

Third Quarter 2021 Earnings Call

October 27, 2021



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.

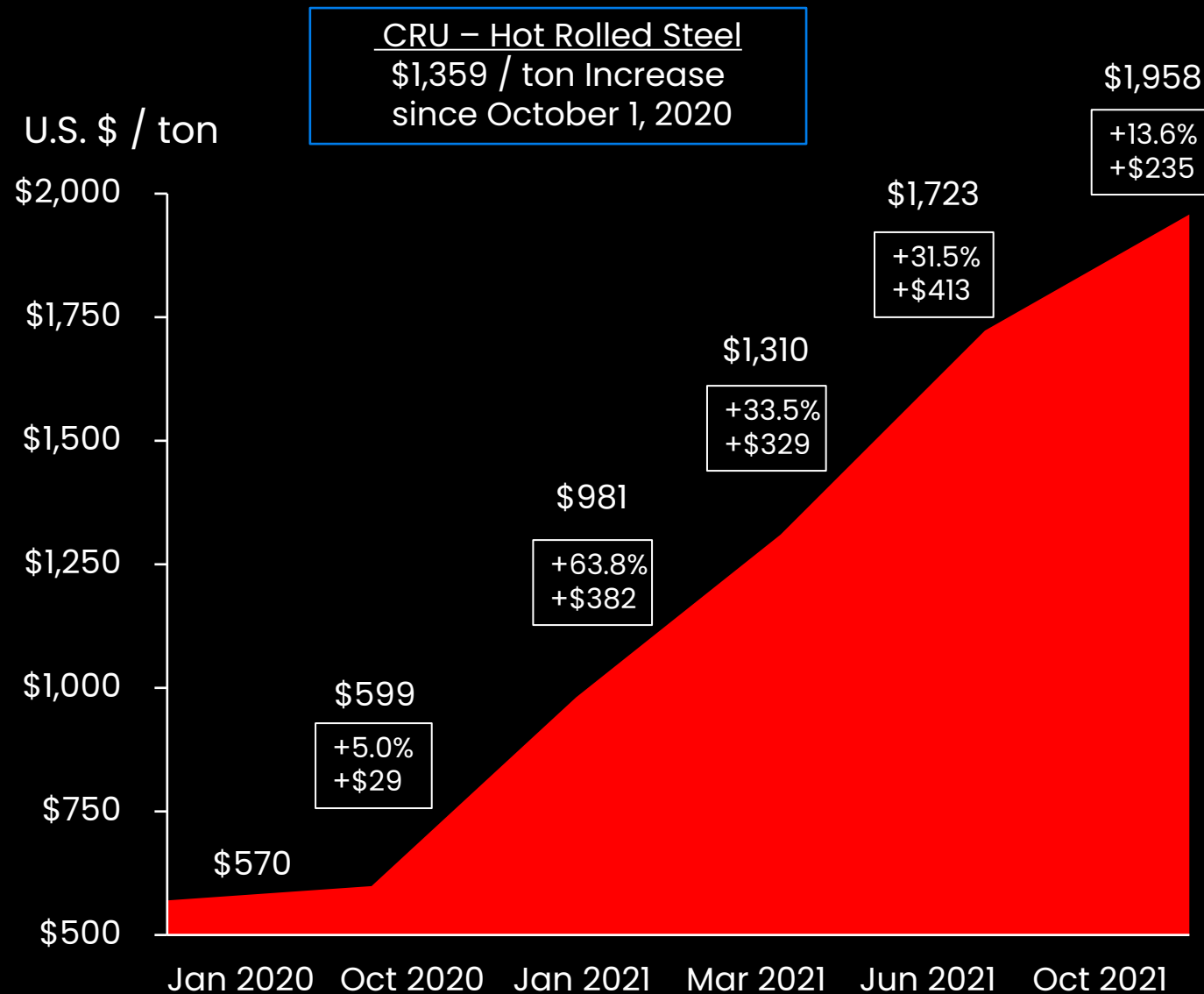
Adjusted Financial Measures

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 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.

Third Quarter 2021 Results

- Revenue up 24.5% to \$369.4 million with organic growth contributing 3.9% and acquisitions adding 20.6%
- Order backlog grew 10% on a proforma basis, to \$385 million, a record level for the 3rd quarter and driven by new order activity
- Adjusted net income decreased \$2.1 million or 6.5% to \$30.2 million, or \$0.91 per share
 - Inflation accelerated into a 4th consecutive quarter across materials, transportation, and labor
 - Sequentially adjusted net income increased 13.8% or \$0.11 per share
- Continued to navigate “other” macro headwinds:
 - Availability – material, transportation, labor
 - Key solar industry components – panels, etc.
 - COVID Delta Emergence
- Additional price actions implemented during the quarter
 - Margin recovery will occur as inflation begins to subside and price actions catch up with input cost
- Integration of TerraSmart on track:
 - Solid demand and sequential operating margin improvement continues
 - Solar panels & other components supply creating more challenging field project management
 - System and process development and integration initiatives ongoing and remain on schedule
- Continue to upgrade and implement operating systems and digital capability across our platforms

The Inflation Curve Continued With Another Significant Increase

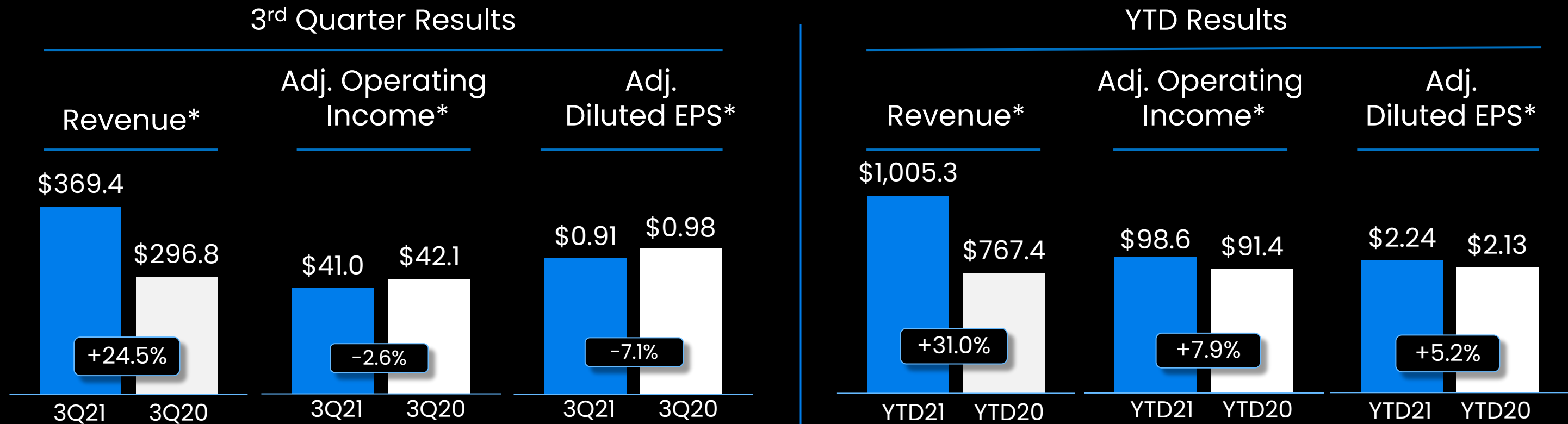


Inflation Curve	Versus Q3 2020		
	Q2 2021	Q3 2021	Δ vs Q2 '21
CRU for hot-rolled steel	+188%	+227%	+39 pts.
Aluminum	+50%	+80%	+30 pts.
Polypropylene	+97%	+129%	+32 pts.
OTR Transportation rates	+29%	+35%	+6 pts.
Ocean Freight Rates	+235%	+420%	+185 pts.

Key Operating Initiatives

1. Multiple price actions continue to chase additional & accelerated inflation
2. 80/20 productivity to offset some of the material and transportation costs, and labor availability and cost challenges
3. Customer response to support weather-related & regional demand spikes
4. Workplace and team safety during the ongoing pandemic

Consolidated Financial Performance

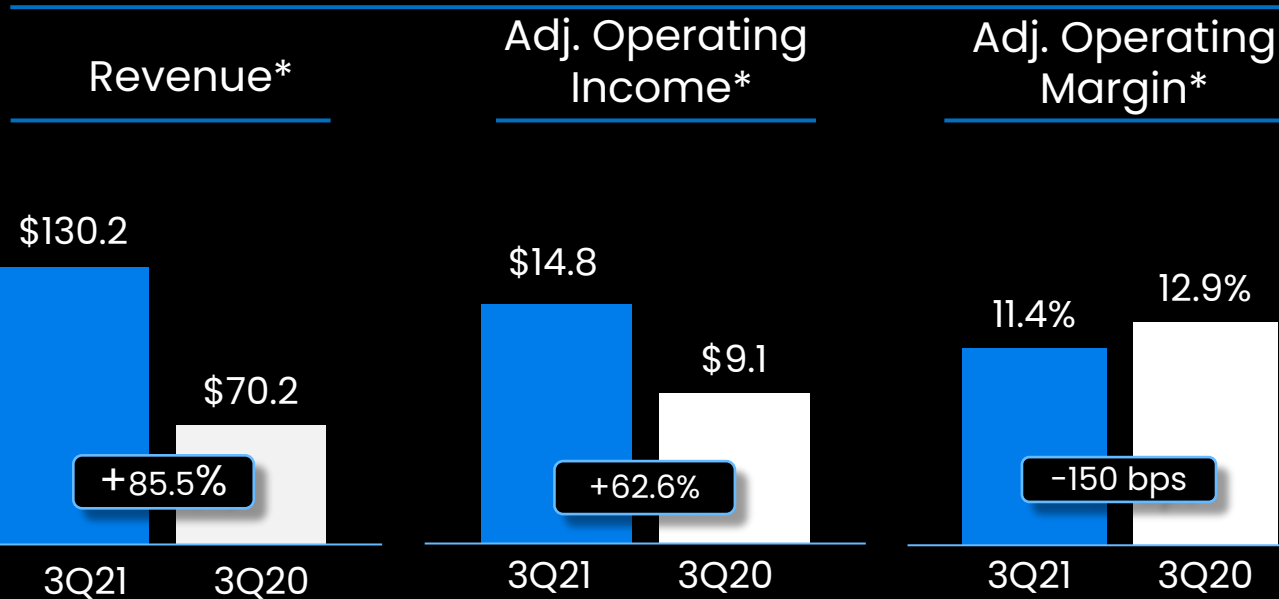


*Amounts reflect continuing operations are stated in \$Millions. Refer to appendix in the earnings news release for adjusted measures reconciliations.

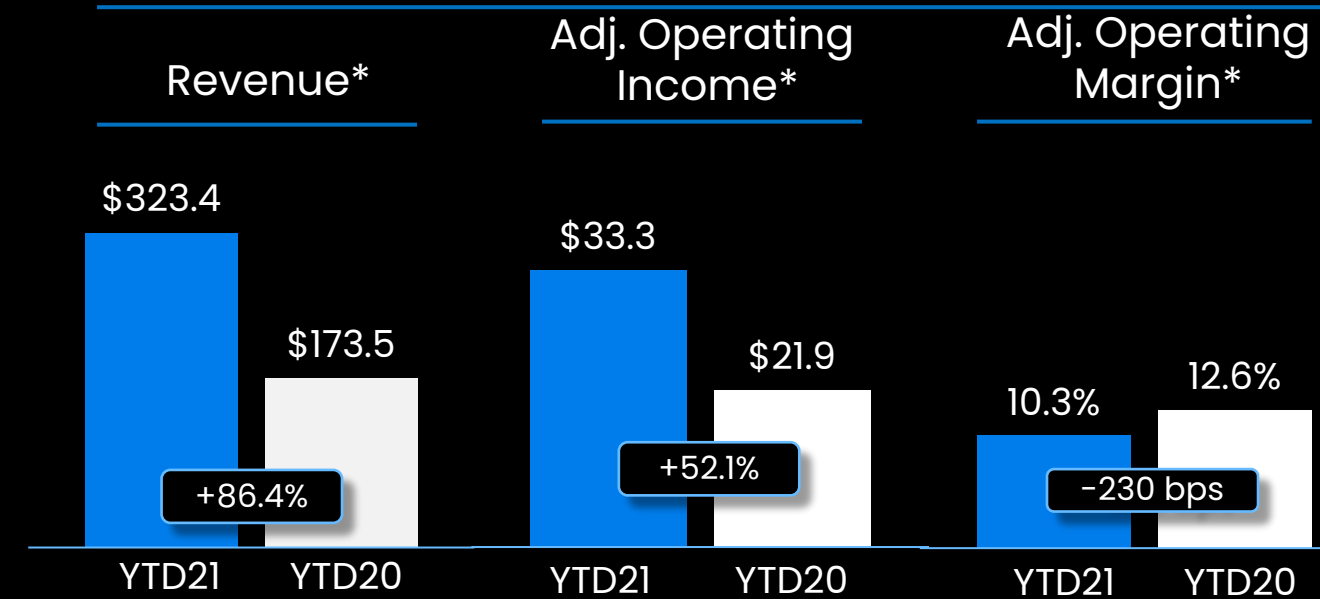
Renewables



3rd Quarter Results



YTD Results



Q3 Revenue

- Up 85.5% with proforma organic growth up 19.0% with growth in both the legacy business and TerraSmart
- Customer bookings up 30% increasing backlog to \$184 million, up 80% in total, and up 15% on a proforma basis
- All product lines contributed well to growth – tracker, fixed tilt, canopy & eBos solutions

Q3 Adjusted Operating Income & Margin

- Income up 62.6% driven by the legacy business improving operating margin over last year
- Good results from 80/20, lean quote-to-cash initiatives, price/cost management, and product & business mix
- TerraSmart margin expanded less than expected, yet accelerated sequentially despite project management & field operations inefficiencies amplified by supply chain inconsistencies and price / cost alignment

Residential

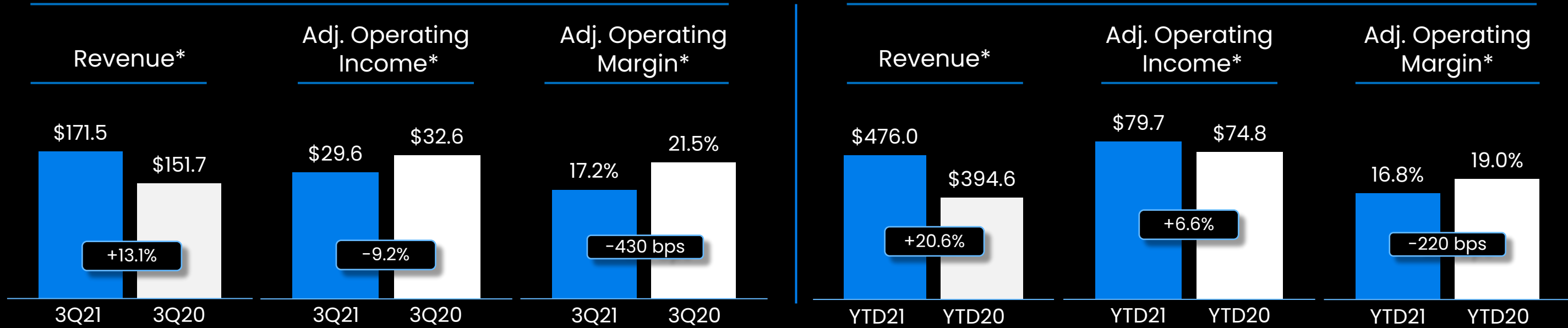
Building Products

Ventilation Home Improvement Mail & Package



3rd Quarter Results

YTD Results



Q3 Revenue

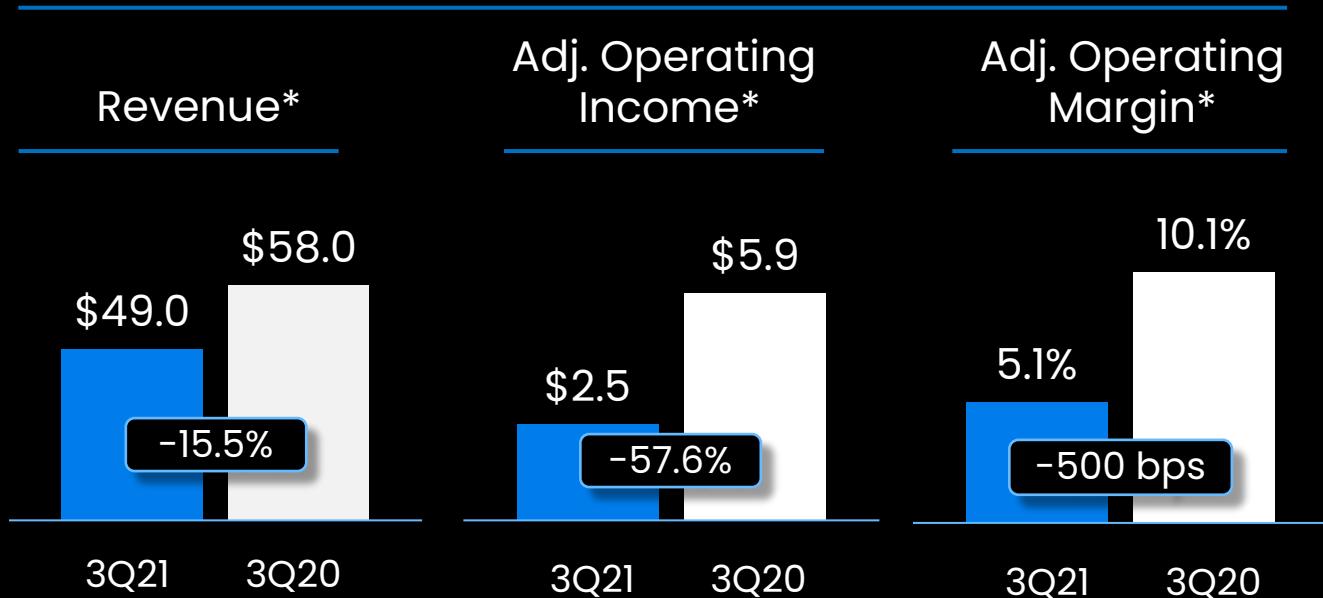
- Up 13.1% with organic growth contributing 8.7% and Architectural Mailboxes adding 4.4%; fifth consecutive quarter of double-digit growth
- Growth driven by pricing actions and participation gains
- Positive impact of recent weather-related repair demands

Q3 Adjusted Operating Income & Margin

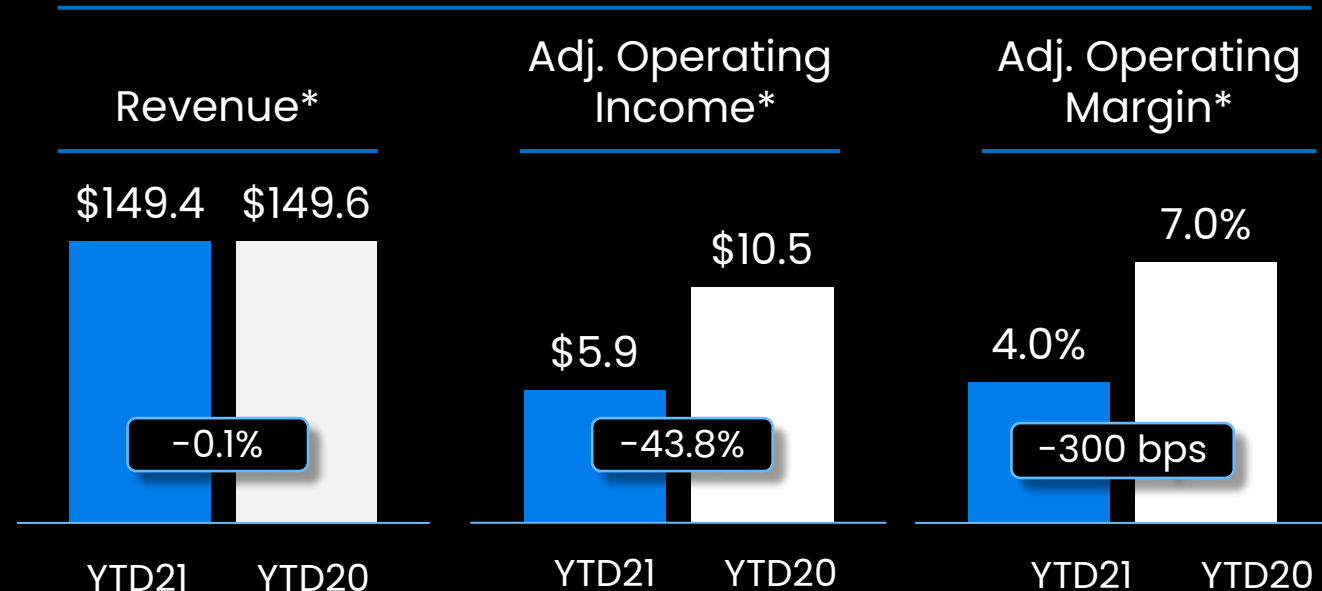
- Margin impacted by ongoing inflation, input cost / pricing alignment, and materials, labor, and logistics availability
- Additional price actions continued but still lag overall input costs due to accelerating inflation in the quarter.
- Continued focus on operating profit dollars via pricing and 80/20 activities. Sequential margin improvement indicates these actions positively impacting margin



3rd Quarter Results



1st 9 Months Results (YTD)



Q3 Revenue

- Down 15.5% impacted by three challenges
 1. Imported glass for roofing systems held in ports
 2. Continued Canadian water rights issues & permits
 3. State licensing and permit delays for cannabis
- Commercial greenhouse business sequential growth
- Order backlog improving and now up 22% year-to-date

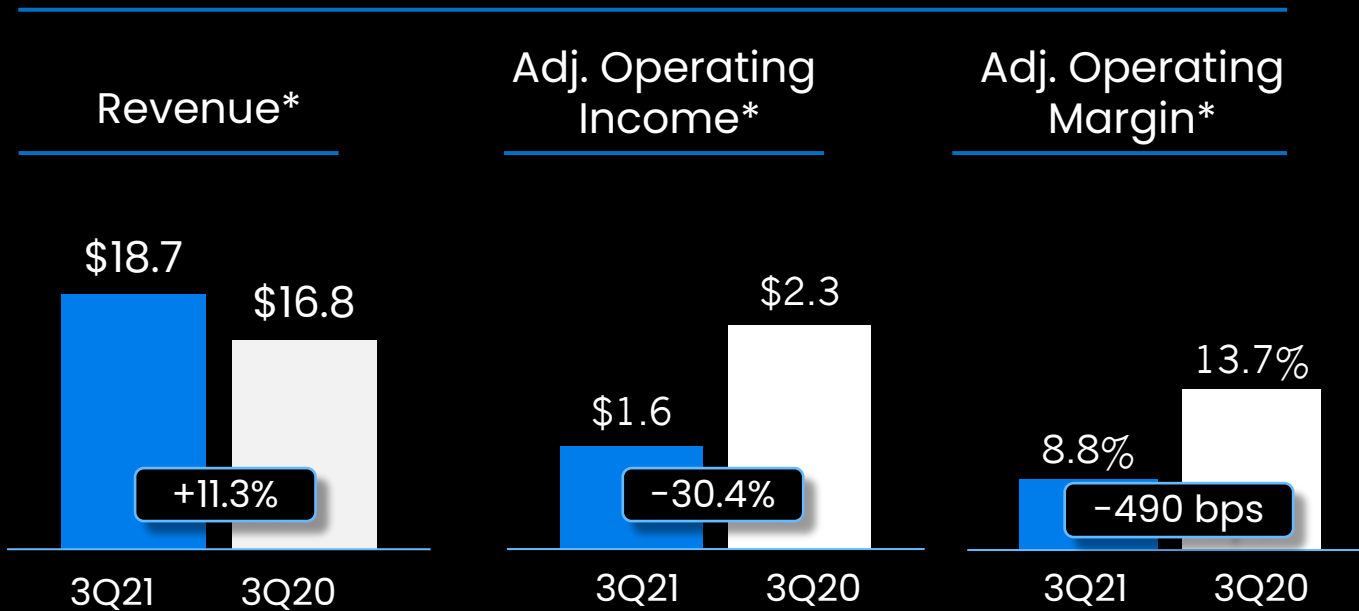
Q3 Adjusted Operating Income & Margin

- Improved 90 bps sequentially despite lower sequential sales and accelerating inflation
- Margin contraction driven by project movement into Q4 and 2022 and general supply chain disruptions
- Legacy business is performing well, produce and processing businesses improved but behind plan
- Sequential margin expansion expected to accelerate through remainder of 2021

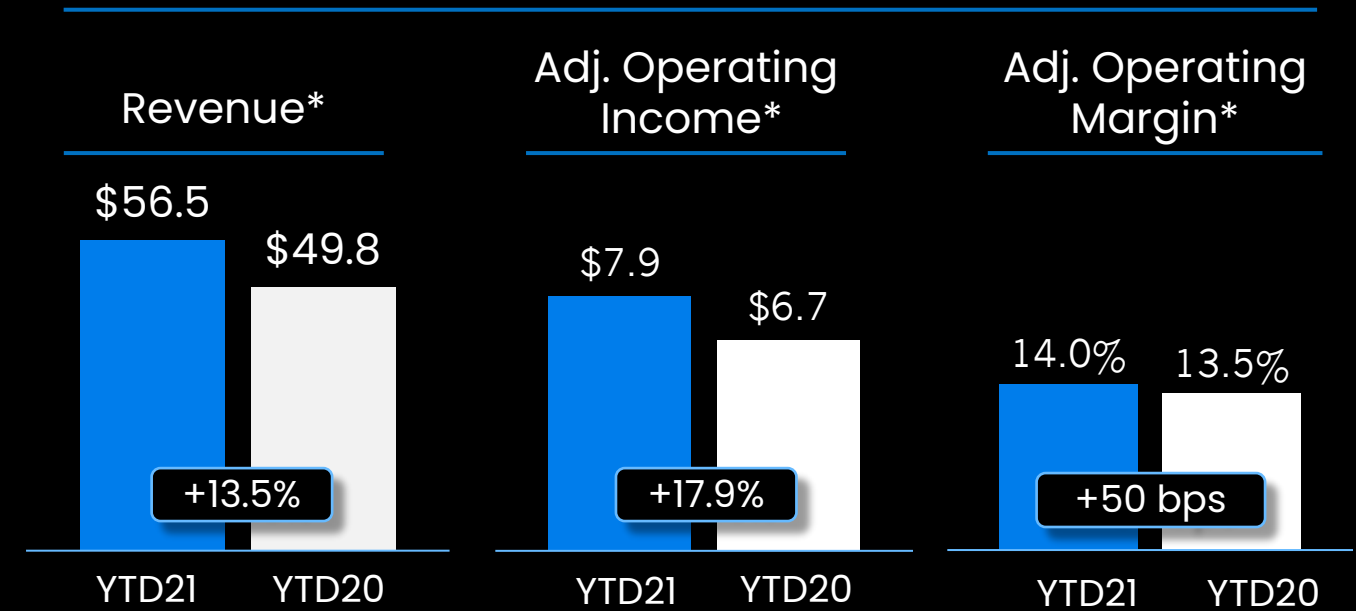
Infrastructure



3rd Quarter Results



1st 9 Months Results (YTD)



Q3 Revenue

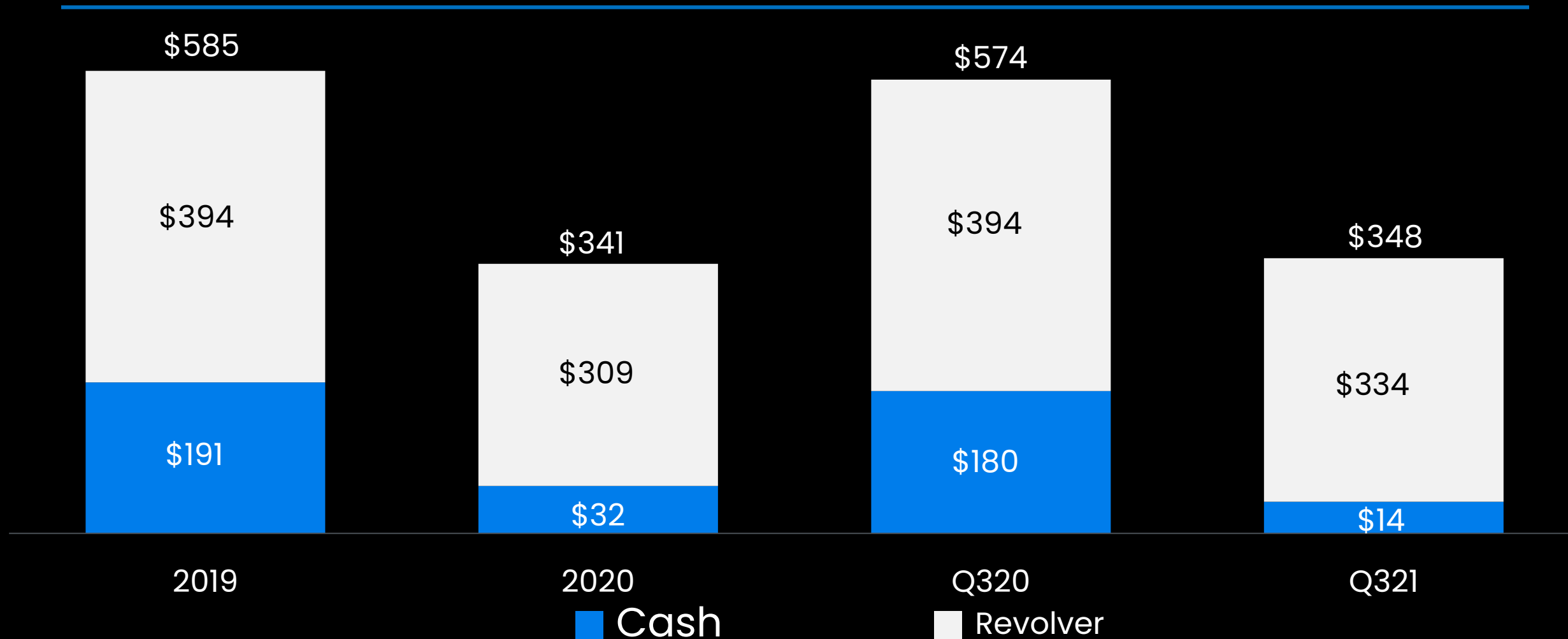
- Up 11.3% with improving demand for both fabricated & non-fabricated product solutions
- State D.O.T. and airport / other infrastructure project funding improving with economic recovery accelerating
- Order backlog increased to \$49 million, up 29% with new orders up 66%

Q3 Adjusted Operating Income and Margin

- Income down \$700K and margin down 480 bps
- Decline driven by lower sales of higher margin non-fabricated products due to rubber supply disruption from Hurricane Ida & production inefficiencies with capacity ramp, and price / cost alignment
- Manufacturing and systems upgrades continue and making progress as planned

Balance Sheet Remains Strong & Supports Growth Investments

Liquidity (\$M)



0.40X Leverage & 0.32X Net Leverage – Repay Revolver During 2021 From Operating Cash Flow

Accelerating Our Transformation In 2021

Strategic Pillars

1

Business System

2

Portfolio Management

3

Organization Development

2021 Key Priorities

1. Scale the Renewables and Agtech businesses
 - Integrate acquisitions per plan to support growth, customers, and returns
 - Execute record customer / order backlog flawlessly
 - Continue to build organization capabilities, tools and processes, and systems
 - Strengthen portfolio with technology/IP, software, and services
2. Improve execution across Gibraltar – health & safety, 80/20 productivity, quote-to-cash lean initiatives, new product development
3. Proactively manage accelerating inflation and availability challenges for material, labor, transportation
 - Execute margin recovery actions – pricing, 80/20, optimize product mix
4. Continue to conduct business the right and responsible way every day
 - Drive environmentally-sound solutions & release 1st CSR report
 - Invest in the communities where our people live & work
 - Create the best environment for our people to have success

2021 Adjusted Guidance

	<u>2020</u>	<u>2021</u>
Revenue	\$1.033B	\$1.31–1.35B
Op. Income GAAP	\$ 107.2M	\$104–109M
Adjusted	\$116.8M	\$131–136M
Op. Margin GAAP	10.4%	~ 7.9–8.1%
Adjusted	11.3%	~9.9–10.1%
GAAP EPS	\$2.53	\$2.45–2.56
Adjusted EPS	\$2.73	\$2.95–3.06
Free Cash Flow / Sales	+7.4%	~ 4%



GIBRALTAR
INDUSTRIES