

First Quarter 2021 Earnings Call

May 5, 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. 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

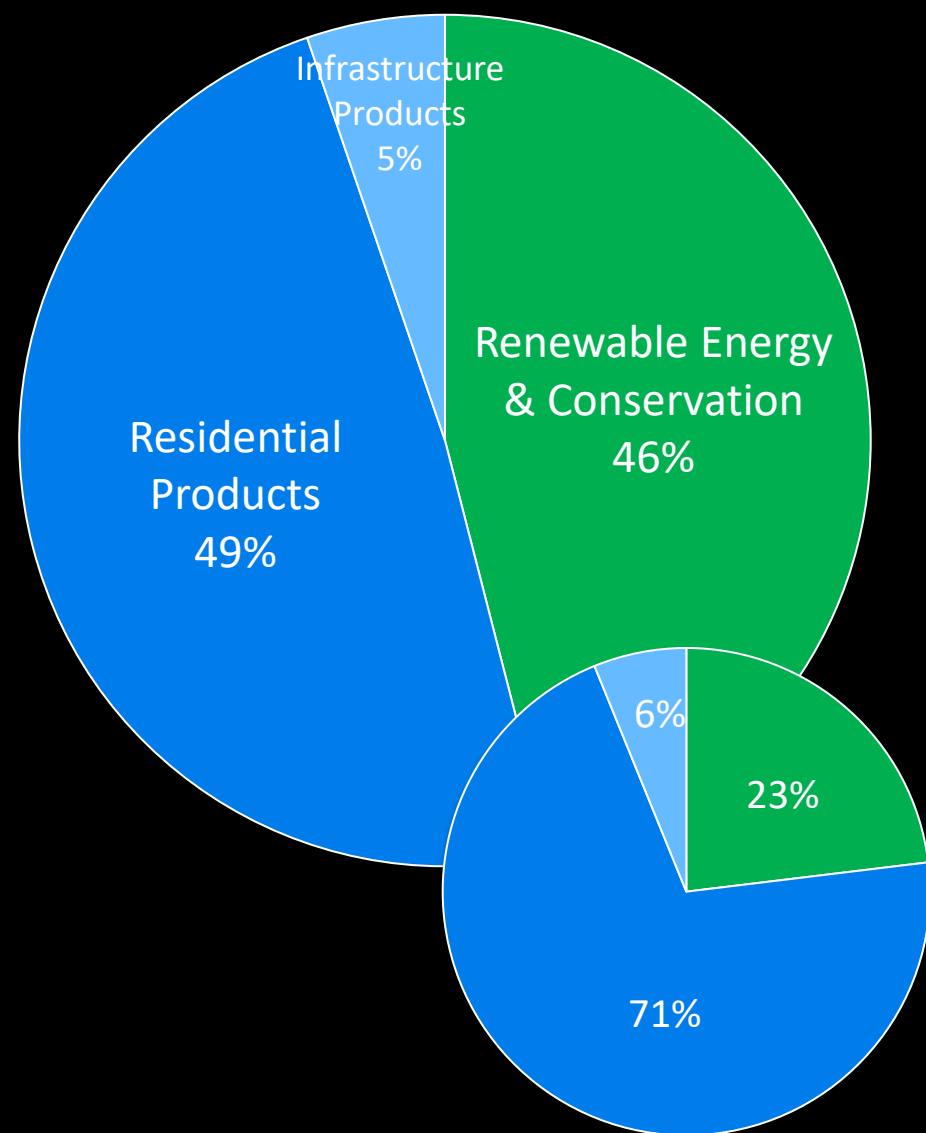
To supplement Gibraltar’s consolidated financial statements presented on a GAAP basis, Gibraltar also presented certain adjusted financial data in this presentation. Adjusted financial data excluded special charges consisting of restructuring costs primarily associated with 80/20 simplification initiatives, senior leadership transition costs, acquisition-related 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 Results

- Revenue increased 34%: 10% organic, 24% from acquisitions
- Strong demand in each Segment with order backlog at record \$355 Million
- Adjusted EPS expanded 32.5% to \$0.53
- Integration of TerraSmart proceeding as planned – good momentum going into Q2
- Managed through dynamic environment – pandemic, weather, material inflation, labor
- Balance sheet very healthy – making key investments to continue transformation
- Separating Renewable Energy and Conservation Segment into Two Segments

Solid Start To 2021 And Maintain Confidence In Full Year Plan

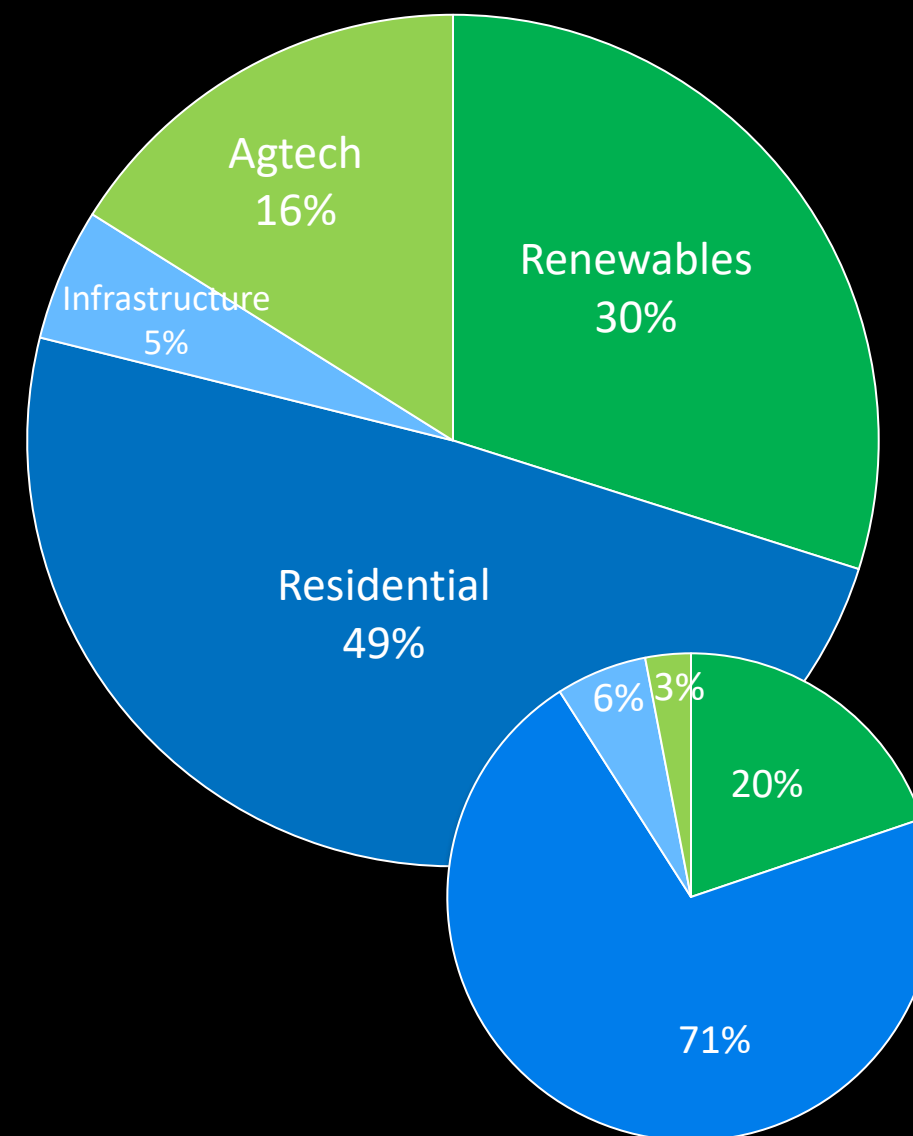
New Segment Reporting – Provide Greater Transparency Into Gibraltar’s Transformation and Portfolio Performance



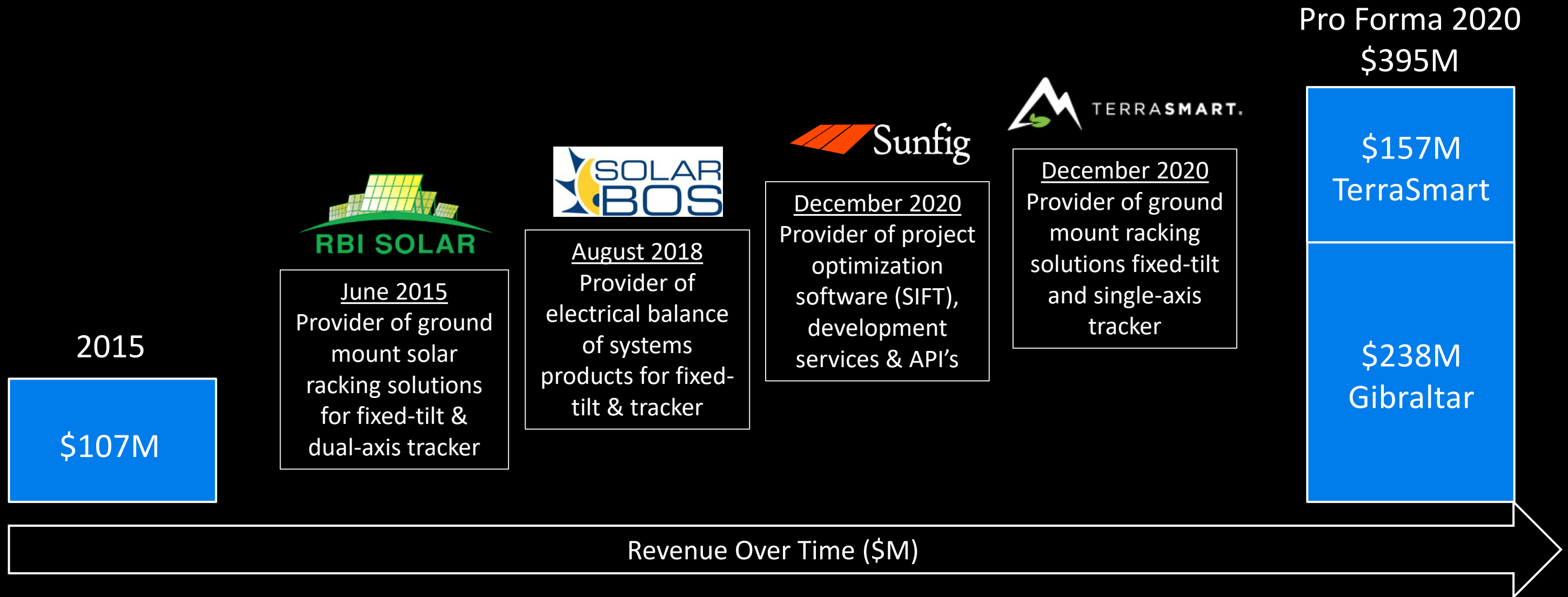
Net Sales
Q1 2021



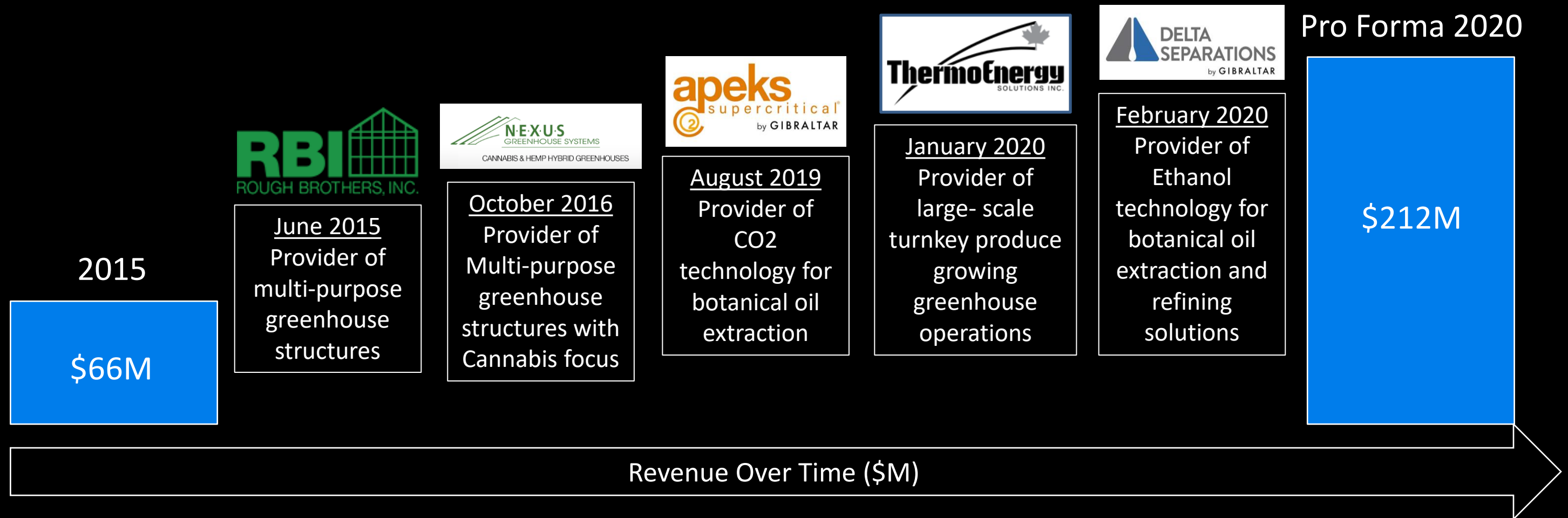
Adjusted Operating Income
Q1 2021



Renewables: Building Leadership And Relevance Serving Community, Commercial & Industrial, And Utility Solar Segments



Agtech: Driving Productivity, Research, and Innovation For Growers & Processors Of Fruits, Vegetables, Cannabis, and Flowers



Agtech Has Strong Leadership Positions Providing A Broad Suite of Technology, Services & Domain Knowledge In Six Attractive Markets

Greenhouse Design

Greenhouse Manufacture

General Contracting

Growing systems

Repair & Maintenance

Engineering & Consulting

Processing Equipment



Produce – Fruits & Vegetables



Cannabis



Flowers & Horticulture



Institutional & Botanical



Academic & Research Facilities



Retail Centers & Car Wash

Our New Brand Reflects Our Leadership In Agtech Solutions for Controlled Environment Agriculture

Our Heritage Brands today – 187 years of combined experience in Agtech and Controlled Environment Agriculture – over 2,500 acres installed



Leader in greenhouse market with focus on institutional, horticulture, research, and retail



Leader in large scale Produce growing solutions delivered as turnkey facilities



Indoor growing solutions



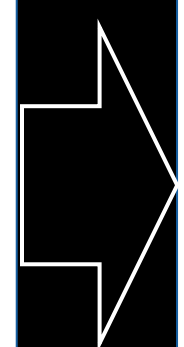
Leader in greenhouse market with a special focus on Cannabis greenhouse solutions



Leadership in CO2 extraction solutions



Leadership in Ethanol and Solventless extraction and refining solutions



May 4, 2021 Rebranded As:

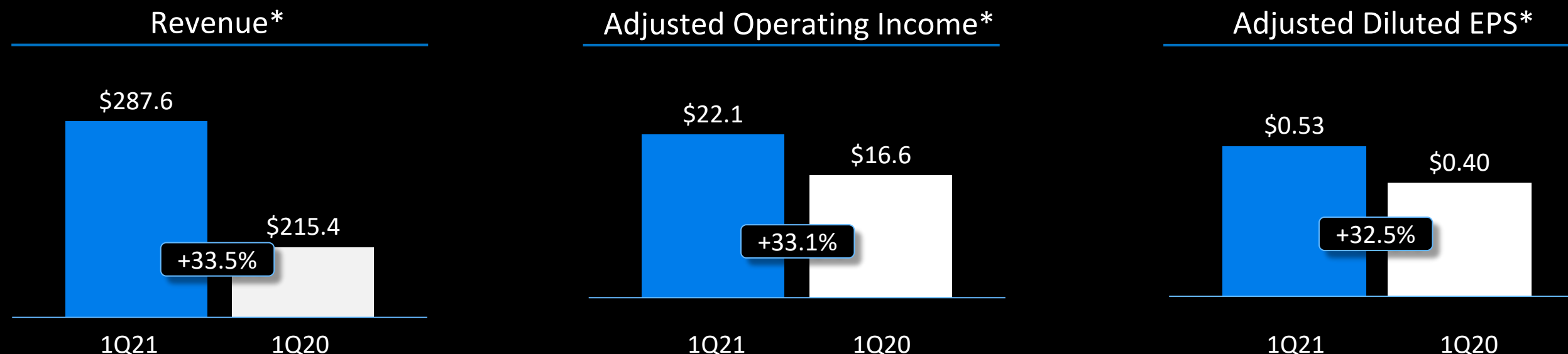
PROSPIANT

The broadest portfolio of Agtech solutions for Controlled Environment Agriculture and soil to oil Cannabis ecosystem

Product/Category Names	Growing Product Offerings	<ul style="list-style-type: none"> • RBI Commercial Growing • Thermo Produce Growing • Nexus Cannabis Cultivation
	Processing Product Offerings	<ul style="list-style-type: none"> • Apeks CO₂ Extraction Technologies • Delta Ethanol Extraction Technologies • Delta Solventless Separation Technologies

www.prospiant.com

Consolidated Financial Performance



Revenue

- Up 34% from 10% organic growth and 24% from acquisitions in Renewables, Agtech, and Residential segments
- End market strength in Residential and Renewables with robust activity in produce and recovery starting in cannabis
- Strong demand in all four segments with order backlog at record \$355 million

Operating Income & EPS

- Strong margin expansion in Residential and Infrastructure and good performance in legacy Renewables with positive impact from TerraSmart acquisition
- Solid price / cost management and 80/20 productivity
- Positive mix across our products and services
- Managing headwinds - pandemic, material inflation, labor availability, and performance-based compensation

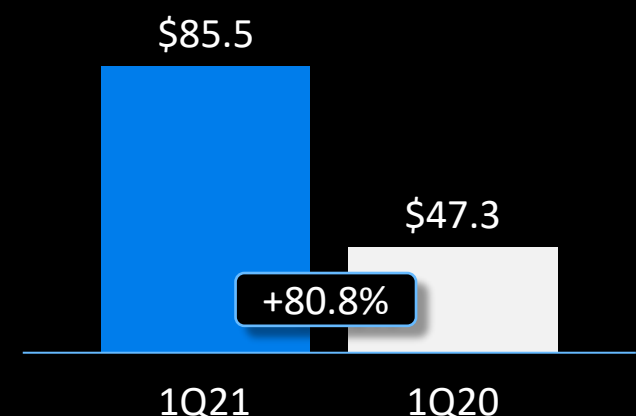
Renewables



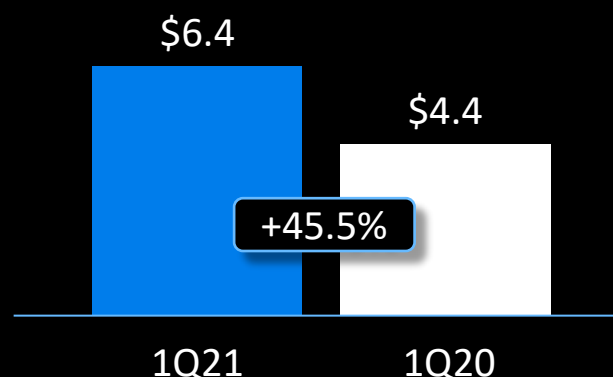
TERRASMART.



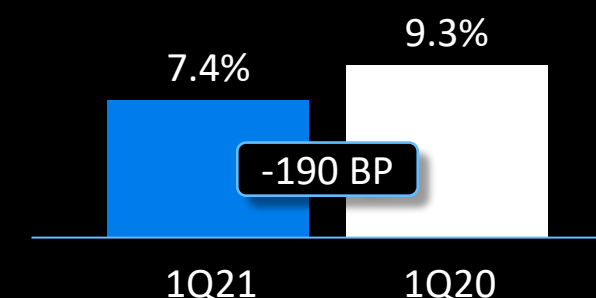
Revenue*



Adjusted Operating Income*



Adjusted Operating Margin*



Revenue

- Up 81% driven by acquisitions of TerraSmart and Sunfig and 2% growth across our legacy business
- Project schedule movement and timing remained dynamic
- Offset safe-harbor revenue headwinds in Q1
- Demand increased in legacy and TerraSmart with both increasing our order backlog 51% to \$164 million

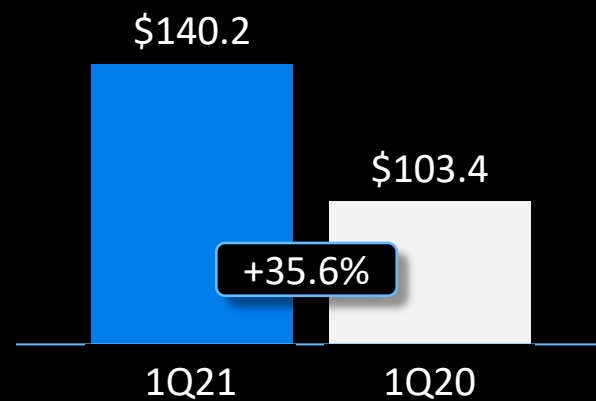
Operating Income & Margin

- Legacy margins improved 50 bps to 9.8% - good quarter for historically slowest time period in the market
- 80/20 productivity in facilities, good execution in field operations, diligent price/cost management
- TerraSmart performed per plan with good momentum going into Q2 – integration on plan and costs included in GAAP results

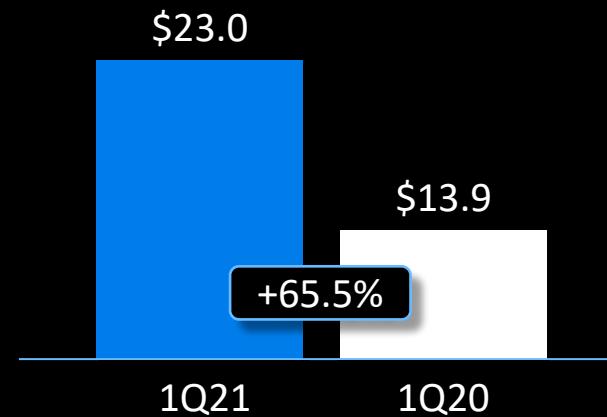
Residential



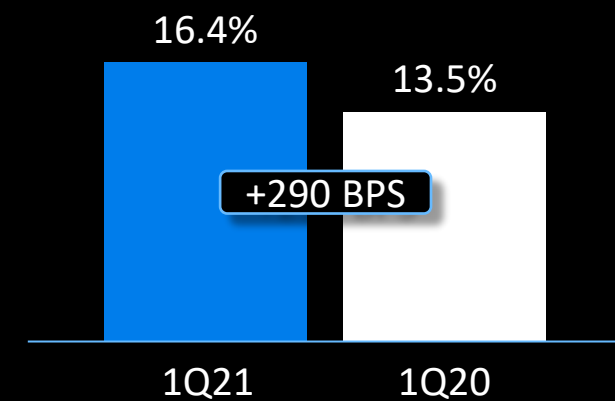
Revenue*



Adjusted Operating Income*



Adjusted Operating Margin*



Revenue

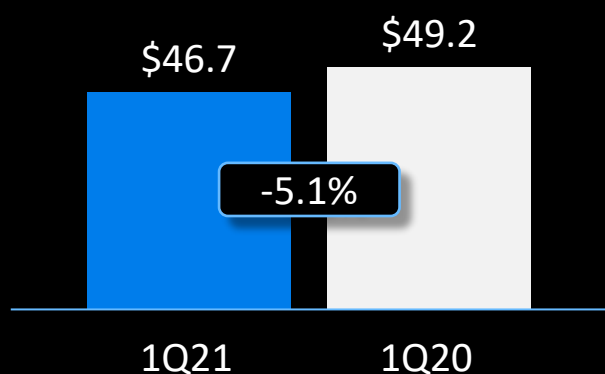
- Up 36% with strong organic growth and participation gains across all four Residential businesses
- Architectural Mailboxes added 9% of the total growth and integration initiatives in process
- Offset impact from February weather event, material inflation, labor availability and logistics

Operating Income & Margin

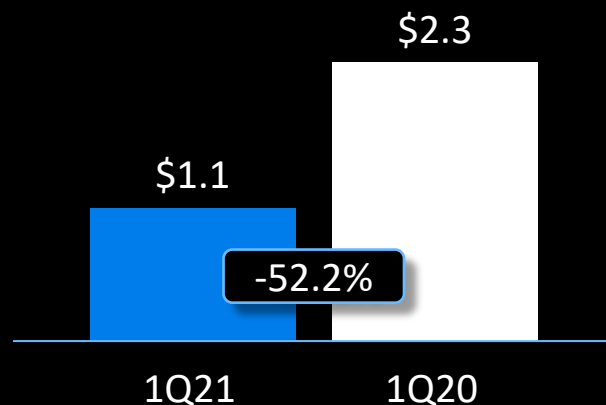
- Higher volume, and execution of 80/20 productivity initiatives
- Solid price/cost management results with continuous effort required going forward
- Managing headwinds - pandemic, material inflation, material & labor availability, logistics / transportation



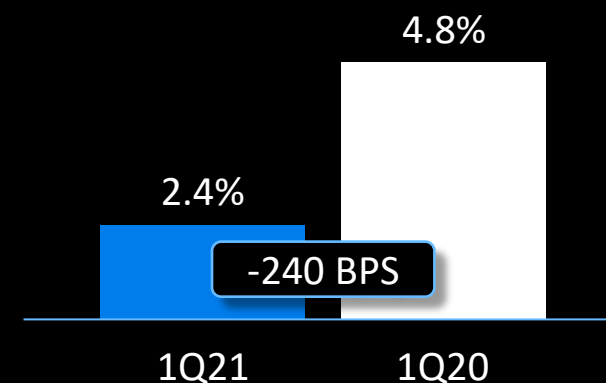
Revenue*



Adjusted Operating Income*



Adjusted Operating Margin*



Revenue

- Down 5.1% driven by higher infection rates, challenging weather, and supply chain dynamics
- Delay of regulatory approvals for cannabis production in a number recently- legalized states
- Produce market gaining momentum offsetting slower but improving cannabis and hemp markets
- Segment backlog increased 5% sequentially to \$96 million

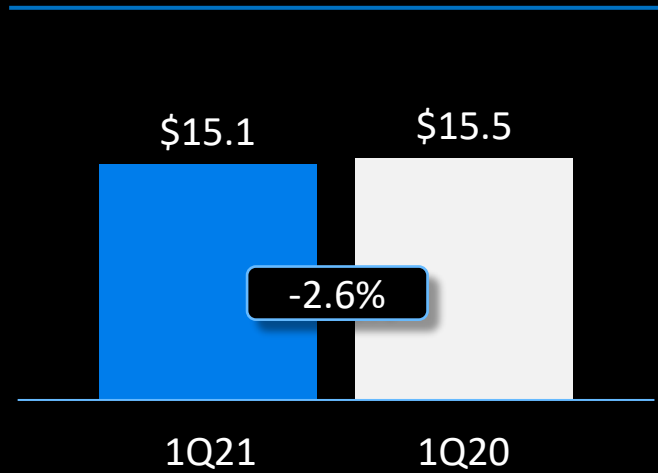
Operating Income & Margin

- Driven by project mix and timing, and lower processing equipment volumes
- Lower margin projects inherited from Thermo were completed in Q1 and margin expansion expected from current backlog and 80/20 operating system
- Consolidation of processing facilities in Q1 completed providing better cost structure going forward

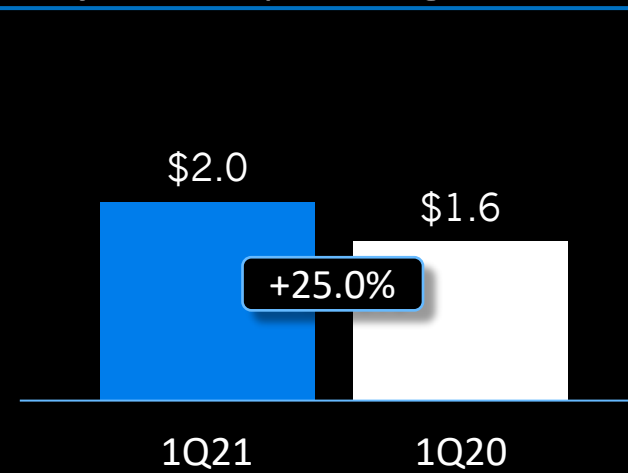
Infrastructure



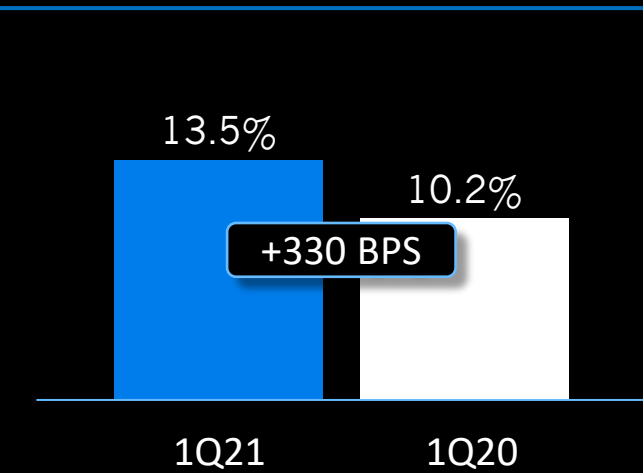
Revenue*



Adjusted Operating Income*



Adjusted Operating Margin*



Revenue

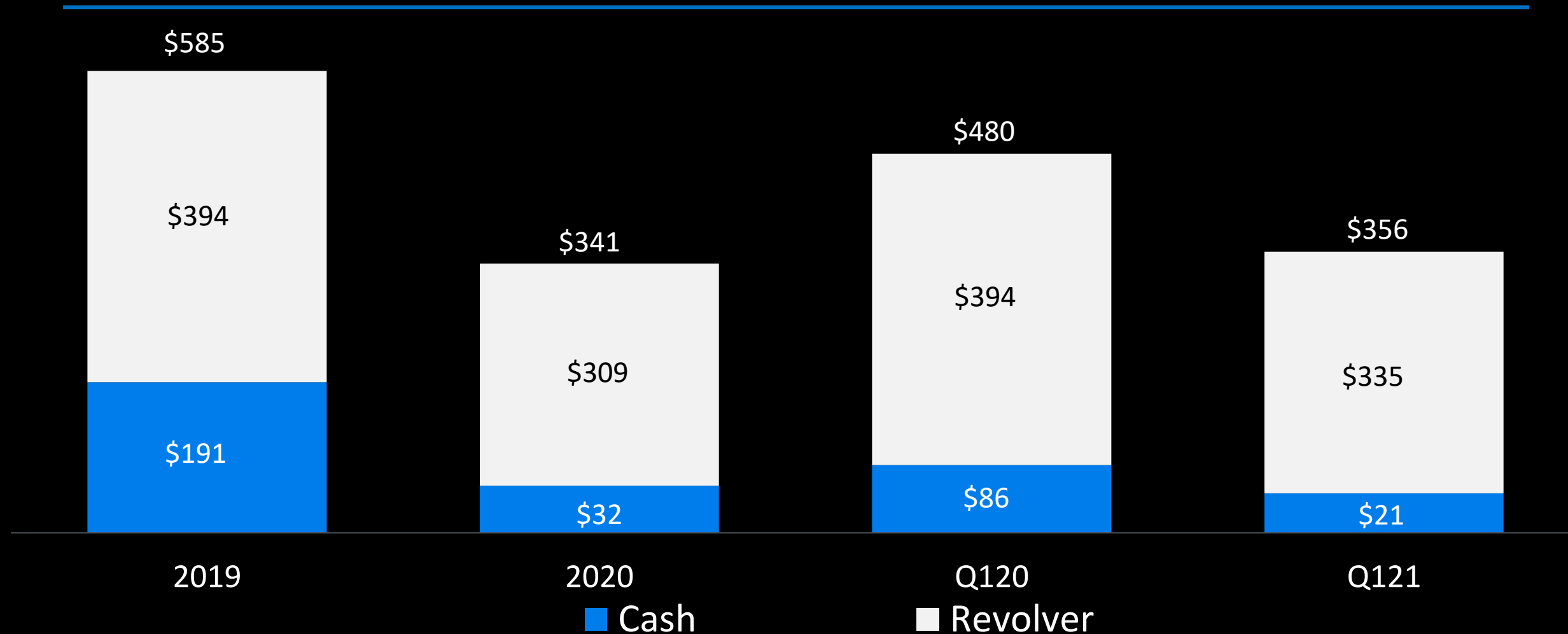
- Down 2.6% - existing and new project schedules impacted by pandemic and state and federal DOT funding
- Order backlog up 15% to \$52 million reflecting positive momentum as the economy continues to recover
- Non-Fabricated products – sealants, rubber – starting to recover as economy improves

Operating Income / EPS

- Up 330 bps driven by ongoing investment in operating systems and technology, organization top grading, and 80/20 productivity initiatives
- Strong execution in fabricated products helping offset slow but recovering market for higher-margin non-fabricated products and solutions

Balance Sheet Remains Healthy And Supports Investments For Growth

Liquidity (\$M)



0.36X Leverage & 0.25X Net Leverage - Repay Revolver During 2021 From Operating Cash Flow

Accelerating Our Transformation In 2021

Strategic Pillars



2021 Key Priorities

1. Scale the Renewables and Agtech businesses
 - Integrate acquisitions per plan to support growth, customers, and returns
 - Execute record customer / order backlog flawlessly
 - Continue to build organization capabilities, tools and processes, and systems
 - Strengthen portfolio with technology/IP, software, and services
2. Improve execution across Gibraltar – health & safety, 80/20, productivity, quality, NPD
3. Proactively manage and optimize supply chain
 - Input cost inflation – steel, aluminum, resin and consistent supplier delivery
4. Continue to conduct business the right and responsible way every day
 - Drive Environmentally-Sound Solutions: Energy Production, Growing Food, Efficiency
 - Invest in the communities where our people live & work
 - Create the best environment for our people to have success

Conducting Business in the Right and Responsible Way Every Day

"Best Place To Work" Initiative – 6 Tenets

- ✓ 1. Health and Safety – pandemic playbook and continue TRIR & “near miss” initiatives
- ✓ 2. Education and Development – 12.5 hours / employee / year curriculum
- ✓ 3. Diversity and Inclusion – “mapping” all locations – 50% of new hires in 2020 diverse
- 4. Corporate Social Responsibility – our people, our communities, the world
- 5. Compensation and Employee Benefits – fairness, recruiting, and retention focus
- 6. Communication and Employee Engagement – quarterly “Town Halls” with CEO

Environmental

- ✓ 1. Developing company-wide sustainability report and building a scientific-based carbon reduction plan for each operating location by 2022
- ✓ 2. Launched partnership with Department of Energy’s “Better Plants Program”
- 3. Installing our 1st solar field to generate 100% of electricity needs for our Mail & Package manufacturing facility in Manhattan, Kansas
- 4. Installed over 2,500 solar energy fields and over 2,500 acres of controlled-environment commercial growing sites in North America

Board Composition And Mandate

- ✓ 1. Board has evolved in 2020 and 2021 – 4 new members adding competency / experience
 - Digital transformation / information technology / cyber security
 - Renewable energy, E/S/G leadership & management
 - Strategy, Marketing, Legal
- ✓ 2. Restated committee names, and expanded missions and charters
- 3. Added 12.5 hours of education to existing annual “learning” curriculum

2021 Guidance

	<u>2020*</u>	<u>2021</u>
Revenue	\$1.033B	\$1.30–1.35B
Op. Income		
GAAP	\$ 107.2M	\$127–135M
Adjusted	\$116.8M	\$149–157M
Op. Margin		
GAAP	10.4%	~ 9.8–10.0%
Adjusted	11.3%	~11.5–11.7%
GAAP EPS	\$2.53	\$2.78–2.95
Adjusted EPS	\$2.73	\$3.30–3.47
Free Cash Flow / Sales	+7.4%	~ 10%



GIBRALTAR
INDUSTRIES