Installed Building Products, Inc. (IBP)

Updated May 22nd, 2026, by Ian Bezek

Key Metrics

Current Price:	$213	**5 Year Annual Expected Total Return:**	9.8%	**Market Cap:**	$5.8 B
Fair Value Price:	$236	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	06/15/26
% Fair Value:	90%	**5 Year Valuation Multiple Estimate:**	2.1%	**Dividend Payment Date:**	06/30/26
Dividend Yield:	0.7%	**5 Year Price Target**	$331	**Years Of Dividend Growth:**	6
Dividend Risk Score:	B	**Sector:**	Consumer Discretionary	**Rating:**	Buy

Overview & Current Events

Columbus, Ohio-based Installed Building Products was founded in 1977 as a company that distributes and installs homebuilding materials. Primary lines of business include installing goods such as insulation, waterproofing, fireproofing, garage doors and rain gutters in residential homes. Installed Building Products also sells into multi-family housing, commercial, and agricultural structures, along with providing services to repair and remodeling contractors.

Installed Building Products went public in 2014 and has been a sensational performer since then. Both earnings per share and the stock price have increased roughly tenfold since the IPO. The company's M&A strategy has been integral to this, with IBP spending at least $50 million on acquisitions in each of the past ten years. Given how fragmented the building materials installation space is, we see a long runway for future growth.

The company enjoyed tremendous conditions coming out of the pandemic as the U.S. homebuilding market boomed. With high interest rates and slipping transaction volumes, however, IBP's growth has slowed since 2022. The company released its Q1 results on May 7th, 2026. Revenues decreased 3.5% to $661 million. Adjusted EPS of $1.79 fell from $2.08 in the same quarter of last year and missed expectations by 17 cents. The company blamed bad weather and the weak housing market for primarily driving the earnings miss.

IBP remains active in acquisitions. It bought Pro Foamers, Inc. in May 2025, and announced the purchases of both Echols Glass & Mirror and Vanderkoy Bros. in October. In Feb. 2026, it bought Thermo-Tech Mechanical Insulation, Inc. adding another $13 million in annual sales to the business. We have reduced our full-year EPS estimate given the weaker Q1 results along with the recent rise in interest rates, which is likely to put a damper on new housing construction.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.23	$1.30	$1.75	$2.28	$3.27	$4.01	$7.74	$8.61	$9.10	$9.71	***$10.25***	***$14.38***
DPS	$0.00	$0.00	$0.00	$0.00	$0.00	$1.20	$1.26	$1.32	$1.40	$1.48	***$1.56***	***$2.29***
Shares[1]	31	32	31	30	30	30	29	28	28	28	***27***	***26***

Installed Building Products has been an absolutely phenomenal earnings growth story, with its EPS skyrocketing from $1.23 in 2016 to $9.71 in 2025. That works out to a stunning 26% annualized EPS growth rate. More recently, IBP has managed a 22% annualized growth rate over the past five years. We believe it will be hard for IBP to maintain such a blistering growth rate as it is now a much larger business than it used to be. And we also expect the housing market to be less favorable over the next few years than it was between 2020 and 2023. We are modeling 7% EPS growth going forward, though there is certainly room for faster growth depending on how quickly IBP can find acquisition targets.

IBP did not pay a dividend until 2021, which isn't too surprising since it was using its capital to fund its rapid growth. However, the company has started paying a significant regular quarterly dividend, with the most recent increase from 37 cents to 39 cents being announced in February 2026. In addition, IBP has paid special dividends each of the past five years which add to the total yield, including a $1.80 per share special dividend which was paid out March 31st, 2026. We do not include the special dividends in the DPS calculation, but they have been a nice bonus for income investors.

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[1] In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	33.4	58.8	18.4	30.3	31.1	34.9	10.9	21.3	19.0	24.7	***20.8***	***23.0***
Avg. Yld.	-	-	-	-	-	1.0%	1.1%	1.0%	1.5%	0.6%	***0.7%***	***0.7%***

Installed Building Products has averaged a 28.3x P/E ratio dating back to 2016. That valuation multiple makes sense considering the company's rapid growth over the past decade. The P/E has come down to 22.2x over the past five years. We expect the P/E multiple to settle around 23x over time. While the company is in a cyclical industry, its rapid growth and M&A platform should support a solid valuation floor. The firm has averaged around a 1% dividend yield based on the common dividend, but that gets closer to 2% when taking into account the special dividends in recent years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

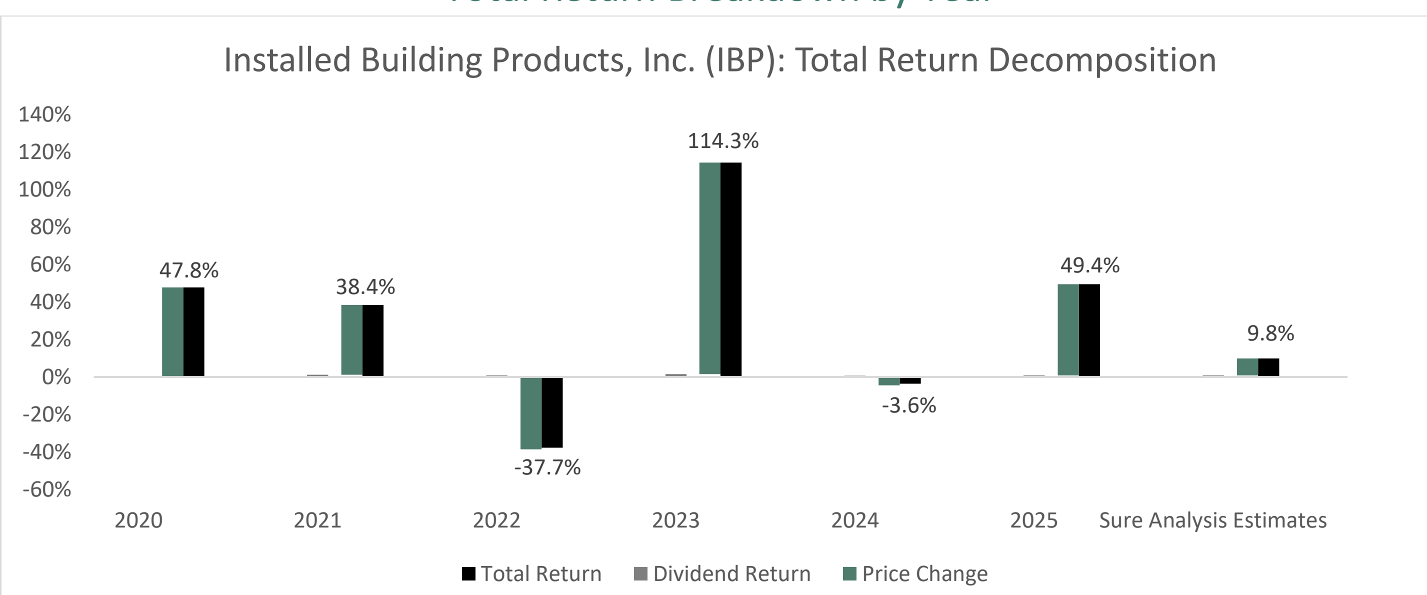
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	-	-	-	-	-	30%	16%	15%	15%	15%	***15%***	***16%***

Installed Building Products has a moderately-leveraged balance sheet, with it carrying $1.0 billion of long-term debt as of March 31st, 2026. Many such roll-up businesses use high amounts of debt to fund their acquisitions, whereas Installed Building Products has been more conservative. The firm's dividend payout ratio, calculated based on its quarterly dividend, has been under 20% in recent years making it quite safe even in a prolonged recession or housing industry downturn. Homebuilding is a cyclical industry, and we think IBP could see a meaningful drawdown in earnings during a larger housing bust. That said, the firm's reasonable balance sheet and diverse collection of different installation services and end markets make it a bit more resilient than investors might first imagine.

Final Thoughts & Recommendation

Installed Building Products has been an absolute home run for long-term investors, and shares hit new all-time highs as recently as February 2026. However, shares have plunged by 30% over the past month, as investors had a sharply negative reaction to the Q1 earnings report. While the figures weren't great, this seems like an overreaction. IBP stock is now trading at a discount to fair value. We forecast 9.8% annualized total returns, and we are upgrading the stock to a buy rating today.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	863	1,133	1,336	1,512	1,653	1,969	2,670	2,779	2,941	2,971
Gross Profit	252	324	372	435	510	590	828	931	995	968
Gross Margin	29.3%	28.6%	27.8%	28.8%	30.8%	29.9%	31.0%	33.5%	33.8%	32.6%
SG&A Exp.	175	223	253	289	320	366	455	517	565	582
D&A Exp.	35	55	59	79	88	103	118	126	135	145
Operating Profit	66	74	93	121	162	187	329	369	387	389
Op. Margin	7.7%	6.6%	7.0%	8.0%	9.8%	9.5%	12.3%	13.3%	13.2%	13.1%
Net Profit	38	41	55	68	97	119	223	244	257	265
Net Margin	4.5%	3.6%	4.1%	4.5%	5.9%	6.0%	8.4%	8.8%	8.7%	8.9%
Free Cash Flow	46	37	61	73	147	101	232	279	251	301
Income Tax	21	15	17	24	34	37	80	89	90	92

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	462	739	835	1,099	1,188	1,653	1,779	1,981	2,060	2,068
Cash & Equivalents	14	63	90	178	232	333	230	387	328	322
Acc. Receivable	128	181	214	245	267	313	397	423	434	471
Inventories	40	48	61	75	77	143	177	163	195	203
Goodwill & Int.	193	293	323	349	388	587	657	668	703	712
Total Liabilities	308	528	652	849	868	1,236	1,285	1,311	1,355	1,358
Accounts Payable	68	87	97	99	101	133	149	159	147	119
Long-Term Debt	151	348	455	569	565	863	861	867	875	955
Total Equity	154	211	182	250	319	417	494	670	705	710
LTD/E Ratio	0.98	1.65	2.49	2.28	1.77	2.07	1.75	1.29	1.24	1.40

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	9.2%	6.9%	7.0%	7.0%	8.5%	8.4%	13.0%	13.0%	12.7%	12.9%
Return on Equity	28.6%	22.6%	27.9%	31.5%	34.2%	32.3%	49.1%	41.9%	37.3%	37.5%
ROIC	14.2%	9.5%	9.2%	9.4%	11.4%	11.0%	17.0%	16.9%	16.5%	15.7%
Shares Out.	31	32	31	30	30	30	29	28	28	27
Revenue/Share	27.52	35.68	42.79	50.60	55.63	66.45	92.48	98.16	104.34	108.71
FCF/Share	1.47	1.17	1.97	2.44	4.95	3.42	8.05	9.84	8.92	11.01

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.