NCI BUILDING SYSTEMS INC
Form 424B3
July 18, 2016

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-210467

The information contained in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has been declared effective by the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell the shares and are not soliciting an offer to buy the shares in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 18, 2016

PRELIMINARY PROSPECTUS SUPPLEMENT
To Prospectus dated April 8, 2016

9,000,000 Shares

NCI Building Systems, Inc.

Common Stock

All of the shares of common stock of NCI Building Systems, Inc., which we refer to in this prospectus supplement as NCI or the Company, are being sold by the selling stockholders identified in this prospectus supplement. NCI will not receive any of the proceeds from the sale of the shares being sold by the selling stockholders. We have agreed to bear all the expenses in connection with the registration of these shares. The selling stockholders will pay any applicable underwriting fees, discounts or commission and certain transfer taxes.

The common stock of NCI is listed on the New York Stock Exchange (the NYSE) under the symbol NCS. The last reported sale price of the common stock on July 15, 2016 was $17.17 per share.

Investing in our common stock involves risks. See Risk Factors on page S-16 of this prospectus supplement and page 2 of the accompanying prospectus to read about factors you should consider before buying shares of the common stock.

Neither the U.S. Securities and Exchange Commission (the SEC) nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement. Any representation to the contrary is a criminal offense.

	Per Share	Total
Price to public	$	$
Underwriting discount(1)	$	$
Proceeds, before expenses, to the selling stockholders	$	$

(1) We refer to you to Underwriting beginning on page S-30 of this prospectus supplement for additional information regarding underwriting compensation.

To the extent that the underwriters sell more than 9,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 1,350,000 shares from the selling stockholders at the offering price less the underwriting discounts and commissions. NCI will not receive any of the proceeds from the shares of common stock sold by the selling stockholders pursuant to any exercise of the underwriters option to purchase additional shares.

We have entered into an agreement with the selling stockholders to repurchase $45 million of our common stock from the selling stockholders in a private transaction at the price per share at which the shares of common stock are sold to the public in this offering, less the underwriting discount. Assuming a price per share of $17.17, which was the last reported sale price of the common stock on July 15, 2016, and no underwriting discount, we would repurchase a total of 2,620,850 shares of common stock from the selling stockholders. The closing of the share repurchase will be contingent on the closing of this offering. The closing of this offering is not contingent on the closing of the share repurchase. See Concurrent Company Repurchase of Common Stock.

The underwriters expect to deliver the shares against payment in New York, New York on July , 2016.

Credit Suisse **Citigroup** **RBC Capital Markets** **UBS Investment Bank**

BB&T Capital Markets **Stephens Inc.** **CJS Securities**

Prospectus Supplement dated July , 2016

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is part of a registration statement on Form S-3 that we have filed with the SEC using a shelf registration process. Pursuant to the accompanying prospectus dated April 8, 2016, the selling stockholders may, from time to time, sell up to a total of 43,211,817 shares of common stock held by them as of the date hereof described in the accompanying prospectus in one or more offerings. This prospectus supplement may add to, update or change the information contained in the prospectus. If there is any inconsistency between the information in the prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement. Please carefully read the prospectus, the prospectus supplement and any pricing supplement, in addition to the information contained in the documents we refer to under the heading Where You Can Find More Information; Incorporation by Reference on page S-36 of this prospectus supplement.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any free writing prospectus we have prepared. Neither we, the selling stockholders nor the underwriters have authorized anyone to provide you with different information. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of the dates on their respective cover pages and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such dates.

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT SUMMARY

The following summary does not contain all the information that may be important to purchasers of our common stock. You should carefully read the entire prospectus supplement, including the Risk Factors section, the accompanying prospectus and other information incorporated by reference in this prospectus supplement and the accompanying prospectus before making any investment decision. In this prospectus supplement, we refer to NCI, and its wholly owned and majority-owned subsidiaries as we, us or our, unless we specifically state otherwise or the context indicates otherwise.

Our Company

NCI is one of North America s largest integrated manufacturers and marketers of metal products for the nonresidential construction industry. Of the $220 billion nonresidential construction industry, we primarily serve the low-rise nonresidential construction market (five stories or less) which, according to Dodge Data & Analytics (Dodge), represented approximately 86% of total nonresidential construction during our fiscal year 2015. Our broad range of products are used primarily in new construction activities and in repair and retrofit activities, mostly in North America.

We design, engineer, manufacture and market what we believe is one of the most comprehensive lines of metal components and engineered building systems in the industry, with a reputation for high quality and superior engineering and design. We go to market with well-recognized brands, which allow us to compete effectively within a broad range of end-user markets, including industrial, commercial, institutional and agricultural. Our service versatility allows us to support the varying needs of our diverse customer base, which includes general contractors and sub-contractors, developers, manufacturers, distributors, a current network of over 3,200 authorized builders across North America in our engineered building systems segment, over 1,000 dealer partners for our insulated metal panel (IMP) products and approximately 5,500 architects. We also provide metal coil coating services for commercial and construction applications, servicing both internal demand and external customers. We believe we have leading market positions in each of our three operating segments (Metal Coil Coating, Metal Components and Engineered Building Systems) with a high level of vertical integration and coordinated focus on commercial execution, lean manufacturing and supply chain optimization, all of which we believe distinguishes us from many of our competitors.

As of June 30, 2016, we operated 40 manufacturing facilities located in the United States, Mexico, Canada and China, with additional sales and distribution offices throughout the United States and Canada. Our broad geographic footprint, along with our hub-and-spoke distribution system, allows us to efficiently supply a broad range of customers with high-quality customer service and reliable deliveries.

Since 2011, we have executed on a strategy to become the leading provider of IMP products in North America through our acquisitions of Metl-Span LLC (Metl-Span) in 2012 and CENTRIA, a Pennsylvania general partnership (CENTRIA), in 2015. We believe the IMP market remains underpenetrated in North America, with IMP-related nonresidential construction estimated to comprise approximately 3% of total nonresidential construction. We estimate this is approximately one fifth of the IMP penetration rate in Europe. Insulated metal panels possess several physical and cost-effective attributes, such as energy efficiency that make them compelling alternatives to competing building materials, in particular due to the adoption of stricter standards and codes by numerous states in the United States that are expected to increase the use of IMP products in construction projects. Given these factors, we believe that growth within the IMP market will continue to outpace the broader metal building sector and the nonresidential construction industry as a whole.

In recent years, we have undertaken significant initiatives at all levels of our company intended to drive cash flow generation, efficiency and profitable growth. These initiatives have included actions designed to expand our revenue opportunities, decrease costs and enhance our operational efficiency in order to achieve profitable growth and improve margins, such as:

streamlining our organizational structure to remove segment presidents and add new positions for commercial, manufacturing and supply chain functions, with a coordinated focus across all operating segments on improving efficiency and execution;

revamping our sales and marketing functions with a focus on brand positioning, sales channel coordination, team effectiveness and cross-selling opportunities;

TABLE OF CONTENTS

reducing the size and cost of our manufacturing infrastructure, while maintaining flexibility and capacity through automating, retooling and streamlining key processes;
consolidating and upgrading our engineering and drafting organization and capabilities, while leveraging our enhanced estimating, design and detailing tools across our brand and product portfolios;
optimizing our supply chain and reducing procurement and input costs; and
further bolstering our leading position in the IMP market, both through existing buildings and components sales channels and through the growth in our acquired CENTRIA and Metl-Span businesses.

Our Segments

Our business is currently divided into three operating segments, all closely integrated and well-positioned to capitalize on rising interest in steel products among builders: (i) Metal Coil Coating, (ii) Metal Components and (iii) Engineered Building Systems. We operate these segments as a vertically integrated system, benefiting from common raw material usage, similar manufacturing processes and complementary distribution networks.

	Metal Coil Coating	Metal Components	Engineered Building Systems
Segment Description	Cleaning, treating and painting flat rolled metal coil substrates	Metal roof and wall systems, metal partitions and metal doors and insulated metal panels	Engineered building systems for low-rise nonresidential markets
Estimated Market Share[(1)]	39% market share in Heavy Gauge Coil Coating (#1 operator) 14% market share in Light Gauge Coil Coating (#2 operator)	11% market share in Metal Components (#1 operator) 49% market share in IMP (#1 operator)	22% market share (#2 operator)
Estimated Addressable Market Size[(2)]	$1.5 billion	$6.8 billion	$2.7 billion
Locations	6 manufacturing facilities in the United States	26 manufacturing facilities (24 in the United States, 1 in Canada and 1 in China)	8 manufacturing facilities (7 in the United States and 1 in Mexico)
Fiscal Q2 LTM Total Sales[(3)]	$233 million	$992 million	$661 million
Fiscal Q2 LTM Segment Operating Income	$22 million	$69 million	$60 million
Fiscal Q2 LTM Segment Adjusted EBITDA and Margin[(4)]	$27 million / 11.5%	$111 million / 11.2%	$69 million / 10.5%

TABLE OF CONTENTS

	Metal Coil Coating	Metal Components	Engineered Building Systems
Customers	Manufacturers of metal components and engineered building systems and manufacturers of painted steel products such as metal buildings, appliances, garage and entry doors, light fixtures and HVAC	Small, medium and large contractors, specialty roofers, engineered building fabricators, distributors/lumberyards and end users	Network of over 3,200 builders, as well as general contractors, developers, custom fabrication customers and end users
Brands			

(1) Based on NCI management estimates. Market share estimates are based on 2015 tons shipped except for Metal Components, which is based on revenue.

(2) Based on NCI management estimates and the MBMA. Market size estimates based on 2015 data.

(3) Includes intersegment sales of $263 million.

(4) Excludes corporate costs of $58 million. Adjusted EBITDA is a non-GAAP measure used by management to provide comparability of underlying operating results. For a reconciliation of Adjusted EBITDA to net income (loss) from operations, see Summary Historical Consolidated Financial and Other Data.

Steel is the primary raw material used by each of our operating segments. The Metal Coil Coating segment provides substantially all of the metal coil coating requirements for our Metal Components and Engineered Building Systems segments. Our Engineered Building Systems segment sources a large portion of its components requirements from our Metal Components segment. Our nationwide hub-and-spoke manufacturing and distribution system supports and enhances the vertical integration of our segments. We believe our vertical integration, when combined with other attributes of our individual segments, reduces the impact of steel price volatility on our consolidated business due to the varying length of sales cycles and offsetting margin impacts across segments from changes in steel prices. We believe this helps drive more consistent gross profit margins for our consolidated business.

Our Industry

Demand for our products is driven primarily by new nonresidential construction activity, in particular the low-rise nonresidential market (five stories or less). Construction activity in this market depends on a number of factors, including the overall economic outlook, general business cycle, interest rates, availability of credit and demographic trends that influence the location and magnitude of construction related to new commercial activities.

After experiencing an unprecedented low level of demand in 2009 and 2010, we believe that nonresidential construction market activity is poised to continue to recover and strengthen. According to Dodge, new low-rise nonresidential construction starts were estimated to be 826 million square feet in calendar year 2015, which is up approximately 36% from 609 million square feet in calendar year 2010. However, new low-rise nonresidential construction activity remains materially below historical levels. We believe this represents a significant opportunity for growth as activity continues to recover.

New low-rise nonresidential construction starts	Units (mm. sq. ft.)	2015 estimated	Percentage increase required to achieve level
Average of five cyclical troughs prior to recent downturn(1)	995	826	20 %
Long-term average(2)	1,149	826	39 %
Average of six previous cyclical peaks(3)	1,415	826	71 %

Source: Dodge Data & Analytics.

Note: Data shown based on calendar year-end.

(1) Prior downturn troughs include 1970, 1975, 1982, 1992 and 2003.
(2) Average low-rise nonresidential construction starts from 1967 to 2015.
(3) Prior peaks include 1969, 1973, 1979, 1985, 2000 and 2007.

The leading indicators that typically have the most meaningful correlation to low-rise nonresidential construction starts are the American Institute of Architects Architecture Mixed Use Index, Dodge Residential single family starts and the Conference Board Leading Economic Index. Historically, these three leading indicators, when combined and seasonally adjusted, have been highly correlated to Dodge low-rise nonresidential construction starts. The combined forward projection of these metrics, based on a 9 to 14 month historical lag for each metric, indicates modest growth for low-rise new construction starts in fiscal 2016, with a majority of that growth expected in the second half of our fiscal year.

The nonresidential market is composed primarily of the commercial and industrial markets, and includes the institutional, agricultural, governmental and rural/community markets, as illustrated below.

The metal building industry has continued to gain share in the overall nonresidential construction market. The penetration of metal buildings in nonresidential construction increased from 2007 to 2015, as evidenced by a 20% increase in the ratio of Metal Buildings Manufacturers Association (MBMA) tons shipped to every 1,000 square feet of low-rise nonresidential construction starts reported by Dodge, based on a three-year rolling average, as shown in the chart below. According to the MBMA, domestic tons of steel sold for engineered building systems by its members grew at a compounded annual growth rate of approximately 6% from 2010 to 2015.

TABLE OF CONTENTS

Our Competitive Strengths

We leverage our competitive strengths to effectively compete for business and offer our customers a value proposition predicated upon premium quality, service and fast delivery times at a fair price. We believe our key competitive strengths include:

Leading market positions and strong brands. We believe we maintain leading positions in our operating segments, as well as select product lines:

- #1 in heavy gauge hot rolled steel coating;
- #2 in light gauge coil coating;
- #1 in metal components;
- #1 in insulated metal panel products; and
- #2 in engineered building systems.

Our high quality and well-respected brands are marketed through a broad network of affiliated builders, dealers and distributors. We believe these brands, many of which have been in use for several decades, are well-recognized by our customers and industry associations.

Significant scale relative to our competitors. We believe the combination of our segment leadership positions and overall scale provides us with distinct advantages in terms of cost, efficiency, productivity, talent acquisition and retention and breadth of market opportunity. Our segments utilize relatively similar steel coil, enabling substantial manufacturing efficiencies and purchasing leverage that results in favorable steel costs compared to market indices and flexible purchasing terms without having to enter into long-term contracts. Our size and resources have also allowed us to make investments in our IT systems that we believe many of our smaller competitors cannot afford. This includes a comprehensive array of web-based software solutions that let customers design, order and pay online for products ranging from metal components to engineered building systems. Our scale also provides us with resources needed to execute on closing and successfully integrating strategic acquisitions. Finally, our scale also facilitates the attraction, retention and training of our employees, propelled by a deep and established culture of continuous improvement. Our scale and national market presence have driven enhanced geographic diversity, while complementing our local market insights and relationships.

Structural advantage through vertical integration. We are vertically integrated, which we believe distinguishes us from our primary competitors. This vertical integration provides us cost and scale advantages, as well as other efficiencies in quality and lead times. We control our entire manufacturing process, which provides our Metal Components and Engineered Building Systems segments with enhanced quality control, and more efficient and consistent turnaround times from order to delivery than we believe our competitors are able to consistently achieve. Our Metal Coil Coating segment typically sells approximately half of its production internally to our Metal Components segment, which provides significant base loading and fixed-cost absorption, helping to achieve levels of profitability that we believe exceed the industry average. We believe our vertical integration, when combined with other attributes of our individual segments, also reduces the impact of steel price volatility on our consolidated business due to the varying length of sales cycles and offsetting margin impacts across segments from changes in steel prices. We believe this helps drive more consistent gross profit margins for our consolidated business.

Leading insulated metal panels platform. We believe we have the leading IMP platform in North America, with 49% share of the North American IMP market in 2015. Since 2011, we have executed on a strategy to become the leading provider of IMP products, which was accelerated through our acquisitions of Metl-Span in 2012 and CENTRIA in 2015. From 2011 to the twelve months ended May 1, 2016, we have expanded our IMP sales as a percentage of our total sales from 3% to 24%, respectively. We believe the IMP market remains underpenetrated in North America, with IMP-related nonresidential construction estimated to comprise approximately 3% of total nonresidential construction. We estimate this is approximately one-fifth of the IMP penetration rate in Europe. Insulated metal panels possess several physical and cost-effective attributes that make them compelling alternatives to competing building materials, and we believe that growth within the IMP market will continue to outpace the broader metal buildings sector and the nonresidential construction industry as a whole due to the adoption of stricter environmental standards and codes by numerous states in the United States that are expected to increase the use of IMP products in construction projects. We have also had recent success in expanding IMP product sales across our existing builder network, which in turn has provided us with an entry point to pull through sales of other Engineered Buildings Systems and Metal Components products.

Efficient and flexible manufacturing and distribution model. We have a strategically developed hub-and-spoke manufacturing footprint and integrated business model that enables us to optimize the development, production and delivery of our metal building products to our customers. We believe we have a strong cost position and operate with high efficiency across all business lines, propelled by a deep and established culture of continuous improvement. Our cost structure is highly variable in nature and we can adjust our manufacturing infrastructure and engineering, selling, general and administrative expense levels quickly in response to changes in volume, enhancing our ability to deliver profitable results. We have 40 manufacturing plants located in the United States, Mexico, Canada and China, which are operated in an efficient hub-and-spoke network that places our manufacturing and distribution operations close to our customers. Our business model and manufacturing footprint allow us to shift manufacturing as needed to better address regional demand and most efficiently utilize excess capacity. We utilize a network of over 3,200 authorized builders who market our products to end users and are hired by those end users to erect engineered building systems and provide contracting services on construction projects. We also devote significant efforts to developing strong relationships with architects and project design teams to increase the rate at which our products are specified into architectural plans and used in final construction projects. We believe our affiliated builder network and specification efforts provide multiple market channels for our products.

Improved cost position and significantly enhanced operating leverage. We have an ongoing restructuring program for our manufacturing operations and our sales support and engineering organizations. We believe that the successful execution of this program in phases over the next six to 30 months will result in annual cost savings ranging from $15 million to $20 million by fiscal 2018. We are currently unable to make a good faith determination of cost estimates, or range of cost estimates, for actions associated with the plans. Restructuring charges will be recorded for these plans as they become estimable and probable. During the last 18 months, we eliminated one Engineered Buildings Systems plant, three Metal Components plants and two IMP plants, and reduced the number of components sales support locations from 13 to five. We have also made other substantial investments in technology and automation to further improve our production and logistical efficiency, enhancing our position as a low-cost producer. We believe these efforts have resulted in stronger operating leverage. As the nonresidential market continues to recover, we believe this operating leverage will allow us to drive higher profitability on comparable levels of industry activity. The benefits of our restructuring efforts and the operating leverage inherent in our business model have already begun to result in increased profitability.

Motivated, experienced management team and dedicated workforce. The members of our management team have significant operating experience, with an average of 15 years in the nonresidential construction industry. We have also hired key employees from outside our industry in our commercial group, human resources and other key administrative functions who have driven meaningful changes within the business. Our team has proven its ability to operate and grow the business and to execute cost reduction and efficiency improvement initiatives. Management has also proven its integration capabilities through a number of successful strategic acquisitions. Our management team is supported by our committed workforce, which has many years of experience, long-standing personal relationships with customers and experience managing adverse market conditions.

Our Strategies

Outpace expected growth in our core end market. Over recent years, we believe we have outpaced growth in our core low-rise nonresidential construction market, and we strive to continue this trend. From 2010 to 2015, we have grown our total sales per thousand square feet of low-rise nonresidential construction by 33%, from $1,412 in fiscal 2010 to $1,877 in fiscal 2015. We believe we can continue to outpace growth in our core market by continuing to gain market share and also by benefiting from the increasing penetration of metal buildings and components.

Achieve continued share gains in existing categories and geographies. We aim to capture a larger share of our existing categories and geographies by offering our customers an enhanced value proposition versus our competitors. We believe an enhanced value proposition can include a lower overall cost, better product performance (including greater energy efficiency), more attractive design and aesthetic characteristics and industry-leading sales and customer service. We believe our vertical integration, low-cost purchasing and manufacturing, efficient distribution footprint, strong brands, high product quality and dedicated sales and service network allow us to offer an enhanced value proposition, which we believe will continue to drive market share gains.

Increase penetration of metal buildings and components. Metal buildings and components have taken share from other building materials over recent years, as evidenced in part by the growth in the metal buildings industry. The reduced level of jobsite fabrication required by the builder or contractor enables metal buildings to be completed faster than traditional construction. In addition, technological advances in products, materials and engineering and design techniques have made metal building systems increasingly compatible with more traditional construction facades made of masonry, concrete, glass and wood, thereby increasing the attractiveness of metal buildings. Metal building products, including both engineered building systems and individual components, such as roofs and wall systems, have also demonstrated greater energy efficiency than competing materials due to increased thermal and insulating attributes. This is particularly true with respect to insulated metal panels, for which we believe we are the market leader in North America. We believe metal building products will continue to penetrate the nonresidential construction industry, and we aim to benefit from this trend by continuing to invest in sales and marketing initiatives and innovative product development that enhances the attributes of our products and promotes the time, cost and energy savings that can benefit users of our products.

Organic growth through new markets, products and services. In each of our operating segments, we are pursuing initiatives to expand our customer base by targeting new geographies and end markets and promoting new products and capabilities. In our Engineered Building Systems segment, we are expanding our low complexity building penetration by introducing our Express Plus system, which leverages our existing online estimating and sales systems and offers an accelerated order-to-delivery cycle. In addition, we are expanding our IMP product sales through our builder network by integrating insulated metal panels into our building designs, which has also enabled us to pull through sales of other Engineered Building Systems and Metal Components products. In our Metal Components segment, we are driving sales in areas with opportunities for high growth, such as insulated metal panels and metal roofing. In our Metal Coil Coating segment, we are diversifying our external customer base by marketing to original equipment manufacturers, who do not purchase directly from steel mills.

Continued investments in best-in-class operating capabilities to drive profitability. We will continue to invest in our operating capabilities, with particular focus on further executing on manufacturing and supply chain initiatives. Our goal is to be the undisputed leader in the industry by consistently delivering

TABLE OF CONTENTS

competitively priced, high-quality products, complete and on-time. In order to realize this goal, we have made substantial investments in quality, efficiency and speed that we believe differentiate us from our peers and provide added value to our customers. We continually seek to improve the quality of our production and delivery system, invest in training and developing skilled workers, standardize best practices for customer service and improve marketing to ensure we are the supplier of choice for our customers. We have eliminated the majority of manual drafting activities and automated the integration of our drafting system to the shop floor, thereby streamlining the design process and the communication between our engineering and manufacturing functions.

We have also invested extensively in operational initiatives that we believe will position us for profitable growth going forward. Select examples of these initiatives include:

- Implemented increased automation and lean manufacturing processes;
- Opened a new IMP facility in Hamilton, Ontario, Canada;
- Improved our fixed-cost footprint though facility realignment and consolidation; and
- Streamlined our supply chain and back office functions and improved steel purchasing.

We have several additional initiatives in various stages of implementation that we believe will continue to enhance our quality, efficiency and speed, providing tangible value to our customers and improving our operating capabilities and profitability.

Capitalize on the continued nonresidential construction recovery. As a leading manufacturer of metal building products for the nonresidential construction industry, we intend to capitalize on the continued recovery in the new nonresidential construction market. According to Dodge, low-rise nonresidential construction starts were estimated to be 826 million square feet in calendar year 2015, which is up approximately 36% from 609 million square feet in calendar year 2010. However, starts remain below historical levels. 2015 starts would have needed to increase approximately 20% to reach the average of the five cyclical troughs since 1967 prior to the current downturn, approximately 39% to achieve the market average since 1967 and approximately 71% to achieve the average of the six cyclical peaks since 1967. We believe this represents a significant opportunity for growth as activity improves.

Share Repurchase

We have entered into an agreement with the selling stockholders to repurchase $45 million of our common stock, concurrently with the closing of this offering, directly from the selling stockholders in a private transaction at the price per share at which the shares of common stock are sold to the public in this offering, less the underwriting discount. Assuming a price per share of $17.17, which was the last reported sale price of the common stock on July 15, 2016, and no underwriting discount, we would repurchase a total of 2,620,850 shares of common stock from the selling stockholders. Following the closing of the share repurchase, the Company intends to cancel the shares it repurchases from the selling stockholders.

The agreement between the selling stockholders and us for the share repurchase represents a private, non-underwritten transaction that was approved and recommended by the Affiliate Transactions Committee of our board of directors. We intend to fund the share repurchase with available liquidity, including liquidity available under our asset-based lending facility.

The closing of the share repurchase will be contingent on the closing of this offering and the satisfaction of certain other customary conditions. The closing of this offering is not conditioned on the closing of the share repurchase, and there can be no assurance that the share repurchase will be completed.

This description and the other information in this prospectus supplement regarding the share repurchase are included in this prospectus supplement solely for informational purposes. Nothing in this prospectus supplement should be construed as an offer to sell, or the solicitation of an offer to buy, any of our common stock subject to the share repurchase. See Concurrent Company Repurchase of Common Stock.

TABLE OF CONTENTS

Corporate Information

Our principal executive offices are located at 10943 North Sam Houston Parkway West, Houston, Texas 77064, and our telephone number at that location is (281) 897-7788.

TABLE OF CONTENTS

THE OFFERING

Issuer	NCI Building Systems, Inc.
Selling stockholders	Clayton, Dubilier & Rice Fund VIII, L.P. and CD&R Friends & Family Fund VIII, L.P. (together, the CD&R Funds).
Common stock offered by the selling stockholders	9,000,000 shares, which represents approximately 21% of the shares currently held by the selling stockholders.
Common stock outstanding after this offering and the concurrent share repurchase	71,090,136 shares
Option to purchase additional shares of common stock	The underwriters have a 30-day option to purchase an additional 1,350,000 shares of common stock from the CD&R Funds at the public offering price less underwriting discounts and commissions.
Use of proceeds	The selling stockholders will receive all of the net proceeds from the sale of our common stock in this offering. We will not receive any of the proceeds from the sale of the shares of our common stock by the selling stockholders. See Use of Proceeds.
Concurrent share repurchase	We have entered into an agreement with the selling stockholders to repurchase $45 million of our common stock directly from the selling stockholders, concurrently with the closing of this offering, in a private transaction at the price per share at which the shares of common stock are sold to the public in this offering, less the underwriting discount, contingent on the consummation of this offering. Assuming a price per share of $17.17, which was the last reported sale price of the common stock on July 15, 2016, and no underwriting discount, we would repurchase a total of 2,620,850 shares of common stock from the selling stockholders. See Concurrent Company Repurchase of Common Stock.
Dividend policy	We do not expect to pay dividends on our common stock for the foreseeable future. See Dividend Policy.
New York Stock Exchange symbol	NCS
Risk factors	Investing in our common stock involves risks. See the section titled Risk Factors in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein or therein, for a discussion of certain risks you should consider before investing in our common stock.

Except as otherwise indicated, the information in this prospectus supplement assumes no exercise of the underwriters option to purchase additional shares. References in this prospectus supplement to common stock outstanding after this offering and the concurrent share repurchase assume the concurrent share repurchase is consummated at a price per share of $17.17, which was the last reported sale price of the common stock on July 15, 2016.

TABLE OF CONTENTS

The number of shares of our common stock to be outstanding immediately following this offering is based on a total of 73,710,986 shares of our common stock outstanding as of June 30, 2016, minus a total of 2,620,850 shares that we expect to repurchase in the share repurchase and that will no longer be outstanding following the consummation of this offering, and excludes:

- 998,607 shares of common stock issuable upon exercise of options to purchase shares outstanding as of June 30, 2016 at a weighted average exercise price of $9.59 per share;
- 934,211 shares of common stock issuable pursuant to performance stock units as of June 30, 2016;[(1)] and
- 785,836 shares of common stock issuable pursuant to restricted stock units as of June 30, 2016.

(1) The number of performance stock units shown reflects the shares that would be granted if the target level of performance is achieved. The number of shares actually issued may vary.

TABLE OF CONTENTS

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents our summary consolidated financial data, as of and for the periods indicated. The summary consolidated financial data for the fiscal years ended November 1, 2015, November 2, 2014 and November 3, 2013 and as of November 1, 2015 and November 2, 2014 have been derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended November 1, 2015 (the 2015 10-K), which is incorporated by reference in this prospectus supplement. The summary consolidated financial data for the fiscal six months ended May 1, 2016 and May 3, 2015 and as of May 1, 2016 have been derived from our unaudited consolidated financial statements included in our Quarterly Report on Form 10-Q for the fiscal six months ended May 1, 2016 (the Q2 10-Q), which is incorporated by reference in this prospectus supplement.

This Summary Historical Consolidated Financial and Other Data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included in applicable reports filed pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act) and incorporated by reference in this prospectus supplement, including the 2015 10-K and the Q2 10-Q. Our historical consolidated financial data may not be indicative of our future performance.

	Fiscal Year Ended		
	November 1, 2015	November 2, 2014	November 3, 2013[3]
	(Audited)		
	(dollars in thousands)		
Sales	$1,563,693	$1,370,540	$1,308,395
Cost of sales, excluding fair value adjustment of acquired inventory and gain on insurance recovery	1,189,019	1,080,027	1,033,374
Fair value adjustment of acquired inventory	2,358		
Gain on insurance recovery		(1,311)	(1,023)
Gross profit	372,316	291,824	276,044
Engineering, selling, general and administrative expenses	286,840	257,635	252,803
Intangible asset amortization	16,903	4,053	4,053
Strategic development and acquisition related costs	4,201	4,998	
Restructuring and impairment charges	11,306	42	
Gain on legal settlements	(3,765)		
Income from operations	56,831	25,096	19,188
Interest income	72	126	131
Interest expense	(28,460)	(12,455)	(20,988)
Foreign exchange gain (loss)	(2,152)	(1,097)	65
Debt extinguishment costs, net			(21,491)
Other income, net	499	1,005	1,356
Income (loss) before income taxes	26,790	12,675	(21,739)
Provision (benefit) from income taxes	8,972	1,490	(8,854)
Net income (loss)	$17,818 [1]	$11,185 [2]	$(12,885)[4]
Net income (loss) attributable to common shares	$17,646 [1]	$11,085 [2]	$(12,885)[4]

(1) Includes gain on legal settlements of $3.8 million ($2.3 million after tax), strategic development and acquisition related costs of $4.2 million ($2.6 million after tax), restructuring and impairment charges of $11.3 million ($6.9 million after tax), fair value adjustments to inventory of $2.4 million ($1.5 million after tax) and amortization of acquisition fair value adjustments of $8.4 million ($5.1 million after tax).

(2) Includes proceeds from insurance recovery of $1.3 million ($0.8 million after tax), secondary offering costs of $0.8 million ($0.5 million after tax), foreign exchange losses of $1.1 million ($0.7 million after tax), strategic development and acquisition related costs of $5.0 million ($3.1 million after tax) and reversal of Canadian deferred tax valuation allowance of $2.7 million in fiscal 2014.

TABLE OF CONTENTS

(3) Fiscal 2013 includes 53 weeks of operating activity.

(4) Includes debt extinguishment costs of $21.5 million ($13.2 million after tax) and proceeds from insurance recovery of $1.0 million ($0.6 million after tax) and unreimbursed business interruption costs of $0.5 million ($0.3 million after tax) in fiscal 2013.

	Fiscal Six Months Ended	
	May 1, 2016	May 3, 2015
	(Unaudited)	
	(dollars in thousands)	
Sales	$ 742,261	$ 683,073
Cost of sales	564,822	535,045
Gain on sale of assets and asset recovery	(1,652)	
Gross profit	179,091	148,028
Engineering, selling, general and administrative expenses	144,498	135,904
Intangible asset amortization	4,821	5,868
Strategic development and acquisition-related costs	1,260	2,357
Restructuring and impairment charges	2,659	2,945
Income from operations	25,853	954
Interest income	74	39
Interest expense	(15,713)	(12,299)
Foreign exchange loss	(166)	(1,411)
Gain from bargain purchase	1,864	
Other income, net	62	332
Income (loss) before income taxes	11,974	(12,385)
Provision (benefit) from income taxes	3,662	(4,577)
Net income (loss)	$ 8,312	$ (7,808)
Net income allocated to participating securities	(79)	
Net income (loss) applicable to common shares	$ 8,233	$ (7,808)

	As of May 1, 2016	As of November 1, 2015	November 2, 2014
	(Unaudited)	(Audited)	
	(dollars in thousands)	(dollars in thousands)	
Balance sheet data:			
Cash and cash equivalents	$ 77,916	$ 99,662	$ 66,651
Total assets	1,016,472	1,079,729	758,683
Long-term debt, net	424,147	444,147	233,003

S-13

Other Data:

The following table presents a reconciliation of Adjusted EBITDA to net income (loss) for the periods presented (dollars in thousands):

	Fiscal Six Months Ended		Trailing Twelve Months Ended May 1, 2016	Fiscal Year Ended	
	May 1, 2016	May 3, 2015		November 1, 2015	November 2, 2014
Net income (loss)	$8,312	$(7,808)	$33,939	$17,819	$ 11,185
Add:					
Depreciation and amortization	21,512	23,497	49,407	51,392	35,922
Consolidated interest expense, net	15,639	12,260	31,767	28,388	12,330
Provision (benefit) for income taxes	3,662	(4,577)	17,211	8,972	1,489
Restructuring and impairment charges	2,659	3,236	10,774	11,351	
Gain from bargain purchase	(1,864)		(1,864)		
Strategic development and acquisition related costs	1,260	2,357	3,104	4,201	4,998
Gain from legal settlements			(3,765)	(3,765)	
Fair value adjustment of acquired inventory		1,358	1,000	2,358	
Gain on insurance recovery					(1,311)
Secondary offering costs					754
Share-based compensation	5,050	5,134	9,295	9,379	10,168
Gain on sale of assets and asset recovery	(1,652)		(1,652)		
Adjusted EBITDA[1]	$54,578	$35,457	$149,216	$130,095	$ 75,535

(1) We define adjusted EBITDA on a consolidated basis as net income (loss) before interest expense, income tax expense (benefit) and depreciation and amortization, adjusted for items broadly consisting of selected items which management does not consider representative of our ongoing operations and certain non-cash items of the Company. Such measurements are not prepared in accordance with accounting principles generally accepted in the United States (GAAP) and should not be construed as an alternative to reported results determined in accordance with GAAP. Management believes the use of such non-GAAP measures assists investors in understanding the ongoing operating performance by presenting the financial results between periods on a more comparable basis. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating these measures, you should be aware that in the future we may incur expenses that are the same as, or similar to, some of the adjustments in these non-GAAP measures. In addition, certain financial covenants contained in the agreements governing our indebtedness are based on similar non-GAAP measures. The non-GAAP information provided is unique to the Company and may not be consistent with the methodologies used by other companies.

TABLE OF CONTENTS

The following tables present a reconciliation of Adjusted EBITDA to income (loss) from operations by segment for the periods presented (dollars in millions):

Metal Coil Coating

	Trailing Twelve Months Ended May 1, 2016	Fiscal Year Ended November 1, 2015	November 2, 2014
Income (loss) from operations	$ 22.2	$ 19.1	$ 24.0
Depreciation and amortization	4.6	4.4	4.0
Restructuring charges (recoveries)		0.3	
Gain on insurance recovery		(1.3)	
Adjusted EBITDA[1]	$ 26.8	$ 23.7	$ 26.7

Metal Components

	Trailing Twelve Months Ended May 1, 2016	Fiscal Year Ended November 1, 2015	November 2, 2014
Income (loss) from operations	$ 69.3	$ 50.5	$ 33.3
Depreciation	33.6	35.7	19.6
Restructuring charges (recoveries)	2.1	2.0	
Asset impairments (recoveries)	5.8	5.8	
Fair value adjustment of acquired inventory	1.0	2.4	
Other income (loss)	(0.4)	(0.2)	
Adjusted EBITDA[1]	$ 111.4	$ 96.2	$ 52.9

Engineered Building Systems

	Trailing Twelve Months Ended May 1, 2016	Fiscal Year Ended November 1, 2015	November 2, 2014
Income (loss) from operations	$ 59.5	$ 51.4	$ 32.5
Depreciation	10.1	10.3	10.9
Restructuring charges (recoveries)	1.7		2.8
Gain on sale of assets and asset recovery	(1.7)		
Other income (loss)	(0.2)	(1.6)	(0.6)
Adjusted EBITDA[1]	$ 69.4	$ 62.8	$ 42.8

(1) We define adjusted EBITDA on a segment basis as income (loss) from operations before depreciation and amortization, adjusted for items broadly consisting of selected items which management does not consider representative of our ongoing operations and certain non-cash items. Such measurements are not prepared in

accordance with accounting principles generally accepted in the United States (GAAP) and should not be construed as an alternative to reported results determined in accordance with GAAP. Management believes the use of such non-GAAP measures assists investors in understanding the ongoing operating performance by presenting the financial results between periods on a more comparable basis. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating these measures, you should be aware that in the future we may incur expenses that are the same as, or similar to, some of the adjustments in these non-GAAP measures. In addition, certain financial covenants contained in the agreements governing our indebtedness are based on similar non-GAAP measures. The non-GAAP information provided is unique to the Company and may not be consistent with the methodologies used by other companies.

TABLE OF CONTENTS

RISK FACTORS

Investing in our common stock involves a high degree of risk. Before you make an investment decision, you should carefully consider the risks described below and other information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein, including the risks and uncertainties discussed in Item 1A. Risk Factors in the 2015 10-K, which is incorporated by reference into this prospectus supplement. If any of these risks occur, our business, financial condition, results of operations or cash flows could be materially adversely affected.

Risks Relating to Our Common Stock and this Offering

Our stock price has been and may continue to be volatile.

The trading price of our common stock has fluctuated in the past and is subject to significant fluctuations in response to the following factors, some of which are beyond our control:

- variations in quarterly operating results;
- deviations in our earnings from publicly disclosed forward-looking guidance;
- variability in our revenues;
- changes in earnings estimates by analysts;
- our announcements of significant contracts, acquisitions, strategic partnerships or joint ventures;
- general conditions in the metal components and engineered building systems industries;
- uncertainty about current global economic conditions;
- fluctuations in stock market price and volume; and
- other general economic conditions.

During fiscal 2015, our stock price on the NYSE ranged from a high of $20.85 per share to a low of $9.55 per share. In recent years, the stock market in general has experienced extreme price and volume fluctuations that have affected the market price for many companies in industries similar to ours. Some of these fluctuations have been unrelated to the operating performance of the affected companies. These market fluctuations may decrease the market price of our common stock in the future.

This offering will result in a substantial amount of shares of our common stock being traded that were not previously traded, which may depress the market price of our common stock.

Of the 73,710,986 shares of our common stock issued and outstanding as of June 30, 2016, approximately 60.46% were held by our officers, directors and the CD&R Funds collectively, with approximately 58.62% held by the CD&R Funds. The remainder of our shares of issued and outstanding common stock were freely tradable on the NYSE without restriction or further registration under the Securities Act of 1933, as amended (the Securities Act), unless purchased by our affiliates as that term is defined in Rule 144 under the Securities Act. The shares of common stock being sold in this offering were not freely tradable prior to the completion of this offering, and the sale by the CD&R Funds of the shares of common stock in this offering will increase the number of shares of our common stock eligible to be traded on the NYSE, which could depress the market price of our common stock.

Future sales or issuances of substantial amounts of our common stock or the possibility of such sales or issuances may adversely affect the market price of our common stock.

As of June 30, 2016, our officers, directors and the CD&R Funds collectively controlled approximately 60.46% of our issued and outstanding common stock, with the CD&R Funds controlling approximately 58.62% of our issued and outstanding common stock. Future sales of our common stock by these stockholders could have the effect of lowering our stock price. The perceived risk associated with the possible sale of a large number of shares by these stockholders could cause some of our stockholders to sell their stock, thus causing the price of our stock to decline. In addition, actual or anticipated downward pressure on our stock price due to actual or anticipated sales of stock by our directors or officers could cause other institutions or individuals to engage in short sales of our common stock, which may further cause the price of our stock to decline.

From time to time our directors, executive officers or the CD&R Funds may sell shares of our common stock on the open market or otherwise, for a variety of reasons, which may be related or unrelated to the performance of our business. These sales will be publicly disclosed in filings made with the SEC. Our stockholders may perceive these sales as a reflection on management s view of the business, which may result in a drop in the price of our stock or cause some stockholders to sell their shares of our common stock.

We, each of the CD&R Funds, our directors and our chief executive officer and our chief financial officer have agreed to a lock-up, meaning that, subject to certain exceptions, neither we nor they will sell any shares without the prior consent of Credit Suisse Securities (USA) LLC before October 18, 2016. See Underwriting. Following the expiration of this 90-day lock-up period, shares of our common stock held by the CD&R Funds and our directors and officers party to the lock-up will be eligible for future sale, subject to the applicable volume, manner of sale, holding period and other limitations of Rule 144.

In connection with the CD&R Funds equity investment in the Company, we entered into a stockholders agreement with the CD&R Funds pursuant to which the CD&R Funds have substantial governance and other rights and setting forth certain terms and conditions regarding the equity investment and the ownership of the CD&R Funds shares of common stock.

Pursuant to the stockholders agreement with the CD&R Funds, subject to certain ownership and other requirements and conditions, the CD&R Funds are entitled to nominate or designate to serve on our board of directors a number of individuals proportionate to the CD&R Funds percentage of the voting power of the Company, including the Lead Director or Chairman of the Executive Committee of our board of directors, and have consent rights over a variety of significant corporate and financing matters, including, subject to certain customary exceptions and specified baskets, sales and acquisitions of assets, issuances and redemptions of equity, incurrence of debt, the declaration or payment of extraordinary distributions or dividends and changes to the Company s line of business. In addition, the CD&R Funds are granted subscription rights under the terms and conditions of the stockholders agreement.

Upon completion of this offering, we will no longer be a controlled company within the meaning of the NYSE rules and the rules of the SEC. However, we may continue to rely on exemptions from certain corporate governance requirements during a one year transition period.

After the completion of this offering, the CD&R Funds will no longer control a majority of the voting power of our outstanding common stock. As a result, we will no longer be a controlled company within the meaning of the corporate governance rules of the NYSE. Consequently, under the NYSE corporate governance rules, we will be required to (i) appoint a majority of independent directors to our board of directors within one year of the date we no longer qualify as a controlled company, (ii) appoint a majority of independent directors to each of the compensation and nominating and corporate governance committees within 90 days of the date we no longer qualify as a controlled company and have such committees be composed entirely of independent directors within one year of such date and (iii) have an annual performance evaluation of the nominating and corporate governance and compensation committees. During these transition periods, we may continue to utilize the available exemptions from certain corporate governance requirements as permitted by the NYSE rules. Accordingly, during the transition periods, you will not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance standards. Further, if, within the transition periods, we are not able to recruit additional directors that would qualify as independent, or we are not able to otherwise comply with the NYSE listing requirements, we may be subject to enforcement actions by the NYSE.

The CD&R Funds or their affiliates may compete directly against us.

Corporate opportunities may arise in the area of potential competitive business activities that may be attractive to us as well as to the CD&R Funds, including through potential acquisitions by the CD&R Funds or their affiliates of competing businesses. Any competition could intensify if an affiliate or subsidiary of the CD&R Funds were to enter into or acquire a business similar to ours.

TABLE OF CONTENTS

If securities analysts do not publish research or reports about our Company, or if they issue unfavorable commentary about us or our industry or downgrade our common stock, the price of our common stock could decline.

The trading market for our common stock depends in part on the research and reports that third-party securities analysts publish about our Company and our industry. If one or more analysts cease coverage of our Company, we could lose visibility in the market. In addition, one or more of these analysts could downgrade our common stock or issue other negative commentary about our Company or our industry. As a result of one or more of these factors, the trading price of our common stock could decline.

We do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We do not intend to declare and pay dividends on our common stock for the foreseeable future. We currently intend to use our future earnings, if any, to repay debt, to fund our growth, to develop our business, for working capital needs and general corporate purposes. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future and the success of an investment in shares of our common stock will depend upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares. Further, the agreements governing our credit facilities significantly restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us, which limits the amount of cash available to us for the payment of dividends. In addition, the payment of dividends is subject to applicable state law limitations that may restrict our ability to pay dividends to holders of our common stock.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and some of the documents we have incorporated herein and therein by reference include statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not historical facts. These statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, our forward-looking statements can be identified by the words anticipate, believe, continue, could, estimate, expect, forecast, goal, intend, may, objective, plan, potential, predict, projec similar words. We have based our forward-looking statements on our management s beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements. Accordingly, investors are cautioned not to place undue reliance on any forward-looking information, including any earnings guidance, if applicable. Although we believe that the expectations reflected in the forward-looking statements are reasonable, these expectations and the related statements are subject to risks, uncertainties, and other factors that could cause the actual results to differ materially from those projected. These risks, uncertainties and other factors include, but are not limited to:

- industry cyclicality and seasonality and adverse weather conditions;
- challenging economic conditions affecting the nonresidential construction industry;
- volatility in the U.S. economy and abroad, generally, and in the credit markets;
- substantial indebtedness and our ability to incur substantially more indebtedness;
- our ability to generate significant cash flow required to service or refinance our existing debt and obtain future financing;
- our ability to comply with the financial tests and covenants in our existing and future debt obligations;
- operational limitations or restrictions in connection with our debt;
- increases in interest rates;
- recognition of asset impairment charges;
- commodity price increases and/or limited availability of raw materials, including steel;
- our ability to make strategic acquisitions accretive to earnings;
- retention and replacement of key personnel;
- enforcement and obsolescence of intellectual property rights;
- fluctuations in customer demand;
- costs related to environmental clean-ups and liabilities;
- competitive activity and pricing pressure;
- increases in energy prices;
- volatility of our stock price;
- dilutive effect on our common stockholders of potential future sales of our common stock held by our sponsor;