

Second Quarter 2021 Earnings Call

August 3, 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

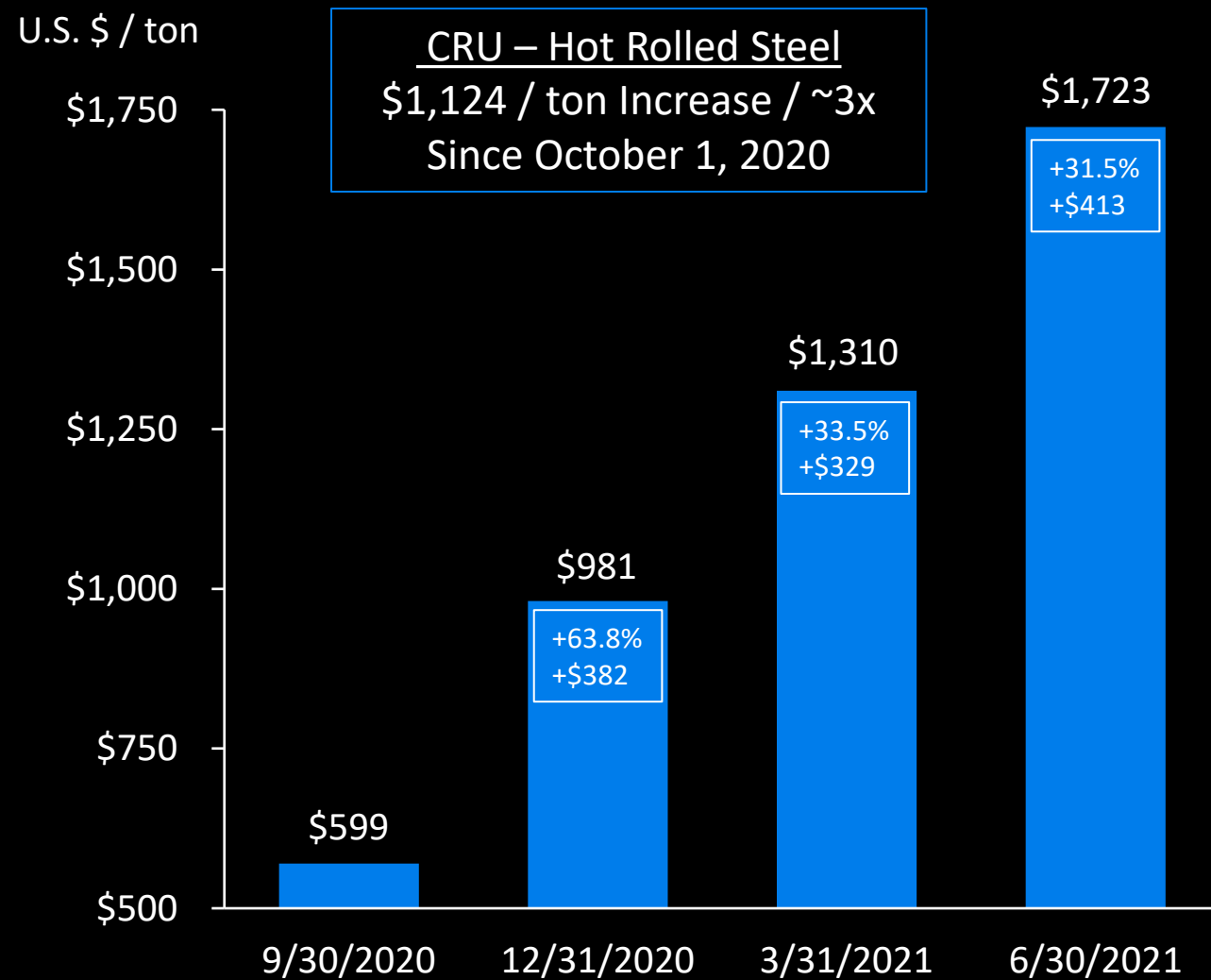
To supplement Gibraltar’s consolidated financial statements presented on a GAAP basis, Gibraltar also presented certain adjusted financial data in this presentation. Adjusted financial data excluded special charges consisting of restructuring costs primarily associated with 80/20 simplification initiatives, 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.

Second Quarter 2021 Results

- Revenue up 36.5%, 14.0% organic and 22.5% from acquisitions
- Order backlog grew 54%, or 32% on a proforma basis, to record level \$400M+
- Adjusted operating income increased 8.2% and adjusted EPS expanded 6.7% to \$0.80
- Continued to manage macro headwinds:
 - Ongoing inflation, material and labor availability, supply chain disruptions, and COVID reemergence
- Multiple price actions have been implemented:
 - Margin recovery will occur as price actions catch up with input cost inflation; and inflation begins to subside
- Integration of TerraSmart on track:
 - Solid demand and operating margin nearly doubling versus 1st quarter
- Continue to make investments in operating systems and digital capability

Solid Results Through 1st Half - Reaffirm Confidence In Full Year 2021 Plan

The Magnitude And Speed Of Inflation Has Been Unprecedented



Reference: January 2020 CRU price \$570 / ton

Broad Based Inflation (Since Oct 2020)

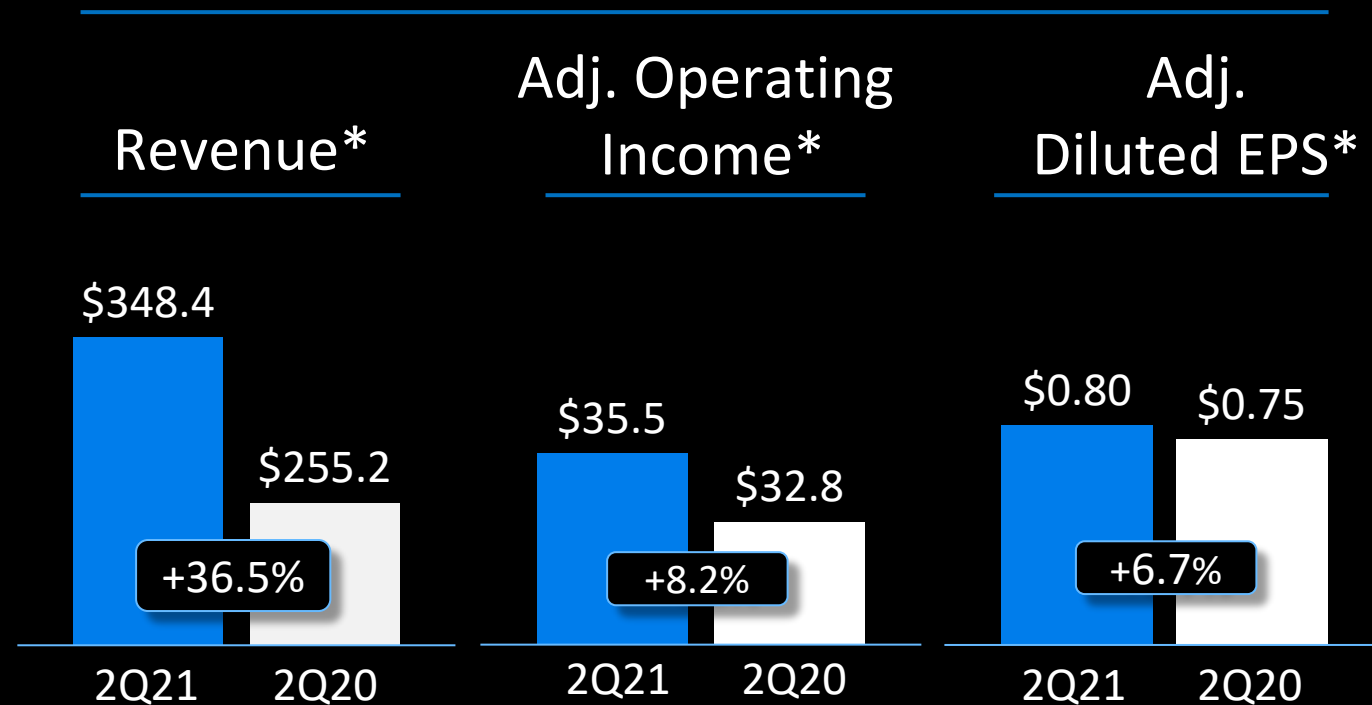
- CRU for hot-rolled steel up 188%
 - Aluminum up 50%
 - Polypropylene up 97%
 - Transportation rates up 29%
- + Supply and availability of these materials

Key Operating Initiatives Implemented

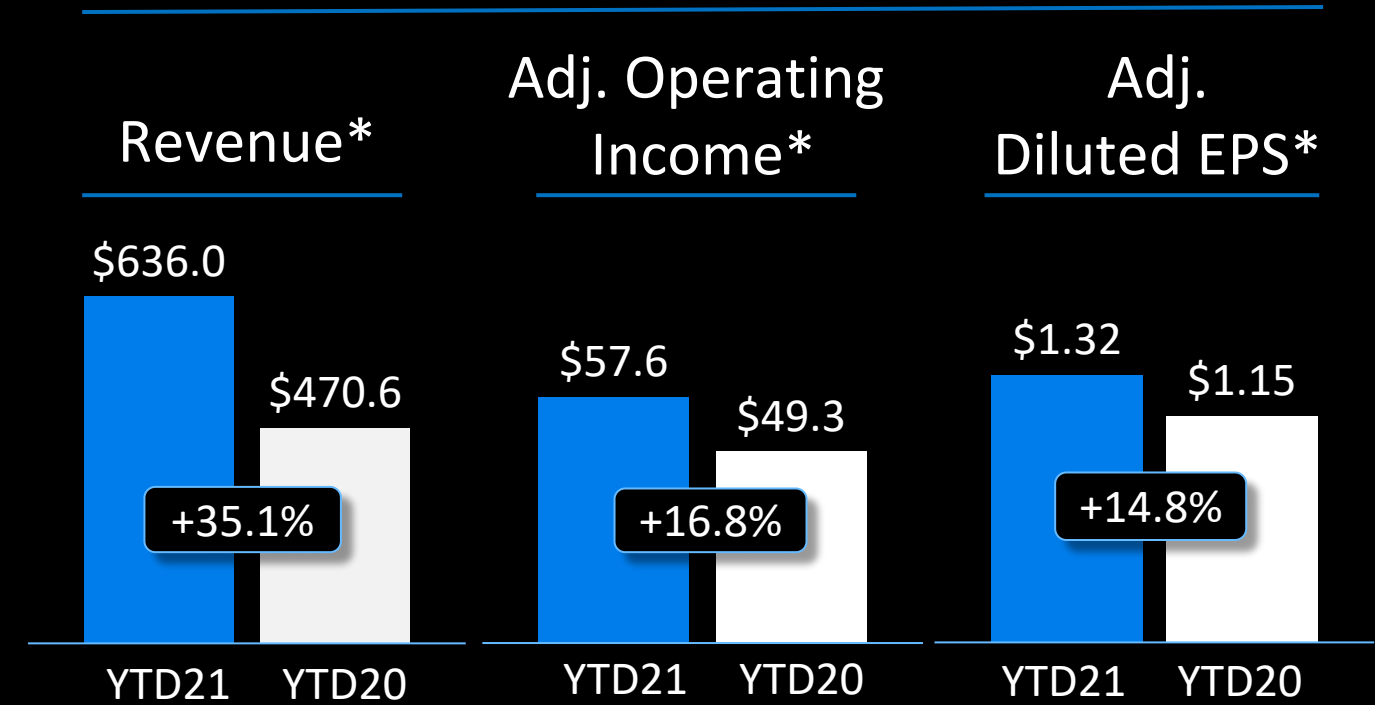
1. Customer & supplier engagement & education started in Q4 2020 – and continues
2. Multiple price actions and ongoing price / cost management alignment with customers and supply chain
3. 80/20 productivity initiatives

Consolidated Financial Performance

2nd Quarter Results



1st Half Results (YTD)

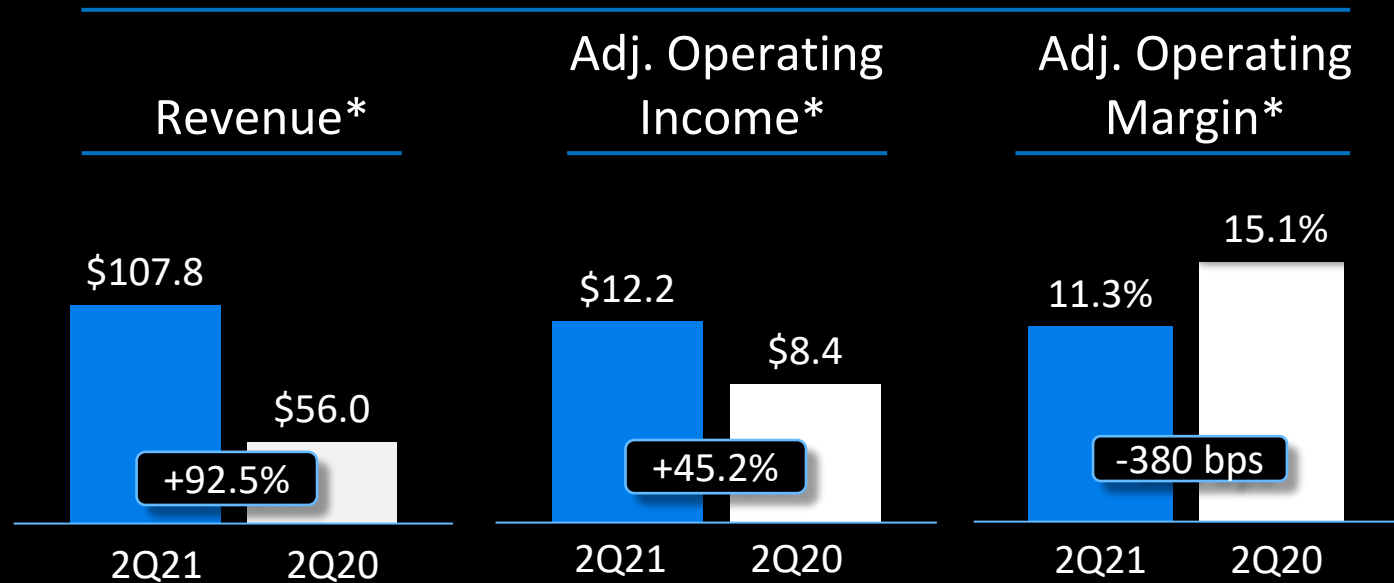


*Amounts reflect continuing operations are stated in \$Millions. Refer to appendix in the earnings news release for adjusted measures reconciliations.

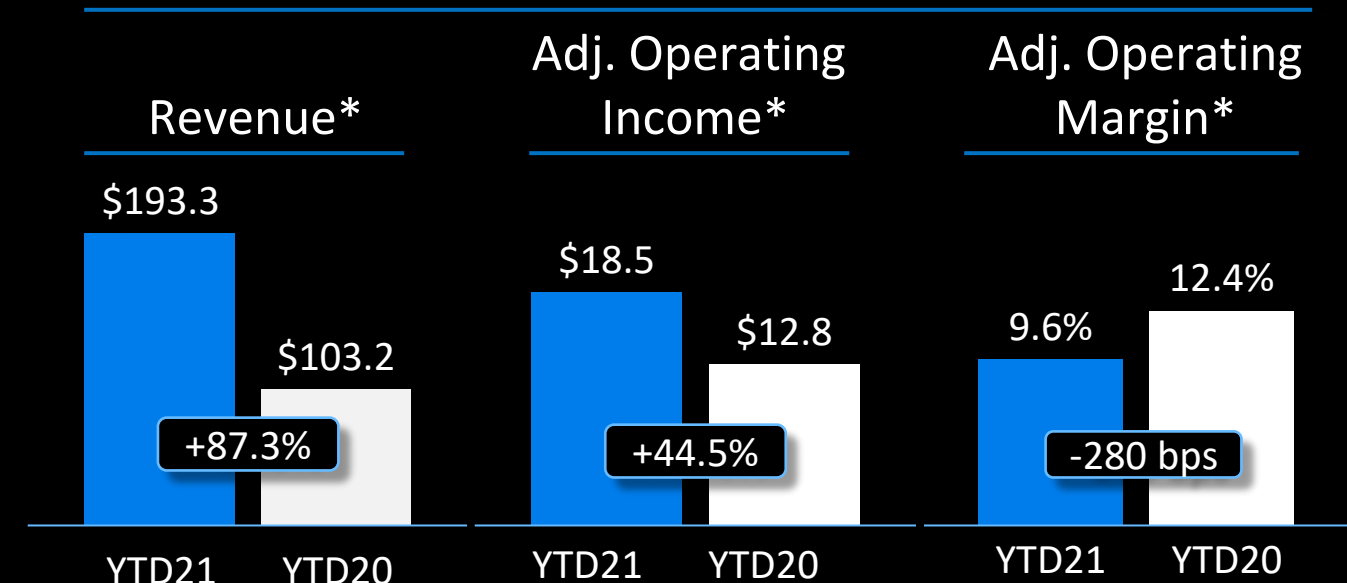
Renewables



2nd Quarter Results



1st Half Results (YTD)



Q2 Revenue

- Up 92.5% driven by combination of legacy and TerraSmart businesses with proforma organic growth up 25% across entire offering – fixed tilt, tracker, canopy & eBos solutions
- Offset market headwinds from steel inflation, solar panel supply, and the safe harbor ITC extension at end of 2020
- Order backlog exceeded \$218M, up 54% on a proforma basis

Q2 Adjusted Operating Income & Margin

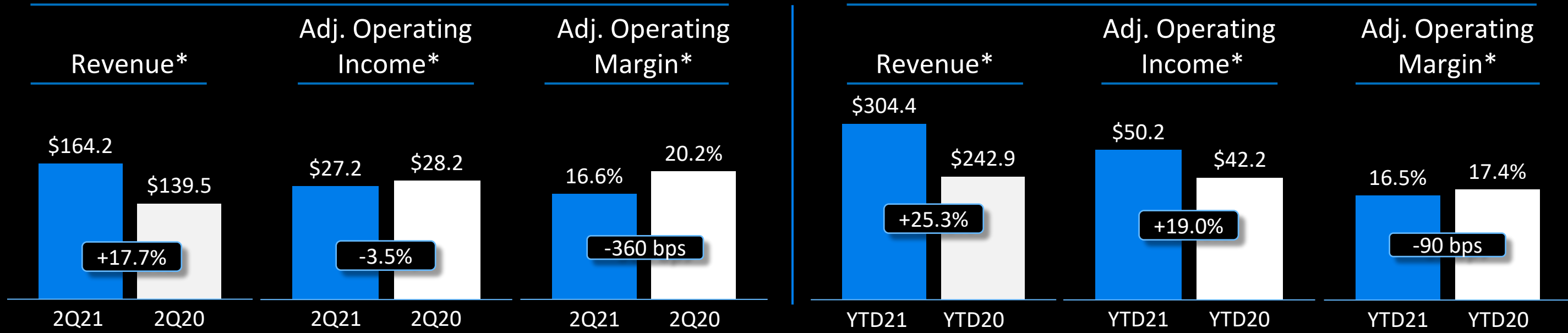
- Income up 45%, margin contracted 380 bps, majority of which anticipated from integration of TerraSmart
- TerraSmart margin accelerated & nearly doubled versus Q1 as business ramped - full year margin plan on track
- Remaining margin contraction from one-time tariff credit in Q2 '20, price/cost alignment, and project movement

Residential



2nd Quarter Results

1st Half Results (YTD)



Q2 Revenue

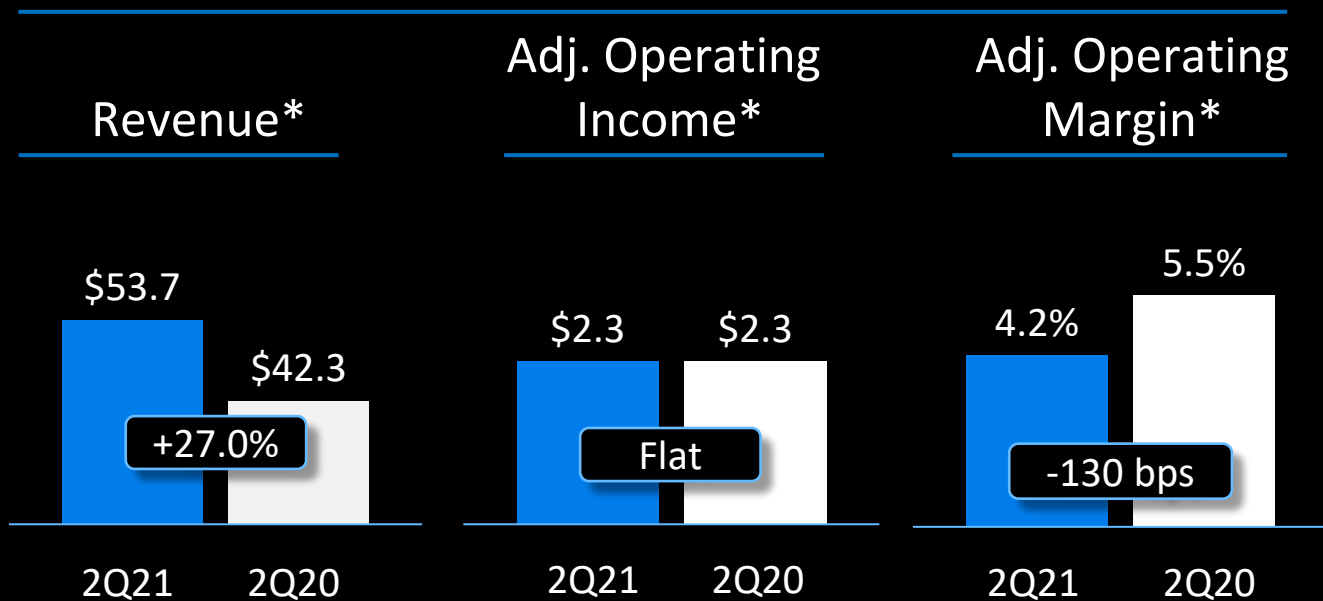
- Up 18% driven by good end market demand, participation gains, and pricing actions
- Managed through supply chain challenges related to materials, labor and logistics availability
- Architectural Mailboxes added 6% to total growth in the quarter and the integration remains on track

Q2 Operating Income & Margin

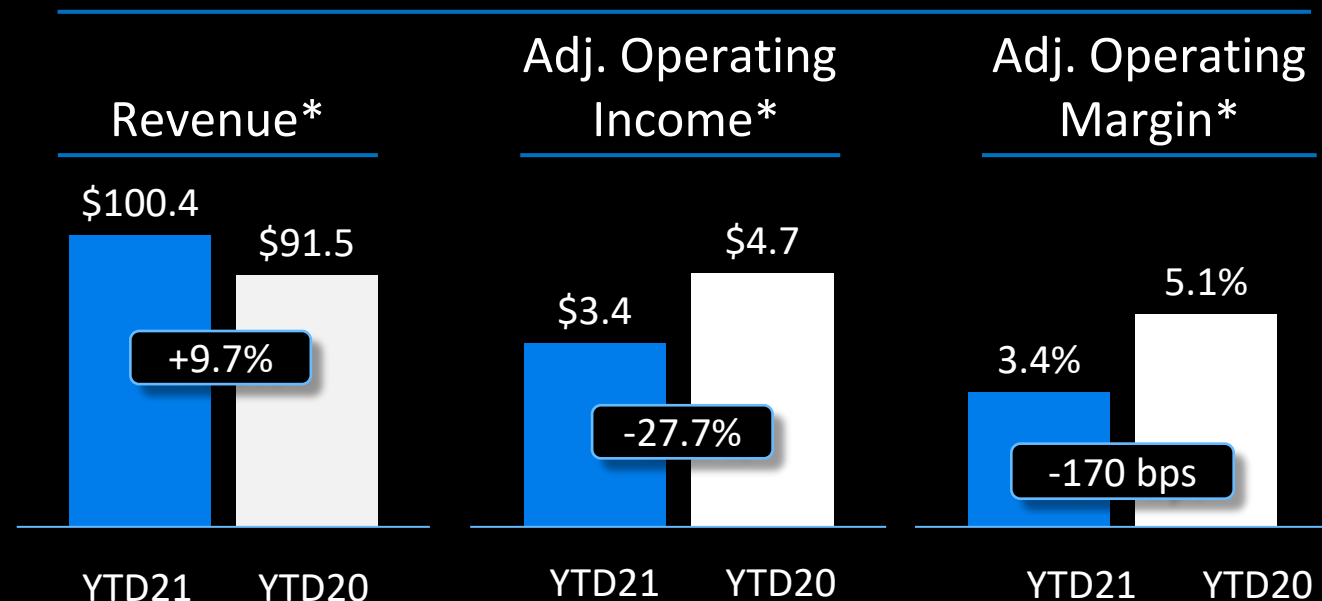
- Margin driven by ongoing inflation, input cost / pricing alignment, and materials, labor, and logistics availability
- Multiple price actions implemented – margins will recover when inflation subsides, and input cost and pricing realign
- Continued focus on profit dollars through ongoing price/cost management and 80/20 productivity initiatives



2nd Quarter Results



1st Half Results (YTD)



Q2 Revenue

- Up 27% despite projects moving into 2nd half of 2021 – water permit delays in Canada, rescoping of cannabis projects, and supply chain disruptions
- Order backlog experienced a small temporary contraction but robust July order activity accelerating momentum
- Segment remains on track with full year expectations

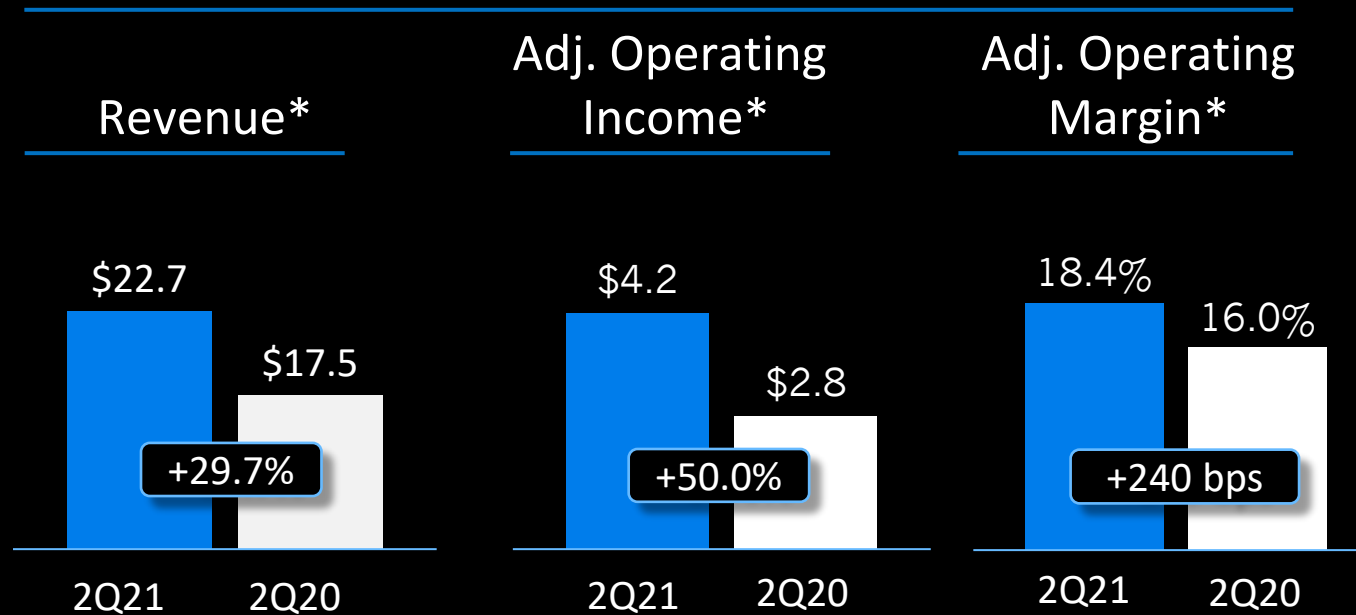
Q2 Operating Income & Margin

- Income flat with sequential margin expansion of 180 bps over 1st quarter
- Margin contraction driven by project movement into 2nd half and general supply chain disruptions
- Processing improving as expected, Produce integration benefits starting, Legacy business delivering to plan

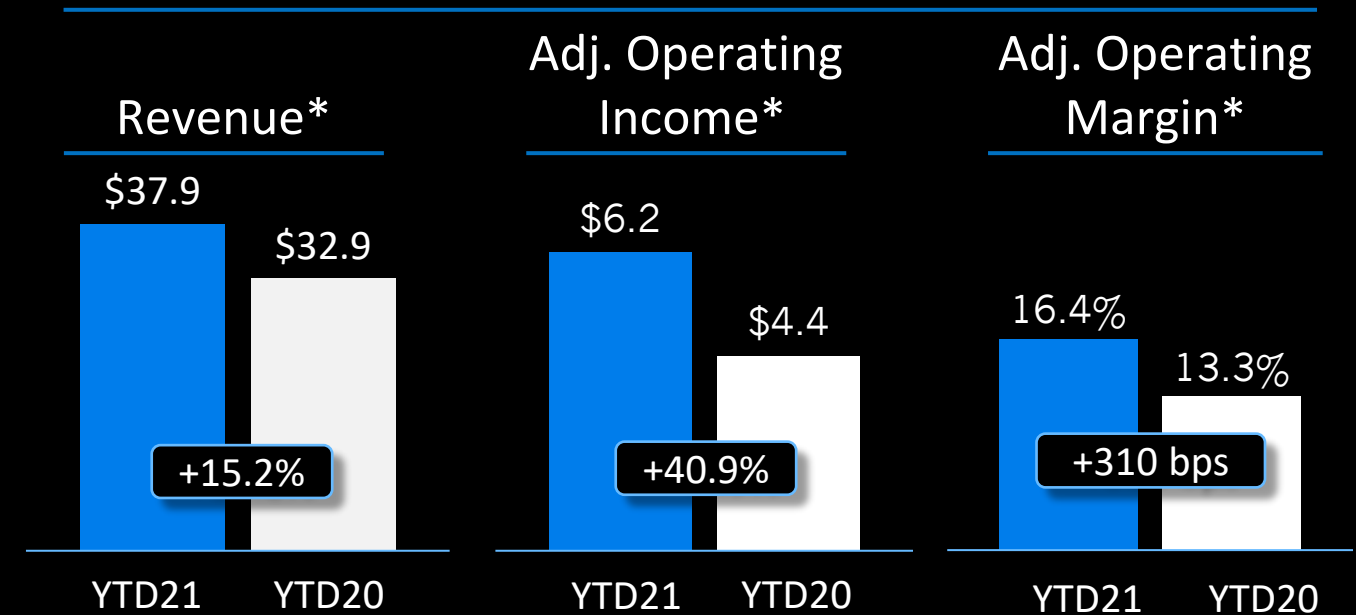
Infrastructure



2nd Quarter Results



1st Half Results (YTD)



Q2 Revenue

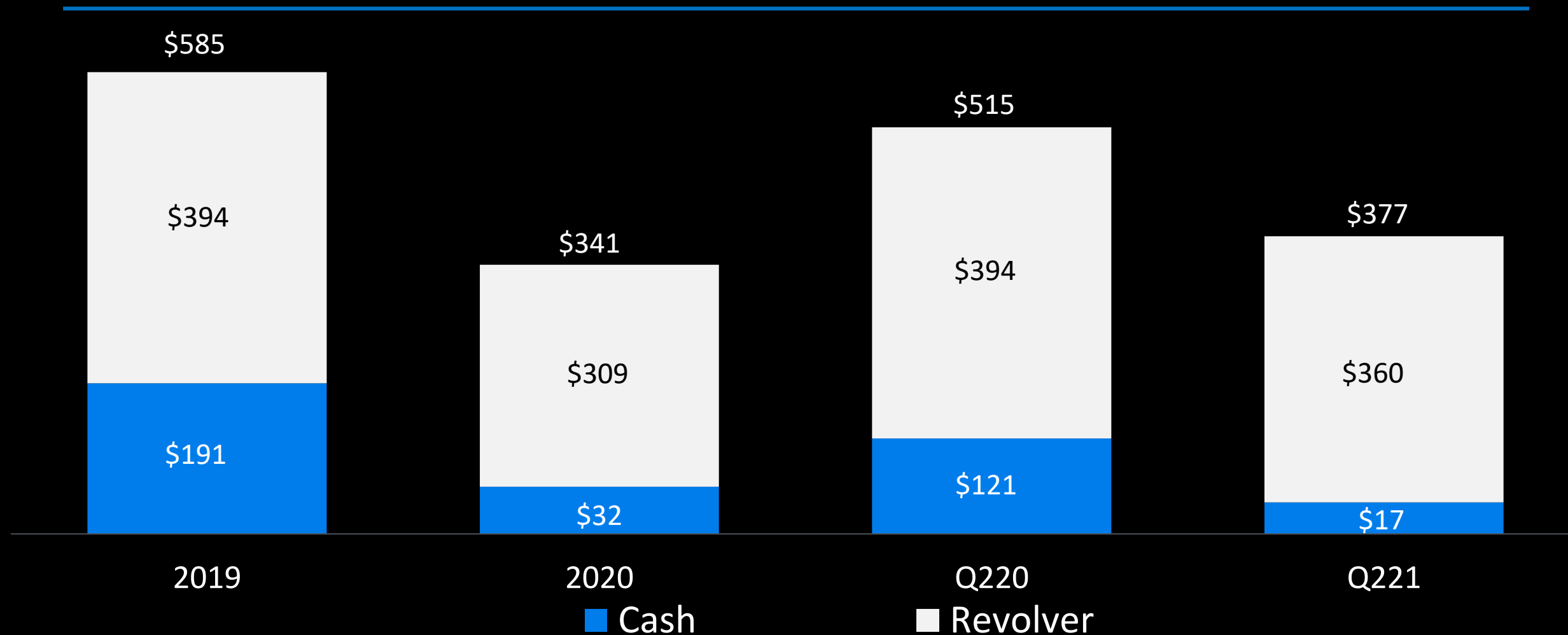
- Up 29.7% with strong demand for both fabricated & non-fabricated product solutions
- State D.O.T. and airport / other infrastructure project funding improving with economic recovery accelerating
- Order backlog increased to more than \$46 million, up 11%

Q2 Operating Income and Margin

- Income up 50.0% with margin up 240 bps driven by higher-margin non-fabricated products & solutions
- Continued progress with 80/20 productivity initiatives
- Additional manufacturing and systems upgrades initiated during the quarter

Balance Sheet Remains Healthy And Supports Investments For Growth

Liquidity (\$M)



0.23X Leverage & 0.13X 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, quality, NPD
3. Proactively manage and optimize supply chain
 - Input cost inflation – steel, aluminum, resin and consistent supplier delivery
4. Continue to conduct business the right and responsible way every day
 - Drive Environmentally-Sound Solutions: Energy Production, Agtech, Efficiency
 - Invest in the communities where our people live & work
 - Create the best environment for our people to have success

2021 Guidance Reaffirmed

	<u>2020</u>	<u>2021</u>
Revenue	\$1.033B	\$1.30–1.35B
Op. Income		
GAAP	\$ 107.2M	\$127–135M
Adjusted	\$116.8M	\$149–157M
Op. Margin		
GAAP	10.4%	~ 9.8–10.0%
Adjusted	11.3%	~11.5–11.7%
GAAP EPS	\$2.53	\$2.78–2.95
Adjusted EPS	\$2.73	\$3.30–3.47
Free Cash Flow / Sales	+7.4%	~ 10%



GIBRALTAR
INDUSTRIES