



Gibraltar Reports Second-Quarter 2016 Financial Results

July 28, 2016

GAAP EPS Increases YOY to \$0.53 from \$0.13; Sales Grow 4%

Adjusted EPS Increases YOY to \$0.46 from \$0.25

BUFFALO, N.Y.--(BUSINESS WIRE)--Jul. 28, 2016-- Gibraltar Industries, Inc. (Nasdaq: ROCK), a leading manufacturer and distributor of building products for industrial, infrastructure, residential, and renewable energy and conservation markets, today reported its financial results for the three- and six-month periods ended June 30, 2016. All financial metrics in this release reflect only the Company's continuing operations unless otherwise noted.

Second-quarter Consolidated Results

Gibraltar reported the following consolidated results:

| <i>Dollars in millions, except EPS</i> | Three Months Ended June 30, | | | | | |
|--|-----------------------------|----------|----------|----------|----------|----------|
| | GAAP | | | Adjusted | | |
| | 2016 | 2015 | % Change | 2016 | 2015 | % Change |
| Net Sales | \$ 263.1 | \$ 253.2 | 4 % | \$ 263.1 | \$ 253.2 | 4 % |
| Net Income | \$ 17.0 | \$ 4.1 | 315 % | \$ 14.8 | \$ 7.8 | 90 % |
| Diluted EPS | \$ 0.53 | \$ 0.13 | 308 % | \$ 0.46 | \$ 0.25 | 84 % |

The Company reported a more than 300 percent increase in GAAP net income and a 90 percent increase on an adjusted net income basis, on a 4 percent increase in sales. The second-quarter 2016 GAAP results included special items with an after-tax net gain totaling \$2.2 million, or \$0.07 per diluted share, primarily resulting from the gain on the divestiture of Gibraltar's European industrial manufacturing operation in April 2016. The second-quarter 2015 GAAP results included special items with an after-tax charge totaling \$3.7 million, or \$0.12 per diluted share, resulting from restructuring costs related to the Company's initial phase of its 80/20 simplification initiative along with costs related to the June 2015 acquisition of Rough Brothers Inc. (RBI).

Management Comments

"Gibraltar delivered another period of solid financial performance in the second quarter, as we exceeded our bottom-line guidance and grew revenue on both a sequential and year-over-year basis, despite ongoing market headwinds," said Chief Executive Officer Frank Heard. "The strong quarter performance was the result of profitability from both the RBI business that we acquired in June 2015, as well as from our legacy residential and industrial businesses. Our bottom-line results exceeded our expectations due in large part to our ability to realize accelerated traction with our 80/20 initiative."

"Our ongoing strong financial performance is a direct byproduct of our team's ability to effectively execute on our four pillar growth strategy. By focusing on operational excellence, portfolio management, product innovation and accretive acquisitions, we have re-aligned resources, increased efficiencies and delivered enhanced profitability across the organization," said Heard.

Second-quarter Segment Results

Residential Products

For the second quarter, the Residential Products segment reported:

| <i>Dollars in millions, except EPS</i> | Three Months Ended June 30, | | | | | |
|--|-----------------------------|----------|----------|----------|----------|----------|
| | GAAP | | | Adjusted | | |
| | 2016 | 2015 | % Change | 2016 | 2015 | % Change |
| Net Sales | \$ 120.0 | \$ 134.7 | (11 %) | \$ 120.0 | \$ 134.7 | (11 %) |

Operating Margin 17.3 % 8.8 % +850 bps 17.5 % 10.6 % +690 bps

Second-quarter 2016 net sales in Gibraltar's Residential Products segment decreased, net of equivalent sales of roofing-related products and lower sales of postal products reflecting the completion of a two-year contract for centralized mailboxes as of December 2015.

The increase in segment operating margin reflects the benefit of improved operational efficiencies and early contributions from the 80/20 simplification initiative, as well as the completion of the centralized mailbox contract, which provided low profitability in the second quarter of 2015. The adjusted operating margin for the second quarter 2016 and 2015 remove the special charges for restructuring initiatives under the 80/20 program from both periods.

Industrial and Infrastructure Products

For the second quarter, the Industrial and Infrastructure Products segment reported:

| <i>Dollars in millions, except EPS</i> | Three Months Ended June 30, | | | | | |
|--|------------------------------------|-------------|-----------------|-----------------|-------------|-----------------|
| | GAAP | | | Adjusted | | |
| | 2016 | 2015 | % Change | 2016 | 2015 | % Change |
| Net Sales | \$ 81.0 | \$ 101.4 | (20)% | \$ 81.0 | \$ 101.4 | (20)% |
| Operating Margin | 7.6 % | 5.3 % | +230 bps | 8.7 % | 5.3 % | +340 bps |

Second-quarter 2016 net sales in Gibraltar's Industrial & Infrastructure Products segment decreased on the combined effects of the April 15, 2016 divestiture of its European industrial business, lower order volumes from energy-related markets and, to a lesser degree, the ongoing effect of reduced steel costs on customer pricing.

The segment's second-quarter GAAP operating margin increased 230 basis points as the combination of improved manufacturing efficiencies, tighter management of raw material costs, and benefits from 80/20 simplification helped offset the effect of lower sales. This segment's adjusted operating margin for the second quarter 2016 and 2015 also remove the special charges for restructuring initiatives under the 80/20 program from both periods.

Renewable Energy and Conservation

For the second quarter, the Renewable Energy and Conservation segment reported:

| <i>Dollars in millions, except EPS</i> | Three Months Ended June 30, | | | | | |
|--|------------------------------------|-------------|-----------------|-----------------|-------------|-----------------|
| | GAAP | | | Adjusted | | |
| | 2016 | 2015 | % Change | 2016 | 2015 | % Change |
| Net Sales | \$ 62.1 | \$ 17.1 | nmf* | \$ 62.1 | \$ 17.1 | nmf* |
| Operating Margin | 12.3 % | 5.8 % | +650 bps | 12.3 % | 11.1 % | +120 bps |

*not meaningful

This segment contains the results of RBI, an acquisition the Company completed on June 9, 2015. RBI has established itself during the past six years as North America's fastest-growing provider of solar racking solutions, while continuing its leadership serving the U.S. commercial greenhouse market. RBI has been accretive to the Company's results since its acquisition, and contributed the equivalent of \$0.15 per diluted share to GAAP earnings for the second quarter of 2016.

Comparing second-quarter 2016 net sales to proforma sales for the quarter-ended June 30, 2015, RBI's revenues rose 4 percent, reflecting continued demand for RBI's ground-mounted solar racking products.

Its second-quarter 2016 GAAP operating margin increased to 12.3 percent, reflecting the benefit of improved operational efficiencies and a significantly lower amount of acquisition-related expenses. Its adjusted operating margin for the second quarter 2015 has removed the special charge for acquisition-related costs.

Business Outlook

"Looking to the balance of 2016, we expect continuing positive momentum coming out of the first half of the year. Our balance sheet is solid with a strong cash position, and our increased liquidity provides the resources to pursue acquisitions as strategic accelerators to growth. As we continue to focus on operational excellence, we are also strengthening our team with a deeper bench of talent and leadership across the organization. While softness in certain end markets remain, we continue to expect to achieve our key financial objectives for 2016: increasing earnings, making more efficient use of our capital, and delivering higher shareholder returns than we did in 2015," Heard concluded.

Gibraltar expects 2016 consolidated revenues in the range of \$1.02 billion to \$1.03 billion, a decrease of approximately 1 percent compared with \$1.04 billion in 2015. This revenue guidance takes into account the nearly \$100 million of 2015 revenues not repeating in 2016. This \$100 million of sales included the Company's divestiture in April 2016 of its European industrial business that contributed \$36 million in revenues with breakeven operating results to the Industrial & Infrastructure Products segment in 2015; \$50 million of annual sales related to the completed contract in December 2015 for centralized mailboxes; and discontinued products under the 80/20 simplification initiative.

Gibraltar is raising its guidance for higher after-tax earnings for full year 2016 due to the success of its operational excellence and 80/20 initiatives. GAAP earnings for 2016 are expected in the range of \$1.38 to \$1.48 per diluted share, compared with \$0.74 per diluted share in 2015.

Full Year 2016

| <i>Dollars in millions, except EPS</i> | Gibraltar Industries | | | | Diluted |
|--|-----------------------------|---------------|---------------------|-------------------|------------------|
| | Operating | | Income Taxes | Net Income | Earnings |
| | Income | Margin | | | Per Share |
| GAAP Measures | \$ 80 - 85 | 7.9 - 8.3 % | \$ 13 - 15 | \$ 44 - 47 | \$ 1.38–1.48 |
| Restructuring Costs | 4 | 0.4 | 1 | 3 | 0.08 |
| Gain on Sale of European Business | – | – | 11 | (3) | (0.09) |
| Adjusted Measures | \$ 84 - 89 | 8.3 - 8.7 % | \$ 26 - 28 | \$ 44 - 47 | \$ 1.37–1.47 |

Relative to GAAP profitability and EPS for 2016, Gibraltar has estimated additional restructuring costs for new initiatives affecting the second half of 2016. Any significant changes in the nature and scope of identified projects and any new programs would affect a change in our expected GAAP EPS results for the year.

For the third quarter of 2016, consolidated revenues are expected to decline 7 percent to approximately \$280 million. The decline in revenue is due to \$25 million of Q3 2015 revenues not repeating in Q3 2016 related to the Company's April 2016 divestiture, the completed contract for centralized mailboxes, and discontinued products under the 80/20 simplification initiative.

GAAP EPS for the third quarter is expected to be between \$0.46 and \$0.51, compared with \$0.43 for the third quarter of 2015. Adjusted EPS for the third quarter 2016 is expected to be between \$0.47 and \$0.52, compared with \$0.50 for the third quarter of 2015. The higher GAAP earnings are a result of the expected higher income from the Residential Products and Renewable Energy and Conservation segments and lower restructuring costs as compared to the prior-year period.

Second-quarter Conference Call Details

Gibraltar has scheduled a conference call today starting at 9:00 a.m. ET to review its results for the second quarter of 2016. Interested parties may access the call by dialing (877) 407-5790 or (201) 689-8328. The presentation slides that will be discussed in the conference call are expected to be available this morning, prior to the start of the call. The slides may be downloaded from the Gibraltar website: www.gibraltar1.com. A webcast replay of the conference call and a copy of the transcript will be available on the website following the call.

About Gibraltar

Gibraltar Industries is a leading manufacturer and distributor of building products for industrial, infrastructure, residential, and renewable energy and conservation markets. With a four-pillar strategy focused on operational improvement, product innovation, acquisitions and portfolio management, Gibraltar's mission is to drive best-in-class performance. Gibraltar serves customers worldwide through facilities in the United States, Canada, Germany, China, and Japan. Comprehensive information about Gibraltar can be found on its website at www.gibraltar1.com.

Safe Harbor Statement

Information contained in this news release, other than historical information, contains forward-looking statements and is subject to a number of risk factors, uncertainties, and assumptions. Risk factors that could affect these statements include, but are not limited to, the following: the availability of raw materials and the effects of changing raw material prices on the Company's results of operations; energy prices and usage; changing demand for the Company's products and services; changes in the liquidity of the capital and credit markets; risks associated with the integration and performance of acquisitions; and changes in interest and tax rates. In addition, such forward-looking statements could also be affected by general industry and market conditions, as well as general economic and political conditions. The Company undertakes no obligation to update any forward-looking statements, 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 presented certain adjusted financial data in this news release. Adjusted financial data excluded special charges consisting of gains / losses on sales of assets, restructuring primarily associated with the 80/20 simplification initiative, acquisition-related items, and other reclassifications. These adjustments are shown in the non-GAAP reconciliation of adjusted financial measures excluding special charges provided in the supplemental financial schedules that accompany this 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.

Next Earnings Announcement

Gibraltar expects to release its financial results for the three and nine-month periods ending September 30, 2016, on Thursday, October 27, 2016, and hold its earnings conference call later that morning, starting at 9:00 a.m. ET.

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------|------------------------------|------------|
| | 2016 | 2015 | 2016 | 2015 |
| Net Sales | \$ 263,099 | \$ 253,171 | \$ 496,776 | \$ 453,786 |
| Cost of sales | 196,895 | 209,052 | 380,416 | 379,752 |
| Gross profit | 66,204 | 44,119 | 116,360 | 74,034 |
| Selling, general, and administrative expense | 40,427 | 32,918 | 76,976 | 53,863 |
| Income from operations | 25,777 | 11,201 | 39,384 | 20,171 |
| Interest expense | 3,666 | 3,811 | 7,357 | 7,511 |
| Other expense (income) | 8,035 | 1,101 | 7,840 | (2,458) |
| Income before taxes | 14,076 | 6,289 | 24,187 | 15,118 |
| (Benefit of) provision for income taxes | (2,913) | 2,202 | 705 | 5,494 |
| Income from continuing operations | 16,989 | 4,087 | 23,482 | 9,624 |
| Discontinued operations: | | | | |
| Loss before taxes | — | — | — | (44) |
| Benefit of income taxes | — | — | — | (16) |
| Loss from discontinued operations | — | — | — | (28) |
| Net income | \$ 16,989 | \$ 4,087 | \$ 23,482 | \$ 9,596 |
| Net earnings per share – Basic: | | | | |
| Income from continuing operations | \$ 0.54 | \$ 0.13 | \$ 0.75 | \$ 0.31 |
| Loss from discontinued operations | — | — | — | — |
| Net income | \$ 0.54 | \$ 0.13 | \$ 0.75 | \$ 0.31 |
| Weighted average shares outstanding – Basic | 31,475 | 31,210 | 31,447 | 31,200 |
| Net earnings per share – Diluted: | | | | |
| Income from continuing operations | \$ 0.53 | \$ 0.13 | \$ 0.74 | \$ 0.31 |
| Loss from discontinued operations | — | — | — | — |
| Net income | \$ 0.53 | \$ 0.13 | \$ 0.74 | \$ 0.31 |
| Weighted average shares outstanding – Diluted | 32,007 | 31,495 | 31,916 | 31,440 |

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)
(unaudited)

| | June 30, 2016 | December 31, 2015 |
|---|------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 124,114 | \$ 68,858 |
| Accounts receivable, net | 150,170 | 164,969 |
| Inventories | 98,221 | 107,058 |
| Other current assets | 12,119 | 10,537 |
| Total current assets | 384,624 | 351,422 |
| Property, plant, and equipment, net | 108,808 | 118,932 |
| Goodwill | 294,797 | 292,390 |
| Acquired intangibles | 120,435 | 123,013 |
| Other assets | 4,336 | 4,015 |
| | \$ 913,000 | \$ 889,772 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |

| | | |
|--|------------|------------|
| Accounts payable | \$ 82,805 | \$ 89,204 |
| Accrued expenses | 49,331 | 67,605 |
| Billings in excess of cost | 30,358 | 28,186 |
| Current maturities of long-term debt | 400 | 400 |
| Total current liabilities | 162,894 | 185,395 |
| Long-term debt | 208,836 | 208,882 |
| Deferred income taxes | 43,149 | 42,654 |
| Other non-current liabilities | 48,542 | 42,755 |
| Shareholders' equity: | | |
| Preferred stock, \$0.01 par value; authorized 10,000 shares; none outstanding | — | — |
| Common stock, \$0.01 par value; authorized 50,000 shares; 31,930 and 31,779 shares issued in 2016 and 2015 | 319 | 317 |
| Additional paid-in capital | 259,024 | 253,458 |
| Retained earnings | 201,555 | 178,073 |
| Accumulated other comprehensive loss | (4,511) | (15,416) |
| Cost of 502 and 484 common shares held in treasury in 2016 and 2015 | (6,808) | (6,346) |
| Total shareholders' equity | 449,579 | 410,086 |
| | \$ 913,000 | \$ 889,772 |

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

| | Six Months Ended June 30, | |
|---|------------------------------|------------|
| | 2016 | 2015 |
| Cash Flows from Operating Activities | | |
| Net income | \$ 23,482 | \$ 9,596 |
| Loss from discontinued operations | — | (28) |
| Income from continuing operations | 23,482 | 9,624 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 11,856 | 13,239 |
| Stock compensation expense | 3,218 | 1,406 |
| Net gain on sale of assets | (198) | (8,375) |
| Loss on sale of business | 8,533 | — |
| Restructuring charges, non-cash | 1,074 | 2,745 |
| Provision for (benefit of) deferred income taxes | 196 | (72) |
| Other, net | (741) | (1,392) |
| Changes in operating assets and liabilities, excluding the effects of acquisitions: | | |
| Accounts receivable | 9,145 | (30,164) |
| Inventories | 4,988 | 1,596 |
| Other current assets and other assets | (4,333) | (1,415) |
| Accounts payable | (2,427) | 20,254 |
| Accrued expenses and other non-current liabilities | (5,644) | 4,312 |
| Net cash provided by operating activities | 49,149 | 11,758 |
| Cash Flows from Investing Activities | | |
| Cash paid for acquisitions | (2,314) | (134,318) |
| Net proceeds from sale of property and equipment | 162 | 26,181 |
| Purchases of property, plant, and equipment | (4,035) | (4,624) |
| Net proceeds from sale of business | 8,479 | — |
| Other, net | 1,118 | 1,154 |
| Net cash provided by (used in) investing activities | 3,410 | (111,607) |
| Cash Flows from Financing Activities | | |
| Proceeds from long-term debt | — | 41,392 |
| Long-term debt payments | (400) | (11,792) |
| Payment of debt issuance costs | (54) | — |
| Purchase of treasury stock at market prices | (462) | (387) |
| Net proceeds from issuance of common stock | 2,057 | 180 |
| Excess tax benefit from stock compensation | 292 | 37 |

| | | |
|--|------------|-----------|
| Net cash provided by financing activities | 1,433 | 29,430 |
| Effect of exchange rate changes on cash | 1,264 | (769) |
| Net increase (decrease) in cash and cash equivalents | 55,256 | (71,188) |
| Cash and cash equivalents at beginning of year | 68,858 | 110,610 |
| Cash and cash equivalents at end of period | \$ 124,114 | \$ 39,422 |

GIBRALTAR INDUSTRIES, INC.
Reconciliation of Adjusted Financial Measures
(in thousands, except per share data)
(Unaudited)

Three Months Ended
June 30, 2016

| | As Reported In GAAP Statements | Restructuring Charges | Gain on Sale of Business | Adjusted Financial Measures |
|---|---|--------------------------|-----------------------------|-----------------------------------|
| Net Sales | | | | |
| Residential Products | \$ 119,965 | \$ — | \$ — | \$ 119,965 |
| Industrial & Infrastructure Products | 81,380 | — | — | 81,380 |
| Less Inter-Segment Sales | (373) | — | — | (373) |
| | 81,007 | — | — | 81,007 |
| Renewable Energy & Conservation | 62,127 | — | — | 62,127 |
| Consolidated sales | 263,099 | — | — | 263,099 |
| Income from operations | | | | |
| Residential Products | 20,725 | 258 | — | 20,983 |
| Industrial & Infrastructure Products | 6,190 | 851 | — | 7,041 |
| Renewable Energy & Conservation | 7,657 | — | — | 7,657 |
| Segment Income | 34,572 | 1,109 | — | 35,681 |
| Unallocated corporate expense | (8,795) | — | — | (8,795) |
| Consolidated income from operations | 25,777 | 1,109 | — | 26,886 |
| Interest expense | 3,666 | — | — | 3,666 |
| Other expense (income) | 8,035 | — | (8,533) | (498) |
| Income before income taxes | 14,076 | 1,109 | 8,533 | 23,718 |
| (Benefit of) provision for income taxes | (2,913) | 424 | 11,414 | 8,925 |
| Income from continuing operations | \$ 16,989 | \$ 685 | \$ (2,881) | \$ 14,793 |
| Income from continuing operations per share – diluted | \$ 0.53 | \$ 0.02 | \$ (0.09) | \$ 0.46 |
| Operating margin | | | | |
| Residential Products | 17.3 | % 0.2 | % — | % 17.5 |
| Industrial & Infrastructure Products | 7.6 | % 1.0 | % — | % 8.7 |
| Renewable Energy & Conservation | 12.3 | % — | % — | % 12.3 |
| Segments Margin | 13.1 | % 0.4 | % — | % 13.6 |
| Consolidated | 9.8 | % 0.4 | % — | % 10.2 |

GIBRALTAR INDUSTRIES, INC.
Reconciliation of Adjusted Financial Measures
(in thousands, except per share data)
(Unaudited)

Three Months Ended
June 30, 2015

| | As Reported In GAAP Statements | Acquisition Related Items | Restructuring Charges | Reclass of Hedging Activity | Adjusted Financial Measures | |
|---|--------------------------------------|---------------------------------|--------------------------|-----------------------------------|-----------------------------------|---|
| Net Sales | | | | | | |
| Residential Products | \$ 134,669 | \$ — | \$ — | \$ — | \$ 134,669 | |
| Industrial & Infrastructure Products | 101,900 | — | — | — | 101,900 | |
| Less Inter-Segment Sales | (482) | — | — | — | (482) | |
| | 101,418 | — | — | — | 101,418 | |
| Renewable Energy & Conservation | 17,084 | — | — | — | 17,084 | |
| Consolidated sales | 253,171 | — | — | — | 253,171 | |
| Income from operations | | | | | | |
| Residential Products | 11,910 | — | 3,251 | (920) | 14,241 | |
| Industrial & Infrastructure Products | 5,356 | — | 59 | — | 5,415 | |
| Renewable Energy & Conservation | 999 | 902 | — | — | 1,901 | |
| Segment Income | 18,265 | 902 | 3,310 | (920) | 21,557 | |
| Unallocated corporate expense | (7,064) | 699 | 1,042 | — | (5,323) | |
| Consolidated income from operations | 11,201 | 1,601 | 4,352 | (920) | 16,234 | |
| Interest expense | 3,811 | — | — | — | 3,811 | |
| Other income | 1,101 | — | — | (920) | 181 | |
| Income before income taxes | 6,289 | 1,601 | 4,352 | — | 12,242 | |
| Provision for income taxes | 2,202 | 598 | 1,629 | — | 4,429 | |
| Income from continuing operations | \$ 4,087 | \$ 1,003 | \$ 2,723 | — | \$ 7,813 | |
| Income from continuing operations per share – diluted | \$ 0.13 | \$ 0.03 | \$ 0.09 | \$ — | \$ 0.25 | |
| Operating margin | | | | | | |
| Residential Products | 8.8 | % — | % 2.4 | % (0.7)% | 10.6 | % |
| Industrial & Infrastructure Products | 5.3 | % — | % — | % — | 5.3 | % |
| Renewable Energy & Conservation | 5.8 | % 5.3 | % — | % — | 11.1 | % |
| Segments Margin | 7.2 | % 0.4 | % 1.3 | % (0.4)% | 8.5 | % |
| Consolidated | 4.4 | % 0.6 | % 1.7 | % (0.4)% | 6.4 | % |

GIBRALTAR INDUSTRIES, INC.
Reconciliation of Adjusted Financial Measures
(in thousands, except per share data)
(Unaudited)

Six Months Ended
June 30, 2016

| | As Reported In GAAP Statements | Restructuring Charges | Gain on Sale of Business | Adjusted Financial Measures |
|--------------------------------------|---|--------------------------|--------------------------------|-----------------------------------|
| Net Sales | | | | |
| Residential Products | \$ 220,112 | — | — | \$ 220,112 |
| Industrial & Infrastructure Products | 161,397 | — | — | 161,397 |
| Less Inter-Segment Sales | (740) | — | — | (740) |
| | 160,657 | — | — | 160,657 |
| Renewable Energy & Conservation | 116,007 | — | — | 116,007 |
| Consolidated sales | 496,776 | — | — | 496,776 |
| Income from operations | | | | |

| | | | | |
|--------------------------------------|-----------|-------|---|-----------|
| Residential Products | 32,956 | 1,276 | — | 34,232 |
| Industrial & Infrastructure Products | 9,516 | 1,531 | — | 11,047 |
| Renewable Energy & Conservation | 11,970 | — | — | 11,970 |
| Segment Income | 54,442 | 2,807 | — | 57,249 |
| Unallocated corporate expense | (15,058) | 31 | — | (15,027) |
| Consolidated income from operations | 39,384 | 2,838 | — | 42,222 |

| | | | | |
|---|-----------|----------|------------|-----------|
| Interest expense | 7,357 | — | — | 7,357 |
| Other expense (income) | 7,840 | — | (8,533) | (693) |
| Income before income taxes | 24,187 | 2,838 | 8,533 | 35,558 |
| Provision for income taxes | 705 | 1,055 | 11,414 | 13,174 |
| Income from continuing operations | \$ 23,482 | \$ 1,783 | \$ (2,881) | \$ 22,384 |
| Income from continuing operations per share – diluted | \$ 0.74 | \$ 0.05 | \$ (0.09) | \$ 0.70 |

| | | | | | | |
|--------------------------------------|------|-------|-----|--------|---|--|
| Operating margin | | | | | | |
| Residential Products | 15.0 | % 0.6 | % — | % 15.6 | % | |
| Industrial & Infrastructure Products | 5.9 | % 1.0 | % — | % 6.9 | % | |
| Renewable Energy & Conservation | 10.3 | % — | % — | % 10.3 | % | |
| Segments Margin | 11.0 | % 0.6 | % — | % 11.5 | % | |
| Consolidated | 7.9 | % 0.6 | % — | % 8.5 | % | |

GIBRALTAR INDUSTRIES, INC.
Reconciliation of Adjusted Financial Measures
(in thousands, except per share data)
(Unaudited)

Six Months Ended
June 30, 2015

| | As Reported In GAAP Statements | Acquisition Related Items | Restructuring Charges | Gain on Sale of Facility | Reclass of Hedging Activity | Adjusted Financial Measures |
|---|---|---------------------------------|--------------------------|--------------------------------|-----------------------------------|-----------------------------------|
| Net Sales | | | | | | |
| Residential Products | \$ 241,464 | \$ — | \$ — | \$ — | \$ — | \$ 241,464 |
| Industrial & Infrastructure Products | 196,185 | — | — | — | — | 196,185 |
| Less Inter-Segment Sales | (947) | — | — | — | — | (947) |
| | 195,238 | — | — | — | — | 195,238 |
| Renewable Energy & Conservation | 17,084 | — | — | — | — | 17,084 |
| Consolidated sales | 453,786 | — | — | — | — | 453,786 |
| Income from operations | | | | | | |
| Residential Products | 24,043 | — | 3,470 | (6,799) | 1,803 | 22,517 |
| Industrial & Infrastructure Products | 7,362 | — | 423 | — | — | 7,785 |
| Renewable Energy & Conservation | 999 | 902 | — | — | — | 1,901 |
| Segment Income | 32,404 | 902 | 3,893 | (6,799) | 1,803 | 32,203 |
| Unallocated corporate expense | (12,233) | 471 | 1,559 | — | — | (10,203) |
| Consolidated income from operations | 20,171 | 1,373 | 5,452 | (6,799) | 1,803 | 22,000 |
| Interest expense | 7,511 | — | — | — | — | 7,511 |
| Other income | (2,458) | — | — | — | 1,803 | (655) |
| Income before income taxes | 15,118 | 1,373 | 5,452 | (6,799) | — | 15,144 |
| Provision for income taxes | 5,494 | 513 | 2,037 | (2,526) | — | 5,518 |
| Income from continuing operations | \$ 9,624 | \$ 860 | \$ 3,415 | \$ (4,273) | — | \$ 9,626 |
| Income from continuing operations per share – diluted | \$ 0.31 | \$ 0.03 | \$ 0.11 | \$ (0.14) | \$ — | \$ 0.31 |
| Operating margin | | | | | | |
| Residential Products | 10.0 | % — | % 1.4 | % (2.8) | % 0.7 | % 9.3 |

| | | | | | | | | | | | | |
|--------------------------------------|-----|---|-----|---|-----|---|------|----|-----|---|------|---|
| Industrial & Infrastructure Products | 3.8 | % | — | % | 0.2 | % | — | % | — | % | 4.0 | % |
| Renewable Energy & Conservation | 5.8 | % | 5.3 | % | — | % | — | % | — | % | 11.1 | % |
| Segments Margin | 7.1 | % | 0.2 | % | 0.9 | % | (1.5 |)% | 0.4 | % | 7.1 | % |
| Consolidated | 4.4 | % | 0.3 | % | 1.2 | % | (1.5 |)% | 0.4 | % | 4.8 | % |

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