



# Investor Presentation

November 2019



# 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.*

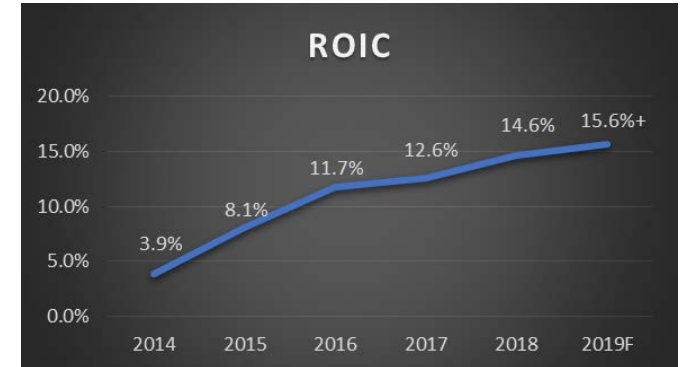
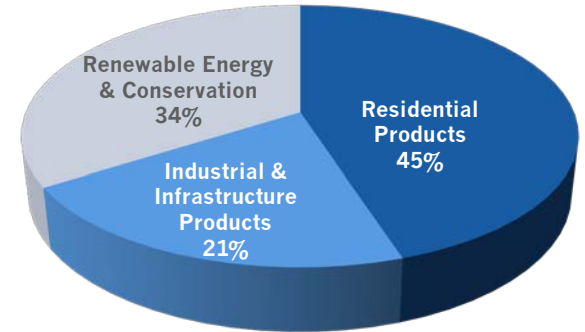
## *Adjusted Financial Measures*

*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 the 80/20 simplification initiative, senior leadership transition costs, acquisition costs, debt repayment costs, tax reform (if 2017 adjusted stays) 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.*

# Gibraltar Industries – Who We Are

- \$1B Multi-industrial company serving targeted end markets: Renewable Energy, Conservation, Residential Products, Infrastructure, Industrial
- Shifting away from commoditized supplier to engineered solutions partner
- Past 5 years' financial performance
  - Adjusted Operating Margin ~ projected 10.6% +620BPs
  - Adjusted EPS more than quadrupled
  - ROIC more than quadrupled to 15.6%+ projected for 2019

Revenues TTM Q319



# Investment Highlights



Multi-Industrial focused on sustainable value creation



Solid financial trajectory, on track to achieve 3-4% revenue growth and 50-70bps adjusted operating margin expansion in 2019



Asset portfolio leverages core competencies in growing markets



Ample balance sheet flexibility to support strategic execution



Entering next phase of transformation with strategy to drive growth and returns across platforms

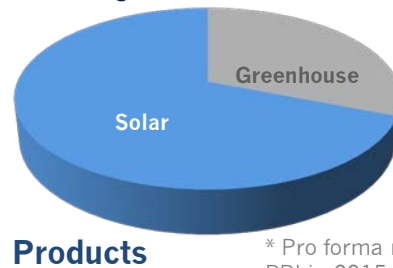
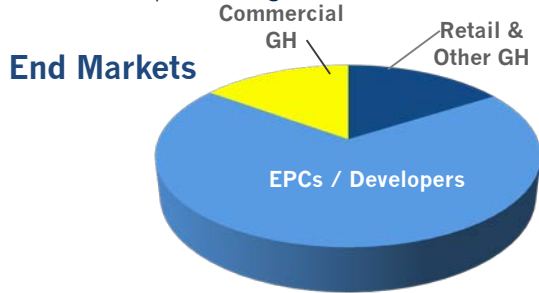


Seasoned team with new senior leadership in place

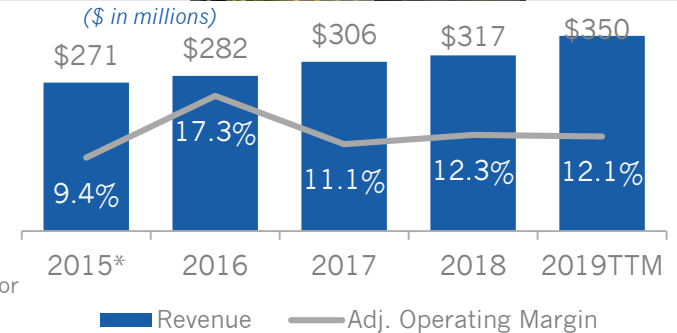
# Renewable Energy & Conservation (34% of TTM Q319 Revenue)

Products	Solar Racking	Greenhouses (“GH”) & Processing
Application	<ul style="list-style-type: none"> <li>Ground mount fixed-tilt PV arrays</li> <li>Single axis tracker</li> <li>Carport / canopy</li> </ul>	<ul style="list-style-type: none"> <li>Design / Engineering</li> <li>Fabrication</li> <li>Installation</li> <li>Project Management</li> </ul>
End Markets	<ul style="list-style-type: none"> <li>Community solar</li> <li>Commercial site, including landfills / carports</li> <li>Small / mid-size Utilities</li> </ul>	<ul style="list-style-type: none"> <li>Floriculture</li> <li>Large-scale horticulture</li> <li>Cannabis</li> <li>Extraction</li> </ul>
U.S. Market Position*	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px 5px; margin-right: 10px;">#1</div>  </div>	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px 5px; 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 2015.



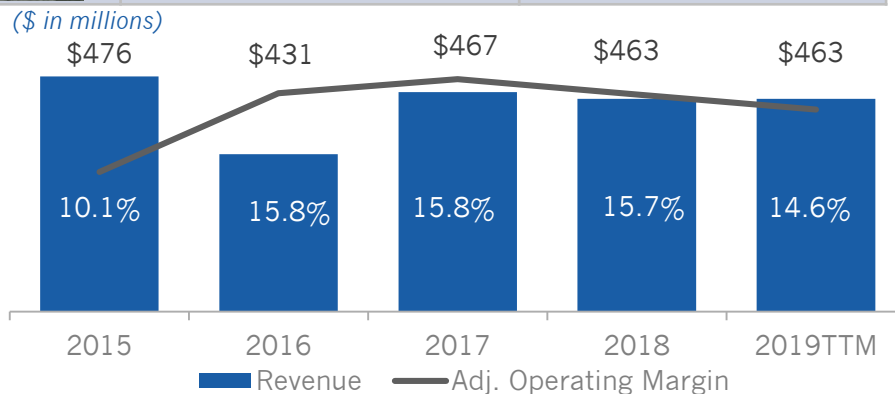
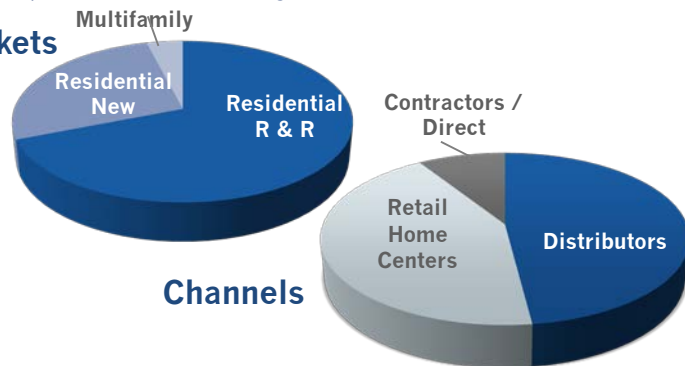


# Residential Products Segment (45% of TTM Q319 Revenue)

Products	<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>Roofing Accessories</li> </ul>	<ul style="list-style-type: none"> <li>Home Improvement</li> </ul>
Application	<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>Flashing / trims</li> </ul>	<ul style="list-style-type: none"> <li>Gutter Protection</li> <li>Retractable Sunshade</li> </ul>
End Markets	<ul style="list-style-type: none"> <li>New construction</li> <li>Residential multi-family</li> </ul>	<ul style="list-style-type: none"> <li>New construction</li> <li>Residential repair and remodeling</li> </ul>	<ul style="list-style-type: none"> <li>New construction</li> <li>Residential repair and remodeling</li> </ul>	<ul style="list-style-type: none"> <li>New construction</li> <li>Residential repair and remodeling</li> </ul>
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\* Market position based on management's best estimates

## End Markets

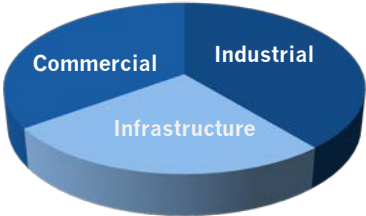


# Industrial & Infrastructure Segment (21% of TTM Q319 Revenue)

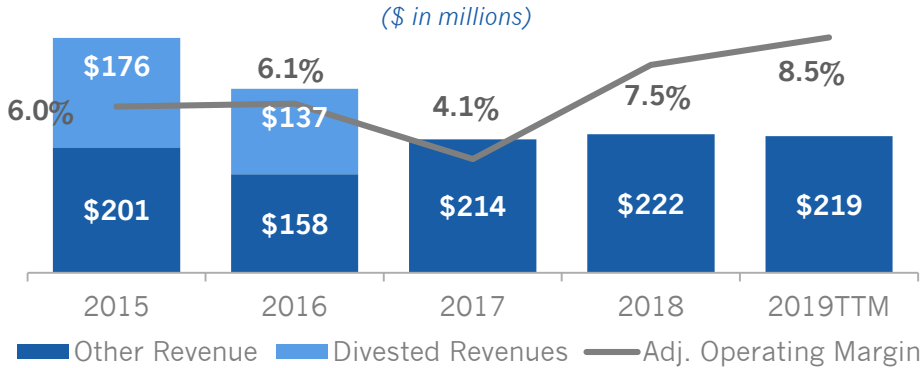
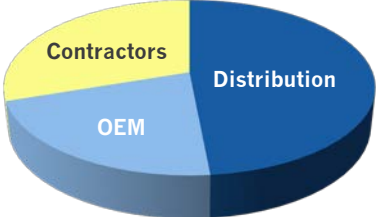
<b>Products</b>	<ul style="list-style-type: none"> <li>Structural bearings</li> <li>Expansion joints</li> <li>Sealants</li> </ul>	<ul style="list-style-type: none"> <li>Expanded metal</li> <li>Perforated metal</li> </ul>
<b>Application</b>	<ul style="list-style-type: none"> <li>Preserve bridge functionality under varying weight, wind, heat and seismic conditions</li> </ul>	<ul style="list-style-type: none"> <li>Perimeter security solutions</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>Low-rise commercial</li> <li>Leisure and hospitality</li> <li>Automotive</li> </ul>
<b>U.S. Market Position*</b>	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px 5px; margin-right: 10px;">#1</div>  </div>	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px 5px; margin-right: 10px;">#2</div>  </div>

\* Market position based on management's best estimates

### End Markets



### Channels



# Strategy

Drive growth and returns across platforms

## 5 Key Initiatives

- 1 Operational excellence
- 2 Direct Connection with End Customers
- 3 New Products and Innovation
- 4 Portfolio Optimization
- 5 Acquisitions as a Strategic Accelerator





# Key Initiatives

## 1 Operational Excellence

### Actions

- Simplify and streamline business
- Increase operating profit with fewer assets
- Institutionalize sustainable culture of simplification
- Focus on products customers *value*

### Results

- 2015-2018:
  - Reduced Part numbers – 7,600 out of 25,000
  - Reduced Customers – 3,500 out of 8,000
  - Reduction of Footprint – 14 Facilities or 812k sq. ft.
  - Profit Contribution – \$64M+ vs. plan of \$20M
  - Reduction in Inventory \$47M or 36%
  - F-T employees 2,400 to 1,940
  - Cultural shift throughout the organization
- Q319:
  - Adjusted operating margin +120 bps to 13.3% with full-year expected improvement of 50-70 bps
  - Cash from operations improved 57% to \$66 million

### 80/20 simplification

Refocus on the relatively small set of customers who bring in the majority of revenue and profits

# Key Initiatives

## 2 Direct Connection with End Customers

### Actions

- Focus on markets where customers value relationships
- Eliminate barriers and middlemen
- Differentiate ourselves through execution
- Leverage domain knowledge to identify customer pain points

### Results

- Q319:
  - 51% of revenue direct to end customers  
- up from 41% in Q2 and 47% in Q3 2018



# Key Initiatives

## 3 New Products and Innovation

### Actions

- Add higher value products to solve customer pain points
- Ongoing trade focus to continually identify new opportunities

### Results

- Postal Products → electronic package solutions
- Industrial & Infrastructure → expanded metal perimeter security products
- Renewables → Single axis tracker ground mount
- Conservation → Turn-key solutions
- Q319 sales from patented products: 11.1% vs 10.4% in 2018



**New solutions in pipeline to address customer needs**

# Key Initiatives

## 4 Portfolio Optimization

### Actions

- Apply market, demand, and value extraction criteria to every end market
- Focus on platforms that fit growth, margin, ROIC hurdles
- Allocate leadership time, resources and capital accordingly

### Results

- Divested businesses and product lines which improved margins and ROIC mix



# Key Initiatives

## 5 Acquisitions as a Strategic Accelerator

### Renewable Energy - Solar



### Solar Balance of Systems & Adjacencies

- \$148M acquisition in June 2015
- Site prep, design, + install
- Carports
- \$6M acquisition of SolarBOS, electrical BOS in 3Q'18

### Resource Conservation



### Conservation

- Agricultural trends (commercial greenhouses)
- \$25M acquisition of commercial greenhouse biz in October 2016
- Acquisition of Apeks Supercritical, extraction processing in 3Q' 19



# Key Initiatives

## Apeks Supercritical Acquisition

### Strategic Rationale - Next Step Forward in Growing & Processing Value Chain

- First investment into extraction processing - broadens Gibraltar's presence to cover both Growing and Processing markets
- It is an attractive market with an excellent growth & margin profile, and anticipated long-term demand from consumers for a variety of products
  - Deepens Gibraltar's customer value proposition, and expands its leadership position and relevance in the market

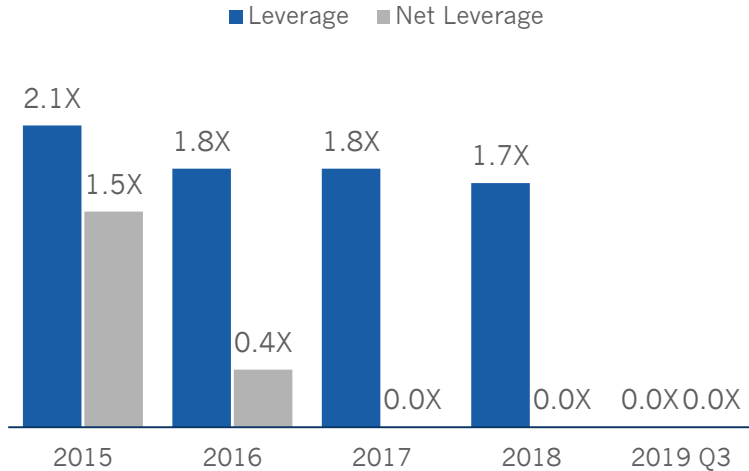
### Apeks Supercritical

- Designer and manufacturer of botanical oil extraction systems utilizing subcritical and supercritical CO<sub>2</sub>
- Leading position in extraction with strong reputation
  - Patented, leading-edge clean technology
  - Sells direct to customers primarily in the cannabis industry
- TTM revenues as of June 30, 2019: \$17.7 million

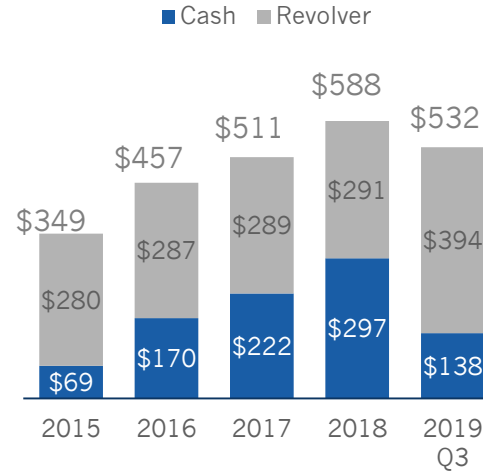


# Balance Sheet Supports Growth

## Leverage



## Liquidity (\$M)



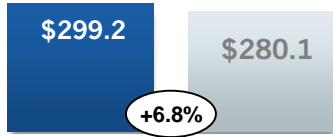
### Acquisition Criteria

- ◀ Strengthen our platforms
- ◀ Enhance our growth and margin profile
- ◀ Expand our presence in target end markets

# Solid Consolidated Financial Performance

## Revenues

### Quarterly



■ 3Q19 ■ 3Q18

### Year-to-Date



■ YTD2019 ■ YTD2018

## 3Q19 Revenue Highlights

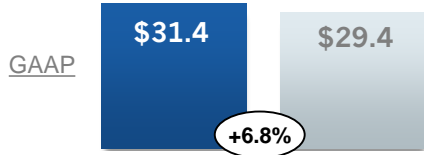
- Accelerating growth in Renewable Energy & Conservation
- Residential, Industrial & Infrastructure stabilizing
- Backlog of \$241M, up 45% YOY

## 3Q19 Operating Income / EPS Highlights

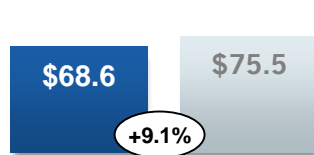
- Increased profitability in RE&C and I&I
- 80/20 benefits and interest savings

## Operating Income\*

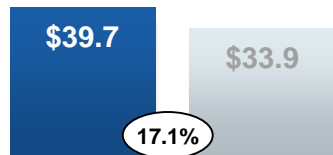
### Quarterly



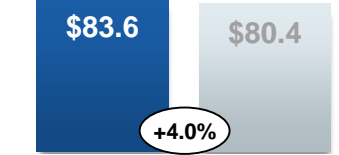
### Year-to-Date



Adjusted



■ 3Q19 ■ 3Q18



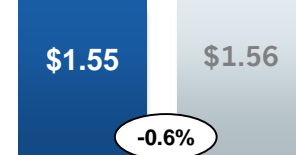
■ YTD 2019 ■ YTD 2018

## Diluted EPS\*

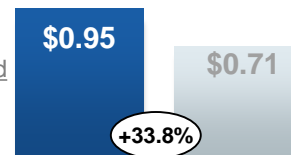
### Quarterly



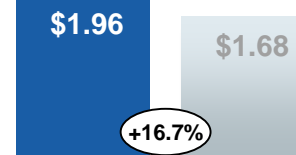
### Year-to-Date



Adjusted



■ 3Q19 ■ 3Q18



■ YTD 2019 ■ YTD 2018

\*All adjusted amounts reported represent continuing operations before special charges. See adjusted measures reconciliations in earnings press release.

# 2019 Guidance

	2018	2019	2019 Assumptions
Revenues	\$1,002M	\$1,040M - \$1,050M 4% - 5%	<p><b>Renewable Energy &amp; Conservation:</b> Continued strong end market expansion combined with participation gains driven by execution, broad offering, and Apeks</p> <p><b>Residential:</b> Markets consistent with 2018</p> <p><b>Industrial &amp; Infrastructure:</b> Solid performance driven by demand for new products (i.e. perimeter security) and market growth in Infrastructure, offset by steel market pricing and slowing market in Industrial</p>
<u>Op. Income*</u> GAAP Adjusted	\$ 94.0M \$101.4M	\$93M to \$96M \$110M to \$113M	Improving operations execution, product line mix shift to new & innovative products, lower corporate costs with CEO transition, and continued material cost volatility
<u>Op. Margin</u> GAAP Adjusted	9.4% 10.1%	~ 9.0 – 9.2% ~10.6 – 10.8%	
GAAP EPS Adjusted EPS	\$1.96 \$2.14	\$2.03 to \$2.10 \$2.48 to \$2.55	In line with guidance
Free Cash Flow/ Sales	+8.5%	~ 10%	Forecasting~ \$13M of CAPEX in 2019

# Investment Highlights



Multi-Industrial focused on sustainable value creation



Solid financial trajectory, on track to achieve 3-4% revenue growth and 50-70bps adjusted operating margin expansion in 2019



Asset portfolio leverages core competencies in growing markets



Ample balance sheet flexibility to support strategic execution



Entering next phase of transformation with strategy to drive growth and returns across platforms



Seasoned team with new senior leadership in place



The background is an abstract, low-angle perspective of a grid of lines, likely representing a ceiling or a modern architectural structure. The lines are light blue and white, creating a sense of depth and perspective. The grid pattern is most prominent in the foreground and fades into a bright, white light source in the distance, creating a strong sense of depth and perspective. The overall color palette is cool, dominated by light blues and whites.

# Appendix

# Q3 2019 Reconciliation of Adjusted Measures

## Three Months Ended September 30, 2019

(unaudited) / (in thousands)

	As Reported in GAAP Statements	Restructuring Charges	Senior Leadership Transition Costs	Acquisition Related Items	Adjusted Financial Measures
Net Sales					
Renewable Energy & Conservation	\$ 116,771	\$ -	\$ -	\$ -	\$ 116,771
Residential Products	126,275	-	-	-	126,275
Industrial & Infrastructure Products	56,361	-	-	-	56,361
Less: Inter-Segment Sales	(171)	-	-	-	(171)
	<u>56,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,190</u>
Consolidated Sales	299,236	-	-	-	299,236
Income from operations					
Renewable Energy & Conservation	19,633	37	-	1,166	20,836
Residential Products	17,012	3,415	-	-	20,427
Industrial & Infrastructure Products	5,462	285	-	-	5,747
Segments Income	42,107	3,737	-	1,166	47,010
Unallocated corporate expense	(10,687)	246	2,708	470	(7,263)
Consolidated income from operations	31,420	3,983	2,708	1,636	39,747
Interest expense	17	-	-	-	17
Other expense	84	-	-	-	84
Income before income taxes	31,319	3,983	2,708	1,636	39,646
Provision for income taxes	6,843	1,030	161	417	8,451
Income from continuing operations	<u>\$ 24,476</u>	<u>\$ 2,953</u>	<u>\$ 2,547</u>	<u>\$ 1,219</u>	<u>\$ 31,195</u>
Income from continuing operations per share - diluted	<u>\$ 0.75</u>	<u>\$ 0.09</u>	<u>\$ 0.08</u>	<u>\$ 0.03</u>	<u>\$ 0.95</u>

# YTD 2019 Reconciliation of Adjusted Measures

## Nine Months Ended September 30, 2019

(unaudited) / (in thousands)

	As Reported in GAAP Statements	Restructuring Charges	Senior Leadership Transition Costs	Acquisition Related Items	Debt Repayment	Adjusted Financial Measures
Net Sales						
Renewable Energy & Conservation	\$ 261,612	\$ -	\$ -	\$ -	\$ -	\$ 261,612
Residential Products	360,417	-	-	-	-	360,417
Industrial & Infrastructure Products	168,096	-	-	-	-	168,096
Less: Inter-Segment Sales	(817)	-	-	-	-	(817)
	<u>167,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,279</u>
Consolidated Sales	789,308	-	-	-	-	789,308
Income from operations						
Renewable Energy & Conservation	30,914	36	-	1,166	-	32,116
Residential Products	49,880	3,785	78	-	-	53,743
Industrial & Infrastructure Products	13,660	1,598	-	-	-	15,258
Segments Income	94,454	5,419	78	1,166	-	101,117
Unallocated corporate expense	(25,862)	919	6,973	474	-	(17,496)
Consolidated income from operations	68,592	6,338	7,051	1,640	-	83,621
Interest expense	2,297	-	-	-	(1,079)	1,218
Other expense	660	-	-	-	-	660
Income before income taxes	65,635	6,338	7,051	1,640	1,079	81,743
Provision for income taxes	14,901	1,616	481	418	269	17,685
Income from continuing operations	<u>\$ 50,734</u>	<u>\$ 4,722</u>	<u>\$ 6,570</u>	<u>\$ 1,222</u>	<u>\$ 810</u>	<u>\$ 64,058</u>
Income from continuing operations per share - diluted	<u>\$ 1.55</u>	<u>\$ 0.15</u>	<u>\$ 0.20</u>	<u>\$ 0.04</u>	<u>\$ 0.02</u>	<u>\$ 1.96</u>

# Q3 2018 Reconciliation of Adjusted Measures

Three Months Ended September 30, 2018

(unaudited) / (in thousands)

	As Reported in GAAP Statements	Restructuring Charges	Senior Leadership Transition Costs	Acquisition Related Items	Tax Reform	Adjusted Financial Measures
Net Sales						
Renewable Energy & Conservation	\$ 98,486	\$ -	\$ -	\$ -	\$ -	\$ 98,486
Residential Products	125,839	-	-	-	-	125,839
Industrial & Infrastructure Products	56,033	-	-	-	-	56,033
Less: Inter-Segment Sales	(272)	-	-	-	-	(272)
	<u>55,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,761</u>
Consolidated Sales	280,086	-	-	-	-	280,086
Income from operations						
Renewable Energy & Conservation	15,072	(156)	-	-	-	14,916
Residential Products	20,138	1,877	-	-	-	22,015
Industrial & Infrastructure Products	2,892	1,775	-	-	-	4,667
Segments Income	38,102	3,496	-	-	-	41,598
Unallocated corporate expense	(8,698)	164	386	471	-	(7,677)
Consolidated income from operations	29,404	3,660	386	471	-	33,921
Interest expense	2,906	-	-	-	-	2,906
Other expense	522	-	-	-	-	522
Income before income taxes	25,976	3,660	386	471	-	30,493
Provision for income taxes	6,473	904	91	113	(245)	7,336
Income from continuing operations	<u>\$ 19,503</u>	<u>\$ 2,756</u>	<u>\$ 295</u>	<u>\$ 358</u>	<u>\$ 245</u>	<u>\$ 23,157</u>
Income from continuing operations per share - diluted	<u>\$ 0.60</u>	<u>\$ 0.08</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ 0.71</u>

# YTD 2018 Reconciliation of Adjusted Measures

Nine Months Ended September 30, 2018

(unaudited) / (in thousands)

	As Reported in GAAP Statements	Restructuring Charges	Senior Leadership Transition Costs	Acquisition Related Items	Tax Reform	Adjusted Financial Measures
Net Sales						
Renewable Energy & Conservation	\$ 229,187	\$ -	\$ -	\$ -	\$ -	\$ 229,187
Residential Products	360,915	-	-	-	-	360,915
Industrial & Infrastructure Products	172,218	-	-	-	-	172,218
Less: Inter-Segment Sales	(861)	-	-	-	-	(861)
	<u>171,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,357</u>
Consolidated Sales	761,459	-	-	-	-	761,459
Income from operations						
Renewable Energy & Conservation	28,690	(23)	178	-	-	28,845
Residential Products	57,572	1,682	-	-	-	59,254
Industrial & Infrastructure Products	12,098	1,262	-	-	-	13,360
Segments Income	98,360	2,921	178	-	-	101,459
Unallocated corporate expense	(22,839)	431	844	471	-	(21,093)
Consolidated income from operations	75,521	3,352	1,022	471	-	80,366
Interest expense	9,305	-	-	-	-	9,305
Other income	(50)	-	-	-	-	(50)
Income before income taxes	66,266	3,352	1,022	471	-	71,111
Provision for income taxes	15,574	798	264	113	(177)	16,572
Income from continuing operations	<u>\$ 50,692</u>	<u>\$ 2,554</u>	<u>\$ 758</u>	<u>\$ 358</u>	<u>\$ 177</u>	<u>\$ 54,539</u>
Income from continuing operations per share - diluted	<u>\$ 1.56</u>	<u>\$ 0.08</u>	<u>\$ 0.02</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ 1.68</u>



# Q4 2018 Reconciliation of Adjusted Measures

Three Months Ended December 31, 2018

(unaudited) / (in thousands)

	As Reported in GAAP Statements	Restructuring & Acquisition Related Items	Senior Leadership Transition Costs	Tax Reform	Adjusted Financial Measures
Net Sales					
Residential Products	\$ 102,301	\$ -	\$ -	\$ -	\$ 102,301
Industrial & Infrastructure Products	50,788	-	-	-	50,788
Less: Inter-Segment Sales	(242)	-	-	-	(242)
	<u>50,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,546</u>
Renewable Energy & Conservation	88,066	-	-	-	88,066
Consolidated Sales	<u>240,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,913</u>
Income from operations					
Residential Products	12,266	1,425	-	-	13,691
Industrial & Infrastructure Products	3,238	140	-	-	3,378
Renewable Energy & Conservation	8,733	1,447	-	-	10,180
Segments Income	<u>24,237</u>	<u>3,012</u>	<u>-</u>	<u>-</u>	<u>27,249</u>
Unallocated corporate expense	(5,790)	33	(430)	-	(6,187)
Consolidated income from operations	<u>18,447</u>	<u>3,045</u>	<u>(430)</u>	<u>-</u>	<u>21,062</u>
Interest expense	2,759	-	-	-	2,759
Other expense (income)	2,009	(3,060)	-	-	(1,051)
Income before income taxes	<u>13,679</u>	<u>6,105</u>	<u>(430)</u>	<u>-</u>	<u>19,354</u>
Provision for income taxes	562	3,978	(370)	(48)	4,122
Income from continuing operations	<u>\$ 13,117</u>	<u>\$ 2,127</u>	<u>\$ (60)</u>	<u>\$ 48</u>	<u>\$ 15,232</u>
Income from continuing operations per share - diluted	<u>\$ 0.40</u>	<u>\$ 0.07</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.47</u>

# 2018 Reconciliation of Adjusted Measures

## Twelve Months Ended December 31, 2018

(unaudited) / (in thousands)

	As Reported in GAAP Statements	Restructuring & Acquisition Related Items	Senior Leadership Transition Costs	Tax Reform	Adjusted Financial Measures
Net Sales					
Residential Products	\$ 463,216	\$ -	\$ -	\$ -	\$ 463,216
Industrial & Infrastructure Products	223,006	-	-	-	223,006
Less: Inter-Segment Sales	(1,103)	-	-	-	(1,103)
	<u>221,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,903</u>
Renewable Energy & Conservation	317,253	-	-	-	317,253
Consolidated Sales	<u>1,002,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,002,372</u>
Income from operations					
Residential Products	69,838	3,107	-	-	72,945
Industrial & Infrastructure Products	15,336	1,402	-	-	16,738
Renewable Energy & Conservation	37,423	1,424	178	-	39,025
Segments Income	<u>122,597</u>	<u>5,933</u>	<u>178</u>	<u>-</u>	<u>128,708</u>
Unallocated corporate expense	<u>(28,629)</u>	<u>935</u>	<u>414</u>	<u>-</u>	<u>(27,280)</u>
Consolidated income from operations	<u>93,968</u>	<u>6,868</u>	<u>592</u>	<u>-</u>	<u>101,428</u>
Interest expense	12,064	-	-	-	12,064
Other expense (income)	1,959	(3,060)	-	-	(1,101)
Income before income taxes	<u>79,945</u>	<u>9,928</u>	<u>592</u>	<u>-</u>	<u>90,465</u>
Provision for income taxes	16,136	4,889	(106)	(225)	20,694
Income from continuing operations	<u>\$ 63,809</u>	<u>\$ 5,039</u>	<u>\$ 698</u>	<u>\$ 225</u>	<u>\$ 69,771</u>
Income from continuing operations per share - diluted	<u>\$ 1.96</u>	<u>\$ 0.15</u>	<u>\$ 0.02</u>	<u>\$ 0.01</u>	<u>\$ 2.14</u>

# 2017 Reconciliation of Adjusted Measures

Twelve Months Ended December 31, 2017

(unaudited) / (in thousands)

	As Reported in GAAP Statements	Restructuring & Acquisition Related Items	Senior Leadership Transition Costs	Portfolio Management	Tax Reform	Adjusted Financial Measures
Net Sales						
Residential Products	\$ 466,603	\$ -	\$ -	\$ -	\$ -	\$ 466,603
Industrial & Infrastructure Products	215,211	-	-	-	-	215,211
Less: Inter-Segment Sales	(1,247)	-	-	-	-	(1,247)
	<u>213,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,964</u>
Renewable Energy & Conservation	306,351	-	-	-	-	306,351
Consolidated Sales	<u>986,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>986,918</u>
Income from operations						
Residential Products	76,893	1,403	-	-	-	78,296
Industrial & Infrastructure Products	8,159	49	260	287	-	8,755
Renewable Energy & Conservation	30,218	1,155	252	2,340	-	33,965
Segments Income	<u>115,270</u>	<u>2,607</u>	<u>512</u>	<u>2,627</u>	<u>-</u>	<u>121,016</u>
Unallocated corporate expense	(22,421)	407	193	-	-	(21,821)
Consolidated income from operations	<u>92,849</u>	<u>3,014</u>	<u>705</u>	<u>2,627</u>	<u>-</u>	<u>99,195</u>
Interest expense	14,032	-	-	-	-	14,032
Other expense	909	-	-	-	-	909
Income before income taxes	<u>77,908</u>	<u>3,014</u>	<u>705</u>	<u>2,627</u>	<u>-</u>	<u>84,254</u>
Provision for income taxes	14,943	1,118	272	80	12,535	28,948
Income from continuing operations	<u>\$ 62,965</u>	<u>\$ 1,896</u>	<u>\$ 433</u>	<u>\$ 2,547</u>	<u>\$ (12,535)</u>	<u>\$ 55,306</u>
Income from continuing operations per share - diluted	<u>\$ 1.95</u>	<u>\$ 0.06</u>	<u>\$ 0.01</u>	<u>\$ 0.08</u>	<u>\$ (0.39)</u>	<u>\$ 1.71</u>

# 2016 Reconciliation of Adjusted Measures

Twelve Months Ended December 31, 2016

(unaudited) / (in thousands)	As Reported in GAAP Statements	Acquisition Related Items	Restructuring Charges	Senior Leadership Transition Costs	Portfolio Management	Adjusted Financial Measures
Net Sales						
Residential Products	\$ 430,938	\$ -	\$ -	\$ -	\$ -	\$ 430,938
Industrial & Infrastructure Products	296,513	-	-	-	-	296,513
Less: Inter-Segment Sales	(1,495)	-	-	-	-	(1,495)
	<u>295,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,018</u>
Renewable Energy & Conservation	<u>282,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>282,025</u>
Consolidated Sales	1,007,981	-	-	-	-	1,007,981
Income from operations						
Residential Products	65,241	-	2,533	504	-	68,278
Industrial & Infrastructure Products	1,306	-	2,401	-	14,346	18,053
Renewable Energy & Conservation	43,214	981	914	-	3,670	48,779
Segments Income	109,761	981	5,848	504	18,016	135,110
Unallocated corporate expense	(36,273)	228	-	2,197	58	(33,790)
Consolidated income from operations	73,488	1,209	5,848	2,701	18,074	101,320
Interest expense	14,577	-	-	-	-	14,577
Other expense	8,928	-	-	-	(8,763)	165
Income before income taxes	49,983	1,209	5,848	2,701	26,837	86,578
Provision for income taxes	16,264	497	2,406	1,111	12,659	32,937
Income from continuing operations	<u>\$ 33,719</u>	<u>\$ 712</u>	<u>\$ 3,442</u>	<u>\$ 1,590</u>	<u>\$ 14,178</u>	<u>\$ 53,641</u>
Income from continuing operations per share - diluted	<u>\$ 1.05</u>	<u>\$ 0.02</u>	<u>\$ 0.11</u>	<u>\$ 0.05</u>	<u>\$ 0.44</u>	<u>\$ 1.67</u>

# 2015 Reconciliation of Adjusted Measures

Twelve Months Ended December 31, 2015

(unaudited) / (in thousands)	As Reported in GAAP Statements	Acquisition Related Items	Gain on Facility Sale / Restructuring Costs	Intangible Asset Impairment	Reclass of Hedging Activity	Adjusted Financial Measures
Net Sales						
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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>376,688</u>
Renewable Energy & Conservation	188,532	-	-	-	-	188,532
Consolidated Sales	1,040,873	-	-	-	-	1,040,873
Income from operations						
Residential Products	46,804	-	952	440	3,256	51,452
Industrial & Infrastructure Products	15,581	-	2,553	4,423	-	22,557
Renewable Energy & Conservation	12,659	5,362	-	-	-	18,021
Segments Income	75,044	5,362	3,505	4,863	3,256	92,030
Unallocated corporate expense	(26,312)	732	2,523	-	-	(23,057)
Consolidated income from operations	48,732	6,094	6,028	4,863	3,256	68,973
Interest expense	15,003	-	-	-	-	15,003
Other income	(3,371)	-	-	-	3,256	(115)
Income before income taxes	37,100	6,094	6,028	4,863	-	54,085
Provision for income taxes	13,624	2,302	2,332	1,434	-	19,692
Income from continuing operations	<u>\$ 23,476</u>	<u>\$ 3,792</u>	<u>\$ 3,696</u>	<u>\$ 3,429</u>	<u>\$ -</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>\$ -</u>	<u>\$ 1.09</u>

# ROIC Calculation Reconciliation

(unaudited) / (in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019E</u>
Net (Loss) / Income - GAAP	\$ (81,792)	\$ 23,476	\$ 33,719	\$ 62,965	\$ 63,809	\$66,000-69,000
Adjustments for special charges, net of tax	96,359	10,917	19,922	4,876	5,737	15,000
Tax reform transition adjustment	-	-	-	(12,535)	225	-
Adjusted Net Income	<u>\$ 14,567</u>	<u>\$ 34,393</u>	<u>\$ 53,641</u>	<u>\$ 55,306</u>	<u>\$ 69,771</u>	<u>\$81,000-84,000</u>
Tax effected interest expense	8,938	9,493	9,032	9,205	9,260	2,300
Adjusted net income before interest	<u>\$ 23,505</u>	<u>\$ 43,886</u>	<u>\$ 62,673</u>	<u>\$ 64,511</u>	<u>\$ 79,031</u>	<u>\$83,300-86,300</u>
Average adjusted invested capital (1)	<u>\$ 600,962</u>	<u>\$ 541,176</u>	<u>\$ 534,030</u>	<u>\$ 511,112</u>	<u>\$ 541,823</u>	<u>\$ 555,000</u>
Return on invested capital	3.9%	8.1%	11.7%	12.6%	14.6%	15.0% - 15.5%

(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.





# Baird 2019 Global Industrial Conference

November 6, 2019

