



Third Quarter 2019 Earnings Call

October 25, 2019

This presentation should be viewed in conjunction with Gibraltar's October 25, 2019 earnings press release.

Safe Harbor Statements

Forward Looking Statements

Certain information set forth in this presentation, other than historical statements, contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that are based, in whole or in part, on current expectations, estimates, forecasts, and projections about the Company’s business, and management’s beliefs about future operations, results, and financial position. These statements are not guarantees of future performance and are subject to a number of risk factors, uncertainties, and assumptions. Actual events, performance, or results could differ materially from the anticipated events, performance, or results expressed or implied by such forward-looking statements. Before making any investment decisions regarding our company, we strongly advise you to read the section entitled “Risk Factors” in our most recent annual report on Form 10-K which can be accessed under the “SEC Filings” link of the “Investor Info” page of our website at www.Gibraltar1.com. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law or regulation.

Adjusted Financial Measures

To supplement Gibraltar’s consolidated financial statements presented on a GAAP basis, Gibraltar also presented certain adjusted financial data in this presentation. Adjusted financial data excluded special charges consisting of restructuring costs primarily associated with the 80/20 simplification initiative, senior leadership transition costs, debt repayment costs, acquisition-related costs and other reclassifications. These adjustments are shown in the reconciliation of adjusted financial measures excluding special charges provided in the supplemental financial schedules that accompany the earnings news release. The Company believes that the presentation of results excluding special charges provides meaningful supplemental data to investors, as well as management, that are indicative of the Company’s core operating results and facilitates comparison of operating results across reporting periods as well as comparison with other companies. Special charges are excluded since they may not be considered directly related to the Company’s ongoing business operations. These adjusted measures should not be viewed as a substitute for the Company’s GAAP results, and may be different than adjusted measures used by other companies.

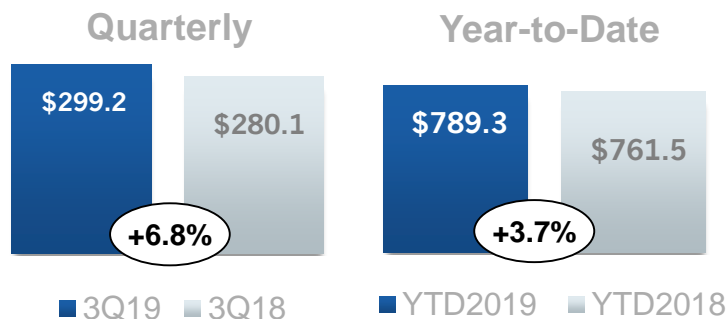
Q3 Overview: Solid Execution Delivers on Promise of Momentum in Backlog

- Revenues +6.8% to \$299.2 million – 4.3% from organic growth, 2.5% from acquisitions
- GAAP EPS +25.0% to \$0.75; Adjusted EPS +33.8% to \$0.95
- Q3 Cash from Operations of \$66 million, up 57% versus Q3 2018
- Acquires Apeks Supercritical, CO2 Extraction Processing Leader
- Backlog at \$241M, up 45% over Q3 2018



Solid Consolidated Financial Performance

Revenues



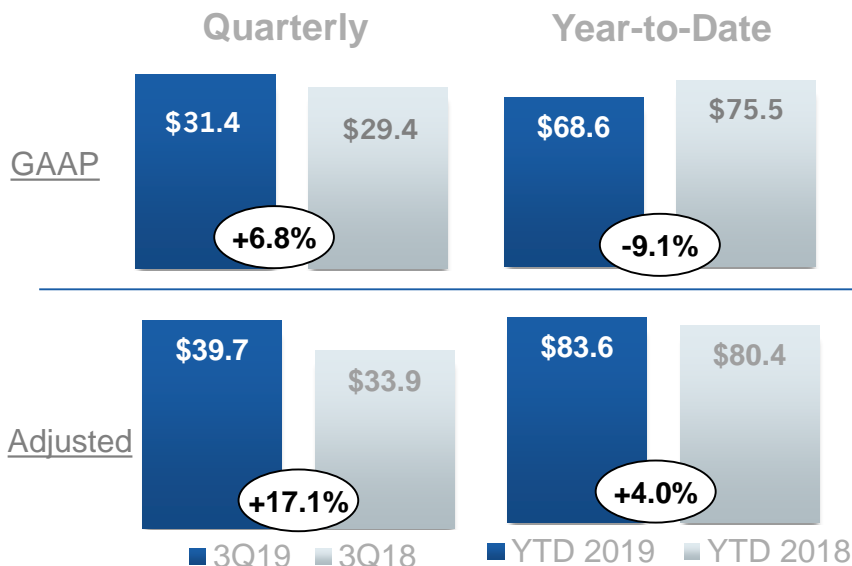
3Q19 Revenue Highlights

- Accelerating growth in Renewable Energy & Conservation
- Residential, Industrial & Infrastructure stabilizing
- Backlog of \$241M, up 45% YOY

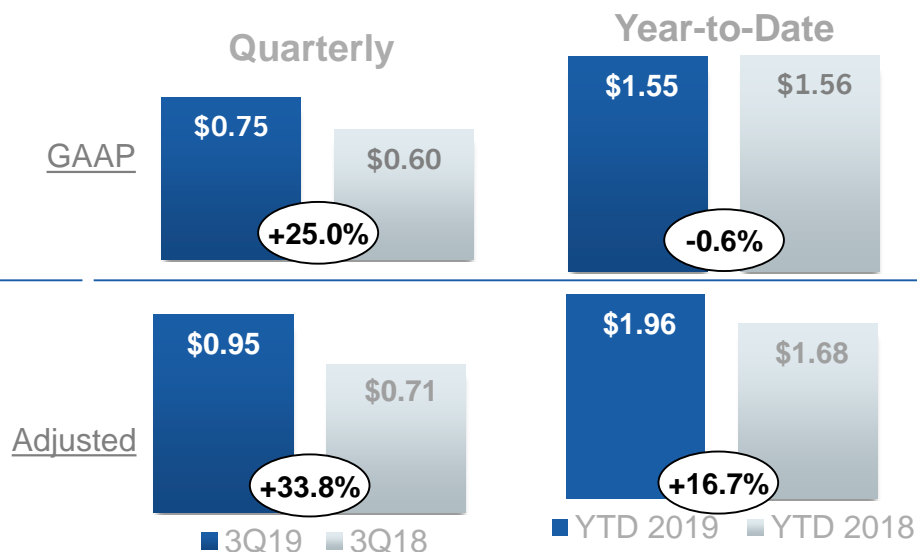
3Q19 Operating Income / EPS Highlights

- Increased profitability in RE&C and I&I
- 80/20 benefits and interest savings

Operating Income*



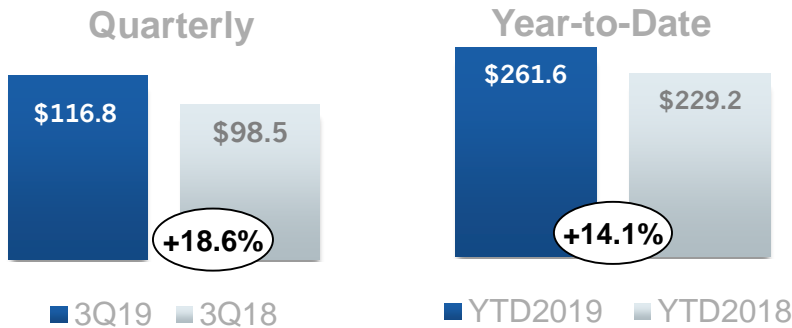
Diluted EPS*



*All adjusted amounts reported represent continuing operations before special charges. See adjusted measures reconciliations in earnings press release.

Renewable Energy & Conservation Segment

Revenues



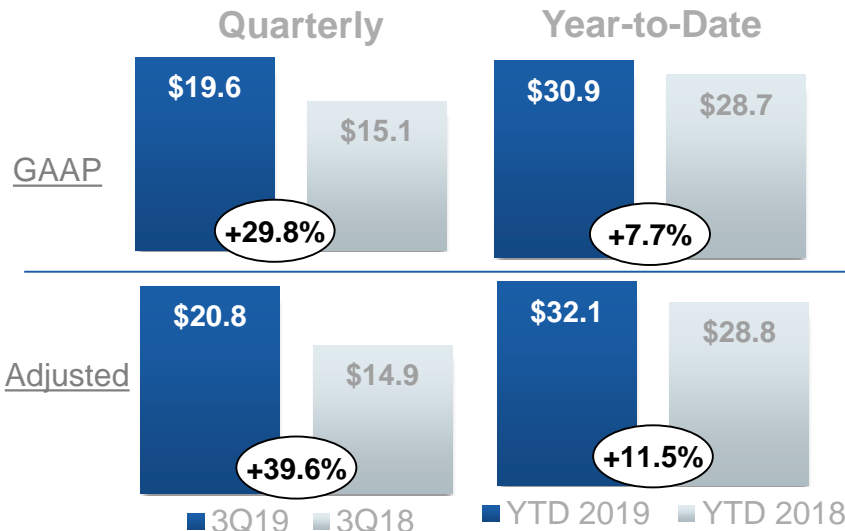
3Q19 Revenues

- Strong organic demand 11.3%
- Contribution of acquisitions 7.3%
- Backlog up 72% YOY

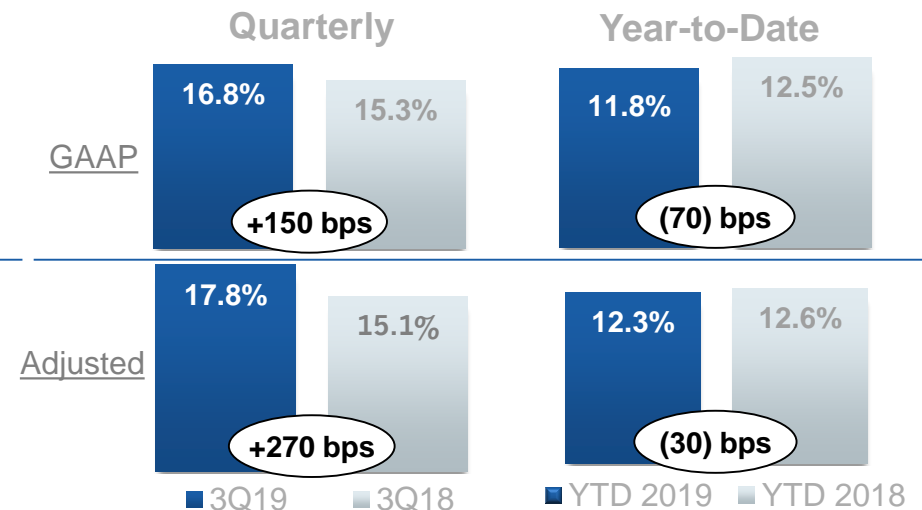
3Q19 Operating Income / Margin

- Volume benefits and mix
- Improved operational execution

Operating Income*



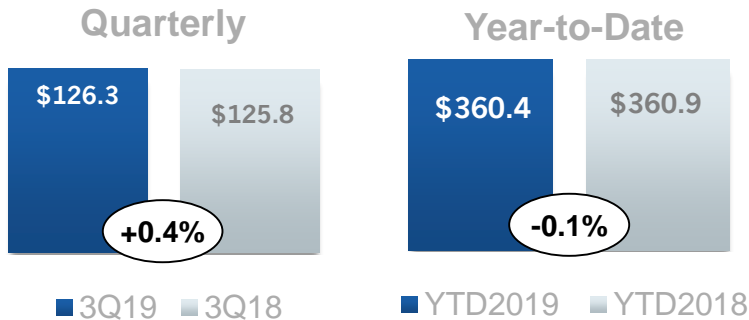
Operating Margin*



*All adjusted amounts reported represent continuing operations before special charges. See adjusted measures reconciliations in earnings press release.

Residential Products Segment

Revenues



3Q19 Revenues

- Modest volume increase
- Partially offset by market pricing

3Q19 Operating Income / Margin

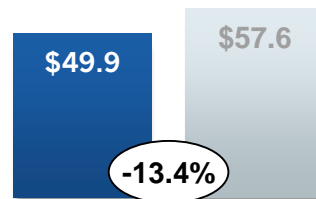
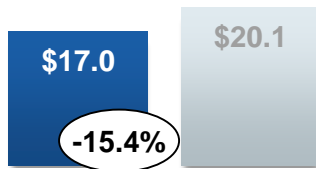
- Material cost alignment
- Unfavorable product mix
- Partially offset by 80/20 benefits

Operating Income*

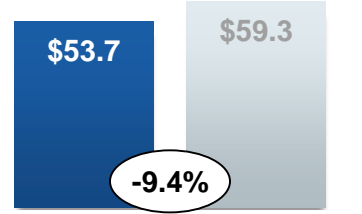
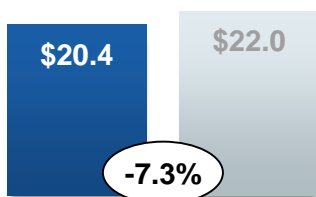
Quarterly

Year-to-Date

GAAP



Adjusted



■ 3Q19 ■ 3Q18

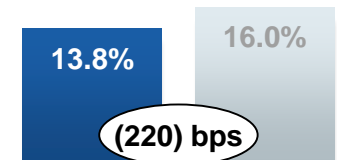
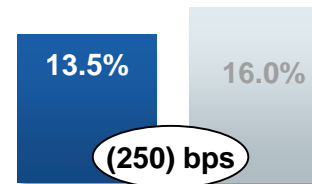
■ YTD 2019 ■ YTD 2018

Operating Margin*

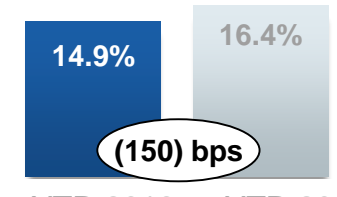
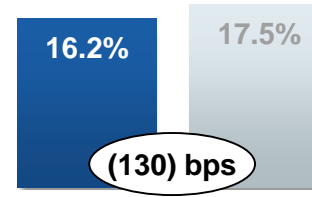
Quarterly

Year-to-Date

GAAP



Adjusted



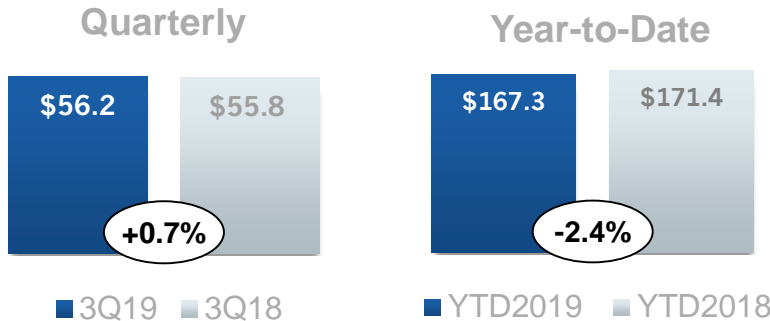
■ 3Q19 ■ 3Q18

■ YTD 2019 ■ YTD 2018

*All adjusted amounts reported represent continuing operations before special charges. See adjusted measures reconciliations in earnings press release.

Industrial & Infrastructure Products Segment

Revenues



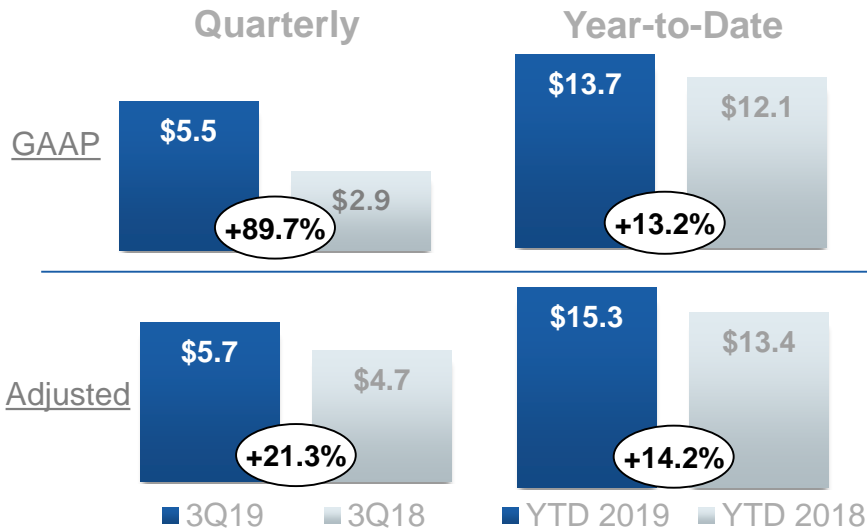
3Q19 Revenues

- Continued strength in Infrastructure
- Partially offset by lower revenue driven by lower steel prices

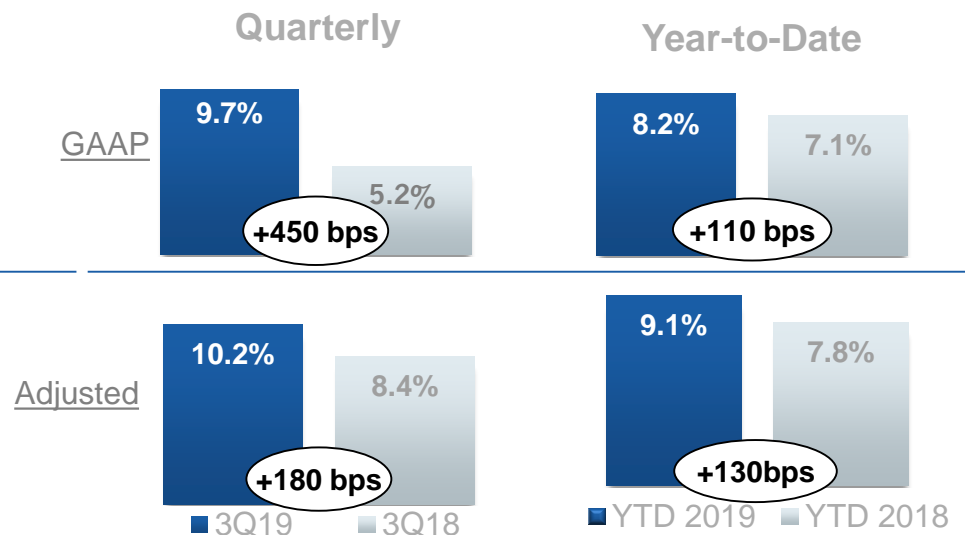
3Q19 Operating Income / Margin

- Favorable product mix
- Benefits of ongoing operational excellence actions

Operating Income*



Operating Margin*

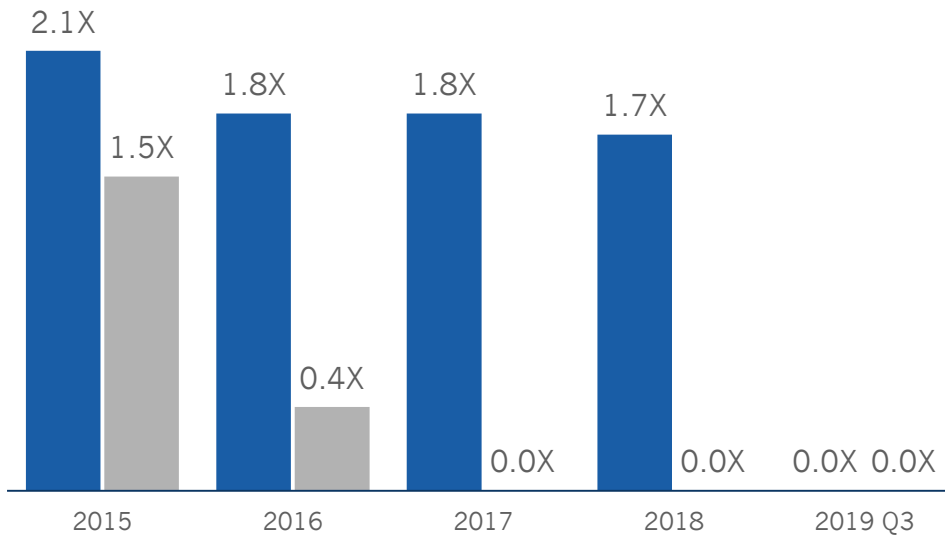


*All adjusted amounts reported represent continuing operations before special charges. See adjusted measures reconciliations in earnings press release.

Balance Sheet Continues To Strengthen

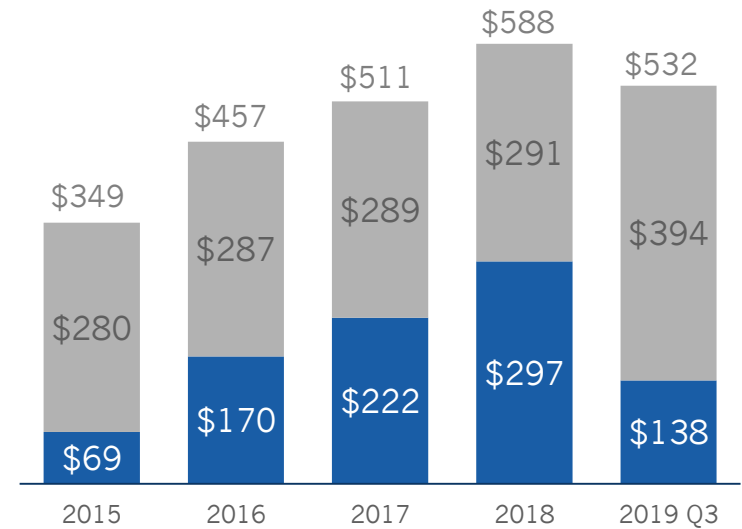
Leverage

■ Leverage ■ Net Leverage



Liquidity (\$M)

■ Cash ■ Revolver



5 Key Initiatives

Continued Evolution of our 4 Pillar Strategy

1. Operational Excellence

- 3rd quarter adjusted operating income improved 120 bps to 13.3% with full-year expected improvement of 50 -70 bps
- Cash from operations improved 57% to \$66M

2. Direct Connection with End Customers

- 51% of revenue direct to end customers - up from 41% in Q2, and up from 47% in Q3 2018

3. New Products and Innovation

- 11.1% of sales from patented products (10.4% in 2018)
- Measuring new products as a % of sales in 2020

4. Portfolio Optimization

- Strategic rubric deployment
- Focus on efficient allocation of Time, Talent, Energy

5. Acquisitions as a Strategic Accelerator

- Primary focus for capital allocation
- Apeks Supercritical – extraction processing



Apeks Supercritical Acquisition

Next Step Forward in Growing & Processing Value Chain

Strategic Rationale

- First investment into extraction processing - broadens Gibraltar's presence to cover both Growing and Processing markets
- It is an attractive market with an excellent growth & margin profile, and anticipated long-term demand from consumers for a variety of products
 - It deepens Gibraltar's customer value proposition, and expands its leadership position and relevance in the market

Apeks Supercritical

- Ohio-based designer and manufacturer of botanical oil extraction systems utilizing subcritical and supercritical CO₂
- Leading position in extraction with strong reputation
 - Patented, leading-edge clean technology
 - Sells direct to customers primarily in the cannabis industry
- TTM revenues as of June 30, 2019: \$17.7 million



Acquisition Criteria

- ◀ Strengthen our platforms
- ◀ Enhance our growth and margin profile
- ◀ Expand our presence in target end markets

2019 Guidance

	2018	2019	2019 Assumptions
Revenues	\$1,002M	\$1,040M - \$1,050M 4% - 5%	<p>Renewable Energy & Conservation: Continued strong end market expansion combined with participation gains driven by execution, broad offering, and Apeks</p> <p>Residential: Markets consistent with 2018</p> <p>Industrial & Infrastructure: Solid performance driven by demand for new products (i.e. perimeter security) and market growth in Infrastructure, offset by steel market pricing and slowing market in Industrial</p>
<u>Op. Income*</u> GAAP Adjusted	\$ 94.0M \$101.4M	\$93M to \$96M \$110M to \$113M	Improving operations execution, product line mix shift to new & innovative products, lower corporate costs with CEO transition, and continued material cost volatility
<u>Op. Margin</u> GAAP Adjusted	9.4% 10.1%	~ 9.0 – 9.2% ~10.6 – 10.8%	
GAAP EPS Adjusted EPS	\$1.96 \$2.14	\$2.03 to \$2.10 \$2.48 to \$2.55	In line with guidance
Free Cash Flow/ Sales	+8.5%	~ 10%	Forecasting~ \$13.M of CAPEX in 2019



Q&A