



# Fourth Quarter 2014 Earnings Call

February 20, 2015

This presentation should be viewed in conjunction with Gibraltar's February 20, 2015 earnings press release.

*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](http://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.*

## **Non-GAAP Financial Data**

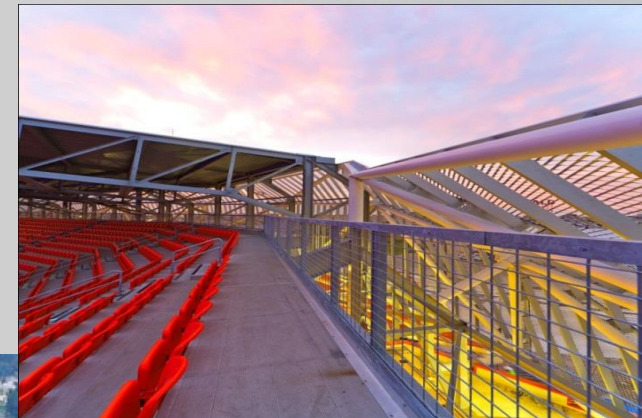
*To supplement Gibraltar’s consolidated financial statements presented on a GAAP basis, Gibraltar also presents certain adjusted financial data in this presentation. Adjusted financial data excluded special charges consisting of intangible asset impairments, closing and consolidation of our facilities, acquisition-related costs, non-cash adjustments to the tax valuation allowance, and re-financing costs. These adjustments are shown in the Non-GAAP reconciliation of adjusted operating results excluding special charges provided in the financial statements 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. These adjusted measures should not be viewed as a substitute for our GAAP results.*

# Consolidated Overview

TOP-LINE GROWTH IN 4Q

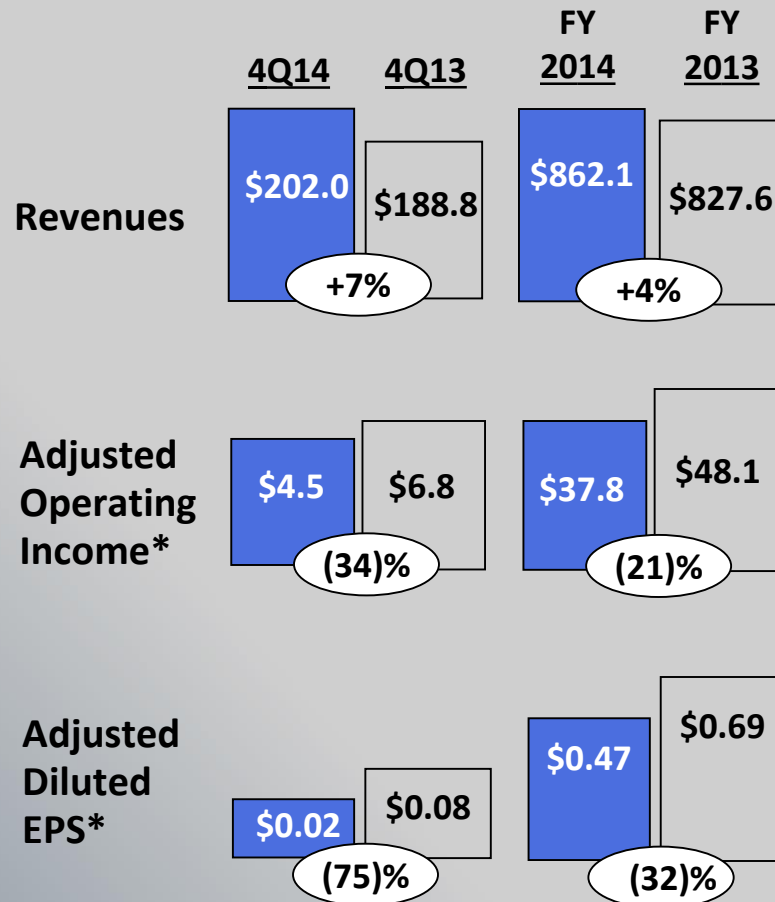


- 7% sales growth led by postal products
- Adjusted EPS at top of guidance
- Residential roofing demand modestly higher
- Transportation infrastructure demand continued weak on government funding uncertainties
- Industrial markets stable; orders increased the ending backlog



# Consolidated Results

MARKET CONDITIONS STABLE



## Revenues

- Postal products volume led the gain; modest volume gains in roofing-related products
- Unfavorable volume in transportation infrastructure markets

## Operating Income / EPS

- Unfavorable on raw material cost inflation, product mix, & costs to build out capacity for postal products

•All amounts reported represent continuing operations before special charges. See non-GAAP reconciliations in earnings press release.



# Residential Products Highlights

4Q SALES UP 23% YOY

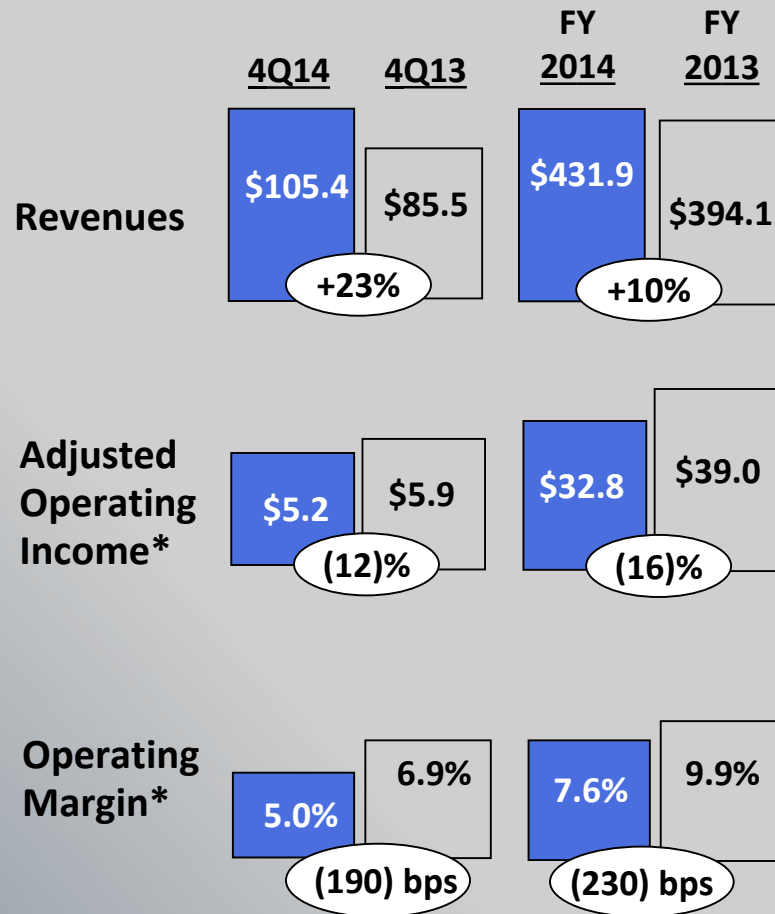


- Sales of postal storage products +40%
- Growth driven by centralized mail delivery initiatives
- Modest rebound in re-roofing demand
- +10% in sales of roof ventilation and rain dispersion products



# Residential Products Segment

STRONG POSTAL PRODUCTS DEMAND



## 4Q Revenues

- Postal products volume growth
- Roofing-related products increased in 4Q despite unfavorable 1H

## 4Q Operating Income / Margins

- Unfavorable: Raw materials cost inflation, pricing, & costs to build out capacity for steep ramp for postal products

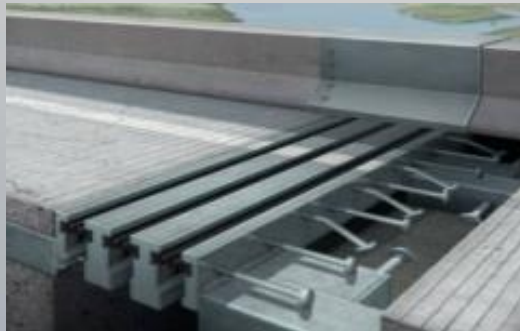
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# Industrial & Infrastructure Products Highlights

KEY MARKETS UNCHANGED IN 4Q

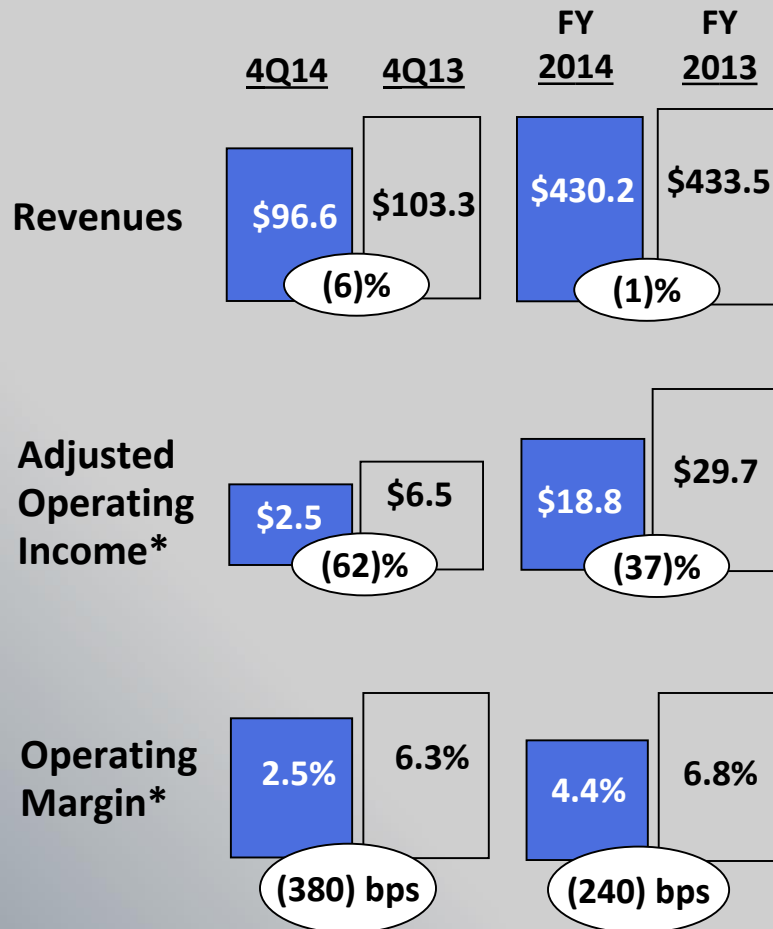


- Volume unfavorable 7%; weighted to lower sales of transportation infrastructure products
- Infrastructure orders, backlog and volumes remain unfavorable on uncertain funding environment
- European volume unchanged vs 4Q13
- Pricing improved modestly
- Ending backlog higher for projects in manufacturing and petrochemical refining and processing



# Industrial & Infrastructure Products Segment

INDUSTRIAL MARKETS STABLE....INFRASTRUCTURE REMAINS WEAK



## 4Q Revenues

- 4Q volume unfavorable 7%
- Transportation infrastructure products negatively affected by limited federal funding
- Declining steel costs forestalled new MRO orders

## 4Q Operating Income / Margins

- Unfavorable mix with lower infrastructure volume
- Raw material cost inflation

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# 2015 Outlook

MARKET LIFT MIXED...OPERATIONAL INITIATIVES



- Residential demand continues gradual increase; secular growth in postal products
- Industrial demand uncertain-to-weak; funding environment beyond May 31 for transportation & low oil prices dampen order rates & pricing
- Operational initiatives; simplify cost structure; consolidations; focus on material cost recovery



# 2015 Financial Guidance

MODEST END MARKETS....& COST INFLATION



	2014	2015E	Assumptions
Revenues	\$862M	+1% - 2%	Residential: Postal products growth with improving but choppy R&R markets.  Industrial & Infrastructure equivalent YoY: 20% exposure to energy markets; low cost commodities weigh on energy-related demand; weak demand for transportation infrastructure products.
Adj. Segment Income <i>Segment Margin</i>	\$52M 6.0%	\$60M - 65M ~ 7.0%	Improvement targeted from operational efficiencies and consolidation initiatives  Includes gains/losses on derivatives.
Adjusted EPS	\$0.47	\$0.55 - \$0.65	38.5% ETR
Free Cash Flow / Net Sales	+1%	+3%	2015: higher margins + capex below depreciation expense

# Strategic Overview

2015 A TRANSITION YEAR FUELED BY NEW INITIATIVES & LEADERSHIP



## Operational Excellence

- 80/20 process to further right-size and simplify the business and improve margin leverage

## Portfolio Management

- Allocating leadership time, capital and resources to highest-potential platforms and businesses

## Acquisitions as a Strategic Accelerator

- Proactive pursuit of new opportunities aligned with Gibraltar's future shape and scope



# Q & A