

FIRST QUARTER 2022 EARNINGS CALL

May 4, 2022

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 impacts of COVID-19 on our customers, suppliers, employees, operations, business, liquidity and cash flows, the loss of any key customers, other general economic conditions and conditions in the particular markets in which we operate, 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), 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), 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, and 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 is also a useful measure of the Company’s ability to service debt and 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.

FIRST QUARTER 2022 RESULTS

ADJUSTED
REVENUE

\$316M

+12%

ADJUSTED
OPERATING
INCOME

\$27M

+17%

ADJUSTED
EBITDA

\$34M

+12.1%

ADJUSTED
EPS

\$0.60

+11%

ORDER
BACKLOG

\$433M

+23%

GROWTH

- Good momentum in Residential and Infrastructure
- Solid bookings across the business

INCOME

- Margins in Residential and Agtech offset declines in Renewables and Infrastructure
- Managing headwinds – inflation, labor, transportation

SEGMENTS

- Renewables: panel supply, field inefficiencies, weather in Jan/Feb, growing backlog
- Residential: solid demand and bookings, strong margin performance
- Agtech: margin improvement continues, growing backlog
- Infrastructure: good growth, inflation and labor inefficiency impacted margin

WE CONTINUE FOCUS ON FOUR AREAS IN TODAY'S MARKET ENVIRONMENT

△ VS. Q4 2021

① PEOPLE

- Labor availability better and sharing resources across locations
- Converted temporary employees to full time positions

② SUPPLY CHAIN

- Panel supply issues for the solar industry continue
- Steel prices mixed and dynamic, Aluminum up
- Working through current geo-political challenges
- Invested in inventory - support customers, minimize supply disruption

③ TRANSPORTATION

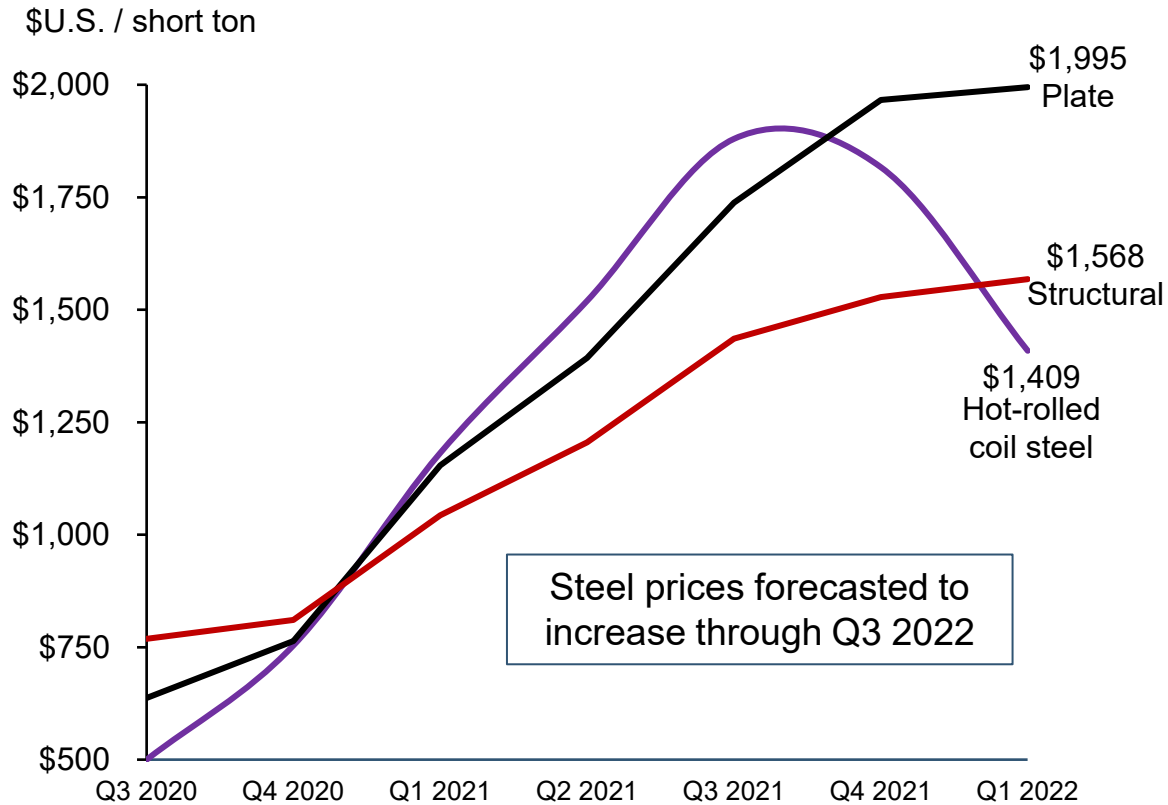
- Over-the-road availability stabilizing, ocean freight remains dynamic
- Cost continues to fluctuate with fuel price changes

④ COVID

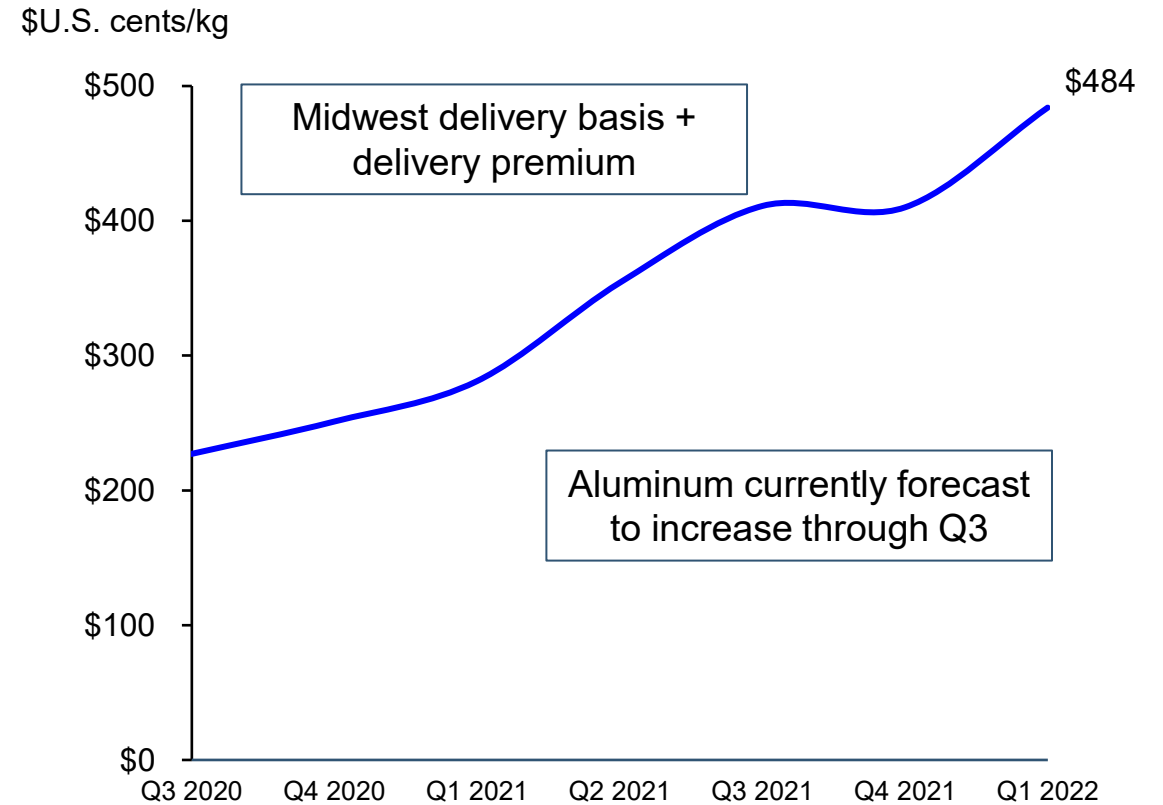
- Cases increased in January / February and caused some disruption in a few facilities and in the field
- Current case level low and in line with historical levels

DYNAMIC COMMODITY COST SITUATION DRIVEN BY GLOBAL ENVIRONMENT

AVERAGE STEEL PRICE / QUARTER (SPOT)



AVERAGE ALUMINUM PRICE / QUARTER



IHS MARKIT Report – April 2022

SOLAR INDUSTRY PANEL SUPPLY UPDATE

Coming into 2021....

Solar Panel Supply

- General supply shortages
- Pandemic (China)
- Capacity vs. Demand
- Price/Cost Inflation

Withhold Release Order (WRO)

- US Custom & Border Protection (CBP) issue a WRO for products containing industrial silicon from Hoshine Silicon Industry, located in XinJiang province over allegations of forced labor
- Uyghur Forced Labor Prevention Act signed in December 2021
- 80% of global polysilicon supply in China with 50% from XinJiang province and is a critical component for solar panel manufacturing
- Impact: U.S.-based importers must demonstrate sourced panels from anywhere do not include silicon made by Hoshine, or panels will be denied entry

Ongoing / Indefinite

AD/CVD* Circumvention Tariffs (Complaint #1)

Dismissed

AD/CVD Circumvention Tariffs (Complaint #2)

Accepted

- US Department of Commerce (DOC) initiated investigation related to a complaint that Chinese panel manufacturers are using assembly operations in Cambodia, Malaysia, Thailand, and Vietnam to avoid duties
- 80% of panels for US solar utility-scale projects supplied by these 4 countries – project cancellations / delays announced for 2022

DOC Preliminary Report 8-29-22

DOC Final Report 1-19-23

Petition ask for duties between 15% - 250% and may be retroactive

2020

June 2021

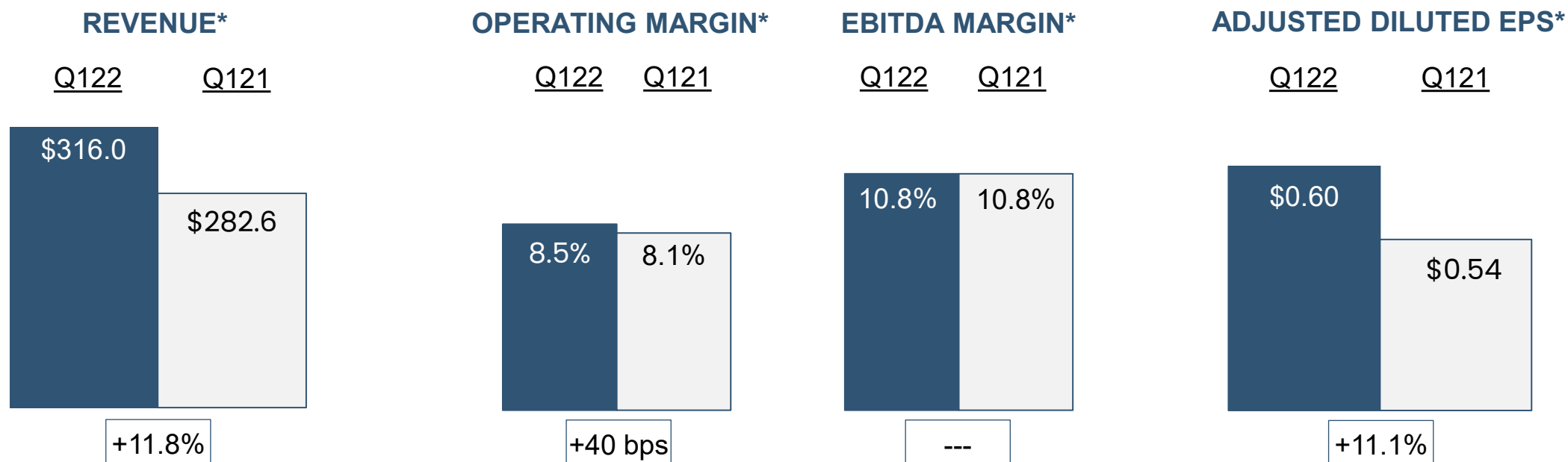
2022

2023

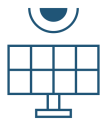
*AD/CVD - Antidumping and Countervailing Duties

FIRST QUARTER CONSOLIDATED FINANCIAL PERFORMANCE

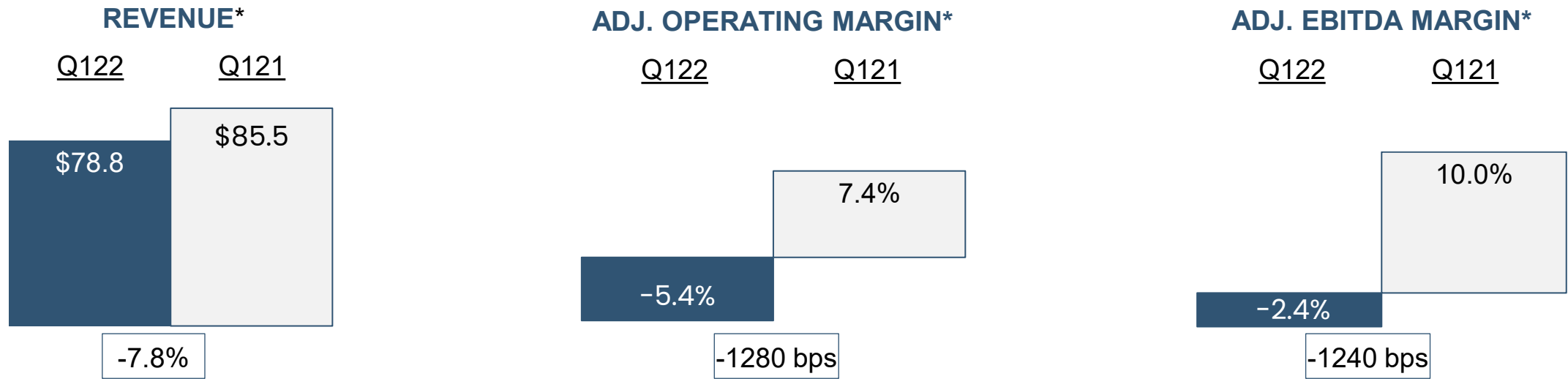
ADJUSTED PROFIT MEASURES*



*Amounts are stated in \$Millions. Processing business has been reclassified as held-for-sale with first quarter 2022 results. Refer to appendix in the earnings news release for adjusted measures reconciliations.



RENEWABLES – FIRST QUARTER RESULTS



REVENUE

- Down 7.8%
 - 2021 panel supply challenges continued into Q1 causing delays to projects and revenue recognition
 - Potential D.O.C. investigation on imported panels
- Severe weather in Northeast – January and February – resulted in project delays and revenue recognition
- End market demand remained robust with new bookings driving backlog up 41%

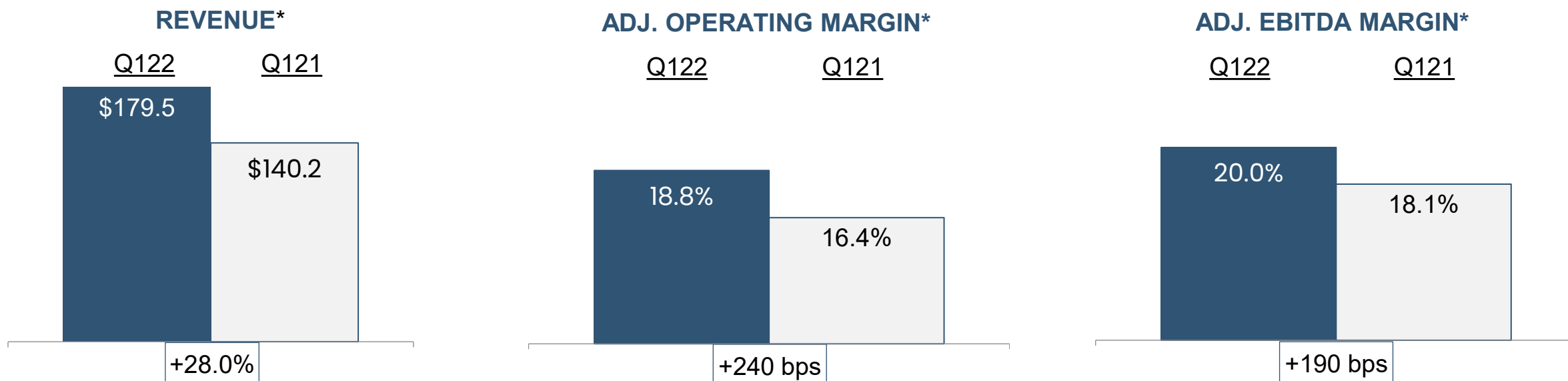
ADJUSTED OPERATING & EBITDA MARGIN

- Margin contracted to (5.4)%
 - Project inefficiencies from disruptions & delays due to panel supply and severe weather
 - Heavy impact in January / February - began to abate in March
- Expect significant sequential margin improvement in Q2
- Assessing customer exposure to the D.O.C.'s solar panel anti-circumvention investigation

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



RESIDENTIAL – FIRST QUARTER RESULTS



REVENUE

- Up 28% - 7th consecutive quarter of double-digit growth
- Driven by market, price and participation gains in both building products and mail & package businesses
 - Participation gain momentum – carryover from 2021 and additional “wins” in 2022
 - Effective and timely price management

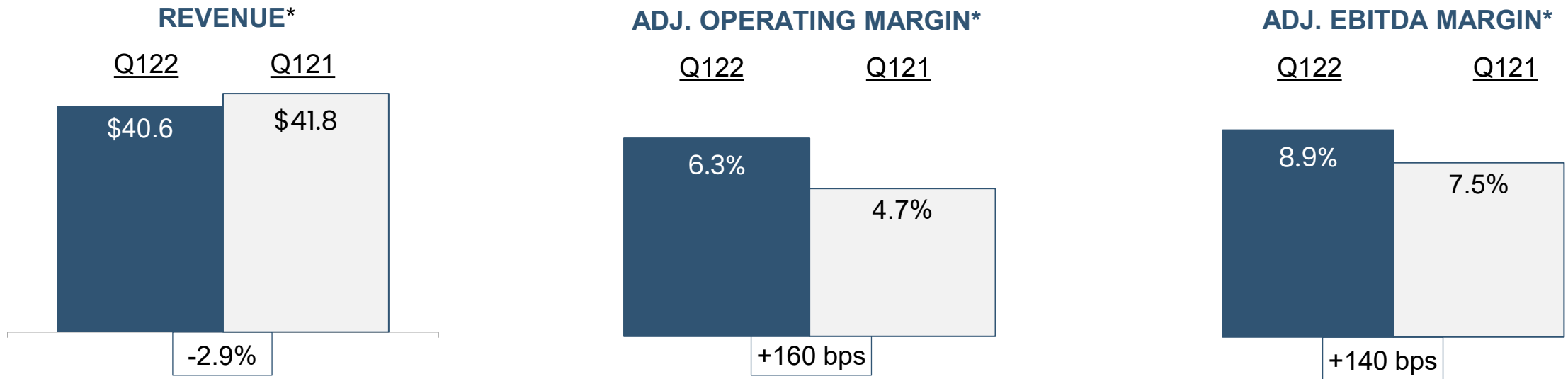
ADJUSTED OPERATING & EBITDA MARGIN

- Profitability improvement in line with our expectations
 - Effective and timely price / cost management
 - Business, product, and customer mix benefits
 - Additional 80/20 initiatives + product redesign
- Continue to work material supply and labor management initiatives to drive productivity
- IT investments for efficiency and customer service

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



AGTECH – FIRST QUARTER RESULTS



REVENUE*

- Down 2.9%
 - Project delays as state / local agencies work through construction permit backlogs
 - Scheduled timing of projects
- End demand across all three segments - Produce, Commercial and Cannabis - growing with backlog up 18% in the quarter

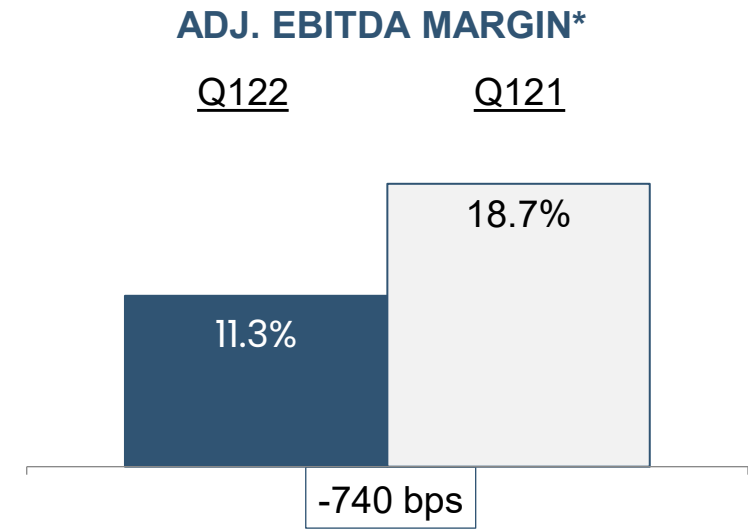
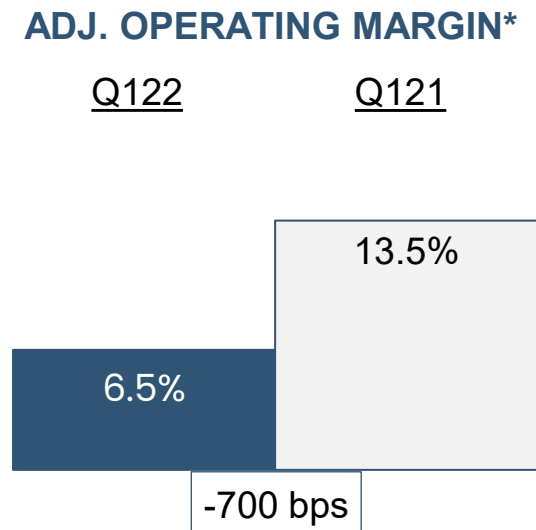
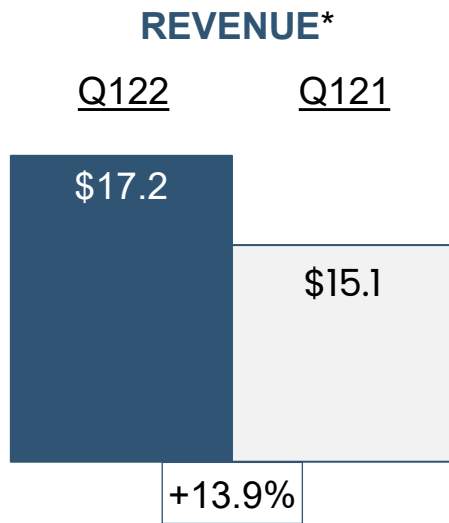
ADJUSTED OPERATING & EBITDA MARGIN*

- Operating margin improved 160 bps on down volume
 - Business mix benefits
 - 80/20 and lean initiatives
 - Integration benefits
- Supply chain optimization initiatives
 - Dedicated leadership / management
 - Material planning management
 - Transportation

*Amounts are stated in \$Millions. Processing business has been reclassified as held-for-sale with first quarter 2022 results. Refer to appendix in the earnings news release for adjusted measures reconciliations.



INFRASTRUCTURE – FIRST QUARTER RESULTS



REVENUE

- Up 13.9% driven by fabricated product demand
- Order backlog declined 7% due to timing of recent new bookings - pipeline and bidding also remain strong
- Expect impact of incremental government spending toward end of 2022
- Non-fabricated product (sealants, etc.) demand gaining momentum entering Q2 – standard seasonality in effect

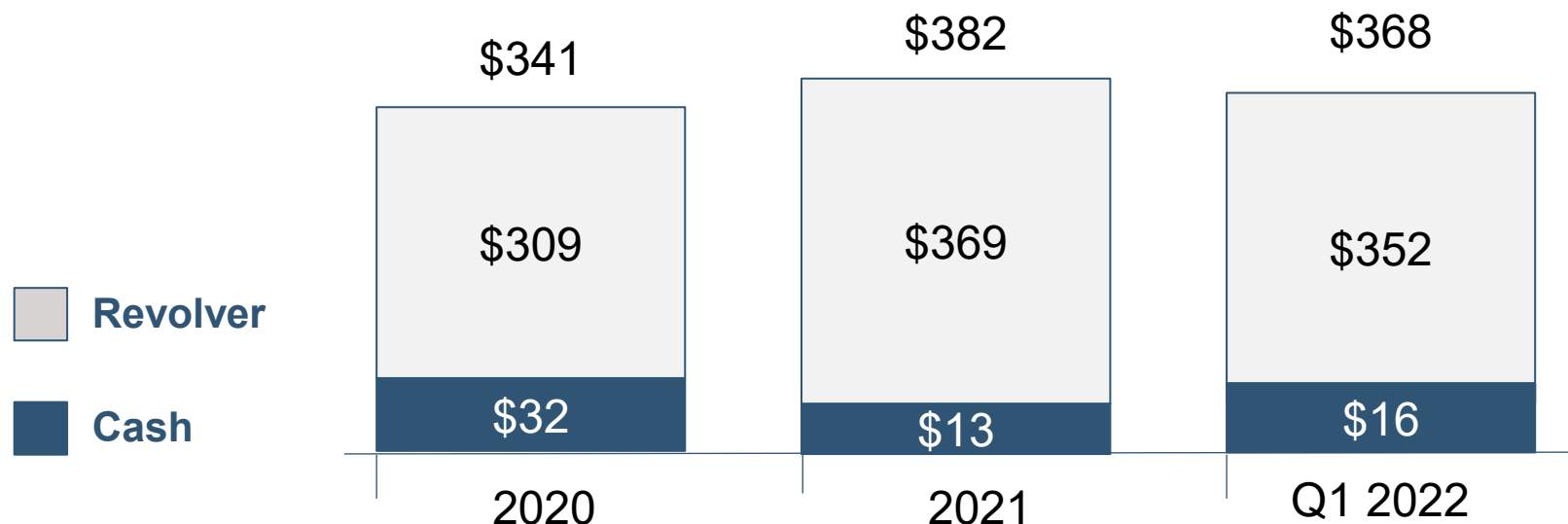
ADJUSTED OPERATING & EBITDA MARGIN

- Margin flat sequentially but down 700 bps from prior year
 - Steel inflation impacting fixed-price projects secured in previous years
 - Labor inefficiency / availability to start 2nd shift to support increasing demand
- Margins expected to improve through the year
 - Productivity & completing older projects in backlog
 - Higher margin non-fabricated product mix

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

BALANCE SHEET SOLID – CASH FLOW FROM OPERATIONS TO FUND INVESTMENTS FOR GROWTH, DEBT PAYDOWN, STOCK REPURCHASE

LIQUIDITY (\$M)



WORKING CAPITAL

Q1 Investment in

- AR \$11M
- Inventory \$21M
- AP \$15M

Q1 Benefit

- Other Liabilities \$12M

Expect 2022 FCF ~ 10%/Revenue

- Improved profitability
- Working capital benefits

0.29X Leverage & 0.20X Net Leverage - Repay Revolver During 2022 From Operating Cash Flow

GIBRALTAR BOARD OF DIRECTORS HAVE APPROVED SHARE REPURCHASE PROGRAM

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

AMOUNT

\$200 million

DURATION

3 years ending May 2, 2025

FUNDING SOURCE

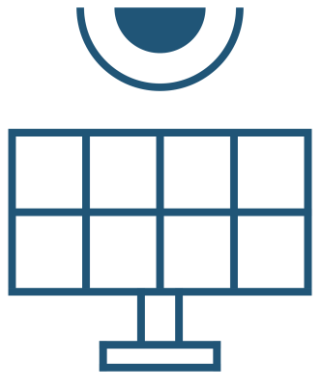
Cash from operations supplemented by borrowing under the existing credit facility

CRITERIA

Amount and timing of repurchases to depend on market conditions

2022 KEY TRENDS AND INITIATIVES

RENEWABLES



MARKET TRENDS / ASSUMPTIONS

- Panel supply issues continue – DOC anti-circumvention investigation started
- New bookings remain solid – backlog up 41% in Q1
- Inflation – HRC steel down vs. peak but structural & plate steel remains elevated

KEY INITIATIVES UPDATE

1. Intimate project management given panel supply issues for customers
2. Upgrade system / process capability
3. Execute TerraTrak plan – 1P launch
4. Implement acquisition cost synergies as planned in 2022

RESIDENTIAL

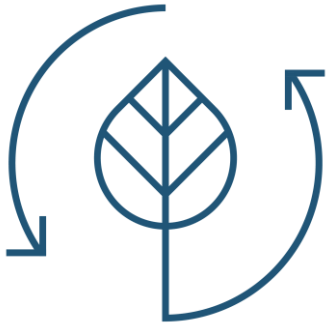


- Building costs remain elevated / stable
- Repair / remodel investments continue
- Housing demand / supply favorable
- Rate increases will impact, eventually
- Channel inventory higher to mitigate supply chain disruption in 1st half

1. Continue participation expansion – new products, key customer, regions
2. Continue price / cost management
3. “Go live” with IT ERP upgrade
4. 80/20 to offset labor and supply chain inflation and disruption

2022 KEY TRENDS AND INITIATIVES

AGTECH*



MARKET TRENDS / ASSUMPTIONS

- Produce industry investment continues to grow at 7% - 8%
- Commercial momentum continues in retail and car wash segments
- Cannabis licensing accelerates for states legalized in 2020 – 2nd half impact
- New bookings strong – Q1 backlog up 18%

KEY INITIATIVES UPDATE

1. Execute higher margin Commercial & Produce backlog
2. Implement participation gains in Commercial – retail and car wash
3. Strengthen supply chain for roofing structures and glass
4. Exit processing equipment business

INFRASTRUCTURE



- State / Federal DOT funding flowing more consistently – robust engineering backlog
- Good investment in surface protection for bridges, runways, & structures
- Infrastructure bill should drive demand starting later in the year
- Steel costs remain elevated with more inflation – structural and plate steel

1. Mitigate structural and plate steel inflation via change order process
2. Expand engineering capacity to support growing demand
3. Add shift capacity to support growing demand
4. Continue systems upgrade for manufacturing operations

* Processing business has been reclassified as held-for-sale with first quarter 2022 results.

2022 GUIDANCE

	<u>2021*</u>	<u>2022</u>
Revenue	\$1.32B	\$1.38 – \$1.43B
Operating Income		
GAAP	\$97.0M	\$130 – \$139M
Adjusted	\$127.9M	\$146 – \$155M
Adjusted EBITDA	\$159.7M	\$180 – \$189M
Operating Margin		
GAAP	7.2%	~ 9.4 – 9.7%
Adjusted	9.7%	~ 10.6 – 10.9%
Adjusted EBITDA %	12.1%	~13.0 – 13.3%
GAAP EPS	\$2.25	\$2.80 – \$3.00
Adjusted EPS	\$2.86	\$3.20 – \$3.40
Free Cash Flow / Sales	0.4%	~ 10%

*2021 revenue and adjusted measures have been recast to removed results of processing equipment business which has been reclassified as held-for-sale effective March 31, 2022. Refer to appendix in the earnings news release for adjusted measures reconciliations.

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May 4, 2022



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