



## Second-Quarter 2016 Earnings Call

July 28, 2016

This presentation should be viewed in  
conjunction with Gibraltar's July 28, 2016  
earnings press release.

# Safe Harbor Statements

## **Forward Looking Statements**

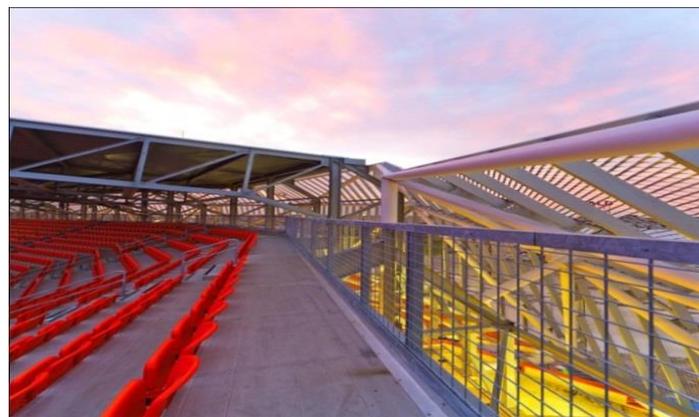
*Certain information set forth in this presentation, other than historical statements, contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that are based, in whole or in part, on current expectations, estimates, forecasts, and projections about 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](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 gain on sale of assets, restructuring costs, acquisition-related costs and other reclassifications. 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.*

# Top-Line Growth & Improved Profitability in 2Q

- 4% YOY sales growth
- GAAP EPS \$0.53 vs prior year \$0.13
- Adjusted EPS \$0.46 vs prior year \$0.25
- RBI drives top and bottom line growth
- Base businesses contribute to earnings
- Gains from 80/20 evidence the value creation strategy



# Strong Consolidated Results

## Revenues

### Quarterly



■ 2Q16 ■ 2Q15

### Year-to-Date



■ YTD2016 ■ YTD2015

## 2Q16 Revenue Highlights

- RBI added \$45.0M revenue
- \$(23)M on non-recurring revenues (industrial divestiture & completed postal contract)
- Industrial energy markets weak

## 2Q16 Operating Income / EPS Highlights

- RBI accretion: +\$7.7M Op. Income, or +\$0.15/share
- Operational improvement continues
- 80/20 simplification traction

## Operating Income\*

### Quarterly



### Year-to-Date



### Adjusted



■ 2Q16 ■ 2Q15



■ YTD 2016 ■ YTD 2015

## Diluted EPS\*

### Quarterly



### Year-to-Date



### Adjusted



■ 2Q16 ■ 2Q15



■ YTD 2016 ■ YTD 2015

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

# Performance in Base Businesses

## Revenues

### Quarterly



### Year-to-Date



## 2Q16 Revenues

- \$(23)M on non-recurring revenues (industrial divestiture & completed postal contract)
- Industrial end markets weak

## 2Q16 Operating Income / EPS

- Significant contributions from operational improvement initiatives, including 80/20 simplification

## Operating Income\*

### Quarterly



### Year-to-Date



## Diluted EPS\*

### Quarterly



### Year-to-Date



### Adjusted



### Adjusted



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

# Residential Products Segment

## Revenues

### Quarterly



■ 2Q16 ■ 2Q15

### Year-to-Date



■ YTD2016 ■ YTD2015

## 2Q16 Revenues

- \$(15)M or (11)% on centralized mailbox contract completion in 2015
- Steady volume in repair & remodel, and new housing construction markets

## 2Q16 Operating Income / Margin

- Operational efficiencies
- Benefits of 80/20 simplification

## Operating Income\*

### Quarterly



### Year-to-Date



Adjusted



■ 2Q16 ■ 2Q15



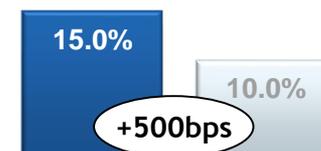
■ YTD 2016 ■ YTD 2015

## Operating Margin\*

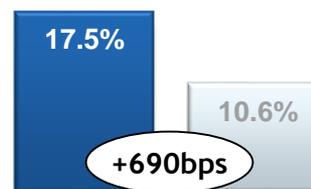
### Quarterly



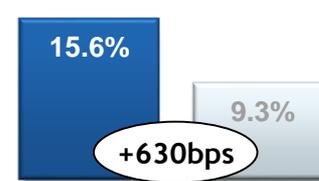
### Year-to-Date



Adjusted



■ 2Q16 ■ 2Q15



■ YTD 2016 ■ YTD 2015

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

# Industrial & Infrastructure Products Segment

## Revenues

### Quarterly



■ 2Q16 ■ 2Q15

### Year-to-Date



■ YTD2016 ■ YTD2015

## 2Q Revenues

- Divested European business (8)%
- Volume (8)%: weak oil & gas markets

## 2Q Operating Income / Margin

- Improved manufacturing efficiencies
- 80/20 simplification contributions
- Tighter management of raw material costs

## Operating Income\*

### Quarterly

GAAP



■ 2Q16 ■ 2Q15

### Year-to-Date



■ YTD 2016 ■ YTD 2015

Adjusted



■ 2Q16 ■ 2Q15

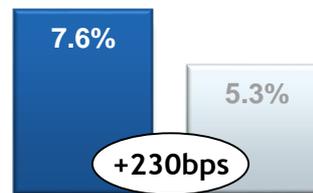


■ YTD 2016 ■ YTD 2015

## Operating Margin\*

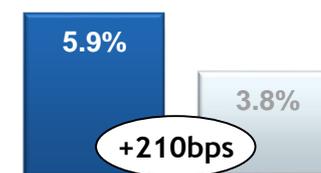
### Quarterly

GAAP



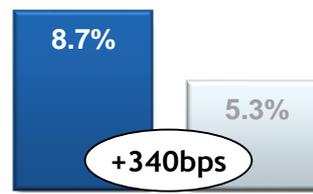
■ 2Q16 ■ 2Q15

### Year-to-Date

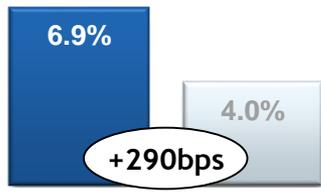


■ YTD 2016 ■ YTD 2015

Adjusted



■ 2Q16 ■ 2Q15



■ YTD 2016 ■ YTD 2015

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# Renewable Energy & Conservation Segment

## Revenues\*

### Quarterly



■ 2Q16 ■ 2Q15

### Year-to-Date



■ YTD2016 ■ YTD2015

## 2Q Revenues

- Volume growth for key platforms
- Prior year benefited from key projects

## 2Q Operating Income / Margin

- Higher volume, elimination of acquisition-related expenses
- Benefiting from synergies

## Operating Income\*

### Quarterly

GAAP



■ 2Q16 ■ 2Q15

### Year-to-Date



■ YTD 2016 ■ YTD 2015

Adjusted\*\*



■ 2Q16 ■ 2Q15

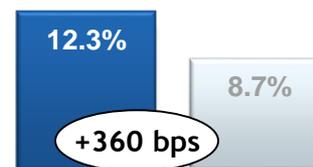


■ YTD 2016 ■ YTD 2015

## Operating Margin\*

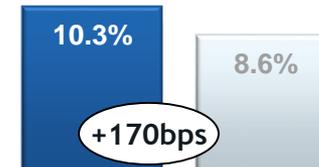
### Quarterly

GAAP



■ 2Q16 ■ 2Q15

### Year-to-Date

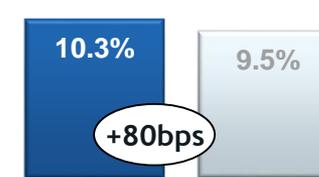


■ YTD 2016 ■ YTD 2015

Adjusted\*\*



■ 2Q16 ■ 2Q15



■ YTD 2016 ■ YTD 2015

\* 2015 periods show proforma results for 90-day and 180-day periods ended June 30, 2015.

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

# Continued Progress on Value Creation Strategy

*Driving Transformational Change in our Portfolio and Financial Results*

## 1. Operational Excellence

- All BUs now participating in 80/20 simplification
- 170 of 380 bps improvement to 10.2% for Q2 Adj. Op. Mgn. from operational excellence and 80/20 initiatives
- \$(40)M reduction in inventory of base BUs since 1/1/2015

## 2. Portfolio Management

- Allocating leadership time, capital and resources to highest-potential platforms and businesses
- April 2016 divestiture of European Industrial business

## 3. Product Innovation

- High-quality, engineered solutions; 24x7 parcel units; residential ventilation and rain protection; new markets for greenhouse products

## 4. Acquisitions as a Strategic Accelerator

- RBI performing well on top and bottom lines
- Proactive pursuit of new opportunities in 2016



# 2016 Guidance Update

	2016G	2016G vs. 2015A	2016 Assumptions
<b>Revenue</b>	\$1.02B to \$1.03B	(1)%	<p><b>Residential: (10)%</b> +2% organic; (12)% or \$(50)M for 2015 completed contract.</p> <p><b>Industrial &amp; Infrastructure: (20)%</b> (10)% organic, weak markets; (10)% or \$(30)M on European divestiture.</p> <p><b>Renewable Energy:</b> +\$80M for annualized 2015 plus 5% growth.</p>
<b>Operating Income</b>			Continuing improvement from operational efficiencies and consolidation initiatives.
<i>GAAP</i>	\$80M to \$85M	+64% - 75%	
<i>Adjusted*</i>	\$84M to \$89M	+22% - 29%	*2015 Includes non-operating gains/losses on derivatives.
<b>Operating Margin</b>			
<i>GAAP</i>	7.9% to 8.3%	+330-370bps	
<i>Adjusted*</i>	8.3% to 8.7%	+170-210bps	
<b>Earnings Per Share</b>			
<i>GAAP</i>	\$1.38 to \$1.48	+84% - 97%	
<i>Adjusted</i>	\$1.37 to \$1.47	+24% - 33%	
<b>Free Cash Flow / Revenue</b>	+7.0%	<i>Equivalent</i>	Forecasting \$15M of CAPEX in 2016



**Q&A**