

SECOND QUARTER 2022 EARNINGS CALL

August 3, 2022

GIBRALTAR

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. Factors that could cause actual results to differ materially from current expectations include, among other things, the availability and pricing of our principal raw materials and component parts, supply chain challenges causing project delays and field operations inefficiencies and disruptions, availability of labor at our manufacturing and distribution facilities or on our project sites, the impacts of COVID-19 on our customers, suppliers, employees, operations, business, liquidity and cash flows, the loss of any key customers, other general economic conditions and conditions in the particular markets in which we operate, changes in customer demand and capital spending, competitive factors and pricing pressures, our ability to develop and launch new products in a cost-effective manner, our ability to realize synergies from newly acquired businesses, disruptions to our IT systems, the impact of regulation (including the Department of Commerce’s solar panel anti-circumvention investigation), rebates, credits and incentives and variations in government spending and our ability to derive expected benefits from restructuring, productivity initiatives, liquidity enhancing actions, and other cost reduction actions. 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 and Quarterly Report on Form 10-Q 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 measures in this presentation, including adjusted revenues, adjusted operating income and margin, adjusted net income, adjusted earnings per share (EPS), and adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA). Adjusted revenue reflects the removal of revenue associated with our Processing business, which has been classified as held-for-sale. Adjusted net income, operating income and margin excludes special charges consisting of restructuring costs primarily associated with 80/20 simplification or lean initiatives, senior leadership transition costs, and acquisition-related costs and the operating losses generated by our Processing business that has been classified as held-for-sale. The aforementioned exclusions along with other adjustments to other income below operating profit are excluded from adjusted EPS. Adjusted EBITDA further excludes depreciation, amortization and stock compensation. In evaluating its business, the Company considers and uses these non-GAAP financial measures as supplemental measures of its operating performance. The Company believes that the presentation of results excluding special charges provides meaningful supplemental data to investors 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. Adjusted EBITDA is also a useful measure of the Company’s ability to service debt and is one of the measures used for determining the Company’s debt covenant compliance. Special charges are excluded since they may not be considered directly related to the Company’s ongoing business operations. Adjustments to the most directly comparable financial measures presented on a GAAP basis are quantified in the reconciliation of adjusted financial measures excluding special charges provided in the supplemental financial schedules that accompany the earnings news release. 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 and our presentation of non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

Reconciliations of non-GAAP measures related to full-year 2022 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations due to the high variability, complexity and uncertainty with respect to forecasting and quantifying certain amounts that are necessary for such reconciliations.

SECOND QUARTER 2022 RESULTS

ADJUSTED
REVENUE

\$364M

+7%

ADJUSTED
OPERATING
INCOME

\$43M

+20%

ADJUSTED
EBITDA

\$52M

+16%

ADJUSTED
EPS

\$0.96

+19%

ORDER
BACKLOG

\$408M

+5%

GROWTH

- Demand drivers continue as expected across businesses
- Participation gains – 2021 carryover and new in 2022

INCOME

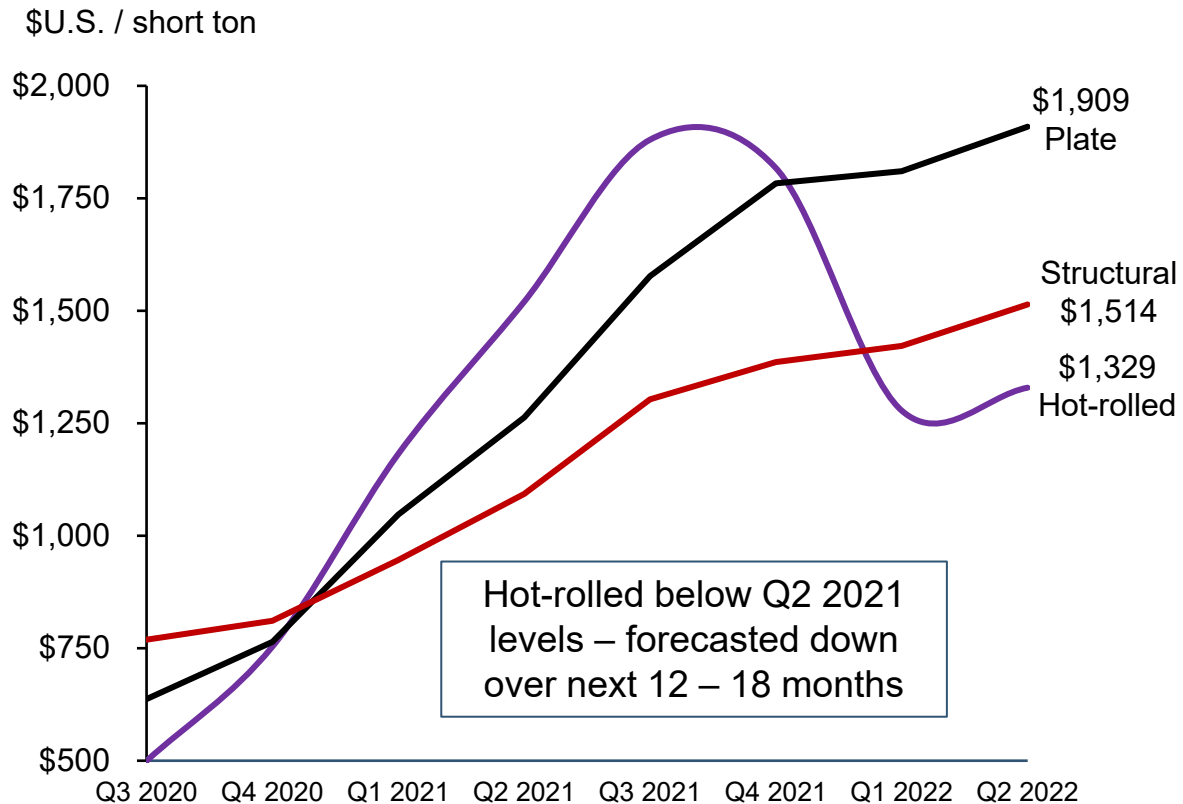
- Renewables, Agtech and Infrastructure margins improved sequentially; continued expansion in Residential margin
- Continued focus on trade issues, inflation, labor, supply chain, price/cost management

FOCUS

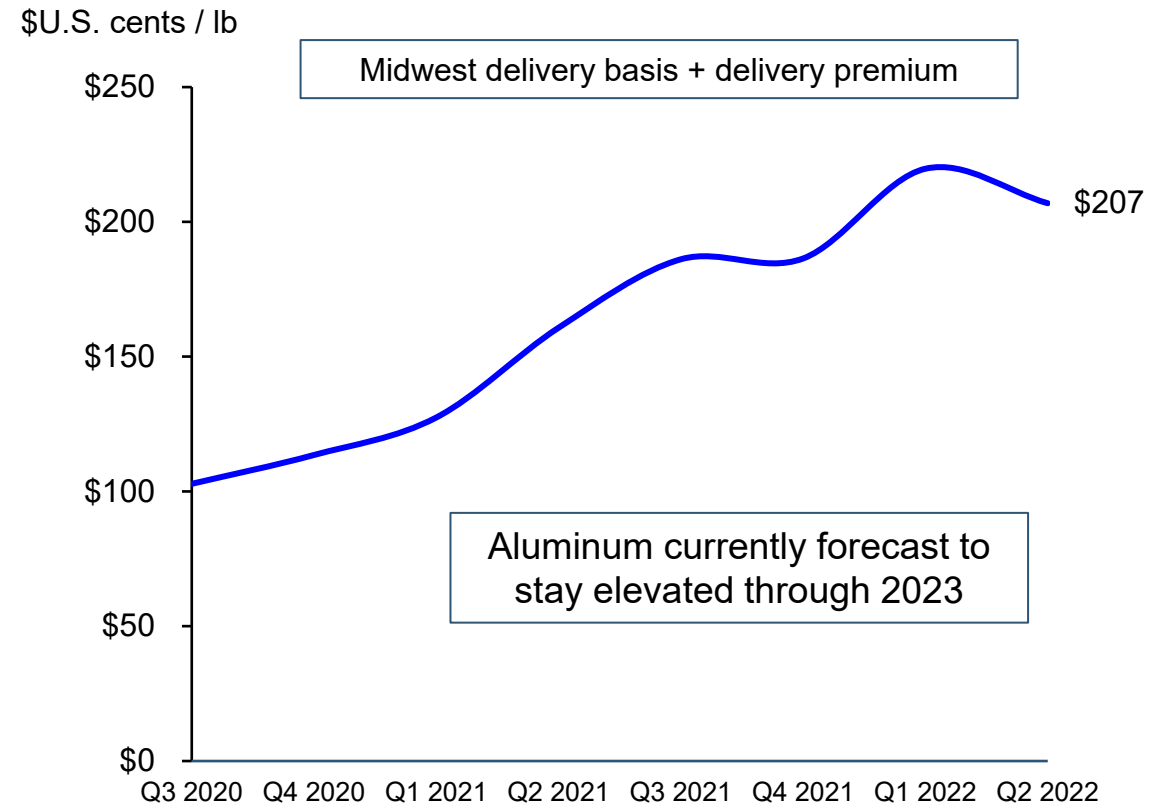
1. Execute 80 / 20 – expand margin, drive service levels, win participation
2. Supply chain management – support service levels, minimize disruption, optimization cost position, reduce inventory
3. Accelerate operations digitization – two ERP implementations in Q2
4. Organization health, agility and flexibility operating in dynamic economy / markets
5. Conduct business the right and responsible way every day

COMMODITY PRICES REMAIN DYNAMIC BUT SUPPLY MORE CONSISTENT

AVERAGE STEEL PRICE / QUARTER (SPOT)

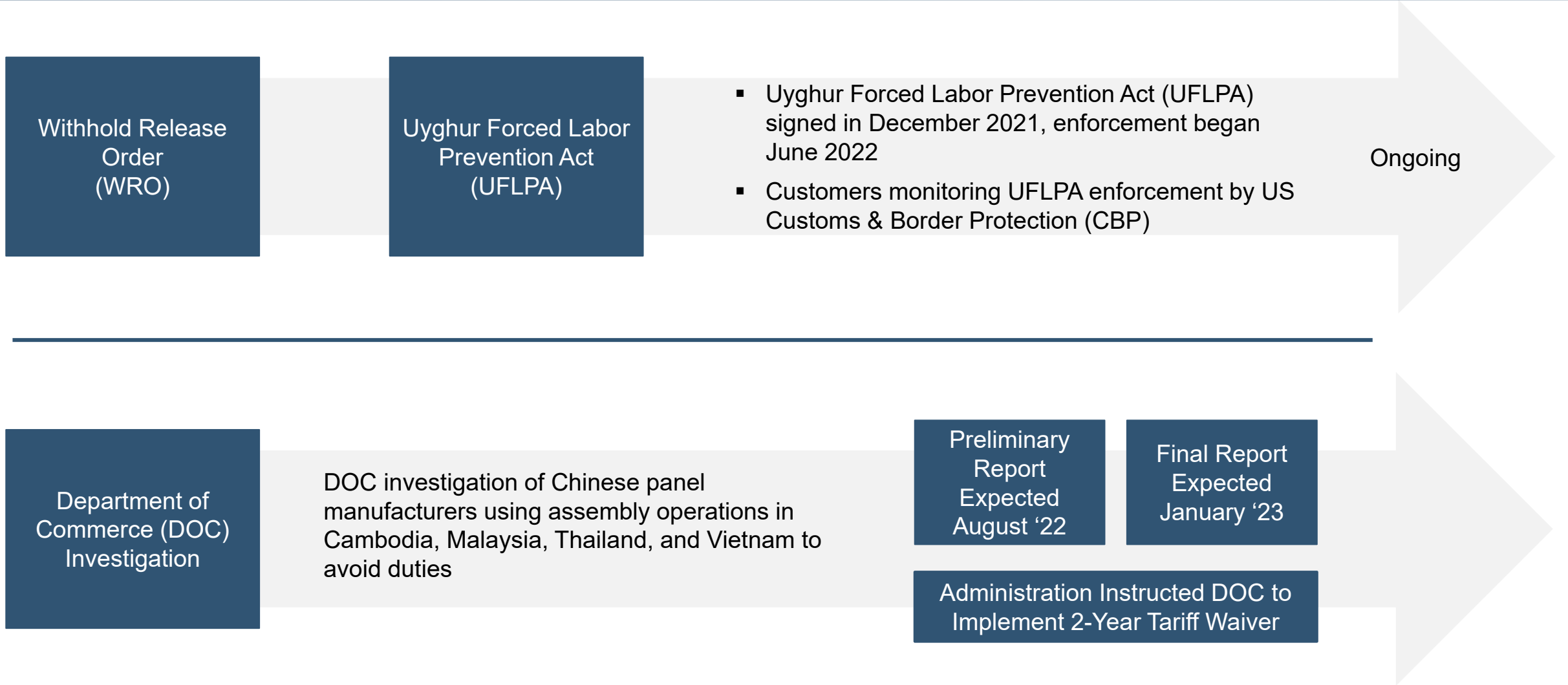


AVERAGE ALUMINUM PRICE / QUARTER



IHS MARKIT Report – June 2022

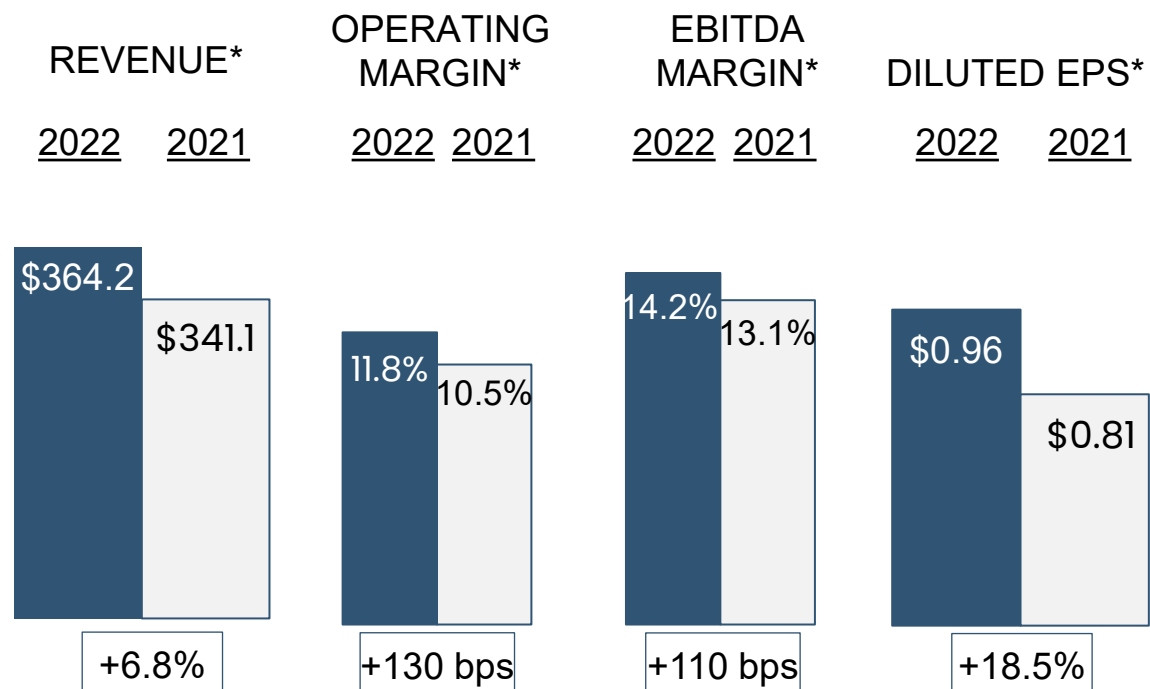
SOLAR INDUSTRY PANEL SUPPLY – Q2 2022 UPDATE



CONSOLIDATED FINANCIAL PERFORMANCE

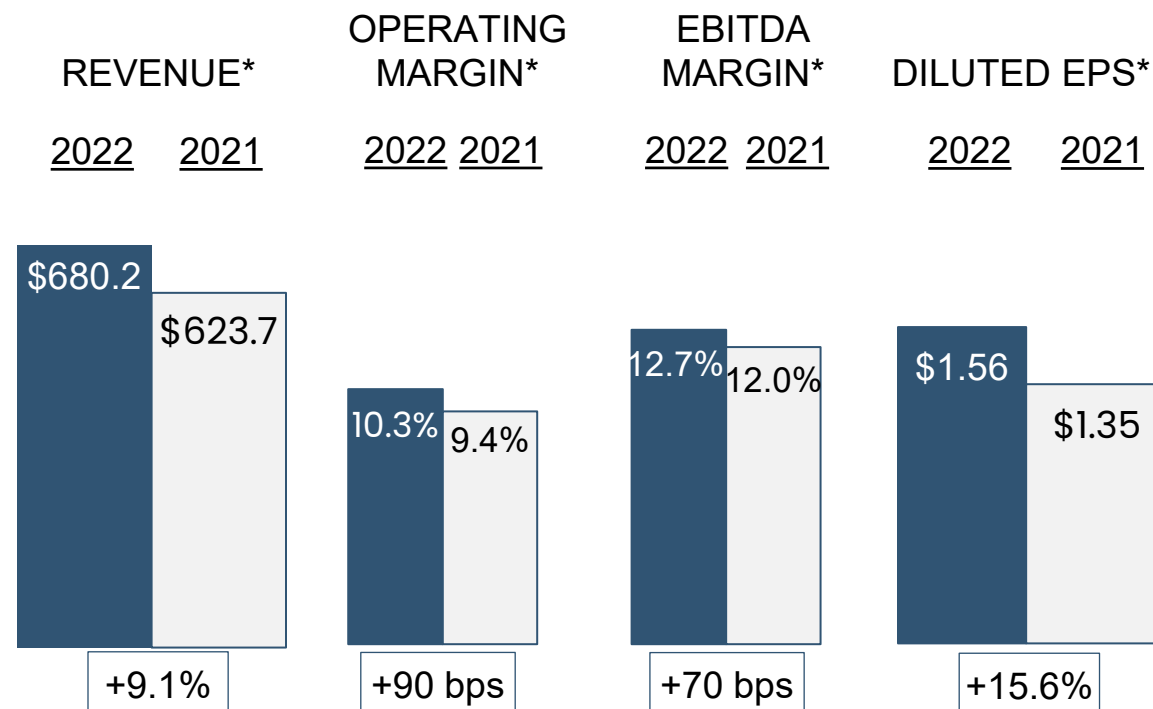
2ND QUARTER RESULTS

ADJUSTED PROFIT MEASURES*



1ST HALF RESULTS

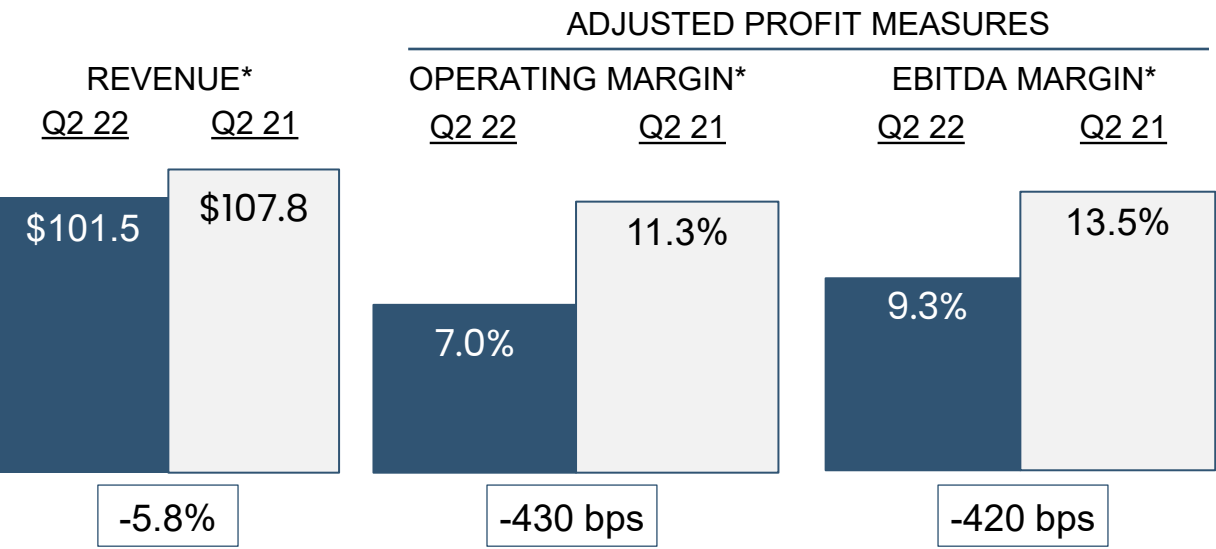
ADJUSTED PROFIT MEASURES*



*Amounts are stated in \$Millions. Processing business was reclassified as held-for-sale with first quarter 2022 results. Refer to appendix in the earnings news release for adjusted measures reconciliations.



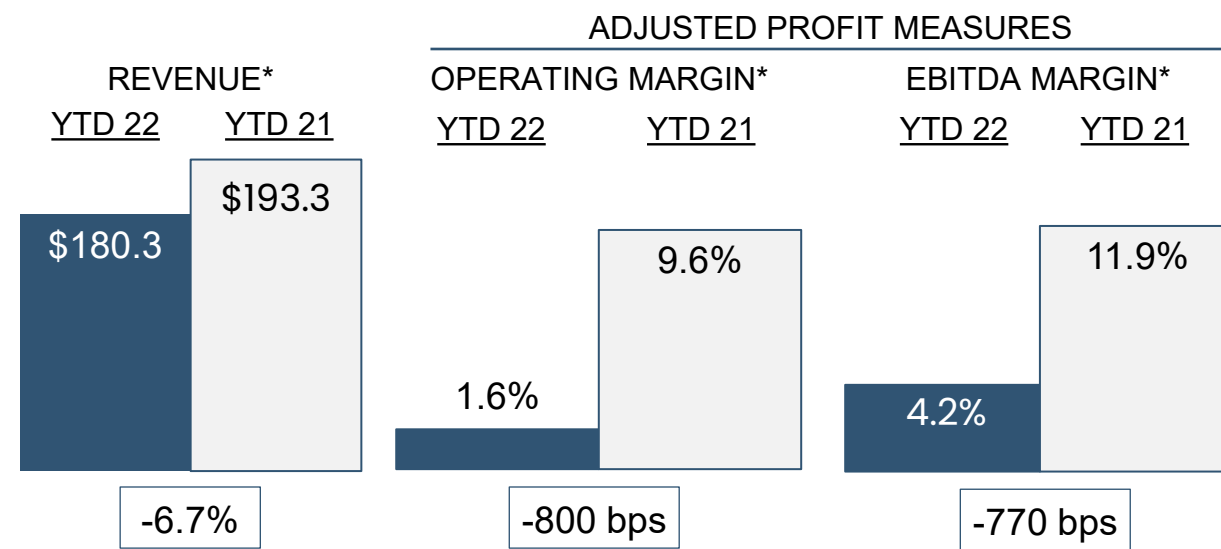
2ND QUARTER RESULTS



REVENUE

- Down 5.8%
 - Project schedule movement as customers continue to understand trade issues impacting panel availability
- End market demand remains robust
 - Backlog down 2.1% - bookings slowed as customers work through panel supply and pricing
 - Improvement expected once trade issues have more clarity

1ST HALF RESULTS



ADJUSTED OPERATING & EBITDA MARGIN

- Margin improved over 1200 bps sequentially
 - Double-digit operating margin in May and June
- Sequential margin improvement expected second half of year
- Acquisition integration on track – common ERP system now live; insourcing initiatives on schedule for second half implementation

*Amounts are stated in \$Millions. Refer to appendix in the earnings news release for adjusted measures reconciliations.



2ND QUARTER RESULTS

ADJUSTED PROFIT MEASURES

REVENUE*

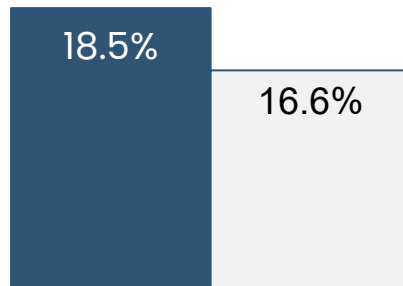
Q2 22 Q2 21



+21.9%

OPERATING MARGIN*

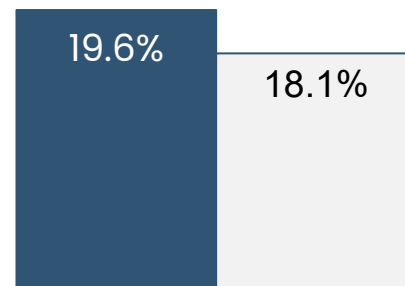
Q2 22 Q2 21



+190 bps

EBITDA MARGIN*

Q2 22 Q2 21



+150 bps

REVENUE

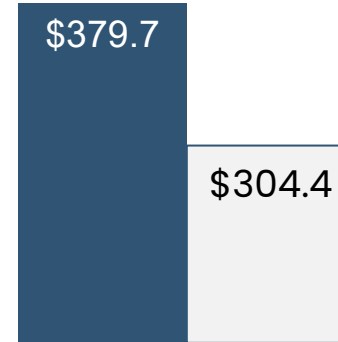
- Up 22%
 - 8th consecutive quarter of double-digit growth
 - Price management and participation gains
- Demand holding with repair of ageing housing inventory driving business – 80% to 90% of overall business

1ST HALF RESULTS

ADJUSTED PROFIT MEASURES

REVENUE*

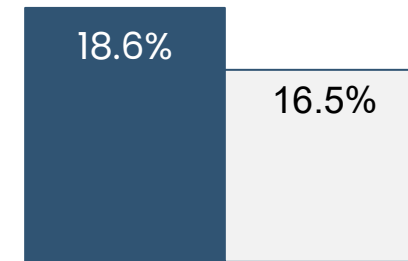
YTD 22 YTD 21



+24.7%

OPERATING MARGIN*

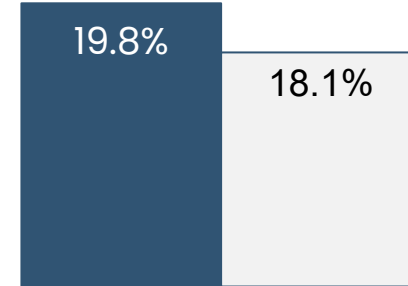
YTD 22 YTD 21



+210 bps

EBITDA MARGIN*

YTD 22 YTD 21



+170 bps

ADJUSTED OPERATING & EBITDA MARGIN

- Operating income up 36.0% and margin up 190 bps
 - Price / cost management
 - Supply chain initiatives
 - Labor management
 - 80/20
- New ERP system live in Mail and Package business

*Amounts are stated in \$Millions. Refer to appendix in the earnings news release for adjusted measures reconciliations.

2ND QUARTER RESULTS

ADJUSTED PROFIT MEASURES

REVENUE*

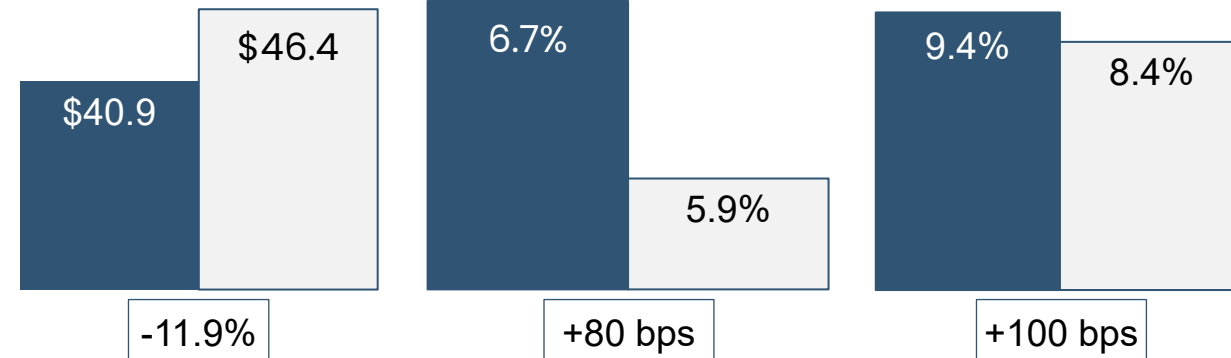
Q2 22 Q2 21

OPERATING MARGIN*

Q2 22 Q2 21

EBITDA MARGIN*

Q2 22 Q2 21



REVENUE

- Down 11.9%
 - Produce and cannabis project movement into third and fourth quarters of 2022
- Backlog up 30%
 - Quote activity and new order bookings robust in the quarter

1ST HALF RESULTS

ADJUSTED PROFIT MEASURES

REVENUE*

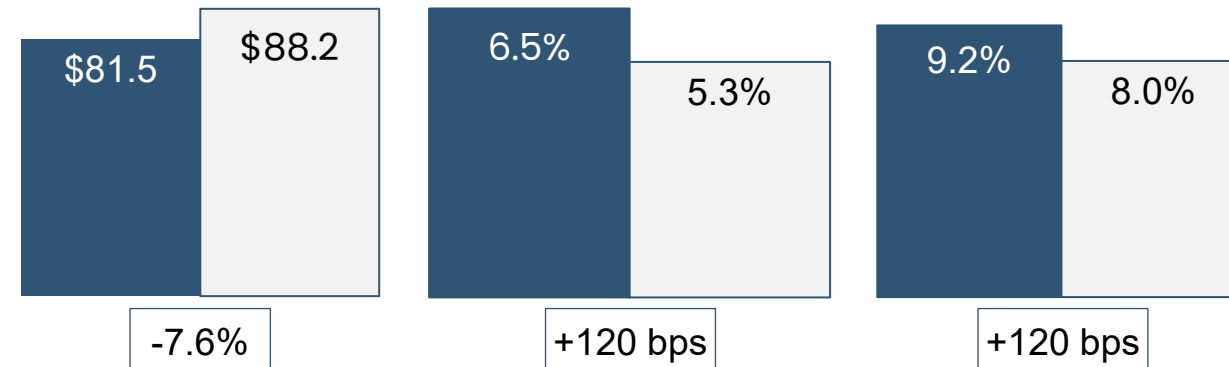
YTD 22 YTD 21

OPERATING MARGIN*

YTD 22 YTD 21

EBITDA MARGIN*

YTD 22 YTD 21



ADJUSTED OPERATING & EBITDA MARGIN

- Operating margin improved 80 bps
 - Business mix benefits
 - Price /cost management
 - Supply chain improvement
 - 80/20 and lean initiatives
 - Integration activities

*Amounts are stated in \$Millions. Processing business has been reclassified as held-for-sale with first quarter 2022 results. Refer to appendix in the earnings news release for adjusted measures reconciliations.



2ND QUARTER RESULTS

ADJUSTED PROFIT MEASURES

REVENUE*

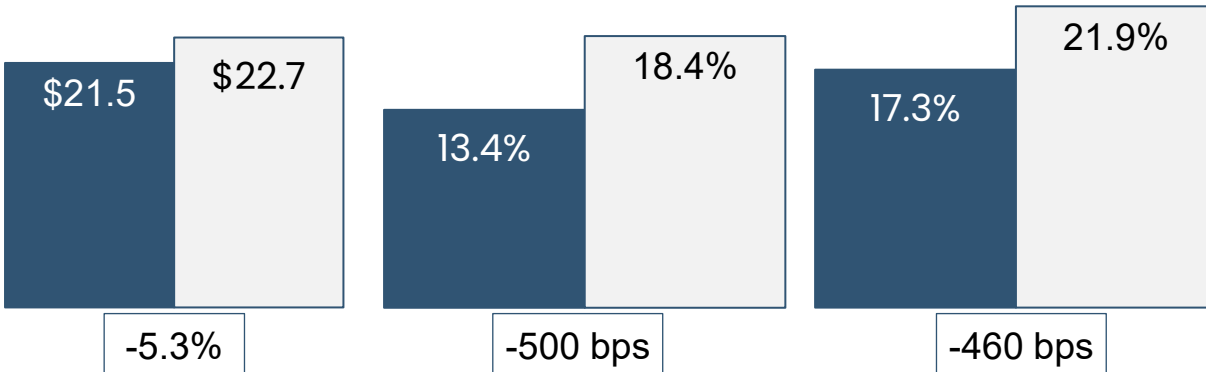
Q2 22 Q2 21

OPERATING MARGIN*

Q2 22 Q2 21

EBITDA MARGIN*

Q2 22 Q2 21



REVENUE

- Down 5.3%
 - Prior-year benefitted from timing of projects
- Order backlog flat with strong engineering backlog activity
 - New bookings accelerated early in third quarter
- Expect positive impact from infrastructure bill in second half 2022

1ST HALF RESULTS

ADJUSTED PROFIT MEASURES

REVENUE*

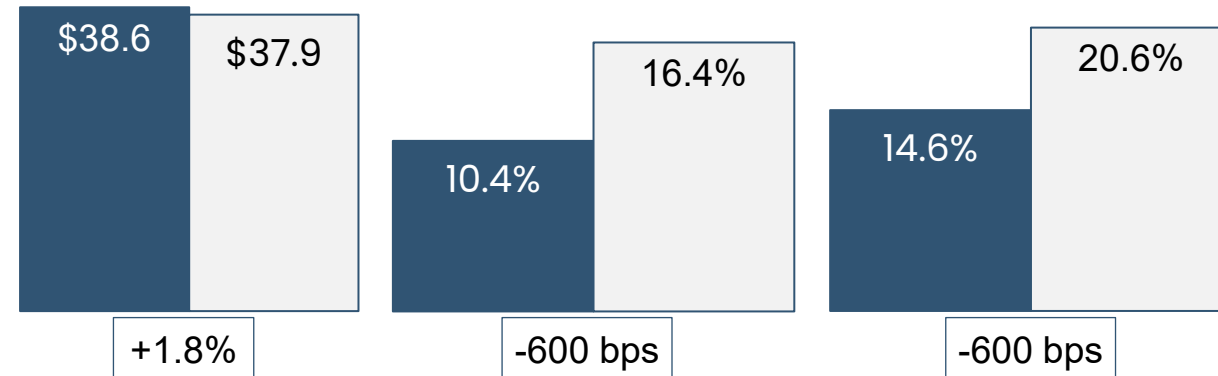
YTD 22 YTD 21

OPERATING MARGIN*

YTD 22 YTD 21

EBITDA MARGIN*

YTD 22 YTD 21



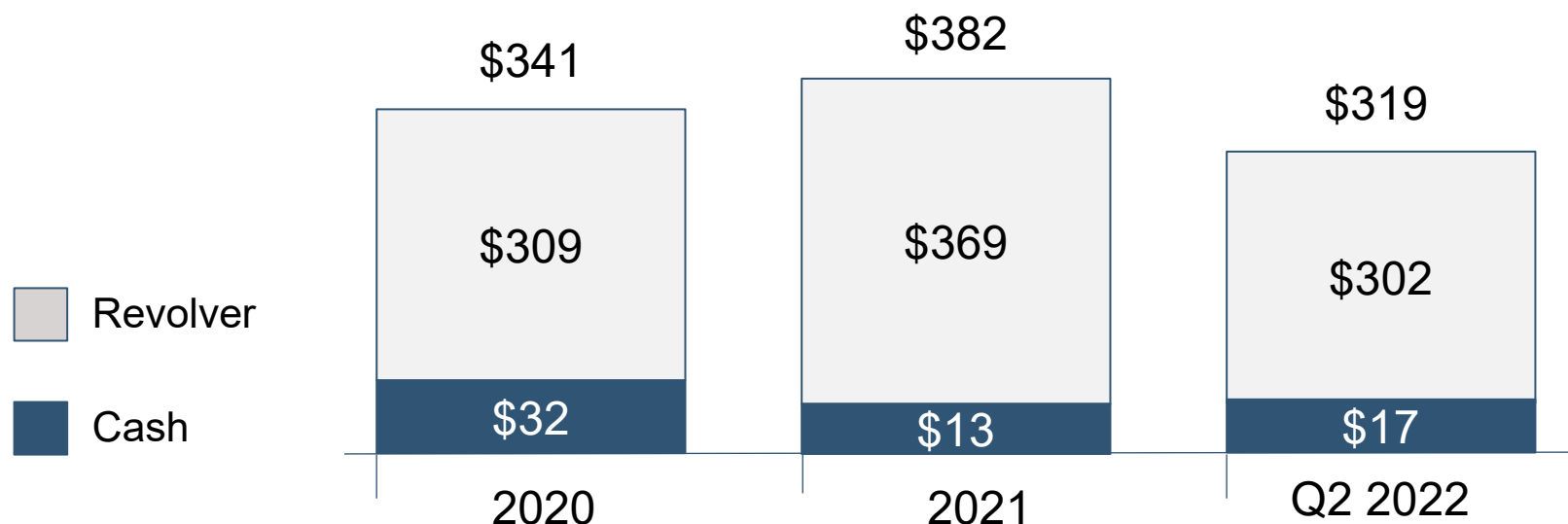
ADJUSTED OPERATING & EBITDA MARGIN

- Margin up 690 bps sequentially
 - Overcoming steel inflation impacted fixed price projects with state DOTs booked in 2020 and early 2021
- Unfavorable product mix versus prior year
- Expect margins to improve through the year with favorable business mix, volume, and inflation-impacted projects lessening

*Amounts are stated in \$Millions. Refer to appendix in the earnings news release for adjusted measures reconciliations.

BALANCE SHEET SOLID – CASH FLOW FROM OPERATIONS TO FUND INVESTMENTS FOR GROWTH, DEBT PAYDOWN, STOCK REPURCHASE

LIQUIDITY (\$M)



WORKING CAPITAL

- Q2 Investment in
- AR \$29M
 - Inventory \$13M

- Q2 Benefit
- AP \$2M
 - Other Liabilities \$12M

Expect 2022 FCF ~ 10%/Revenue

- Improved profitability
- Working capital benefits

0.57X Leverage & 0.49X Net Leverage - Repay Revolver During 2022 From Operating Cash Flow

SHARE REPURCHASE PROGRAM - UPDATE

PROGRAM - \$200 million, 3 years ending May 2, 2025

▪ Rationale

- 2022 - 2025 operating plan expects to generate significant cash for deployment and collectively drive incremental returns including
 1. Supporting ongoing capital requirements for growth of existing business
 2. Funding key M&A opportunities to strengthen our portfolio
 3. Opportunistic repurchases of stock

▪ Funding Source

- Cash from operations supplemented by borrowing under the existing credit facility

▪ Criteria

- Amount and timing of repurchases to depend on market conditions

Q2 2022 UPDATE

- Repurchased 1.2 million shares
- Market value \$50 million
- Average price - \$41.84

SIMPLIFY AND FOCUS – EXECUTION IN A DYNAMIC ENVIRONMENT

STRATEGIC PILLARS

BUSINESS SYSTEM

PORTFOLIO
MANAGEMENT

ORGANIZATION
DEVELOPMENT

2022 KEY PRIORITIES

1. Execute 80 / 20 – expand margin, drive service levels, win participation
2. Supply chain management - support service levels, minimize disruption, optimization cost position, reduce inventory
3. Accelerate digitization – two ERP implementations in Q2
4. Organization health, agility and flexibility operating in dynamic economy / markets
5. Conduct business the right and responsible way every day



REAFFIRMING 2022 GUIDANCE

	<u>2021*</u>	<u>2022</u>
Revenue	\$1.32B	\$1.38 – \$1.43B
Operating Income		
GAAP	\$97.0M	\$130 – \$139M
Adjusted	\$127.9M	\$146 – \$155M
Adjusted EBITDA	\$159.7M	\$180 – \$189M
Operating Margin		
GAAP	7.2%	~ 9.4 – 9.7%
Adjusted	9.7%	~ 10.6 – 10.9%
Adjusted EBITDA %	12.1%	~13.0 – 13.3%
GAAP EPS	\$2.25	\$2.80 – \$3.00
Adjusted EPS	\$2.86	\$3.20 – \$3.40
Free Cash Flow / Sales	0.4%	~ 10%

*2021 revenue and adjusted measures have been recast to removed results of processing equipment business which was reclassified as held-for-sale effective March 31, 2022. Refer to appendix in the earnings news release for adjusted measures reconciliations.

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