



Fourth-Quarter and Year-End 2016 Earnings Call

February 17, 2017

This presentation should be viewed in
conjunction with Gibraltar's February 17, 2017
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. 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

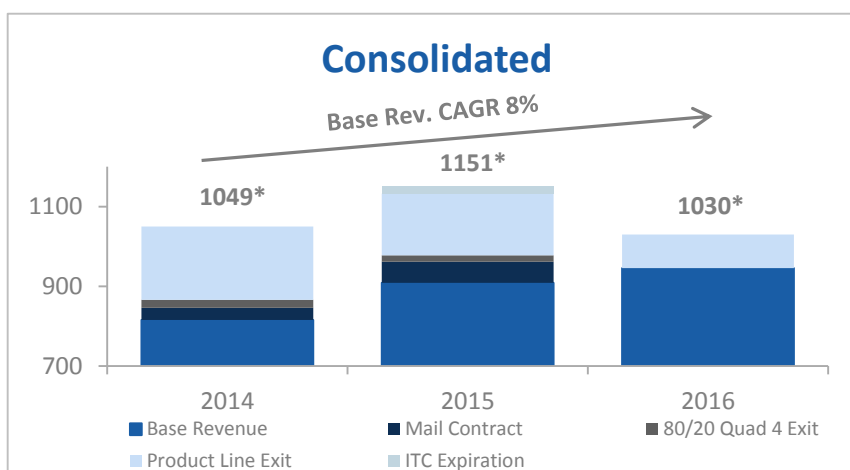
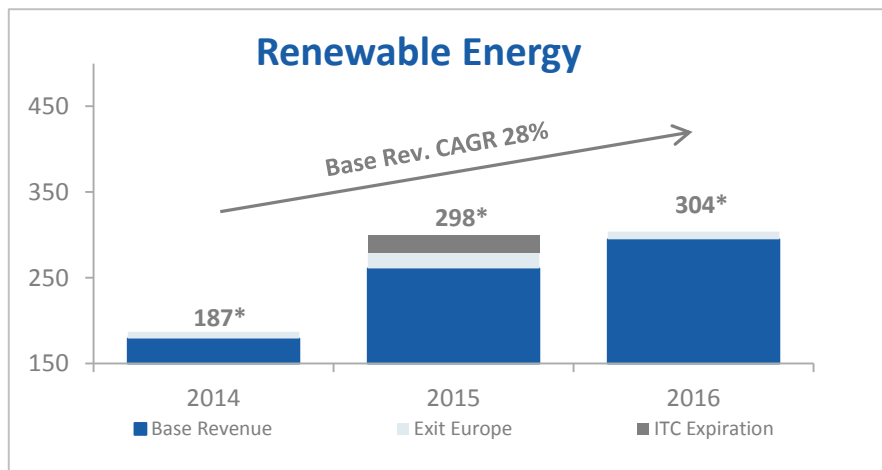
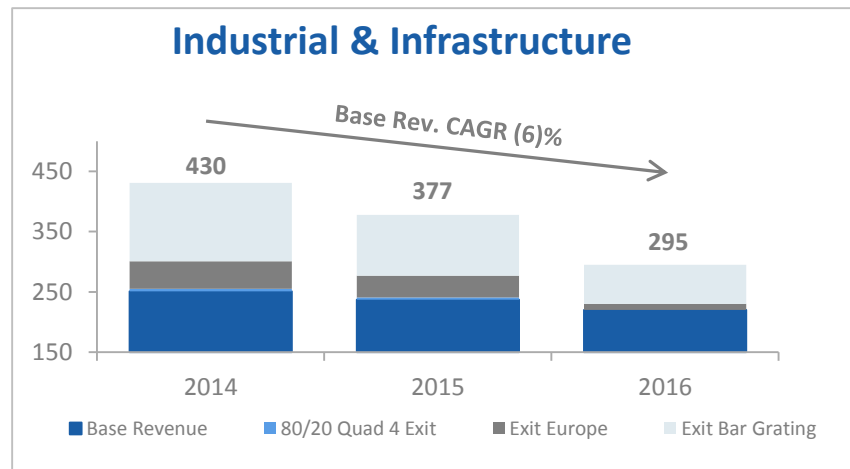
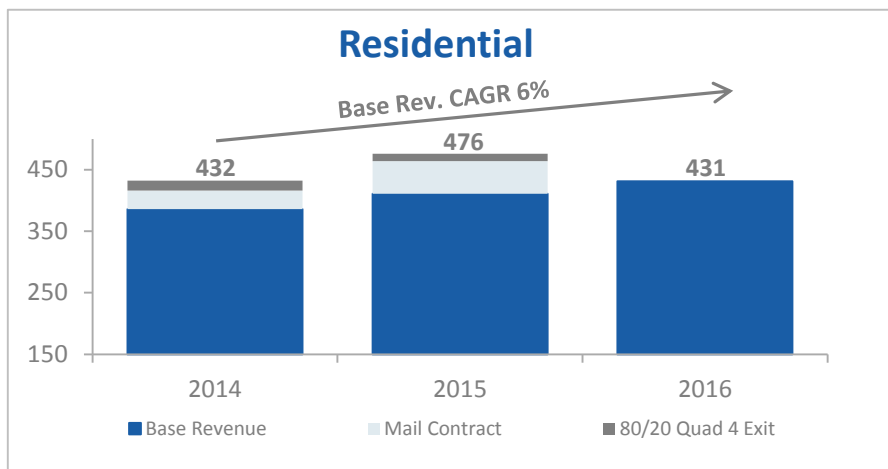
To supplement Gibraltar’s consolidated financial statements presented on a GAAP basis, Gibraltar also presents certain adjusted financial data in this presentation. Adjusted financial data excluded special charges consisting of portfolio management charges, gains/losses on sales of assets, restructuring costs, acquisition-related costs 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 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.

Earnings Grow in 4Q

- 3-month GAAP EPS $\$(0.24)$ vs PY $\$0.01$
- Exit from 2 unprofitable product lines add GAAP charges of $\$(0.33)$
- 3-month Adjusted EPS $\$0.30$ vs PY $\$0.29$
- Renewable Energy plus Residential segment drive bottom line growth
- 80/20 gains evidence the value creation strategy



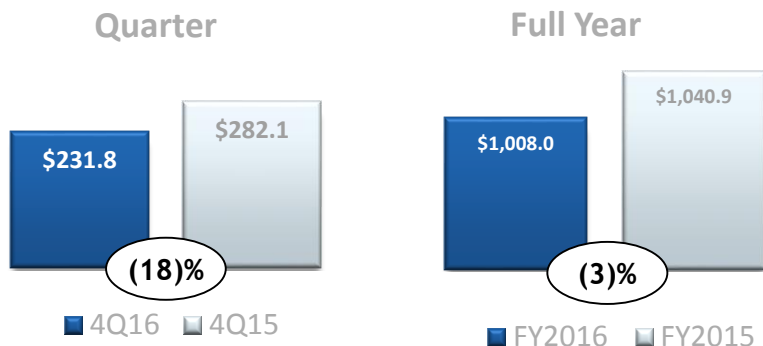
Base Revenue CAGRs



*Proforma revenue for 2014 , 2015 and 2016 adjusted for acquisitions. The Appendix to this presentation includes reconciliations to reported revenues.

Consolidated Profitability Rises

Revenues



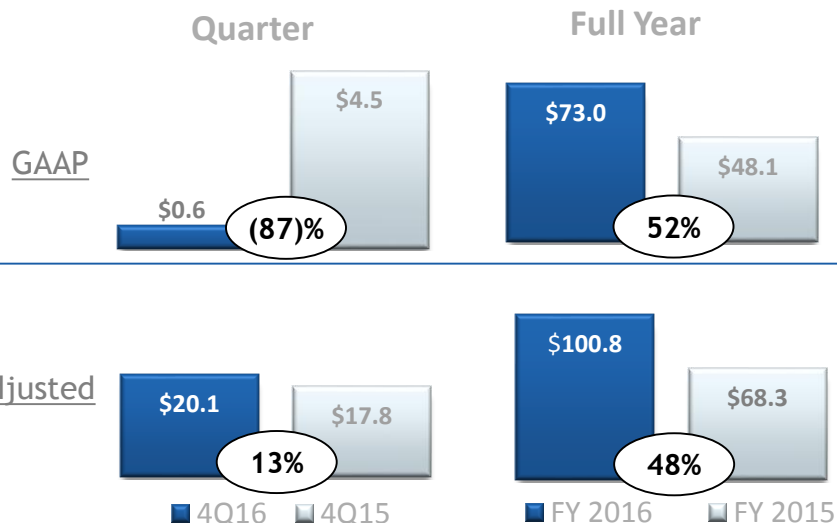
4Q16 Revenues

- (1)% reduction in base revenues, combined with:
- (7)% on non-recurring revenues (industrial divestiture & completed mail contract)
- (7)% due to strong Q4 '15 comp due to then expected ITC expiration

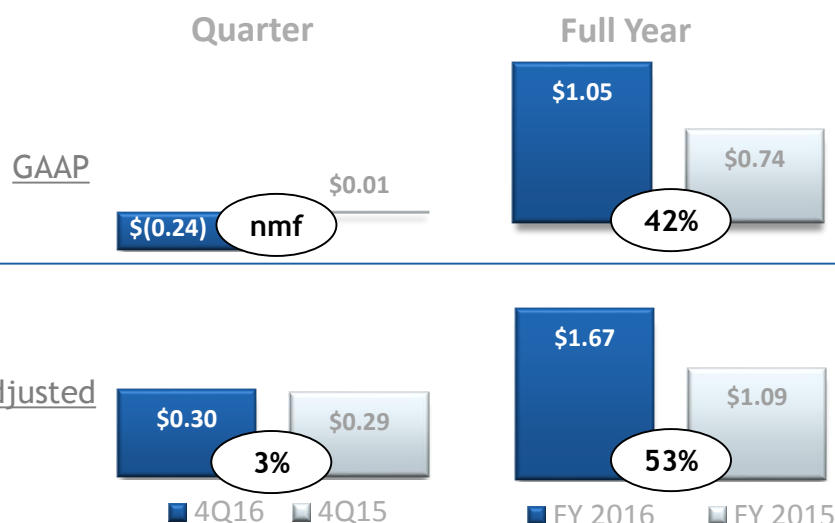
4Q16 Operating Income / EPS

- \$(0.33) GAAP charges for exiting 2 product lines
- RBI synergies drive its profitability; \$0.08
- Operational improvement .. 80/20 Simplification

Operating Income*



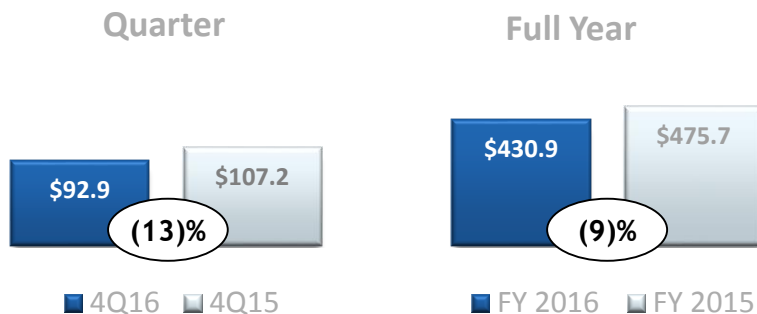
Diluted EPS*



*All amounts reported represent continuing operations before special charges. See reconciliations of Adjusted Financial Measures in earnings press release.

Residential Products Segment

Revenues



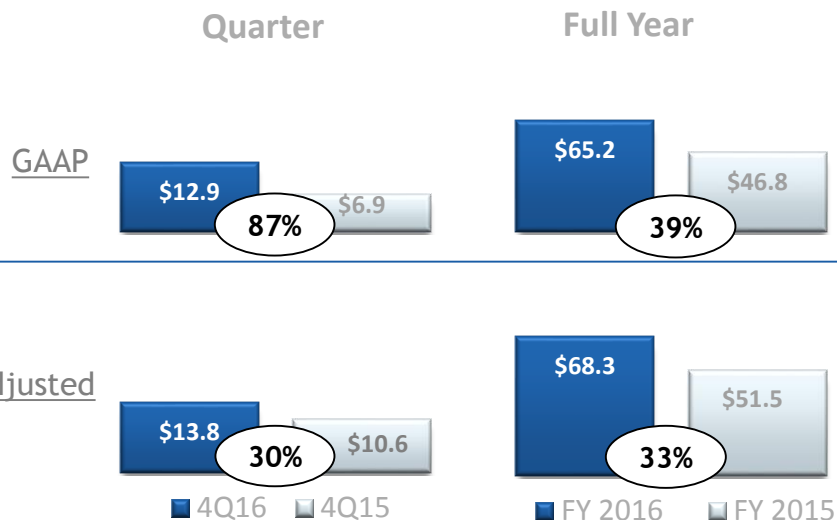
4Q16 Revenues

- (12)% on centralized mail contract completion in 2015
- Steady repair & remodel and new housing construction markets

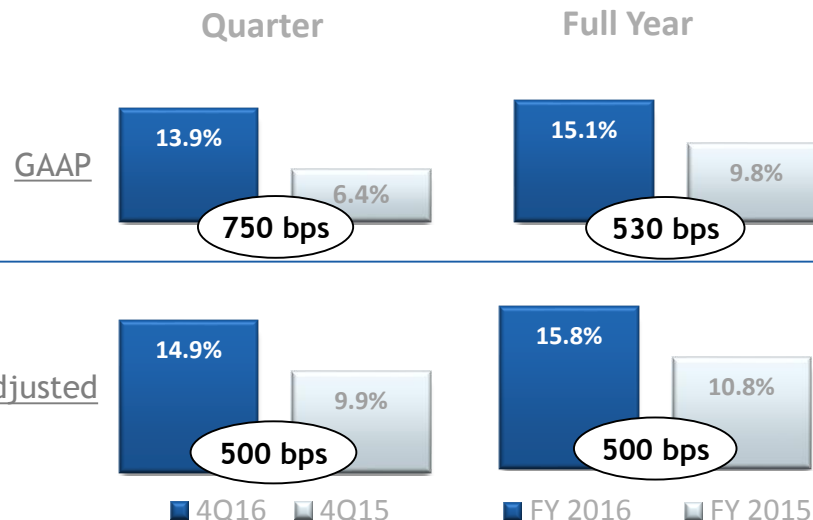
4Q16 Operating Income / Margin

- Operational efficiencies
- Benefits of 80/20 simplification

Operating Income*



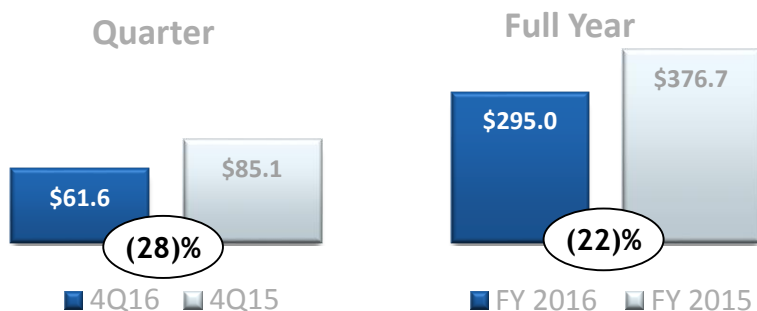
Operating Margin*



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Industrial & Infrastructure Products Segment

Revenues



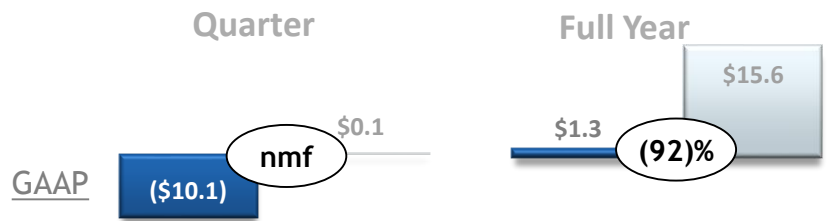
4Q Revenues

- (9)% on divested European business
- (19)% on lower base revenues; weaker volume from energy-related & commodity markets

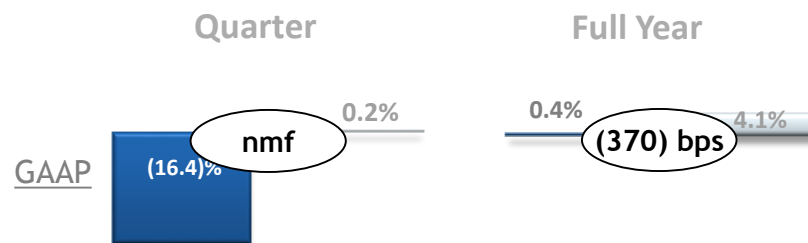
4Q Operating Income / Margin

- Lower volume not fully offset by 80/20 simplification contributions
- Unprofitable U.S. bar grating (sold in Feb 2017)

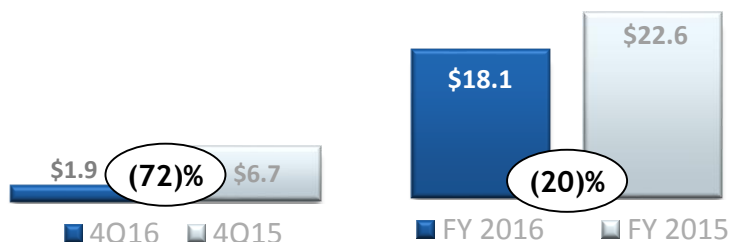
Operating Income*



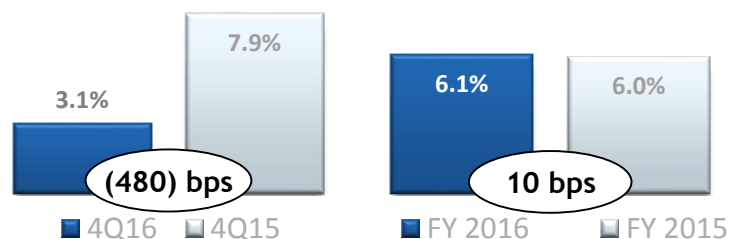
Operating Margin*



Adjusted



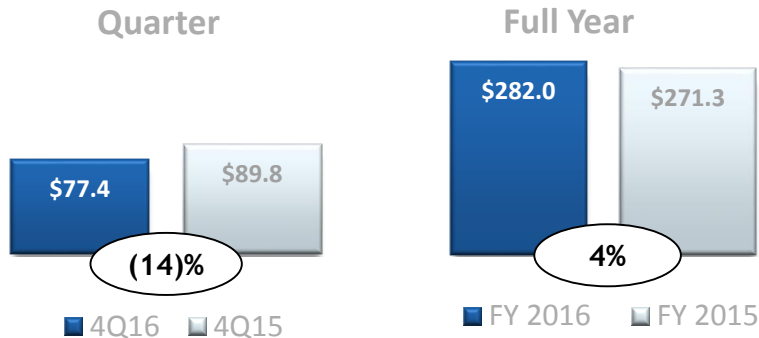
Adjusted



*All amounts reported represent continuing operations before special charges. See reconciliations of Adjusted Financial Measures in earnings press release.

Renewable Energy & Conservation Segment

Revenues*



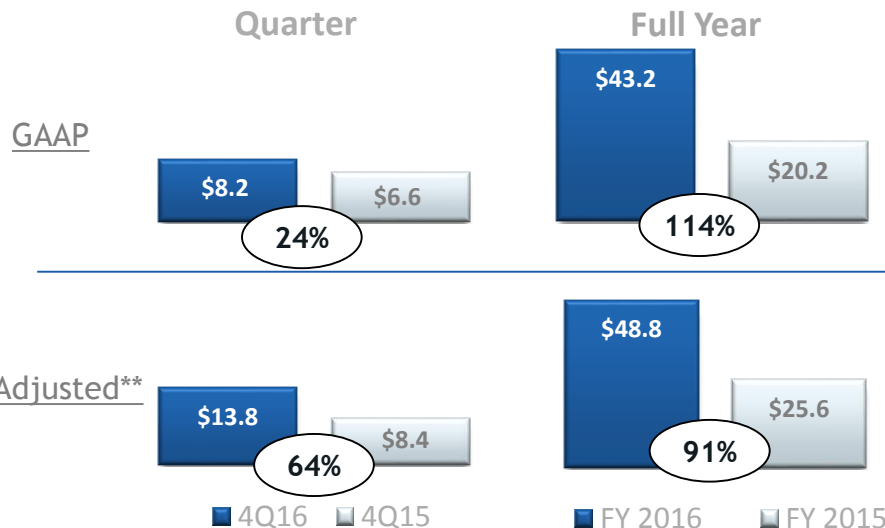
4Q Revenues

- Volume growth for key platforms
- 2015 benefited \$20M from then-expected ITC reduction

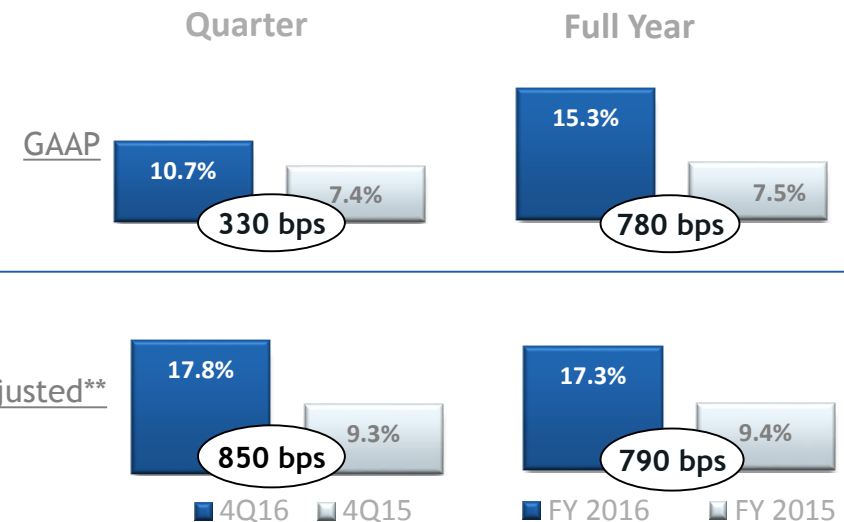
4Q Operating Income / Margin

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

Operating Income*



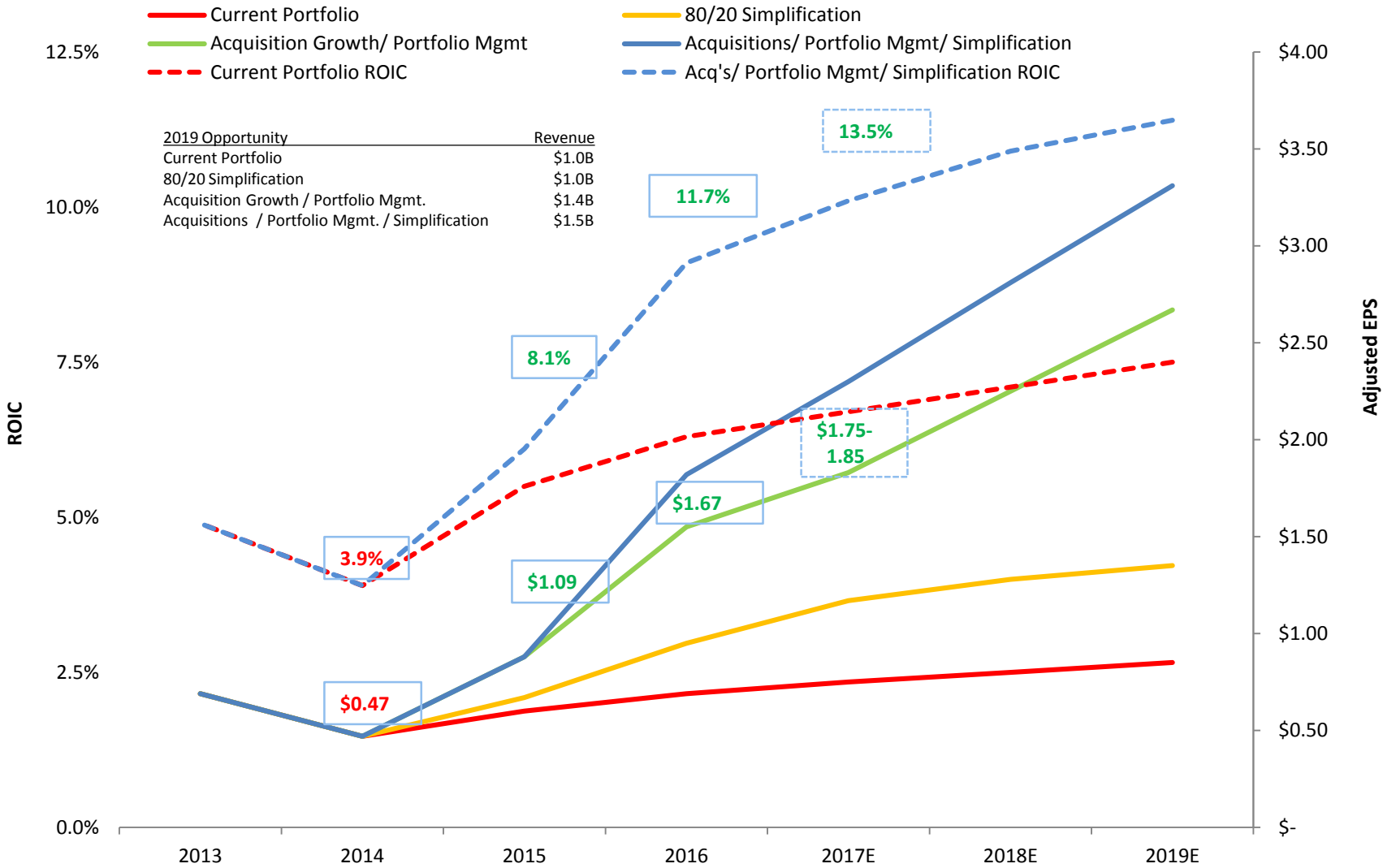
Operating Margin*



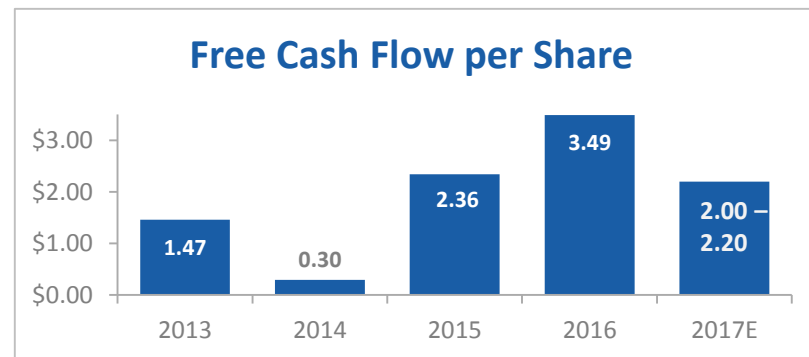
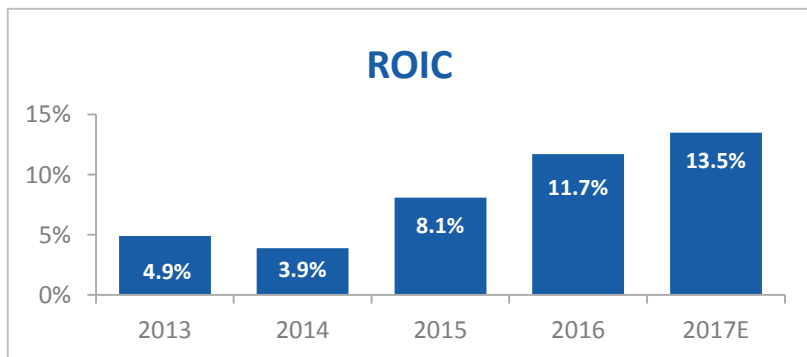
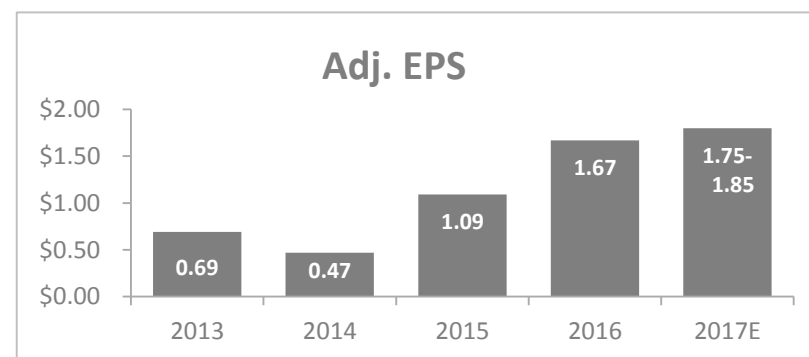
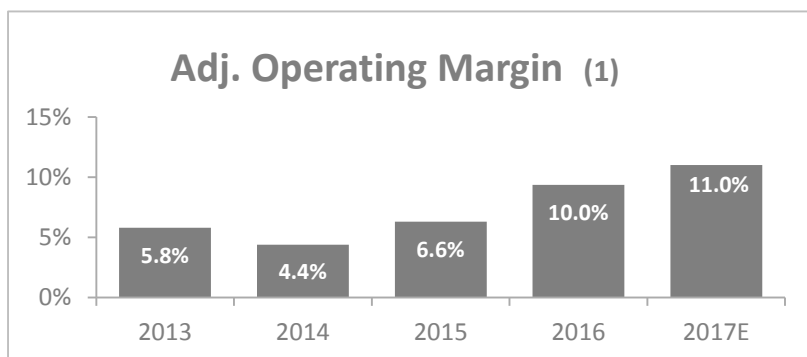
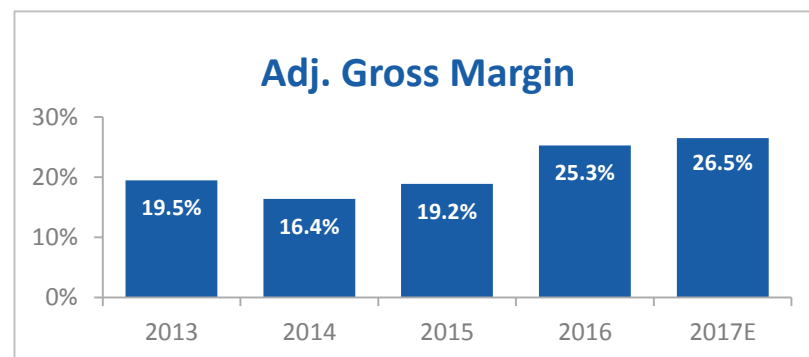
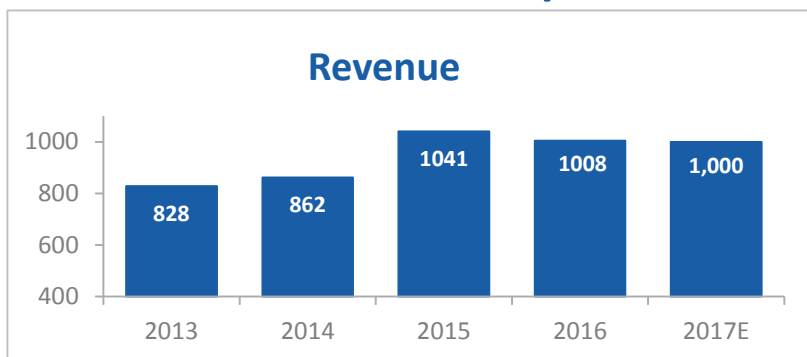
* The Full Year 2015 period includes proforma results for 12-months ended December 31, 2015.

** All amounts reported represent continuing operations before special charges. See reconciliations of Adjusted Financial Measures in earnings press release.

The Opportunity... entering 3rd Yr ...2017



Trends Continue Up ... in 3rd Year ... 2017



(1) 2015 includes non-operating gains from hedging programs.

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4 Pillars Driving Value Creation

Driving Transformational Change in Portfolio and Financial Results

1. Operational Excellence

- 210 of 340 bps rise to 10.0% 2016 Adj. Op. Mgn.
- \$(50)M or (38)% reduction in inventory since 03/31/2015

2. Portfolio Management

- Have completed near-term assessments
- 2016 actions = \$(110)M revenue and \$(0.10) Adj EPS

3. Product Innovation

- Engineered solutions: 2017E revenues include \$25M from new products; 6% from patented products (4% in 2015)

4. Acquisitions as a Strategic Accelerator

- Meaningful prospects for 2017



Capturing the Opportunity

Operational Excellence

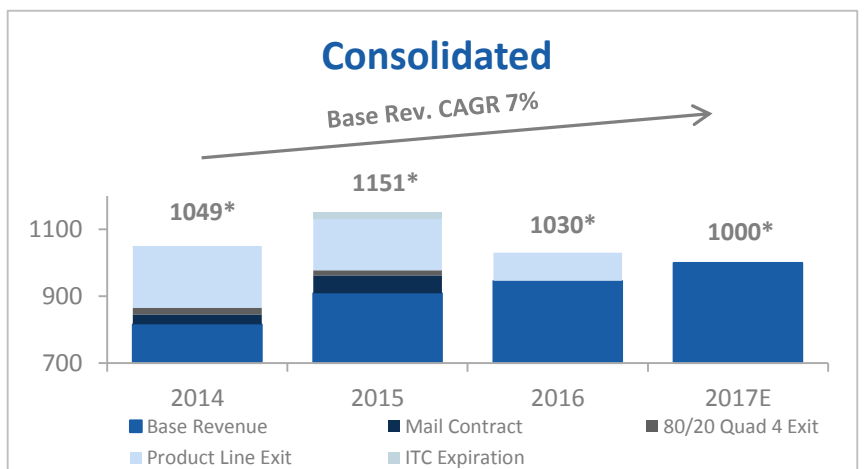
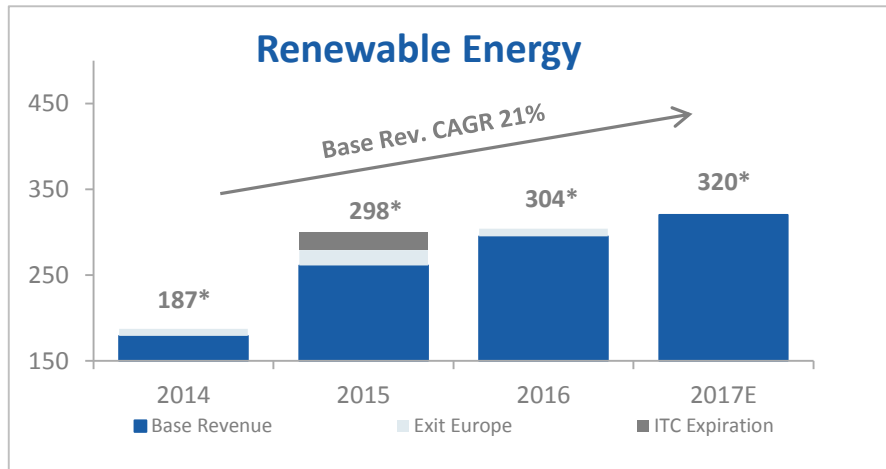
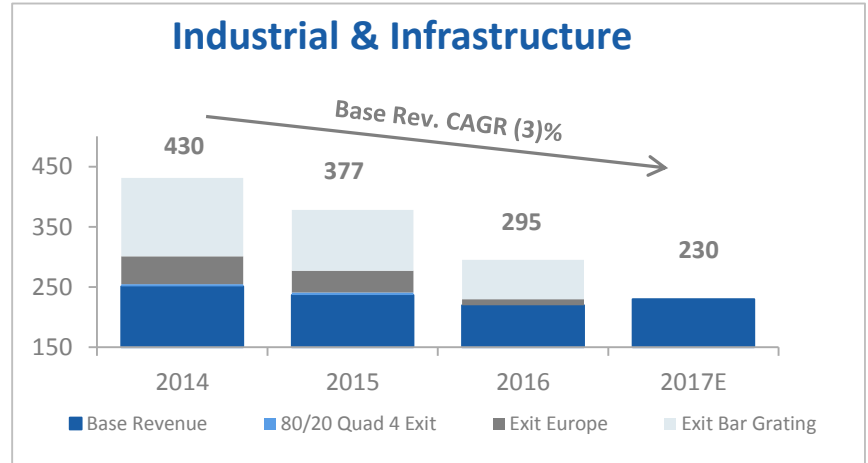
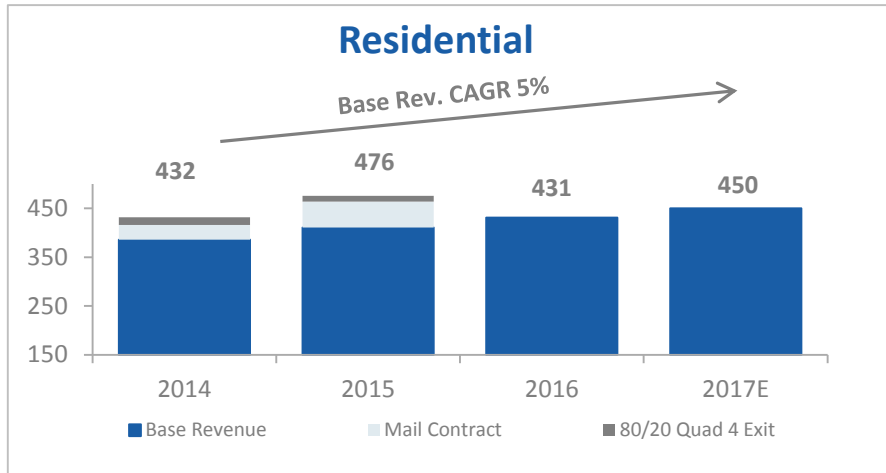
“ more to gowhat’s next ”

<u>Initiatives</u>	<u>Innings</u>	<u>Years</u>	
80/20 Simplification	1-3	2015-2016	} Focus on the “80’s” of SKUs & Customers; Pricing, Overhead, Part #s, Inventories & Sq. Ft.
Manufacture the 80’s / Outsource the 20’s; ... plus.. Mkt Rate of Demand (MRD)	4-6	2017-2018	} Lower COGS, Inventories, Fixed Assets & Sq. Ft.
Grow Revenue: Trade Focus, New Product Development	7-9	2017-2019+	} End User-driven share gains w/ new/adjac/existing markets with new/innovative products. Solve user pain pts.

Goal : Reduce complexity, create focus, make more money today than yesterday.... at a higher rate of returnwith more efficient use of Capital.

Capturing the Opportunity

Product Innovation / Revenues

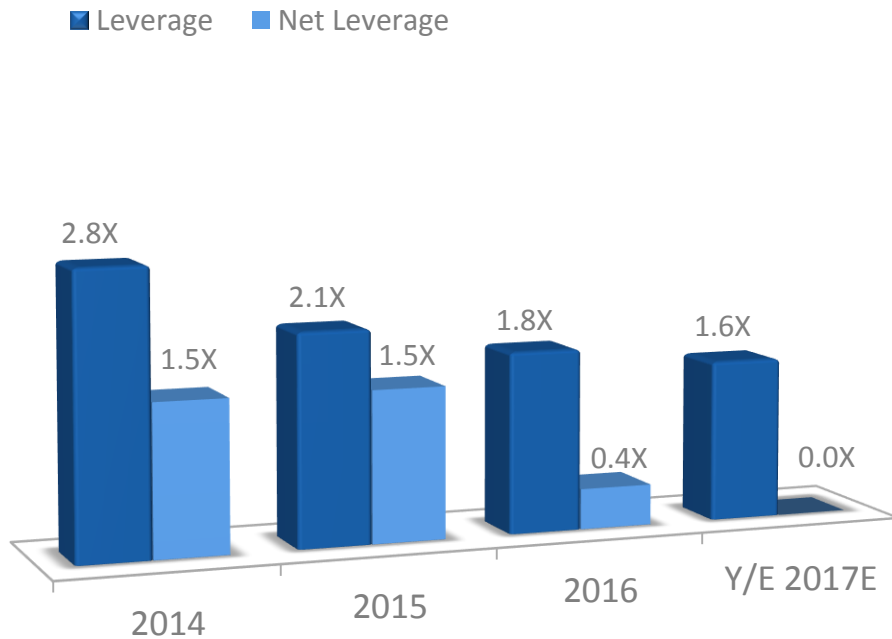


*Proforma revenue for 2014 , 2015 and 2016 adjusted for acquisitions. The Appendix to this presentation includes reconciliations to reported revenues.

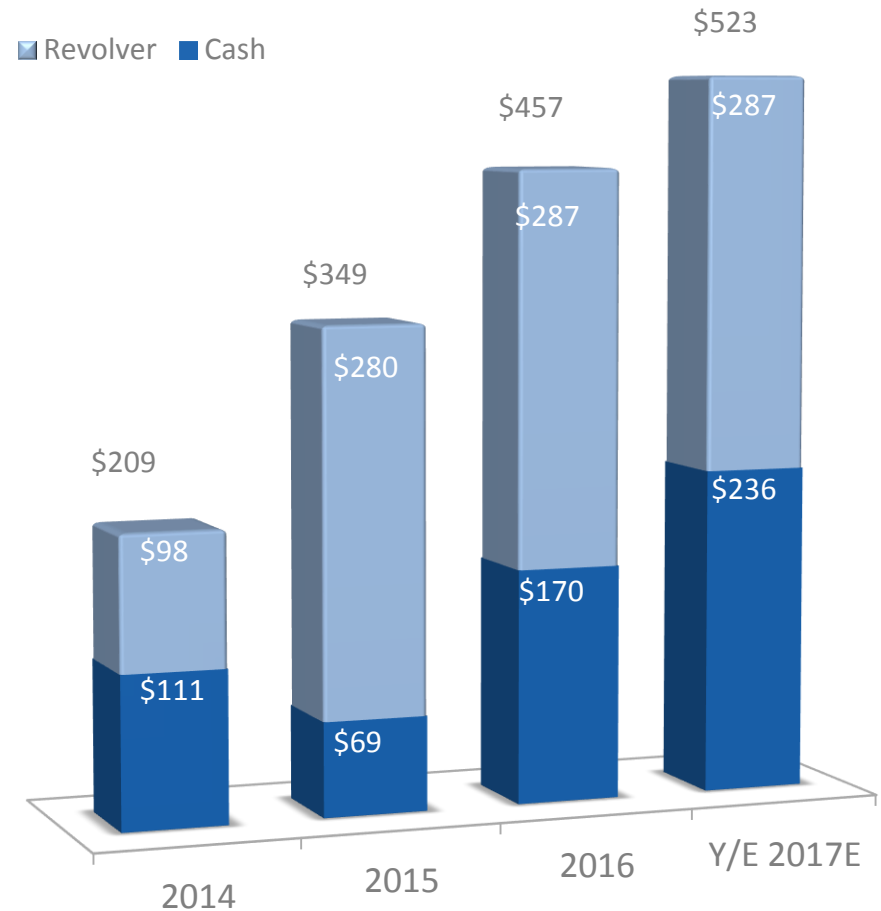
Capturing the Opportunity

Acquisitions as Strategic Accelerator

Leverage



Liquidity (\$M)

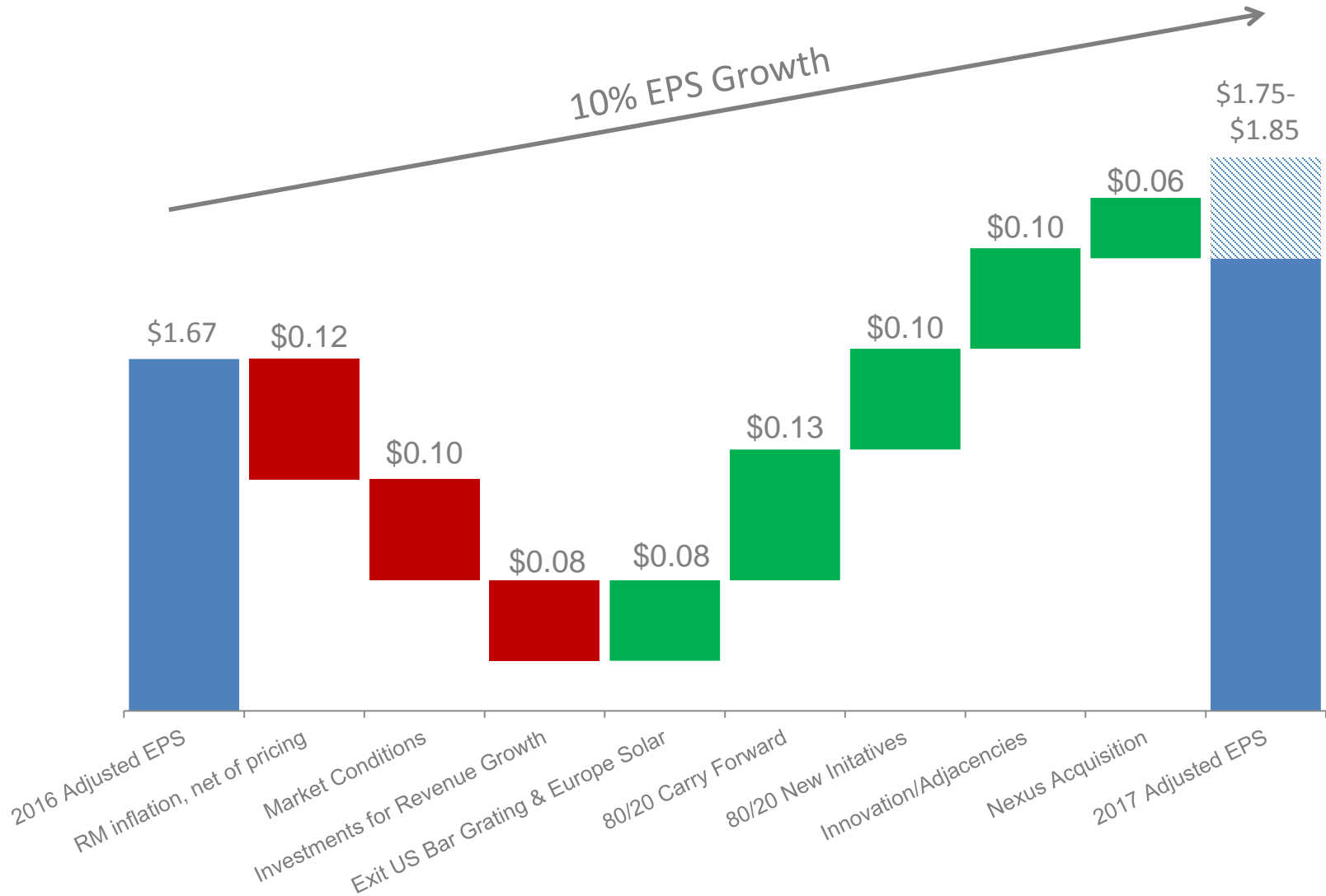


2017 Guidance

	2016	2017G	2017 Assumptions
Revenue	\$1.0B	<i>Equivalent</i>	<p>Residential: +4% New products and modest increase in market conditions</p> <p>Industrial & Infrastructure: (22)% (25)% exiting unprofitable product lines; Europe & US bar grating + growth in Base revenues</p> <p>Renewable Energy: +13% +8% in Base revenues +9% on Nexus acquisition, (4)% on exit from European residential roof-top solar</p>
Operating Income			Continuing improvement from operational excellence and portfolio management initiatives
<i>GAAP</i>	\$73M	\$95M to \$100M	
<i>Adjusted*</i>	\$101M	\$106M to \$111M	
Operating Margin			
<i>GAAP</i>	7.2%	9.6% to 10.1%	
<i>Adjusted*</i>	10.0%	10.7% to 11.2%	
Earnings Per Share			
<i>GAAP</i>	\$1.05	\$1.55 to \$1.65	
<i>Adjusted</i>	\$1.67	\$1.75 to \$1.85	
Net Cash Provided by Operating Activities	+12% of revenues	+7% to 8% of revenues	2016 benefited from large reductions in AR and INV

2017 Adjusted Earnings Growth

10% EPS Growth





Q&A

Appendix - Ongoing Base Revenues (1 / 2)

	<u>Residential</u>	<u>Industrial & Infrastruct.</u>	<u>Renewable Energy</u>	<u>Consolid.</u>
2014				
Revenue as reported	\$ 432	\$ 430	\$ -	\$ 862
Acquisitions (RBI & Nexus)	-	-	187	187
Proforma	\$ 432	\$ 430	\$ 187	\$ 1,049
<i>Business Changes</i>				
2-year Postal Contract completed - Dec. 2015	\$ (30)	\$ -	\$ -	\$ (30)
80 / 20 Quad 4 exit	(16)	(4)	-	(20)
EXIT Industrial Business Unit in Europe - Apr. 2016	-	(46)	-	(46)
EXIT Industrial US bar grating - Q1 2017	-	(130)	-	(130)
EXIT Residential Solar BU in Germany - Q1 2017	-	-	(8)	(8)
Ongoing Base revenues	\$ 386	\$ 250	\$ 179	\$ 815
2015				
Revenue as reported	\$ 476	\$ 377	\$ 188	\$ 1,041
Acquisitions (RBI & Nexus)	-	-	110	110
Proforma	\$ 476	\$ 377	\$ 298	\$ 1,151
<i>Business Changes</i>				
2-year Postal Contract completed - Dec. 2015	\$ (53)	\$ -	\$ -	\$ (53)
80 / 20 Quad 4 exit	(12)	(4)	-	(16)
EXIT Industrial Business Unit in Europe - Apr. 2016	-	(36)	-	(36)
EXIT Industrial US bar grating - Q1 2017	-	(101)	-	(101)
EXIT Residential Solar BU in Germany - Q1 2017	-	-	(18)	(18)
Solar ITC acceleration in 2015 (rate drop after 2015)	-	-	(20)	(20)
Ongoing Base revenues	\$ 411 6%	\$ 236 -6%	\$ 260 45%	\$ 907 11%

Appendix - Ongoing Base Revenues (2 / 2)

	<u>Residential</u>	<u>Industrial & Infrastruct.</u>	<u>Renewable Energy</u>	<u>Consolid.</u>
2016				
Revenue as reported	\$ 431	\$ 295	\$ 282	\$ 1,008
Acquisitions (RBI & Nexus)	-	-	22	22
Proforma	<u>\$ 431</u>	<u>\$ 295</u>	<u>\$ 304</u>	<u>\$ 1,030</u>
<i>Business Changes</i>				
EXIT Industrial Business Unit in Europe - Apr. 2016	-	(10)	-	(10)
EXIT Industrial US bar grating - Q1 2017	-	(65)	-	(65)
EXIT Residential Solar BU in Germany - Q1 2017	-	-	(9)	(9)
Ongoing Base revenues	<u>\$ 431</u> 5%	<u>\$ 220</u> -7%	<u>\$ 295</u> 13%	<u>\$ 946</u> 4%
2017E				
Revenue midpoint	\$ 450	\$ 230	\$ 320	\$ 1,000
<i>Business Changes</i>				
No adjustments	-	-	-	-
Ongoing Base revenues	<u>\$ 450</u> 4%	<u>\$ 230</u> 5%	<u>\$ 320</u> 8%	<u>\$ 1,000</u> 6%

Appendix - ROIC and Free Cash Flow

Free Cash Flow Reconciliation

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017E</u>
Net cash provided by operating activities	\$ 60,295	\$ 32,542	\$ 86,684	\$ 122,738	\$ 85,000 - \$ 91,200
Purchase of property, plant, and equipment	(14,940)	(23,291)	(12,373)	(10,779)	(20,000)
Free Cash Flow	\$ 45,355	\$ 9,251	\$ 74,311	\$ 111,959	\$ 65,000 - \$ 71,200
Average Diluted Shares Outstanding	30,930	31,066	31,545	32,069	32,500
Free Cash Flow Per Share	\$ 1.47	\$ 0.30	\$ 2.36	\$ 3.49	\$2.00 - \$2.20

ROIC Reconciliation

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017E</u>
Income (loss) from Continuing Operations - GAAP	\$ (5,629)	\$ (81,792)	\$ 23,476	\$ 33,719	\$ 51,200
Intangible asset impairment, net of taxes	22,407	96,159	3,429	-	-
Restructuring costs, net of taxes	1,695	1,078	6,165	19,922	6,800
Acquisition related costs, net of taxes	399	(878)	3,792	-	-
Other special charges, net of taxes	(2,048)	-	(2,469)	-	-
Interest expense - special charges, net of taxes	4,550	-	-	-	-
Adjusted Net Income	\$ 21,374	\$ 14,567	\$ 34,393	\$ 53,641	\$ 58,000
Tax effected interest expense	9,953	8,938	9,493	9,032	9,300
Adjusted net income before interest	\$ 31,327	\$ 23,505	\$ 43,886	\$ 62,673	\$ 67,300
Average adjusted invested capital (1)	\$ 640,679	\$ 600,962	\$ 541,176	\$ 534,030	\$ 499,000
Return on invested capital	4.9%	3.9%	8.1%	11.7%	13.5%

(1) Average adjusted invested capital was based on the 13-month average of total stockholders' equity adjusted for special charges plus net debt for the period ended December 31.