



## Second Quarter 2015 Earnings Call

August 6, 2015

This presentation should be viewed in conjunction  
with Gibraltar's August 6, 2015 earnings press release.

# Forward Looking Statements

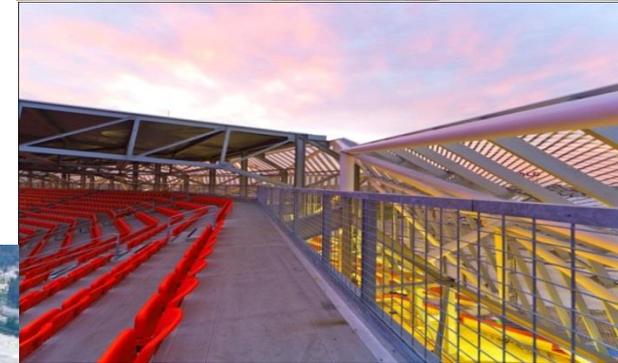
*Certain information set forth in this presentation, other than historical statements, contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that are based, in whole or in part, on current expectations, estimates, forecasts, and projections about 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](http://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**

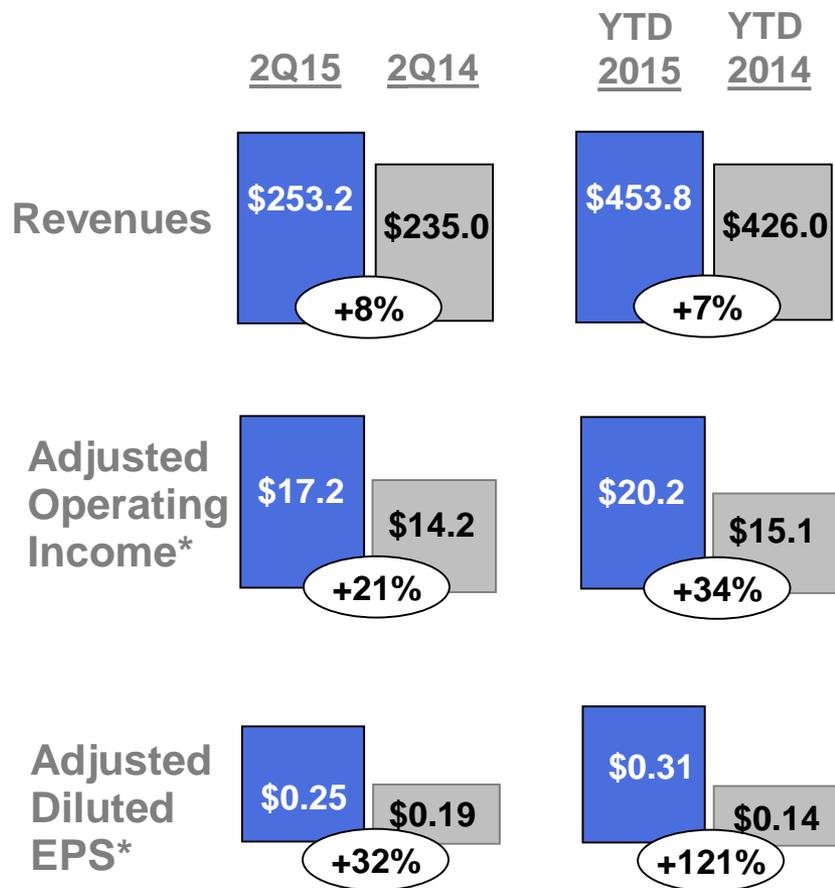
*To supplement Gibraltar’s consolidated financial statements presented on a GAAP basis, Gibraltar also presents certain adjusted financial data in this presentation. Adjusted financial data excluded special charges consisting of gain on sale of a facility, senior leadership transition costs, closing and consolidation of our facilities and acquisition-related costs. These adjustments are shown in the Non-GAAP reconciliation of adjusted operating results excluding special charges provided in the financial statements 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.*

# Top-Line Growth, Profitability in 2Q

- + 8% sales growth led by RBI acquisition
- +32% growth in Adjusted EPS
- RBI Solar acquisition accretive
- Continued progress on 4 Pillars of Gibraltar's strategy



# Consolidated Results Increased



## 2Q Revenues

- Acquisition adds 7% pts
- Base businesses up 3% pts on volume & pricing
- (2)% on weaker Euro and Cdn\$
- Residential Products up 15%
- Industrial & Infrastructure revenues (14)%

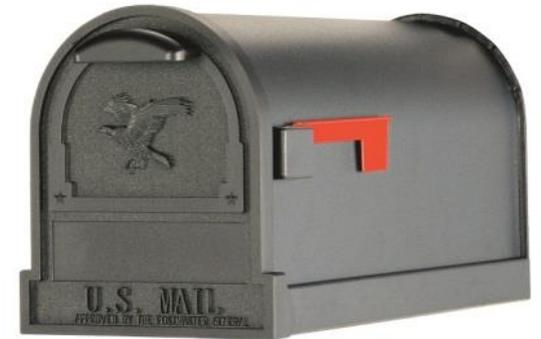
## 2Q Operating Income / EPS

- Base businesses: solid margin expansion
- Volume and efficiencies favorable
- Contributions from 2014 margin improvement initiatives
- Improving price / margin management

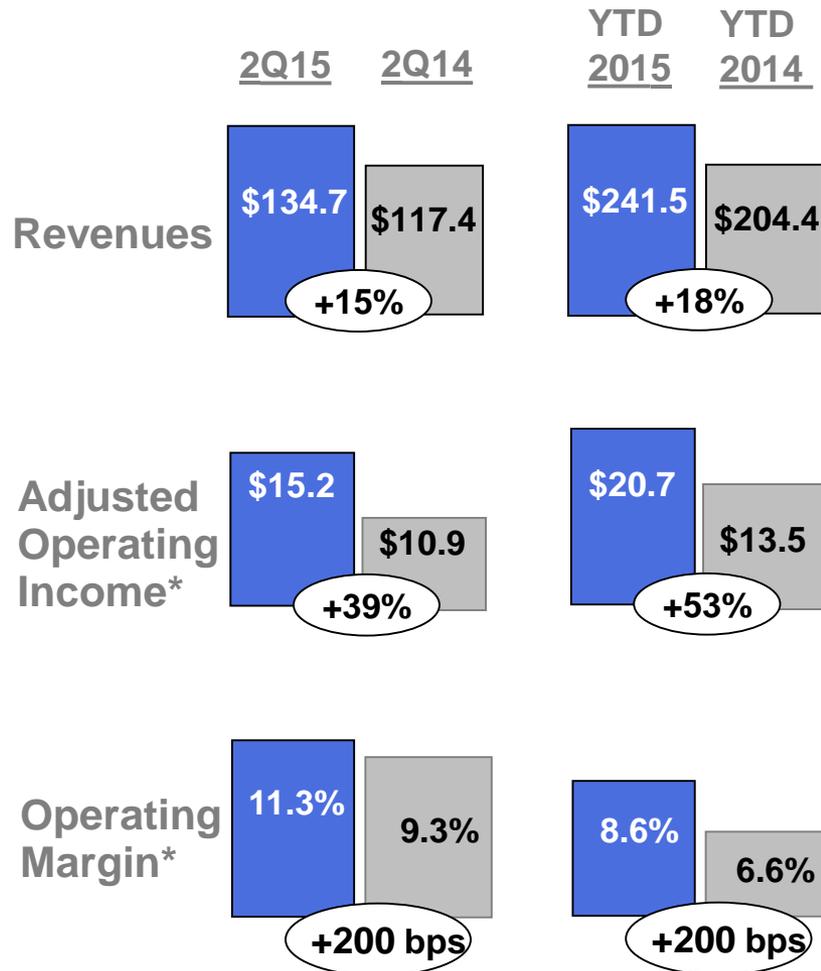
\*All amounts reported represent continuing operations before special charges. See non-GAAP reconciliations in earnings press release.

# Residential Products Highlights

- 2Q Sales +15%
- Sales of postal storage products +26%
- Growth driven by centralized mail delivery initiatives
- +9% in sales of roof ventilation and rain dispersion products; predominately volume gains



# Residential Products Segment Improved



## Revenues

- Volume growth drove increase
- Pricing improvement nearly offset currency decrease

## Operating Income / Margin

- Higher volume
- Operational efficiencies rising
- Improved price/margin management
- Benefits of 2014 initiatives
- Initial 80/20 project

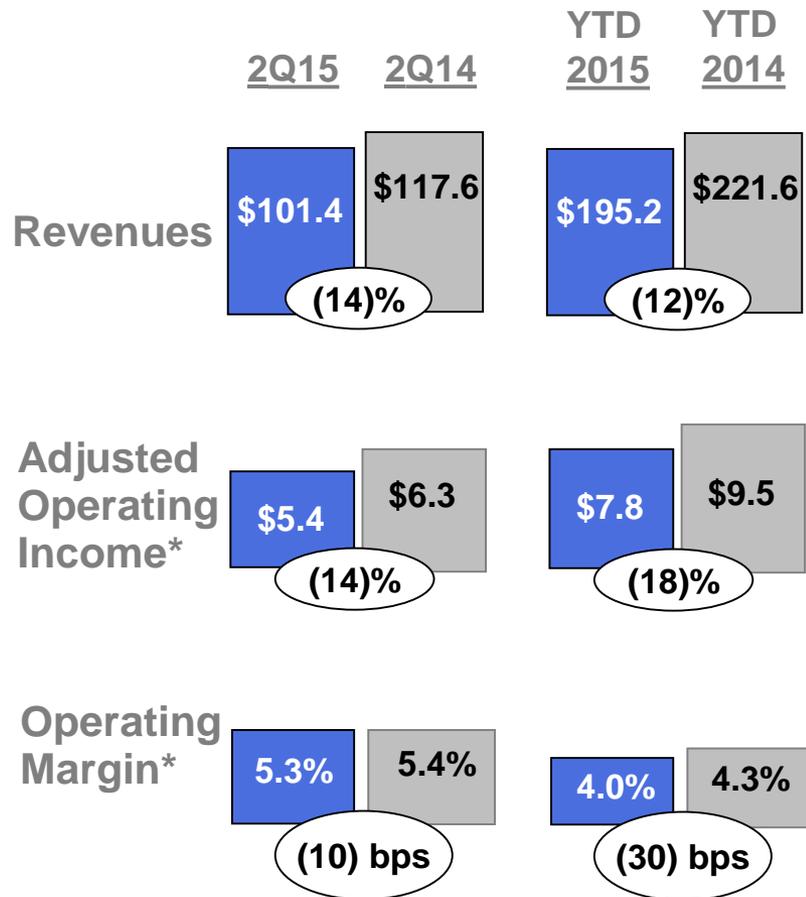
\*All amounts reported represent continuing operations before special charges. See non-GAAP reconciliations in earnings press release.

# Industrial & Infrastructure Products Highlights

- Demand from oil & gas markets weaker on low oil prices
- Volume (12)% led by lower industrial products
- Infrastructure orders and revenues steady despite uncertain funding environment



# Industrial & Infrastructure Products Segment



## 2Q Revenues

- Volume lower (12)% pts primarily due to industrial markets; correlated to lower steel costs and weaker oil & gas markets
- FX effect (2)% pts.
- Transportation infrastructure products equivalent

## Operating Income / Margin

- Strong cost mgmt offsetting lost contribution of lower volume
- Overhead reductions in 1Q15
- Improving alignment of RM costs & pricing

\*All amounts reported represent continuing operations before special charges. See non-GAAP reconciliations in earnings press release.

# 2015: Excellent Progress in Transition Year

## Operational Excellence

- 80/20 process underway. Initial project in Residential segment. Simplifying the business and improving margins

## Portfolio Management

- Allocating leadership time, capital and resources to highest-potential platforms and businesses

## Product Innovation

- High-quality, engineered solutions; 24x7 parcel units; residential ventilation

## Acquisitions as a Strategic Accelerator

- Proactive pursuit of new opportunities.
- June 9 acquisition in renewable energy/solar, RBI



# Acquired RBI

## Solar Racking and Commercial Greenhouses



EV: \$130 million, subj to adjustments  
Sources: \$100 million from available Cash; bal. drawn from Revolver  
Proforma Gross Leverage: <3.0x

---

- **2/3 of 2014 Revenues** from Solar' Utility Ground Mount, Carport, & Rez Rooftop

<u>Growth Rates:</u>	<u>North America.</u>	<u>Global</u>
2014-2018	9.8% CAGR on \$1.2B	13.9% CAGR on \$10B

- **1/3 of 2014 Revenues** from Greenhouses; commercial, institutions, retailers

**Large Markets, High Growth, High Returns and Technology-Rich**

# RBI Accretive & Growing

	<u>June 9<sup>th</sup> to 30<sup>th</sup></u>	<u>2H 2015</u>	<u>2H 2014</u>
Revenues	\$17.1	\$115 - \$120	\$110
Adjusted Operating Income*	\$1.9	\$8 - \$11	\$10
Operating Margin*	11.1%	7% - 9%	9%

## Revenues

- Solar racking products driving growth
- Greenhouse revenues rising...seed development
- International portion also rising; Asia-Pac

## Operating Income / Margin

- Higher volume
- Amortization of longer-lived intangibles (150) bps

\*All amounts reported represent continuing operations before special charges. See non-GAAP reconciliations in earnings press release.

# 2015 EPS Guidance Increased

	2014	2015G	Assumptions
Revenues	\$862M	\$980 to \$990 ~ 14%	Residential: +6% on Postal products growth with improving but choppy R&R markets.  Industrial & Infrastructure (10)% ... exposure to oil & gas markets; lower oil prices weigh on demand. Weak demand for U.S. transportation infrastructure products.  +13% from RBI; \$115M to \$120M added in 2H
Adj. Segment Income <i>Segment Margin</i>	\$52M 6%	\$75M - \$80M ~ 8%	Improvement from operational efficiencies and consolidation initiatives  Includes non-operating gains/losses on derivatives.
Adjusted EPS	\$0.47	\$0.78 - \$0.88	\$0.58 to \$0.64 from Base business, plus \$0.20 to \$0.24 from RBI acquisition. 37.5% ETR
Free Cash Flow/ Net Sales	+1%	+4% to +5%	2015: higher earnings + capex below Plan



**Q&A**