

First Quarter 2020 Earnings Call

May 6, 2020



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, 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.

Q1 Overview: Continued Momentum; Running Pandemic Playbook

- Q1 revenue up 9.7%: 2.8% from organic growth, 6.9% from acquisitions
- Q1 GAAP EPS +94.7% to \$0.37; Adjusted EPS +67.9% to \$0.47
- Backlog at \$258 million, up 39% over Q1 2019
- Good first-hand experience managing through SARS; proactively launched operating playbook

Management During COVID-19 Pandemic

Business Situation

- All businesses deemed essential – all operating at some level
- Demand varies by market and business, and outlook continues to evolve as States begin opening
 - Working closely with customers and supply chain partners
 - Employee attendance remains very good

- Repurposed three production lines to manufacture PPE
- Sunesta (HIG) – face masks
 - AirVent (Ventilation) - face shields
 - Delta Separations & Apeks - hand sanitizer

- Community support
- Food Bank donation – 3.3 million meals – distributed equally across our operations ~ 85,000 meals per location

- Organization
- Overall disruption management going well
 - Proactively managing anxiety impact – health, financial, other
 - Health of employees continues to be good
 - Maintaining monthly management & execution processes

Operating Protocols

- Compliance
- CDC and DHS recommendations, education, and awareness
 - State mandate management and implementation
 - Travel restrictions

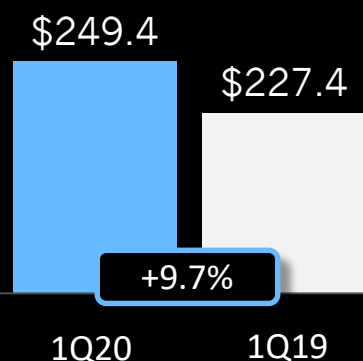
- Workplace Management
- Business continuity processes
 - Social distancing requirements
 - Work from Home – process and technology
 - Shift management and zoning in facilities
 - Additional sanitization requirements
 - Temperature checks (expanding with thermometer supply)
 - Infected facility / work station protocol
 - Communication protocols – cadence, content
 - Visitor protocols
 - PPE for all employees (and family members)

- Compensation Support
- 160 hours COVID-19 pay for hourly employees
 - Salary continuation for salary employees

Consolidated Financial Performance

Revenue

Quarterly



2020 First Quarter Highlights

Revenue

- Acquisitions Drive 6.9% Growth
- Continuing Growth In Renewable Energy & Conservation
- Residential Steady; Infrastructure Solid, Industrial Softer
- Backlog of \$258M, Up 39% Y-O-Y

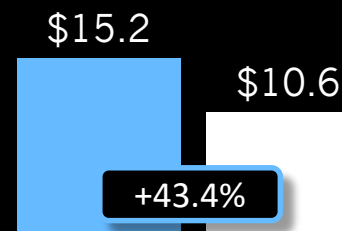
Operating Income / EPS

- Organic Growth In Renewables & Conservation
- Price / Material Cost Alignment
- Improved Solar Tracker Field Performance
- Drag From Recent Acquisitions

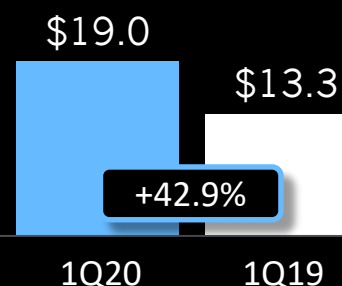
Operating Income*

Quarterly

GAAP



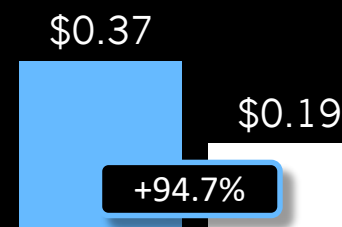
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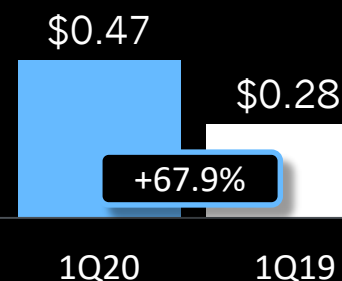
Diluted EPS*

Quarterly

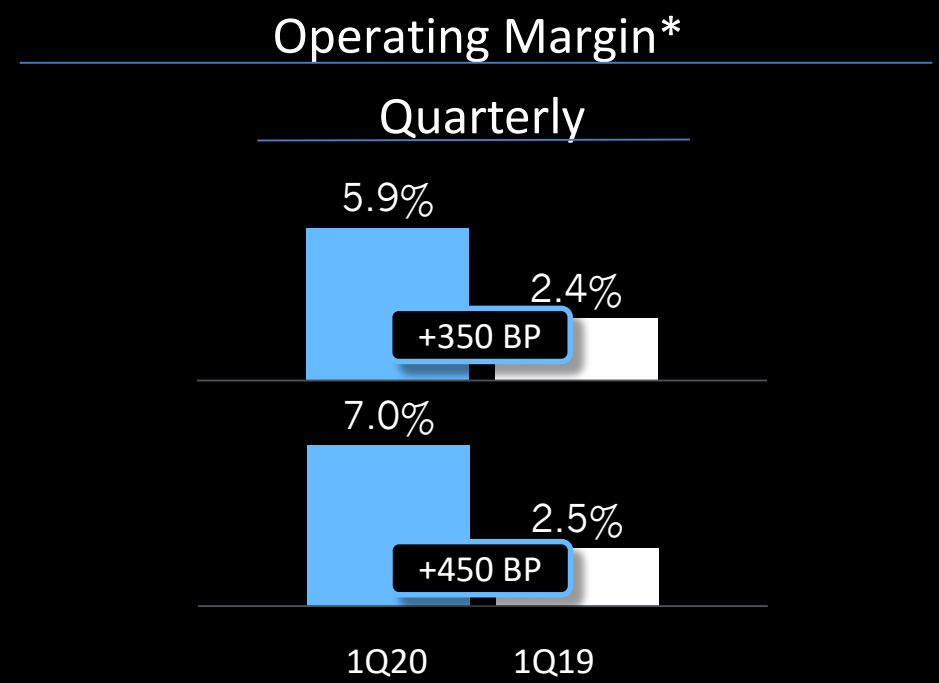
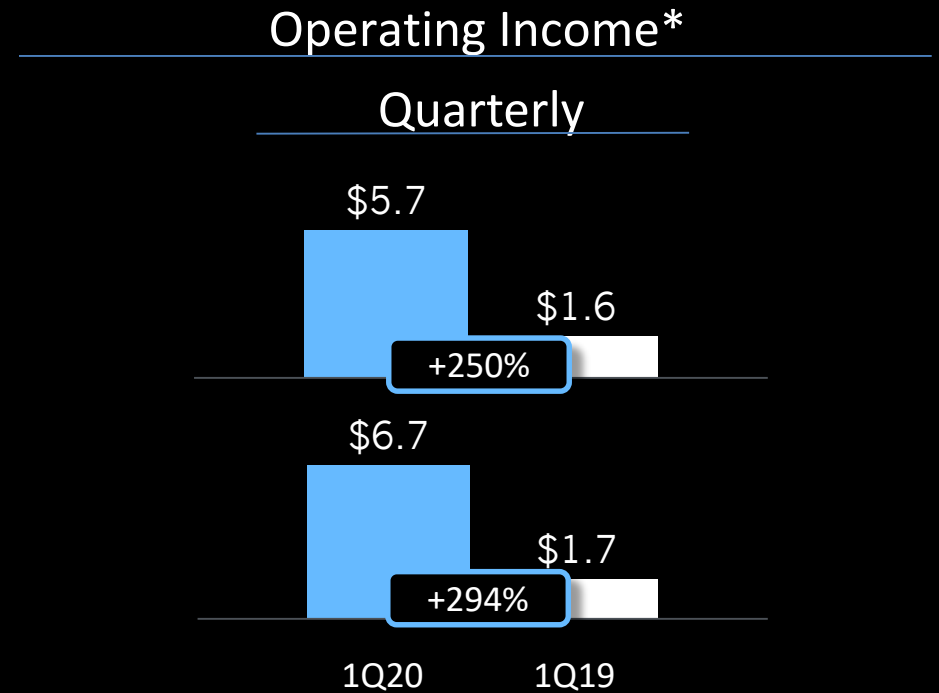
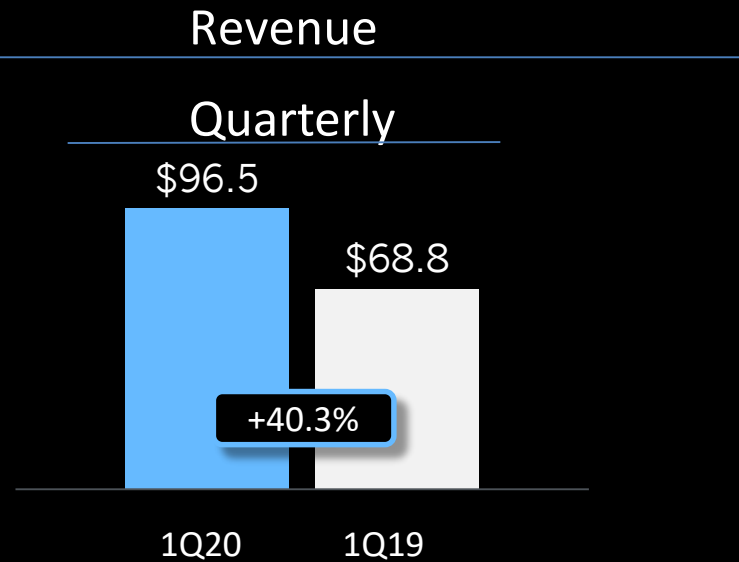
GAAP



Adjusted



Renewables & Conservation Segment



2020 First Quarter Highlights

Revenue

- Strong Organic Demand + 17.5%
- Acquisitions Contributed Additional 22.8%
- Backlog Continues To Grow, Up 58% YoY, 23% Seq

Operating Income / Margin

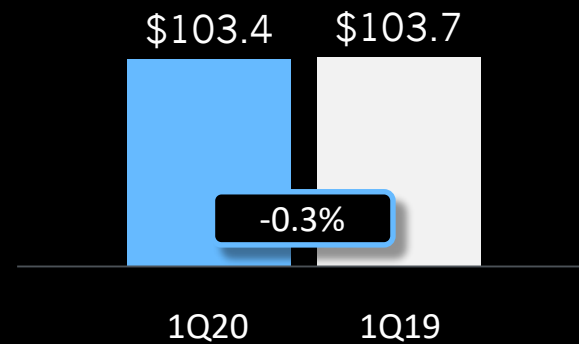
- Participation Gains
- Volume Leverage
- Price / Material Cost Alignment
- Drag From Recent Acquisitions

* Amounts in \$M. Refer to appendix for adjusted measures reconciliations.

Residential Products Segment

Revenue

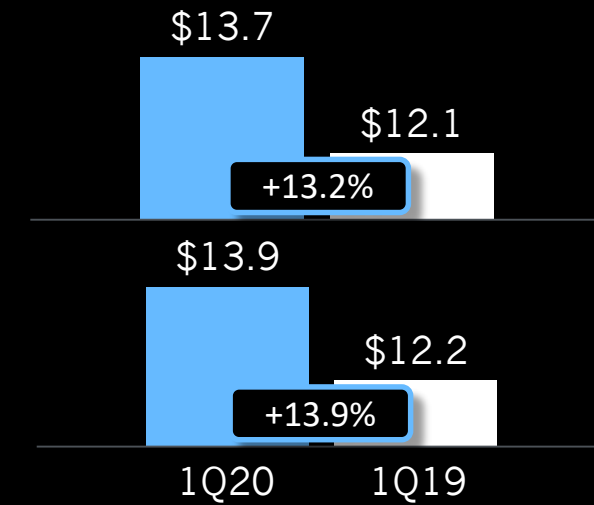
Quarterly



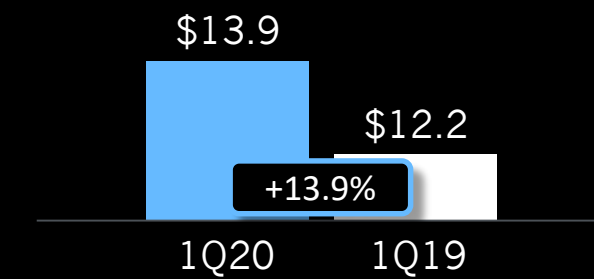
Operating Income*

Quarterly

GAAP



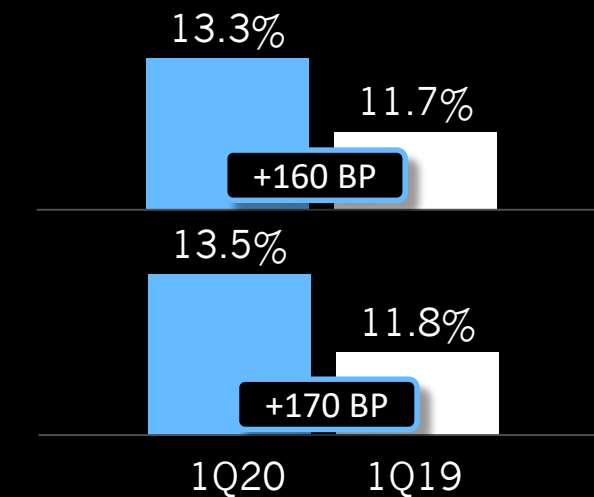
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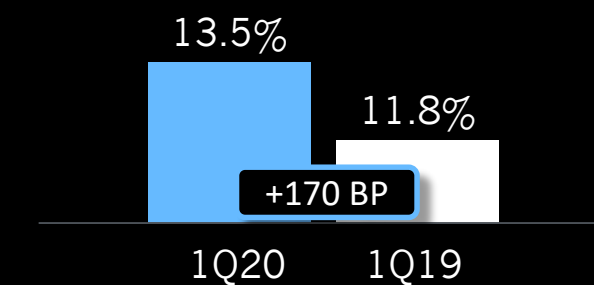
Operating Margin*

Quarterly

GAAP



Adjusted



2020 First Quarter Highlights

Revenue

- Product Line Simplification Initiatives
- Lower Demand In Direct To Homeowner Market

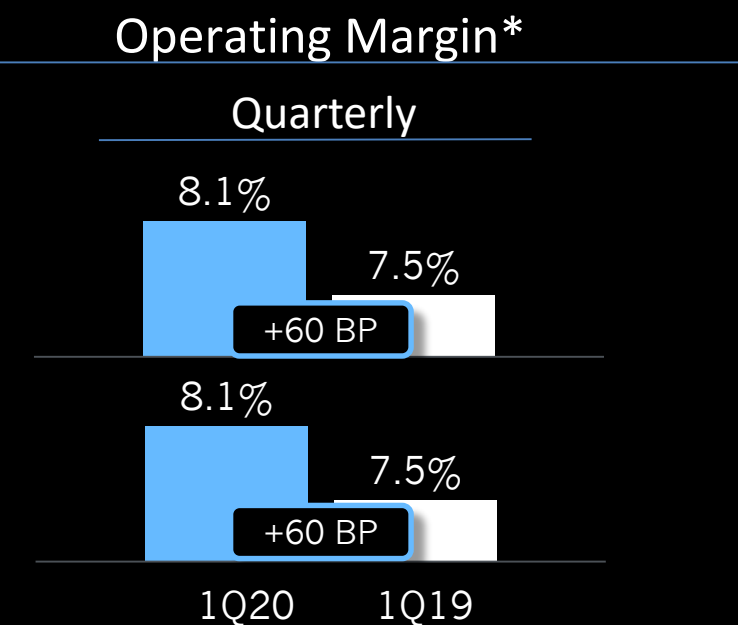
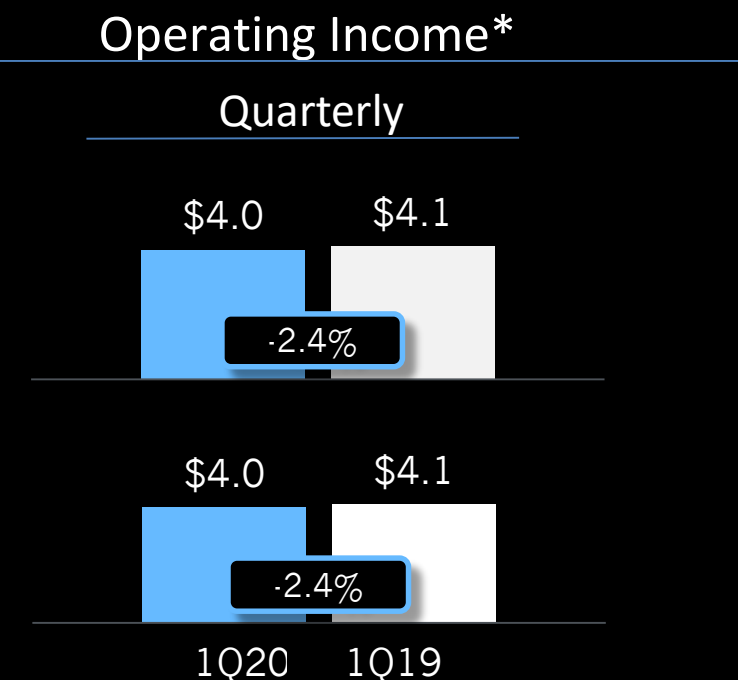
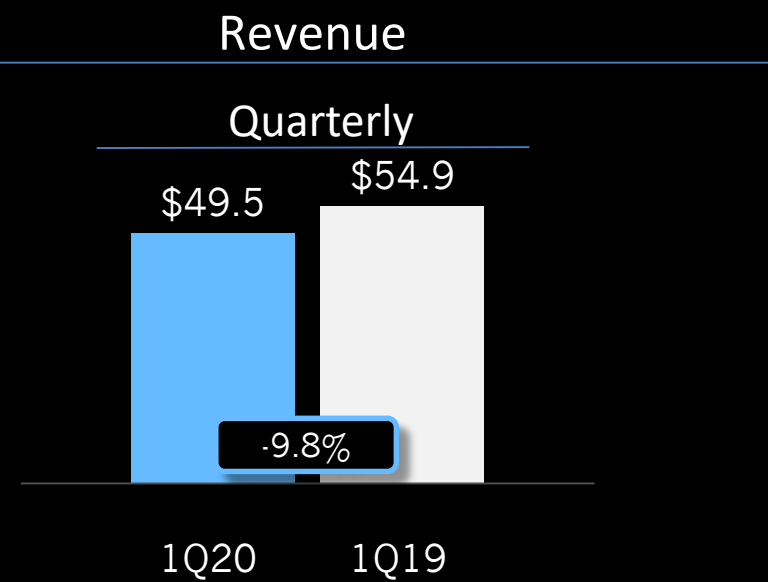
Operating Income / Margin

- Strong Execution
- Price / Material Cost Management
- Continued 80/20 benefits

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* Amounts in \$M. Refer to appendix for adjusted measures reconciliations.

Industrial & Infrastructure Products Segment



2020 First Quarter Highlights

Revenue

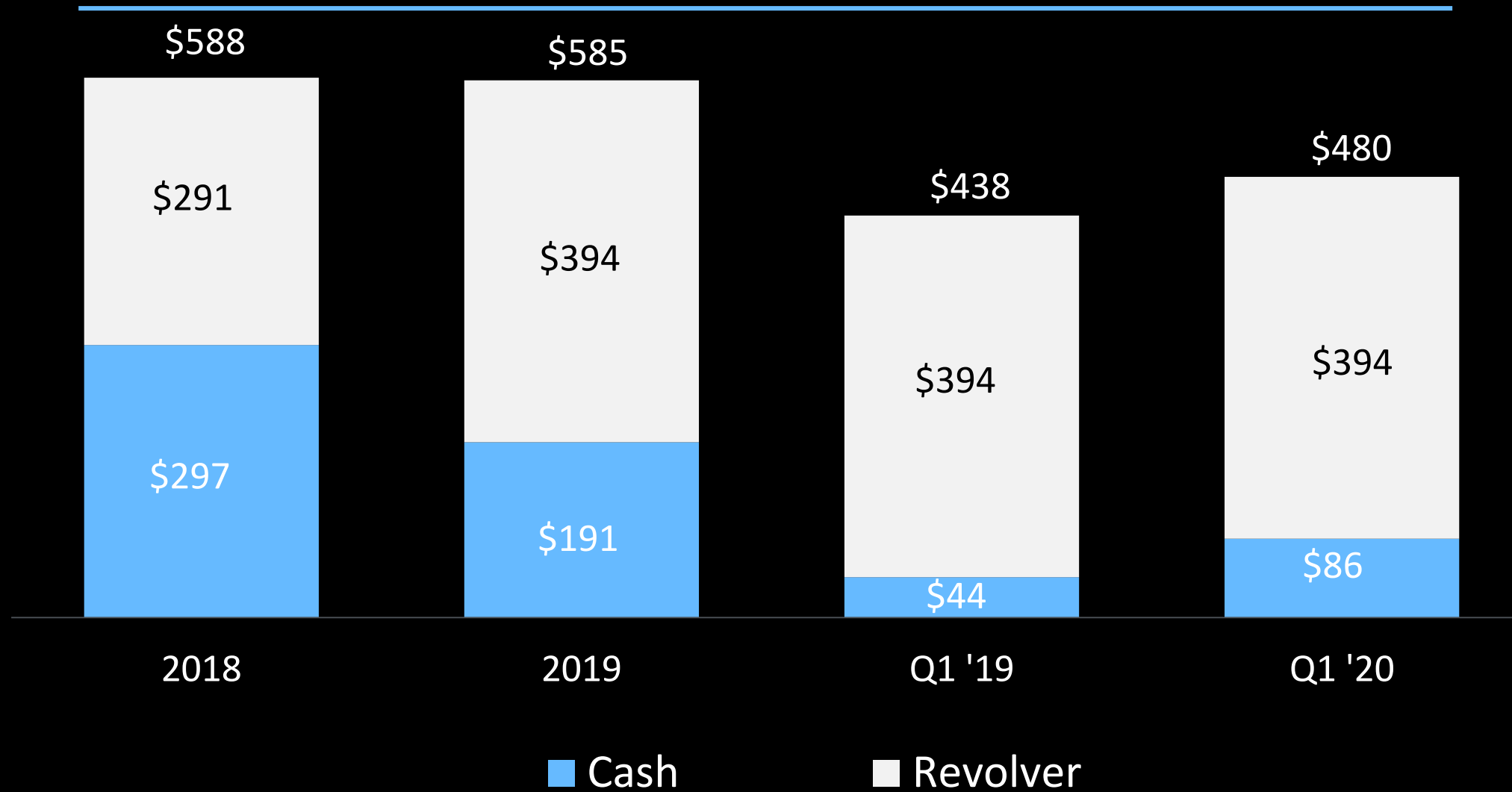
- Lower Demand For Core Industrial With Declining Steel Cost Environment
- Infrastructure Growth On Solid Market Activity, Participation Gains & Modest Pricing
- Growth In Infrastructure Backlog

Operating Income / Margin

- Price / Material Cost Management
- Continued Execution On 80/20 Initiatives

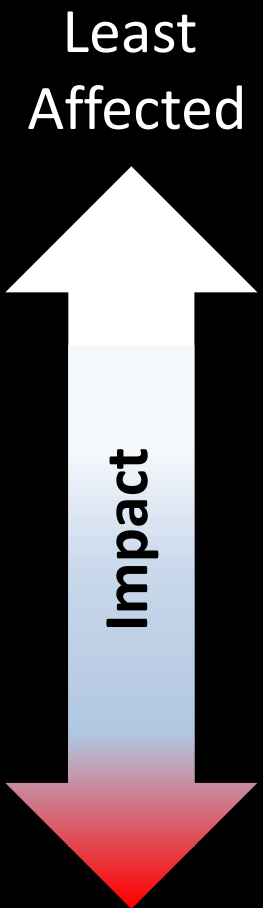
Balance Sheet Provides Resilience, Supports Growth

Liquidity (\$M)



1.7x Leverage & 0.0x Net Leverage in 2018, No Outstanding Borrowings since Q1 19

Revenue Sensitivity to Current Economic Events



Business Segment	% of Revenue	Key Drivers
Renewables & Conservation	39%	<ul style="list-style-type: none"> Strong market demand – backlog growing, working through project schedule changes due to State opening plans; looking for Processing market to restart
Residential Building Products	41%	<ul style="list-style-type: none"> Market demand lower but driving participation gains, direct-to-homeowner business and market has experienced a significant slowdown
Industrial & Infrastructure	20%	<ul style="list-style-type: none"> Infrastructure remains strong, offset by decline in general industrial demand and lower steel market pricing, automotive slowdown for key components

Most Affected



Three Core Pillars – Build & Accelerate Through Pandemic

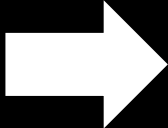
Business Pillar

Core Tenets

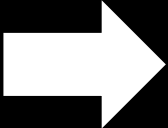
COVID-19 Actions

1

Business System



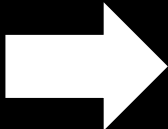
- 80/20 operational excellence
- Innovation & new products
- Business models, digital systems



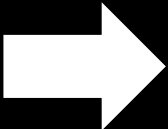
- Modified operating protocols
- Business continuity plans
- Continued business reviews
- Customer & Supply Chain

2

Portfolio Management



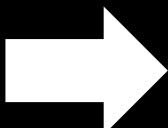
- Optimize existing portfolio
- Acquisitions to expand position & shape our markets



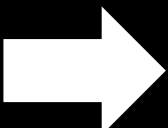
- Integration of recent acquisitions on track
- Active discussions continue but “paused”

3

Organization Development



- Right structure and design
- Talent development
- “Best Place to Work”



- Deployed Covid Operating protocols – health & safety
- Filling critical roles from strong talent pool



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