

FOURTH QUARTER 2023 EARNINGS CALL

February 21, 2024

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 loss of any key customers, adverse effects of inflation, our ability to continue to improve operating margins, our ability to translate our backlog into net sales, other general economic conditions and conditions in the particular markets in which we operate, changes in spending due to law and government incentives, such as the Infrastructure Investment and Jobs Act, 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 IT systems, the impact of regulation (including the Department of Commerce’s solar panel anti-circumvention investigation, the Auxin Solar challenge to the Presidential waiver of tariffs and the Uyghur Forced Labor Prevention Act (UFLPA)), 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 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 net sales, adjusted operating income and margin, adjusted net income, adjusted earnings per share (EPS), free cash flow and adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA). Adjusted net sales reflects the removal of net sales associated with our Processing business, which has been liquidated. Adjusted net income, operating income and margin exclude special charges consisting of restructuring costs primarily associated with 80/20 simplification or lean initiatives, senior leadership transition costs, acquisition-related costs and the operating losses generated by our Processing business which has been liquidated. The aforementioned exclusions along with other adjustments to other income below operating profit are excluded from adjusted EPS. Adjusted EBITDA further excludes interest, taxes depreciation, amortization and stock compensation expense. 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 adjusted measures and free cash flows 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 and free cash flow are also useful measures of the Company’s ability to service debt and Adjusted EBITDA 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 2023 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.

2023 YEAR IN REVIEW

**ADJUSTED
NET SALES**

\$1.37B

-1%

**ADJUSTED
OPERATING
INCOME**

\$174M

+16%

**ADJUSTED
EPS**

\$4.11

+21%

**ADJUSTED
EBITDA**

\$211M

+15%

**FREE CASH
FLOW**

\$205M

15%

NET SALES

- Strong execution in Residential and Infrastructure offset ongoing but improving industry headwinds facing Renewables and Agtech
- Bookings strength driving Backlog – up 10%
- All 4 segments up in Q4 demonstrating solid momentum going forward

INCOME & CASH

- Execution – solid margin expansion and working capital improvement
- Generated \$218 million operating cash flow – 80/20, price/cost management, plant / field productivity
- Strong balance sheet - debt at zero

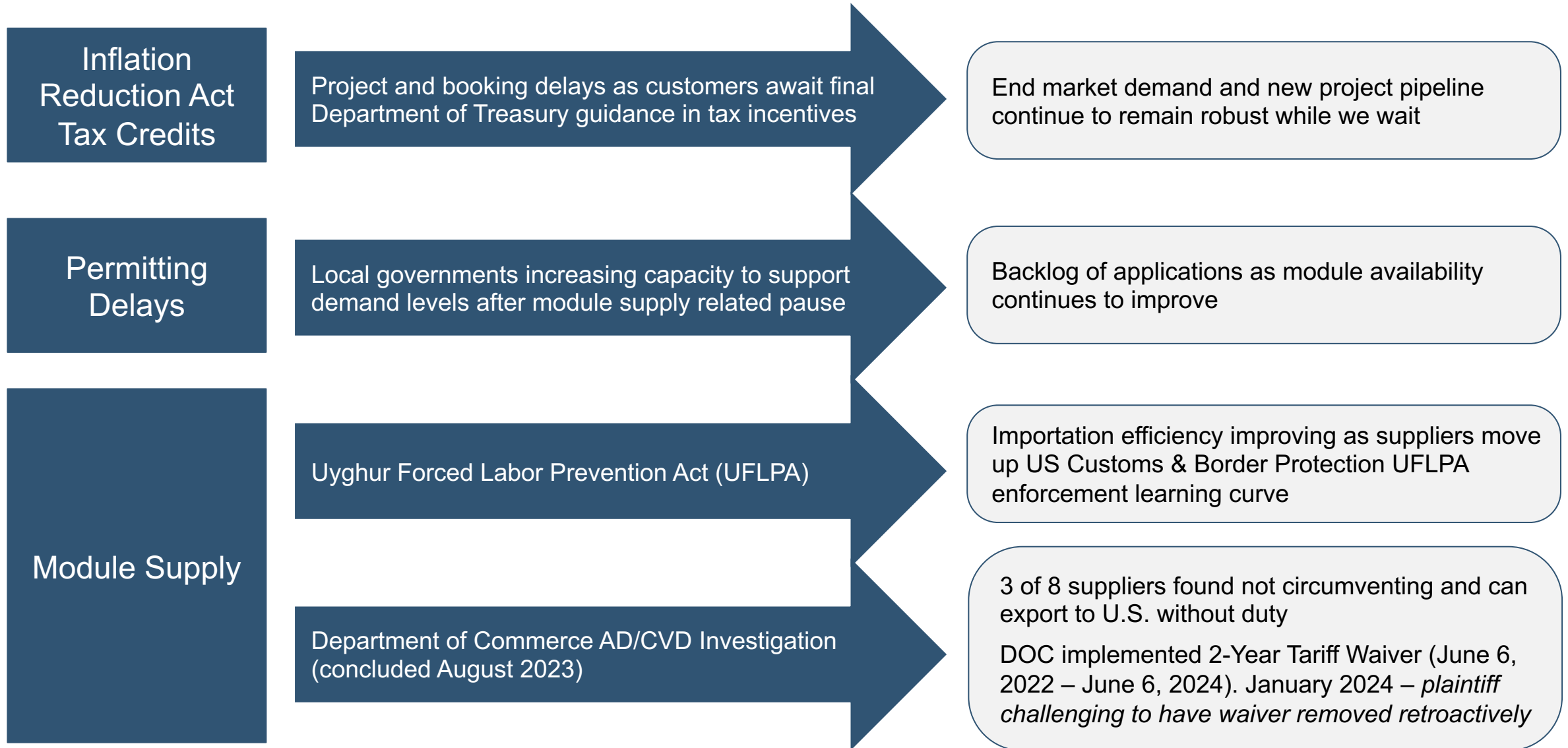
PORTFOLIO MANAGEMENT

- Acquisitions performing as expected
- Divested Japan non-strategic solar business

FOCUS

1. Growth, quality of earnings, strong cash performance
2. 80/20 acceleration
3. Digital / IT investment & execution
4. Organization development

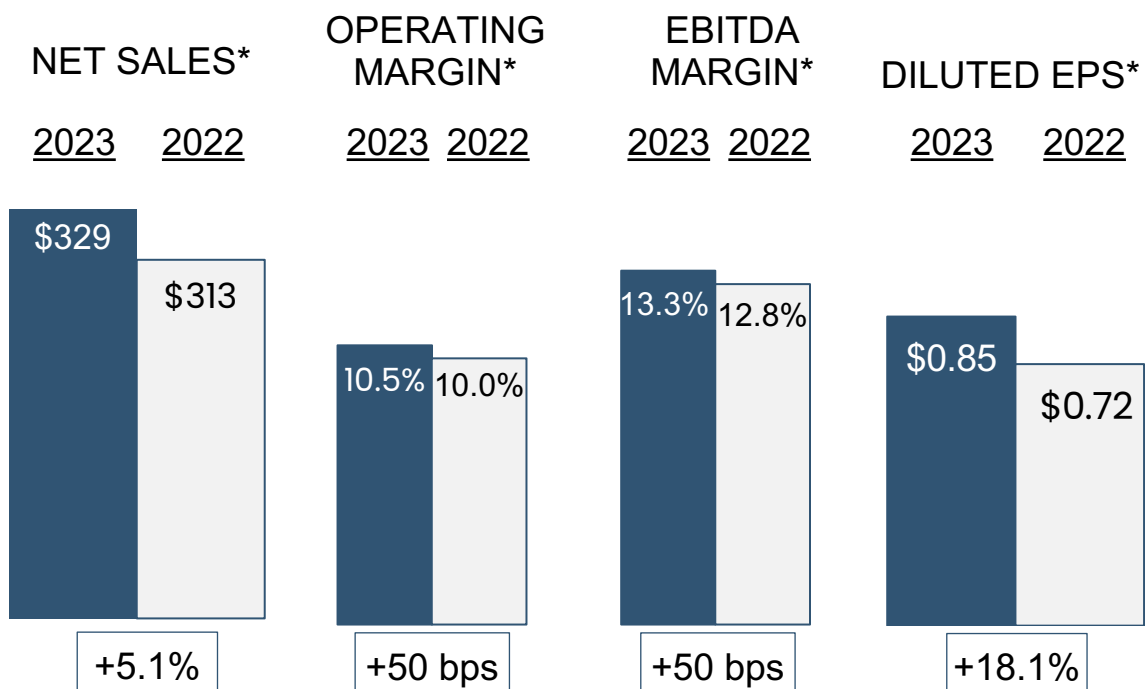
SOLAR INDUSTRY – Q4 2023 UPDATE



CONSOLIDATED FINANCIAL PERFORMANCE

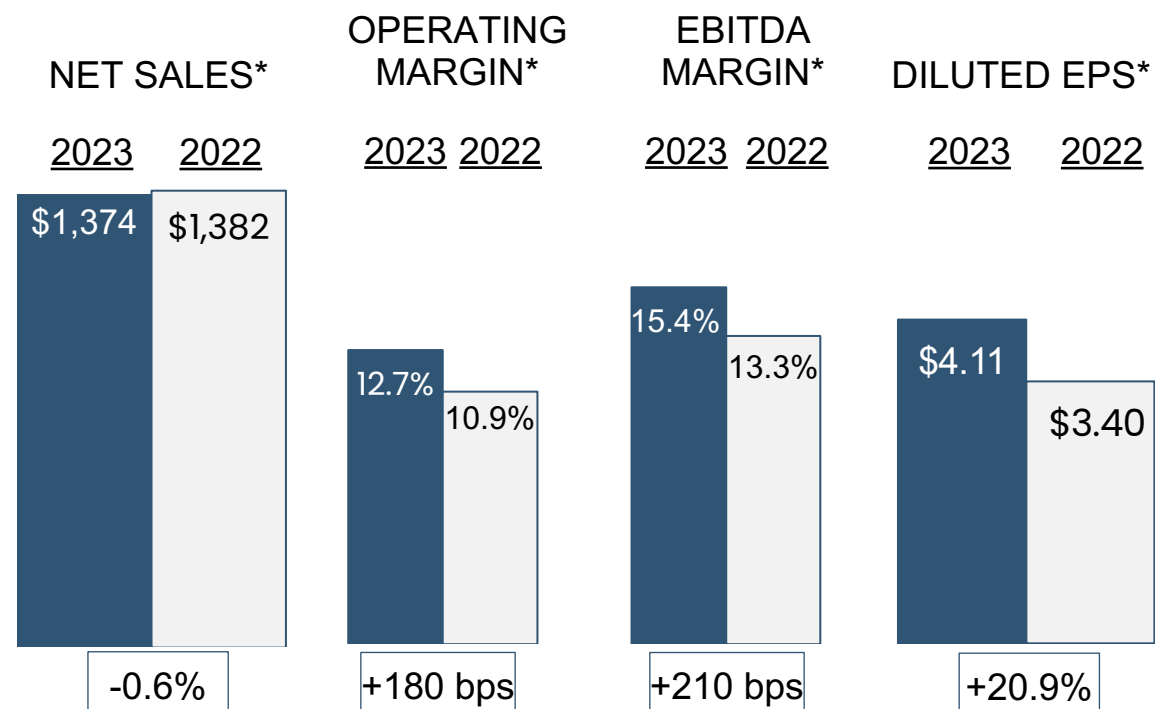
4TH QUARTER RESULTS

ADJUSTED PROFIT MEASURES*



TWELVE MONTHS RESULTS

ADJUSTED PROFIT MEASURES*



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



RENEWABLES

4TH QUARTER RESULTS

ADJUSTED PROFIT MEASURES

NET SALES*

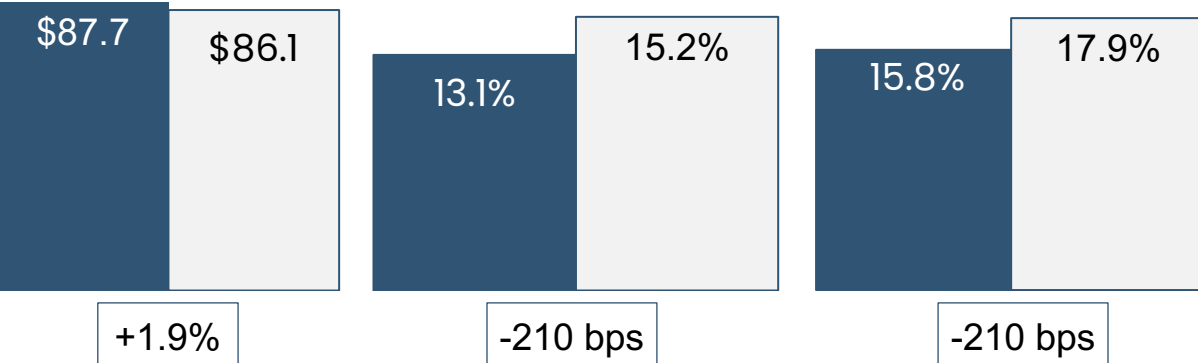
Q4 23 Q4 22

OPERATING MARGIN*

Q4 23 Q4 22

EBITDA MARGIN*

Q4 23 Q4 22



NET SALES

- Full year down 12.4% with Q4 up 1.9% as customers worked through scheduling delays
- Customers awaiting final Inflation Reduction Act tax credit guidance
- Backlog +20.9% YoY; New order bookings and pipeline remain robust

TWELVE MONTHS RESULTS

ADJUSTED PROFIT MEASURES

NET SALES*

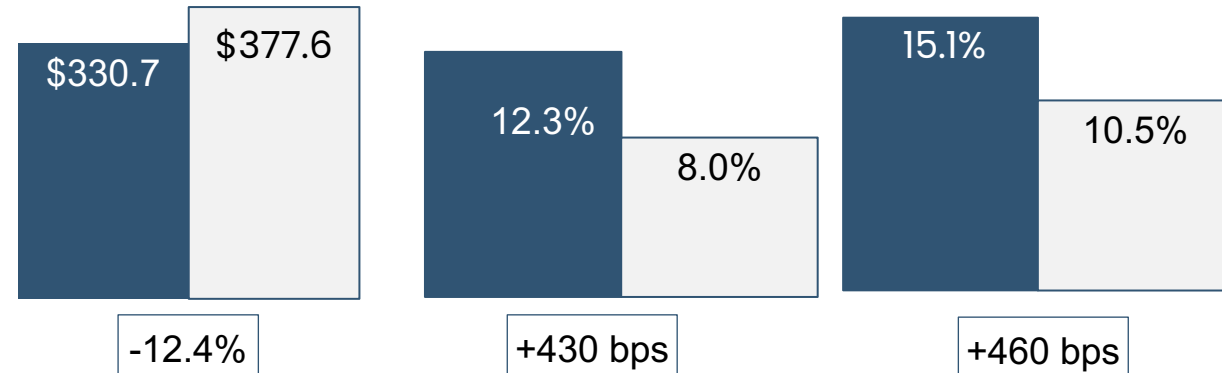
2023 2022

OPERATING MARGIN*

2023 2022

EBITDA MARGIN*

2023 2022



ADJUSTED OPERATING & EBITDA MARGIN

- Full year operating margin up 430 bps in down revenue environment
 - Fundamental operating systems continue to improve and scale
- Q4 Margin contracted 210 bps versus PY
 - Strong execution across the business offset by warranty cost incurred for project completed in 2022

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



4TH QUARTER RESULTS

TWELVE MONTHS RESULTS

ADJUSTED PROFIT MEASURES

ADJUSTED PROFIT MEASURES

NET SALES*

Q4 23 Q4 22

OPERATING MARGIN*

Q4 23 Q4 22

EBITDA MARGIN*

Q4 23 Q4 22

NET SALES*

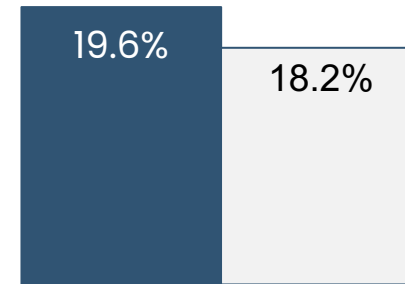
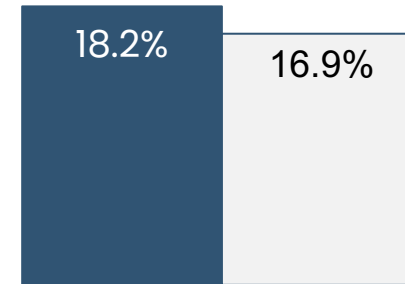
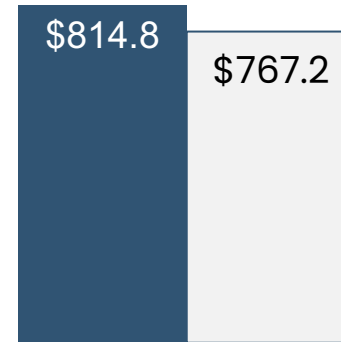
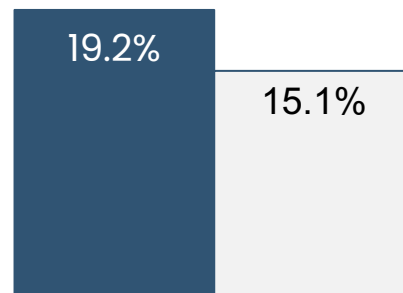
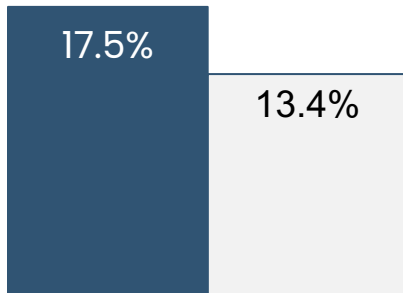
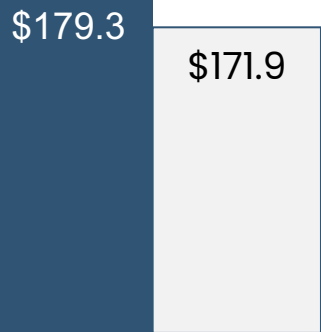
2023 2022

OPERATING MARGIN*

2023 2022

EBITDA MARGIN*

2023 2022



+4.3%

+410 bps

+410 bps

+6.2%

+130 bps

+140 bps

NET SALES

- Full year up 6.2%, Q4 up 4.3% with organic up 3.1% and acquisitions contributed 1.2%
- Organic growth driven by:
 - Market and additional participation gains
 - Partially offset by pricing adjustments related to commodity cost deflation

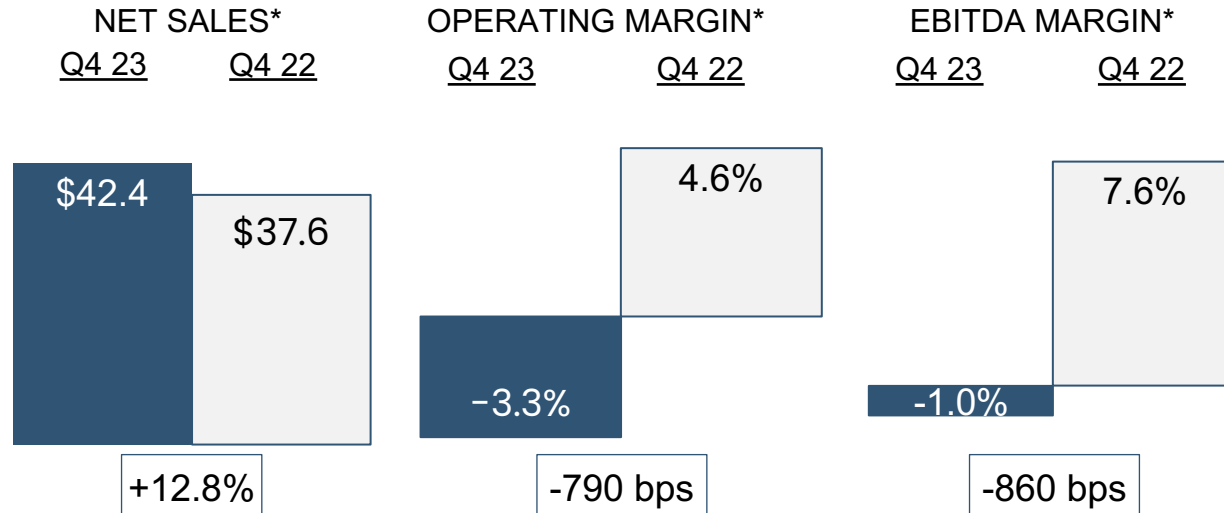
ADJUSTED OPERATING & EBITDA MARGIN

- Full year operating margin up 130 bps, Q4 up 410 bps
 - 80/20 initiatives
 - Volume leverage
 - Improved price/cost alignment versus last year

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

4TH QUARTER RESULTS

ADJUSTED PROFIT MEASURES

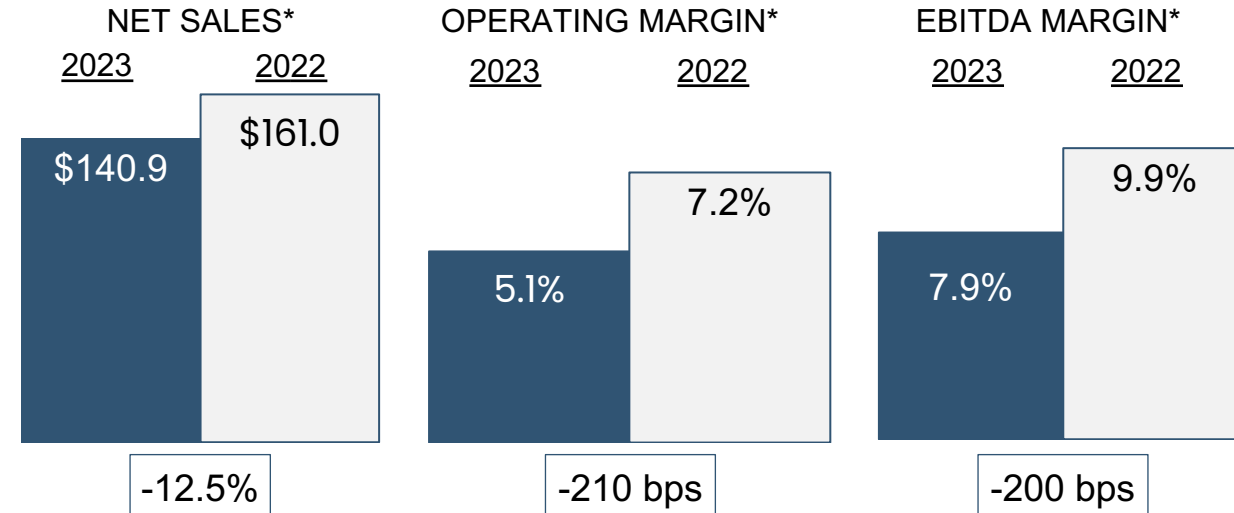


NET SALES

- Full year down 12.5% with Q4 increasing 12.8%
 - Executed on new bookings coming in Q3 and Q4
- Customer project design activity at elevated levels with bookings expected in 1st half of 2024

TWELVE MONTHS RESULTS

ADJUSTED PROFIT MEASURES



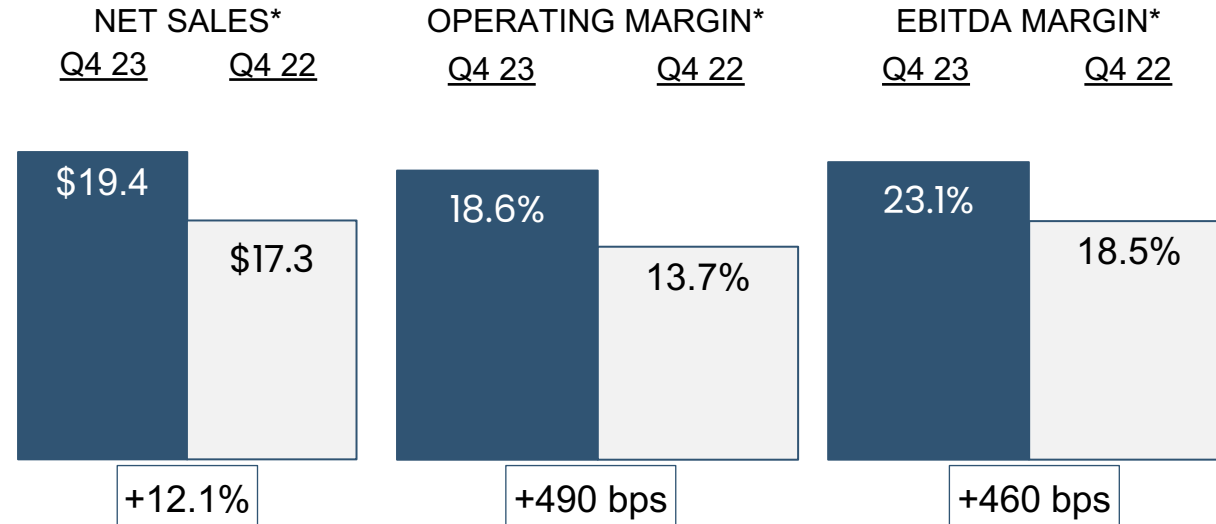
ADJUSTED OPERATING & EBITDA MARGIN

- Full year operating margin down 210 bps, Q4 down 790 bps
 - Recorded \$3.5M AR charge for distressed cannabis customer in Q4
- Without AR charge, operating margin improved 40 bps versus PY
 - Full year margin 7.6%, Q4 margin 5.0%



4TH QUARTER RESULTS

ADJUSTED PROFIT MEASURES

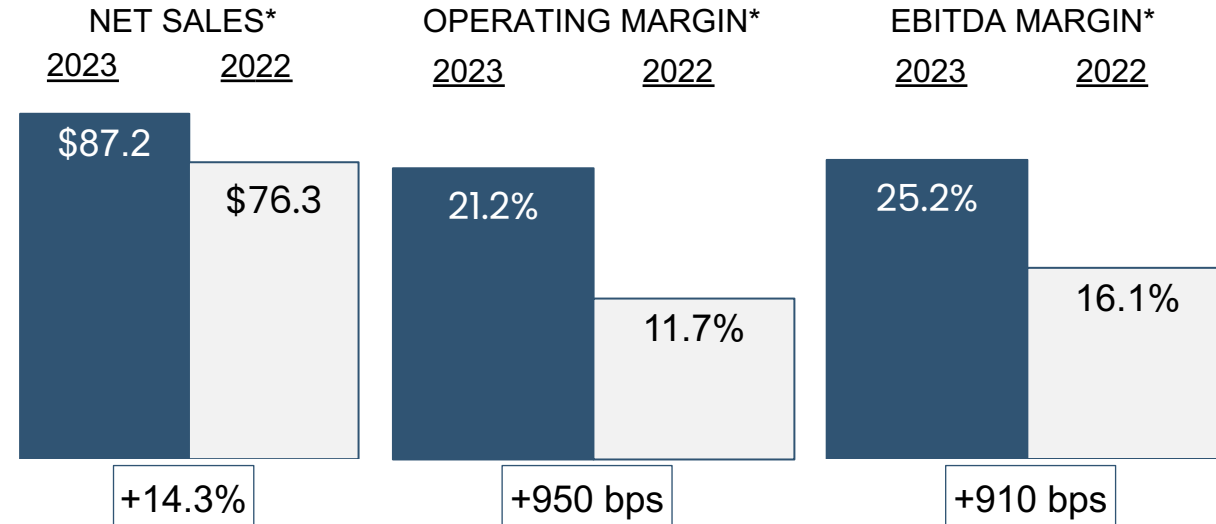


NET SALES

- Net sales +12.1%, full year up 14.3%
 - Solid end market demand
 - Participation gains via products, geographies, customers

TWELVE MONTHS RESULTS

ADJUSTED PROFIT MEASURES



ADJUSTED OPERATING & EBITDA MARGIN

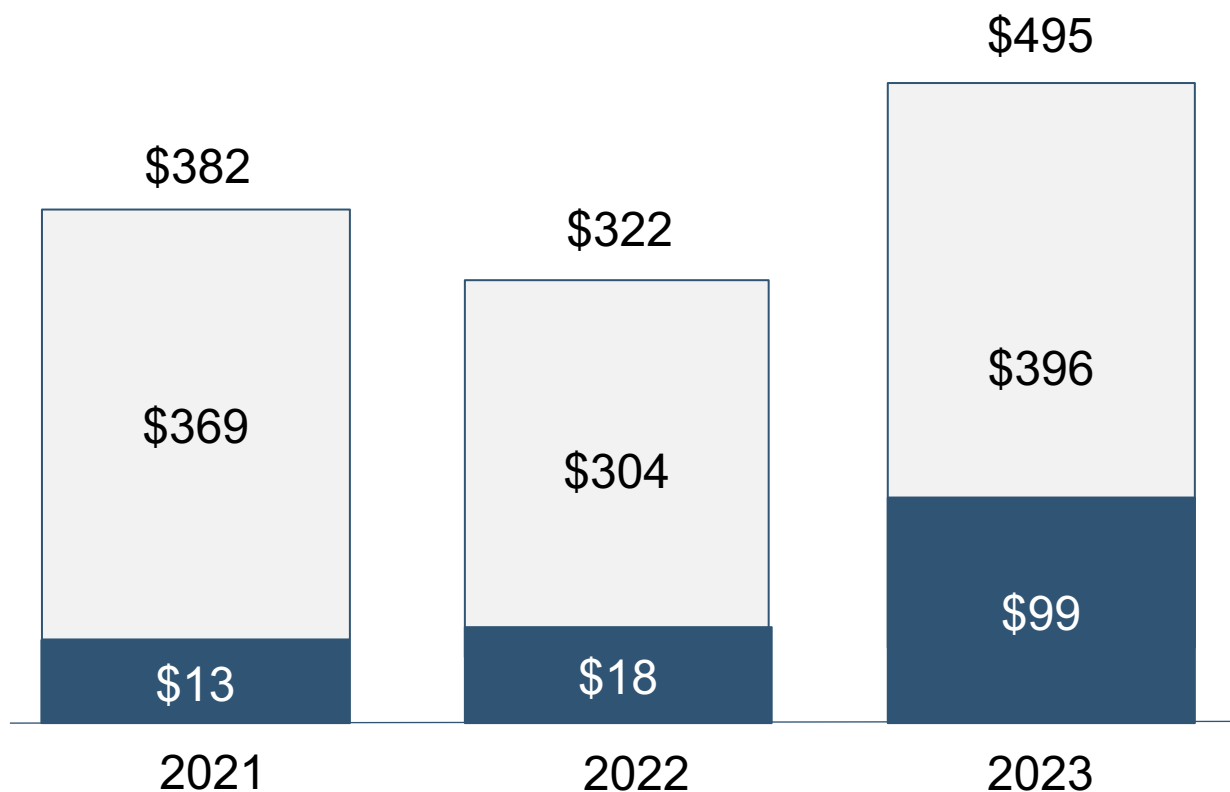
- Full year margin up 950 bps, Q4 up 490 bps
 - Ongoing strong execution
 - 80/20 productivity
 - Improving product line and customer mix

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

BALANCE SHEET – STRONG FREE CASH FLOW, AMPLE LIQUIDITY

LIQUIDITY (\$M)

Revolver
 Cash



Balance Sheet is Unleveraged

WORKING CAPITAL

GENERATED CASH OF \$41M

2023 Benefit	
▪ Inventory	\$ 46M
▪ Other Liabilities	\$ 24M

2023 Offset by	
▪ AR	\$ 15M
▪ AP	\$ 14M

2023 SHARE REPURCHASES \$25M

FREE CASH FLOW

2023 FCF* = 14.9% Net Sales

2024 FCF to Sales Outlook ~10%

*FCF = Free Cash Flow. Refer to appendix in the earnings news release for adjusted measures reconciliations.

2024 PRIORITIES – REMAIN FOCUSED ON VALUE CREATION

STRATEGIC PILLARS

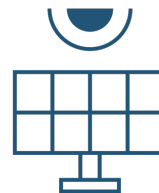
BUSINESS SYSTEM

PORTFOLIO
MANAGEMENT

ORGANIZATION
DEVELOPMENT

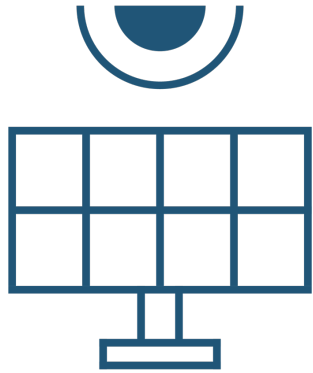
GIBRALTAR PLAYBOOK

1. Drive growth, quality of earnings, strong cash performance, execute M&A to expand our industry positions
2. Execute 80 / 20 – win participation, expand margin, drive service levels
3. Stay the course with digital IT investing in our businesses
4. Organization health and development
5. Conduct business the right and responsible way every day



2024 EXPECTATIONS

RENEWABLES



MARKET CONDITIONS

- Industry awaiting final Treasury IRA guidelines
- Expect UFLPA importation efficiency to improve
- Expect improvement in local permitting processes

PRODUCTS

1. New 1P and 2P tracker technology selling well
2. eBOS continues to gain participation in both utility and C&I segments
3. Fixed tilt and canopy segment remains steady

POSITIONING

- Backlog and order flow continues to expand
- Expect sales and margin to grow as the business is positioned to scale
- Have expanded customer base with broader offering

RESIDENTIAL



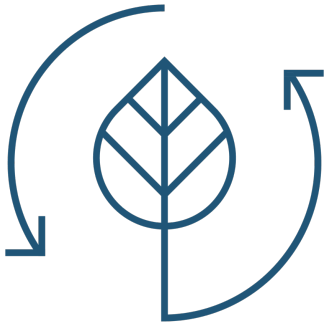
- Supply / demand imbalance remains
- Consumers are adjusting to interest rate levels
- Expect 2024 end market demand to be consistent with 2023

1. Ventilation – new shingle vent roll
2. Pipe flashings
3. Mail & Package – NextGen single mailbox
4. Wireless Valance Drop

- Expand presence in key product categories and geographies
- Continue ERP and Digital implementation
- Deploy asset-light service model

2024 POSITIONING

AGTECH



MARKET CONDITIONS

- Significant investment flowing into the N.A market
- Expansion needed to meet Food Retail and Service demand
- Commercial market remains steady – garden centers, car wash, institutional / research facilities

PRODUCTS

1. Design & Engineering service with Grower experience
2. Turnkey project capability
3. Systems integration
4. Refurbishment and optimization services

POSITIONING

- Well positioned to support U.S. and Canadian growers
- Invested in the right resources and systems to scale and execute more effectively
- Margin expansion comes via D&E, project & construction management, and supply chain

INFRASTRUCTURE



- IIJA creates visibility for states future funding, creating runway for additional growth
- DOT budgets remain healthy
- Airport runway resurfacing expected to grow

1. Pavesaver and Delpatch Reformulations
2. HLMR Bearings for highway bridges, stadiums, buildings

Leadership position in....

- Expansion joint systems
- High load bearing systems
- Cable corrosion protection
- Sprayed applied membrane

2024 GUIDANCE

	<u>2023*</u>	<u>2024</u>
Net Sales	\$1.37B	\$1.43 – \$1.48B
Operating Income		
GAAP	\$150.7M	\$173.3 – \$183.8M
Adjusted	\$174.3M	\$193.3 – \$203.8M
Adjusted EBITDA	\$211.0M	\$229.5 – \$241.3M
Operating Margin		
GAAP	10.9%	~ 12.1% – 12.4%
Adjusted	12.7%	~ 13.5% – 13.7%
Adjusted EBITDA %	15.4%	~ 16.0% – 16.3%
GAAP EPS	\$3.59	\$4.04 – \$4.29
Adjusted EPS	\$4.11	\$4.57 – \$4.82
Free Cash Flow / Sales	14.9%	~ 10.0%

* Refer to appendix in the earnings news release for adjusted measures reconciliations.

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