

Second Quarter 2020 Earnings Call

August 5, 2020



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, early debt repayment 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.

Q2 Overview: Strong Rebound in Demand

- Responded well to better than expected end market demand
- Q2 revenue up 8.8%: 1.6% from organic growth, 7.2% from acquisitions
- Q2 GAAP EPS +36.1% to \$0.83; Adjusted EPS +15.1% to \$0.84
- Q2 GAAP Operating Margin +200 bp to 12.1%; Adjusted +130 bp to 12.9%
- Backlog at \$277 million, up 14% over Q2 2019
- Simultaneously focused on health & safety of workforce and their families, suppliers and customers as well as execution of operating plans

Continue to Execute Pandemic Playbook

Business Situation

All Businesses Are Operating

- Accelerating demand in certain markets offsetting weakness in others
- Working closely with customers and supply chain partners
- Employee attendance remains solid

Decision To Keep Team Intact Paying Off

- Segment demand better than expected
- Quickly pivoted back to pre-Covid-19 production
- Resulted in volume growth and participation gains

Community Support

- Food Bank donation – 3.3 million meals – distributed equally across our operations ~ 85,000 meals per location

Organization

- Safety of employees remains a priority
- Overall disruption management going well
- Proactively managing anxiety impact – health, financial, other
- Maintaining monthly management & execution processes

Operating Protocols

Compliance Remains In Place

- CDC and DHS recommendations, education, and awareness
- State mandate management and implementation
- Travel restrictions

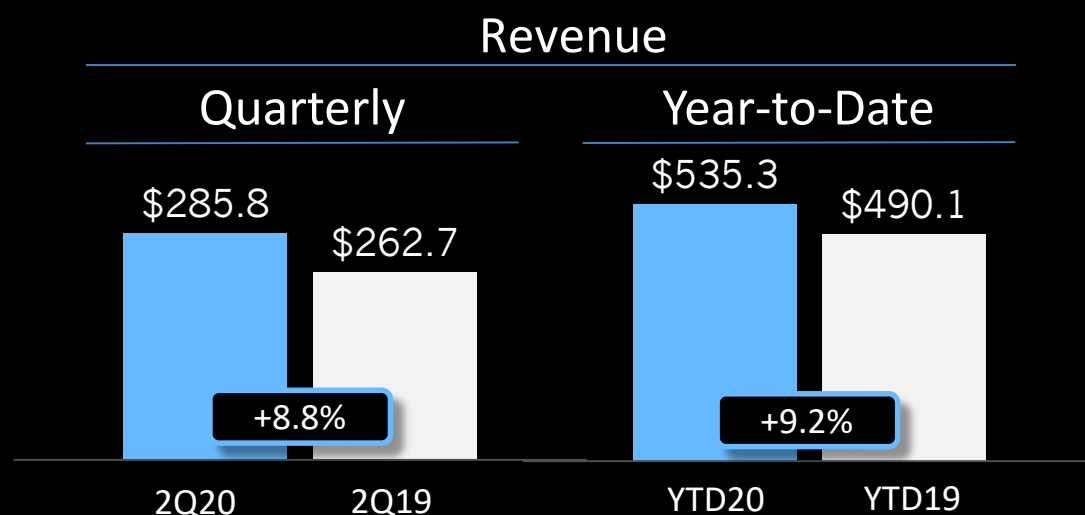
Workplace Management

- Business continuity processes
- Social distancing requirements
- Work from Home – process and technology
- Shift management and zoning in facilities
- Additional sanitization requirements
- Temperature checks (expanding with thermometer supply)
- Infected facility / work-station protocol
- Communication protocols – cadence, content
- Visitor protocols
- PPE for all employees (and family members)

Compensation Support

- 160 hours COVID-19 pay for hourly employees
- Salary continuation for salary employees

Consolidated Financial Performance



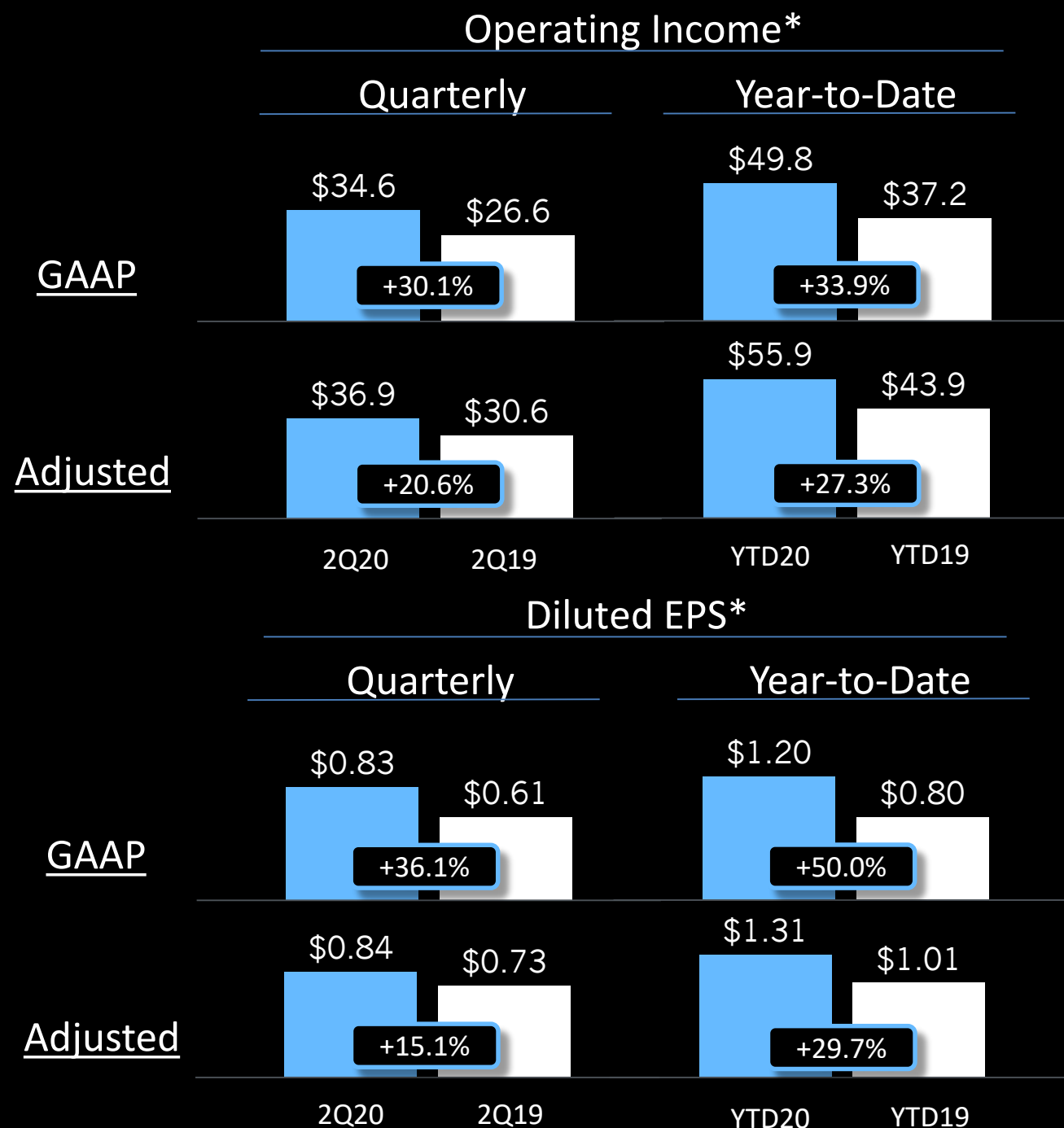
2020 Second Quarter Highlights

Revenue

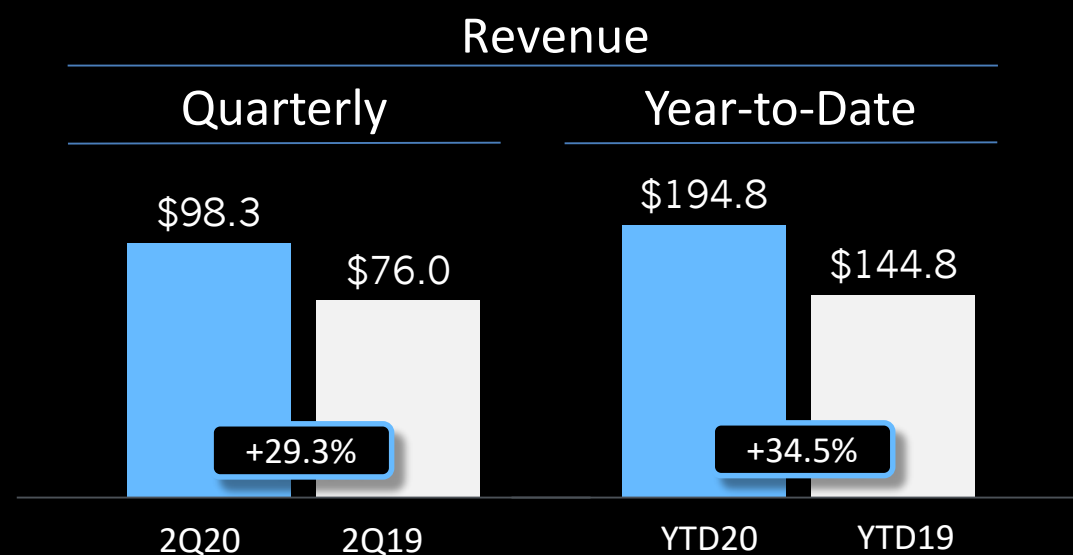
- Acquisitions Drove 7.2% Growth
- Core Renewable Energy & Conservation Growth
- Participation Gains In Residential End Markets
- Backlog Of \$277M, Up 14% Y-O-Y

Operating Income / EPS

- Organic Growth In Renewables & Conservation And Residential
- Residential Volume Leverage, Marked Industrial Margin Expansion
- Drag From Recent Acquisitions



Renewable Energy & Conservation Segment



2020 Second Quarter Highlights

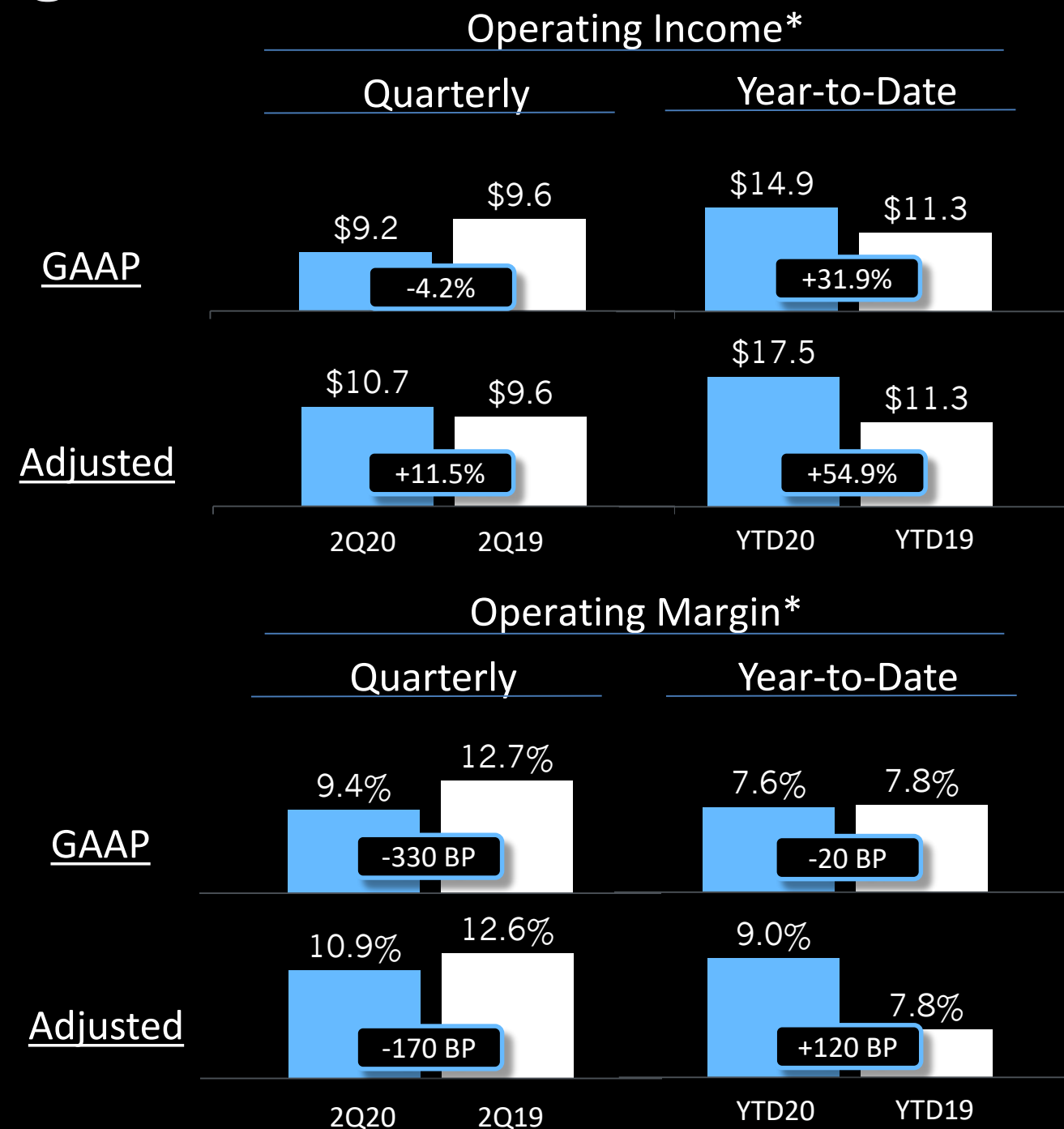
Revenue

- Organic Growth + 4.2%, Acquisitions 25.1%
- Renewable Energy +16.5%
- Backlog Up 15%; Renewables +25%, Growing +7%

Operating Income / Margin

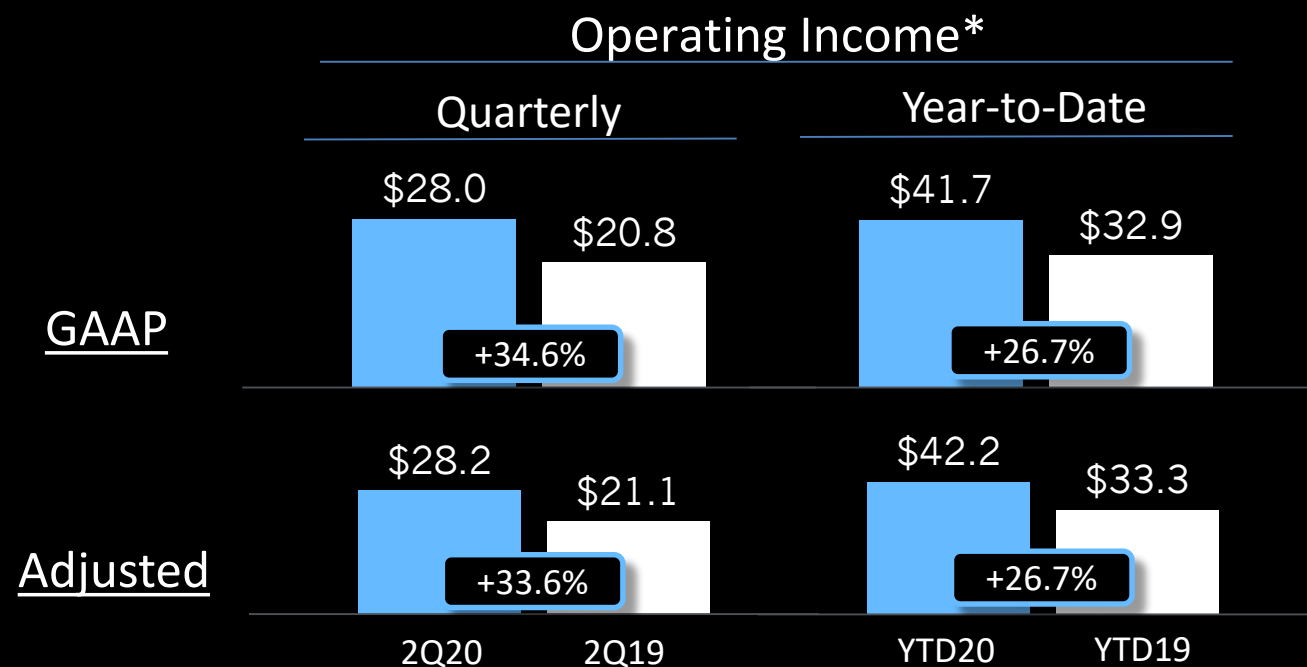
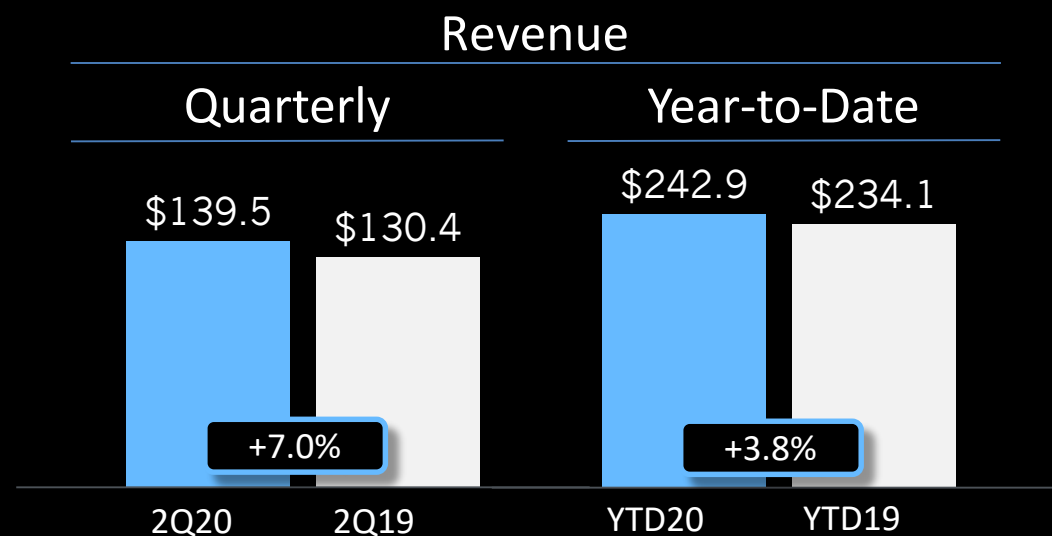
- Significant Renewable Energy Expansion with Growth & Strong Execution
- Product & Services Mix
- Cannabis & Processing End Markets Slowing
- Drag From Recent Acquisitions

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* Amounts in \$M. Refer to appendix for adjusted measures reconciliations.

Residential Products Segment



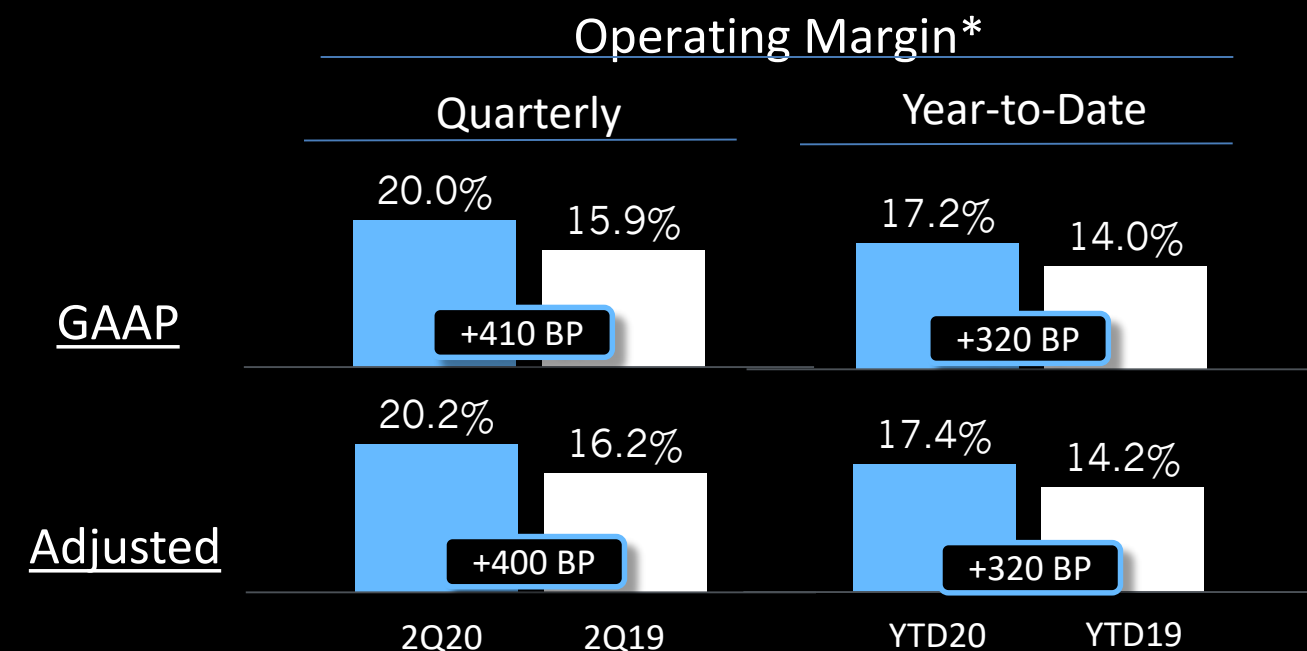
2020 Second Quarter Highlights

Revenue

- Strong Demand Recovery Throughout Quarter
- Participation Gains With Key Partner Customers

Operating Income / Margin

- Consistent Execution
- Price / Material Cost Management
- Continued 80/20 benefits
- Volume Leverage

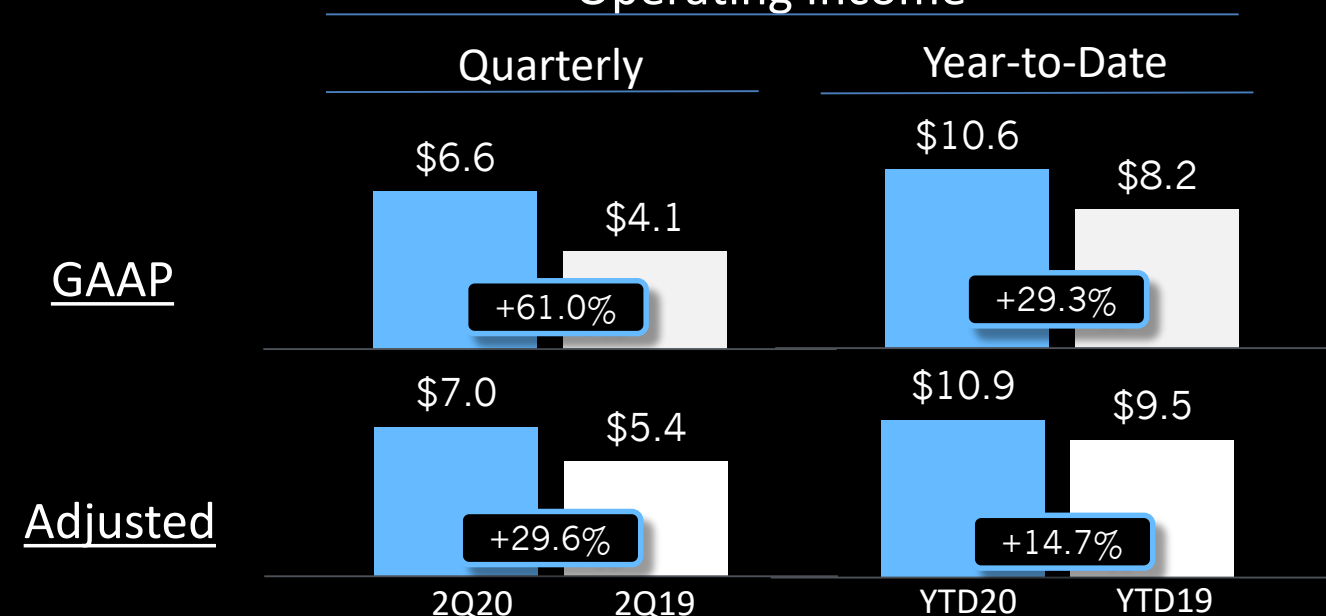


Industrial & Infrastructure Products Segment

Revenue



Operating Income*



2020 Second Quarter Highlights

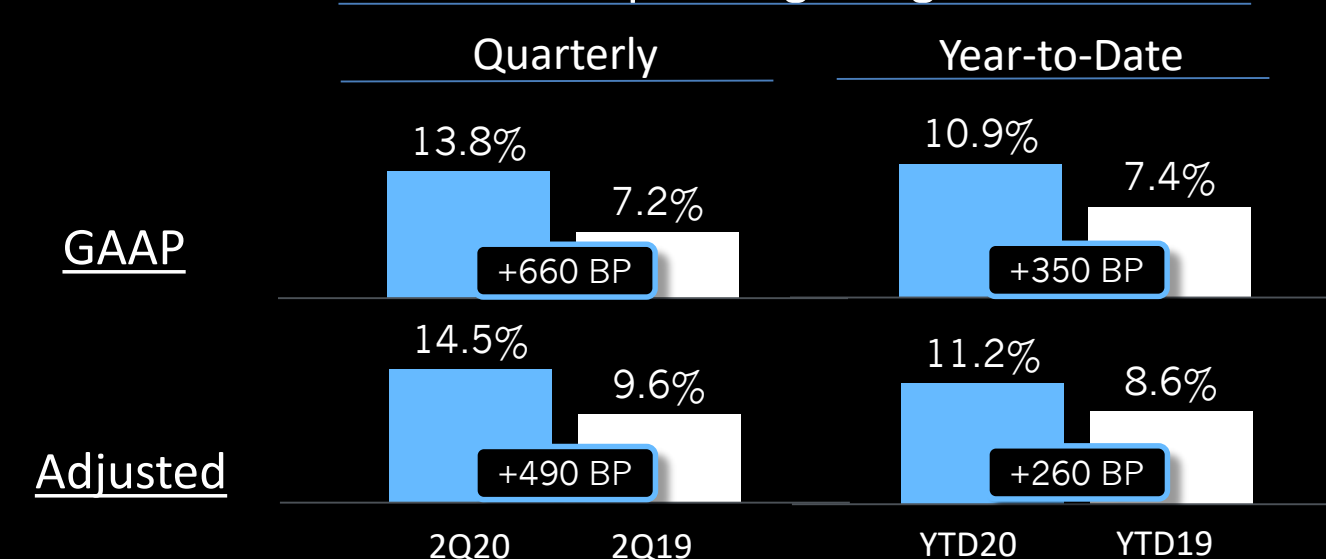
Revenue

- Infrastructure Flat
- Industrial Volumes Down In Core Products
- Growth In Infrastructure Backlog

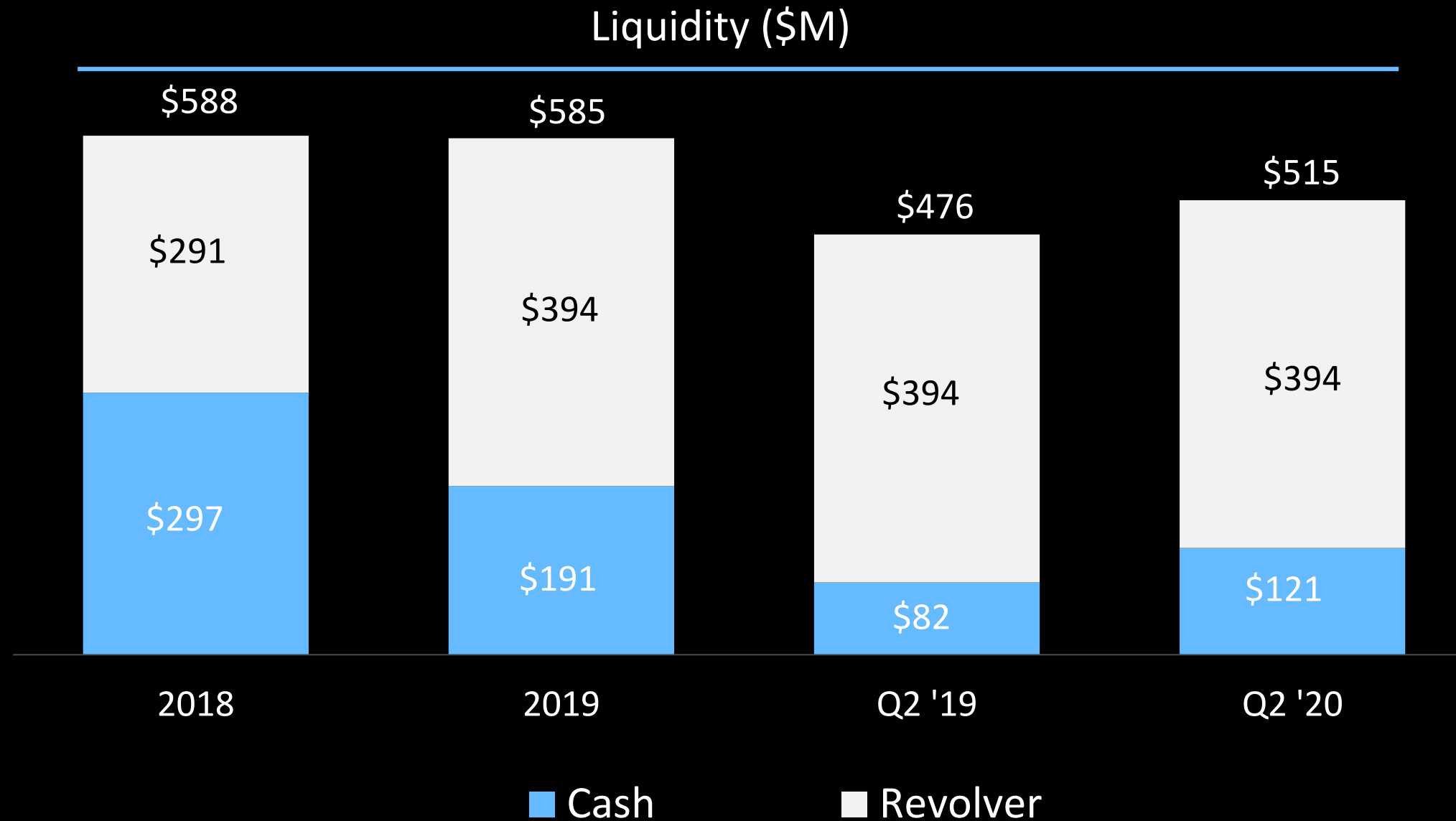
Operating Income / Margin

- Strong Industrial Margin Expansion Through Execution
- Price / Material Cost Management
- Mix
- Continued Execution On 80/20 Initiatives

Operating Margin*



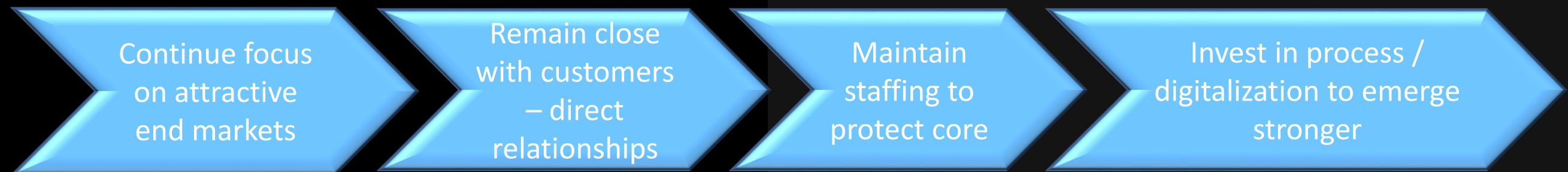
Balance Sheet Provides Resilience, Supports Growth



1.7x Leverage & 0.0x Net Leverage in 2018, No Outstanding Borrowings since Q1 19

Outlook: Our Confidence is Building But Uncertainty Remains

Business Segment	% of Revenue	Key Drivers
Renewables & Conservation	36%	<ul style="list-style-type: none"> • Renewable energy – strong demand drives growth and expanding backlog • Growing – Produce market remains solid, Cannabis market seeing more activity • Processing – customer access to capital improving but remains a challenge
Residential Building Products	45%	<ul style="list-style-type: none"> • “Nesting” effect continues to drive “R&R” market demand – good “Point of Sale” results • Keeping team intact & execution drives participation gains • Direct-to-homeowner business has recovered with demand at a solid pace
Industrial & Infrastructure	19%	<ul style="list-style-type: none"> • Infrastructure – modest growth on solid backlog • Industrial – core product demand remains depressed, continue focus on execution



Three Core Pillars – Build & Accelerate Through Pandemic

Business Pillar

Core Tenets

Recent Actions

1

Business System

- 80/20 operational excellence
- Innovation & new products
- Business models, digital systems

- Modified operating protocols
- Digital platform initiation
- Workspace safety & comfort
- Customer & Supply Integrity

2

Portfolio Management

- Optimize existing portfolio
- Acquisitions to expand position & shape our markets

- Acquisition integration efficiency more challenging but confident in plan
- Active M&A discussions

3

Organization Development

- Right structure and design
- Talent development
- “Best Place to Work”

- Kept team intact
- Attracting top talent to fill critical roles
- Grooming future leaders



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