amount is not required to be recorded if a reasonable estimate cannot be determined.

We have recognized the provisional tax impacts of the Tax Act in our consolidated financial statements for the year ended December 31, 2017 included within our 2017 Form 10-K. Based on a review of the guidance issued by the Internal Revenue Service in the first and second quarters of 2018, no adjustment to the provisional amount recorded in the Condensed Consolidated Financial Statements for the year ended December 31, 2017 was deemed necessary. We continue to assess new guidance and refine our computation of these provisional amounts and will complete our analysis within the one-year measurement period ending December 22, 2018.

NOTE 12 – RELATED PARTY TRANSACTIONS

We sell installation services to other companies related to us through common or affiliated ownership and/or Board of Directors and/or management relationships. We also purchase services and materials and pay rent to companies with common or affiliated ownership.

We lease our headquarters and certain other facilities from related parties. See Note 13, Commitments and Contingencies, for future minimum lease payments to be paid to these related parties.

For the three and six months ended June 30, 2018 and 2017, the amount of sales to related parties as well as the purchases from and rent expense paid to related parties were as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Sales	$ 3,209	$ 2,386	$ 6,102	$ 4,722
Purchases	472	308	835	599
Rent	291	289	572	585

As of June 30, 2018 and December 31, 2017, we had related party balances of approximately $2.3 million and $2.0 million, respectively, included in accounts receivable on our Condensed Consolidated Balance Sheets. These balances primarily represent trade accounts receivable arising during the normal course of business with various related parties. M/I Homes, Inc., a customer whose Chairman, President and Chief Executive Officer is a member of our Board of Directors, accounted for $1.2 million and $1.0 million of these balances as of each of June 30, 2018 and December 31, 2017, respectively.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Accrued General Liability

Accrued general insurance reserves included on the Condensed Consolidated Balance Sheets were as follows (in thousands):

	June 30, 2018	December 31, 2017
Included in other current liabilities	$2,105	$ 2,033
Included in other long-term liabilities	7,165	7,073
	$9,270	$ 9,106

We also had insurance receivables and an indemnification asset, totaling $2.8 million, included in other non-current assets on the Condensed Consolidated Balance Sheets as of June 30, 2018 and December 31, 2017 that, in aggregate, offset an equal liability included within the reserve amounts noted above.

Leases

We are obligated under capital leases covering vehicles and certain equipment. The vehicle and equipment leases generally have initial terms ranging from four to six years. Total gross assets relating to capital leases were approximately $61.6 million and $63.4 million as of June 30, 2018 and December 31, 2017, respectively, and a total of approximately $31.3 million and $26.8 million were fully depreciated as of June 30, 2018 and December 31, 2017, respectively. The net book value of assets under capital leases was approximately $10.8 million and $13.0 million as of June 30, 2018 and December 31, 2017, respectively. Amortization of assets held under capital leases is included within cost of sales on the Condensed Consolidated Statements of Operations and Comprehensive Income.

We also have several noncancellable operating leases, primarily for buildings, improvements, equipment and certain vehicles. These leases generally contain renewal options for periods ranging from one to five years and require us to pay all executory costs such as property taxes, maintenance and insurance.

Future minimum lease payments under noncancellable operating leases (with initial or remaining lease terms in excess of one year) with related parties as of June 30, 2018 are as follows (in thousands):

Remainder of 2018	$ 577
2019	1,228
2020	1,255
2021	1,131
2022	1,052
Thereafter	51

Other Commitments and Contingencies

From time to time, various claims and litigation are asserted or commenced against us principally arising from contractual matters and personnel and employment disputes. In determining loss contingencies, management considers the likelihood of loss as well as the ability to reasonably estimate the amount of such loss or liability. An estimated loss is recorded when it is considered probable that such a liability has been incurred and when the amount of loss can be reasonably estimated. As litigation is subject to inherent uncertainties, we cannot be certain that we will prevail in these matters. However, we do not believe that the ultimate outcome of any pending matters will have a material adverse effect on our consolidated financial position, results of operations or cash flows.

During the six months ended June 30, 2018, we entered into an agreement with one of our suppliers to purchase a portion of the insulation materials we utilize across our business. This agreement is effective January 1, 2019 through December 31, 2021 with a purchase obligation of $25.8 million for 2019, $20.8 million for 2020 and $14.6 million for 2021.

NOTE 14 – BUSINESS COMBINATIONS

As part of our ongoing strategy to expand geographically and increase market share in certain markets, we completed five business combinations and one insignificant tuck-in acquisition merged into existing operations during the six months ended June 30, 2018 and four business combinations and two insignificant tuck-in acquisitions merged into existing operations during the six months ended June 30, 2017, respectively, in which we acquired 100% of the ownership interests in each.

The largest of these acquisitions were Custom Overhead Door, LLC dba Custom Door & Gate (collectively, “CDG”) in March 2018, Trilok Industries, Inc., Alpha Insulation and Waterproofing Inc. and Alpha Insulation and Waterproofing Company (collectively, “Alpha”) in January 2017 and Columbia Shelving & Mirror, Inc. and Charleston Shelving & Mirror, Inc. (collectively, “Columbia”) in June 2017.

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The remaining acquisitions were individually insignificant, but material in the aggregate, and are included in "Other" within each table below. Net Income, as noted below, includes amortization, taxes and interest allocations when appropriate.

For the three and six months ended June 30, 2018 (in thousands):

						Three months ended June 30, 2018		Six months ended June 30, 2018	
2018 Acquisitions	Date	Acquisition Type	Cash Paid	Seller Obligations	Total Purchase Price	Revenue	Net Income	Revenue	Net Income
CDG	3/19/2018	Asset	$ 9,440	$ 1,973	$11,413	$3,324	$ 80	$3,724	$ 65
Other	Various	Asset	9,186	1,826	11,012	4,508	315	5,779	381
Total			$18,626	$ 3,799	$22,425	$7,832	$ 395	$9,503	$ 446

For the three and six months ended June 30, 2017 (in thousands):

							Three months ended June 30, 2017		Six months ended June 30, 2017	
2017 Acquisitions	Date	Acquisition Type	Cash Paid	Seller Obligations	Fair Value of Common Stock	Total Purchase Price	Revenue	Net Income	Revenue	Net Income
Alpha(1)	1/5/2017	Share	$103,810	$ 2,002	$ 10,859	$116,671	$30,330	$ 157	$58,495	$ 461
Columbia	6/26/2017	Asset	8,768	225	—	8,993	216	7	216	7
Other	Various	Asset	5,502	400	—	5,902	4,654	261	5,172	282
Total			$118,080	$ 2,627	$ 10,859	$131,566	$35,200	$ 425	$63,883	$ 750

(1) The cash paid included $21.7 million in contingent consideration to satisfy purchase price adjustments related to cash and net working capital requirements, earnout consideration based on Alpha's change in EBITDA from 2015 and a customary holdback. These payments were based on fair value of each contingent payment at the time of acquisition and subsequently adjusted during the measurement period. We issued 282,577 shares of our common stock with a fair value of $10.9 million.

Acquisition-related costs recorded within administrative expenses on the Condensed Consolidated Statements of Operations and Comprehensive Income amounted to $0.7 million and $1.2 million for the three and six months ended June 30, 2018, respectively, and $0.7 million and $1.3 million for the three and six months ended June 30, 2017, respectively. The goodwill recognized in conjunction with these business combinations represents the excess cost of the acquired entity over the net amount assigned to assets acquired and liabilities assumed. We expect to deduct approximately $7.5 million of goodwill for tax purposes as a result of 2018 acquisitions.

Purchase Price Allocations

The estimated fair values of the assets acquired and liabilities assumed for the acquisitions, as well as total purchase prices and cash paid, approximated the following as of June 30 (in thousands):

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	2018			2017			
	CDG	Other	Total	Alpha	Columbia	Other	Total
Estimated fair values:							
Cash	$ —	$ —	$ —	$ 247	$ —	$ —	$ 247
Accounts receivable	1,731	662	2,393	29,851	989	1,087	31,927
Inventories	514	914	1,428	1,852	704	880	3,436
Other current assets	28	64	92	4,500	8	3	4,511
Property and equipment	933	1,252	2,185	1,528	659	686	2,873
Intangibles	3,711	6,160	9,871	57,200	4,760	3,321	65,281
Goodwill	4,912	2,174	7,086	38,511	2,209	1,014	41,734
Other non-current assets	36	—	36	383	36	133	552
Accounts payable and other current liabilities	(452)	(214)	(666)	(17,401)	(372)	(1,222)	(18,995)
Fair value of assets acquired and purchase price	11,413	11,012	22,425	116,671	8,993	5,902	131,566
Less fair value of common stock issued	—	—	—	10,859	—	—	10,859
Less seller obligations	1,973	1,826	3,799	2,002	225	400	2,627
Cash paid	$ 9,440	$ 9,186	$18,626	$103,810	$ 8,768	$ 5,502	$118,080

Contingent consideration is included as “seller obligations” in the above table or within “fair value of assets acquired” if subsequently paid during the period presented. These contingent payments consist primarily of amounts based on working capital calculations, earnouts based on performance, and non-compete agreements, all of which are based on fair value at the time of acquisition. When these payments are expected to be made over one year from the acquisition date, the contingent consideration is discounted to net present value using our weighted average cost of capital (WACC), when appropriate.

Further adjustments to the allocation for each acquisition still under its measurement period are expected as third-party and internal valuations are finalized, certain tax aspects of the transaction are completed and customary post-closing reviews are concluded during the measurement period attributable to each individual business combination. As a result, insignificant adjustments to the fair value of assets acquired, and in some cases total purchase price, have been made to certain business combinations since the date of acquisition and future adjustments may be made through the end of each measurement period. Goodwill and intangibles per the above table do not agree to the total gross increases of these assets as shown in Note 5, Goodwill and Intangibles, during each of the six months ended June 30, 2018 and 2017 due to minor adjustments to goodwill for the allocation of certain acquisitions still under measurement. In addition, goodwill and intangibles increased during each of the six months ended June 30, 2018 and 2017 due to immaterial tuck-in acquisitions that do not appear in the above table.

The provisional amounts for Alpha originally reported in our Condensed Consolidated Balance Sheets included in our Quarterly Report on Form 10-Q for the period ended June 30, 2017 were adjusted during the measurement period to reflect the review and ongoing analysis of the fair value measurements. As a result of our continued evaluation during the measurement period, during the twelve months ended December 31, 2017, we increased goodwill by approximately $2.1 million, offset by a corresponding net reduction in various working capital accounts.

Estimates of acquired intangible assets related to the acquisitions are as follows for the six months ended June 30 (dollars in thousands):

	2018		2017	
Acquired intangibles assets	Estimated Fair Value	Weighted Average Estimated Useful Life (yrs.)	Estimated Fair Value	Weighted Average Estimated Useful Life (yrs.)
Customer relationships	$ 6,481	8	$32,644	8
Trademarks and trade names	2,740	15	17,190	15
Non-competition agreements	650	5	1,847	5
Backlog	—	—	13,600	1.5

Pro Forma Information

The unaudited pro forma information for the combined results of the Company has been prepared as if the 2018 acquisitions had taken place on January 1, 2017 and the 2017 acquisitions had taken place on January 1, 2016. The unaudited pro forma information is not necessarily indicative of the results that we would have achieved had the transactions actually taken place on January 1, 2017 and 2016, respectively, and the unaudited pro forma information does not purport to be indicative of future financial operating results (in thousands, except per share data):

	Unaudited pro forma for the three months ended June 30,		Unaudited pro forma for the six months ended June 30,	
	2018	2017	2018	2017
Net revenue	$ 333,207	$ 300,536	$ 641,177	$ 578,575
Net income	16,378	12,832	22,977	20,323
Basic net income per share	0.52	0.41	0.73	0.64
Diluted net income per share	0.52	0.40	0.73	0.64

Unaudited pro forma net income reflects additional intangible asset amortization expense of $16 thousand and $0.2 million for the three and six months ended June 30, 2018 and $0.7 million and $1.5 million for the three and six months ended June 30, 2017, respectively, as well as additional income tax expense of $17 thousand and $87 thousand for the three and six months ended June 30, 2018 and $0.4 million and $1.1 million for the three and six months ended June 30, 2017, respectively, that would have been recorded had the 2018 acquisitions taken place on January 1, 2017 and the 2017 acquisitions taken place on January 1, 2016.

NOTE 15 –INCOME PER COMMON SHARE

Basic net income per common share is calculated by dividing net income by the weighted average shares outstanding during the period, without consideration for common stock equivalents.

Diluted net income per common share is calculated by adjusting weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period, determined using the treasury stock method. Potential common stock is included in the diluted income per common share calculation when dilutive. The dilutive effect of outstanding restricted stock awards after application of the treasury stock method was 107 thousand and 166 thousand shares for the three and six months ended June 30, 2018, respectively, and 63 thousand and 80 thousand shares for the three and six months ended June 30, 2017, respectively.

NOTE 16 – SUBSEQUENT EVENTS

On July 16, 2018, we entered into a seven-year interest rate swap (in addition to our two pre-existing interest rate swaps) with a beginning notional of $100.0 million that amortizes quarterly to $93.3 million at a maturity date of April 15, 2025, as well as a forward interest rate swap beginning May 31, 2022 with a beginning notional of $100.0 million that amortizes quarterly to $97.0 million at a maturity date of April 15, 2025. These derivatives serve to hedge the variable cash flows associated with existing variable-rate debt on the incremental $100.0 million principal borrowings and one year extension added to our Term Loan during the second quarter of 2018. Combined, these four swaps serve to hedge $200.0 million of the variable cash flows on our Term Loan until maturity.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our consolidated financial statements and related notes in "Item 1. Financial Statements" of this Form 10-Q, as well as our 2017 Form 10-K.

OVERVIEW

We are one of the nation's largest insulation installers for the residential new construction market and are also a diversified installer of complementary building products, including waterproofing, fire-stopping and fireproofing, garage doors, rain gutters, shower doors, closet shelving, mirrors and other products throughout the United States. We offer our portfolio of services for new and existing single-family and multi-family residential and commercial building projects in all 48 continental states and the District of Columbia from our national network of over 125 branch locations. Substantially all of our net revenue comes from service-based installation of these products in the residential new construction, repair and remodel and commercial construction end markets. We believe our business is well positioned to continue to profitably grow due to our strong balance sheet, liquidity and our continuing acquisition strategy.

A large portion of our net revenue comes from the U.S. residential new construction market, which depends upon a number of economic factors including demographic trends, interest rates, consumer confidence, employment rates, housing inventory levels, foreclosure rates, the health of the economy and availability of mortgage financing.

The recently passed Tax Act has added additional momentum to the economic landscape surrounding our business. While there have been concerns about the impact of the new tax law on housing, initial analyses are suggesting that it is generally stimulative to the economy. In addition, preliminary concerns about the reduction of the mortgage interest deduction, deductibility of real estate taxes, state taxes and local taxes seem to be offset by overall optimistic momentum around economic stability and growth. We may adjust our strategies based on housing demand and our performance in each of our markets.

2018 Second Quarter Highlights

Net revenue increased 17.9% or $50.4 million to $332.6 million, while gross profit increased 12.6% or $10.7 million, during the three months ended June 30, 2018 compared to 2017. The increase in net revenue and gross profit was primarily driven by the continued recovery of the housing markets, the contribution of our recent acquisitions and the diversity of installation services across our end markets and products, with the increase in gross margin being partially offset by material inflation and labor related expenses.

During the second quarter of 2018, we extended the maturity date of our Term Loan Agreement from April 15, 2024 to April 15, 2025 and increased the aggregate principal amount of the facility from $297.8 million to $397.8 million, and extended the maturity date on our ABL Revolver from April 13, 2022 to June 19, 2023 and increased the aggregate revolving loan commitments from $100.0 million to $150.0 million. In conjunction with the Term Loan Second Amendment, we wrote off fees of $1.1 million. All other provisions of the Term Loan Agreement were unchanged.

On July 16, 2018, we entered into a seven-year interest rate swap (in addition to our two pre-existing interest rate swaps) with a beginning notional of $100.0 million as well as a forward interest rate swap beginning May 31, 2022 with a beginning notional of $100.0 million. These derivatives serve to hedge the variable cash flows associated with existing variable-rate debt on the incremental $100.0 million principal borrowings and one-year extension added to our Term Loan during the second quarter of 2018. Together, these four swaps serve to hedge $200.0 million of the variable cash flows on our Term Loan until maturity.

We believe there are several trends that should drive long-term growth in the housing market. These trends include an aging housing stock, population growth and household formation growth. These positive trends are reflected in Blue Chip Economic Indicators' July 2018 consensus forecast, which projects housing starts to increase from approximately 1.2 million in 2017 to approximately 1.3 million in 2018. We expect that our net revenue, gross profit and operating income will benefit from this growth. While we are actively adjusting pricing with our customers, we have realized selling price increases at a slower rate than the increase in material costs. We have been successful negotiating better pricing with our customers and experienced solid price increase momentum during the first and second quarter of 2018. Based on current and improving market conditions, we expect our selling prices to continue to improve during the third quarter, with improving margins to be in-line with historical trends. We do expect to experience higher material costs through the remainder of the year and will continue to work with our customers to adjust selling prices to offset these higher costs.

Sales performance

Net revenues increased during the second quarter and first six months of 2018 compared to 2017, primarily driven by acquisitions, organic growth from our existing branches and increased selling prices. For both the three and six months ended June 30, 2018, on a same branch basis, net revenue improved 11.3%, with slightly more than half of the increase for both periods attributable to growth in the number of completed jobs with the rest attributable to price gains and more favorable customer and product mix. We also saw organic growth in our large commercial construction end market of 4.1% and 8.6% during the three and six months ended, June 30, 2018, respectively, while same branch new residential sales increased 12.1% and 11.7%, compared to growth in U.S. housing completions of 6.5% and 8.4% for the three and six months ended June 30, 2018, respectively. Net revenue for the three and six months ended June 30 was as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Same branch(1)	$ 314,082	$ 236,422	$598,547	$444,803
Acquired branch(2)	18,502	45,774	35,765	93,062
Total net revenue	$ 332,584	$ 282,196	$634,312	$537,865

(1) Represents sales for branch locations owned for greater than 12 months as of the financial statement date.
(2) Represents sales for branch locations owned for less than 12 months as of the financial statement date.

Cost of sales and gross profit

Gross profit for the three and six months ended June 30 was as follows (dollars in thousands):

	Three months ended June 30,			Six months ended June 30,		
	2018	Change	2017	2018	Change	2017
Net revenues	$332,584	17.9%	$282,196	$634,312	17.9%	$537,865
Cost of sales	236,941	20.1%	197,268	458,693	20.5%	380,765
Gross profit	$ 95,643	12.6%	$ 84,928	$175,619	11.8%	$157,100
Gross profit percentage	28.8%		30.1%	27.7%		29.2%

As a percentage of net revenue, gross profit decreased during the three and six months ended June 30, 2018 compared to 2017 attributable primarily to industry-wide material cost increases beginning in January of this year as well as the impacts of our financial wellness plan, stock compensation plan for installers and increased training wages, partially offset by lower workers compensation costs.

Operating expenses

Operating expenses for the three and six months ended June 30 were as follows (dollars in thousands):

	Three months ended June 30,			Six months ended June 30,		
	2018	Change	2017	2018	Change	2017
Selling	$16,020	17.4%	$13,650	$31,866	15.1%	$27,676
Percentage of total net revenue	4.8%		4.8%	5.0%		5.1%
Administrative	$44,971	7.7%	$41,761	$89,174	10.1%	$81,022
Percentage of total net revenue	13.5%		14.8%	14.1%		15.1%
Amortization	$ 7,322	11.8%	$ 6,550	$14,450	11.4%	$12,966
Percentage of total net revenue	2.2%		2.3%	2.3%		2.4%

Selling

The dollar increases in selling expenses for the three and six months ended June 30, 2018 were primarily driven by increased selling wages and commissions on an increased sales base. Selling expense, as a percentage of sales, decreased for the six months ended June 30, 2018, primarily due to lower bad debt expense compared to the first six months of 2017, partially offset by higher stock compensation expense in 2018. Lower bad debt expense accounted for 0.2% of the reduction in selling expense as a percentage of sales during the six months ended June 30, 2018.

Administrative

The increase in administrative expenses for the three and six months ended June 30, 2018 was primarily due to an increase in wages and benefits and facility costs attributable to both acquisitions and organic growth. Increased administrative wages accounted for the majority of the total increase in administrative costs, with increased facility costs accounting for the remaining increase during both the three and six months ended June 30, 2018. Administrative expense decreased as a percentage of sales for the three and six months ended June 30, 2018 compared to 2017 primarily due to lower bonus expense, as well as lower liability and medical insurance expense.

Other expense

Other expense net for the three and six months ended June 30 was as follows (dollars in thousands):

	Three months ended June 30,			Six months ended June 30,		
	2018	Change	2017	2018	Change	2017
Interest expense, net	$5,691	17.0%	$4,865	$ 9,731	38.3%	$7,035
Other	163	24.4%	131	285	0.7%	283
Total other expense	$5,854	17.2%	$4,996	$10,016	36.9%	$7,318

The increase in interest expense during the three and six months ended June 30, 2018 compared to 2017 was due to increased debt balances associated with our borrowings to support acquisition-related growth.

Income tax provision

Income tax provision and effective tax rates for the three and six months ended June 30 were as follows (dollars in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Income tax provision	$ 5,161	$ 5,998	$ 7,404	$ 9,781
Effective tax rate	24.0%	33.4%	24.6%	34.8%

During the three and six months ended June 30, 2018, our tax rate was favorably impacted primarily by the effects of the Tax Act, which reduced the U.S federal corporate tax rate from 35% to 21%, usage of net operating losses for a tax filing entity which previously had a full valuation allowance and excess tax benefits from share-based compensation arrangements. This favorability was partially offset by separate tax filing entities in a loss position for which a full valuation allowance will be accounted for against the losses, causing no tax benefit to be recognized on the losses, as well as the loss of the domestic production activities deduction resulting from the enactment of the Tax Act.

The ultimate impact of the Tax Act may differ from these provisional amounts, possibly materially, due to, among other things, additional analysis, changes in interpretations and assumptions we have made, additional regulatory guidance that may be issued and actions we may take as a result of the Tax Act. We have recognized the provisional tax impacts of the Tax Act in our Condensed Consolidated Financial Statements for the year ended December 31, 2017 included within our 2017 Form 10-K. Based on a review of the guidance issued by the Internal Revenue Service in the first six months of 2018, no adjustment to the provisional amount recorded in the Condensed Consolidated Financial Statements for the year ended December 31, 2017 was deemed necessary. We continue to assess new guidance and refine our computation of these provisional amounts and will complete our analysis within the one-year measurement period ending December 22, 2018.

KEY FACTORS AFFECTING OUR OPERATING RESULTS

Material costs

We purchase the materials that we install primarily from manufacturers. The industry supply of materials we install was disrupted due to a catastrophic failure at a manufacturer's facility during the fourth quarter of 2017, resulting in insulation material allocation throughout the industry and, as a result, increased market pricing in 2018. Increased market pricing, regardless of the catalyst, could impact our results of operations, to the extent that price increases cannot be passed on to our customers. See Management's Discussion and Analysis of Financial Conditions and Results of Operations—Overview—2018 Second Quarter Highlights.

Liquidity and capital resources

Our primary capital requirements are to fund working capital needs, operating expenses, acquisitions and capital expenditures and meet required principal and interest payments. Our capital resources primarily consist of cash from operations and borrowings under our credit agreement and capital equipment leases and loans. Our investments consist of highly liquid instruments primarily including corporate bonds and commercial paper. As of June 30, 2018, we had no outstanding borrowings under our ABL Revolver.

On June 19, 2018, we entered into a second amendment to the Term Loan Agreement (the "Term Loan Second Amendment") to (i) extend the maturity date from April 15, 2024 to April 15, 2025 and (ii) increase the aggregate principal amount of the facility from $297.8 million to $397.8 million. In conjunction with the Term Loan Second Amendment, we wrote off fees of $1.1 million. All other provisions of the Term Loan Agreement were unchanged.

Also on June 19, 2018, we entered into a third amendment to the ABL Credit Agreement (the "ABL Third Amendment") to (i) extend the maturity date from April 13, 2022 to June 19, 2023, (ii) increase the aggregate revolving loan commitments from $100.0 million to $150.0 million and (iii) provide enhanced borrowing availability against certain types of accounts receivable.

Furthermore, on July 16, 2018, we entered into a seven-year interest rate swap (in addition to our two pre-existing interest rate swaps) with a beginning notional of $100.0 million, as well as a forward interest rate swap beginning May 31, 2022 with a beginning notional of $100.0 million. These derivatives serve to hedge the variable cash flows associated with existing variable-rate debt on the incremental $100.0 million principal borrowings and one-year extension added to our Term Loan during the second quarter of 2018. Together, these four swaps serve to hedge $200.0 million of the variable cash flows on our Term Loan until maturity.

Our acquisition of Alpha, which was completed on January 5, 2017, required us to commit significant resources to the acquisition and ongoing support of Alpha's business. This acquisition was funded by drawing on the credit facility in existence at that time.

We believe that our cash flows from operations, combined with our current cash levels and available borrowing capacity, will be adequate to support our ongoing operations and to fund our debt service requirements, capital expenditures and working capital for at least the next 12 months as evidenced by our net positive cash flows from operations for the six months ended June 30, 2018 and 2017. At June 30, 2018, we were in compliance with all applicable covenants under our borrowing agreements.

The following table summarizes our liquidity (in thousands):

	As of June 30, 2018	As of December 31, 2017
Cash and cash equivalents	$ 139,746	$ 62,510
Short-term investments	20,312	30,053
ABL Revolver(1)	150,000	100,000
Less: outstanding letters of credit and cash-collateral	(28,537)	(17,902)
Total liquidity	$ 281,521	$ 174,661

(1) Liquidity under our ABL Revolver is currently capped by our borrowing base availability. As such, our actual liquidity from this instrument as of June 30, 2018, is less than the amount shown in the above table.

Letters of Credit and Bonds

We may use performance bonds to ensure completion of our work on certain larger customer contracts that can span multiple accounting periods. Performance bonds generally do not have stated expiration dates; rather, we are released from the bonds as the contractual performance is completed. In addition, we occasionally use letters of credit and cash to secure our performance under our general liability and workers' compensation insurance programs. Permit and license bonds are typically issued for one year and are required by certain municipalities when we obtain licenses and permits to perform work in their jurisdictions. The following table summarizes our outstanding bonds, letters of credit and cash-collateral as of June 30, 2018 (in thousands):

	2018
Performance bonds	$36,993
Insurance letters of credit and cash-collateral	28,522
Permit and license bonds	6,665
Total bonds and letters of credit	$72,180

In January 2018, we posted $10.0 million into a trust to serve as additional collateral for our workers' compensation and general liability policies. This $10.0 million can be converted to a letter of credit at our discretion and is therefore not considered to be restricted cash.

Historical cash flow information

Cash flows from operating activities

Net cash provided by operating activities was $33.1 million and $28.4 million for the six months ended June 30, 2018 and 2017, respectively. Generally, the primary driver of our cash flows from operating activities is operating income adjusted for certain non-cash items, offset by cash payments for taxes and interest on our outstanding debt. Our cash flows from operations can be impacted by the timing of our cash collections on sales and collection of retainage amounts. In addition, cash flows are seasonally stronger in the third and fourth quarters as a result of increased construction activity.

Cash flows from investing activities

Business Combinations. During the six months ended June 30, 2018 and 2017, we made cash payments, net of cash acquired, of $18.6 million and $116.9 million, respectively, on business combinations. Our acquisition of Alpha in January 2017 required an investing cash outlay of $103.8 million.

Capital Expenditures. Total cash paid for property and equipment was $18.5 million and $14.7 million for the six months ended June 30, 2018 and 2017, respectively, and was primarily related to purchases of vehicles and various equipment to support our growing operations. We expect to continue to support any increases in 2018 net revenue through further capital expenditures.

Other. During the six months ended June 30, 2018 and 2017, we invested $17.8 million and $25.3 million, respectively, in short-term investments consisting primarily of corporate bonds and commercial paper and had $27.5 million in short-term investments that matured during the six months ended June 30, 2018.

Cash flows from financing activities

We utilize our credit facilities to support our operations and continuing acquisitions as well as to finance our fleet expansion. During the six months ended June 30, 2018 and 2017, we had cash inflows from our credit facilities, net of payments on these instruments and other long-term debt, amounting to $92.4 million and $191.3 million, respectively, to support those initiatives. In addition, we made $3.0 million and $3.7 million in principal payments on our capital leases during the six months ended June 30, 2018 and 2017, respectively, and received proceeds of $14.3 million and $9.3 million during the six months ended June 30, 2018 and 2017, respectively, from our fixed asset loans. Lastly, we repurchased approximately 413 thousand shares of our common stock for $24.6 million during the six months ended June 30, 2018, as part of our 2018 stock repurchase plan. See Note 9, Stockholders' Equity for more information surrounding our stock repurchase plan.

Capped Call Agreement

Certain of our stockholders entered into a capped call agreement with the underwriters of the secondary offering of our common stock completed on June 17, 2014. This agreement provided these stockholders with an option to call from the underwriters a total of approximately 1.0 million shares of our common stock at a capped price, with settlement required to be made in cash. During 2016, these stockholders exercised the call option with respect to approximately 0.7 million of the shares. In addition, in the fourth quarter of 2016, these stockholders simultaneously cancelled the remaining portion of the call option and purchased a new call option from the underwriters. This new capped call agreement provided these stockholders with the option to call from the underwriters a total of approximately 0.4 million shares of our common stock at a capped price. The option was exercised on April 16, 2018 and was settled in cash. The capped call agreement is between these stockholders and the underwriters and does not represent compensation to the stockholders for services rendered to us. The price paid for the option represents the fair value of that transaction and we are not a party to the agreement. Accordingly, we have not recorded any expense related to this transaction.

Contractual Obligations

During the six months ended June 30, 2018, we entered into an agreement with one of our suppliers to purchase a portion of the insulation materials we utilize across our business. The intention of this agreement, in part, is to purchase a minimum quantity of materials at a set price, ensuring supply and locking in prices at agreed-upon rates. This agreement is effective January 1, 2019 through December 31, 2021 with a purchase obligation of $25.8 million for 2019, $20.8 million for 2020 and $14.6 million for 2021.

Critical Accounting Policies and Estimates

During the six months ended June 30, 2018 we changed certain of our critical accounting policies and estimates, from those previously disclosed in our 2017 Form 10-K, in relation to our revenue recognition, cash flow classification for certain of our cash flows and our hedge accounting, as a result of the adoption of new accounting standards on January 1, 2018.

Recently Adopted Accounting Pronouncements

Standard	Adoption
ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*	ASC 606 sets forth a new revenue recognition model that requires identifying the contract(s) with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations and recognizing the revenue upon satisfaction of performance obligations. We adopted the provisions of ASU 2014-09 and related subsequently-issued amendments beginning on January 1, 2018 using the modified retrospective approach and, as such, recognized a $2.9 million cumulative effect, net of tax, of initially applying the standard as an increase to the opening balance of retained earnings on January 1, 2018. See Note 3, Revenue Recognition, for further information regarding our revenue recognition policies.
ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to accounting for Hedging Activities*	ASU 2017-12 better aligns a company’s risk management activities and financial reporting for hedging relationships and makes certain improvements to simplify the application of hedge accounting guidance. For public business entities, this update is effective for financial statements issued for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years, with early adoption permitted. We elected to early adopt this ASU effective January 1, 2018 and, as such, recognized a $0.1 million adjustment to our opening retained earnings and accumulated other comprehensive income as of January 1, 2018 to reclassify the cash flow hedge ineffectiveness previously recorded in net income in the fourth quarter of 2017 to accumulated other comprehensive income.
ASU 2018-05, *Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118*	In March 2018, the Financial Accounting Standards Board issued ASU 2018-05, which became effective immediately. ASU 2018-05 adds various SEC paragraphs pursuant to the issuance of the December 2017 SEC Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act (“SAB 118”). See Note 11, Income Taxes, for additional information regarding the adoption of ASU 2018-05.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the federal securities laws, including with respect to the housing market, our financial and business model, our ability to increase selling prices, our material and labor costs, demand for our services and product offerings, expansion of our national footprint and diversification, our ability to capitalize on the new home and commercial construction recovery, our ability to grow and strengthen our market position, our ability to pursue and integrate value-enhancing acquisitions, our ability to improve sales and profitability and expectations for demand for our services and our earnings in 2018. Forward-looking statements may generally be identified by the use of words such as “anticipate,” “believe,” “estimate,” “project,” “predict,” “possible,” “forecast,” “may,” “could,” “would,” “should,” “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. Any forward-looking statements that we make herein and in any future reports and statements are not guarantees of future performance, and actual results may differ materially from those expressed in or suggested by such forward-looking statements as a result of various factors, including, without limitation, the factors discussed in the “Risk Factors” section of our 2017 Form 10-K, as the same may be updated from time to time in our subsequent filings with the SEC. Any forward-looking statement made by the Company in this report speaks only as of the date hereof. 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks related to fluctuations in interest rates on our outstanding variable rate debt. Upon entering the Term Loan Second Amendment during the three months ended June 30, 2018, we increased the aggregate principal amount of our debt by $100.0 million. On July 16, 2018, we entered a seven-year interest rate swap with a beginning notional of $100.0 million that serves to hedge the additional $100.0 million term loan. All of our derivatives combine to reduce our variable rate debt by $200.0 million, resulting in total variable rate debt exposed to market risks of $198.3 million as of June 30, 2018. A hypothetical one percentage point increase (decrease) in interest rates on our variable rate debt would increase (decrease) our annual interest expense by approximately $2.0 million.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) as required by Exchange Act Rules 13a-15(e) and 15d-15(e). Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2018.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended June 30, 2018 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See Part I, Item 1. Financial Statements, Note 13, Commitments and Contingencies – Other Commitments and Contingencies, for information about existing legal proceedings.

Item 1A. Risk Factors

There have been no material changes for the three months ended June 30, 2018 from the risk factors as disclosed in our 2017 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table shows the stock repurchase activity for the three months ended June 30, 2018:

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased under the Plans or Programs (2)
April 1 - 30, 2018	39,864(1)	$ 55.84	—	—
May 1 - 31, 2018	—	—	—	—
June 1 - 30, 2018	—	—	—	—
	39,864	$ 55.84	—	$ 25.4 million

(1) Represents shares surrendered to the Company by employees to satisfy tax withholding obligations arising in connection with the vesting of 152,512 shares of restricted stock awarded under our 2014 Omnibus Incentive Plan.

(2) On February 28, 2018, we announced that our Board of Directors authorized a $50 million stock repurchase program effective March 2, 2018 through February 28, 2019, unless extended by the Board of Directors. We repurchased 412,717 shares for $24.6 million in the first quarter of 2018 under this stock repurchase program. We did not repurchase any shares in the second quarter of 2018 under this stock repurchase program.

Item 3. Defaults Upon Senior Securities

There have been no material defaults in senior securities.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

J. Michael Nixon, a member of the Board of Directors of Installed Building Products, Inc. (the “Company”), retired from the Board, effective July 31, 2018. Mr. Nixon, age 73, served as a director of the Company since 2012. Mr. Nixon’s decision to retire was not due to any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

Item 6. Exhibits

(a)(3) Exhibits

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The following exhibits are being filed as part of this Quarterly Report on Form 10-Q:

Exhibit Number	Description
10.1	Second Amendment to Term Loan Credit Agreement, dated as of June 19, 2018, by and among Installed Building Products, Inc., the other loan parties party thereto, the participating lenders and fronting bank party thereto, Royal Bank of Canada, as administrative agent, and RBC Capital Markets, as joint lead arranger and joint bookrunner (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 19, 2018).
10.2	Third Amendment to Credit Agreement, dated as of June 19, 2018, by and among Installed Building Products, Inc., the lenders party thereto, and SunTrust Bank, as administrative agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on June 19, 2018).
10.3	First Amendment to ABL/Term Loan Intercreditor Agreement, dated as of June 19, 2018, by and among Installed Building Products, Inc., SunTrust Bank, as ABL agent, and Royal Bank of Canada, as term loan agent (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on June 19, 2018).
10.4*	Retirement and General Release Agreement, dated as of July 31, 2018, by and among Installed Building Products, Inc., Installed Building Products, LLC, TCI Contracting, LLC and J. Michael Nixon.
31.1*	CEO Certification pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	CFO Certification pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	CEO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	CFO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 (a)	Financial statements in XBRL Format.

* Filed herewith.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 3, 2018

INSTALLED BUILDING PRODUCTS, INC.

By: /s/ Jeffrey W. Edwards
Jeffrey W. Edwards
President and Chief Executive Officer

By: /s/ Michael T. Miller
Michael T. Miller
Executive Vice President and Chief Financial Officer

EXECUTION VERSION

RETIREMENT AND GENERAL RELEASE AGREEMENT

This RETIREMENT AND GENERAL RELEASE AGREEMENT (this Agreement") dated as of July 31, 2018, is by and among INSTALLED BUILDING PRODUCTS, INC., a Delaware corporation ("Parent"), INSTALLED BUILDING PRODUCTS, LLC, a Delaware limited liability company ("Sub"), TCI CONTRACTING, LLC, a Delaware limited liability company ("TCI") (Parent together with Sub, TCI and all of its and their respective affiliated entities are herein referred to as the "Company"), and J. MICHAEL NIXON, an individual ("Nixon"). (The parties are referred to collectively as the "Parties" and individually as a "Party").

WHEREAS, Nixon has been employed by the Company and serves as a member of Parent's Board of Directors;

WHEREAS, the Parties have mutually agreed that Nixon's employment with the Company shall be terminated and that Nixon shall retire from his position and status as a member of Parent's Board of Directors; and

WHEREAS, the Company wishes to provide certain consideration to Nixon in exchange for a general release of claims in favor of the Company Released Parties (as defined below) by Nixon, certain post-employment restrictive covenants by Nixon, and Nixon's agreement to other terms enumerated herein;

NOW, THEREFORE, for and in consideration of the mutual covenants, agreements, and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1. **Incorporation of Recitals**. All of the recitals and Whereas provisions set forth above in this Agreement are expressly incorporated herein and made a part hereof.

2. **Resignation of Employment and Board Position**. Nixon shall take all steps reasonably necessary and asked of him by the Company and/or Parent's Board of Directors, including executing and returning the letter attached hereto as Exhibit A, to effectuate the mutually agreed termination of his employment with the Company and his retirement from his position and status as a member of Parent's Board of Directors, effective July 31, 2018 (the "Retirement Date"). The Company and Nixon agree that, following the Retirement Date, Nixon shall no longer hold any position (whether as employee, officer, director, consultant, contractor or otherwise) with the Company.

3. **Payments and Benefits**.

In consideration of the general release set forth in Section 6, the covenants and agreements set forth in Sections 10 through 13, and other good and sufficient consideration set forth herein, and provided Nixon executes, does not revoke, and continues to comply with this Agreement, the Company will provide Nixon the following:

a. The Company will provide Nixon payments in the total gross amount of five hundred thousand dollars ($500,000.00) as follows: (i) the first payment of two hundred fifty thousand dollars ($250,000.00) will be provided within ten (10) days of the Effective Date of this Agreement (the "First Payment"); and (ii) the second payment of two hundred fifty thousand dollars ($250,000.00) will be provided on or before the one year anniversary of the Effective Date of this Agreement (the "Second Payment"). Federal, state and local taxes will be withheld from these payments.

b. The Company will continue Nixon's medical insurance coverage at its expense up to and including July 31, 2018. The Company will further provide notification to Nixon, as prescribed by the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), to provide continuation coverage at his expense, if he so desires. Notwithstanding the foregoing, the Company will reimburse Nixon for COBRA expenses actually incurred with respect to individual continuation coverage for Nixon, for a period of twenty-four (24) months from the Retirement Date, or until Nixon is eligible for comparable medical insurance coverage with another employer, whichever is earlier (the "Medical Coverage").

c. The Company will cover the cost of the rent, utilities, phone line, internet and all other ordinary occupancy costs with respect to that certain office space located at 12540 Broadwell Road, Suite 1202, Milton, GA, until the expiration of the current lease or April 30, 2020, whichever is earlier (the "Facilities Coverage").

d. The Company will transfer good and marketable title to and registration of that certain 2015 Ford F-150 4x4 Crew Cab Platinum Edition automobile (VIN: 1FTFW1EF7FFC95633) to Nixon without further payment being required from Nixon for same (the "Vehicle Transfer"). Such Vehicle Transfer shall be made by Company to Nixon free and clear of all liens and encumbrances of any nature whatsoever. Nixon shall be exclusively responsible for any and all tax consequences associated with such transfer, including, without limitation, any income and sales tax liabilities incurred as a result of such transfer.

e. In addition to the foregoing rights and entitlements, the Company shall continue to provide Nixon with all rights of indemnification and other rights and benefits, all upon such terms and conditions as are provided in the February 12, 2014 Indemnification Agreement entered into between Parent and Nixon (the "Indemnification Agreement"), the Company's applicable constituent documents, and such insurance policies as are maintained by the Company from time to time, all in accordance with their respective terms (the "Indemnification Coverage"); it be intended that the Indemnification Agreement shall survive the execution and implementation of this Agreement and continue in full force and effect in accordance with its terms.

f. The Company will offer Nixon's assistant, Ms. Pamela Dekker, a separation agreement and general release in a form acceptable to the Company that will include, among other standard provisions, non-solicitation and non-disparagement covenants, as well as severance in the amount of one year's salary at Ms. Dekker's current base salary rate.

4. **No Other Compensation or Benefits Owing**. Without regard to whether he executes this Agreement, Nixon will be provided his base salary and all accrued benefits through the Retirement Date, including without limitation, all un-reimbursed expenses and all amounts owed to him (if any) for accrued unused vacation, in each case through the Retirement Date and

pursuant to Company policy. Nixon acknowledges and agrees that except for these amounts, he has received all compensation, benefits, payments, and reimbursements due to him by the Company. No other payments or benefits of any kind are to be provided to Nixon, except as provided for in this Agreement, which are in excess of any amounts otherwise owed to Nixon. Notwithstanding the foregoing, no retirement benefits that Nixon received and became vested prior to Nixon's execution of this Agreement nor any stock, equity or similar interest owned or held by Nixon in the Company shall be waived or relinquished by Nixon nor adversely affected by this Agreement.

5. **Stock Dispositions.** Following the later of (i) the Retirement Date, (ii) the Effective Date of this Agreement, and (iii) 48 hours after the Company's public disclosure of the financial results for the quarter ended June 30, 2018, Executive shall be entitled to sell, exchange or otherwise dispose of all or any portion of Executive's stock or other equity ownership in the Company from time to time in conformity and compliance with all applicable securities laws (including as an affiliate for the three (3) months following the Retirement Date under Rule 144); provided, that the Company shall cooperate and cause (a) its counsel to issue all opinions required by the transfer agent to remove all legends restricting sale of such stock once three (3) months have elapsed from the Retirement Date and (b) any Company imposed or required contractual restrictions against any such disposition by Nixon to be waived, released and eliminated.

6. **General Release.** In consideration of the mutual promises set forth in this Agreement and for other good and valuable consideration, the sufficiency and receipt of which Nixon hereby acknowledges, Nixon, on behalf of himself and for all persons who may claim by or through him, including, without limitation, his heirs, legatees, distributees, beneficiaries, trustees, administrators, executors, assigns, and legal representatives, to the maximum extent permitted by law, hereby covenants not to sue and fully and unconditionally releases, waives, and forever discharges the Parent, Sub, TCI, and each of their respective past, present, former, and/or future direct and indirect parents, owners, affiliates, divisions, subsidiaries, related entities, predecessors, and successors (collectively "Company Parties"), and each of the Company Parties' respective assigns, shareholders, members, managers, directors, officers, employees, attorneys, representatives, and agents (each of the Company Parties and foregoing listed persons or entities being collectively, in their individual and representative capacities, referred to as the "Company Released Parties"), from and with respect to any and all charges, complaints, claims, rights, contracts, agreements and actions, which Nixon ever had, now has, or may have against the Company Released Parties, whether known or unknown, arising or which may have arisen at any time up to the date Nixon executes this Agreement, including, but not limited to, all claims, demands, suits, causes or rights of action arising out of or in any way connected with Nixon's employment relationship with the Company or Nixon's separation from employment from the Company; Nixon's board membership with Parent or the separation of such board membership; claims, demands, suits, causes or rights of action relating to defamation, breach of contract or public policy, wrongful, retaliatory or constructive discharge, discrimination, attorneys' fees or damages (including contract, compensatory, punitive, or liquidated damages), equitable relief, additional compensation, intentional infliction of emotional distress, invasion of privacy, negligence, or any other tort claims; claims which could arise under the Family and Medical Leave Act, Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act of 1990, as amended, the Age Discrimination in

Employment Act of 1967 ("ADEA") as amended by the Older Workers Benefit Protection Act, the Employee Retirement Income Security Act of 1974, as amended, the Equal Pay Act, any and all other federal, state and local laws or obligations regulating the employment relationship between the Parties, or by reason of any matter, cause or thing whatsoever, whether known or unknown, except (i) for claims for enforcement of Nixon's rights under this Agreement, (ii) for claims that cannot be released as a matter of law, (iii) for claims arising after Nixon executes this Agreement, (iv) insured and/or vested benefits, if any, for which Nixon is eligible, pursuant to the terms of any employee benefit plan in which Nixon is, or has been, a participant, (v) any qualified or non-qualified pension, retirement or deferred compensation plan in which Nixon participates or has any accrued and/or vested benefits, (vi) rights arising solely in Nixon's capacity as a shareholder, including Nixon's retention of his existing shares of common stock in the Company, (vii) any rights to indemnification or liability insurance coverage which Nixon may have by reason of having served as an employee, officer, director or agent of the Company or any Company Released Parties for acts, errors or omissions undertaken or committed by Nixon within the scope of the foregoing capacities, and (viii) as set forth in Section 9.

7. **Release of Nixon.** In consideration of the mutual promises set forth in this Agreement and for other good and valuable consideration, the sufficiency and receipt of which the Company hereby acknowledges, the Company, on behalf of itself and for all Company Parties and other persons or entities who may claim by or through the Company and/or the Company Parties (collectively the "Company Releasors"), hereby covenants not to sue and fully and unconditionally releases, waives, and forever discharges, to the maximum extent permitted by law, Nixon and each of his heirs (each of them collectively, in their individual and representative capacities, the "Nixon Released Parties"), from and with respect to any and all charges, complaints, claims, rights, contracts, agreements and actions, which the Company Releasors ever had, now has, or may have against the Nixon Released Parties, arising or which may have arisen at any time up to the date the Company executes this Agreement, including, but not limited to, all claims, demands, suits, causes or rights of action arising out of or in any way connected with Nixon's employment relationship with the Company or Nixon's separation from employment from the Company; Nixon's board membership with Parent or the separation of such board membership; claims, demands, suits, causes or rights of action relating to defamation, breach of contract or public policy, attorneys' fees or damages (including contract, compensatory, punitive, or liquidated damages), equitable relief, intentional infliction of emotional distress, invasion of privacy, negligence, or any other tort claims; claims which could arise under any and all federal, state and local laws or obligations, or by reason of any matter, cause or thing whatsoever, except for (i) claims for enforcement of Company's rights under this Agreement, (ii) claims that cannot be released as a matter of law, (iii) unknown claims which, except in the case of intentional fraud or where Nixon took active steps to conceal his actions, could not have been discovered with reasonable diligence, and (iv) claims arising after Company executes this Agreement.

8. **Non-Assignment of Rights/No Pending Actions**. Each Party represents and warrants that such Party has not sold, assigned, transferred, conveyed, or otherwise disposed of to any third party, by operation of law or otherwise, any action, cause of action, suit, debt, obligation, account, contract, agreement, covenant, guarantee, controversy, judgment, damage, claim, counterclaim, liability, or demand of any nature whatsoever relating to any matter covered by this Agreement. Nixon further represents and warrants that he has not filed or initiated any

pending legal, equitable, administrative, or any other proceedings against the Company Released Parties and that no such proceeding has been filed on his behalf. Company further represents and warrants that no Company Released Party has filed or initiated any pending legal, equitable, administrative, or any other proceedings against any Nixon Released Party and that no such proceeding has been filed on behalf of any Company Released Party.

9. **Cooperation with Government Agencies**. Nothing in this Agreement is intended to interfere with Nixon's ability to file a charge, complaint or report with any federal, state or local government agency, commission, or authority ("Government Agencies"), or limit Nixon's ability to participate in any investigation or proceeding conducted by any Government Agency, without notice to or prior authorization from the Company. Nixon acknowledges and agrees, however, that the consideration paid to him under this Agreement represents full and complete satisfaction of any monetary recovery against any of the Company Released Parties that could be sought by or awarded to him in any judicial or administrative proceeding with respect to any claim released by him in this Agreement. For the avoidance of doubt, this Agreement does not limit Nixon's eligibility to receive an award out of monetary sanctions collected by any Government Agency as provided by applicable law or regulation.

10. **Cooperation with the Company Released Parties**. During the five (5) year period following the Retirement Date, Nixon agrees to cooperate with the Company Released Parties (i) by promptly providing information requested of and known to Nixon by the Company and/or its counsel with respect to D&O questionnaires, proxy disclosures and/or other regulatory filings, and (ii) in the truthful and honest prosecution and/or defense of any claim in which the Company Released Parties may have an interest, or any investigation or audit of any matter, which claim or matter Nixon had knowledge and involvement during his tenure with the Company, which cooperation may include without limitation making himself available to participate in any proceeding involving any of the Company Released Parties, allowing himself to be interviewed by representatives of the Company Released Parties, participating as requested in interviews and/or preparation by any of the Company Released Parties of other witnesses, appearing for depositions and testimony without requiring a subpoena, and producing and/or providing any documents or names of other persons with relevant information, all without claim of privilege against the Company Released Parties. The Company shall (i) be responsible for all reasonable costs or expenses reasonably incurred by Nixon in providing such cooperative efforts hereunder and (ii) cooperate with Nixon (including provision of reasonable advance written notice) in scheduling any such matters so as to take into account Nixon's other professional and personal commitments. In the event any such cooperative efforts requested by the Company hereunder require Nixon's dedication of time in excess of either three (3) hours in any calendar week or ten (10) hours in any calendar month, or twenty-five (25) hours in the aggregate, the Company shall compensate Nixon for all such excess time at a rate to be reasonably and mutually agreed in good faith between Nixon and TCI.

11. **Protective Agreements and Post-Employment Restrictions**.

(a) Confidentiality of Agreement. Nixon agrees that, except as required by law or as set forth in Section 9, the terms and conditions of this Agreement, all discussions related to the negotiations leading up to this Agreement, and any information from which any of the terms or conditions of this Agreement could reasonably be determined or approximated, shall be maintained by him as strictly confidential and shall not be disclosed to any third party other than pursuant to legal process or any legal action to enforce this Agreement, the terms of this Agreement, to Nixon's spouse, attorneys, tax advisors, and/or financial advisors (all of whom must agree to keep it confidential), or to the extent necessary to permit Nixon to defend against any claim or prosecute any right or entitlement that is dependent upon the information so used or disclosed (each a "Permitted Disclosure"). Each Party agrees that such Party shall not publicize in any way this Agreement or its terms and conditions except as required by law or legal process or as necessary to seek legal enforcement of this Agreement. Nothing in this Section 11(a) prohibits Nixon from disclosing the terms of this Agreement after and solely to the extent that the Company has made such terms public in its regulatory filings. Nixon represents and warrants that prior to signing this Agreement, he has not disclosed the terms of this Agreement or any information whatsoever regarding the negotiations or discussions regarding this Agreement to anyone or in any manner other than under a Permitted Disclosure.

(b) Agreement Not to Solicit Customers. Nixon agrees that for a period of two (2) years following the Retirement Date, Nixon shall not, directly or indirectly, on Nixon's own behalf or on behalf of any other person or entity, solicit or attempt to solicit any business from (i) any of the Company's customers or (ii) any of the Company's actively-sought prospective customers, or (iii) any of the Company's customers or actively-sought prospective customers with whom Nixon had Material Contact during Nixon's employment with the Company, in each case under sub-clause (i), (ii) and (iii), for purposes of providing "Competing Products or Services" (as hereinafter defined); provided, however, that with respect to sub-clauses (i) and (ii), Nixon shall not be liable under this Section 11(b) for solicitation or attempted solicitation of a customer or actively-sought prospective customer of the Company that Nixon does not know, at the time of such solicitation or attempted solicitation, is a customer or actively-sought prospective customer of the Company, so long as Nixon ceases such solicitation or attempted solicitation immediately upon learning that such person or entity is a customer or actively-sought prospective customer of the Company.

(c) Agreement Not to Solicit Employees. Nixon agrees that for a period of two (2) years following the Retirement Date, Nixon shall not, directly or indirectly, on Nixon's own behalf or on behalf of any other person or entity, solicit or induce (i) any person who is known to Nixon to be an employee of the Company, or (ii) any person who is an employee of the Company and with whom Nixon had material contact or about who Nixon learned Confidential Information in the course and conduct of Nixon's employment or engagement with the Company, in each case under sub-clause (i) and (ii), to leave his or her employment with the Company, or (iii) hire or engage the services of such employee to provide Competing Products or Services. For purposes of clarification, Nixon's use of third party placement or personnel agencies or public or industry -wide "help wanted" or "employment" advertisements shall not constitute Nixon's violation or breach of his obligations hereunder.

(d) Agreement Not to Compete. Nixon agrees that for a period of two (2) years following the Retirement Date, Nixon shall not, within the Territory (as defined on Exhibit B attached hereto), directly or indirectly, provide Competing Products or Services, on Nixon's own behalf, or in the service or on behalf of another person or entity.

(e) Confidential and Proprietary Information. Nixon acknowledges that the

Company must protect its Confidential Information and that the Confidential Information derives independent, actual and potential commercial value from not being generally, readily ascertainable through independent development and is the subject of efforts by the Company that are reasonable under the circumstances to maintain its secrecy. Nixon also acknowledges that through his employment with and Board service to the Company he was provided and had access to Confidential Information. Nixon agrees, subject to Section 9 and except for any Permitted Disclosures, (i) to hold in trust and confidence and not to disclose Confidential Information to any third party without prior written consent of the Company and (ii) not to use Confidential Information for Nixon's personal benefit or for the benefit of any third party. Nixon's obligations under this Section 11 as they relate to Confidential Information that is a trade secret under applicable law shall apply as long as the Confidential Information remains a trade secret under applicable law, and Nixon's obligations under this Section 11 as they relate to Confidential Information that does not constitute trade secrets under applicable law shall apply until the earlier of five (5) years from and after the Retirement Date or for as long as the Confidential Information is not generally available to the public or in the industries in which the Company operate through no fault of Nixon's.

For purposes of this Agreement, "Confidential Information" means data and information: (A) relating to the business of the Company, regardless of whether the data or information constitutes a trade secret under applicable law; (B) disclosed to Nixon or of which Nixon became aware as a consequence of Nixon's employment with the Company or Board service to Parent; (C) having value to the Company; (D) not generally known to competitors of the Company; and (E) which includes, but is not limited to, trade secrets, methods of operation, processes, procedures, product specifications, technical expertise and know how, acquisition candidates, names of customers, customer information, customer contact database, vendor lists, vendor information and data, potential customer lists, investor lists, business plans, marketing plans and techniques, marketing ideas and concepts, price lists, pricing data and strategies, sales data and information, financial information and projections, financial statements, budgets, proformas, accounts payable information, profitability studies, personnel data, research done by the Company relating to the business operations of the Company or customers or potential customers of the Company, all information marked as "Confidential", and any other information treated as confidential by the Company, whether or not stamped or designated as such. The term "Confidential Information" shall not mean data or information which has been voluntarily disclosed to the public by the Company or is otherwise publicly available (except where such public disclosure has been made by Nixon without authorization); which has been independently developed and disclosed by others; which is available or obtained from third party sources not known to owe a duty of confidentiality to the Company; or which has otherwise entered the public domain through lawful means.

(f) Reasonableness of Restrictions. Nixon agrees that the restraints imposed upon him under this Section 11: (i) are reasonable, (ii) do not and would not impose an undue hardship upon him, (iii) are necessary for the reasonable and proper protection of the Company and its business), and (iv) are reasonable in respect to the subject matter, length of time and geographic area. In the event that any provision in this Section 11 shall be determined by any court of competent jurisdiction to be unenforceable by reason of it being extended over too great a time, too large a geographic area, or too great a range of products or services, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

(g) Remedies. The Parties acknowledge that the covenants set forth in this Section 11 are of the essence of this Agreement; that each such covenant is reasonable and necessary to protect and preserve the interests and properties of the Company); that a breach or threatened breach of any of the terms of these covenants by Nixon would result in material and irreparable damage and injury to the Company; and that it would be difficult or impossible to establish the full monetary value of such damage. Therefore, Nixon agrees and consents that, in addition to all the remedies provided at law or in equity, the Company shall be entitled to a temporary restraining order and temporary or permanent injunction to prevent a breach or contemplated breach of any of the covenants. The existence of any claim, demand, action or cause of action of Nixon against the Company shall not constitute a defense to the enforcement by the Company of any of the covenants or agreements in this Agreement.

Except in the case of a bona fide dispute concerning whether and/or when such payment is due and owing, Nixon's obligations under Sections 11(a) – (d) shall be void and of no further force and effect if the Company fails to timely remit or provide any one or more of the First Payment, the Second Payment, the Medical Coverage, the Facilities Coverage, or the Vehicle Transfer; provided, however, that in the event of a failure to timely remit or provide such payment, Nixon must first provide written notice to the Company (pursuant to Section 14(i)) and a 10-day opportunity to cure such missed payment before such obligations are voided.

(h) Certain Definitions.

i. The term "solicit" shall mean to have any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, encouraging or requesting any person or entity, in any manner, to take or refrain from taking any action.

ii. The phrase "Competing Products or Services" shall mean the supply and installation of fiberglass, cellulose, and spray foam insulation, waterproofing, fire-stopping, fireproofing, garage doors, rain gutters, shower doors, closet shelving, roofing, mirrors, drywall, flooring, soffits, door locks, weatherization products, window screens, door screens, bathroom hardware, hurricane panels, fireplaces, and window coverings for single-family and multi-family residential and commercial buildings in any manner competitive with such products and services currently being provided by the Company as of the Retirement Date, or under active consideration by the Company as of the Retirement Date as previously disclosed to Nixon in his capacity as an employee of the Company and/or as a member of Parent's Board of Directors.

iii. The term "Material Contact" means contact between Nixon and each customer or potential customer of the Company: (i) with whom Nixon dealt on behalf of the Company; (ii) whose dealings with the Company were coordinated or supervised by Nixon; (iii) about whom Nixon obtained Confidential Information as a result of Nixon's association with the Company; or (iv) who receives products or services provided by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Nixon within two (2) years prior to the Retirement Date.

12. **Return of Property**. Nixon agrees that by no later than the Retirement Date he will return to the Company any and all Company property and/or Confidential Information in his possession, custody, or control, without retaining any copies. Notwithstanding the foregoing, Nixon shall remain entitled to retain a copy of his personal and professional contacts listing or rolodex.

13. **No Disparagement**.

(a) Nixon shall not make any oral or written statement (including without limit, issuance of any press release or other publicly-issued statement) that defames or places in a false light, or, even if true, disparages or places in a negative light Parent, its respective past, present, and future subsidiaries and/or affiliated entities (collectively "Company Group") and/or their respective businesses, and/or any persons known by Nixon to be their respective current or former executive officers which officers are at or above the C suite (i.e. CEO, COO, CFO, etc.) level (collectively such officers the "Company Agents"), and/or any other persons known by Nixon to be current or former employees or directors of any Company Group member, whether or not such Company Agents, directors, or employees remain engaged or terminate their engagement with the Company after the date of the execution of this Agreement, or the reputation of any of the foregoing identified persons or entities, except (i) as provided in Section 9, (ii) as required by law, rule, regulation (including public reporting requirement), legal or judicial process, or other governmental mandate, (iii) in connection with a legal proceeding in which Nixon is under oath or responding to a subpoena, or (iv) as otherwise required in order to cooperate with a Government Agency; provided, however, that with respect to any of the foregoing exceptions in sub-clauses (ii), (iii) or (iv), Nixon must first (unless legally prevented or otherwise specifically instructed not to do so by an authorized Government Agency, or the circumstances (*i.e.*, government interview or live testimony) make it impossible to do so), provide prompt written notice thereof to the Company of the intended undertaking, subpoena or proceeding, which notice must be sufficient to permit the Company to contest or limit any such disclosures. The foregoing shall not be in derogation or limitation of the Company's rights or remedies at law or in equity for any tort or other act of slander, libel or defamation committed against the Company Group, their respective businesses, or the Company Agents.

(b) The Company Group entities shall not make, and shall instruct and require that Parent's directors and C-suite executive officers listed in Parent's proxy statement filed on April 20, 2018 not make, any oral or written statement in the course of conducting the Company Group's businesses or which expressly or implicitly is presented as an official communication from or regarding the Company Group or their businesses (including without limit, issuance of any press release or other publicly-issued statement) that defames or places in a false light, or, even if true, disparages or places in a negative light, either Nixon or his reputation, except (i) as required by law, rule, regulation (including public reporting requirement), legal or judicial process, or other governmental mandate (ii) as provided in connection with a legal proceeding in which any such restricted person or entity is under oath or responding to a subpoena, or (iii) if such restricted executive officer or entity is otherwise required by law to cooperate with a Government Agency; provided, however, that with respect to any of the foregoing exceptions, the Company must first (unless legally prevented or otherwise specifically instructed not to do so by an authorized Government Agency, or the circumstances (*i.e.*, government interview or live testimony) make it impossible to do so) provide prompt written notice thereof to Nixon of the intended undertaking, subpoena or proceeding, which notice must be sufficient to permit Nixon to contest or limit any such disclosures. The foregoing shall not be in derogation or limitation of Nixon's rights or remedies at law or in equity for any tort or other act of slander, libel or defamation committed against Nixon.

14. **Miscellaneous**.

(a) Successors and Assigns. Neither this Agreement, nor any of the obligations or benefits provided hereunder, may be assigned by Nixon without the prior written consent or approval of the Company. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, the successors and assigns thereof (whether by merger, consolidation, sale of assets or otherwise), and the heirs of Nixon. References in this Agreement to the Company shall be deemed to include any successor(s) or assign(s) of the Company.

(b) Severability. If any provision of this Agreement shall be found invalid or unenforceable, in whole or in part, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

(c) Construction and Interpretation of Agreement. The Parties agree that each Party has been given an opportunity to participate in the drafting and preparation of this Agreement and that each Party was in fact represented by counsel of its or his choosing in the drafting and negotiation of this Agreement. Accordingly, the Parties agree that no provision of this Agreement shall be construed against any Party. The terms "and" and "or" as used in this Agreement shall be interpreted to mean "and/or" when doing so would be reasonably necessary to effectuate the reasonable intent of the Parties as expressed herein.

(d) Governing Law/Dispute Resolution. This Agreement shall be governed by the laws of the State of Delaware without regard to its conflict of laws principles and provisions. The Parties agree that any dispute arising out of or relating in any way to this Agreement or to the Parties' relationship shall be brought exclusively in the state and federal courts located in the State of Delaware. The Parties hereby irrevocably consent to the exclusive jurisdiction and venue of the state and federal courts located in the State of Delaware for adjudication of any disputes arising out of or relating in any way to this Agreement or otherwise related to the Parties' relationship. The Parties hereby irrevocably waive any objections or defenses to jurisdiction or venue in any such proceeding before such court.

(e) Waiver. No waiver of any right under this Agreement shall be deemed to have occurred unless contained in a written agreement signed by both Parties. A waiver by any Party hereto of a breach or default by another Party of any provision of this Agreement shall not be deemed a waiver of future compliance therewith and such provision shall remain in full force and effect. Further, delay on the part of any Party in exercising any right, power or privilege hereunder shall not operate as a waiver thereof.

(f) Amendments and Modifications. This Agreement shall not be amended or modified in any respect whatsoever, except by a writing duly executed by each Party to this Agreement who or which is affected by the amendment, and it is further agreed that no Party to this Agreement will make a claim at any time that this Agreement has been orally amended or modified.

(g) Multiple Copies and Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. Faxed signatures, electronic signatures, and signatures in PDF-format documents shall be deemed valid as if they were inked originals.

(h) Headings. Section, paragraph and other captions or headings contained in this Agreement are inserted as a matter of convenience and for reference, and in no way define, limit, extend or otherwise describe the scope or intent of this Agreement or any provision hereof and shall not affect in any way the meaning or interpretation of this Agreement.

(i) Notices. Any notice, request, authorization, or other communication under this Agreement shall be in writing and shall be deemed to have been duly given to a Party only if delivered personally, or sent via FedEx or other reputable overnight delivery service, to the respective address of each Party set forth below, or to such other address as each Party may designate by notice.

If to Company:

Installed Building Products, Inc.
Attn: General Counsel
495 South High Street, Suite 50
Columbus, Ohio 43215

If to Nixon:

J. Michael Nixon
2794 Rivers End Way
Palm City, Florida 34990

15. **Attorneys' Fees**. The prevailing Party in any court action for breach or threatened breach of this Agreement will be entitled to an award of reasonable attorneys' fees and costs incurred.

16. **Entire Agreement/No Promises or Inducement**. This Agreement contains the entire understanding between the Parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof. This Agreement is an integrated document and the consideration stated in it is the sole consideration for this Agreement. No representation, promise, inducement, statement, or intention has been made by any Party hereto that is not embodied herein and no Party shall be bound or be liable for any alleged representation, promise, inducement, statement or intention not so set forth herein. For avoidance of doubt, the Indemnification Agreement

remains in effect in accordance with its terms.

17. **No Admission of Wrongdoing**. The Parties understand and agree that this Agreement does not and shall not constitute an admission by any Party or entity of liability or of any fact or conclusion of law.

18. **Tax Consequences.** Nixon agrees that he is solely responsible for all tax consequences arising out of the payments and benefits to him described in this Agreement and acknowledges that neither the Company nor its lawyers have provided him any tax advice in connection therewith. The payments hereunder are intended either to be exempt from, or in the alternative to comply with, Code Section 409A and the interpretative guidance thereunder, including the exceptions for short-term deferrals, separation pay arrangements, medical reimbursements, in-kind distributions, and any other applicable exception, and shall be administered accordingly. This Agreement shall be construed and interpreted with such intent. Each payment hereunder is intended to be treated as one of a series of separate payments for purposes of Code Section 409A.

19. **Review and Rescission**. Nixon acknowledges and agrees that (a) he has had adequate time to review and consider the Agreement and has been encouraged to review, and has in fact reviewed it with his attorney, (b) he has read this Agreement fully and carefully and understands its terms, and (c) that he has signed it knowingly, freely and voluntarily without duress, coercion or undue influence and with a full understanding of its terms. Nixon further acknowledges and agrees that he has twenty-one (21) days from the date he receives this Agreement to review this Agreement and consider whether to execute this Agreement. Nixon acknowledges and agrees that if he signs this Agreement prior to the expiration of the twenty-one (21) day consideration period, he has done so voluntarily and knowingly. Nixon acknowledges and agrees that any modification, material or otherwise, made to this Agreement does not restart or affect in any manner the original twenty-one (21) day consideration period. Nixon acknowledges and agrees that he has seven (7) days after his execution and delivery of this Agreement to the Company to revoke his acceptance by delivering written notice of revocation by email to Shelley McBride (shelley.mcbride@installed.net) within such seven (7) day period. Nixon acknowledges that in the event he revokes this Agreement as described herein, all Parties' respective obligations under this Agreement will be void and Nixon agrees to promptly return any amounts paid to him hereunder. The eighth (8th) day following Nixon's execution of this Agreement shall, assuming Nixon does not revoke his acceptance as set forth herein, be the "Effective Date" of this Agreement.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have executed this Retirement and General Release Agreement consisting of thirteen (13) pages, inclusive of this signature page but exclusive of its Exhibits.

J. MICHAEL NIXON

/s/ J. Michael Nixon
J. Michael Nixon

Dated: July 31, 2018

INSTALLED BUILDING PRODUCTS, INC.

By: /s/ Michael T. Miller
Michael T. Miller
Executive Vice President and Chief Financial Officer

Dated: July 31, 2018

INSTALLED BUILDING PRODUCTS, LLC

By: /s/ Michael T. Miller
Michael T. Miller
Executive Vice President and Chief Financial Officer

Dated: July 31, 2018

TCI CONTRACTING, LLC

By: /s/ Michael T. Miller
Michael T. Miller
Executive Vice President and Chief Financial Officer

Dated: July 31, 2018

Exhibit A

To the Chairman of the Board and Management of Installed Building Products, Inc. (“IBP”):

I hereby retire from the Board of Directors of IBP and as an employee of IBP and its subsidiaries effective as of July 31, 2018.

It has been a pleasure to serve on the Board, and to work with IBP. I wish everyone continued success over the years.

Sincerely,

/s/ J. Michael Nixon
J. Michael Nixon

Exhibit B

TERRITORY

For purposes of this Agreement, "Territory" means a sixty (60) mile radius from each of the Company's office and branch locations listed on the pages that follow:

Branch #	Street Address	City	St
758	1305 D Opelika Rd	Auburn	AL
751	138 West Valley Ave	Birmingham	AL
755	118 Spacegate Dr	Huntsville	AL
861	2316-2328 W Huntington DR	Tempe	AZ
872	600 S. Vincent Ave.	Azusa	CA
872	1135 Kirkwall Ave	Azusa	CA
872	1136 Kirkwall Ave	Azusa	CA
890	19409 Colombo St	Bakersfield	CA
891	4700 Stockdale Highway suite 102	Bakersfield	CA
874	2061 Aldergrove Ave.	Escondido	CA
876	530 Rossi Way Unit 130	Gilroy	CA
893	17525 Catalpa St suite 106 & 107, CA 92345	Hesperia	CA
911	702 Civic Center Drive, Suite 110	Oceanside	CA
879	120 S Wineville Ave	Ontario	CA
874	78-015 Wildcat Dr. Suite 105 &106	Palm Desert	CA
870	210 North 10th Street	Sacramento	CA
892	10747 W Goshen Ave.	Visalia	CA
892	6678 Ave. 304 SW F	Visalia	CA
790	5945 Broadway St, Unit C	Denver	CO
790	5995 Broadway St	Denver	CO
123	635 E. 52nd Avenue, Suite 300	Denver	CO
795	2552 Colex Drive	Grand Junction	CO
791	147 Airpark Dr Unit 1A & 2A	Gypsum	CO
790	255 42nd Street S.W.	Loveland	CO
796	113 Rose Ln, Units G & F	Montrose	CO
376	54 Miry Brook Rd	Danbury	CT
375	24 Andover Drive, Unit D	Hartford	CT
377	48 Union St	Stamford	CT
859	143 Hatchery Rd	Dover	DE
913	755 C Walker Road	Dover	DE
121	685 N.W. 4th Ave	Fort Lauderdale	FL
776	9009 Regency Sq. Blvd	Jacksonville	FL
773	12605 NW 115th Ave Units B107 & B108	Medley	FL
774	16071 Pinto Road	North Forth Myers	FL
732	3702 Silver Star Rd	Orlando	FL
738B	6433 Pinecastle Blvd	Orlando	FL
777	4234 Bay Line Ave	Panama City	FL
737	3357 Copter Road, Unit #10	Pensacola	FL
777	4206 North P Street	Pensacola	FL
778	3900 Consumer St	Riviera	FL
735	1980 Dolgner Place (Suites 1068, 1060, 1052)	Sanford	FL
735	1471 Kastner Place, Suite 113 & 117	Sanford	FL
113	4200 Church Street, Suites 1054-1060	Sanford	FL
734	109-110 Marshall Circle	St. Augustine	FL
731	1601 N 50th St	Tampa	FL
731	1408 N West Shore Blvd - Suite 500	Tampa	FL
738A	2634 Causeway Center Dr	Tampa	FL
775	8930 Maislin Dr.	Tampa	FL
124	5116 LeTourneau Circle	Tampa	FL
721	5394 North Main St	Acworth	GA
726	205 & 207 Depot st	Brooklet	GA
728	5355-5356 Palmero Court	Buford	GA
552	4475 Industrial Dr Suite 100 & 200	Cummings	GA

Branch #	Street Address	City	St
555	2150 Cedars Road, Suite 200	Lawrenceville	GA
920	670 Village Trace Bldg. 19 Suite E	Marietta	GA
111	1300 Williams Dr, Suite A	Marietta	GA
902	12540 Broadwell Rd Suite 1202	Milton	GA
551	7040 Jonesboro Rd	Morrow	GA
729	116 Rock Quarry Road	Stockbridge	GA
721	1584 Mc Curdy Drive	Stone Mountain	GA
897	1460 A Commerce Way	Idaho Falls	ID
883	2790 E. Lanark	Meridian	ID
896	1314 Shilo Dr	Nampa	ID
260	770 Industrial Dr Units A-B	Cary	IL
287	242 N Western Ave	Chicago	IL
280	1615 Dundee Ave Unit I	Elgin	IL
287	4418 Route 31	Ringwood	IL
714	105 Industrial Way	Charlestown	IN
530	797-849 Madison St.	Crown Point	IN
560/530	797-849 Madison St.	Crown Point	IN
520	4421 Pine Creek Rd	Elkhart	IN
510	2425 W. Main St	Ft Wayne	IN
511	4621 Executive Blvd	Ft Wayne	IN
510	2421 & 2431 W. Main St	Ft. Wayne	IN
511	5331 Keystone Drive	Ft. Wayne	IN
662	2920 Fortune Circle West Suite B	Indianapolis	IN
665	1970 Midwest Blvd	Indianapolis	IN
661	8811 Bash Street	Indianapolis	IN
512	400 S Main St	Leesburg	IN
661	7200 N SR 3	Muncie	IN
620	830 Mausoleum	Shelbyville	IN
640	10935 Kaw Drive	Edwardsville	KS
640	11031 Kaw Drive	Edwardsville	KS
743	241 New Porter Pike Rd	Bowling Green	KY
710	330 Weaver Rd Ste 300	Florence	KY
717	7645 National Turnpike, Suite 160	Louisville	KY
715	4015-B Simpson Lane Units 1-7	Richmond	KY
672	78355 Highway 1081	Covington	LA
350	165 & 175 Old State Road	Sagamore Beach	MA
351	45 Industrial Court	Seekonk	MA
320	32 Pierce St	West Boylston	MA
325	350 Worchester St.	West Boylston	MA
858	260 Eastern Blvd North	Hagerstown	MD
849	2235 Greenspring Dr	Timonium	MD
855	15031 Marlboro Pike, Unit D	Upper Marlboro	MD
857	15121 Marlboro Pike	Upper Marlboro	MD
335	10 Printer’s Dr. Suites 12,13,14 & 15	Hermon	ME
336	515 Riverside Industrial Pkwy	Portland	ME
210	50370 Dennis Court	Wixom	MI
450	21025 Edmonton Ave	Farmington	MN
435	5861 Queens Avenue NE	Otsego	MN
675	2800 33rd St	Gulfport	MS
561	9311-I & J Monroe Rd	Charlotte	NC
764	6051 Lakeview Road	Charlotte	NC
112	3032 Stewart Creek Blvd	Charlotte	NC

Branch #	Street Address	City	St
569	250 Tolar Street	Fayetteville	NC
569	3518 Associate Drive	Greensboro	NC
569	4789 NC Hwy 33 East	Greenville	NC
564	3900 B&C Sardis Church Road	Monroe	NC
562	2300 Westinghouse Blvd, Suite 105 and 2201 Brentwood Rd, Suite 106	Raleigh	NC
562	2101 Harrod Street	Raleigh	NC
581	3101-140 StonyBrook Drive	Raleigh	NC
127	2201-111 Brentwood Rd	Raleigh	NC
569	830 S. New Hope Rd	Raleigh	NC
582	600 Union West Blvd., Suite B	Stallings	NC
780	2201 River Road Drive	Waterloo	NE
340	24 King St. Units #2,3,4 & 5	Auburn	NH
340	62 King St.	Auburn	NH
340	40 King St. Unit #3	Auburn	NH
349	38 Locke Rd	Concord	NH
911	815 Elm St Suite 4A	Manchester	NH
342	31 Brandywine Rd	Tamworth	NH
343	51 Industrial Park Drive	Westmoreland	NH
845	121 Bartley Flanders Rd	Flanders	NJ
845	260 East Main Street	Trenton	NJ
867	5810 Wynn Road	Las Vegas	NV
320	136 Tivoli St. (Unit B)	Albany	NY
345	136 Tivoli St. (Unit A)	Albany	NY
355	100 Ontario Street	East Rochester	NY
355	103 Ontario Street	East Rochester	NY
357	6049 & 6055 Corporate Dr.	East Syracuse	NY
911	3833 Walworth-Marion Rd	Marion	NY
367	65 Air Park Drive	Ronkonkoma	NY
356	4083 Saunders Settlement Road	Sanborn	NY
911	40 North Ave Suite 5	Webster	NY
911	3505 Lake Rd	Williamson	NY
650	945 Industrial Pkwy	Brunswick	OH
311	1318 McKinley Ave.	Columbus	OH
400	1320 McKinley Ave	Columbus	OH
901	495 South High St Suite 50, 150, 200 & 240.	Columbus	OH
140	427 D Washington St	Dayton	OH
651	387 Medina Rd Suite 1500	Medina	OH
135	6412 Fairfield Drive Ste A	Northwood	OH
130	4135 Park Ave	Ontario	OH
141	9345 Princeton-Glendale Rd	West Chester	OH
130	100 Kragel Rd	Wintersville	OH
688	5634 S 122nd E Ave (Suites B & F)	Tulsa	OK
122	5634 S 122nd E Ave (Suites C & D)	Tulsa	OK
880	2738 N Hayden Island Dr Building C	Portland	OR
810	250 West Kensinger Drive	Cranberry Township	PA
852	5801 Grayson Rd Suite 104	Harrisburg	PA
810	193 Crowe Ave	Mars	PA
810	198 Crowe Ave	Mars	PA
820	191 D ane E Crowe Ave	Mars	PA
565	1211 Oakcrest Drive	Columbia	SC
760	112 Sunbelt Blvd.	Columbia	SC
768	385 French Collins Rd Bldg. B	Conway	SC
765	605 Apple Valley Rd	Duncan	SC

Branch #	Street Address	City	St
769	1118 Honey Hill Rd	Hardeeville	SC
761	8302 Dorchester Rd	North Charleston	SC
568	405 A Hwy 183	Piedmont /Greenville	SC
747	5559, 5571, 5573 North Lee Highway	Cleveland	TN
742	3066 Fleetbrook Dr	Memphis	TN
741	309 Driftwood St	Nashville	TN
114	222 Space Park South	Nashville	TN
747	5000-5028 Spedale Court	Spring Hill	TN
690	2915 E Randol Mill Rd	Arlington	TX
690	739-741, 719 109th St	Arlington	TX
694	2013 Centimeter Circle	Austin	TX
694	11914 Manchaca Rd	Austin	TX
697	1701 & 1607 Benchmark Drive	Austin	TX
912	13001 West Highway 71	Austin	TX
680	3802 Apollo Rd	Corpus Christi	TX
119	10803 Vinecrest Dr, Suite 170	Houston	TX
691	16526 Air Center Blvd	Houston	TX
116	301 Leora Lane, Suite 190	Lewisville	TX
696	4505 North Twin City Highway	Nederland	TX
117	598 Greenhill Dr, Suite C	Round Rock	TX
695	5015 Airpark	San Antonio	TX
698	8135 Bracken Creek Rd	San Antonio	TX
115	1649 Universal City Blvd, Suite 101	Universal City	TX
894	1140 South 1900 East, Unit #2	Washington	UT
856	107 Juliad Court (units 107-111)	Fredericksburg	VA
570	18573 Louisa Rd	Louisa	VA
762	809 City Center Blvd	Newport News	VA
570	12911 Marsteller Dr	Nokesville	VA
762	5610-B Virginia Beach Blvd.	Norfolk	VA
854	2409 New Dorset Terrace	Powhatan	VA
348	5375 Williston Rd	Williston	VT
898	6405 172nd Street NE, Suite C	Arlington	WA
885	418 Valley Ave NW	Puyallup	WA
899	5207 187th Street East	Puyallup	WA
273	550 N. Hickory Farm Lane	Appleton	WI
273	3110 Louis Ave	Eau Claire	WI
273	5602 Femrite Drive	Madison	WI
273	N59W13500 Manhart Drive	Menomonee Falls	WI
270	3370 Bay Ridge Court	Oneida	WI
273	1941 Ashland Avenue	Sheboygan	WI
273	825 South 20th Street	Sheboygan	WI
273	6002 Saxon Avenue	Weston	WI

Exhibit 31.1

INSTALLED BUILDING PRODUCTS, INC.

Certification Required by Rule 13a-14(a) or 15d-14(a)
of the Securities Exchange Act of 1934

I, Jeffrey W. Edwards, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Installed Building Products, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2018

By: /s/ Jeffrey W. Edwards
Jeffrey W. Edwards
President and Chief Executive Officer

Exhibit 31.2

INSTALLED BUILDING PRODUCTS, INC.

Certification Required by Rule 13a-14(a) or 15d-14(a)
of the Securities Exchange Act of 1934

I, Michael T. Miller, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Installed Building Products, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2018

By: /s/ Michael T. Miller
Michael T. Miller
Executive Vice President and Chief Financial Officer

Exhibit 32.1

INSTALLED BUILDING PRODUCTS, INC.

Certification Required by Rule 13a-14(b) or 15d-14(b)
of the Securities Exchange Act of 1934 and
Section 1350 of Chapter 63 of Title 18 of the
United States Code

The certification set forth below is being submitted in connection with the Installed Building Products, Inc. Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018 (the “Report”) for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Jeffrey W. Edwards, the President and Chief Executive Officer, of Installed Building Products, Inc., certifies that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of Installed Building Products, Inc.

Dated: August 3, 2018

By: /s/ Jeffrey W. Edwards
Jeffrey W. Edwards
President and Chief Executive Officer

Exhibit 32.2

INSTALLED BUILDING PRODUCTS, INC.

Certification Required by Rule 13a-14(b) or 15d-14(b)
of the Securities Exchange Act of 1934 and
Section 1350 of Chapter 63 of Title 18 of the
United States Code

The certification set forth below is being submitted in connection with the Installed Building Products, Inc. Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018 (the “Report”) for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Michael T. Miller, the Executive Vice President and Chief Financial Officer, of Installed Building Products, Inc., certifies that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of Installed Building Products, Inc.

Dated: August 3, 2018

By: /s/ Michael T. Miller
Michael T. Miller
Executive Vice President and Chief Financial Officer