
**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 March 31, 2017

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)

495 South High Street, Suite 50
Columbus, Ohio
(Address of principal executive offices)

45-3707650
(I.R.S. Employer
Identification No.)

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 and posted on its corporate Web site, if any, 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 and post 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 | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | (Do not check if a smaller reporting company) | |
| Emerging growth company | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |

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 May 2, 2017 the registrant had 31,857,297 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)

| | <u>March 31,</u> <u>2017</u> | <u>December 31,</u> <u>2016</u> |
|---|---------------------------------|------------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 24,607 | \$ 14,482 |
| Accounts receivable (less allowance for doubtful accounts of \$4,512 and \$3,397 at March 31, 2017 and December 31, 2016, respectively) | 161,936 | 128,466 |
| Inventories | 43,661 | 40,229 |
| Other current assets | 15,868 | 9,214 |
| Total current assets | 246,072 | 192,391 |
| Property and equipment, net | 71,530 | 67,788 |
| Non-current assets | | |
| Goodwill | 144,244 | 107,086 |
| Intangibles, net | 139,197 | 86,317 |
| Other non-current assets | 8,955 | 8,513 |
| Total non-current assets | 292,396 | 201,916 |
| Total assets | <u>\$609,998</u> | <u>\$ 462,095</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Current maturities of long-term debt | \$ 27,350 | \$ 17,192 |
| Current maturities of capital lease obligations | 6,484 | 6,929 |
| Accounts payable | 76,223 | 67,921 |
| Accrued compensation | 17,879 | 18,212 |
| Other current liabilities | 26,866 | 19,851 |
| Total current liabilities | 154,802 | 130,105 |
| Long-term debt | 236,827 | 134,235 |
| Capital lease obligations, less current maturities | 7,671 | 8,364 |
| Deferred income taxes | 14,007 | 14,239 |
| Other long-term liabilities | 25,065 | 21,175 |
| Total liabilities | 438,372 | 308,118 |
| Commitments and contingencies (Note 10) | | |
| Stockholders' equity | | |
| Preferred Stock; \$0.01 par value: 5,000,000 authorized and 0 shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively | — | — |
| Common Stock; \$0.01 par value: 100,000,000 authorized, 32,417,753 and 32,135,176 issued and 31,765,959 and 31,484,774 shares outstanding at March 31, 2017 and December 31, 2016, respectively | 324 | 321 |
| Additional paid in capital | 169,917 | 158,581 |
| Retained earnings | 13,658 | 7,294 |
| Treasury Stock; at cost: 651,794 and 650,402 shares at March 31, 2017 and December 31, 2016, respectively | (12,273) | (12,219) |
| Total stockholders' equity | 171,626 | 153,977 |
| Total liabilities and stockholders' equity | <u>\$609,998</u> | <u>\$ 462,095</u> |

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

| | Three months ended March 31, | |
|--|------------------------------|------------|
| | 2017 | 2016 |
| Net revenue | \$ 255,669 | \$ 191,698 |
| Cost of sales | 183,497 | 137,107 |
| Gross profit | 72,172 | 54,591 |
| Operating expenses | | |
| Selling | 14,026 | 11,251 |
| Administrative | 39,261 | 30,283 |
| Amortization | 6,416 | 2,479 |
| Operating income | 12,469 | 10,578 |
| Other expense | | |
| Interest expense | 2,170 | 1,553 |
| Other | 152 | 104 |
| Income before income taxes | 10,147 | 8,921 |
| Income tax provision | 3,783 | 3,108 |
| Net income | \$ 6,364 | \$ 5,813 |
| Basic and diluted net income per share | \$ 0.20 | \$ 0.19 |
| Weighted average shares outstanding: | | |
| Basic | 31,590,478 | 31,242,237 |
| Diluted | 31,687,056 | 31,330,971 |

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

| | <u>Common Stock</u> | | <u>Additional Paid In Capital</u> | <u>Accumulated Deficit</u> | <u>Treasury Shares</u> | | <u>Stockholders' Equity</u> |
|---|---------------------|---------------|---|--------------------------------|------------------------|--------------------|---------------------------------|
| | <u>Shares</u> | <u>Amount</u> | | | <u>Shares</u> | <u>Amount</u> | |
| BALANCE - January 1, 2016 | <u>31,982,888</u> | <u>\$ 320</u> | <u>\$156,688</u> | <u>\$ (31,142)</u> | <u>(616,560)</u> | <u>\$ (11,383)</u> | <u>\$ 114,483</u> |
| Net Income | | | | 5,813 | | | 5,813 |
| Surrender of Common Stock Awards by Employees | | | | | (32,367) | (836) | (836) |
| Share-Based Compensation Expense | | | 536 | | | | 536 |
| BALANCE - March 31, 2016 | <u>31,982,888</u> | <u>\$ 320</u> | <u>\$157,224</u> | <u>\$ (25,329)</u> | <u>(648,927)</u> | <u>\$ (12,219)</u> | <u>\$ 119,996</u> |

| | <u>Common Stock</u> | | <u>Additional Paid In Capital</u> | <u>Retained Earnings</u> | <u>Treasury Shares</u> | | <u>Stockholders' Equity</u> |
|---|---------------------|---------------|---|------------------------------|------------------------|--------------------|---------------------------------|
| | <u>Shares</u> | <u>Amount</u> | | | <u>Shares</u> | <u>Amount</u> | |
| BALANCE - January 1, 2017 | <u>32,135,176</u> | <u>\$ 321</u> | <u>\$158,581</u> | <u>\$ 7,294</u> | <u>(650,402)</u> | <u>\$ (12,219)</u> | <u>\$ 153,977</u> |
| Net Income | | | | 6,364 | | | 6,364 |
| Issuance of Common Stock for Acquisition | 282,577 | 3 | 10,856 | | | | 10,859 |
| Surrender of Common Stock Awards by Employees | | | | | (1,392) | (54) | (54) |
| Share-Based Compensation Expense | | | 480 | | | | 480 |
| BALANCE - March 31, 2017 | <u>32,417,753</u> | <u>\$ 324</u> | <u>\$169,917</u> | <u>\$ 13,658</u> | <u>(651,794)</u> | <u>\$ (12,273)</u> | <u>\$ 171,626</u> |

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

| | Three months ended March 31, | |
|--|------------------------------|------------------|
| | 2017 | 2016 |
| Cash flows from operating activities | | |
| Net income | \$ 6,364 | \$ 5,813 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation and amortization of property and equipment | 6,552 | 5,443 |
| Amortization of intangibles | 6,416 | 2,479 |
| Amortization of deferred financing costs and debt discount | 102 | 77 |
| Provision for doubtful accounts | 1,231 | 521 |
| Write-off of debt issuance costs | — | 286 |
| Gain on sale of property and equipment | (107) | (79) |
| Noncash stock compensation | 480 | 536 |
| Deferred income taxes | — | 708 |
| Changes in assets and liabilities, excluding effects of acquisitions | | |
| Accounts receivable | (3,200) | (3,045) |
| Inventories | (894) | (1,364) |
| Other assets | (722) | 1,619 |
| Accounts payable | (1,781) | 3,557 |
| Income taxes payable/receivable | 3,106 | 284 |
| Other liabilities | (1,873) | 2,992 |
| Net cash provided by operating activities | <u>15,674</u> | <u>19,827</u> |
| Cash flows from investing activities | | |
| Purchases of property and equipment | (7,776) | (6,503) |
| Acquisitions of businesses, net of cash acquired of \$247 and \$0, respectively | (106,873) | (8,797) |
| Proceeds from sale of property and equipment | 203 | 190 |
| Other | (550) | — |
| Net cash used in investing activities | <u>(114,996)</u> | <u>(15,110)</u> |
| Cash flows from financing activities | | |
| Proceeds from term loan under credit agreement applicable to respective period (Note 4) | — | 100,000 |
| Payments on term loan under credit agreement applicable to respective period (Note 4) | (1,250) | (48,125) |
| Proceeds from delayed draw term loan under credit agreement applicable to respective period (Note 4) | 112,500 | — |
| Payments on delayed draw term loan under credit agreement applicable to respective period (Note 4) | — | (50,000) |
| Proceeds from vehicle and equipment notes payable | 4,331 | 4,933 |
| Debt issuance costs | (833) | (1,228) |
| Principal payments on long term debt | (2,117) | (1,119) |
| Principal payments on capital lease obligations | (1,882) | (2,348) |
| Acquisition-related obligations | (1,248) | (1,112) |
| Surrender of common stock awards by employees | (54) | (836) |
| Net cash provided by financing activities | <u>109,447</u> | <u>165</u> |
| Net change in cash | 10,125 | 4,882 |
| Cash at beginning of period | 14,482 | 6,818 |
| Cash at end of period | <u>\$ 24,607</u> | <u>\$ 11,700</u> |
| Supplemental disclosures of cash flow information | | |
| Net cash paid during the period for: | | |
| Interest | \$ 2,044 | \$ 1,155 |
| Income taxes, net of refunds | 650 | 2,398 |
| 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 | 816 | 1,247 |
| Seller obligations in connection with acquisition of businesses | 2,503 | 1,052 |
| Unpaid purchases of property and equipment included in accounts payable | 609 | — |

INSTALLED BUILDING PRODUCTS, INC.
NOTES TO CONDENSED 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 and majority-owned subsidiary (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 100 locations and its corporate office is located in Columbus, Ohio.

We have one operating segment and a single reportable segment. Substantially all of our sales come from service-based installation of various products in both the residential and commercial new construction and repair and remodel end markets. Commercial sales have increased primarily due to the acquisition of Trilok Industries, Inc., Alpha Insulation & Waterproofing, Inc. and Alpha Insulation & Waterproofing Company (“Alpha”). See Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations for more information. The following table sets forth the percentage of our net revenue by end market:

| | Three months ended March 31, | |
|-------------|------------------------------|------|
| | 2017 | 2016 |
| Residential | 82% | 89% |
| Commercial | 18 | 11 |
| | 100% | 100% |

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIESBasis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements include all of our wholly owned subsidiaries and majority owned subsidiaries. The non-controlling interest relating to a majority owned subsidiary is not significant for presentation. 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 condensed or 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 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, 2016 (the “2016 Form 10-K”), as filed with the SEC on February 28, 2017. The December 31, 2016 condensed consolidated balance sheet data was derived from the audited financial statements but does not include all disclosures required by U.S. GAAP.

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

Our interim operating results for the three months ended March 31, 2017 are not necessarily indicative of the results to be expected in future operating quarters. See Item 1A. Risk Factors in our 2016 Form 10-K for additional information regarding risk factors that may impact our results.

Note 2 to the consolidated financial statements in our 2016 Form 10-K describes the significant accounting policies and estimates used in preparation of the consolidated financial statements. There have been no changes to our significant accounting policies during the three months ended March 31, 2017 except in the areas of revenue and cost recognition, accounts receivable, share-based compensation and use of estimates as described below.

Revenue and Cost Recognition

Revenue from the sale and installation of products is recognized when all of the following have occurred: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the price is fixed or determinable; and (iv) the ability to collect is reasonably assured. We recognize revenue using either the completed contract method or the percentage-of-completion method of accounting, depending primarily on length of time required to complete the contract. The completed contract method is used for short-term contracts for which financial position and results of operations reported on the completed-contract basis would not vary materially from those resulting from use of the percentage-of-completion method. Revenue from the sale and installation of products is recognized net of adjustments and discounts and, for revenue using the completed contract method of accounting, at the time the installation is complete. 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 which is considered complete based on the relationship of costs incurred to date to total anticipated costs. 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.

Accounts Receivable

We account for trade receivables based on amounts billed to customers. Past due receivables are determined based on contractual terms. We do not accrue interest on any of our trade receivables.

Retainage receivables represent the amount retained by our customers to ensure the quality of the installation and is received after satisfactory completion of each installation project. Management regularly reviews aging of retainage receivables and changes in payment trends and records an allowance when collection of amounts due are considered at risk. Amounts retained by project owners under construction contracts and included in accounts receivable were \$21.1 million and \$18.3 million as of March 31, 2017 and December 31, 2016, respectively.

Share-Based Compensation

Our share-based compensation program is designed to attract and retain employees while also aligning employees' interests with the interests of our stockholders. Restricted stock awards are periodically granted to certain employees, officers and non-employee members of our board of directors under the stockholder-approved 2014 Omnibus Incentive Plan. Most awards are deemed to be equity-based with a service condition and do not contain a market or performance condition with the exception of performance-based awards granted to certain officers. Fair value of the non-performance-based awards to employees and officers is measured at the grant date and amortized to expense over the vesting period of the awards using the straight-line attribution method for all service-based awards with a graded vesting

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

feature. This fair value is reduced by assumed forfeitures and adjusted for actual forfeitures until vesting. We also issue performance stock-based awards to certain officers under our 2014 Omnibus Incentive Plan. The performance-based compensation expense is recorded over the requisite service period using the graded-vesting method for the entire award. Performance-based stock awards are accounted for at fair value at date of grant. Employees and officers are subject to tax at the vesting date based on the market price of the shares on that date, or on the grant date if an election is made.

Use of Estimates

Preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the revenue, costs and reserves established under the percentage-of-completion method, allowance for doubtful accounts, valuation allowance on deferred tax assets, valuation of the reporting unit, intangible assets and other long-lived assets, share-based compensation, reserves for general liability and workers' compensation and medical insurance. Management believes the accounting estimates are appropriate and reasonably determined; however, due to the inherent uncertainties in making these estimates, actual amounts could differ from such estimates.

Advertising Costs

Advertising costs are generally expensed as incurred. Advertising expense was approximately \$0.8 million and \$0.7 million for the three months ended March 31, 2017 and 2016, respectively, and is included in selling expense on the Condensed Consolidated Statements of Operations.

Recently Adopted Accounting Pronouncements

In July 2015, the Federal Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2015-11, "Inventory (Topic 330)." This update requires an entity to measure inventory within the scope of the update at the lower of cost and net realizable value. For public business entities, this update is effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. This ASU will not have a material impact on our consolidated financial statements.

In March 2016, the FASB issued ASU 2016-06, "Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments." This ASU clarifies the requirement for assessing whether contingent call (put) options that can accelerate the payment of principal on debt instruments are clearly and closely related to their debt hosts. An entity performing the assessment under this amendment is required to assess the embedded call (put) options solely in accordance with the four-step decision sequence. Consequently, when a call (put) option is contingently exercisable, an entity does not have to assess whether the event that triggers the ability to exercise a call (put) option is related to interest rates or credit risks. For public business entities, this update is effective for financial statements issued for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years. This ASU will not have a material impact on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-03, "Accounting Changes and Error Corrections (Topic 250) and Investments-Equity Method and Joint Ventures (Topic 323)." The portion of this ASU related to Topic 250 states that when a registrant does not know or cannot reasonably estimate the impact that future adoption of certain ASUs (ASU 2014-09, 2016-02, and 2016-13) are expected to have on the financial

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

statements, then in addition to making a statement to that effect, that registrant should consider additional qualitative financial statement disclosures to assist the reader in assessing the significance of the impact that the standard will have on the financial statements of the registrant when adopted. We have included such disclosures for ASU 2014-09 but not for ASU 2016-02 or ASU 2016-13 since we have not yet performed sufficient analysis on future effects upon implementation of the new standards. We have concluded that the portion of this ASU related to Topic 323 is not applicable and, therefore, will not have a material impact on our consolidated financial statements. This ASU is effective upon issuance.

Recently Issued Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 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. In July 2015, the FASB voted to defer the application of the provisions of this standard for public companies until annual reporting periods beginning after December 15, 2017, including interim periods within those reporting periods. We have substantially completed our initial assessment of the new standard and we are in the process of developing a plan to assess our contracts with customers and validate other components of the preliminary assessment. Currently, we intend to adopt the new standard using the modified retrospective approach. We will continue to assess the impact of this standard through our implementation program and validation process.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." This update amends 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. ASU 2016-02 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. For public business entities, this update is effective for annual reporting periods beginning after December 15, 2018, including interim periods within those fiscal years, and early adoption is permitted as of the standard's issuance date. We are evaluating whether this ASU will have a material impact on our consolidated financial statements. For additional information about potential impact to the condensed consolidated financial statements, see Note 10, Commitments and Contingencies.

In April 2016, the FASB issued ASU No. 2016-10, "Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing," which provides supplemental adoption guidance and clarification to ASU 2014-09. ASU 2016-10 must be adopted concurrently with the adoption of ASU 2014-09. We are evaluating whether the future adoption of these pronouncements will have a material impact on our consolidated financial statements.

In May 2016, the FASB issued ASU No. 2016-11, "Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815): Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 pursuant to Staff announcements at the March 3, 2016 EITF Meeting." This ASU rescinds from the FASB Accounting Standards Codification certain SEC paragraphs as a result of two SEC Staff Announcements at the March 3, 2016 meeting. For public entities, the amendments related to Topic 605 are effective for interim and annual reporting periods beginning after December 15, 2017 and amendments related to Topic 815 are effective for interim and annual reporting periods beginning after December 15, 2015. We are evaluating whether the portion of this ASU related to Topic 605 will have a material impact on our consolidated financial statements but have concluded that the portion of this ASU related to Topic 815 is not applicable and, therefore, will not have a material impact on our consolidated financial statements.

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

In May 2016, the FASB issued ASU 2016-12, “Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients.” The amendments in this ASU provide additional clarification and implementation guidance on the previously issued ASU 2014-09. This ASU provides clarification to Topic 606 on how to assess collectability, present sales tax, treat noncash consideration and account for completed and modified contracts at the time of transition. The amendment also clarifies that an entity retrospectively applying the guidance in Topic 606 is not required to disclose the effect of the accounting change in the period of adoption. The effective date and transition requirements for these amendments are the same as the effective date and transition requirements of ASU 2014-09, which is effective for fiscal years, and for interim periods within those years, beginning after December 15, 2017. We are evaluating whether this ASU will have a material impact on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” This ASU 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. For public business entities, this update is effective for financial statements issued for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. We are evaluating whether this ASU will have a material impact on our consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows: Clarification of Certain Cash Receipts and Cash Payments (Topic 230).” This ASU addresses the diversity in practice related to the classification of certain cash receipts and payments in the statement of cash flows by adding or clarifying guidance on eight specific cash flow issues. For public business entities, this update is effective for financial statements issued for fiscal years beginning after December 15, 2017 and interim periods within those fiscal years. We are evaluating whether this ASU will have a material impact on our consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, “Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other than Inventory.” This ASU aligns the recognition of income tax consequences for intra-entity transfers of assets other than inventory with International Financial Reporting Standards (“IFRS”). For public business entities, this update is effective for financial statements issued for fiscal years beginning after December 15, 2017 and interim periods within those fiscal years. We are evaluating whether this ASU will have a material impact on our consolidated financial statements.

In December 2016, the FASB issued ASU 2016-20, “Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers.” This ASU makes minor corrections or minor improvements to the new revenue recognition standard (ASU 2014-09 not yet adopted) that are not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities. For public business entities, this update is effective for financial statements issued for fiscal years beginning after December 15, 2017 and interim periods within those fiscal years. We are evaluating whether this ASU will have a material impact on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, “Business Combinations (Topic 805): Clarifying the Definition of a Business.” This ASU clarifies the definition of a business to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. For public business entities, this update is effective for financial statements issued for fiscal years beginning after December 15, 2017 and interim periods within those fiscal years. We are evaluating whether this ASU will have a material impact on our consolidated financial statements.

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

In January 2017, the FASB issued ASU 2017-04, “Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.” This ASU removes the second step of the goodwill impairment test. An entity will apply a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit’s carrying amount over its fair value, not to exceed the total amount of goodwill allocated to the reporting unit. The new guidance does not amend the optional qualitative assessment of goodwill impairment. For public business entities, this update is effective for financial statements issued for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. We do not believe this ASU will have a material impact on our consolidated financial statements.

NOTE 3 – 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, 2017 | \$177,090 | \$ (70,004) | \$107,086 |
| Business Combinations | 36,948 | — | 36,948 |
| Other | 210 | — | 210 |
| March 31, 2017 | <u>\$214,248</u> | <u>\$ (70,004)</u> | <u>\$144,244</u> |

Other changes included in the above table include minor adjustments for the allocation of certain acquisitions still under measurement and an immaterial acquisition completed during the three months ended March 31, 2017.

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 three month periods ended March 31, 2017 and 2016.

Intangibles, net

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

| | As of March 31, 2017 | | | As of December 31, 2016 | | |
|-------------------------------|-----------------------------|-----------------------------|----------------------|-----------------------------|-----------------------------|----------------------|
| | Gross Carrying Amount | Accumulated Amortization | Net Book Value | Gross Carrying Amount | Accumulated Amortization | Net Book Value |
| Amortized intangibles: | | | | | | |
| Customer relationships | \$108,983 | \$ 29,659 | \$ 79,324 | \$ 80,909 | \$ 27,533 | \$53,376 |
| Covenants not-to-compete | 10,238 | 3,003 | 7,235 | 8,602 | 2,466 | 6,136 |
| Trademarks and tradenames | 52,698 | 11,227 | 41,471 | 37,303 | 10,498 | 26,805 |
| Backlog | 13,400 | 2,233 | 11,167 | — | — | — |
| | <u>\$185,319</u> | <u>\$ 46,122</u> | <u>\$139,197</u> | <u>\$126,814</u> | <u>\$ 40,497</u> | <u>\$86,317</u> |

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The gross carrying amount of intangibles increased approximately \$58.5 million during the three months ended March 31, 2017 primarily due to business combinations. See Note 11, 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 2017 | \$19,437 |
| 2018 | 21,140 |
| 2019 | 16,168 |
| 2020 | 15,568 |
| 2021 | 14,550 |
| Thereafter | 52,334 |

NOTE 4 – LONG-TERM DEBT

Debt consisted of the following (in thousands):

| | <u>As of March 31,</u> 2017 | <u>As of December 31,</u> 2016 |
|---|--------------------------------|-----------------------------------|
| Term loans, in effect, net of unamortized debt issuance costs of \$399 and \$447, respectively | \$ 94,601 | \$ 95,803 |
| Delayed draw term loans, in effect, net of unamortized debt issuance costs of \$499 and \$50, respectively | 124,501 | 12,450 |
| Vehicle and equipment notes, maturing March 2022; payable in various monthly installments, including interest rates ranging from 2% to 4% | 40,311 | 38,186 |
| Various notes payable, maturing through March 2025; payable in various installments, including interest rates ranging from 4% to 6% | 4,764 | 4,988 |
| | <u>264,177</u> | <u>151,427</u> |
| Less: current maturities | (27,350) | (17,192) |
| Long-term debt, less current maturities | <u>\$ 236,827</u> | <u>\$ 134,235</u> |

On February 29, 2016, we entered into a Credit and Security Agreement (the “Credit and Security Agreement”) with the lenders named therein. The Credit and Security Agreement amended and restated our previous credit agreement (the “2015 Credit Agreement”), which was scheduled to mature in April 2020. We used a portion of the funds from the Credit and Security Agreement to pay off the outstanding balances under the 2015 Credit Agreement. The Credit and Security Agreement provided for a five-year senior secured credit facility in an aggregate principal amount of up to \$325.0 million, consisting of a \$100.0 million revolving line of credit (the “Revolving LOC”), a \$100.0 million term loan (the “Term Loan”) and a delayed draw term loan facility (the “DDTL”) providing for up to \$125.0 million in additional term loan draws during the first year of the Credit and Security Agreement. Under the Revolving LOC, up to an aggregate of \$20.0 million was available to us for the issuance of letters of credit and up to an aggregate of \$5.0 million was available to us for swing line loans. The Credit and Security Agreement also included an accordion feature which allowed us, at our option but subject to lender and certain other approvals, to add up to an aggregate of \$75.0 million in principal amount of term loans or additional revolving credit commitments, subject to the same terms as the Revolving LOC and Term Loan. As of March 31, 2017, there were approximately \$17.9 million in letters of credit issued and no borrowings outstanding under the Revolving LOC. All of the obligations under the Credit and Security Agreement were guaranteed by our material domestic subsidiaries, other than Suburban Insulations, Inc.

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Loans under the Credit and Security Agreement bore interest at either the eurodollar rate (“LIBOR”) or the base rate (which approximates prime rate), at our election, plus a margin based on the type of rate applied and our leverage ratio. At December 31, 2016, the outstanding balances on the Term Loan and DDTL bore interest at 1-month LIBOR, including margin (2.5%), and at March 31, 2017, the outstanding balances on the Term Loan and the DDTL bore interest at 1-month LIBOR, including margin (2.69%). In addition to interest, we were required to pay commitment fees on the unused portion of the Revolving LOC. The commitment fee rate for the period from February 29, 2016 through August 31, 2016 was 22.5 basis points. Thereafter, the commitment fee rate, like the interest rate spreads, was subject to adjustment based on our leverage ratio, with possible future commitment fees ranging from 20 to 30 basis points per annum. The commitment fee rate from September 1, 2016 to December 31, 2016 was 22.5 basis points and the rate from January 1, 2017 to March 31, 2017 was 25.0 basis points. We were also required to pay a ticking fee of 37.5 basis points per annum on the unused portion of the DDTL until it was fully drawn in January 2017. Any outstanding principal balances on the Term Loan and DDTL would have been due on February 28, 2021.

The Credit and Security Agreement contained covenants that required us to (1) maintain a fixed charge coverage ratio of not less than 1.10 to 1.00 and (2) maintain a leverage ratio of no greater than (a) 3.50 to 1.00 through December 30, 2016; (b) 3.25 to 1.00 on December 31, 2016 through June 29, 2017; (c) 3.00 to 1.00 on June 30, 2017 through December 30, 2017; (d) 2.75 to 1.00 on December 31, 2017 through June 29, 2018; and (e) 2.50 to 1.00 on June 30, 2018 and thereafter. The Credit and Security Agreement also contained various restrictive non-financial covenants and a provision that, upon an event of default (as defined by the Credit and Security Agreement), amounts outstanding under the Credit and Security Agreement would bear interest at the rate as determined above plus 2.0% per annum.

On April 13, 2017 we entered into a term loan agreement for \$300 million and an asset-based lending credit agreement for \$100 million with up to \$50 million for letters of credit (the “Senior Secured Credit Facilities”) with a bank group. We used a portion of the funds from the Senior Secured Credit Facilities to pay off the outstanding balances under our Credit and Security Agreement. See Note 13, Subsequent Events for further information.

Vehicle and Equipment Notes

We are party to a Master Loan and Security Agreement (“Master Loan and Security Agreement”), a Master Equipment Lease Agreement (“Master Equipment Agreement”) and one or more Master Loan Agreements (“Master Loan Agreements”) with various lenders to provide financing for the purpose of purchasing or leasing vehicles and equipment used in the normal course of business. Each financing arrangement under these agreements constitutes a separate note and obligation. Vehicles and equipment purchased or leased under each financing arrangement serve as collateral for the note applicable to such financing arrangement. Regular payments are due under each note for a period of typically 60 consecutive months after the incurrence of the obligation. The specific terms of each note are based on specific criteria, including the type of vehicle or equipment and the market interest rates at the time. No termination date applies to these agreements.

Total gross assets relating to our master loan and equipment agreements were \$50.0 million and \$48.7 million as of March 31, 2017 and December 31, 2016, respectively, none of which were fully depreciated as of March 31, 2017 or December 31, 2016, respectively. The net book value of assets under these agreements was \$36.7 million and \$38.0 million as of March 31, 2017 and December 31, 2016, respectively. Depreciation of assets held under these agreements is included within cost of sales on the Condensed Consolidated Statements of Operations.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 5 – COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

Uncompleted contracts were as follows (in thousands):

| | March 31, 2017 |
|---|-------------------|
| Costs incurred on uncompleted contracts | \$60,187 |
| Estimated earnings | 35,118 |
| Total | 95,305 |
| Less: Billings to date | 92,631 |
| Net under (over) billings | <u>\$ 2,674</u> |

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

| | March 31, 2017 |
|---|-------------------|
| Costs and estimated earnings in excess of billings on uncompleted contracts | \$ 6,375 |
| Billings in excess of costs and estimated earnings on uncompleted contracts | (3,701) |
| Net under (over) billings | <u>\$ 2,674</u> |

The asset, costs and estimated earnings in excess of billings on uncompleted contracts, represents revenues recognized in excess of amounts billed and is included in other current assets in our Condensed Consolidated Balance Sheets. The liability, billings in excess of costs and estimated earnings on uncompleted contracts, represents billings in excess of revenues recognized and is included in other current liabilities in our Condensed Consolidated Balance Sheets.

NOTE 6 – FAIR VALUE MEASUREMENTSFair Values

Fair value is the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

ASC 820, "Fair Value Measurement," establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

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Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Estimated Fair Value of Financial Instruments

Accounts receivable, accounts payable and accrued liabilities as of March 31, 2017 and December 31, 2016 approximate fair value due to the short-term maturities of these financial instruments. The carrying amounts of the long-term debt, including the Term Loan, DDTL and Revolving LOC, approximate fair value as of March 31, 2017 and December 31, 2016 due to the short term maturities of the underlying variable rate LIBOR agreements. The carrying amounts of the obligations associated with our capital leases and vehicle and equipment notes approximate fair value as of March 31, 2017 and December 31, 2016 because we have incurred the obligations within recent fiscal years when the interest rate markets have been low and stable. All debt classifications represent Level 2 fair value measurements.

NOTE 7 – EMPLOYEE BENEFITS

Healthcare

Our healthcare benefit expense (net of employee contributions) for all plans was approximately \$4.0 million and \$4.3 million for the three months ended March 31, 2017 and 2016, 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 \$1.8 million and \$1.7 million as of March 31, 2017 and December 31, 2016, respectively.

Workers' Compensation

Workers' compensation expense totaled \$4.1 million and \$3.0 million for the three months ended March 31, 2017 and 2016, respectively. Workers' compensation known claims and IBNR reserves included on the Condensed Consolidated Balance Sheets were as follows (in thousands):

| | March 31, 2017 | December 31, 2016 |
|---|-------------------|----------------------|
| Included in other current liabilities | \$ 4,122 | \$ 4,595 |
| Included in other long-term liabilities | 9,035 | 7,052 |
| | <u>\$13,157</u> | <u>\$ 11,647</u> |

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

| | March 31, 2017 | December 31, 2016 |
|--------------------------------------|-------------------|----------------------|
| Included in other non-current assets | \$ 1,231 | \$ 1,249 |

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Share-Based Compensation

Directors

We periodically grant shares of restricted stock to members of our Board of Directors. Accordingly, we record compensation expense within administrative expenses on the Condensed Consolidated Statements of Operations at the time of the grant. No shares were granted to our directors during the three months ended March 31, 2017 or 2016.

Employees

During the three months ended March 31, 2017, our employees surrendered approximately one thousand shares 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 was \$0.4 million for the three months ended March 31, 2017 and \$0.5 million for the three months ended March 31, 2016. We recognized excess tax benefits of \$0.1 million and \$0.2 million within the income tax provision in the Condensed Consolidated Statements of Operations for the three months ended March 31, 2017 and 2016, respectively.

Nonvested common stock awards for employees as of December 31, 2016 and changes during the three months ended March 31, 2017 were as follows:

| | Common Stock Awards | Weighted Average Grant Date Fair Market Value Per Share |
|--|------------------------|---|
| Nonvested common stock awards at December 31, 2016 | 161,174 | \$ 26.36 |
| Granted | — | — |
| Vested | (9,561) | 21.79 |
| Forfeited | (362) | 26.98 |
| Nonvested common stock awards at March 31, 2017 | <u>151,251</u> | <u>\$ 26.65</u> |

As of March 31, 2017, there was \$2.7 million of unrecognized compensation expense related to these nonvested common stock awards. 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 2.0 years. Shares forfeited are returned as treasury shares and available for future issuances.

As of March 31, 2017, approximately 2.6 million shares of common stock were available for issuance under the 2014 Omnibus Incentive Plan.

Performance-Based Stock

During the three months ended March 31, 2017, we established, and our Board of Directors approved, performance-based targets in connection with common stock awards to be issued to certain officers in 2018 contingent upon achievement of these targets. Share-based compensation expense associated with these performance-based awards was \$0.1 million for the three months ended March 31, 2017.

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Nonvested performance-based stock awards for employees as of December 31, 2016 and changes during the three months ended March 31, 2017 were as follows:

| | Performance- Based Stock Awards | Weighted Average Grant Date Fair Market Value Per Share |
|---|---------------------------------------|---|
| Nonvested performance-based stock awards at December 31, 2016 | — | \$ — |
| Granted | 77,254 | 41.00 |
| Vested | — | — |
| Cancelled | — | — |
| Nonvested performance-based stock awards at March 31, 2017 | <u>77,254</u> | <u>\$ 41.00</u> |

As of March 31, 2017, there was \$3.0 million of unrecognized compensation expense related to nonvested performance-based common stock awards. This expense is subject to future adjustments for forfeitures and is expected to be recognized over the remaining weighted-average period of 2.6 years using the graded-vesting method.

NOTE 8 – INCOME TAXES

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

During the three months ended March 31, 2017, the effective tax rate was 37.3%. This rate was favorably impacted by deductions related to domestic production activities and usage of net operating losses for a tax filing entity that previously had a full valuation allowance. The favorable impact 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.

NOTE 9 – 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 10, Commitments and Contingencies, for future minimum lease payments to be paid to these related parties.

For the three months ended March 31, 2017 and 2016, 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 March 31, | |
|-----------|---------------------------------|----------|
| | 2017 | 2016 |
| Sales | \$2,336 | \$ 1,527 |
| Purchases | 291 | 103 |
| Rent | 296 | 155 |

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As of March 31, 2017 and December 31, 2016, we had related party balances of approximately \$1.9 million and \$1.5 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 \$0.8 million of these balances as of March 31, 2017 and December 31, 2016.

NOTE 10 – COMMITMENTS AND CONTINGENCIESAccrued General Liability

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

| | March 31, 2017 | December 31, 2016 |
|---|-------------------|----------------------|
| Included in other current liabilities | \$ 1,857 | \$ 1,949 |
| Included in other long-term liabilities | 8,108 | 7,104 |
| | <u>\$ 9,965</u> | <u>\$ 9,053</u> |

We also had insurance receivables included on the Condensed Consolidated Balance Sheets that, in aggregate, offset an equal liability included within the reserve amounts noted above. The amounts were as follows (in thousands):

| | March 31, 2017 | December 31, 2016 |
|--|-------------------|----------------------|
| Insurance receivable and indemnification asset for claims under a fully insured policy | \$ 2,773 | \$ 2,773 |
| Insurance receivable for claims that exceeded the stop loss limit | — | 26 |
| Total insurance receivables included in other non-current assets | <u>\$ 2,773</u> | <u>\$ 2,799</u> |

Leases

We are obligated under capital leases covering vehicles and certain equipment. The vehicle and equipment leases generally have terms ranging from four to six years. Total gross assets relating to capital leases were approximately \$64.1 million and \$64.2 million as of March 31, 2017 and December 31, 2016, respectively, and a total of approximately \$22.3 million and \$22.8 million were fully depreciated as of March 31, 2017 and December 31, 2016, respectively. The net book value of assets under capital leases was approximately \$15.1 million and \$16.4 million as of March 31, 2017 and December 31, 2016, respectively. Amortization of assets held under capital leases is included within cost of sales on the Condensed Consolidated Statements of Operations.

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.

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Future minimum lease payments under noncancellable operating leases (with initial or remaining lease terms in excess of one year) with related parties as of March 31, 2017 are as follows (in thousands):

| | |
|-------------------|-------|
| Remainder of 2017 | \$868 |
| 2018 | 967 |
| 2019 | 810 |
| 2020 | 566 |
| 2021 | 583 |
| Thereafter | 600 |

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.

NOTE 11 – BUSINESS COMBINATIONS

As part of our ongoing strategy to increase market share in certain markets, we completed two business combinations during the three months ended March 31, 2017 and three business combinations during the three months ended March 31, 2016. Acquisition-related costs amounted to \$0.6 million and \$0.4 million for the three months ended March 31, 2017 and 2016, respectively. The goodwill recognized in conjunction with these business combinations is attributable to expected improvement in the business of these acquired companies. We expect to deduct \$36.6 million of goodwill for tax purposes as a result of 2017 acquisitions.

2017

On January 5, 2017, we consummated our previously announced acquisition of all of the outstanding shares of Trilok Industries, Inc., Alpha Insulation & Waterproofing, Inc. and Alpha Insulation & Waterproofing Company (“Alpha”) for consideration of approximately \$103.8 million in cash, including \$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, \$10.9 million by issuing 282,577 shares of our common stock and other seller obligations totaling \$2.0 million. Revenue and net income since the date of acquisition included in our Condensed Consolidated Statements of Operations for the three months ended March 31, 2017 were \$28.2 million and \$0.9 million, respectively.

On March 20, 2017, we acquired substantially all of the assets of Custom Glass Atlanta, Inc. and Atlanta Commercial Glazing, Inc. The purchase price consisted of cash of \$3.3 million and seller obligations of \$0.5 million. Revenue and net income since the date of acquisition included in our Condensed Consolidated Statement of Operations for the three months ended March 31, 2017 were \$0.5 million and \$21 thousand, respectively.

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2016

On January 25, 2016, we acquired substantially all of the assets of Key Green Builder Services, LLC d/b/a Key Insulation. The purchase price consisted of cash of \$5.0 million and seller obligations of \$0.7 million. Revenue and net loss since the date of acquisition included in our Condensed Consolidated Statements of Operations for the three months ended March 31, 2016 were \$2.1 million and \$(28) thousand, respectively.

On February 2, 2016, we acquired substantially all of the assets of Marshall Insulation, LLC. The purchase price consisted of cash of \$0.9 million and seller obligations of \$0.1 million. Revenue and net loss since the date of acquisition included in our Condensed Consolidated Statements of Operations for the three months ended March 31, 2016 were \$0.6 million and \$(86) thousand, respectively.

On February 29, 2016, we acquired substantially all of the assets of Kern Door Company, Inc. The purchase price consisted of cash of \$2.9 million and seller obligations of \$0.1 million. Revenue and net income since the date of acquisition included in our Condensed Consolidated Statements of Operations for the three months ended March 31, 2016 were \$0.3 million and \$13 thousand, respectively.

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 March 31 and may be adjusted during the valuation period since acquisition (in thousands):

| | 2017 | | | 2016 |
|--|------------------|-----------------|------------------|-----------------|
| | Alpha | Other | Total | Total |
| Estimated fair values: | | | | |
| Cash | \$ 247 | \$ — | \$ 247 | \$ — |
| Accounts receivable | 30,405 | 1,096 | 31,501 | 1,518 |
| Inventories | 1,751 | 772 | 2,523 | 311 |
| Other current assets | 6,030 | — | 6,030 | 8 |
| Property and equipment | 1,528 | 462 | 1,990 | 789 |
| Intangibles | 57,100 | 1,904 | 59,004 | 5,036 |
| Goodwill | 36,452 | 496 | 36,948 | 3,220 |
| Other non-current assets | 150 | 82 | 232 | 24 |
| Accounts payable and other current liabilities | (16,992) | (1,001) | (17,993) | (1,239) |
| Fair value of assets acquired and purchase price | 116,671 | 3,811 | 120,482 | 9,667 |
| Less fair value of common stock issued | 10,859 | — | 10,859 | — |
| Less seller obligations | 2,002 | 501 | 2,503 | 870 |
| Cash paid | <u>\$103,810</u> | <u>\$ 3,310</u> | <u>\$107,120</u> | <u>\$ 8,797</u> |

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 3—Goodwill and Intangibles during the three months ended March 31, 2017 due to minor adjustments to goodwill for the allocation of certain acquisitions still under measurement as well as other immaterial intangible assets added during the ordinary course of business. In addition, goodwill and intangibles increased during the three months ended March 31, 2017 due to an immaterial tuck-in acquisition that does not appear in the above table.

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Estimates of acquired intangible assets related to the acquisitions are as follows for the three months ended March 31 (dollars in thousands):

| | 2017 | | 2016 | |
|------------------------------------|-------------------------|---|-------------------------|---|
| | Estimated Fair Value | Weighted Average Estimated Useful Life (yrs.) | Estimated Fair Value | Weighted Average Estimated Useful Life (yrs.) |
| Acquired intangibles assets | | | | |
| Customer relationships | \$28,501 | 8 | \$ 3,067 | 8 |
| Trademarks and trade names | 15,496 | 15 | 1,535 | 15 |
| Non-competition agreements | 1,607 | 5 | 434 | 5 |
| Backlog | 13,400 | 1.5 | — | — |

Pro Forma Information

The unaudited pro forma information for the combined results of the Company has been prepared as if the 2017 acquisitions had taken place on January 1, 2016 and the 2016 acquisitions had taken place on January 1, 2015. 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, 2016 and 2015, respectively, and the unaudited pro forma information does not purport to be indicative of future financial operating results. See Note 12, Business Combinations, to our audited financial statements in Item 8 of Part II of our 2016 Form 10-K for additional information on 2016 acquisitions included in the table below (in thousands, except per share data):

| | Pro forma for the three months ended March 31, | |
|--|---|-----------|
| | 2017 | 2016 |
| Net revenue | \$258,289 | \$232,345 |
| Net income | \$ 6,579 | \$ 6,559 |
| Basic and diluted net income per share | \$ 0.21 | \$ 0.21 |

Unaudited pro forma net income reflects additional intangible asset amortization expense of \$56 thousand and \$4.2 million for the three months ended March 31, 2017 and 2016, respectively, as well as additional income tax expense of \$0.1 million and \$0.4 million for the three months ended March 31, 2017 and 2016, respectively, and additional interest expense of \$0.5 million for the three months ended March 31, 2016 that would have been recorded had the 2017 acquisitions taken place on January 1, 2016 and the 2016 acquisitions taken place on January 1, 2015. There was no additional interest expense for the three months ended March 31, 2017.

NOTE 12 –INCOME PER COMMON SHARE

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

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Diluted net income per 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 share calculation when dilutive. Diluted net income per share was as follows (in thousands, except share and per share data):

| | For the three months ended March 31, | |
|--|---|------------|
| | 2017 | 2016 |
| Net income - basic and diluted | \$ 6,364 | \$ 5,813 |
| Weighted average number of common shares outstanding | 31,590,478 | 31,242,237 |
| Dilutive effect of outstanding common stock awards after application of the Treasury Stock Method | 96,578 | 88,734 |
| Diluted shares outstanding | 31,687,056 | 31,330,971 |
| Basic and diluted net income per share | \$ 0.20 | \$ 0.19 |

None of the non-vested common stock awards had an antidilutive effect on diluted net income per share for either of the three months ended March 31, 2017 or 2016.

NOTE 13 – SUBSEQUENT EVENTS

New Senior Secured Credit Agreements

On April 13, 2017 (the “Closing Date”), we entered into a term loan credit agreement (the “Term Loan Agreement”) with the lenders named therein and Royal Bank of Canada as term administrative agent and RBC Capital Markets, UBS Securities LLC and Jefferies Finance LLC as joint lead arrangers and joint bookrunners. The Term Loan Agreement, subject to the terms and conditions set forth therein, provides for a new seven-year \$300,000,000 term loan facility (the “Term Loan”).

On the Closing Date, we also entered into an asset-based lending credit agreement (the “ABL Credit Agreement” and together with the Term Loan Agreement, the “Senior Secured Credit Agreements”) with the subsidiary guarantors from time to time party thereto, the financial institutions from time to time party thereto, and SunTrust Bank, as issuing bank, swing bank and administrative agent, with SunTrust Robinson Humphrey, Inc. as left lead arranger and bookrunner. The ABL Credit Agreement provides for a revolving credit facility of up to approximately \$100,000,000 with a sublimit up to \$50,000,000 for the issuance of letters of credit (the “ABL Revolver”), which may be reduced or increased pursuant to the ABL Credit Agreement. The borrowing base for the ABL Revolver, which determines availability under the facility, is based on a percentage of the value of certain of assets comprising the ABL Priority Collateral (as defined below).

Proceeds from the Senior Secured Credit Facilities were used to repay in full all amounts outstanding under the Credit and Security Agreement.

The Term Loan amortizes in quarterly principal payments of \$750,000 starting on September 30, 2017, with any remaining unpaid balances due on April 15, 2024, which is the maturity date. Loans incurred under the ABL Revolver will have a final maturity of April 13, 2022.

Subject to certain exceptions, the Term Loan will be subject to mandatory pre-payments equal to (i) 100% of the net cash proceeds from issuances or incurrence of debt by the Company or any of its restricted subsidiaries (other than with respect to certain permitted indebtedness); (ii) 100% of the net cash proceeds from certain sales or dispositions of assets by the Company or any of its restricted subsidiaries in excess

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of a certain amount and subject to customary reinvestment provisions and certain other expenses; and (iii) 50% (with step-downs to 25% and 0% based upon achievement of specified net leverage ratios) of excess cash flow of the Company and its restricted subsidiaries in excess of \$5,000,000, subject to customary exceptions and limitations.

All of the obligations under the Senior Secured Credit Facilities will be guaranteed by all of our existing and future restricted subsidiaries (the “Guarantors”).

All obligations under the Senior Secured Credit Facilities, and the guarantees of those obligations, will be secured by substantially all of our assets and the Guarantors subject to certain exceptions and permitted liens, including (i) with respect to the Term Loan, a first-priority security interest in such assets that constitute Term Loan Priority Collateral and a second-priority security interest in such assets that constitute ABL Priority Collateral and (ii) with respect to the ABL Revolver, a first-priority security interest in such assets that constitute ABL Priority Collateral and a second-priority security interest in such assets that constitute Term Loan Priority Collateral.

“ABL Priority Collateral” includes substantially all presently owned and after-acquired accounts receivable, inventory, rights of an unpaid vendor with respect to inventory, deposit accounts, commodity accounts, securities accounts and lock boxes, investment property, cash and cash equivalents, and instruments and chattel paper and general intangibles, books and records, supporting obligations and documents and related letters of credit, commercial tort claims or other claims related to and proceeds of each of the foregoing.

“Term Loan Priority Collateral” includes all assets that are not ABL Priority Collateral.

Loans under the Senior Secured Credit Facilities will bear interest based on, at the Company’s election, either the base rate or the Eurodollar rate plus, in each case, an applicable margin (the “Applicable Margin”). The Applicable Margin in respect of loans under (i) the Term Loan Agreement will be (A) 3.00% in the case of Eurodollar rate loans and (B) 2.00% in the case of base rate loans, and (ii) the ABL Facility will be (A) 1.25%, 1.50% or 1.75% in the case of Eurodollar rate loans (based on a measure of availability under the ABL Facility) and (B) 0.25%, 0.50% or 0.75% in the case of base rate loans (based on a measure of availability under the ABL Facility).

In addition, we will pay a closing fee of 1.25% of the Term Loan amount and customary commitment fees and letter of credit fees under the ABL Credit Agreement. The commitment fees will vary based upon a measure of our utilization under the ABL Revolver.

The Senior Secured Credit Facilities each contain a number of customary affirmative and negative covenants that, among other things, limit or restrict our ability and the Guarantors ability to: incur indebtedness; incur liens; engage in mergers or other fundamental changes; sell certain property or assets; pay dividends or other distributions; make acquisitions, investments, guarantees, loans and advances; prepay certain indebtedness; change the nature of their business; engage in certain transactions with affiliates; and incur restrictions on contractual obligations limiting interactions between us and our subsidiaries or limit actions in relation to the Senior Secured Credit Facilities.

The ABL Credit Agreement also contains a financial covenant requiring the satisfaction of a minimum fixed charge coverage ratio of 1.00 to 1.00 in the event that we do not meet a minimum measure of availability under the ABL Revolver.

INSTALLED BUILDING PRODUCTS, INC.
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The Senior Secured Credit Agreements contains customary events of default, subject to certain grace periods, thresholds and materiality qualifiers. Such events of default include, without limitation: non-payment of obligations; the material inaccuracy of any representations or warranties; failure to perform or observe covenants; a default related to other material debt that could result in the acceleration of that debt; certain events of bankruptcy or insolvency; judgments for the payment of money in excess of \$50,000,000 in the aggregate that remains unpaid or unstayed and undischarged for a period of 60 consecutive days; and a change of control of the Company. The occurrence and continuance of an event of default could result in, among other things, acceleration of amounts owing under the Senior Secured Credit Agreements and termination of the Senior Secured Credit Agreements.

Under the Term Loan Agreement, if upon the occurrence and during the continuance of certain events of default, any principal of or interest on any loan under the Term Loan Agreement or any fee or other amount payable by us is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount will bear interest at a rate per annum equal to (i) in the case of overdue principal of any loan under the Term Loan Agreement, 2.00% per annum plus the rate otherwise applicable to such loan, or (ii) in the case of any other amount, 2.00% per annum plus interest rate for base rate loans as described above.

Under the ABL Credit Agreement, during an event of default, interest on the outstanding and overdue obligations arising under the ABL Credit Agreement and the related loan documents may, at the administrative agent's election, and shall, at the request of the Majority Lenders (as defined in the ABL Credit Agreement), accrue at a simple per annum interest rate equal to, with respect to all outstanding obligations under the ABL Credit Agreement, the sum of (i) the applicable interest rate basis, if any, with respect to the applicable obligation, plus (ii) the Applicable Margin for such interest rate basis, plus (iii) 2.00% (the "ABL Default Rate"); provided, however, that the ABL Default Rate will automatically deemed to be invoked at all times with respect to overdue obligations under the ABL Credit Agreement and the related loan documents that have been accelerated or deemed accelerated under the ABL Credit Agreement.

Business Combinations

On May 1, 2017, we acquired substantially all of the assets of Legacy Glass & Supply, Inc. for total consideration of approximately \$2.2 million, subject to a working capital adjustment. The initial accounting for the business combination was not complete at the time the financial statements were issued due to the timing of the acquisition and the filing of this Quarterly Report on Form 10-Q. As a result, disclosures required under ASC 805-10-50, Business Combinations, cannot be made at this time.

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 2016 Form 10-K.

OVERVIEW

We are the second largest new residential insulation installer in the United States based on our internal estimates, with a national platform consisting of over 100 locations serving customers in all 48 continental states and the District of Columbia. Our acquisition of Alpha in January 2017 expands our market position in commercial insulation installation and strengthens our complementary installed product offerings in waterproofing, fire-stopping and fireproofing. We also install other complementary building products, including garage doors, rain gutters, shower doors, closet shelving and mirrors. 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.

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.

We believe our business is well positioned to continue to profitably grow during the housing recovery due to our strong balance sheet, liquidity and our continuing acquisition strategy. We may adjust our strategies based on housing demand and our performance in each of our markets. Nevertheless, the pace of the housing recovery and our future results could be negatively affected by weakening economic conditions and decreases in housing demand and affordability as well as increases in interest rates and tightening of mortgage lending practices.

We manage all aspects of the installation process for our customers, from our direct purchase and receipt of materials from national manufacturers, to our timely supply of materials to job sites and quality installation. Installation of insulation is a critical phase in the construction process, as certain interior work cannot begin until the insulation phase passes inspection. We benefit from our national scale, long-standing supplier relationships and a broad customer base that includes production and custom homebuilders, multi-family and commercial construction firms and homeowners.

Contracts fulfilled by Alpha are primarily accounted for under the percentage-of-completion method of accounting. 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 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. As a result of the acquisition of Alpha, we currently estimate backlog to be \$86.8 million as of March 31, 2017. Backlog represents expected revenue on uncompleted contracts, including the amount of revenue on contracts for which our work has not yet commenced, less the revenue recognized under these contracts.

Three Months Ended March 31, 2017 Compared to the Three Months Ended March 31, 2016

Net revenue

For the three months ended March 31, 2017, net revenue increased \$64.0 million or 33.4%, to \$255.7 million from \$191.7 million for the three months ended March 31, 2016. The increase in net revenue

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included revenue from acquisitions of approximately \$47.3 million. Approximately \$9.0 million was predominantly attributable to organic growth in the volume of completed jobs in all of our end markets. The remaining increase in net revenue of \$7.7 million resulted from a variety of factors, including customer and product mix, market pricing variations and insulation volumes driven by building code requirements. None of these additional factors was more significant than any other.

Cost of sales

For the three months ended March 31, 2017, cost of sales increased \$46.4 million, or 33.8%, to \$183.5 million from \$137.1 million for the three months ended March 31, 2016. As a percentage of net revenue, cost of sales increased to 71.8% during the three months ended March 31, 2017 from 71.5% during the three months ended March 31, 2016. On a dollar basis, cost of sales included increases from acquired businesses of approximately \$33.7 million. Approximately \$6.2 million was predominantly attributable to organic growth in the volume of completed jobs in the residential new construction end market. Additionally, cost of sales increased \$6.5 million as a result of a variety of factors including customer and product mix, market pricing variations and insulation volumes driven by building code requirements. None of these additional factors was more significant than any other.

Gross Profit

For the three months ended March 31, 2017, gross profit increased \$17.6 million to \$72.2 million from \$54.6 million for the three months ended March 31, 2016. As a percentage of net revenue, gross profit decreased to 28.2% for the three months ended March 31, 2017 from 28.5% for the three months ended March 31, 2016.

Operating expenses

Selling

For the three months ended March 31, 2017, selling expenses increased \$2.7 million, or 24.7%, to \$14.0 million from \$11.3 million for the three months ended March 31, 2016. As a percentage of net revenue, selling expenses decreased to 5.5% during the three months ended March 31, 2017 from 5.9% during the three months ended March 31, 2016. On a dollar basis, the increase in selling expenses was primarily due to higher wages, benefits and commissions of \$1.9 million and increased bad debt costs of \$0.7 million which supported both organic and acquisition-related growth. The remaining increase of \$0.1 million included individually minor increases in several categories necessary to support our growing business.

Administrative

For the three months ended March 31, 2017, administrative expenses increased \$9.0 million, or 29.6%, to \$39.3 million from \$30.3 million for the three months ended March 31, 2016. The increase in administrative expenses is generally related to the cost of completing acquisitions, the ongoing costs associated with these newly-acquired entities and costs to support our growth. Wages and benefits increased \$4.4 million, of which \$3.8 million was attributable to acquisitions and \$0.6 million was to support our growth. In addition, facility costs increased \$1.3 million to support both organic and acquisition related growth. The remaining increase in administrative expenses of \$3.3 million was due to \$1.1 million of increased general liability insurance costs due to claims development and to support growth, \$0.9 million of increased accounting and legal fees to facilitate our transition into a large accelerated filer and \$0.3 million of increased information technology-related expenses. The remaining increase in administrative expenses of \$1.0 million included individually minor increases in several categories necessary to support our growing business.

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Amortization

For the three months ended March 31, 2017, amortization expense increased \$3.9 million to \$6.4 million from \$2.5 million for the three months ended March 31, 2016. The increase in amortization expense was attributable to the increase in finite-lived intangible assets obtained as a result of acquisitions.

Other expense

For the three months ended March 31, 2017, other expense increased \$0.6 million to \$2.3 million from \$1.7 million for the three months ended March 31, 2016 due to increased interest expense on higher debt levels to support our growth related to acquisitions.

Income tax provision

During the three months ended March 31, 2017, we recorded an income tax provision of \$3.8 million on our income before income taxes of \$10.1 million, or an effective tax rate of 37.3%. This rate was favorably impacted by deductions related to domestic production activities, 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. The 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.

During the three months ended March 31, 2016, we recorded an income tax provision of \$3.1 million on our income before income taxes of \$8.9 million, or an effective tax rate of 34.8%. This rate was favorably impacted by deductions related to domestic production activities and the early adoption of ASU 2016-09. The 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.

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 agreements and capital equipment leases and loans.

Since 2012, when housing completions began to increase meaningfully after a previous significant downturn in the residential construction industry, we have experienced improved profitability and liquidity and invested significantly in acquisitions, supported by our cash from operations and our credit agreements. Additionally, we have utilized capital leases and loans to finance the increase in the number of our vehicles and equipment.

In addition, our acquisition of Alpha, which was completed on January 5, 2017, requires us to commit significant resources to the acquisition and ongoing support of Alpha's business. This acquisition was funded by drawing on our existing credit facility.

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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.

Credit and Security Agreement

On April 13, 2017, we entered into a Term Loan Agreement with the lenders named therein and Royal Bank of Canada as term administrative agent and RBC Capital Markets, UBS Securities LLC and Jefferies Finance LLC as joint lead arrangers and joint bookrunners. The Term Loan Agreement, subject to the terms and conditions set forth therein, provides for the new seven-year \$300,000,000 Term Loan.

On the Closing Date, we also entered into the ABL Credit Agreement with the subsidiary guarantors from time to time party thereto, the financial institutions from time to time party thereto, and SunTrust Bank, as issuing bank, swing bank and administrative agent, with SunTrust Robinson Humphrey, Inc. as left lead arranger and bookrunner. The ABL Credit Agreement provides for the ABL Revolver of up to approximately \$100,000,000 with a sublimit up to \$50,000,000 for the issuance of letters of credit, which may be reduced or increased pursuant to the ABL Credit Agreement. The borrowing base for the ABL Revolver, which determines availability under the facility, is based on a percentage of the value of certain of assets comprising the ABL Priority Collateral (as defined below).

Proceeds from the Senior Secured Credit Facilities were used to repay in full all amounts outstanding under the Credit and Security Agreement.

The Term Loan amortizes in quarterly principal payments of \$750,000 starting on September 30, 2017, with any remaining unpaid balances due on April 15, 2024, which is the maturity date. Loans incurred under the ABL Revolver will have a final maturity of April 13, 2022.

Subject to certain exceptions, the Term Loan will be subject to mandatory pre-payments equal to (i) 100% of the net cash proceeds from issuances or incurrence of debt by the Company or any of its restricted subsidiaries (other than with respect to certain permitted indebtedness); (ii) 100% of the net cash proceeds from certain sales or dispositions of assets by the Company or any of its restricted subsidiaries in excess of a certain amount and subject to customary reinvestment provisions and certain other expenses; and (iii) 50% (with step-downs to 25% and 0% based upon achievement of specified net leverage ratios) of excess cash flow of the Company and its restricted subsidiaries in excess of \$5,000,000, subject to customary exceptions and limitations.

All of the obligations under the Senior Secured Credit Facilities will be guaranteed by all of our existing and future restricted subsidiaries.

All obligations under the Senior Secured Credit Facilities, and the guarantees of those obligations, will be secured by substantially all of our assets and the guarantors subject to certain exceptions and permitted liens, including (i) with respect to the Term Loan, a first-priority security interest in such assets that constitute Term Loan Priority Collateral and a second-priority security interest in such assets that constitute ABL Priority Collateral and (ii) with respect to the ABL Revolver, a first-priority security interest in such assets that constitute ABL Priority Collateral and a second-priority security interest in such assets that constitute Term Loan Priority Collateral.

“ABL Priority Collateral” includes substantially all presently owned and after-acquired accounts receivable, inventory, rights of an unpaid vendor with respect to inventory, deposit accounts, commodity accounts, securities accounts and lock boxes, investment property, cash and cash equivalents, and instruments and chattel paper and general intangibles, books and records, supporting obligations and documents and related letters of credit, commercial tort claims or other claims related to and proceeds of each of the foregoing.

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“Term Loan Priority Collateral” includes all assets that are not ABL Priority Collateral.

Loans under the Senior Secured Credit Facilities will bear interest based on, at the Company’s election, either the base rate or the Eurodollar rate plus, in each case, the “Applicable Margin”. The Applicable Margin in respect of loans under (i) the Term Loan Agreement will be (A) 3.00% in the case of Eurodollar rate loans and (B) 2.00% in the case of base rate loans, and (ii) the ABL Facility will be (A) 1.25%, 1.50% or 1.75% in the case of Eurodollar rate loans (based on a measure of availability under the ABL Facility) and (B) 0.25%, 0.50% or 0.75% in the case of base rate loans (based on a measure of availability under the ABL Facility).

In addition, we will pay a closing fee of 1.25% of the Term Loan amount and customary commitment fees and letter of credit fees under the ABL Credit Agreement. The commitment fees will vary based upon a measure of our utilization under the ABL Revolver.

The Senior Secured Credit Facilities each contain a number of customary affirmative and negative covenants that, among other things, limit or restrict our ability and the Guarantors ability to: incur indebtedness; incur liens; engage in mergers or other fundamental changes; sell certain property or assets; pay dividends or other distributions; make acquisitions, investments, guarantees, loans and advances; prepay certain indebtedness; change the nature of their business; engage in certain transactions with affiliates; and incur restrictions on contractual obligations limiting interactions between us and our subsidiaries or limit actions in relation to the Senior Secured Credit Facilities.

The ABL Credit Agreement also contains a financial covenant requiring the satisfaction of a minimum fixed charge coverage ratio of 1.00 to 1.00 in the event that we do not meet a minimum measure of availability under the ABL Revolver.

The Senior Secured Credit Agreements contains customary events of default, subject to certain grace periods, thresholds and materiality qualifiers. Such events of default include, without limitation: non-payment of obligations; the material inaccuracy of any representations or warranties; failure to perform or observe covenants; a default related to other material debt that could result in the acceleration of that debt; certain events of bankruptcy or insolvency; judgments for the payment of money in excess of \$50,000,000 in the aggregate that remains unpaid or unstayed and undischarged for a period of 60 consecutive days; and a change of control of the Company. The occurrence and continuance of an event of default could result in, among other things, acceleration of amounts owing under the Senior Secured Credit Agreements and termination of the Senior Secured Credit Agreements.

Under the Term Loan Agreement, if upon the occurrence and during the continuance of certain events of default, any principal of or interest on any loan under the Term Loan Agreement or any fee or other amount payable by us is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount will bear interest at a rate per annum equal to (i) in the case of overdue principal of any loan under the Term Loan Agreement, 2.00% per annum plus the rate otherwise applicable to such loan, or (ii) in the case of any other amount, 2.00% per annum plus interest rate for base rate loans as described above.

Under the ABL Credit Agreement, during an event of default, interest on the outstanding and overdue obligations arising under the ABL Credit Agreement and the related loan documents may, at the administrative agent’s election, and shall, at the request of the Majority Lenders (as defined in the ABL Credit Agreement), accrue at a simple per annum interest rate equal to, with respect to all outstanding

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obligations under the ABL Credit Agreement, the sum of (i) the applicable interest rate basis, if any, with respect to the applicable obligation, plus (ii) the Applicable Margin for such interest rate basis, plus (iii) the 2.00% ABL Default Rate; provided, however, that the ABL Default Rate will automatically deemed to be invoked at all times with respect to overdue obligations under the ABL Credit Agreement and the related loan documents that have been accelerated or deemed accelerated under the ABL Credit Agreement.

Vehicle and Equipment Notes

We are party to a Master Loan and Security Agreement, a Master Equipment Lease Agreement and one or more Master Loan Agreements with various lenders to provide financing for the purpose of purchasing or leasing vehicles and equipment used in the normal course of business. Each financing arrangement under these agreements constitutes a separate note and obligation. Vehicles and equipment purchased or leased under each financing arrangement serve as collateral for the note applicable to such financing arrangement. Regular payments are due under each note for a period of typically 60 consecutive months after the incurrence of the obligation. The specific terms of each note are based on specific criteria, including the type of vehicle or equipment and the market interest rates at the time. No termination date applies to these agreements.

Total gross assets relating to our master loan and equipment agreements were \$50.0 million and \$48.7 million as of March 31, 2017 and December 31, 2016, respectively, none of which were fully depreciated as of March 31, 2017 or December 31, 2016, respectively. The net book value of assets under these agreements was \$36.7 million and \$38.0 million as of March 31, 2017 and December 31, 2016, respectively. Depreciation of assets held under these agreements is included within cost of sales on the Condensed Consolidated Statements of Operations.

Letters of Credit and Bonds

We use letters of credit to secure our performance under our general liability and workers' compensation insurance programs. Our largest workers' compensation insurance program is considered a high deductible program whereby we are responsible for the cost of claims under approximately \$0.8 million. If we do not pay these claims, our workers' compensation insurance carriers are required to make these payments to the claimants on our behalf. Effective with the plan year beginning October 1, 2015, our largest general liability insurance program is considered a high retention program whereby we are responsible for the cost of claims up to approximately \$2.0 million, subject to an aggregate cap of \$8.0 million. If we do not pay these claims, our general liability insurance carrier is required to make these payments to the claimants on our behalf. Prior to the claim year beginning October 1, 2015, our largest general liability insurance program has a self-insured retention ("SIR") of \$0.35 million whereby we continue to be responsible for all claims below the SIR and the insurance company continues to be responsible for all liabilities above the SIR. As of March 31, 2017, we had \$17.9 million of outstanding letters of credit and \$0.3 million in cash securing our performance under these insurance programs.

We occasionally use performance bonds to ensure completion of our work on certain larger customer contracts that can span several months. As of March 31, 2017, we had 40 performance bonds outstanding, totaling approximately \$13.3 million. The acquisition of Alpha resulted in a significant increase in the level of contracts in the commercial end market, which typically require a greater value of performance bonds. Performance bonds generally do not have stated expiration dates; rather, we are released from the bonds as the contractual performance is completed. As of March 31, 2017, we had 334 permit and license bonds outstanding, totaling approximately \$5.4 million. 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.

Historical cash flow information

Cash flow from operating activities

Net cash provided by operating activities of \$15.7 million and \$19.8 million for the three months ended March 31, 2017 and 2016, respectively, consisted primarily of net income of \$6.4 million and \$5.8 million, respectively, adjusted for non-cash and certain other items. Included in the net cash provided in 2017 were non-cash adjustments for depreciation and amortization expense on our expanded base of property, plant and equipment to support our growth totaling \$6.6 million as well as for amortization on our growing intangible asset base from acquisitions totaling \$6.4 million. These increases were coupled with changes to certain assets and liabilities, excluding effects of acquisitions, most notably \$3.1 million of additional income taxes payable, offset by a reduction of cash of \$3.2 million due to increased accounts receivable, decreased accounts payable of \$1.8 million primarily due to paying off materials purchases made during the year ended December 31, 2016 to meet a supply agreement that expired in 2016 and a \$1.8 million reduction in other liabilities primarily driven by cash payments to employees pertaining to certain compensation arrangements.

Included in the net cash provided in 2016 were non-cash adjustments for depreciation and amortization expense on our expanded base of property, plant and equipment to support our growth totaling \$5.4 million as well as for amortization on our growing intangible asset base from acquisitions totaling \$2.5 million. These adjustments were coupled with other changes in working capital, most notably \$3.6 million of additional accounts payable resulting from the increase in purchases to support our growth as well as \$3.0 million of additional other liabilities, primarily driven by higher accrued wages due to the timing of pay cycles.

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Cash flows from investing activities

Net cash used in investing activities was \$115.0 million and \$15.1 million for the three months ended March 31, 2017 and 2016, respectively. In 2017, we made cash payments, net of cash acquired, of \$106.9 million on business combinations and \$7.8 million primarily to purchase fleet to support our growing business.

In 2016, we made cash payments, net of cash acquired, of \$8.8 million on business combinations and \$6.5 million primarily to purchase fleet to support our growing business.

Cash flows from financing activities

Net cash provided by financing activities was \$109.4 million and \$0.2 million for the three months ended March 31, 2017 and 2016, respectively. Net cash provided in 2017 was primarily due to net proceeds of \$111.3 million from our credit agreement to support continuing acquisitions and \$4.3 million of proceeds from notes payable to finance our vehicle purchases. This increase in cash was offset by \$2.1 million in principal payments on other long term debt, \$1.9 million in principal payments on capital lease obligations, and \$1.2 million in principal payments on acquisition-related obligations.

Net cash provided in 2016 was primarily the result of \$4.9 million of proceeds from notes payable to finance our vehicle purchases and net proceeds of \$1.9 million as a result of amending our credit agreement, resulting in increased borrowing capacity to support operations and continuing acquisitions. This increase in cash was offset by \$2.3 million in principal payments on capital lease obligations, \$1.2 million in costs related to amending our credit agreement, and \$1.1 million in principal payments on long term debt.

Capital expenditures

Capital expenditures vary depending on prevailing business factors, including current and anticipated market conditions. Total capital expenditures, including unpaid purchases as of each balance sheet date, were \$7.6 million and \$6.5 million for the three months ended March 31, 2017 and 2016, respectively, and primarily related to purchases of vehicles and various equipment to support our operations and increased net revenue. We finance a significant portion of our capital expenditures under the Master Loan and Security Agreement, the Master Equipment Agreement or the Master Loan Agreement, which allow us to benefit from depreciation for tax purposes. These arrangements require us to pay cash up front for vehicles and equipment. We are reimbursed for the upfront cash payments after the assets are financed under the agreements. Of the \$7.6 million in capital expenditures during the three months ended March 31, 2017, \$4.3 million was converted to a financing arrangement by March 31, 2017 under the Master Loan and Security Agreement, Master Equipment Agreement and one or more Master Loan Agreements.

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 provides 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 becomes exercisable and expires on April 16, 2018 and

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will be 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

Our enforceable and legally binding obligations as of March 31, 2017, included in the table below are based on management's estimates and assumptions about these obligations, including their duration, the possibility of renewal, anticipated actions by third parties and other factors. Because these estimates and assumptions are necessarily subjective, our actual payments may vary from those reflected in the table:

| (in thousands) | Payments due by year (1) | | | | | | Thereafter |
|---------------------------------|--------------------------|-------------------|----------|----------|----------|-----------|------------|
| | Total | Remainder of 2017 | 2018 | 2019 | 2020 | 2021 | |
| Long-term debt obligations (2) | \$290,535 | \$ 25,833 | \$33,540 | \$36,992 | \$36,497 | \$152,892 | \$ 4,781 |
| Capital lease obligations (3) | 15,508 | 5,844 | 5,109 | 3,450 | 966 | 139 | — |
| Operating lease obligations (4) | 36,282 | 8,881 | 8,981 | 6,819 | 4,645 | 2,900 | 4,056 |

- (1) Our unrecognized tax benefits under ASC 740, "Income Taxes," have been excluded from the table because of the inherent uncertainty and the inability to reasonably estimate the timing of cash outflows.
- (2) Long-term debt obligations include principal and interest payments on our Term Loan and DDTL under the Credit and Security Agreement as well as our notes payable to sellers of acquisitions and vehicles purchased under the Master Loan and Security Agreement, the Master Equipment Agreement, and the Master Loan Agreements. Long-term debt obligations do not include commitment fees on the unused portion of the Revolving LOC or a ticking fee on the unused portion of the DDTL since those fees are subject to change based on the factors described in our Credit and Security Agreement. Interest on seller obligations maturing through March 2025 is estimated using current market rates. See Item 1, Financial Statements, Note 4, Long-Term Debt, for information on our vehicle and equipment notes.
- (3) We maintain certain production vehicles under a capital lease structure. The leases expire on various dates through May 2021. Capital lease obligations, as disclosed above, include estimated interest expense payments. In determining expected interest expense payments, we utilize the rates embedded in the lease documentation.
- (4) We lease certain locations, vehicles and equipment under operating lease agreements, including, but not limited to, corporate offices, branch locations and various office and operating equipment. In some instances, these location lease agreements exist with related parties. See Item 1, Financial Statements, Note 9, Related Party Transactions, for further information.

Off-Balance Sheet Arrangements

As of March 31, 2017, other than operating leases and purchase obligations described above, letters of credit issued under our revolving credit facility and performance and license bonds, we had no material off-balance sheet arrangements.

Critical Accounting Policies and Estimates

There have been no material changes for the three months ended March 31, 2017 from the critical accounting policies and estimates as previously disclosed in our 2016 Form 10-K except in the areas of revenue and cost recognition, accounts receivable, share-based compensation and use of estimates as described below:

Revenue and Cost Recognition

Revenue from the sale and installation of products is recognized when all of the following have occurred: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the price is fixed or determinable; and (iv) the ability to collect is reasonably assured. We recognize revenue using either the completed contract method or the percentage-of-completion method of accounting, depending primarily on length of time required to complete the contract. The completed contract method is used for short-term contracts for which financial position and results of operations reported on the completed-contract basis would not vary materially from those resulting from use of the percentage-of-completion method. Revenue from the sale and installation of products is recognized net of adjustments and discounts and, for revenue using the completed contract method of accounting, at the time the installation is complete. 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 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.

Accounts Receivable

We account for trade receivables based on amounts billed to customers. Past due receivables are determined based on contractual terms. We do not accrue interest on any of our trade receivables.

Retainage receivables represent the amount retained by our customers to ensure the quality of the installation and is received after satisfactory completion of each installation project. Management regularly reviews aging of retainage receivables and changes in payment trends and records an allowance when collection of amounts due are considered at risk. Amounts retained by project owners under construction contracts and included in accounts receivable were \$21.1 million and \$18.3 million as of March 31, 2017 and December 31, 2016, respectively.

Share-Based Compensation

Our share-based compensation program is designed to attract and retain employees while also aligning employees' interests with the interests of our stockholders. Restricted stock awards are periodically granted to certain employees, officers and non-employee members of our board of directors under the stockholder-approved 2014 Omnibus Incentive Plan. Most awards are deemed to be equity-based with a service condition and do not contain a market or performance condition with the exception of performance-based awards granted to certain officers. Fair value of the non-performance-based awards to employees and officers is measured at the grant date and amortized to expense over the vesting period of the awards using the straight-line attribution method for all service-based awards with a graded vesting feature. This fair value is reduced by assumed forfeitures and adjusted for actual forfeitures until vesting. We also issue performance stock-based awards to certain officers under our 2014 Omnibus Incentive Plan. The performance-based compensation expense is recorded over the requisite service period using the graded-vesting method for the entire award. Performance-based stock awards are accounted for at fair value at date of grant. Employees and officers are subject to tax at the vesting date based on the market price of the shares on that date, or on the grant date if an election is made.

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Use of Estimates

Preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the revenue, costs and reserves established under the percentage-of-completion method, allowance for doubtful accounts, valuation allowance on deferred tax assets, valuation of the reporting unit, intangible assets and other long-lived assets, share-based compensation, reserves for general liability and workers' compensation and medical insurance. Management believes the accounting estimates are appropriate and reasonably determined; however, due to the inherent uncertainties in making these estimates, actual amounts could differ from such estimates.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the federal securities laws, including with respect to the demand for our services, expansion of our national footprint, our ability to capitalize on the new home construction recovery, our ability to strengthen our market position, our ability to pursue and integrate value-enhancing acquisitions, our ability to improve profitability and expectations for future demand for our services. 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 2016 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

There have been no material changes to our exposure to market risk since December 31, 2016.

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 March 31, 2017.

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Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended March 31, 2017 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See Part I, Item 1. Financial Statements, Note 10, 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 March 31, 2017 from the risk factors as disclosed in our 2016 Form 10-K.

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

On January 5, 2017, we acquired all of the outstanding shares of Alpha. The purchase price for the acquisition was approximately \$103.8 million in cash including \$21.7 million in contingent consideration, \$10.9 million by issuing 282,577 shares of our common stock to two individuals who are the sole direct or indirect equityholders of the sellers of the acquired shares and seller obligations totaling \$2.0 million. The common shares issued were not registered under the Securities Act of 1933, as amended, pursuant to Section 4(2) of the Securities Act.

The following table shows the stock repurchase activity for the three months ended March 31, 2017:

| | Total Number of Shares Purchased ¹ | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May Be Purchased under the Plan or Programs |
|-----------------------|---|---------------------------------|--|--|
| January 1 - 31, 2017 | — | \$ — | — | — |
| February 1 - 28, 2017 | — | — | — | — |
| March 1 - 31, 2017 | 1,030 | 52.75 | — | — |
| | <u>1,030</u> | <u>\$ 52.75</u> | <u>—</u> | <u>—</u> |

¹ Consists of shares surrendered to the Company by employees to satisfy tax withholding obligations arising in connection with the vesting of 9,561 shares of restricted stock awarded under our 2014 Omnibus Incentive Plan.

Item 3. Defaults Upon Senior Securities

There have been no material defaults in senior securities.

Item 4. Mine Safety Disclosures

Not applicable.

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Item 5. Other Information

None.

Item 6. Exhibits

(a)(3) Exhibits

The Exhibits listed on the accompanying Index to Exhibits are filed as part of this Quarterly Report on Form 10-Q.

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: May 8, 2017

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

INDEX TO EXHIBITS

Filed or Furnished with this Quarterly Report on Form 10-Q for the three months ended March 31, 2017

| Exhibit Number | Description | Incorporation by Reference | | | | Filed or Furnished Herewith |
|---------------------------|---|-----------------------------------|-----------------|--------------------|--------------------|--|
| | | Form | File No. | Exhibit (s) | Filing Date | |
| 10.29 | Term Loan Credit Agreement, dated April 13, 2017, by and among Installed Building Products, Inc., the lenders party thereto from time to time, Royal Bank of Canada, as term administrative agent, and RBC Capital Markets, UBS Securities LLC and Jefferies Finance LLC as joint lead arrangers and joint bookrunners. | 8-K | | 10.1 | 04/17/17 | |
| 10.30 | Credit Agreement, dated April 13, 2017, by and among Installed Building Products, Inc., the subsidiary guarantors from time to time party thereto, the financial institutions from time to time party thereto, and SunTrust Bank, as issuing bank, swing bank and administrative agent, with SunTrust Robinson Humphrey, Inc. as left lead arranger and bookrunner. | 8-K | | 10.2 | 04/17/17 | |
| 10.31 | ABL/Term Loan Intercreditor Agreement, dated April 13, 2017, by and among Installed Building Products, Inc., SunTrust Bank, as ABL agent, Royal Bank of Canada, as term loan agent, and each of the agents and certain of the Company's subsidiaries from time to time party thereto. | 8-K | | 10.3 | 04/17/17 | |
| 10.32 | Term Collateral Agreement, dated April 13, 2017, among Installed Building Products, Inc., certain of its subsidiaries and Royal Bank of Canada, as term collateral agent. | 8-K | | 10.4 | 04/17/17 | |
| 10.33 | ABL Security Agreement, dated April 13, 2017, among Installed Building Products, Inc., certain of its subsidiaries and SunTrust Bank, as administrative agent. | 8-K | | 10.5 | 04/17/17 | |
| 10.34 | Term Guarantee Agreement, dated April 13, 2017, among certain of Installed Building Products, Inc.'s subsidiaries and Royal Bank of Canada, as term collateral agent. | 8-K | | 10.6 | 04/17/17 | |
| 10.35 | Form of Restricted Stock Agreement for awards made on or after April 19, 2017. # | | | | | X |
| 10.36 | Form of Performance Share Agreement for awards made on or after April 19, 2017. # | | | | | X |

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| <u>Exhibit Number</u> | <u>Description</u> | <u>Incorporation by Reference</u> | | | | <u>Filed or Furnished Herewith</u> |
|---------------------------|---|-----------------------------------|-----------------|--------------------|--------------------|--|
| | | <u>Form</u> | <u>File No.</u> | <u>Exhibit (s)</u> | <u>Filing Date</u> | |
| 10.37 | Form of Stock Award Agreement. # | | | | | X |
| 10.38 | Form of Performance-Based Cash Award Agreement. # | | | | | X |
| 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 | | | | | X |
| 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 | | | | | X |
| 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 | | | | | X |
| 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 | | | | | X |
| 101 (a) | Financial statements in XBRL Format | | | | | X |

Indicates management contract or compensatory plan.

**RESTRICTED STOCK AGREEMENT
UNDER THE
INSTALLED BUILDING PRODUCTS, INC.
2014 OMNIBUS INCENTIVE PLAN**

This RESTRICTED STOCK AGREEMENT (“**Agreement**”) is effective as of [] (the “**Grant Date**”), by and between Installed Building Products, Inc., a Delaware corporation (the “**Company**”), and [] (the “**Participant**”).

Terms and Conditions

The Committee hereby grants to the Participant under the Installed Building Products, Inc. 2014 Omnibus Incentive Plan, as it may be amended from time to time (the “**Plan**”), the award of Restricted Stock described below. Except as otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan.

Accordingly, the parties hereto agree as follows:

1. **Grant of Restricted Stock.** Subject in all respects to the Plan and the terms and conditions set forth herein and therein, effective as of the Grant Date, the Company hereby grants to the Participant an award of [] shares of Restricted Stock. The Restricted Stock is subject to certain restrictions set forth in Section 2, which restrictions shall lapse at the times provided under Section 2(a) hereof.

2. **Restricted Stock.**

(a) **Vesting.** The Restricted Stock shall vest and be delivered (but will remain subject to the terms of this Agreement and the Plan) in [] equal installments (rounded to the nearest whole share) on [INSERT VESTING DATE(S)]. provided that, except as set forth in this Section 2(a), the Participant has not experienced a Termination prior to the applicable vesting date(s). There shall be no proportionate or partial vesting in the periods prior to the applicable vesting date(s) and all vesting shall occur only on the applicable vesting date(s). Notwithstanding anything herein to the contrary, in the event of a Termination due to the Participant’s death prior to the applicable vesting date(s), the Restricted Stock shall vest in full as of the date of such Termination.

(b) **Forfeiture.** The Participant shall forfeit to the Company, without compensation, any and all unvested Restricted Stock immediately upon the Participant’s Termination for any reason, except as set forth in Section 2(a).

(c) **Rights as a Stockholder.** Prior to the time the Restricted Stock is fully vested hereunder, the Participant shall have all the rights of a holder of shares of Common Stock with respect to the Restricted Stock, except that (i) the Participant shall have no right to tender or transfer shares of Restricted Stock, (ii) dividends or other distributions (collectively, “dividends”) on shares of Restricted Stock shall be withheld, in each case, while the Restricted Stock is subject to restrictions, and (iii) in no event shall dividends or other distributions payable thereunder be paid unless and until the shares of Restricted Stock to which they relate

no longer are subject to a risk of forfeiture. Dividends that are not paid currently shall be credited to bookkeeping accounts on the Company's records for purposes of the Plan and shall not accrue interest. Upon the lapse of the restrictions, such dividends shall be paid to the Participant in the same form as originally paid on the Common Stock.

(d) **Section 83(b).** If the Participant properly elects (as permitted by section 83(b) of the Code) within thirty (30) calendar days after the issuance of the Restricted Stock to include in gross income for federal income tax purposes in the year of issuance the fair market value of such Restricted Stock, the Participant shall deliver to the Company a signed copy of such election promptly after the making of such election, and shall pay to the Company or make arrangements satisfactory to the Company to pay to the Company upon such election, any federal, state, local or other taxes of any kind that the Company is required to withhold with respect to the Restricted Stock. The Participant acknowledges that it is his or her sole responsibility, and not the Company's, to file timely and properly the election under section 83(b) of the Code and any corresponding provisions of state tax laws if he or she elects to utilize such election.

(e) **Certificates.** The Restricted Stock, in the sole discretion of the Committee, shall be evidenced by a certificate or be credited to a book entry account maintained by the Company (or its designee) on behalf of the Participant and such certificate or book entry (as applicable) shall be noted appropriately to record the restrictions on the Restricted Stock imposed hereby. If, after the Grant Date, certificates are issued with respect to the shares of Restricted Stock, such issuance and delivery of certificates shall be made in accordance with the applicable terms of the Plan.

3. **Detrimental Activity.**

(a) The provisions in the Plan regarding Detrimental Activity shall apply to the Restricted Stock as provided herein. In the event the Participant engages in Detrimental Activity prior to, or during the one year period after, any vesting of the Restricted Stock, the Committee may direct (at any time within one year after such Detrimental Activity) that all unvested Restricted Stock shall be immediately forfeited and that the Participant shall return the shares of Common Stock distributed to him or her upon vesting or pay over to the Company an amount equal to the Fair Market Value as of the vesting date(s) of any Restricted Stock that had vested in the period referred to above.

(b) The Participant acknowledges and agrees that the restrictions herein and in the Plan regarding Detrimental Activity are necessary for the protection of the business and goodwill of the Company and its Affiliates, and are considered by the Participant to be reasonable for such purposes. Without intending to limit the legal or equitable remedies available in the Plan and in this Agreement, the Participant acknowledges that engaging in Detrimental Activity will cause the Company and its Affiliates material irreparable injury for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such activity or threat thereof, the Company shall be entitled, in addition to the remedies provided under the Plan, to obtain from any court of competent jurisdiction a temporary restraining order or a preliminary or permanent injunction restraining the Participant from engaging in Detrimental Activity or such other relief

as may be required to specifically enforce any of the covenants in the Plan and this Agreement without the necessity of posting a bond, and in the case of a temporary restraining order or a preliminary injunction, without having to prove special damages.

4. **Certain Legal Restrictions.** The Plan, this Agreement, the granting and vesting of the Restricted Stock, and any obligations of the Company under the Plan and this Agreement, shall be subject to all applicable federal, state and local laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required, and to any rules or regulations of any exchange on which the Common Stock is listed.

5. **Change in Control.** The provisions in the Plan regarding Change in Control shall apply to the Restricted Stock.

6. **Withholding of Taxes.** The Company shall have the right to deduct from any payment to be made pursuant to this Agreement and the Plan, or to otherwise require, prior to the issuance or delivery of any shares of Common Stock, payment by the Participant of, any federal, state or local taxes required by law to be withheld. Notwithstanding the foregoing, the Company may, if requested by the Participant, withhold shares of Common Stock otherwise deliverable to the Participant to satisfy applicable statutory withholding requirements, subject to the provisions of the Plan and any rules adopted by the Board or the Committee regarding compliance with applicable law, including, but not limited to, Section 16(b) of the Securities Exchange Act of 1934, as amended.

7. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that any provision of this Agreement conflicts or is inconsistent with the terms set forth in the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly. A copy of the Plan has been delivered to the Participant. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with the Plan, this Agreement and all applicable laws and regulations.

8. **Recoupment Policy.** To the extent applicable to the Participant, the Participant acknowledges and agrees that the Restricted Stock shall be subject to the terms and provisions of the Company's Incentive Compensation and Other Compensation Recoupment Policy or any subsequent or successor "clawback" or recoupment policy that the Company may adopt from time to time or as may be required by any applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and rules and regulations thereunder).

9. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

10. **Notices.** Any notice or communication given hereunder shall be in writing or by electronic means as set forth in Section 13 below and, if in writing, shall be deemed to have been duly given: (i) when delivered in person; (ii) two (2) business days after being sent by United States mail; or (iii) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, to the appropriate party at the address set forth below (or such other address as the party shall from time to time specify):

If to the Company, to:

Installed Building Products, Inc.
495 South High Street, Suite 50
Columbus, OH 43215
Attention: General Counsel and Secretary

If to the Participant, to the address on file with the Company.

11. **No Guaranteed Employment.** Nothing contained in this Agreement shall affect the right of the Company or any of its Affiliates to terminate the Participant's employment at any time, with or without Cause, or shall be deemed to create any rights to employment or continued employment. The rights and obligations arising under this Agreement are not intended to and do not affect the Participant's employment relationship that otherwise exists between the Participant and the Company or any of its Affiliates, whether such employment relationship is at-will or defined by an employment contract. Moreover, this Agreement is not intended to and does not amend any existing employment contract between the Participant and the Company or any of its Affiliates; to the extent there is a conflict between this Agreement and such an employment contract, the employment contract shall govern and take priority.

12. **Interpretation.** All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement.

13. **Mode of Communications.** The Participant agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in connection with this grant of Restricted Stock and any other grants offered by the Company, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. The Participant further agrees that electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system.

14. **No Waiver.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

15. **Severability.** If any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties hereto shall be relieved of all

obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties hereto that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

16. **Successors.** The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the Participant's beneficiaries, executors, administrators, heirs and successors.

17. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to its principles of conflict of laws. The jurisdiction and venue for any disputes arising under, or any action brought to enforce (or otherwise relating to), this Agreement will be exclusively in the courts in the State of Ohio, County of Franklin, including the Federal Courts located therein (should Federal jurisdiction exist).

18. **WAIVER OF JURY TRIAL.** EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT.

19. **Counterparts.** This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

INSTALLED BUILDING PRODUCTS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

By: _____
Name: _____

**PERFORMANCE SHARE AGREEMENT
UNDER THE
INSTALLED BUILDING PRODUCTS, INC.
2014 OMNIBUS INCENTIVE PLAN**

This PERFORMANCE SHARE AGREEMENT ("**Agreement**") is effective as of [] (the "**Grant Date**"), by and between Installed Building Products, Inc., a Delaware corporation (the "**Company**"), and [] (the "**Participant**").

Terms and Conditions

The Committee hereby grants to the Participant under the Installed Building Products, Inc. 2014 Omnibus Incentive Plan, as it may be amended from time to time (the "**Plan**"), the award of Performance Shares described below. Except as otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan.

Accordingly, the parties hereto agree as follows:

1. **Grant of Performance Shares.** Subject in all respects to the Plan and the terms and conditions set forth herein and therein, effective as of the Grant Date, the Company hereby grants to the Participant an award of Performance Shares, with the potential amounts and specific performance terms set forth on Exhibit A hereto. The Performance Shares are subject to certain restrictions set forth in Section 2 and on Exhibit A hereof, which restrictions shall lapse at the times provided under Section 2(a) hereof.

2. **Performance Shares.**

(a) **Vesting.** The Performance Shares shall vest and be delivered in shares of Common Stock in [] equal installments (rounded to the nearest whole share) on [INSERT VESTING DATE(S)], provided that (i) the threshold Performance Criteria established by the Committee with respect to the Performance Shares is achieved for the Performance Period, in each case as set forth on Exhibit A hereto, and (ii) except as set forth in this Section 2(a), the Participant has not experienced a Termination prior to the applicable vesting date(s). There shall be no proportionate or partial vesting in the periods prior to the applicable vesting date(s) and all vesting shall occur only on the applicable vesting date(s). As soon as reasonably practicable following the end of the Performance Period, the Committee will certify the satisfaction of the Performance Criteria and determine the number of Performance Shares that will continue to vest pursuant to this Section 2(a) in accordance with Exhibit A hereto, based on the extent to which the Performance Criteria is achieved (if at all). Notwithstanding anything herein to the contrary, the Committee, in its sole and absolute discretion, shall determine when, whether, and if so, the extent to which, the Performance Criteria for the Performance Period has been achieved, and the extent to which the Performance Shares shall be earned, even if the applicable target has been achieved or partially achieved. In addition, notwithstanding anything herein to the contrary, in the event of a Termination due to the Participant's death following the end of the Performance Period but prior to the applicable vesting date(s), the Performance Shares will vest in full as of the date of such Termination, based on the extent to which the Performance Criteria is achieved (if at all).

(b) **Forfeiture.** The Participant shall forfeit to the Company, without compensation, any and all unvested Performance Shares immediately upon (i) the Participant's Termination for any reason, except as set forth in Section 2(a) or as otherwise determined by the Committee, or (ii) the Committee's determination that the threshold Performance Criteria set forth on Exhibit A has not been achieved.

(c) **Rights as a Stockholder.** After the Committee has certified the satisfaction of the Performance Criteria and determined the number of Performance Shares that will continue to vest in accordance with Section 2(a) (if any), but prior to the time the Performance Shares are fully vested hereunder, the Participant shall have all the rights of a holder of shares of Common Stock with respect to the Performance Shares, except that (i) the Participant shall have no right to tender or transfer Performance Shares, (ii) dividends or other distributions (collectively, "dividends") on Performance Shares shall be withheld, in each case, while the Performance Shares are subject to restrictions, and (iii) in no event shall dividends or other distributions payable thereunder be paid unless and until the Performance Shares to which they relate no longer are subject to a risk of forfeiture. Dividends that are not paid currently shall be credited to bookkeeping accounts on the Company's records for purposes of the Plan and shall not accrue interest. Upon the lapse of the restrictions, such dividends shall be paid to the Participant in the same form as originally paid on the Common Stock.

(d) **Section 83(b).** If, within thirty (30) calendar days after the Committee certifies the satisfaction of the Performance Criteria, the Participant properly elects (as permitted by section 83(b) of the Code) to include in gross income for federal income tax purposes in the year of issuance the fair market value of the Performance Shares, the Participant shall deliver to the Company a signed copy of such election promptly after the making of such election, and shall pay to the Company or make arrangements satisfactory to the Company to pay to the Company upon such election, any federal, state, local or other taxes of any kind that the Company is required to withhold with respect to the Performance Shares. The Participant acknowledges that it is his or her sole responsibility, and not the Company's, to file timely and properly the election under section 83(b) of the Code and any corresponding provisions of state tax laws if he or she elects to utilize such election.

(e) **Certificates.** The Performance Shares, in the sole discretion of the Committee, shall be evidenced by a certificate or be credited to a book entry account maintained by the Company (or its designee) on behalf of the Participant and such certificate or book entry (as applicable) shall be noted appropriately to record the restrictions on the Performance Shares imposed hereby. If, after the Committee certifies the satisfaction of the Performance Criteria, certificates are issued with respect to the Performance Shares, such issuance and delivery of certificates shall be made in accordance with the applicable terms of the Plan.

3. **Detrimental Activity.**

(a) The provisions in the Plan regarding Detrimental Activity shall apply to the Performance Shares as provided herein. In the event the Participant engages in Detrimental Activity prior to, or during the one year period after, any vesting of the Performance Shares, the Committee may direct (at any time within one year after such Detrimental Activity) that all

unvested Performance Shares shall be immediately forfeited and that the Participant pay over to the Company an amount equal to the Fair Market Value as of the vesting date(s) of any Performance Shares that had vested in the period referred to above.

(b) The Participant acknowledges and agrees that the restrictions herein and in the Plan regarding Detrimental Activity are necessary for the protection of the business and goodwill of the Company and its Affiliates, and are considered by the Participant to be reasonable for such purposes. Without intending to limit the legal or equitable remedies available in the Plan and in this Agreement, the Participant acknowledges that engaging in Detrimental Activity will cause the Company and its Affiliates material irreparable injury for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such activity or threat thereof, the Company shall be entitled, in addition to the remedies provided under the Plan, to obtain from any court of competent jurisdiction a temporary restraining order or a preliminary or permanent injunction restraining the Participant from engaging in Detrimental Activity or such other relief as may be required to specifically enforce any of the covenants in the Plan and this Agreement without the necessity of posting a bond, and in the case of a temporary restraining order or a preliminary injunction, without having to prove special damages.

4. **Certain Legal Restrictions.** The Plan, this Agreement, the granting and vesting of the Performance Shares, and any obligations of the Company under the Plan and this Agreement, shall be subject to all applicable federal, state and local laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required, and to any rules or regulations of any exchange on which the Common Stock is listed.

5. **Change in Control.** The provisions in the Plan regarding Change in Control shall apply to the Performance Shares.

6. **Withholding of Taxes.** The Company shall have the right to deduct from any payment to be made pursuant to this Agreement and the Plan, or to otherwise require, prior to the issuance or delivery of any shares of Common Stock, payment by the Participant of, any federal, state or local taxes required by law to be withheld. Notwithstanding the foregoing, the Company may, if requested by the Participant, withhold shares of Common Stock otherwise deliverable to the Participant to satisfy applicable statutory withholding requirements, subject to the provisions of the Plan and any rules adopted by the Board or the Committee regarding compliance with applicable law, including, but not limited to, Section 16(b) of the Securities Exchange Act of 1934, as amended.

7. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that any provision of this Agreement conflicts or is inconsistent with the terms set forth in the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly. A copy of the Plan has been delivered to the Participant. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with the Plan, this Agreement and all applicable laws and regulations.

8. **Recoupment Policy.** The Participant acknowledges and agrees that the Performance Shares shall be subject to the terms and provisions of the Company's Incentive Compensation and Other Compensation Recoupment Policy or any subsequent or successor "clawback" or recoupment policy that the Company may adopt from time to time or as may be required by any applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and rules and regulations thereunder).

9. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

10. **Notices.** Any notice or communication given hereunder shall be in writing or by electronic means as set forth in Section 13 below and, if in writing, shall be deemed to have been duly given: (i) when delivered in person; (ii) two (2) business days after being sent by United States mail; or (iii) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, to the appropriate party at the address set forth below (or such other address as the party shall from time to time specify):

If to the Company, to:

Installed Building Products, Inc.
495 South High Street, Suite 50
Columbus, OH 43215
Attention: General Counsel and Secretary

If to the Participant, to the address on file with the Company.

11. **No Guaranteed Employment.** Nothing contained in this Agreement shall affect the right of the Company or any of its Affiliates to terminate the Participant's employment at any time, with or without Cause, or shall be deemed to create any rights to employment or continued employment. The rights and obligations arising under this Agreement are not intended to and do not affect the Participant's employment relationship that otherwise exists between the Participant and the Company or any of its Affiliates, whether such employment relationship is at-will or defined by an employment contract. Moreover, this Agreement is not intended to and does not amend any existing employment contract between the Participant and the Company or any of its Affiliates; to the extent there is a conflict between this Agreement and such an employment contract, the employment contract shall govern and take priority.

12. **Interpretation.** All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement.

13. **Mode of Communications.** The Participant agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in

connection with this grant of Performance Shares and any other grants offered by the Company, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. The Participant further agrees that electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system.

14. **No Waiver.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

15. **Severability.** If any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties hereto shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties hereto that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

16. **Successors.** The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the Participant's beneficiaries, executors, administrators, heirs and successors.

17. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to its principles of conflict of laws. The jurisdiction and venue for any disputes arising under, or any action brought to enforce (or otherwise relating to), this Agreement will be exclusively in the courts in the State of Ohio, County of Franklin, including the Federal Courts located therein (should Federal jurisdiction exist).

18. WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT.

19. **Section 409A.** This Agreement is intended to be exempt from or, in the alternative, to comply with Section 409A and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other

expenses that may be incurred by the Participant on account of non-compliance with Section 409A. Notwithstanding any other provision in this Agreement to the contrary, if the Participant is a "specified employee" (as such term is defined for purposes of Section 409A) at the time of his or termination of employment, no amount that is subject to Section 409A and that becomes payable by reason of such termination of employment shall be paid to the Participant before the earlier of (a) the expiration of the six (6) month period measured from the date of the Participant's termination of employment and (b) the date of the Participant's death.

20. **Counterparts.** This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

INSTALLED BUILDING PRODUCTS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

By: _____
Name: _____

EXHIBIT A

Terms of Performance Share Award

Participant: [_____]

Performance Period: Based upon the Company's achievement of a certain Performance Criteria target over the Company's fiscal year period commencing on [_____] and ending on [_____] (the "**Performance Period**").

Target Award: [_____] Performance Shares

Performance Criteria: [Insert name and description of applicable Performance Criteria from Exhibit A to the Plan]

Amount of Shares: The number of Performance Shares that will continue to vest in accordance with Section 2(a) of the Agreement, to the extent that the Performance Criteria has been satisfied, shall be determined based on the achievement level of the Performance Criteria during the Performance Period as compared against the Performance Criteria target. The number of Performance Shares that will continue to vest, if any, shall be equal to the Participant's Target Award multiplied by the applicable % Payout as described below.

| | Performance for the Performance Period as a Percentage of Target | % Payout |
|----------------|---|---------------------|
| Minimum | []% | []% |

**STOCK AWARD AGREEMENT
UNDER THE
INSTALLED BUILDING PRODUCTS, INC.
2014 OMNIBUS INCENTIVE PLAN**

This STOCK AWARD AGREEMENT ("**Agreement**") is effective as of [] (the "**Grant Date**"), by and between Installed Building Products, Inc., a Delaware corporation (the "**Company**"), and [] (the "**Participant**").

Terms and Conditions

The Committee hereby grants to the Participant under the Installed Building Products, Inc. 2014 Omnibus Incentive Plan, as it may be amended from time to time (the "**Plan**"), the number of shares of Common Stock set forth in Section 1 below. Except as otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan.

Accordingly, the parties hereto agree as follows:

1. **Grant of Shares.** Subject in all respects to the Plan and the terms and conditions set forth herein and therein, effective as of the Grant Date, the Company hereby grants to the Participant an award of [] shares of Common Stock.
2. **Common Stock.** As of the Grant Date, the Participant shall have all the rights of a holder of shares of Common Stock with respect to the shares of Common Stock.
3. **Taxes.** The Participant acknowledges and agrees that the Participant, and not the Company, shall be responsible for his or her tax liability that may arise with respect to the shares of Common Stock.
4. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that any provision of this Agreement conflicts or is inconsistent with the terms set forth in the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly. A copy of the Plan has been delivered to the Participant. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with the Plan, this Agreement and all applicable laws and regulations.
5. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.
6. **Notices.** Any notice or communication given hereunder shall be in writing or by electronic means as set forth in Section 8 below and, if in writing, shall be deemed to have been

duly given: (i) when delivered in person; (ii) two (2) business days after being sent by United States mail; or (iii) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, to the appropriate party at the address set forth below (or such other address as the party shall from time to time specify):

If to the Company, to:

Installed Building Products, Inc.
495 South High Street, Suite 50
Columbus, OH 43215
Attention: General Counsel and Secretary

If to the Participant, to the address on file with the Company.

7. **Interpretation.** All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement.

8. **Mode of Communications.** The Participant agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in connection with this grant of shares of Common Stock and any other grants offered by the Company, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. The Participant further agrees that electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system.

9. **No Waiver.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

10. **Severability.** If any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties hereto shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties hereto that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

11. **Successors.** The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the Participant's beneficiaries, executors, administrators, heirs and successors.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to its principles of conflict of laws. The jurisdiction and venue for any disputes arising under, or any

action brought to enforce (or otherwise relating to), this Agreement will be exclusively in the courts in the State of Ohio, County of Franklin, including the Federal Courts located therein (should Federal jurisdiction exist).

13. WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT.

14. Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

INSTALLED BUILDING PRODUCTS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

By: _____
Name: _____

**PERFORMANCE-BASED CASH AWARD AGREEMENT
UNDER THE
INSTALLED BUILDING PRODUCTS, INC.
2014 OMNIBUS INCENTIVE PLAN**

This PERFORMANCE-BASED CASH AWARD AGREEMENT (“**Agreement**”) is effective as of [] (the “**Grant Date**”), by and between Installed Building Products, Inc., a Delaware corporation (the “**Company**”), and [] (the “**Participant**”).

Terms and Conditions

The Committee hereby grants to the Participant under the Installed Building Products, Inc. 2014 Omnibus Incentive Plan, as it may be amended from time to time (the “**Plan**”), the Performance-Based Cash Award described in Section 1 below. Except as otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan.

Accordingly, the parties hereto agree as follows:

1. **Grant of Performance-Based Cash Award.** Subject in all respects to the Plan and the terms and conditions set forth herein and therein, effective as of the Grant Date, the Company hereby grants to the Participant a Performance-Based Cash Award, payable based on the attainment of certain pre-established performance goals during the Performance Period, with the specific performance terms set forth on Exhibit A hereto.

2. **Payment; Forfeiture.**

(a) **Amount; Timing.** Following the Committee’s certification of the extent to which the applicable Performance Criteria have been achieved at the expiration of the Performance Period in accordance with the Plan and subject to the terms and conditions of this Agreement, the amount to be paid pursuant to this Performance-Based Cash Award, if any, shall be determined as set forth on Exhibit A. Notwithstanding anything herein to the contrary, the Committee, in its sole and absolute discretion, shall determine when, whether, and if so, the extent to which, the Performance Criteria for the Performance Period has been achieved, and the extent to which the Performance-Based Cash Award shall be paid, even if the applicable target has been achieved or partially achieved. Such amount will be paid within ninety (90) days after the end of the Performance Period, but in no event later than the later of: (i) March 15 of the year following the year in which the applicable Performance Period ends (or, if later, the year in which the Award is earned); or (ii) two and one-half months after the expiration of the fiscal year of the Company in which the applicable Performance Period ends.

(b) **Form of Payment.** The Performance-Based Cash Award may be paid out to the Participant, in the Committee’s discretion, all or in part in the form of cash or shares of Restricted Stock.

(c) **Forfeiture.** Notwithstanding anything herein to the contrary, unless otherwise determined by the Committee, neither the Performance-Based Cash Award nor any pro rata portion thereof shall be payable to the Participant if the Participant experiences a Termination for any reason prior to the date the Performance-Based Cash Award is paid.

3. **Detrimental Activity.**

(a) The provisions in the Plan regarding Detrimental Activity shall apply to the Performance-Based Cash Award as provided herein. In the event the Participant engages in Detrimental Activity prior to, or during the one year period after, any vesting and payout of the Performance-Based Cash Award, the Committee may direct (at any time within one year after such Detrimental Activity) that the Participant repay to the Company an amount equal to the Performance-Based Cash Award paid to the Participant.

(b) The Participant acknowledges and agrees that the restrictions herein and in the Plan regarding Detrimental Activity are necessary for the protection of the business and goodwill of the Company and its Affiliates, and are considered by the Participant to be reasonable for such purposes. Without intending to limit the legal or equitable remedies available in the Plan and in this Agreement, the Participant acknowledges that engaging in Detrimental Activity will cause the Company and its Affiliates material irreparable injury for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such activity or threat thereof, the Company shall be entitled, in addition to the remedies provided under the Plan, to obtain from any court of competent jurisdiction a temporary restraining order or a preliminary or permanent injunction restraining the Participant from engaging in Detrimental Activity or such other relief as may be required to specifically enforce any of the covenants in the Plan and this Agreement without the necessity of posting a bond, and in the case of a temporary restraining order or a preliminary injunction, without having to prove special damages.

4. **Change in Control.** The provisions in the Plan regarding Change in Control shall apply to the Performance-Based Cash Award.

5. **Adjustments.** To the extent consistent with Section 162(m), the Committee may appropriately adjust any evaluation of performance under this Performance-Based Cash Award to exclude the effect of certain events in accordance with Section 9.2(c) of the Plan and Exhibit A to the Plan.

6. **Withholding of Taxes.** The Company shall have the right to deduct from any payment to be made pursuant to this Agreement and the Plan, or to otherwise require payment by the Participant of, any federal, state or local taxes required by law to be withheld.

7. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that any provision of this Agreement conflicts or is inconsistent with the terms set forth in the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly. A copy of the Plan has been delivered to the Participant. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with the Plan, this Agreement and all applicable laws and regulations.

8. **Recoupment Policy.** The Participant acknowledges and agrees that the Performance-Based Cash Award shall be subject to the terms and provisions of the Company's Incentive Compensation and Other Compensation Recoupment Policy or any subsequent or successor "clawback" or recoupment policy that the Company may adopt from time to time or as may be required by any applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and rules and regulations thereunder).

9. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

10. **Notices.** Any notice or communication given hereunder shall be in writing or by electronic means as set forth in Section 13 below and, if in writing, shall be deemed to have been duly given: (i) when delivered in person; (ii) two (2) business days after being sent by United States mail; or (iii) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, to the appropriate party at the address set forth below (or such other address as the party shall from time to time specify):

If to the Company, to:

Installed Building Products, Inc.
495 South High Street, Suite 50
Columbus, OH 43215
Attention: General Counsel and Secretary

If to the Participant, to the address on file with the Company.

11. **No Guaranteed Employment.** Nothing contained in this Agreement shall affect the right of the Company or any of its Affiliates to terminate the Participant's employment at any time, with or without Cause, or shall be deemed to create any rights to employment or continued employment. The rights and obligations arising under this Agreement are not intended to and do not affect the Participant's employment relationship that otherwise exists between the Participant and the Company or any of its Affiliates, whether such employment relationship is at-will or defined by an employment contract. Moreover, this Agreement is not intended to and does not amend any existing employment contract between the Participant and the Company or any of its Affiliates; to the extent there is a conflict between this Agreement and such an employment contract, the employment contract shall govern and take priority.

12. **Interpretation.** All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement.

13. **Mode of Communications.** The Participant agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in

connection with this grant of the Performance-Based Cash Award and any other grants offered by the Company, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. The Participant further agrees that electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system.

14. **No Waiver.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

15. **Severability.** If any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties hereto shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties hereto that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

16. **Successors.** The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the Participant's beneficiaries, executors, administrators, heirs and successors.

17. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to its principles of conflict of laws. The jurisdiction and venue for any disputes arising under, or any action brought to enforce (or otherwise relating to), this Agreement will be exclusively in the courts in the State of Ohio, County of Franklin, including the Federal Courts located therein (should Federal jurisdiction exist).

18. WAIVER OF JURY TRIAL. EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT.

19. **Counterparts.** This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

INSTALLED BUILDING PRODUCTS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

By: _____
Name: _____

EXHIBIT A

Terms of Performance-Based Cash Award

Participant: []

Performance Period: Based upon the Company’s achievement of a certain Performance Criteria target over the Company’s fiscal year period commencing on [] and ending on [] (the “Performance Period”).

Target Cash Award: \$[]

Performance Criteria: [Insert name and description of applicable Performance Criteria from Exhibit A to the Plan]

Amount of Payout: The amount of the Performance-Based Cash Award to be paid to the Participant, if any, shall be determined based on the achievement level of the Performance Criteria during the Performance Period as compared against the Performance Criteria target. The amount earned, if any, by the Participant, shall be equal to the Participant’s Individual Target Cash Award multiplied by the applicable % Payout as described below.

| | Performance for the Performance Period as a Percentage of Target | % Payout |
|----------------|---|-----------------|
| Minimum | []% | []% |

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: May 8, 2017

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

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: May 8, 2017

By: /s/ Michael T. Miller

Michael T. Miller
Executive Vice President and Chief
Financial Officer

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 March 31, 2017 (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: May 8, 2017

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

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 March 31, 2017 (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: May 8, 2017

By: /s/ Michael T. Miller

Michael T. Miller

Executive Vice President and Chief Financial Officer