



Frank Heard, Chief Executive Officer

Kenneth Smith, CFO

Timothy Murphy, Treasurer & Secretary



**Robert W. Baird & Co.**  
**2016 Global Industrial Conference**  
November 10, 2016

# 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](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 assets, restructuring costs, acquisition-related costs and other reclassifications. 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.*

# Gibraltar ...Transformation Underway

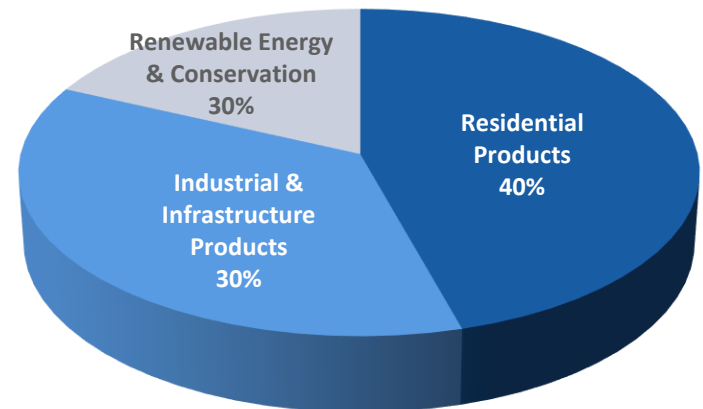
## Highlights:

- New CEO, Chairman, Executive Team and BOD members in 2015
- Introduced Four Pillar Strategy for value creation to Gibraltar
- Tracking \$1.0 Billion in Revenues
- YTD 2016 Adj. EPS of \$1.38 vs. \$0.81 in 2015 and \$0.44 in 2014
- Acquired RBI in June 2015 entering R.E.& C. – contributed \$0.51 EPS YTD
- Improving Stock price peaked at \$40.00...Market Cap up 2X to \$1.2B.
- Added four Sell-Side Analysts

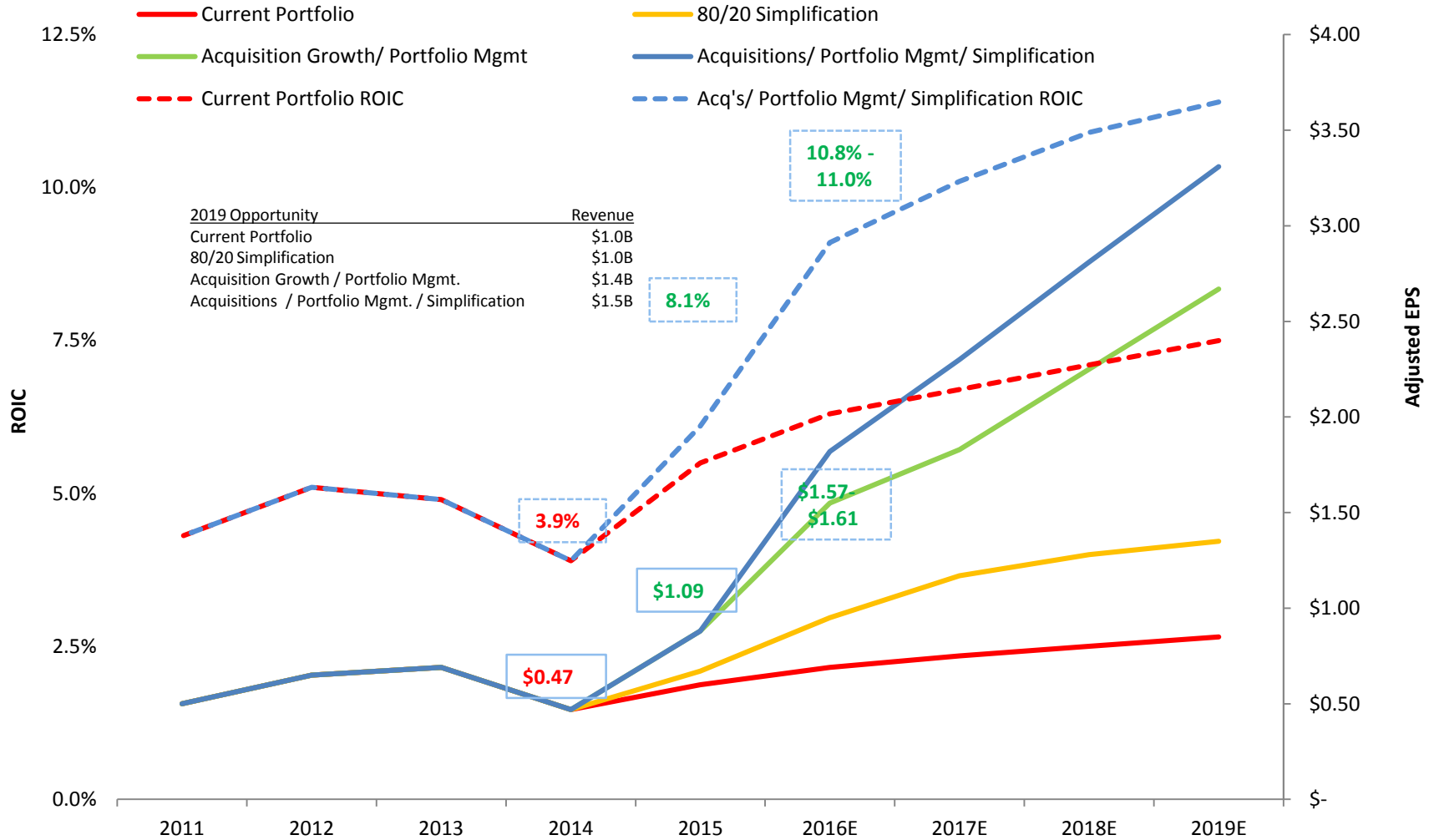
## Vision:

- Transformational Change
- Best-in-class value creation & returns
- 2x Revenue – 4x Earnings
- Billion Dollar Market Cap. – Relevant

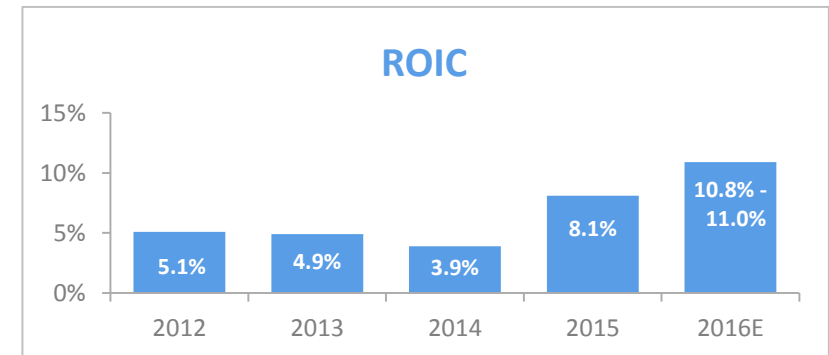
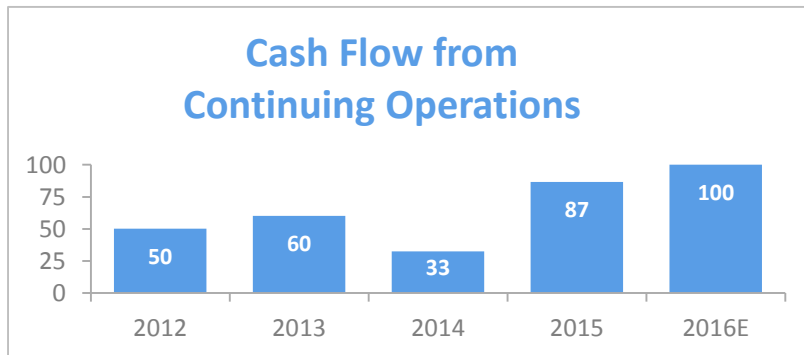
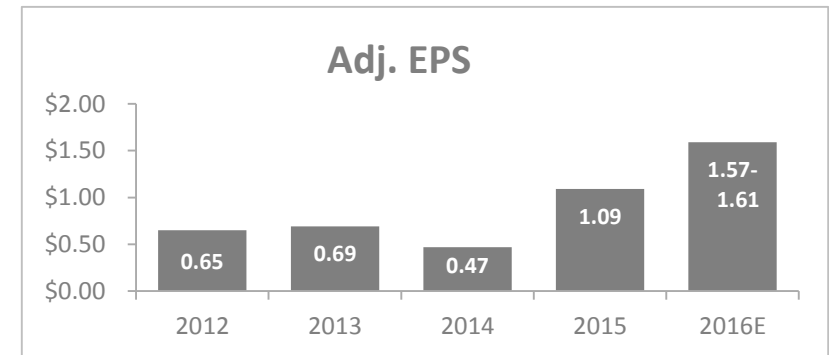
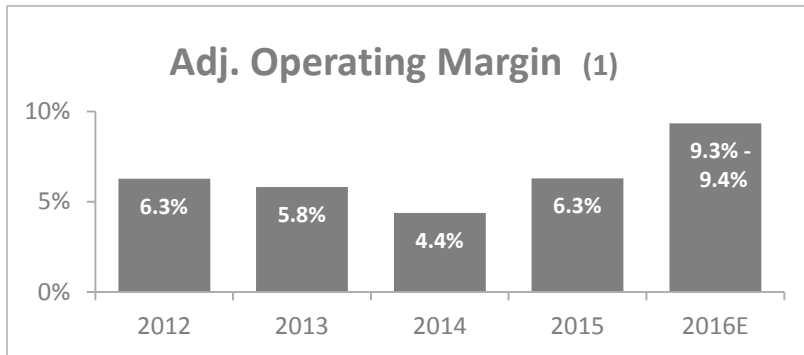
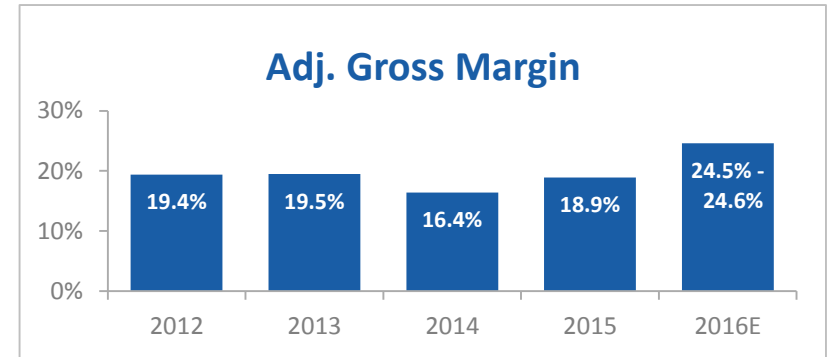
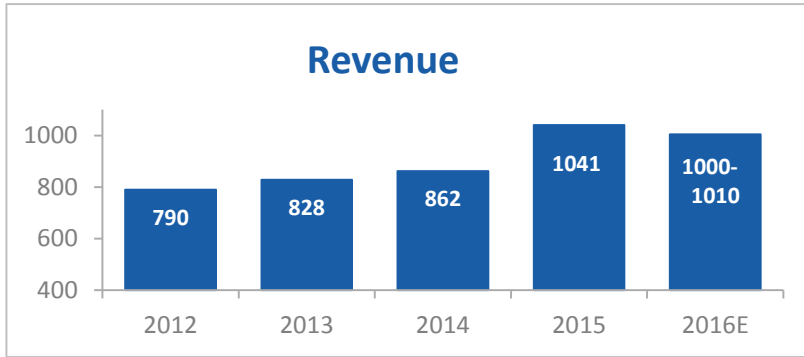
## Revenues



# The Opportunity



# Trends continue Up... in 2<sup>nd</sup> Year



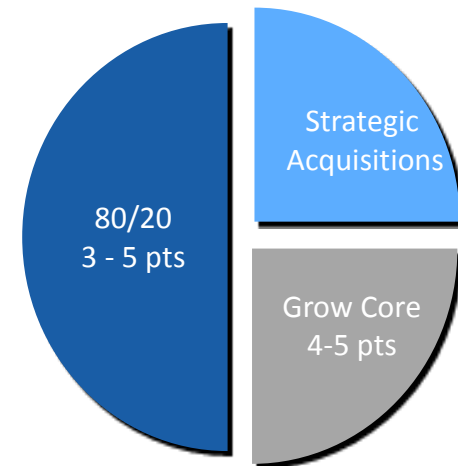
# Capturing the Opportunity

“Make more money at a Higher Rate of Return and More Efficient Use of Capital”

## 4-Pillars of Value Creation Strategy

## Creating Value Through Higher Earnings

- 1 Operational excellence:** Refocusing on the relatively small set of customers who bring in the majority of revenue and profits. Starting with 80/20 simplification
- 2 Product innovation:** Allocating new and existing resources to opportunities that drive sustainable returns. Patentable products and technologies
- 3 Acquisitions:** Focused on accelerating the Company’s growth
  - **Portfolio management:** Ongoing evaluation of current portfolio for future profitable growth and greater returns
- 4**



# Capturing the Opportunity:

## 1 Operational Excellence

- “treating the ‘80’ differently than the ‘20’”

### Objectives

- Simplify and streamline business
- Increase operating profit with fewer assets
- Grow revenues by focusing on ‘80’
- Sustainable culture of simplification

### Highlights

- Reduced Part numbers – 4,000 out of 29,000
- Reduced Customers – 1,500 out of 9,000
- Reduction of Footprint – 8 Facilities or 285,000 sq. ft.
- Profit Improvement:
  - 2015 – \$11M vs. plan of \$5M
  - YTD 2016 – \$17M vs. plan of \$8M
- Reduction in Inventory of \$42M vs. plan of \$20M
- Reduction in FT employees 2,400 to 2,200 (excl. RBI)
  
- Cultural shift throughout the organization

### Customer vs Products

|                                       |                               | High Vol.<br>A=3,600 (3,900)                  | Items<br>B= 21,100 (24,800) | Low Vol.  |
|---------------------------------------|-------------------------------|---|-----------------------------|---|
| Low Vol. Customers<br>B=6,500 (7,900) | High Vol.<br>A= 1,000 (1,100) | <b>Quad 1</b>                                 |                             | <b>Quad 2</b>   |
|                                       |                               | High Volume Customers<br>High Volume Products | 67% of Revenue \$           | High Volume Customers<br>Low Volume Products<br>14% of Revenue \$ |
|                                       | High Vol.<br>A= 1,000 (1,100) | <b>Quad 3</b>                                 |                             | <b>Quad 4</b>   |
|                                       |                               | Low Volume Customers<br>High Volume Products  | 13% of Revenue \$           | Low Volume Customers<br>Low Volume Products<br>6% of Revenue \$   |



# Capturing the Opportunity

2 **Innovation** - \$50M or 5% of Revenue...target of 10% in 2020

## Approach

- Allocation of new resources on the '80'
- Differentiating Gibraltar products from competition; I.P. protections
- Increase proportion of revenue and migrate from products to engineered solutions.

## Focus

- Postal Products – centralized mail & parcel delivery
- Residential – whole house air management
- Solar – Ground-mount 3.0 & Tracker Systems
- Building Products – Stealth Bond for Metal Roofing



**“New solutions in pipeline to address these needs”**

# Capturing the Opportunity

3

## Acquisitions - as a strategic accelerator

### Postal & Parcel Solutions



#### Mail & Parcel Solutions

- Curbside to centralized
- Parcel delivery
- Last mile
- Self Service

### Air Management



#### Whole Home Air Management

- Tighter building envelopes
- Energy efficiency trends
- Energy monitoring

### Infrastructure



#### Isolation Control; Monitoring Systems

- Seismic isolation
- High barriers to entry
- High risk, high margins

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

# Capturing the Opportunity

3

## Acquisitions - in New Markets with Innovative Technology

### Renewable Energy - Solar



### Solar Balance of Systems & Adjacencies

- Site preparation to panel array hookup
- Carports
- Commercial & Residential

### Resource Conservation



### Conservation / Reclamation

- Decaying infrastructure
- Residential gray water management
- Rainwater harvesting
- Agricultural trends (commercial greenhouses)
- \$25M acquisition of commercial greenhouse biz in October 2016

*“Pro-Active Prospecting vs. Reactive Justification”*

# Capturing the Opportunity

4

## Portfolio Management – the thoughtful allocation of capital

- Regular evaluation of existing platforms' future value-creation
- Allocation of leadership time, capital & resources to highest potential platforms of businesses
- Divestiture of European industrial business (April 2016)

**Need to Drive a Portfolio Change To Fully Realize “The Opportunity”**

# Transformation Results-to-Date

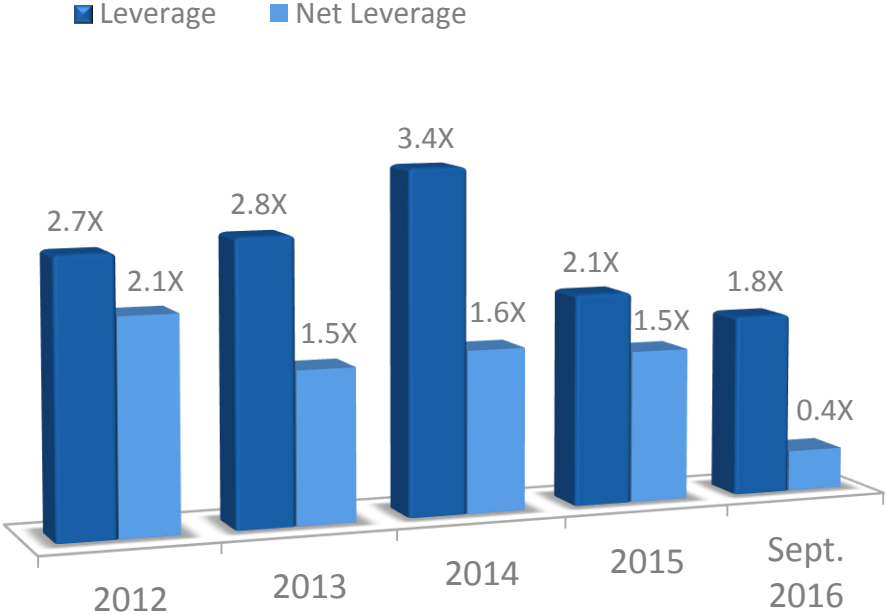
1. “Make more Money at a Higher Rate of Return and more efficient use of Capital”

|          | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016G</u>            |
|----------|-------------|-------------|-------------|-------------------------|
| Adj. EPS | \$0.69      | \$0.47      | \$1.09      | <b>\$1.57 to \$1.61</b> |
| ROIC     | 4.9%        | 3.9%        | 8.1%        | <b>10.8% - 11.0%</b>    |

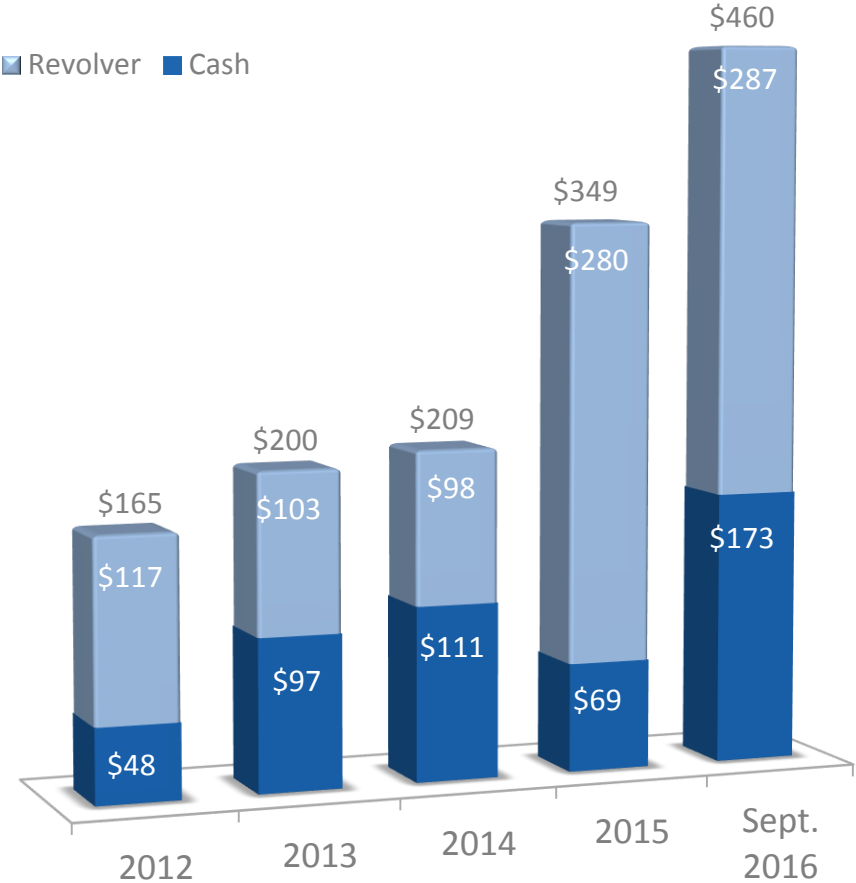
2. Compensation – realignment of compensation program to performance
3. Operational Improvement – 80/20 beginning to show earnings improvement
4. Product Innovation – Currently ~ 5% of sales from patented products...drive to 10% in 2020
5. Sell-side equity research: +4 firms in 2015..... 5 total
6. Relevant: 102,000 shs ave daily trading in 1H 2014  
231,000 shs ave daily trading YTD October 31, 2016
7. >2x stock appreciation [May 14, 2014 = \$15.84 vs. October 31, 2016 = \$38.90]

# Strong Balance Sheet

## Leverage





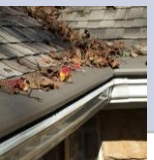
## Liquidity (\$M)



The background is an abstract, low-angle perspective of a blue and white grid structure, resembling a modern architectural interior or a digital data network. The lines converge towards a bright white light source at the top right, creating a sense of depth and movement. A semi-transparent white rectangular box is positioned on the left side of the image, containing the text 'Appendix'.

# Appendix

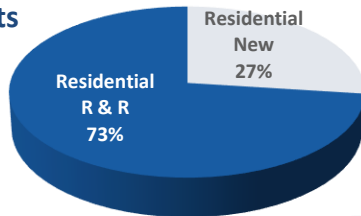
# Residential Products Segment (40% of Revenue)

|                              |  |   |  |
|------------------------------|--|---|--|
| <b>Products</b>              | <ul style="list-style-type: none"> <li>Postal and parcel storage (Single and cluster)</li> </ul>                 | <ul style="list-style-type: none"> <li>Ventilation products for roofs and foundations</li> </ul>                          | <ul style="list-style-type: none"> <li>Rain dispersion</li> <li>Trims</li> <li>Flashing</li> <li>Other roof-related accessories</li> </ul> |
| <b>Application</b>           | <ul style="list-style-type: none"> <li>Mail and package delivery</li> <li>Secure storage</li> </ul>              | <ul style="list-style-type: none"> <li>Ventilation and whole-house air flow</li> </ul>                                    | <ul style="list-style-type: none"> <li>Water protection</li> <li>Sun protection</li> </ul>   |
| <b>End Markets</b>           | <ul style="list-style-type: none"> <li>Residential new construction</li> <li>Residential multi-family</li> </ul> | <ul style="list-style-type: none"> <li>Residential new construction</li> <li>Residential repair and remodeling</li> </ul> | <ul style="list-style-type: none"> <li>Residential new construction</li> <li>Residential repair and remodeling</li> </ul>                  |
| <b>U.S. Market Position*</b> |  <p>#1</p>                      |  <p>#1</p>                              |  <p>#2</p>  |

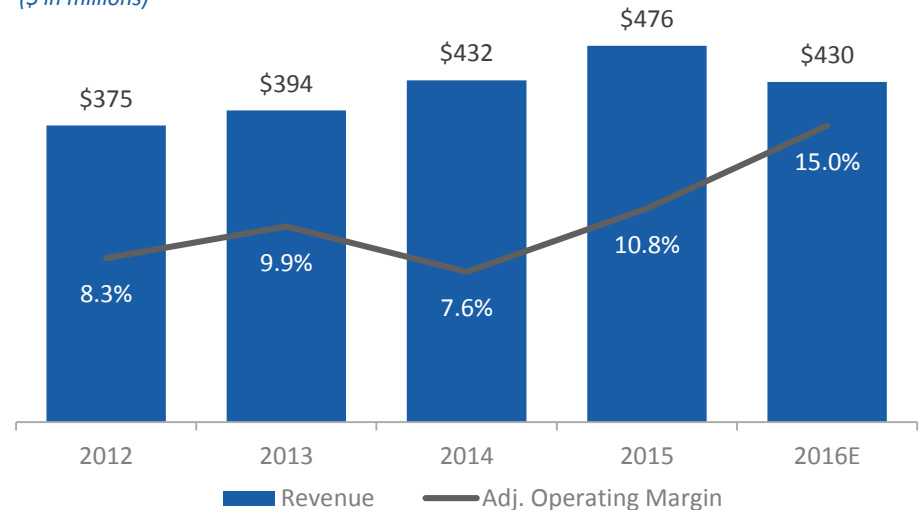
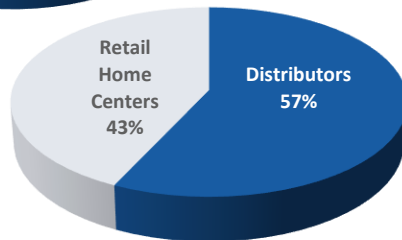
\* Market position based on management's best estimates

(\$ in millions)

## End Markets

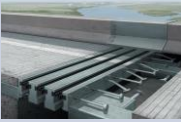


## Channels





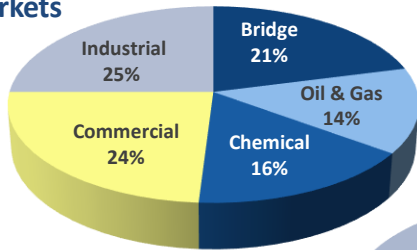
# Industrial & Infrastructure Segment (30% of Revenue)

|                              |   |  |   |
|------------------------------|---|--|---|
| <b>Products</b>              | <ul style="list-style-type: none"> <li>Structural bearings</li> <li>Expansion joints</li> <li>Sealants</li> </ul>                       | <ul style="list-style-type: none"> <li>Bar grating</li> </ul>  | <ul style="list-style-type: none"> <li>Expanded metal</li> <li>Perforated metal</li> </ul>  |
| <b>Application</b>           | <ul style="list-style-type: none"> <li>Preserve bridge functionality under varying weight, wind, heat and seismic conditions</li> </ul> | <ul style="list-style-type: none"> <li>Flooring</li> <li>Walkways</li> <li>Platforms</li> <li>Safety barriers</li> </ul>       | <ul style="list-style-type: none"> <li>Security barriers / fencing</li> <li>Walkways / catwalks</li> <li>Architectural facades</li> </ul> |
| <b>End Markets</b>           | <ul style="list-style-type: none"> <li>Bridge and elevated highway construction</li> </ul>  | <ul style="list-style-type: none"> <li>Discrete and process manufacturing</li> <li>Energy</li> <li>Power generation</li> </ul> | <ul style="list-style-type: none"> <li>Low-rise commercial</li> <li>Leisure and hospitality</li> <li>Automotive</li> </ul>                |
| <b>U.S. Market Position*</b> | #1   | #1    | #2   |

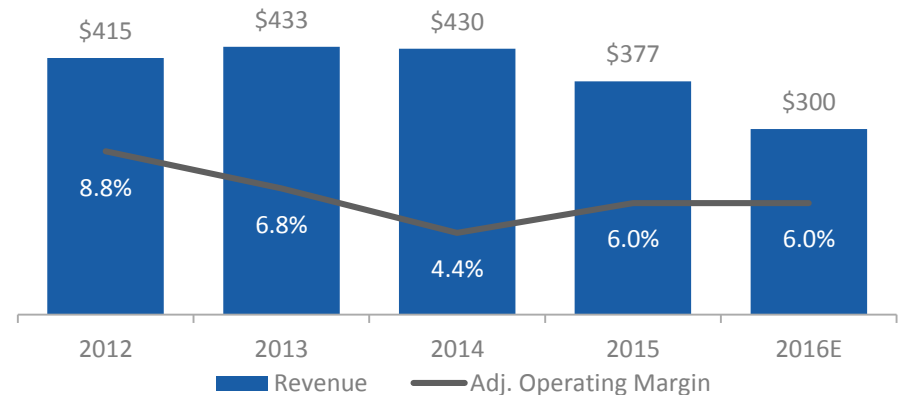
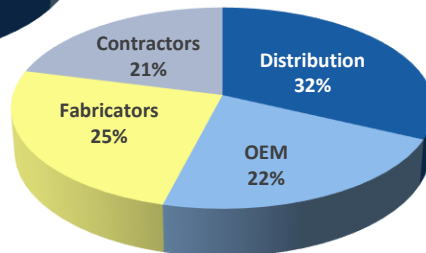
\* Market position based on management's best estimates

(\$ in millions)

## End Markets



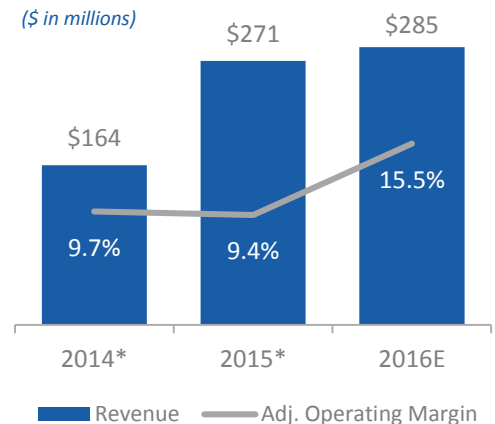
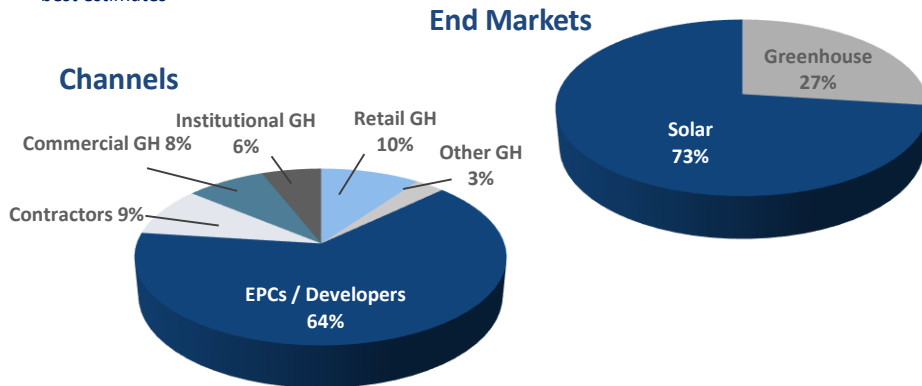
## Channels



# Renewable Energy & Conservation (30% of Revenue)

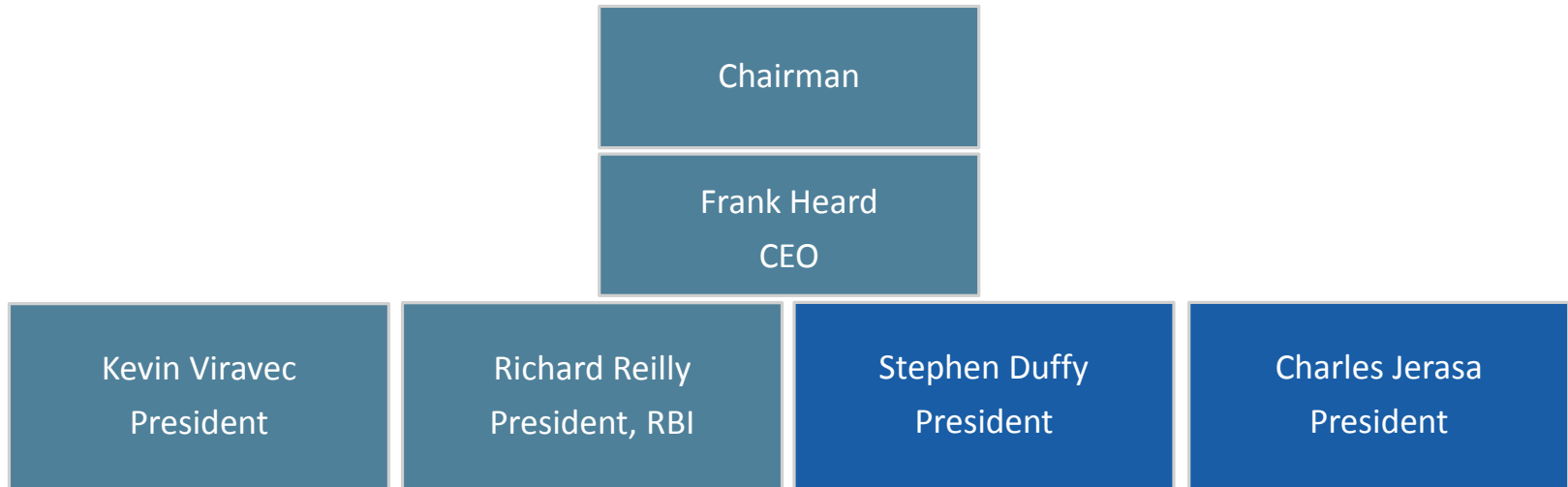
| RBI's Products        | Solar Racking  | Greenhouses ("GH")  |
|-----------------------|--|---|
| Application           | <ul style="list-style-type: none"> <li>Ground mount PV arrays</li> <li>Commercial rooftop</li> <li>Residential rooftop</li> </ul>  | <ul style="list-style-type: none"> <li>For ground-mount                             <ul style="list-style-type: none"> <li>Design</li> <li>Fabrication</li> <li>Installation</li> <li>Project Management</li> </ul> </li> </ul> |
| End Markets           | <ul style="list-style-type: none"> <li>Small / mid-size Utilities</li> <li>Commercial site, including landfills / carpools</li> <li>Residential</li> <li>Power generation</li> </ul>   | <ul style="list-style-type: none"> <li>Floriculture</li> <li>Large-scale horticulture</li> <li>Research, public and private</li> </ul>  |
| U.S. Market Position* | <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 10px;">#1</div>  </div> | <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 10px;">#1</div>  </div>   |

\* Market position in ground-mounted, fixed-tilt arrays based on management's best estimates



\* Pro forma results for RBI in 2014 and 2015.

# Leadership - Driving Change

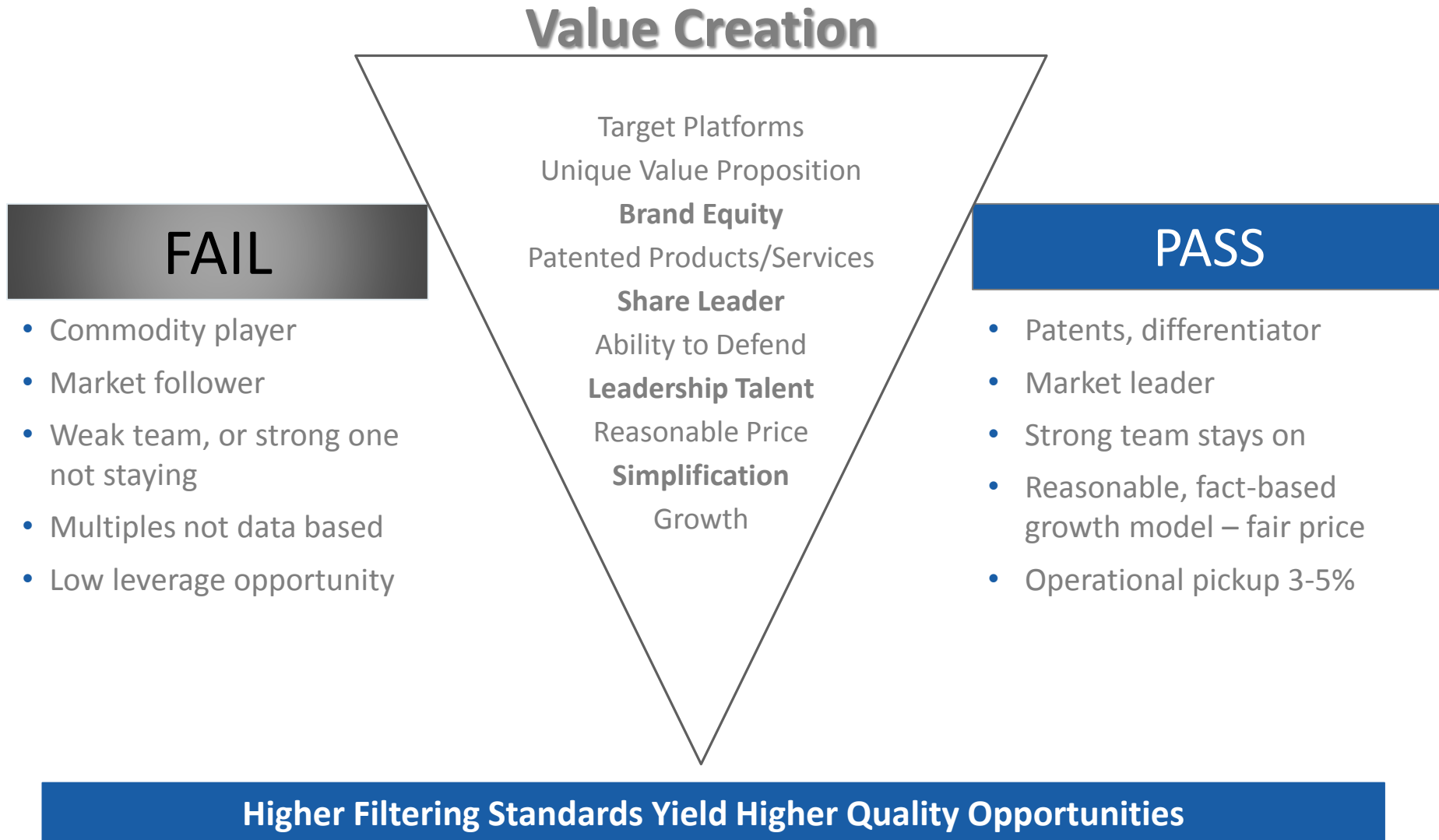


## Key Changes

- Chairman and CEO
- Board Members (6)
- Executive Leadership (5)
- Alignment of Key Leadership (3)
- New Business Development (1)
- Dedicated Simplification Resources
- Doing More with Same or Less



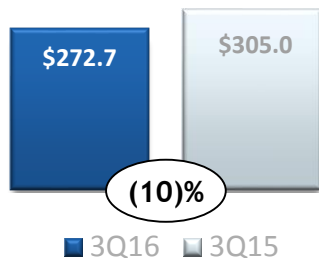
# Rigorous Identification, Vetting Process



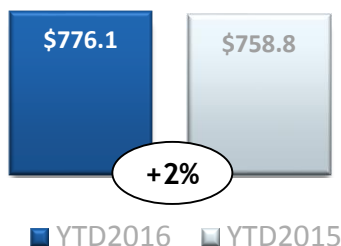
# Consolidated Profitability Rises

## Revenues

### Quarterly



### Year-to-Date



## 3Q16 Revenues

- (7)% on non-recurring revenues (industrial divestiture & completed postal contract)
- (5)% on weaker Industrial markets
- +2% growth with Renewable Energy & Residential (ex completed postal contract)

## 3Q16 Operating Income / EPS

- RBI synergies
- Operational improvement .. 80/20 Simplification

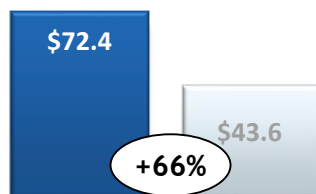
## Operating Income\*

### Quarterly

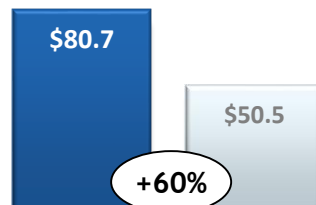
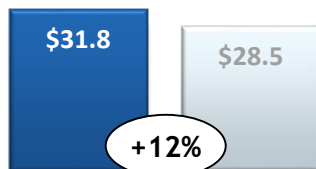
GAAP



### Year-to-Date



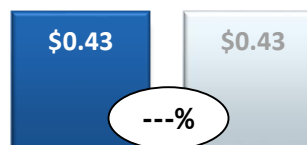
Adjusted



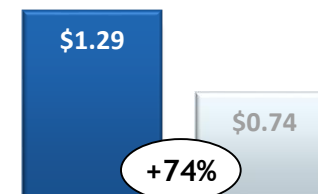
## Diluted EPS\*

### Quarterly

GAAP



### Year-to-Date



Adjusted



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

# 2016 Guidance Update

|  | 2016G            | 2016G vs. 2015A | 2016 Assumptions  |
|--|------------------|-----------------|---|
| <b>Revenue</b>                                   | \$1.00B to 1.01B | (3)%            | <p><b>Residential: (10)%</b><br/>+2% organic; (12)% or \$(50)M for 2015 completed contract.</p> <p><b>Industrial &amp; Infrastructure: (20)%</b><br/>(10)% organic, weak markets;<br/>(10)% or \$(30)M on European divestiture.</p> <p><b>Renewable Energy:</b><br/>+\$88M for acquisitions over 2015 plus 3% growth.</p> |
| <b>Operating Income</b>                          |                  |                 | Continuing improvement from operational efficiencies and consolidation initiatives.   |
| <i>GAAP</i>                                      | \$82M to \$84M   | +70% - 75%      |   |
| <i>Adjusted*</i>                                 | \$93M to \$95M   | +35% - 40%      |   |
|  |                  |                 | *2015 Adj Op Inc includes non-operating gains on derivatives.   |
| <b>Operating Margin</b>                          |                  |                 |   |
| <i>GAAP</i>                                      | 8.0% to 8.4%     | +340-380bps     |   |
| <i>Adjusted*</i>                                 | 9.0% to 9.4%     | +240-280bps     |   |
| <b>Earnings Per Share</b>                        |                  |                 |   |
| <i>GAAP</i>                                      | \$1.43 to \$1.48 | +93% - 100%     |   |
| <i>Adjusted</i>                                  | \$1.57 to \$1.61 | +44% - 48%      |   |
| <b>Net Cash Provided by Operating Activities</b> | +10% of revenues | +300bps         | Forecasting \$12M of CAPEX in 2016  |

# Nine Months 2016 Reconciliation of Adjusted Measures

(unaudited) / ( in thousands)

Nine Months Ended September 30, 2016

|   | As<br>Reported<br>In GAAP<br>Statements | Restructuring<br>Charges | Senior<br>Leadership<br>Transition<br>Costs | Gain on<br>Sale of<br>Business | Adjusted<br>Financial<br>Measures |
|---|---|--------------------------|---|--------------------------------|-----------------------------------|
| Net Sales   |   |                          |   |                                |                                   |
| Residential Products                                  | \$ 338,069                              | \$ —                     | \$ —  | \$ —                           | \$ 338,069                        |
| Industrial & Infrastructure Products                  | 234,590                                 | —                        | —   | —                              | 234,590                           |
| Less Inter-Segment Sales                              | (1,164)                                 | —                        | —   | —                              | (1,164)                           |
|   | 233,426                                 | —                        | —   | —                              | 233,426                           |
| Renewable Energy & Conservation                       | 204,648                                 | —                        | —   | —                              | 204,648                           |
| Consolidated sales                                    | 776,143                                 | —                        | —   | —                              | 776,143                           |
| Income from operations                                |   |                          |   |                                |                                   |
| Residential Products                                  | 52,363                                  | 1,856                    | 252   | —                              | 54,471                            |
| Industrial & Infrastructure Products                  | 11,429                                  | 4,716                    | —   | —                              | 16,145                            |
| Renewable Energy & Conservation                       | 34,969                                  | —                        | —   | —                              | 34,969                            |
| Segments Income                                       | 98,761                                  | 6,572                    | 252   | —                              | 105,585                           |
| Unallocated corporate expense                         | (26,381)                                | 31                       | 1,454                                       | —                              | (24,896)                          |
| Consolidated income from operations                   | 72,380                                  | 6,603                    | 1,706                                       | —                              | 80,689                            |
| Interest expense                                      | 10,982                                  | —                        | —   | —                              | 10,982                            |
| Other expense (income)                                | 7,840                                   | —                        | —   | (8,763)                        | (923)                             |
| Income before income taxes                            | 53,558                                  | 6,603                    | 1,706                                       | 8,763                          | 70,630                            |
| Provision for income taxes                            | 12,131                                  | 2,276                    | 588   | 11,500                         | 26,495                            |
| Income from continuing operations                     | \$ 41,427                               | \$ 4,327                 | \$ 1,118                                    | \$ (2,737)                     | \$ 44,135                         |
| Income from continuing operations per share – diluted | \$ 1.29                                 | \$ 0.14                  | \$ 0.04                                     | \$ (0.09)                      | \$ 1.38                           |

# Nine Months 2015 Reconciliation of Adjusted Measures

(unaudited) / (in thousands)

Nine Months Ended September 30, 2015

|   | As<br>Reported<br>In GAAP<br>Statements | Acquisition<br>Related<br>Items | Restructuring<br>Charges | Gain on<br>Sale of<br>Facility | Reclass of<br>Hedging<br>Activity | Adjusted<br>Financial<br>Measures |
|---|---|---------------------------------|--------------------------|--------------------------------|-----------------------------------|-----------------------------------|
| Net Sales   |   |                                 |                          |                                |                                   |                                   |
| Residential Products                                  | \$ 368,459                              | \$ —                            | \$ —                     | \$ —                           | \$ —                              | \$ 368,459                        |
| Industrial & Infrastructure Products                  | 292,821                                 | —                               | —                        | —                              | —                                 | 292,821                           |
| Less Inter-Segment Sales                              | (1,233)                                 | —                               | —                        | —                              | —                                 | (1,233)                           |
|   | 291,588                                 | —                               | —                        | —                              | —                                 | 291,588                           |
| Renewable Energy & Conservation                       | 98,733                                  | —                               | —                        | —                              | —                                 | 98,733                            |
| Consolidated sales                                    | 758,780                                 | —                               | —                        | —                              | —                                 | 758,780                           |
| Income from operations                                |   |                                 |                          |                                |                                   |                                   |
| Residential Products                                  | 39,922                                  | —                               | 4,227                    | (6,799)                        | 3,522                             | 40,872                            |
| Industrial & Infrastructure Products                  | 15,445                                  | —                               | 431                      | —                              | —                                 | 15,876                            |
| Renewable Energy & Conservation                       | 6,016                                   | 3,648                           | —                        | —                              | —                                 | 9,664                             |
| Segments Income                                       | 61,383                                  | 3,648                           | 4,658                    | (6,799)                        | 3,522                             | 66,412                            |
| Unallocated corporate expense                         | (17,818)                                | 679                             | 1,251                    | —                              | —                                 | (15,888)                          |
| Consolidated income from operations                   | 43,565                                  | 4,327                           | 5,909                    | (6,799)                        | 3,522                             | 50,524                            |
| Interest expense                                      | 11,389                                  | —                               | —                        | —                              | —                                 | 11,389                            |
| Other (income) expense                                | (4,238)                                 | —                               | —                        | —                              | 3,522                             | (716)                             |
| Income before income taxes                            | 36,414                                  | 4,327                           | 5,909                    | (6,799)                        | —                                 | 39,851                            |
| Provision for (benefit of) income taxes               | 13,158                                  | 1,638                           | 2,238                    | (2,526)                        | —                                 | 14,508                            |
| Income from continuing operations                     | \$ 23,256                               | \$ 2,689                        | \$ 3,671                 | \$ (4,273)                     | —                                 | \$ 25,343                         |
| Income from continuing operations per share – diluted | \$ 0.74                                 | \$ 0.09                         | \$ 0.12                  | \$ (0.14)                      | \$ —                              | \$ 0.81                           |



# 2015 Reconciliation of Adjusted Measures

(unaudited) / (in thousands)

Twelve Months Ended December 31, 2015

|   | As Reported in GAAP Statements | Acquisition Related Items | Gain on Sale of Facility / Restructuring Costs | Intangible Asset Impairment | Reclass of Hedging Activity | Adjusted Financial Measures |
|---|--------------------------------|---------------------------|--|-----------------------------|-----------------------------|-----------------------------|
| <b>Net sales</b>                                      |                                |                           |  |                             |                             |                             |
| Residential Products                                  | \$ 475,653                     | \$ -                      | \$ -   | \$ -                        | \$ -                        | 475,653                     |
| Industrial & Infrastructure Products                  | 378,224                        | -                         | -  | -                           | -                           | 378,224                     |
| Less: Inter-Segment Sales.                            | (1,536)                        | -                         | -  | -                           | -                           | (1,536)                     |
|   | <u>376,688</u>                 | -                         | -  | -                           | -                           | 376,688                     |
| Renewable Energy & Conservation                       | <u>188,532</u>                 | -                         | -  | -                           | -                           | <u>188,532</u>              |
| Consolidated sales                                    | \$ 1,040,873                   | \$ -                      | \$ -   | \$ -                        | \$ -                        | 1,040,873                   |
| <b>Income from operations</b>                         |                                |                           |  |                             |                             |                             |
| Residential Products                                  | \$ 46,804                      | \$ -                      | \$ 952   | \$ 440                      | \$ 3,256                    | \$ 51,452                   |
| Industrial & Infrastructure Products                  | 15,581                         | -                         | 2,553  | 4,423                       | -                           | 22,557                      |
| Renewable Energy & Conservation                       | <u>12,659</u>                  | <u>5,362</u>              | -  | -                           | -                           | <u>18,021</u>               |
| Segments Income                                       | 75,044                         | 5,362                     | 3,505  | 4,863                       | 3,256                       | 72,030                      |
| Unallocated corporate expense                         | <u>(26,959)</u>                | <u>732</u>                | <u>2,523</u>                                   | -                           | -                           | <u>(23,704)</u>             |
| Consolidated income from operations                   | 48,085                         | 6,094                     | 6,028  | 4,863                       | 3,256                       | 68,326                      |
| Interest expense                                      | 15,003                         | -                         | -  | -                           | -                           | 15,003                      |
| Other income  | <u>(4,018)</u>                 | -                         | -  | -                           | <u>3,256</u>                | <u>(762)</u>                |
| Income before income taxes                            | 37,100                         | 6,094                     | 6,028  | 4,863                       | -                           | 54,085                      |
| Provision for income taxes                            | <u>13,624</u>                  | <u>2,302</u>              | <u>2,332</u>                                   | <u>1,434</u>                | -                           | <u>19,692</u>               |
| Income from continuing operations                     | \$ <u>23,476</u>               | \$ <u>3,792</u>           | \$ <u>3,696</u>                                | \$ <u>3,429</u>             | \$ -                        | \$ <u>34,393</u>            |
| Income from continuing operations per share - diluted | \$ <u>0.74</u>                 | \$ <u>0.12</u>            | \$ <u>0.12</u>                                 | \$ <u>0.11</u>              | \$ -                        | \$ <u>1.09</u>              |

# 2014 Reconciliation of Adjusted Measures

Twelve Months Ended December 31, 2014

(Unaudited) / (in thousands)

|  | As Reported<br>In GAAP<br>Statements | Acquisition<br>Related Costs | Restructuring<br>Costs | Intangible<br>Asset<br>Impairment | Adjusted<br>Financial<br>Measures |
|--|--------------------------------------|------------------------------|------------------------|-----------------------------------|-----------------------------------|
| <b>Net Sales</b>   |                                      |                              |                        |                                   |                                   |
| Residential Products   | \$ 431,915                           | \$ —                         | \$ —                   | \$ —                              | \$ 431,915                        |
| Industrial & Infrastructure Products                         | 431,432                              | —                            | —                      | —                                 | 431,432                           |
| Inter-segment sales  | (1,260)                              | —                            | —                      | —                                 | (1,260)                           |
| Consolidated sales   | <u>\$ 862,087</u>                    | <u>\$ —</u>                  | <u>\$ —</u>            | <u>\$ —</u>                       | <u>\$ 862,087</u>                 |
| <b>Income (loss) from operations</b>                         |                                      |                              |                        |                                   |                                   |
| Residential Products   | \$ 16,416                            | \$ 206                       | \$ 752                 | \$ 15,435                         | \$ 32,809                         |
| Industrial & Infrastructure Products                         | (74,634)                             | —                            | 919                    | 92,535                            | 18,820                            |
| Segment (loss) income  | (58,218)                             | 206                          | 1,671                  | 107,970                           | 51,629                            |
| Unallocated corporate expense                                | (12,199)                             | (1,594)                      | —                      | —                                 | (13,793)                          |
| Consolidated (loss) income from operations                   | <u>(70,417)</u>                      | <u>(1,388)</u>               | <u>1,671</u>           | <u>107,970</u>                    | <u>37,836</u>                     |
| Interest expense   | 14,421                               | —                            | —                      | —                                 | 14,421                            |
| Other income   | (88)                                 | —                            | —                      | —                                 | (88)                              |
| (Loss) income before income taxes                            | (84,750)                             | (1,388)                      | 1,671                  | 107,970                           | 23,503                            |
| (Benefit of ) provision for income taxes                     | (2,958)                              | (510)                        | 593                    | 11,811                            | 8,936                             |
| (Loss) income from continuing operations                     | <u>\$ (81,792)</u>                   | <u>\$ (878)</u>              | <u>\$ 1,078</u>        | <u>\$ 96,159</u>                  | <u>\$ 14,567</u>                  |
| (Loss) income from continuing operations per share – diluted | <u>\$ (2.63)</u>                     | <u>\$ (0.02)</u>             | <u>\$ 0.03</u>         | <u>\$ 3.09</u>                    | <u>\$ 0.47</u>                    |

# 2013 Reconciliation of Adjusted Measures

Twelve Months Ended December 31, 2013

(unaudited) / (in thousands)

|   | As Reported<br>in GAAP<br>Statements | Acquisition<br>Related and<br>Restructuring<br>Costs | Intangible<br>Asset<br>Impairment | Note<br>Refinancing | Deferred Tax<br>Valuation<br>Allowance | Adjusted<br>Financial<br>Measures |
|---|--------------------------------------|--|-----------------------------------|---------------------|--|-----------------------------------|
| <b>Net Sales</b>  |                                      |  |                                   |                     |  |                                   |
| Residential Products  | \$ 394,071                           | \$ —   | \$ —                              | \$ —                | \$ —                                   | \$ 394,071                        |
| Industrial & Infrastructure Products                            | 435,168                              | —  | —                                 | —                   | —                                      | 435,168                           |
| Inter-segment sales   | (1,672)                              | —  | —                                 | —                   | —                                      | (1,672)                           |
| Consolidated sales  | <u>\$ 827,567</u>                    | <u>\$ —</u>  | <u>\$ —</u>                       | <u>\$ —</u>         | <u>\$ —</u>                            | <u>\$ 827,567</u>                 |
| <b>Income from operations</b>                                   |                                      |  |                                   |                     |  |                                   |
| Residential Products  | \$ 34,965                            | \$ 3,001   | \$ 1,000                          | \$ —                | \$ —                                   | \$ 38,966                         |
| Industrial & Infrastructure Products                            | 7,169                                | 324  | 22,160                            | —                   | —                                      | 29,653                            |
| Segment Income  | 42,134                               | 3,325  | 23,160                            | —                   | —                                      | 68,619                            |
| Unallocated corporate expense                                   | (20,654)                             | 87   | —                                 | —                   | —                                      | (20,567)                          |
| Consolidated income from operations                             | 21,480                               | 3,412  | 23,160                            | —                   | —                                      | 48,052                            |
| Interest expense  | 22,489                               | —  | —                                 | (7,166)             | —                                      | 15,323                            |
| Other income  | (177)                                | —  | —                                 | —                   | —                                      | (177)                             |
| (Loss) income before income taxes                               | (832)                                | 3,412  | 23,160                            | 7,166               | —                                      | 32,906                            |
| Provision for income taxes                                      | 4,797                                | 1,318  | 753                               | 2,616               | 2,048                                  | 11,532                            |
| (Loss) income from continuing operations                        | <u>\$ (5,629)</u>                    | <u>\$ 2,094</u>                                      | <u>\$ 22,407</u>                  | <u>\$ 4,550</u>     | <u>\$ (2,048)</u>                      | <u>\$ 21,374</u>                  |
| (Loss) income from continuing operations per share –<br>diluted | <u>\$ (0.18)</u>                     | <u>\$ 0.07</u>                                       | <u>\$ 0.72</u>                    | <u>\$ 0.15</u>      | <u>\$ (0.07)</u>                       | <u>\$ 0.69</u>                    |

# 2012 Reconciliation of Adjusted Measures

Twelve Months Ended December 31, 2012

| (unaudited) / (in thousands)                          | As Reported<br>In GAAP<br>Statements | Acquisition<br>Related Costs | Restructuring<br>Costs | Intangible<br>Asset<br>Impairment | Adjusted<br>Financial<br>Measures |
|---|--------------------------------------|------------------------------|------------------------|-----------------------------------|-----------------------------------|
| <b>Net Sales</b>                                      |                                      |                              |                        |                                   |                                   |
| Residential Products                                  | \$ 375,105                           | \$ —                         | \$ —                   | \$ —                              | \$ 375,105                        |
| Industrial & Infrastructure Products                  | 416,289                              | —                            | —                      | —                                 | 416,289                           |
| Inter-segment sales                                   | <u>(1,336)</u>                       | <u>—</u>                     | <u>—</u>               | <u>—</u>                          | <u>(1,336)</u>                    |
| Consolidated sales                                    | <u>\$ 790,058</u>                    | <u>\$ —</u>                  | <u>\$ —</u>            | <u>\$ —</u>                       | <u>\$ 790,058</u>                 |
| <b>Income from operations</b>                         |                                      |                              |                        |                                   |                                   |
| Residential Products                                  | \$ 23,902                            | \$ —                         | \$ 2,457               | \$ 4,628                          | \$ 30,987                         |
| Industrial & Infrastructure Products                  | 34,634                               | 296                          | 1,407                  | —                                 | 36,337                            |
| Segment Income  | 58,536                               | 296                          | 3,864                  | 4,628                             | 67,324                            |
| Unallocated corporate expense                         | <u>(18,275)</u>                      | <u>404</u>                   | <u>140</u>             | <u>—</u>                          | <u>(17,731)</u>                   |
| Consolidated income from operations                   | 40,261                               | 700                          | 4,004                  | 4,628                             | 49,593                            |
| Interest expense                                      | 18,582                               | —                            | —                      | —                                 | 18,582                            |
| Other income  | <u>(488)</u>                         | <u>—</u>                     | <u>—</u>               | <u>—</u>                          | <u>(488)</u>                      |
| Income before income taxes                            | 22,167                               | 700                          | 4,004                  | 4,628                             | 31,499                            |
| Provision for income taxes                            | <u>9,517</u>                         | <u>235</u>                   | <u>1,441</u>           | <u>112</u>                        | <u>11,305</u>                     |
| Income from continuing operations                     | <u>\$ 12,650</u>                     | <u>\$ 465</u>                | <u>\$ 2,563</u>        | <u>\$ 4,516</u>                   | <u>\$ 20,194</u>                  |
| Income from continuing operations per share – diluted | <u>\$ 0.41</u>                       | <u>\$ 0.01</u>               | <u>\$ 0.08</u>         | <u>\$ 0.15</u>                    | <u>\$ 0.65</u>                    |

# ROIC Calculation Reconciliation

(unaudited) / (in thousands)

|  | <u>2012</u>       | <u>2013</u>       | <u>2014</u>       | <u>2015</u>       | <u>2016 G</u>              |
|--|-------------------|-------------------|-------------------|-------------------|----------------------------|
| (Loss) Income from Continuing Operations - GAAP  | \$ 12,650         | \$ (5,629)        | \$ (81,792)       | \$ 23,476         | \$ 45,900-\$ 47,200        |
| Intangible asset impairment, net of taxes        | 4,516             | 22,407            | 96,159            | 3,429             | -                          |
| Restructuring costs, net of taxes                | 2,563             | 1,695             | 1,078             | 6,165             | 6,900-6,900                |
| Acquisition related costs, net of taxes          | 465               | 399               | (878)             | 3,792             | -                          |
| Other special charges, net of taxes              | -                 | (2,048)           | -                 | (2,469)           | (2,600)-(2,600)            |
| Interest expense - special charges, net of taxes | -                 | 4,550             | -                 | -                 | -                          |
| Adjusted Net Income                              | <u>\$ 20,194</u>  | <u>\$ 21,374</u>  | <u>\$ 14,567</u>  | <u>\$ 34,393</u>  | <u>\$50,200-\$51,500</u>   |
| Tax effected interest expense                    | 11,913            | 9,953             | 8,938             | 9,493             | 9,300-9,300                |
| Adjusted net income before interest              | <u>\$ 32,107</u>  | <u>\$ 31,327</u>  | <u>\$ 23,505</u>  | <u>\$ 43,886</u>  | <u>\$57,500-\$60,800</u>   |
| Average adjusted invested capital (1)            | <u>\$ 626,095</u> | <u>\$ 640,679</u> | <u>\$ 600,962</u> | <u>\$ 541,176</u> | <u>\$550,000-\$550,000</u> |
| Return on invested capital                       | 5.1%              | 4.9%              | 3.9%              | 8.1%              | 10.8%-11.0%                |

(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.

## Free Cash Flow Reconciliation

(unaudited) / (in thousands)

|  | 2012      | 2013      | 2014      | 2015      | 9 Mos. 2015 | 9 Mos. 2016 |
|--|-----------|-----------|-----------|-----------|-------------|-------------|
| Net cash provided by operating activities  | \$ 50,081 | \$ 60,295 | \$ 32,542 | \$ 86,684 | \$ 44,488   | \$ 101,245  |
| Purchase of property, plant, and equipment | (11,351)  | (14,940)  | (23,291)  | (12,373)  | (6,822)     | (7,600)     |
| Free Cash Flow                             | \$ 38,730 | \$ 45,355 | \$ 9,251  | \$ 74,311 | \$ 37,666   | \$ 93,645   |
| Average Diluted Shares Outstanding         | 30,857    | 30,930    | 31,066    | 31,545    | 31,479      | 32,005      |
| Free Cash Flow Per Share                   | \$ 1.26   | \$ 1.47   | \$ 0.30   | \$ 2.36   | \$ 1.20     | \$ 2.93     |

## Gross Profit Non-GAAP Reconciliation

(unaudited) / (in thousands)

|                             | 2012       | 2013       | 2014       | 2015       | 9 Mos. 2015 | 9 Ms. 2016 |
|-----------------------------|------------|------------|------------|------------|-------------|------------|
| Gross Profit - GAAP         | \$ 149,560 | \$ 158,097 | \$ 140,045 | \$ 186,976 | \$ 135,430  | \$ 190,880 |
| Acquisition Related Costs   | 244        | 683        | 206        | 230        | 230         | -          |
| Restructuring Costs         | 3,741      | 2,519      | 843        | 9,381      | 4,027       | 5,111      |
| Reclass of Hedging Activity | -          | -          | -          | 3,256      | 3,522       | -          |
| Gross Profit - Adjusted     | \$ 153,545 | \$ 161,299 | \$ 141,094 | \$ 199,843 | \$ 143,209  | \$ 195,991 |
| Gross Margin - Adjusted     | 19.4%      | 19.5%      | 16.4%      | 19.2%      | 18.9%       | 25.3%      |

## SG&A Non-GAAP Reconciliation

(unaudited) / (in thousands)

|   | 2012       | 2013       | 2014       | 2015       | 9 Mos. 2015 | 9 Mos. 2016 |
|---|------------|------------|------------|------------|-------------|-------------|
| Selling, general, and administrative expense - GAAP     | \$ 104,671 | \$ 113,457 | \$ 102,492 | \$ 134,028 | \$ 91,865   | \$ 118,500  |
| Acquisition Related Costs                               | (456)      | 32         | 1,594      | (5,864)    | (4,097)     | (31)        |
| Restructuring Costs                                     | (263)      | (242)      | (828)      | (541)      | (249)       | (1,461)     |
| Gain on Sale of Facility                                | -          | -          | -          | 6,799      | 6,799       | -           |
| Surrendered Compensation / Leadership Transition        | -          | -          | -          | (2,905)    | (1,633)     | (1,706)     |
| Selling, general, and administrative expense - Adjusted | \$ 103,952 | \$ 113,247 | \$ 103,258 | \$ 131,517 | \$ 92,685   | \$ 115,302  |
| SG&A Expense as a % of Sales - Adjusted                 | 13.2%      | 13.7%      | 12.0%      | 12.6%      | 12.2%       | 14.9%       |



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