

FOURTH QUARTER 2022 EARNINGS CALL

February 22, 2023

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 loss of any key customers, adverse effects of inflation, other general economic conditions and conditions in the particular markets in which we operate, increases in spending due to law and government incentives, such as the Infrastructure Investment and Jobs Act, 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 and the Uyghur Forced Labor Prevention Act (UFLPA)), 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), free cash flow 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, 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 and free cash flow are also useful measures of the Company’s ability to service debt and Adjusted EBITDA 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.

2022 YEAR IN REVIEW

ADJUSTED
REVENUE

\$1.38B

+5%

ADJUSTED
OPERATING
INCOME

\$151M

+18%

ADJUSTED
EBITDA

\$183M

+15%

ADJUSTED
EPS

\$3.40

+19%

ORDER
BACKLOG

\$299M

-12%

GROWTH

- Executed well in a fluid, challenging environment
- Return of seasonality; persistence of import issues and project rescheduling

INCOME

- Simplifying and focusing the business with 80/20 principles
- Renewables delivered on objective to expand to double-digit margins
- Sequential FCF improvement on margin and working capital improvement

PORTFOLIO MANAGEMENT

- Opted to write down processing equipment business

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 digitization roadmap
4. Organization health, agility and flexibility operating in dynamic economy / markets
5. Conduct business the right and responsible way every day

*Excludes \$14.0 million, or \$0.35 per share, charge Q422 write-off of Processing equipment business.
Refer to appendix in the earnings news release for adjusted measures reconciliations.

OPERATING ENVIRONMENT DYNAMICS

SUPPLY CHAIN

Reliability and performance continues to improve driving working capital adjustments in end markets

COMMODITIES

Downward price correction since Q2 2022 and now leveling with some price variability

LABOR

Availability has improved as economy has slowed and demand seasonality has returned in the Residential market

TRANSPORTATION

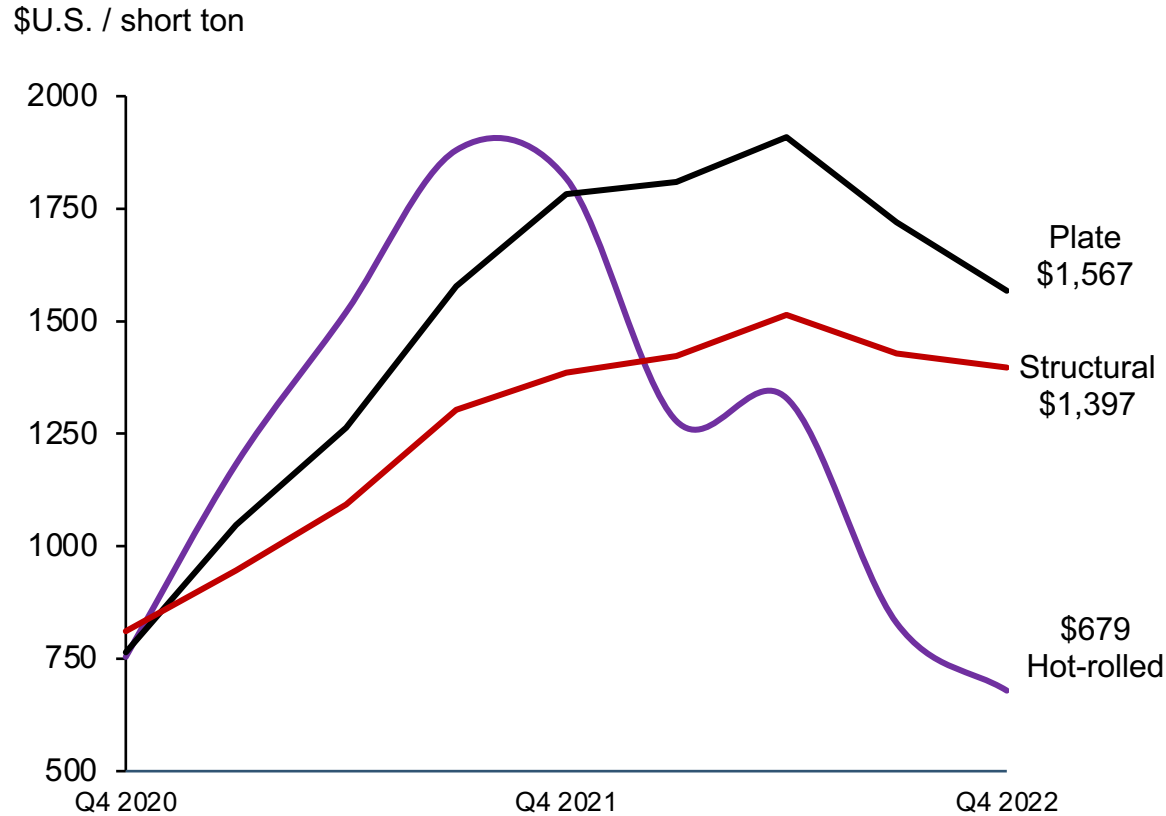
Improvement in rates, availability, and reliability

PANEL SUPPLY

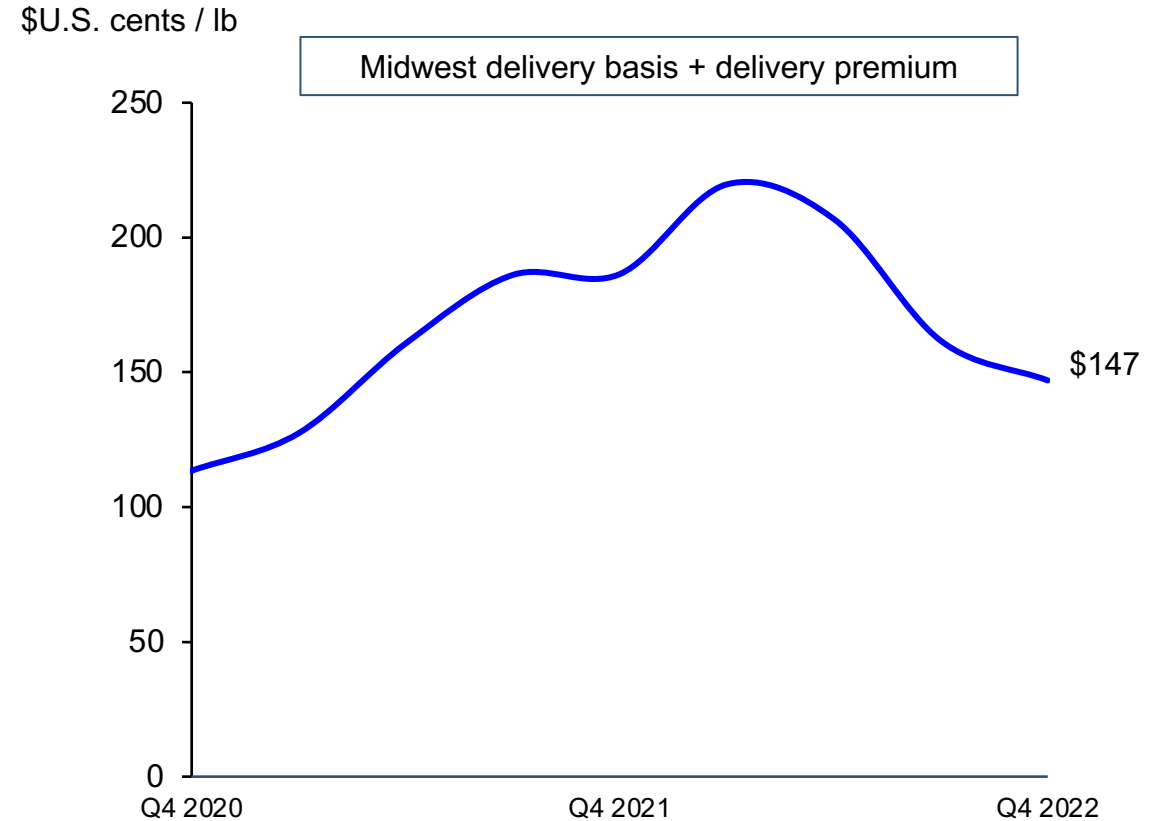
Panel suppliers coming up the learning curve slowly

COMMODITY PRICES REMAIN DYNAMIC BUT SUPPLY MORE CONSISTENT

AVERAGE STEEL PRICE / QUARTER (SPOT)*

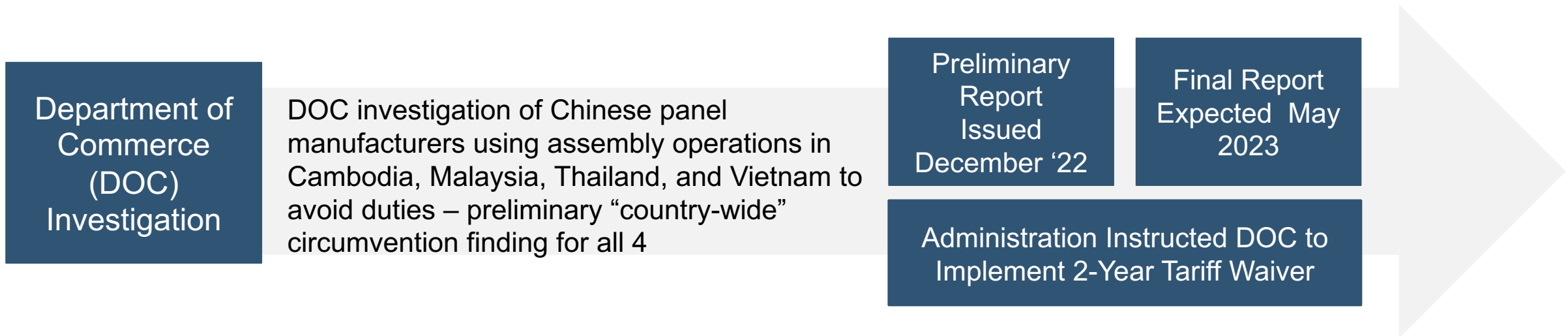


AVERAGE ALUMINUM PRICE / QUARTER*



Commodities forecasted to decline slightly in 2023, yet remain above pre-pandemic levels

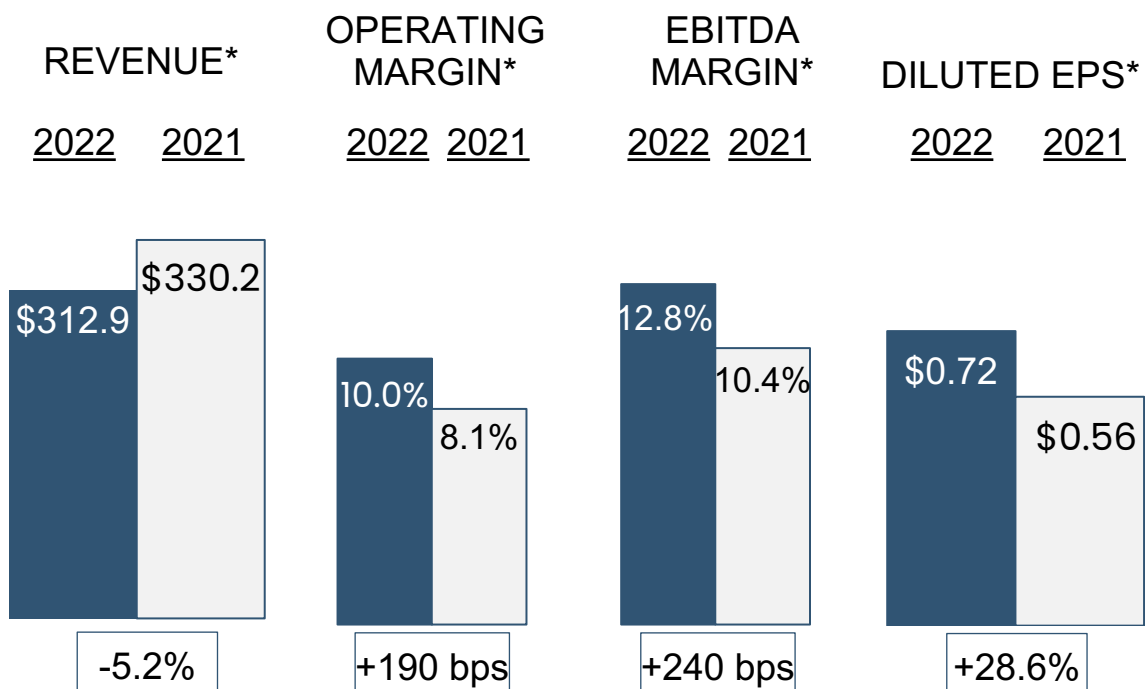
SOLAR INDUSTRY PANEL SUPPLY – Q4 2022 UPDATE



CONSOLIDATED FINANCIAL PERFORMANCE

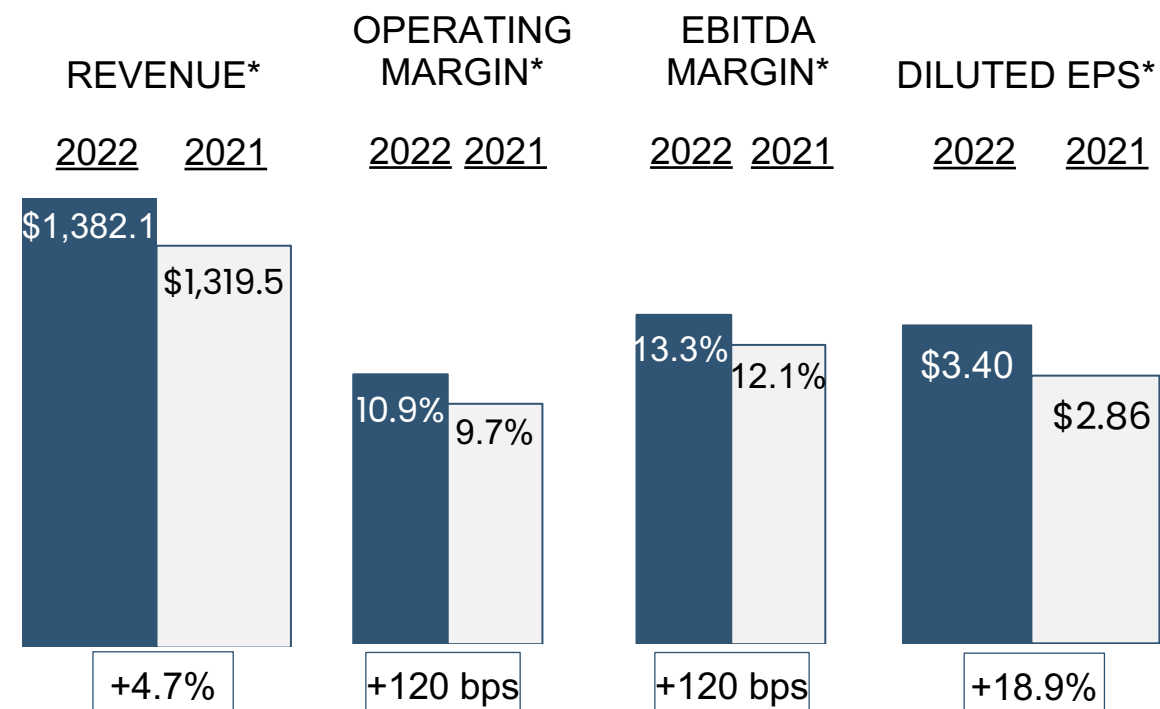
4TH QUARTER RESULTS

ADJUSTED PROFIT MEASURES*



TWELVE MONTHS 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.

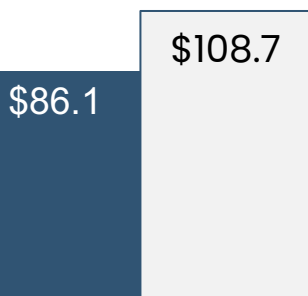


4TH QUARTER RESULTS

ADJUSTED PROFIT MEASURES

REVENUE*

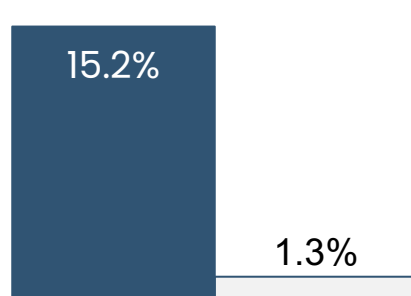
2022 2021



-20.8%

OPERATING MARGIN*

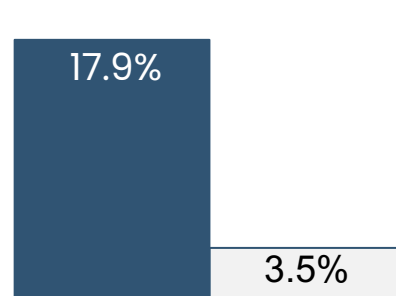
2022 2021



+1390 bps

EBITDA MARGIN*

2022 2021



+1440 bps

REVENUE

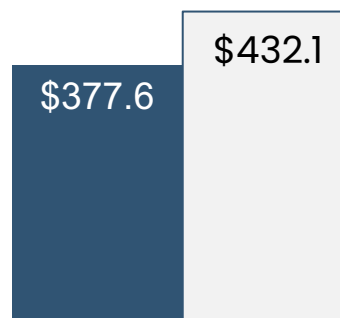
- Down 20.8%
 - Near-term demand impacted primarily by suppliers' navigation of Uyghur Forced Labor Prevention Act (UFLPA) enforcement
- Backlog down 17%
 - Customers in holding pattern until visibility improves
 - Demand, pipeline and activity levels remain robust
 - Expecting progressive revenue growth in 2023 with assumption that panel supply improves in 2H

TWELVE MONTHS RESULTS

ADJUSTED PROFIT MEASURES

REVENUE*

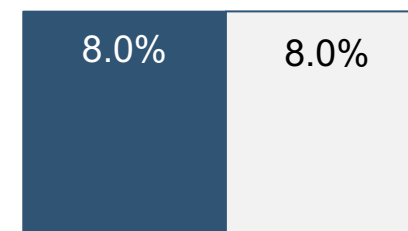
2022 2021



-12.6%

OPERATING MARGIN*

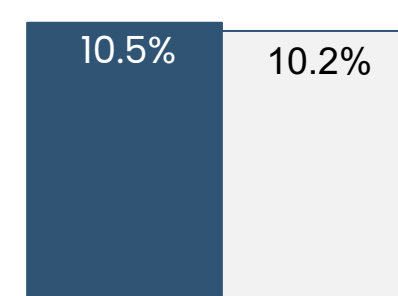
2022 2021



flat

EBITDA MARGIN*

2022 2021



+30 bps

ADJUSTED OPERATING & EBITDA MARGIN

- Improved 230bp sequentially and 1390bp YoY to mid-teens as anticipated through improved field operations productivity, 80/20 project management, business mix, and materials productivity
- Integration continues with common ERP systems; accelerating best practice in supply chain; insourcing initiatives continue

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



4TH QUARTER RESULTS

TWELVE MONTHS RESULTS

ADJUSTED PROFIT MEASURES

ADJUSTED PROFIT MEASURES

REVENUE*

OPERATING MARGIN*

EBITDA MARGIN*

REVENUE*

OPERATING MARGIN*

EBITDA MARGIN*

2022 2021

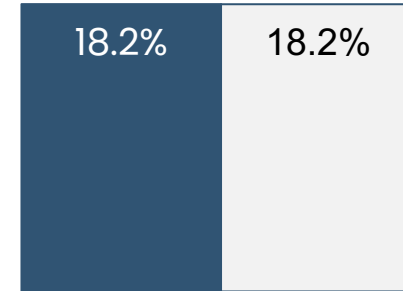
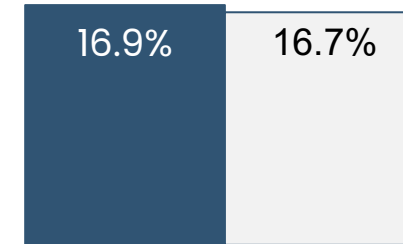
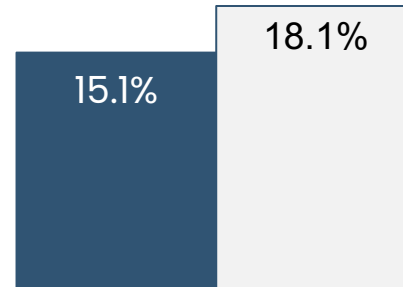
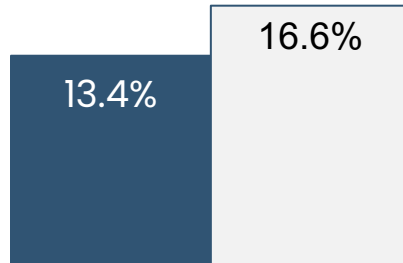
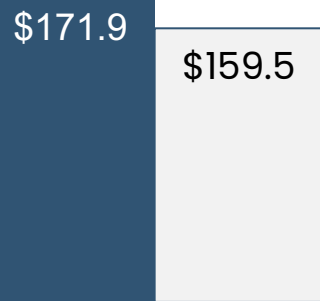
2022 2021

2022 2021

2022 2021

2022 2021

2022 2021



+7.8%

-320 bps

-300 bps

+20.7%

+20 bps

flat

REVENUE

- Up 7.8%; -1.6% organic growth, full quarter of QAP added 9.4%
 - Organic revenue decreased as typical Q4 seasonal demand patterns returned and market prices began to align with changes in commodity indexes
 - Full quarter QAP - performed as expected

ADJUSTED OPERATING & EBITDA MARGIN

- Margin down 320 bps
 - Organic decrease result of alignment of price/material cost, timing of changes in commodity indexes
 - Lower-margin QAP contributed 110bps of decrease – integration proceeding well
- Expect margins to recover as price/cost balance improves, QAP integration benefits are realized
- Two additional ERP implementations planned this year

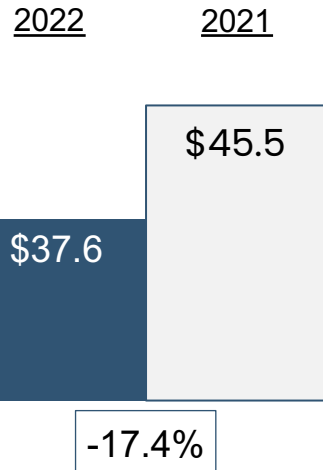
*Amounts are stated in \$Millions. Includes results of Quality Aluminum Products acquired in August 2022. Refer to appendix in the earnings news release for adjusted measures reconciliations.



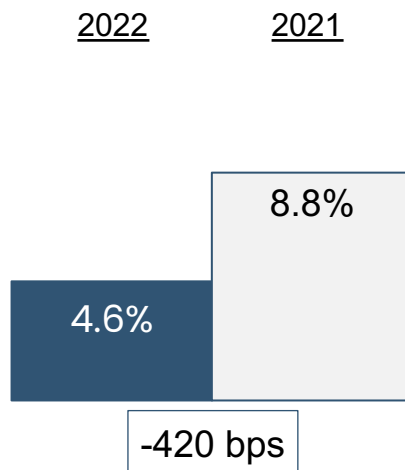
4th QUARTER RESULTS

ADJUSTED PROFIT MEASURES

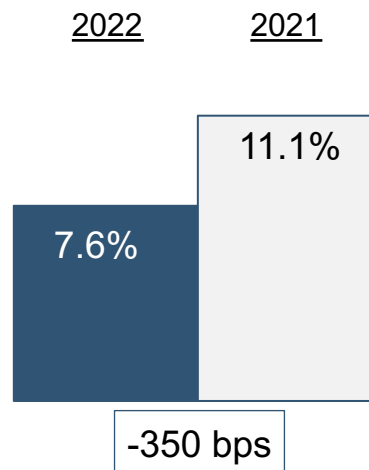
REVENUE*



OPERATING MARGIN*



EBITDA MARGIN*



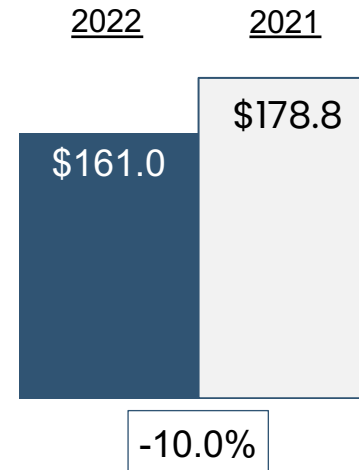
REVENUE

- Down 17.4%
 - Project rescoping and rescheduling of large produce projects in to 2023
 - Commercial greenhouse businesses remains strong
- Backlog down 13%
 - Pipeline and quoting activity remain robust

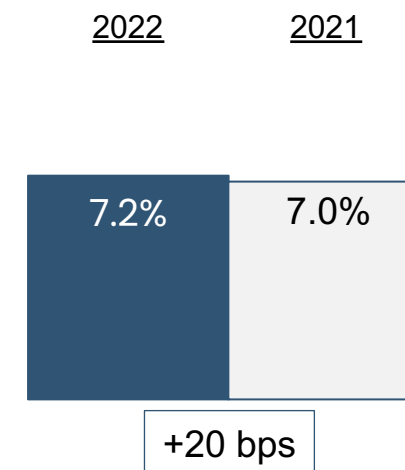
TWELVE MONTHS RESULTS

ADJUSTED PROFIT MEASURES

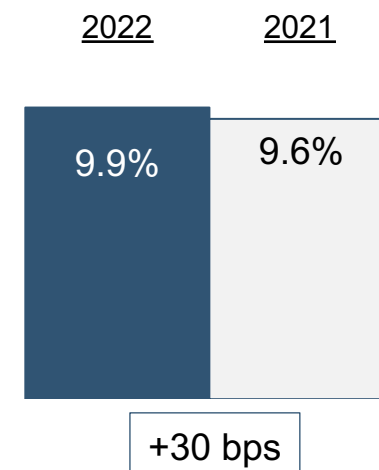
REVENUE*



OPERATING MARGIN*



EBITDA MARGIN*



ADJUSTED OPERATING & EBITDA MARGIN

- Margin down 420 bps
 - Project rescheduling delayed project revenue and margin recognition
 - Partially offset by better project execution

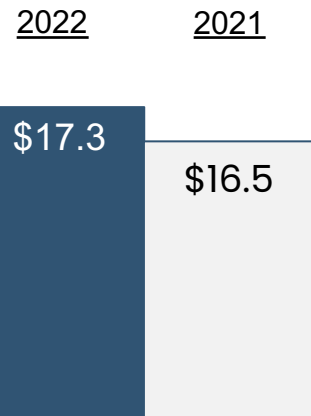
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4TH QUARTER RESULTS

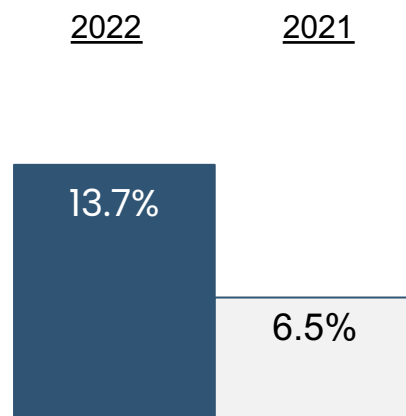
ADJUSTED PROFIT MEASURES

REVENUE*



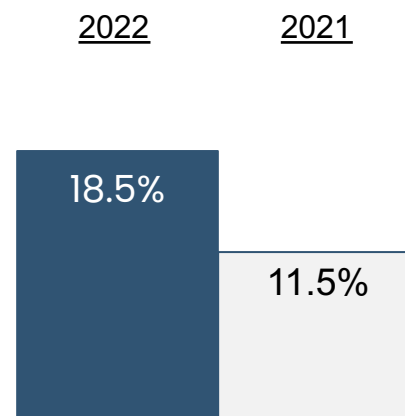
+4.8%

OPERATING MARGIN*



+720 bps

EBITDA MARGIN*



+700 bps

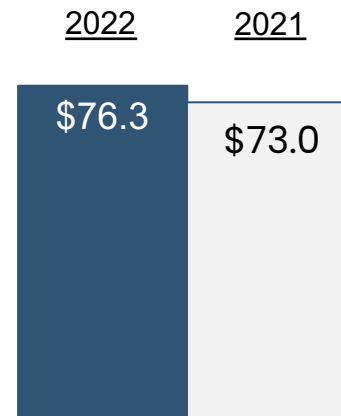
REVENUE

- Up 4.8%
 - Driven by demand for non-fabricated products
- Backlog up 23%
 - State DOTs have better visibility on federal funding
- Good momentum entering 2023 – positive impact from the Infrastructure Investment and Jobs Act

TWELVE MONTHS RESULTS

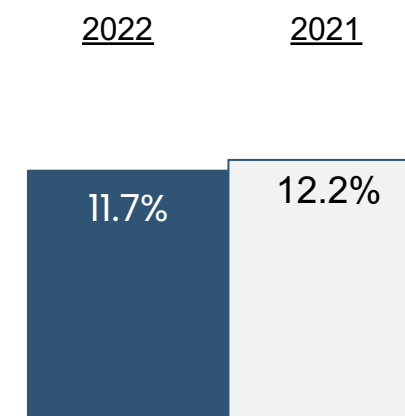
ADJUSTED PROFIT MEASURES

REVENUE*



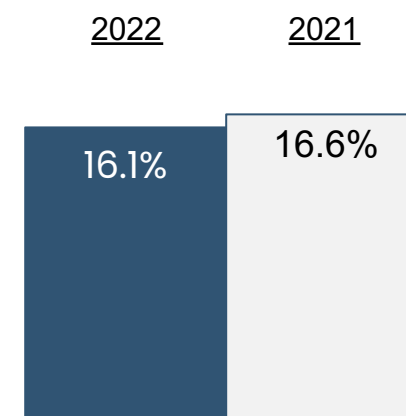
+4.5%

OPERATING MARGIN*



-50 bps

EBITDA MARGIN*



-50 bps

ADJUSTED OPERATING & EBITDA MARGIN

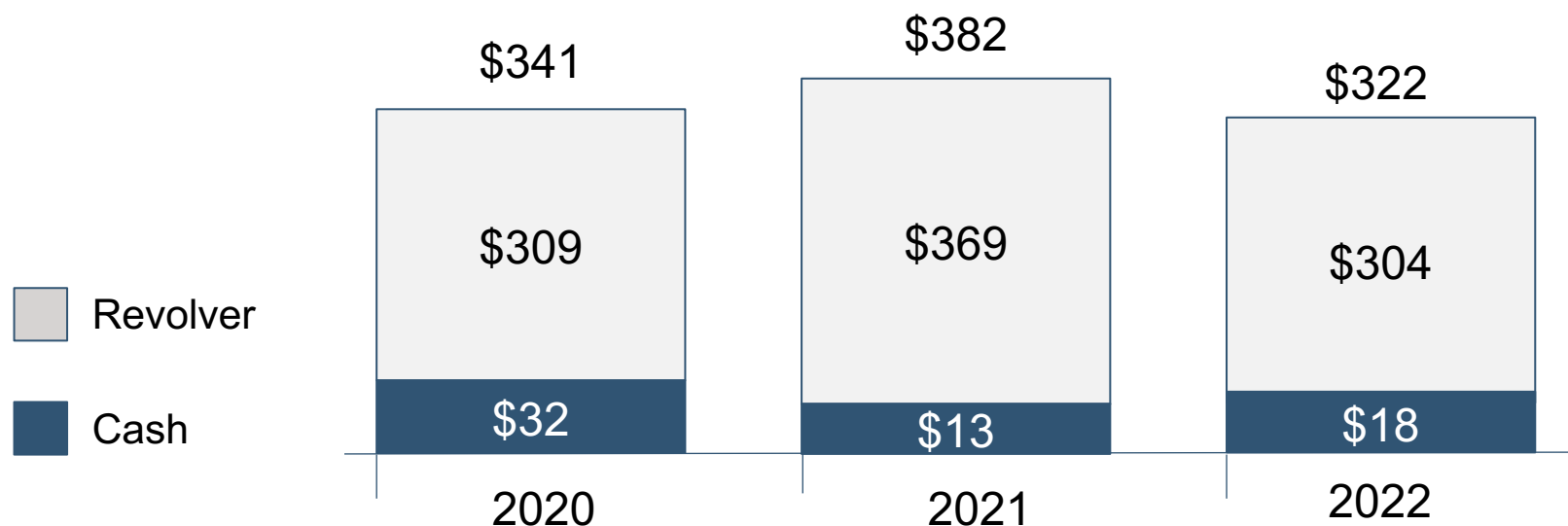
- Margin up 720 bps
 - Improved price material cost alignment
 - Improved operating execution
 - More favorable product mix
 - Volume leverage

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

BALANCE SHEET SOLID – EXTENDED SUPPLY CHAIN CHALLENGES LIMITED

INVENTORY REDUCTION

LIQUIDITY (\$M)



0.48x Leverage & 0.39x Net Leverage

WORKING CAPITAL

Q4 Benefit in

- AR \$ 58M
- Inventory \$ 34M

Q4 Offset by

- AP \$ 52M
- Other Liabilities \$10M
 - Progress billings converting to revenue

M&A

2022 FCF* = 6% Revenue

Expect 2023 FCF ~ 10% Revenue

Focused on driving strong cash generation in 2023 with lower investment in Working Capital

*FCF = Free Cash Flow. Refer to appendix in the earnings news release for adjusted measures reconciliations.

SHARE REPURCHASE PROGRAM

Q4 2022 UPDATE

- Repurchased 663,913 shares
 - Market value \$30.3 million
 - Average price - \$45.69
 - Through Q4 end, have expended ~43% of \$200 million authorized
-

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

2023 PRIORITIES

STRATEGIC PILLARS

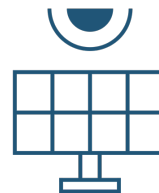
BUSINESS SYSTEM

PORTFOLIO
MANAGEMENT

ORGANIZATION
DEVELOPMENT

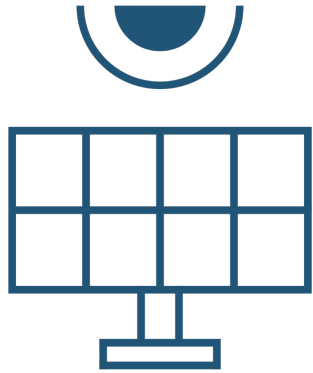
2023 KEY PRIORITIES

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 roadmap in our businesses
4. Organization health, agility and flexibility operating in dynamic economy / markets
5. Conduct business the right and responsible way every day



2023 KEY TRENDS AND INITIATIVES

RENEWABLES



MARKET TRENDS / ASSUMPTIONS

- Panel supply ramp expected to improve in 2nd half of 2023
- Robust pipeline of projects waiting to finalize and move into backlog
- Final IRA benefit guidelines expected in 1st half of 2023

KEY INITIATIVES UPDATE

1. Ramp new 1P tracker product launch to compliment 2P offering
2. Continue eBOS growth initiative with C&I and Utility customers
3. 80/20 – CLS, PLS, & field operations for scale and efficiency

RESIDENTIAL

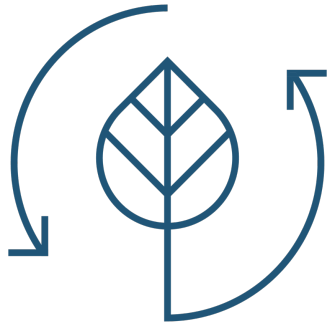


- Demand seasonality returns as supply chain reliability improves
- Repair end market demand expected to remain solid
- New construction will continue to be slow in 2023

1. Continue participation gain playbook
2. 80/20 – CLS, PLS and labor productivity
3. Execute QAP integration plan

2023 KEY TRENDS AND INITIATIVES

AGTECH



MARKET TRENDS / ASSUMPTIONS

- Capacity expansions for growing Produce ramp up in 2023
- Commercial business momentum continues – retail, institutional
- Investments in Cannabis growing facilities increases with license approvals

KEY INITIATIVES UPDATE

1. Support Produce customer expansion plans
2. Drive margin to 10%+ in 2023
3. 80/20 – CLS, PLS initiatives
4. Execute new retail customer roll out plan

INFRASTRUCTURE



- Infrastructure Investment & Jobs Act drives demand in 2023 and beyond
- State / Federal DOT funding in place
- Airports authorities also funding surface repair / maintenance
- Steel cost more favorable in 2023

1. Execute backlog and leverage 80/20 investments made in 2022
2. Expand engineering capacity to support/close robust project pipeline
3. Continue margin expansion momentum

2023 GUIDANCE

	<u>2022*</u>	<u>2023</u>
Revenue	\$1.38B	\$1.36– \$1.41B
Operating Income		
GAAP	\$130.1M	\$134.5 – \$143.0M
Adjusted	\$150.7M	\$150.5 – \$159.0M
Adjusted EBITDA	\$183.4M	\$185.3 – \$195.1M
Operating Margin		
GAAP	9.4%	~ 9.9% – 10.1%
Adjusted	10.9%	~ 11.0% – 11.2%
Adjusted EBITDA %	13.3%	~ 13.6% – 13.8%
GAAP EPS	\$2.56	\$3.04 – \$3.24
Adjusted EPS	\$3.40	\$3.46– \$3.66
Free Cash Flow / Sales	6.0%	>10.0%

*2022 revenue, adjusted measures and free cash flow / sales exclude results of processing equipment business which was classified as held for sale on March 31, 2022. Refer to appendix in the earnings news release for adjusted measures reconciliations.

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