

# TerraSmart and Sunfig Acquisitions

January 4, 2021





## 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](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.

### Adjusted Financial Measures

Gibraltar presented adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA). Adjusted EBITDA excludes special charges consisting of transaction related costs, costs incurred on new product development and other reclassifications. EBITDA is a measure commonly used by the capital markets to value enterprises. Interest, taxes, depreciation and amortization can vary significantly between companies due in part to differences in accounting policies, tax strategies, levels of indebtedness and interest rates. Excluding these items provides insight into the underlying results of operations and facilitates comparisons between other companies. Adjusted EBITDA is also a useful measure of the Company’s ability to service debt and is one of the measures used for determining debt covenant compliance. 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.

# Three Core Pillars Accelerating Gibraltar's Ongoing Transformation

1

Business System

- Execution every day – 80/20 excellence
- Business models, digital systems for speed, agility, and responsiveness
- New product development and innovation

2

Portfolio Management

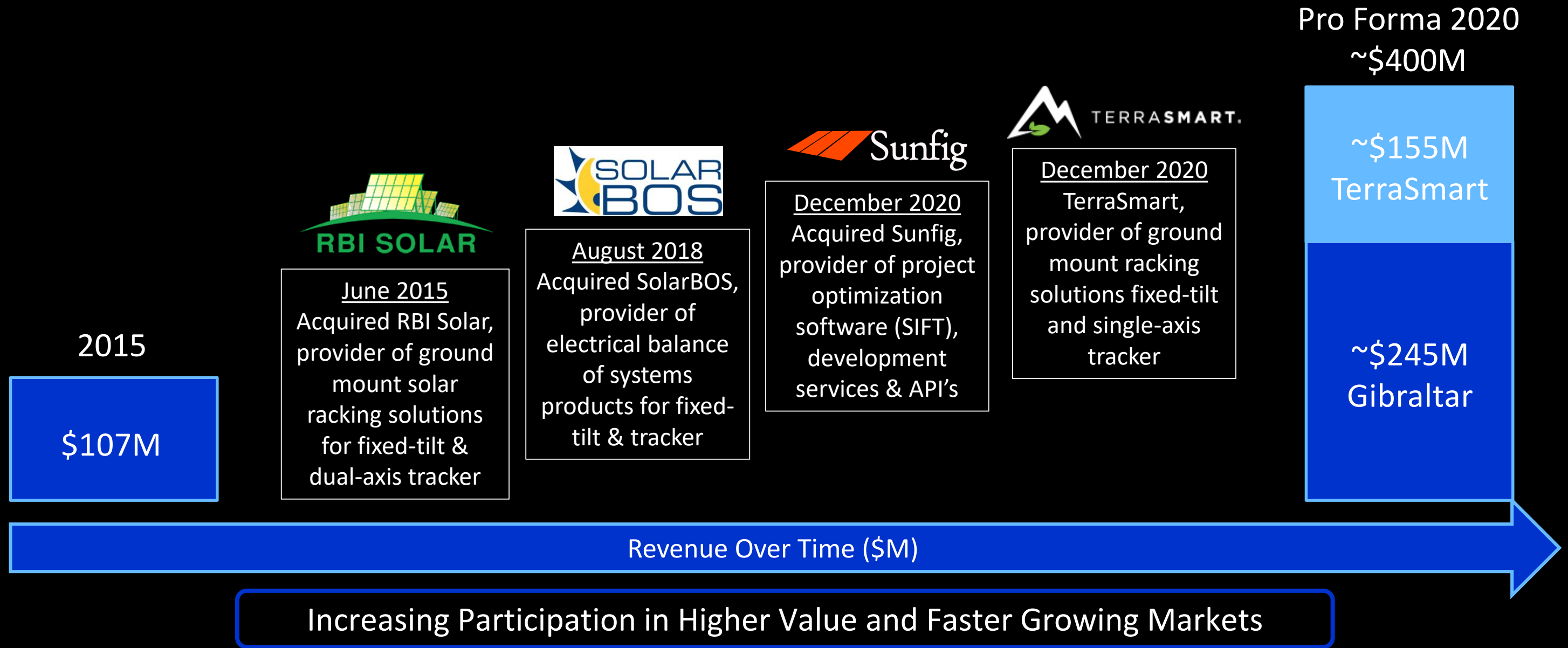
- Existing portfolio optimization around faster growing and more profitable markets
- Making acquisitions to expand our leadership position & shape our markets for the future

3

Organization Development

- Right design and structure for scalability
- Talent and organization development
- “Best Place to Work” – create best environment for team's success

# Building Leadership and Relevance in Solar Energy Market Serving Community, Commercial & Industrial, and Utility Solar Segments



# Summary of TerraSmart Transaction



## Transaction Consideration

- \$220M, subject to working capital adjustment
- No earnouts

## Transaction Multiple

- 7.9x - 8.5x projected 2020 adjusted EBITDA

## Financial Impact

- Expected to be immediately accretive to earnings
- \$150M - \$155M in revenue and \$26M - \$28M in 2020 adjusted EBITDA
- Procurement, field execution, and business system synergies
- Creates foundation for recurring revenue streams

## Financial Summary

- \$85.0M drawn on revolver, \$0.6M assumed debt, remainder cash on hand
- Post-transaction < 0.5x leverage ratio
- Fully repay the revolver within 12 months using cash from operations

## Closing Process

- Transaction closed December 31, 2020



# Key Strategic Benefits of These Transactions For Gibraltar's Solar Energy Business Supporting The Community, Commercial & Industrial, and Utility Solar Market

1 Strengthens and scales our position in the \$4.7B U.S. solar market which is growing at 10% - 15% annually

2 Creates the best portfolio of racking system and foundation technology infrastructure, electrical balance of systems, and design software solutions

3 Supports our vision to accelerate making solar energy readily available everywhere

4 Enhances revenue growth and margin profile by driving leadership in a fast growing and profitable market





# TerraSmart Overview



## Business Profile

- Founded in 2010 by Ryan Reid with headquarters in Ft. Myers, Florida; field service centers in Las Vegas, Nevada and Selkirk, New York and manufacturing in Columbus, Ohio, with 260 employees
- A leading provider of screw-based, ground mount solar racking technology with over ten years experience in design, engineering and manufacturing
- Offer fixed-tilt and tracker technology applied to ground screw-based mounted solar racking systems
- Turnkey Solutions - Full-service in-house design, project management, construction and installation capabilities

Estimated 2020 revenue of ~\$150M - \$155M with adj. EBITDA of \$26M - \$28M

## Products & Services Offering



### Ground Screw Technology

- Install utility and commercial scale projects on challenging sites
- >3.2 GW of installed capacity across more than 740 projects serving a broad domestic customer base

### GLIDE (Fixed-tilt)

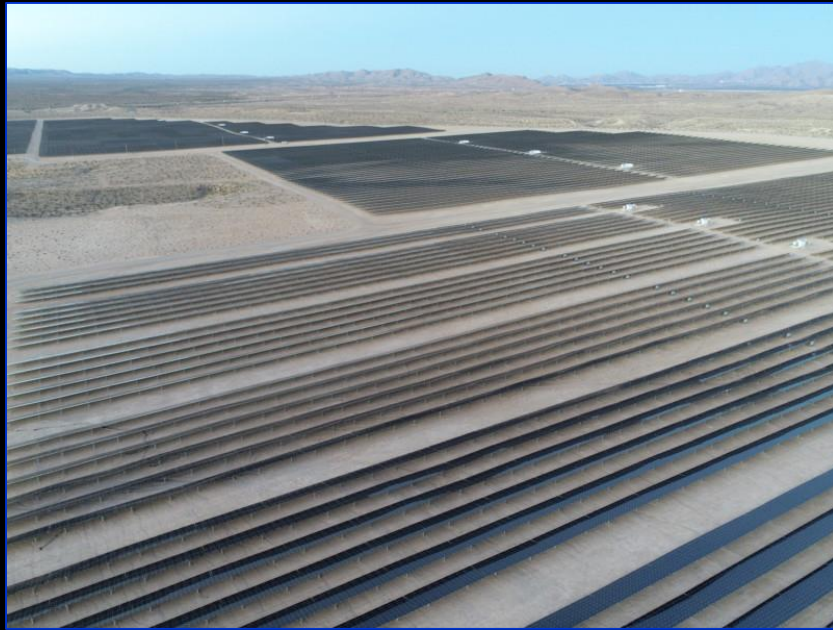
- Breakthrough ground-screw based fixed-tilt racking solution designed to work in any soil condition

### TerraTrak Tracker

- Single-axis self powered via automation, software intelligence and electronics



# TerraSmart Solar Project Examples



Moapa, Nevada

- 353-megawatt system using TerraSmart surveying, drilling, ground screw, and proprietary fixed-tilt mounting
- Support over 3.2 million modules covering 2,000 acres



Shoreham, New York

- 24.9-megawatt system applied to a retired golf course with rolling hills and 25% slopes
- Deployed tough ground screws, adjustable racking, and autonomous rover vehicle technology for surveying



Freetown, Massachusetts

- 2.8-megawatt system on difficult subsurface conditions along with undulating terrain
- Designed for 125 mph wind load and a 30 PSF snow load



# Sunfig Overview



## Business Profile

- Founded in 2017 by Ashton Vandemark and Nick Sanderson with headquarters in Oakland, California
- Design optimization through the Sunfig Instant Feasibility Tool (SIFT), a web-based software solution that optimizes solar project design for maximum financial return in real time using data and analytics. Capability for project sizes up to 1.0 GW, either fixed-tilt or single-axis tracker.
- Development services that optimize increasingly complex contract and project requirements. 10,000+ configurations explored vs 5-50 with other methods. Maximizes project value with more accurate and complete modeling.
- API integration directly into existing software, tools, and processes. APIs include automated layout for ground mount and commercial rooftops, DC and AC coupled storage modeling, performance and financial modeling, and topography analysis.

A unique service for customers in early-stage investment decision making, delivering optimal financial returns

## Products & Services Offering



### SIFT Features

- Generate layouts, performance, and financial models
- Import topography and generate slope and grade analysis

### SIFT Benefits

1. Fast, data driven and iterative analysis – 10,000+ project options for each investment
2. Higher financial returns (10% - 15%) designed into projects before work starts
3. 90% less time on project analysis

# Building Leadership In Key Segments Currently Valued at \$4.7B

## \$14.3B US Solar Market

O & M \$1.1
Electrical Installation \$1.2
Civil Works \$1.3
Design Software \$0.1
Energy Storage / Sensors \$0.2
eBos \$0.7
Inverters \$1.4
Racking Mounting Systems & Foundations \$2.9
Solar Panels \$5.4

## Gibraltar Addressable Market

2020: \$4.7B

O & M \$1.1
Design Software \$0.1
eBos \$0.7
Racking Mounting Systems & Foundations \$2.9

CAGR%  
'20 – '25

15% – 20%

8% – 12%

6% – 9%

6% – 9%

2025: \$8.6B

O & M \$2.7
Design Software \$0.2
eBos \$1.0
Racking Mounting Systems & Foundations \$4.7

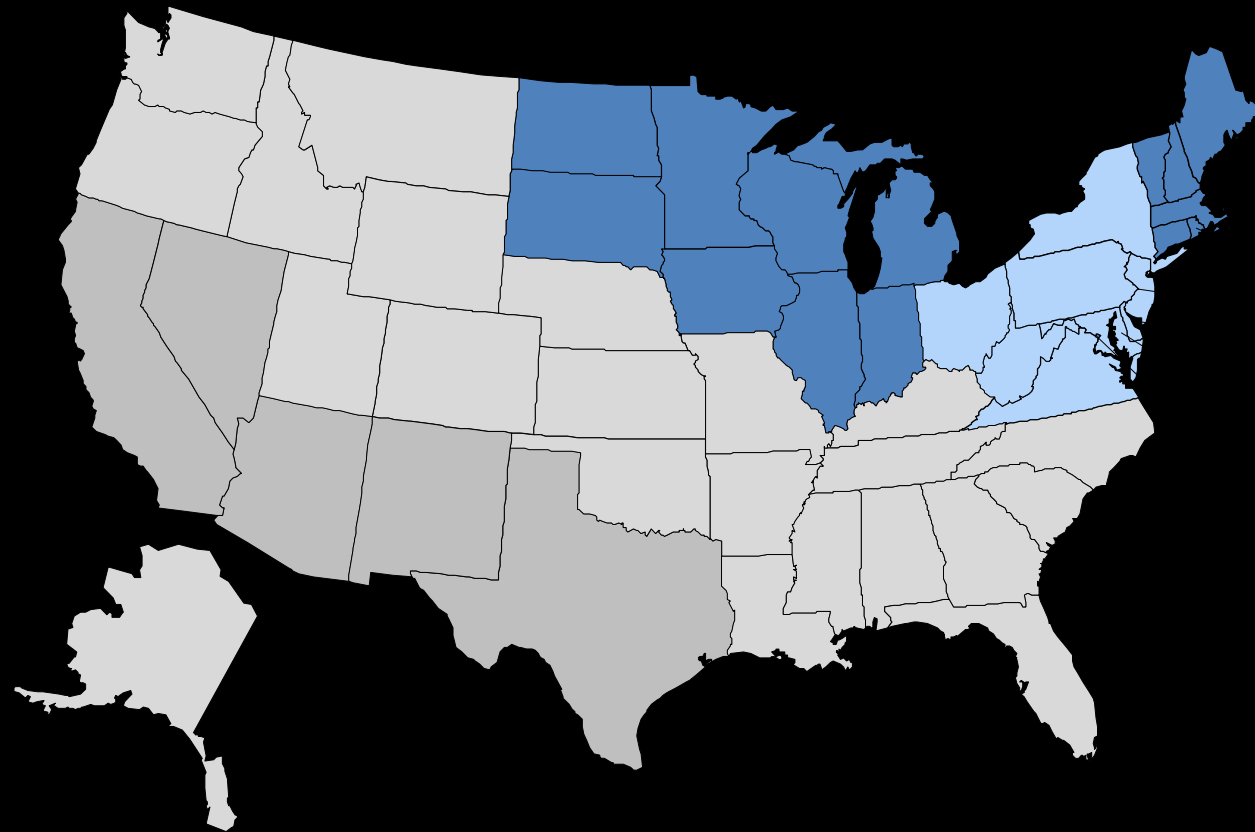
## Key Drivers



- Addressable market growing 10% - 15% CAGR through 2025 across all segments – Community, Commercial & Industrial, and Utility
- Solar energy economics are attractive and are improving with technology & ongoing ITC support
- Market has long runway for infrastructure build out and services as it ages and matures
- Leaders will build presence via Technology / IP in both products and services, scalability, and broader portfolio of services



# TerraSmart Acquisition Helps Address Broader Set of Market & Customer Needs

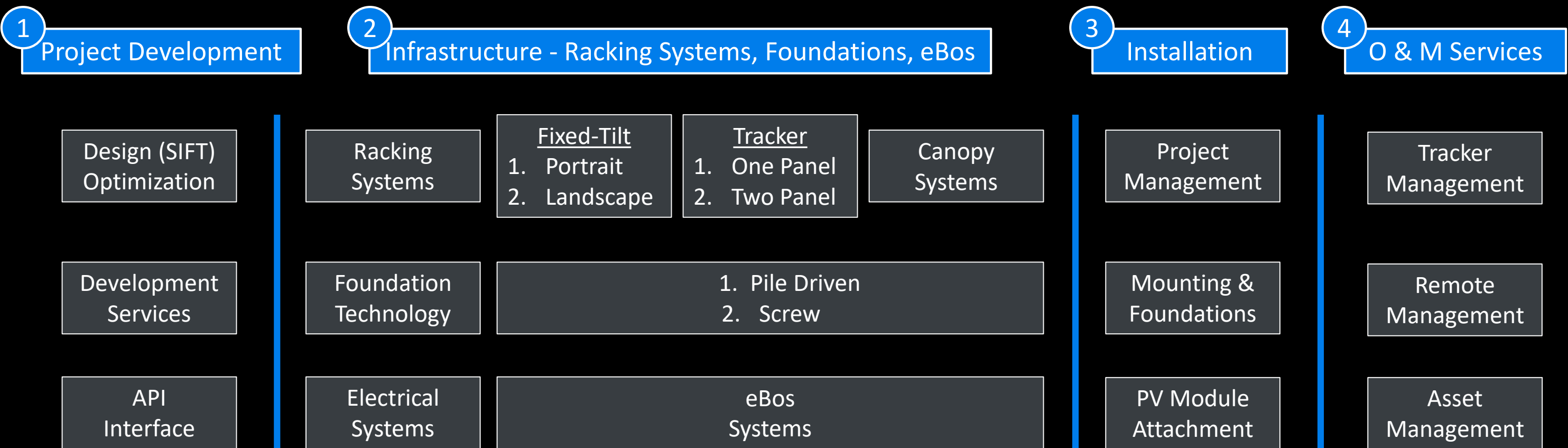
Region with Best Cost Benefit for Tracker     Region with Best Cost Benefit for Fixed-Tilt



<u>Regions</u>	 <u>West/MW/SE</u>	 <u>NE / Upper MW</u>		
	Solid topography and better weather conditions	Undulating ground, rocky, steep slopes, loose soil & harsh weather		
<u>Racking Demand</u>				
Fixed Tilt	Low	High	✓	✓
Tracker	High	Med	✓	✓
Canopy	High	High	✓	
<u>Foundation Demand</u>				
Pile Driven	High	High	✓	
Screw	Med	High		✓

Serving Community, Commercial & Industrial, and Utility Solar – All Regions, Topography, Racking Systems, & Foundations

# Broadest Portfolio Servicing the U.S. Solar Industry - Best Business and Energy Performance Solution for Solar Energy Production Anywhere on Any Terrain



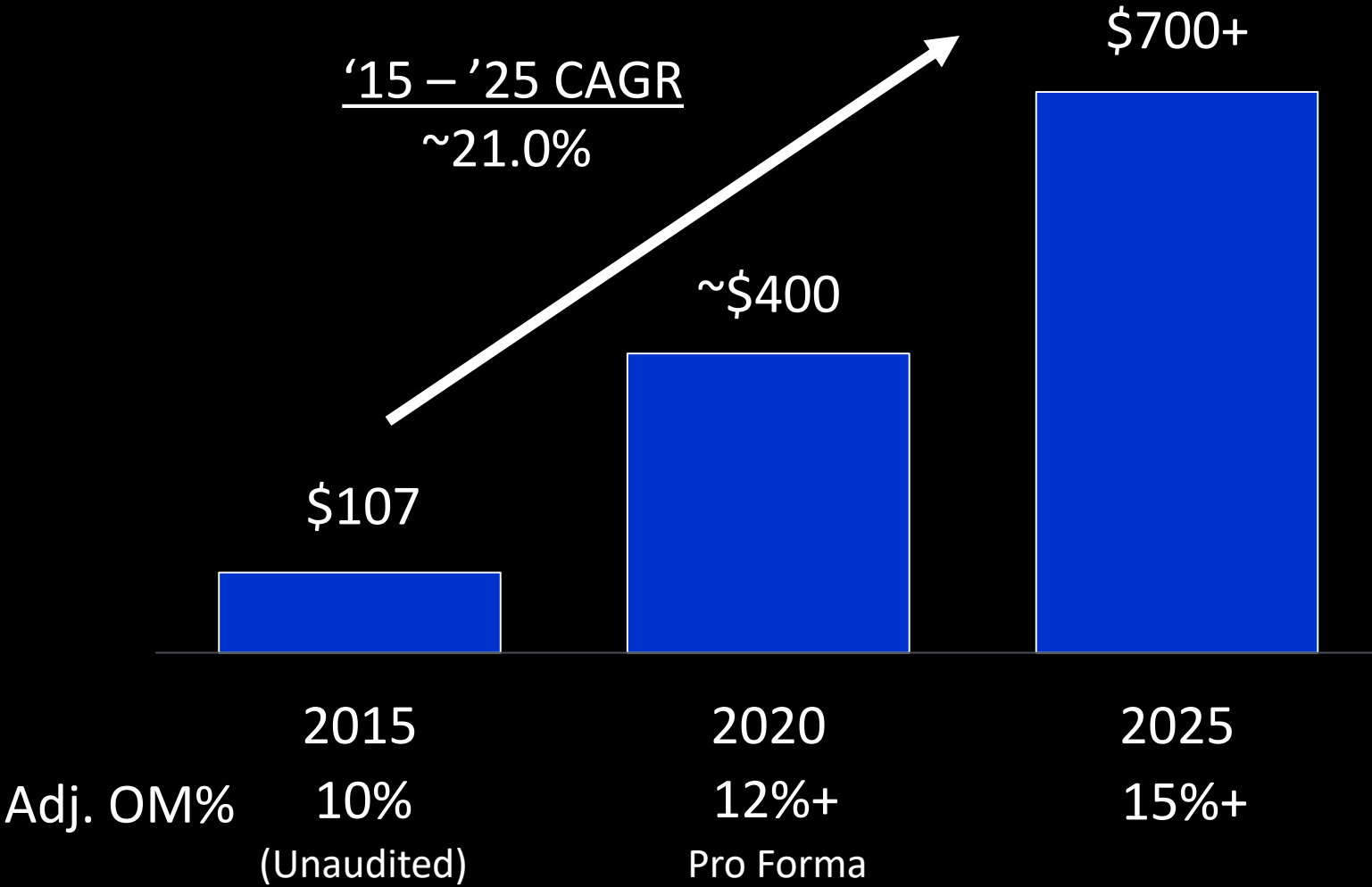
Serving Community, Commercial & Industrial, and Utility Solar – Small, Medium, and Large Projects





# Gibraltar's Solar Energy Business Pro Forma

## Revenue (\$M) & Margin (%) Profile



## Key Drivers & Initiatives For Business

- Addressable market expected to grow 10% - 15% CAGR
- Grow participation in community and utility solar with broadest industry offering
- Accelerate recurring revenue through remote management and optimization services
- Continue innovation / IP development for products and services
- Execute commercial and operational synergies

# Core Benefits of Building out Gibraltar's Solar Energy Platform

<p>1. Strengthens and scales position in our addressable \$4.7B U.S. solar market growing at 10% - 15% annually</p>	<ul style="list-style-type: none"><li>▪ Increases <u>relevance with customers</u> with enhanced value proposition as an end-to-end partner across the solar energy value chain</li><li>▪ Largest <u>full-service turnkey provider</u> with capabilities in fixed-tilt, tracker and canopy racking, eBos, and project design optimization</li></ul>
<p>2. Creates the broadest portfolio of ground-mount infrastructure, tracker, and design software solutions</p>	<ul style="list-style-type: none"><li>▪ Will support community, commercial &amp; industrial, and utility solar customers across the U.S. in <u>any region</u>, on <u>any terrain</u> with a diverse set of solutions</li></ul>
<p>3. Accelerates contribution toward making solar energy readily available everywhere</p>	<ul style="list-style-type: none"><li>▪ In line with Gibraltar's vision of bringing <u>environmentally responsible</u> and <u>cost-effective</u> solar energy production to the market</li></ul>
<p>4. Enhances revenue growth and margin profile by driving leadership in a fast growing and profitable market</p>	<ul style="list-style-type: none"><li>▪ Demonstrates commitment to <u>increasing participation in higher value, faster growing markets</u></li><li>▪ <u>Renewable Energy and Conservation</u> segment becomes approximately <u>45%</u> of the Gibraltar portfolio</li><li>▪ Creates <u>thought leadership</u> for the industry, our customers, and team</li></ul>





**GIBRALTAR**  
INDUSTRIES