UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: 000-22462

GIBRALTAR

GIBRALTAR INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**16-1445150**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
3556 Lake Shore Road P.O. Box 2028 Buffalo New York	**14219-0228**
(Address of principal executive offices)	(Zip Code)

(716) 826-6500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 par value per share	ROCK	NASDAQ Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2023, the number of common shares outstanding was: 30,423,657.

GIBRALTAR INDUSTRIES, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Net sales	$ 364,914	$ 366,949	$ 658,181	$ 684,814
Cost of sales	268,175	276,678	484,513	529,699
Gross profit	96,739	90,271	173,668	155,115
Selling, general, and administrative expense	53,662	50,132	101,221	93,781
Income from operations	43,077	40,139	72,447	61,334
Interest expense	1,308	656	2,799	1,141
Other (income) expense	(509)	281	(906)	434
Income before taxes	42,278	39,202	70,554	59,759
Provision for income taxes	11,555	9,895	18,732	14,996
Net income	$ 30,723	$ 29,307	$ 51,822	$ 44,763
Net earnings per share:				
Basic	$ 1.01	$ 0.90	$ 1.69	$ 1.37
Diluted	$ 1.00	$ 0.90	$ 1.68	$ 1.36
Weighted average shares outstanding:				
Basic	30,554	32,585	30,725	32,748
Diluted	30,684	32,660	30,846	32,843

See accompanying notes to consolidated financial statements.

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	$ 30,723	$ 29,307	$ 51,822	$ 44,763
Other comprehensive (loss) income:				
Foreign currency translation adjustment	(584)	(3,198)	(699)	(3,425)
Postretirement benefit plan adjustments, net of tax	8	1	16	25
Other comprehensive loss	(576)	(3,197)	(683)	(3,400)
Total comprehensive income	$ 30,147	$ 26,110	$ 51,139	$ 41,363

See accompanying notes to consolidated financial statements.

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	June 30, 2023	December 31, 2022
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 18,621	$ 17,608
Accounts receivable, net of allowance of $4,849 and $3,746, respectively	266,487	217,156
Inventories, net	159,542	170,360
Prepaid expenses and other current assets	18,320	18,813
Total current assets	462,970	423,937
Property, plant, and equipment, net	106,130	109,584
Operating lease assets	25,041	26,502
Goodwill	511,961	512,363
Acquired intangibles	131,925	137,526
Other assets	550	701
	$ 1,238,577	$ 1,210,613
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 155,464	$ 106,582
Accrued expenses	82,746	73,721
Billings in excess of cost	54,838	35,017
Total current liabilities	293,048	215,320
Long-term debt	9,790	88,762
Deferred income taxes	47,024	47,088
Non-current operating lease liabilities	18,502	19,041
Other non-current liabilities	19,903	18,303
Stockholders' equity:		
Preferred stock, $0.01 par value; authorized 10,000 shares; none outstanding	—	—
Common stock, $0.01 par value; authorized 100,000 shares; 34,194 and 34,060 shares issued and outstanding in 2023 and 2022	342	340
Additional paid-in capital	327,927	322,873
Retained earnings	679,800	627,978
Accumulated other comprehensive loss	(4,115)	(3,432)
Cost of 3,770 and 3,199 common shares held in treasury in 2023 and 2022	(153,644)	(125,660)
Total stockholders' equity	850,310	822,099
	$ 1,238,577	$ 1,210,613

See accompanying notes to consolidated financial statements.

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2023	**2022**
Cash Flows from Operating Activities		
Net income	$ 51,822	$ 44,763
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,665	12,677
Stock compensation expense	5,056	4,125
Exit activity (recoveries) costs, non-cash	(23)	1,198
Provision for deferred income taxes	179	29
Other, net	2,680	2,666
Changes in operating assets and liabilities, excluding the effects of acquisitions:		
Accounts receivable	(54,979)	(40,473)
Inventories	12,130	(33,616)
Other current assets and other assets	4,069	(1,612)
Accounts payable	48,327	(10,501)
Accrued expenses and other non-current liabilities	31,168	21,288
Net cash provided by operating activities	114,094	544
Cash Flows from Investing Activities		
Acquisitions, net of cash acquired	554	—
Purchases of property, plant, and equipment, net	(5,284)	(11,202)
Net cash used in investing activities	(4,730)	(11,202)
Cash Flows from Financing Activities		
Long-term debt payments	(120,000)	(51,000)
Proceeds from long-term debt	40,800	120,500
Purchase of common stock at market prices	(28,770)	(53,468)
Net cash (used in) provided by financing activities	(107,970)	16,032
Effect of exchange rate changes on cash	(381)	(1,074)
Net increase in cash and cash equivalents	1,013	4,300
Cash and cash equivalents at beginning of year	17,608	12,849
Cash and cash equivalents at end of period	$ 18,621	$ 17,149

See accompanying notes to consolidated financial statements.

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at March 31, 2023	**34,148**	**$ 341**	**$ 324,466**	**$ 649,077**	**$ (3,539)**	**3,389**	**$ (134,958)**	**$ 835,387**
Net income	—	—	—	30,723	—	—	—	30,723
Foreign currency translation adjustment	—	—	—	—	(584)	—	—	(584)
Postretirement benefit plan adjustments, net of taxes of $3	—	—	—	—	8	—	—	8
Stock compensation expense	—	—	3,462	—	—	—	—	3,462
Net settlement of restricted stock units	38	1	(1)	—	—	14	(874)	(874)
Awards of common stock	8	—	—	—	—	—	—	—
Common stock repurchased under stock repurchase program	—	—	—	—	—	367	(17,812)	(17,812)
Balance at June 30, 2023	**34,194**	**$ 342**	**$ 327,927**	**$ 679,800**	**$ (4,115)**	**3,770**	**$ (153,644)**	**$ 850,310**

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at March 31, 2022	**33,972**	**$ 340**	**$ 315,891**	**$ 561,028**	**$ (16)**	**1,179**	**$ (38,841)**	**$ 838,402**
Net income	—	—	—	29,307	—	—	—	29,307
Foreign currency translation adjustment	—	—	—	—	(3,198)	—	—	(3,198)
Postretirement benefit plan adjustments, net of taxes of $0	—	—	—	—	1	—	—	1
Stock compensation expense	—	—	2,773	—	—	—	—	2,773
Net settlement of restricted stock units	1	—	—	—	—	—	(7)	(7)
Awards of common stock	16	—	—	—	—	—	—	—
Common stock repurchased under stock repurchase program	—	—	—	—	—	1,195	(50,000)	(50,000)
Balance at June 30, 2022	**33,989**	**$ 340**	**$ 318,664**	**$ 590,335**	**$ (3,213)**	**2,374**	**$ (88,848)**	**$ 817,278**

See accompanying notes to consolidated financial statements.

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at December 31, 2022	**34,060**	**$ 340**	**$ 322,873**	**$ 627,978**	**$ (3,432)**	**3,199**	**$ (125,660)**	**$ 822,099**
Net income	—	—	—	51,822	—	—	—	51,822
Foreign currency translation adjustment	—	—	—	—	(699)	—	—	(699)
Postretirement benefit plan adjustments, net of taxes of $6	—	—	—	—	16	—	—	16
Stock compensation expense	—	—	5,056	—	—	—	—	5,056
Net settlement of restricted stock units	126	2	(2)	—	—	50	(2,803)	(2,803)
Awards of common stock	8	—	—	—	—	—	—	—
Common stock repurchased under stock repurchase program	—	—	—	—	—	521	(25,181)	(25,181)
Balance at June 30, 2023	**34,194**	**$ 342**	**$ 327,927**	**$ 679,800**	**$ (4,115)**	**3,770**	**$ (153,644)**	**$ 850,310**
Balance at December 31, 2021	**33,799**	**$ 338**	**$ 314,541**	**$ 545,572**	**$ 187**	**1,107**	**$ (35,380)**	**$ 825,258**
Net income	—	—	—	44,763	—	—	—	44,763
Foreign currency translation adjustment	—	—	—	—	(3,425)	—	—	(3,425)
Postretirement benefit plan adjustments, net of taxes of $10	—	—	—	—	25	—	—	25
Stock compensation expense	—	—	4,125	—	—	—	—	4,125
Net settlement of restricted stock units	174	2	(2)	—	—	72	(3,468)	(3,468)
Awards of common stock	16	—	—	—	—	—	—	—
Common stock repurchased under stock repurchase program	—	—	—	—	—	1,195	(50,000)	(50,000)
Balance at June 30, 2022	**33,989**	**$ 340**	**$ 318,664**	**$ 590,335**	**$ (3,213)**	**2,374**	**$ (88,848)**	**$ 817,278**

See accompanying notes to consolidated financial statements.

GIBRALTAR INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(1) CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements of Gibraltar Industries, Inc. (the "Company") have been prepared by management in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for the fair presentation of results for the interim period have been included. The Company's operations are seasonal; for this and other reasons financial results for any interim period are not necessarily indicative of the results expected for any subsequent interim period or for the full year. The accompanying unaudited consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2022.

The consolidated balance sheet at December 31, 2022 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

(2) RECENT ACCOUNTING PRONOUNCEMENTS

The Company considers the applicability and impact of Accounting Standards Updates ("ASUs"), and ASUs effective in or after 2023, respectively, which were assessed and determined to be either not applicable, or had or are expected to have minimal impact on the Company's consolidated financial statements and related disclosures.

(3) ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Trade accounts receivable	$ 232,177	$ 179,170
Costs in excess of billings	39,159	41,732
Total accounts receivable	271,336	220,902
Less allowance for doubtful accounts and contract assets	(4,849)	(3,746)
Accounts receivable, net	$ 266,487	$ 217,156

Refer to Note 4 "Revenue" concerning the Company's costs in excess of billings.

The following table provides a roll-forward of the allowance for credit losses, for the six month period ended June 30, 2023, that is deducted from the amortized cost basis of accounts receivable to present the net amount expected to be collected (in thousands):

Beginning balance as of January 1, 2023	$ 3,746
Bad debt expense, net of recoveries	1,328
Accounts written off against allowance and other adjustments	(225)
Ending balance as of June 30, 2023	$ 4,849

(4) REVENUE

Sales includes revenue from contracts with customers for designing, engineering, manufacturing and installation of solar racking systems; electrical balance of systems; roof and foundation ventilation products; centralized mail systems and electronic package solutions; retractable awnings; gutter guards; rain dispersion products; trims and flashings and other accessories; designing, engineering, manufacturing and installation of greenhouses; structural bearings; expansion joints; pavement sealant; elastomeric concrete; and bridge cable protection systems.

Refer to Note 14 "Segment Information" for additional information related to revenue recognized by timing of transfer of control by reportable segment.

As of June 30, 2023, the Company's remaining performance obligations are part of contracts that have an original expected duration of one year or less.

Contract assets consist of costs in excess of billings presented within accounts receivable in the Company's consolidated balance sheets. Contract liabilities consist of billings in excess of cost, classified as current liabilities, and unearned revenue, presented within accrued expenses, in the Company's consolidated balance sheets. Unearned revenue as of June 30, 2023 and December 31, 2022 was $6.5 million and $4.6 million, respectively. Revenue recognized during the six months ended June 30, 2023 and 2022 that was in contract liabilities at the beginning of the respective periods was $33.7 million and $38.6 million, respectively.

(5) INVENTORIES

Inventories consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Raw material	$ 105,401	$ 111,187
Work-in-process	13,658	17,944
Finished goods	46,336	47,523
Gross inventory	165,395	176,654
Less reserves	(5,853)	(6,294)
Total inventories, net	$ 159,542	$ 170,360

(6) ACQUISITION

On August 22, 2022, the Company purchased all the issued and outstanding membership interests of Quality Aluminum Products ("QAP"), a manufacturer of aluminum and steel products including soffit, fascia, trim coil, rain carrying products and aluminum siding. The results of QAP have been included in the Company's consolidated financial results since the date of acquisition within the Company's Residential segment. The purchase consideration for the acquisition of QAP was $52.1 million, which includes a working capital adjustment and certain other adjustments provided for in the membership interest purchase agreement.

The purchase price for the acquisition was allocated to the assets acquired and liabilities assumed based upon their respective fair values estimated as of the date of acquisition. The Company has completed the process to confirm the existence, condition, and completeness of the assets acquired and liabilities assumed to establish fair value of such assets and liabilities and to determine the amount of goodwill to be recognized as of the date of acquisition. The final determination of the fair value of certain assets and liabilities has been completed within a measurement period of up to one year from the date of acquisition. The excess consideration was recorded as goodwill and approximated $4.0 million, all of which is deductible for tax purposes. Goodwill represents future economic benefits arising from other assets acquired that could not be individually identified including workforce additions, growth opportunities, and increased presence in the domestic building products markets.

The allocation of the purchase consideration to the estimated fair value of the assets acquired and liabilities assumed is as follows as of the date of the acquisition (in thousands):

Cash	$ 1,018
Working capital	23,372
Property, plant and equipment	8,486
Acquired intangible assets	14,700
Other assets	1,813
Other liabilities	(1,295)
Goodwill	3,991
Fair value of purchase consideration	$ 52,085

The intangible assets acquired in this acquisition consisted of the following (in thousands):

	Fair Value	Weighted-Average Amortization Period
Trademarks	$ 2,800	Indefinite
Customer relationships	11,900	12 years
Total	$ 14,700	

In determining the allocation of the purchase price to the assets acquired and liabilities assumed, the Company uses all available information to make fair value determinations using Level 3 unobservable inputs in which little or no market data exists, and therefore, engages independent valuation specialists to assist in the fair value determination of the acquired long-lived assets.

The acquisition of QAP was financed primarily through borrowings under the Company's revolving credit facility.

The Company recognized costs related to recent acquisitions comprised of legal and consulting fees within selling, general, and administrative ("SG&A") expense. While no SG&A expenses were incurred during the three months ended June 30, 2023 and 2022, the Company recognized expenses of $21 thousand and $7 thousand for the six months ended June 30, 2023 and 2022, respectively.

(7) GOODWILL AND RELATED INTANGIBLE ASSETS

Goodwill

The changes in the carrying amount of goodwill for the six months ended June 30, 2023 are as follows (in thousands):

	Renewables	Residential	Agtech	Infrastructure	Total
Balance at December 31, 2022	$ 188,030	$ 209,056	$ 83,599	$ 31,678	$ 512,363
Adjustments to prior year acquisitions	—	387	—	—	387
Foreign currency translation	(990)	—	201	—	(789)
Balance at June 30, 2023	$ 187,040	$ 209,443	$ 83,800	$ 31,678	$ 511,961

Goodwill is recognized net of accumulated impairment losses of $133.2 million as of June 30, 2023 and December 31, 2022, respectively.

The Company is required to regularly assess whether a triggering event has occurred which would require interim impairment testing. The Company determined that no triggering event had occurred as of June 30, 2023 which would require an interim impairment test to be performed.

Acquired Intangible Assets

Acquired intangible assets consisted of the following (in thousands):

	June 30, 2023		December 31, 2022	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Indefinite-lived intangible assets:				
Trademarks	$ 55,500	$ —	$ 55,500	$ —
Finite-lived intangible assets:				
Trademarks	5,472	4,572	5,448	4,481
Unpatented technology	34,232	23,205	34,163	22,037
Customer relationships	114,507	50,303	115,125	46,557
Non-compete agreements	2,374	2,080	2,371	2,006
	156,585	80,160	157,107	75,081
Total acquired intangible assets	$ 212,085	$ 80,160	$ 212,607	$ 75,081

The following table summarizes the acquired intangible asset amortization expense for the three and six months ended June 30, (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Amortization expense	$ 2,760	$ 2,819	$ 5,526	$ 5,917

Amortization expense related to acquired intangible assets for the remainder of fiscal 2023 and the next five years thereafter is estimated as follows (in thousands):

	2023	2024	2025	2026	2027	2028
Amortization expense	$ 5,526	$ 10,872	$ 10,735	$ 9,335	$ 7,702	$ 6,834

(8) LONG-TERM DEBT

Long-term debt consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Revolving credit facility	$ 11,800	$ 91,000
Less unamortized debt issuance costs	(2,010)	(2,238)
Total debt	$ 9,790	$ 88,762

Revolving Credit Facility

On December 8, 2022, the Company entered into a Credit Agreement (the "Credit Agreement"), and concurrently with entering into the Credit Agreement, the Company paid off all amounts owed under the Sixth Amended and Restated Credit Agreement dated as of January 24, 2019. The Credit Agreement provides for a revolving credit facility and letters of credit in an aggregate amount equal to $400 million. The Company can request additional financing to increase the revolving credit facility to $700 million or enter into a term loan of up to $300 million subject to conditions set forth in the Credit Agreement. The Credit Agreement contains two financial covenants. As of June 30, 2023, the Company was in compliance with all financial covenants. The Credit Agreement terminates on December 8, 2027.

Borrowings under the Credit Agreement bear interest, at the Company's option, at a rate equal to the applicable margin plus (a) a base rate, (b) a daily simple secured overnight financing rate ("SOFR") rate, (c) a term SOFR rate or (d) for certain foreign currencies, a foreign currency rate, in each case subject to a 0% floor. Through March 31, 2023, the Credit Agreement had an initial applicable margin of 0.125% for base rate loans and 1.125% for SOFR and alternative currency loans. Thereafter, the applicable margin ranges from 0.125% to 1.00% for base rate loans and from 1.125% to 2.00% for SOFR and alternative currency loans based on the Company's Total Net Leverage Ratio, as defined in the Credit Agreement. In addition, the Credit Agreement is subject to an annual commitment fee, payable quarterly, which was initially 0.20% of the daily average undrawn balance of the revolving credit facility and, from and after April 1, 2023, ranges between 0.20% and 0.25% of the daily average undrawn balance of the revolving credit facility based on the Company's Total Net Leverage Ratio.

Borrowings under the Credit Agreement are secured by the trade receivables, inventory, personal property, equipment, and general intangibles of the Company's significant domestic subsidiaries. Capital distributions are subject to certain Total Net Leverage Ratio requirements and capped by an annual aggregate limit under the Credit Agreement.

For the three and six months ended June 30, 2022, interest rates on the revolving credit facility under the Sixth Amended and Restated Credit Agreement were based on LIBOR plus an additional margin that ranged from 1.125% to 2.00%. In addition, the revolving credit facility under the Sixth Amended and Restated Credit Agreement was subject to an undrawn commitment fee ranging between 0.15% and 0.25% based on the Total Leverage Ratio and the daily average undrawn balance.

Standby letters of credit of $4.3 million have been issued under the Credit Agreement to third parties on behalf of the Company as of June 30, 2023. These letters of credit reduce the amount otherwise available under the revolving credit facility. The Company had $383.9 million and $304.5 million of availability under the revolving credit facility as of June 30, 2023 and December 31, 2022, respectively.

(9) ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following tables summarize the cumulative balance of each component of accumulated other comprehensive (loss) income, net of tax, for the three months ended June 30, (in thousands):

	Foreign Currency Translation Adjustment	Postretirement Benefit Plan Adjustments	Total Pre-Tax Amount	Tax Benefit (Expense)	Accumulated Other Comprehensive (Loss) Income
Balance at March 31, 2023	$ (3,497)	$ (384)	$ (3,881)	$ (342)	$ (3,539)
Postretirement health care plan adjustments	—	11	11	3	8
Foreign currency translation adjustment	(584)	—	(584)	—	(584)
Balance at June 30, 2023	**$ (4,081)**	**$ (373)**	**$ (4,454)**	**$ (339)**	**$ (4,115)**
Balance at March 31, 2022	$ 1,413	$ (2,213)	$ (800)	$ 784	$ (16)
Postretirement health care plan adjustments	—	1	1	—	1
Foreign currency translation adjustment	(3,198)	—	(3,198)	—	(3,198)
Balance at June 30, 2022	**$ (1,785)**	**$ (2,212)**	**$ (3,997)**	**$ 784**	**$ (3,213)**

The following tables summarize the cumulative balance of each component of accumulated other comprehensive (loss) income, net of tax, for the six months ended June 30, (in thousands):

	Foreign Currency Translation Adjustment	Postretirement Benefit Plan Adjustments	Total Pre-Tax Amount	Tax Benefit (Expense)	Accumulated Other Comprehensive (Loss) Income
Balance at December 31, 2022	$ (3,382)	$ (395)	$ (3,777)	$ (345)	$ (3,432)
Postretirement health care plan adjustments	—	22	22	6	16
Foreign currency translation adjustment	(699)	—	(699)	—	(699)
Balance at June 30, 2023	**$ (4,081)**	**$ (373)**	**$ (4,454)**	**$ (339)**	**$ (4,115)**
Balance at December 31, 2021	$ 1,640	$ (2,247)	$ (607)	$ 794	$ 187
Postretirement health care plan adjustments	—	35	35	(10)	25
Foreign currency translation adjustment	(3,425)	—	(3,425)	—	(3,425)
Balance at June 30, 2022	**$ (1,785)**	**$ (2,212)**	**$ (3,997)**	**$ 784**	**$ (3,213)**

The realized adjustments relating to the Company’s postretirement health care costs were reclassified from accumulated other comprehensive loss and included in other expense in the consolidated statements of income.

(10) EQUITY-BASED COMPENSATION

On May 3, 2023, the stockholders of the Company approved the adoption of the Gibraltar Industries, Inc. Amended and Restated 2018 Equity Incentive Plan (the "Amended 2018 Plan") which increases the total number of shares for issuance by the Company from 1,000,000 shares to 1,550,000 shares. In addition, 81,707 shares that were unissued and available for grant under the Gibraltar Industries, Inc. 2015 Equity Incentive Plan (the "2015 Plan") were consolidated with the Amended 2018 Plan. No further grants will be made under the 2015 Plan. Consistent with the Gibraltar Industries, Inc. 2018 Equity Incentive Plan and the 2015 Plan, the Amended 2018 Plan allows the Company to grant equity-based incentive compensation awards, in the form of non-qualified options, restricted shares, restricted stock units, performance shares, performance stock units, and stock rights to eligible participants.

On May 4, 2022, the stockholders of the Company approved the adoption of the Gibraltar Industries, Inc. Amended and Restated 2016 Stock Plan for Non-Employee Directors ("Non-Employee Directors Plan") which increases the total number of shares for issuance by the Company thereunder from 100,000 shares to 200,000 shares, allows the Company to grant awards of shares of the Company's common stock to current non-employee Directors of the Company, and permits the Directors to defer receipt of such shares pursuant to the terms of the Non-Employee Directors Plan.

Equity Based Awards - Settled in Stock

The following table sets forth the number of equity-based awards granted during the six months ended June 30, which will convert to shares upon vesting, along with the weighted average grant date fair values:

	2023		2022	
Awards	**Number of Awards**	**Weighted Average Grant Date Fair Value**	**Number of Awards (2)**	**Weighted Average Grant Date Fair Value**
Performance stock units (1)	85,323	$ 53.22	108,464	$ 47.00
Restricted stock units	53,862	$ 53.49	67,158	$ 45.84
Deferred stock units	6,351	$ 54.33	2,460	$ 42.69
Common shares	8,468	$ 54.33	15,652	$ 42.49

(1) The Company's performance stock units ("PSUs") represent shares granted for which the final number of shares earned depends on financial performance. The number of shares to be issued may vary between 0% and 200% of the number of PSUs granted depending on the relative achievement to targeted thresholds. The Company's PSUs with a financial performance condition are based on the Company's return on invested capital ("ROIC") over a one-year performance period.

(2) PSUs granted in the first quarter of 2022 includes 5,653 units that were forfeited in the first quarter of 2023 and 62,201 units that will be converted to shares and issued to recipients in the first quarter of 2025 at 60.5% of the target amount granted, based on the Company's actual ROIC compared to ROIC target for the performance period ended December 31, 2022.

Equity Based Awards - Settled in Cash

The Company's equity-based awards that are settled in cash are the awards under the Management Stock Purchase Plan (the "MSPP") which is authorized under the Company's equity incentive plans. The MSPP provides participants the ability to defer a portion of their compensation, convertible to unrestricted investments, restricted stock units, or a combination of both, or defer a portion of their directors' fees, convertible to restricted stock units. Employees eligible to defer a portion of their compensation also receive a company-matching award in restricted stock units equal to a percentage of their compensation.

The deferrals and related company match are credited to an account that represents a share-based liability. The portion of the account deferred to unrestricted investments is measured at fair market value of the unrestricted investments, and the portion of the account deferred to restricted stock units and company-matching restricted stock units is measured at a 200-day average of the Company's stock price. The account will be converted to and settled in cash payable to participants upon retirement or a termination of their service to the Company.

Total MSPP liabilities recorded on the consolidated balance sheet as of June 30, 2023 was $16.9 million, of which $2.0 million was included in current accrued expenses and $14.9 million was included in non-current liabilities. Total MSPP liabilities recorded on the consolidated balance sheet as of December 31, 2022 was $15.4 million, of which $2.3 million was included in current accrued expenses and $13.1 million was included in non-current liabilities. The value of the restricted stock units within the MSPP liability were $14.6 million and $13.4 million at June 30, 2023 and December 31, 2022, respectively.

The following table provides the number of restricted stock units credited to active participant accounts and the payments made with respect to MSPP liabilities during the six months ended June 30,:

	2023	2022
Restricted stock units credited	44,102	6,234
MSPP liabilities paid (in thousands)	$ 2,147	$ 2,545

(11) EXIT ACTIVITY COSTS AND ASSET IMPAIRMENTS

The Company has incurred exit activity costs and asset impairment charges as a result of its 80/20 simplification and portfolio management initiatives. These initiatives have resulted in the identification of low-volume, low margin, internally-produced products which have been or will be outsourced or discontinued, the simplification of processes, the sale and exiting of less profitable businesses or product lines, and a reduction in the Company's manufacturing footprint.

Exit activity costs (recoveries) were incurred during the six months ended June 30, 2023 and 2022 which related to moving and closing costs, severance, and contract terminations, along with asset impairment charges (recoveries) related to the write-down of inventory associated with discontinued product lines, as a result of process simplification initiatives. In conjunction with these initiatives, the Company recorded costs during the six months ended June 30, 2023 associated with the final closure and sale of a facility closed during the fourth quarter of 2022. During the six months ended June 30, 2022, the Company exited a facility, relocating to a new one, and separately, closed one other facility as a result of these initiatives.

The following tables set forth the exit activity costs (recoveries) and asset impairment charges (recoveries) incurred by segment during the three and six months ended June 30, related to the restructuring activities described above (in thousands):

	Three Months Ended June 30,					
	2023			2022		
	Exit activity costs	Asset impairment charges	Total	Exit activity costs	Asset impairment charges	Total
Renewables	$ 2,909	$ 40	$ 2,949	$ 75	$ —	$ 75
Residential	—	—	—	1,295	—	1,295
Agtech	156	—	156	97	—	97
Infrastructure	—	—	—	—	—	—
Corporate	—	—	—	62	—	62
Total	$ 3,065	$ 40	$ 3,105	$ 1,529	$ —	$ 1,529

	Six Months Ended June 30,					
	2023			2022		
	Exit activity costs	Asset impairment recovery	Total	Exit activity costs (recoveries), net	Asset impairment charges	Total
Renewables	$ 2,909	$ (23)	$ 2,886	$ 1,403	$ 1,198	$ 2,601
Residential	114	—	114	1,298	—	1,298
Agtech	717	—	717	88	—	88
Infrastructure	—	—	—	(63)	—	(63)
Corporate	—	—	—	82	—	82
Total	$ 3,740	$ (23)	$ 3,717	$ 2,808	$ 1,198	$ 4,006

The following table provides a summary of where the exit activity costs and asset impairment charges were recorded in the consolidated statements of income for the three and six months ended June 30, (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cost of sales	$ 3,098	$ 80	$ 3,611	$ 2,288
Selling, general, and administrative expense	7	1,449	106	1,718
Total exit activity and asset impairment charges	$ 3,105	$ 1,529	$ 3,717	$ 4,006

The following table reconciles the beginning and ending liability for exit activity costs relating to the Company's facility consolidation efforts (in thousands):

	2023	2022
Balance at January 1	$ 2,417	$ 272
Exit activity costs recognized	3,740	2,808
Cash payments	(2,377)	(1,951)
Balance at June 30	$ 3,780	$ 1,129

(12) INCOME TAXES

The following table summarizes the provision for income taxes for continuing operations (in thousands) for the three and six months ended June 30, and the applicable effective tax rates:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Provision for income taxes	$ 11,555	$ 9,895	$ 18,732	$ 14,996
Effective tax rate	27.3 %	25.2 %	26.6 %	25.1 %

The effective tax rate for the three and six months ended June 30, 2023 and 2022, respectively, was greater than the U.S. federal statutory rate of 21% due to state taxes and nondeductible permanent differences partially offset by favorable discrete items due to an excess tax benefit on stock-based compensation.

(13) EARNINGS PER SHARE

Earnings per share and the weighted average shares outstanding used in calculating basic and diluted earnings per share are as follows for the three and six months ended June 30, (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Numerator:				
Net income available to common stockholders	$ 30,723	$ 29,307	$ 51,822	$ 44,763
Denominator for basic earnings per share:				
Weighted average shares outstanding	30,554	32,585	30,725	32,748
Denominator for diluted earnings per share:				
Weighted average shares outstanding	30,554	32,585	30,725	32,748
Common stock units	130	75	121	95
Weighted average shares and conversions	30,684	32,660	30,846	32,843

The weighted average number of diluted shares does not include potential anti-dilutive common shares issuable pursuant to equity based incentive compensation awards. The following table provides the potential anti-dilutive common stock units for the three and six months ended June 30, (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Common stock units	19	225	17	65

(14) SEGMENT INFORMATION

The Company is organized into four reportable segments on the basis of the production processes, products and services provided by each segment, identified as follows:

(i) Renewables, which primarily includes designing, engineering, manufacturing and installation of solar racking and electrical balance of systems;

(ii) Residential, which primarily includes roof and foundation ventilation products, centralized mail systems and electronic package solutions, retractable awnings and gutter guards, rain dispersion products, trims and flashings and other accessories;

(iii) Agtech, which provides growing solutions including the designing, engineering, manufacturing and installation of greenhouses; and

(iv) Infrastructure, which primarily includes structural bearings, expansion joints and pavement sealant for bridges, airport runways and roadways, elastomeric concrete, and bridge cable protection systems.

When determining the reportable segments, the Company aggregated operating segments based on their similar economic and operating characteristics.

The following table illustrates certain measurements used by management to assess performance of the segments described above for the three and six months ended June 30, (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net sales:				
Renewables	$ 77,459	$ 101,549	$ 136,664	$ 180,332
Residential	228,234	200,245	407,729	379,730
Agtech	35,028	43,680	70,880	86,108
Infrastructure	24,193	21,475	42,908	38,644
Total net sales	$ 364,914	$ 366,949	$ 658,181	$ 684,814
Income from operations:				
Renewables	$ 5,908	$ 6,829	$ 8,177	$ (155)
Residential	43,959	35,664	73,468	69,099
Agtech	(1,117)	1,542	1,213	1,573
Infrastructure	5,828	2,887	8,542	4,068
Unallocated Corporate Expenses	(11,501)	(6,783)	(18,953)	(13,251)
Total income from operations	$ 43,077	$ 40,139	$ 72,447	$ 61,334

	June 30, 2023	December 31, 2022
Total assets:		
Renewables	$ 404,447	$ 392,368
Residential	546,480	519,567
Agtech	182,942	193,966
Infrastructure	84,255	80,264
Unallocated corporate assets	20,453	24,448
	$ 1,238,577	$ 1,210,613

The following tables illustrate segment revenue disaggregated by timing of transfer of control to the customer for the three and six months ended June 30 (in thousands):

	Three Months Ended June 30, 2023				
	Renewables	Residential	Agtech	Infrastructure	Total
Net sales:					
Point in Time	$ 10,633	$ 226,618	$ 880	$ 8,848	$ 246,979
Over Time	66,826	1,616	34,148	15,345	117,935
Total net sales	$ 77,459	$ 228,234	$ 35,028	$ 24,193	$ 364,914

	Three Months Ended June 30, 2022				
	Renewables	Residential	Agtech	Infrastructure	Total
Net sales:					
Point in Time	$ 5,259	$ 198,854	$ 4,029	$ 8,936	$ 217,078
Over Time	96,290	1,391	39,651	12,539	149,871
Total net sales	$ 101,549	$ 200,245	$ 43,680	$ 21,475	$ 366,949

	Six Months Ended June 30, 2023				
	Renewables	Residential	Agtech	Infrastructure	Total
Net sales:					
Point in Time	$ 19,727	$ 404,560	$ 4,803	$ 14,909	$ 443,999
Over Time	116,937	3,169	66,077	27,999	214,182
Total net sales	$ 136,664	$ 407,729	$ 70,880	$ 42,908	$ 658,181

	Six Months Ended June 30, 2022				
	Renewables	Residential	Agtech	Infrastructure	Total
Net sales:					
Point in Time	$ 10,909	$ 376,985	$ 5,642	$ 15,239	$ 408,775
Over Time	169,423	2,745	80,466	23,405	276,039
Total net sales	$ 180,332	$ 379,730	$ 86,108	$ 38,644	$ 684,814

(15) SUBSEQUENT EVENT

On July 5, 2023, the Company acquired the assets of a Utah based privately held company that manufactures and distributes roof flashing and accessory products, for $10.4 million in an all cash transaction. The company sells direct to roofing wholesalers and will be reported as a part of our Residential segment. The preliminary purchase price allocation has not yet been determined.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Certain information set forth herein includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and, therefore are, or may be deemed to be, “forward-looking statements.” These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes,” “anticipates,” “aspires,” “expects,” “estimates,” “seeks,” “projects,” “intends,” “plans,” “may,” “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, competition, strategies, margins, integration of acquired businesses, the industries in which we operate and the expected impact of evolving laws and regulation. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described in the “Risk Factors” disclosures in our most recent Annual Report on Form 10-K. Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition, liquidity and the development of the industries in which we operate may differ materially from those made in or suggested by the forward-looking statements contained herein. In addition, even if our results of operations, financial condition, liquidity, and the development of the industries in which we operate are consistent with the forward-looking statements contained in this Quarterly Report on Form 10-Q, those results or developments may not be indicative of results or developments in subsequent periods. Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statements that we make herein speak only as of the date of those statements, and we undertake no obligation to update those statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

The Company uses certain operating performance measures, specifically consolidated gross margin, operating margin by segment and consolidated operating margin, to manage the Company's businesses, set operational goals, and establish performance targets for incentive compensation for the Company's employees. The Company defines consolidated gross margin as a percentage of total consolidated gross profit to total consolidated net sales. The Company defines operating margin by segment as a percentage of total income from operations by segment to total net sales by segment and consolidated operating margin as a percentage of total consolidated income from operations to total consolidated net sales. The Company believes consolidated gross margin, operating margin and consolidated operating margin may be useful to investors in evaluating the profitability of the Company's segments and the Company on a consolidated basis.

Overview

Gibraltar Industries, Inc. (the "Company") is a leading manufacturer and provider of products and services for the renewable energy, residential, agtech, and infrastructure markets.

The Company operates and reports its results in the following four reporting segments:

- Renewables;
- Residential;
- Agtech; and
- Infrastructure.

The Company serves customers primarily in North America including renewable energy (solar) developers, home improvement retailers, wholesalers, distributors, institutional and commercial growers of food and plants, and contractors. At June 30, 2023, the Company operated 30 facilities, comprised of 22 manufacturing facilities, one distribution center, and seven offices, which are located in 15 states, Canada, China, and Japan. The Company's operational infrastructure provides the necessary scale to support regional and national customers in each of the Company's markets.

Recent Trends

The broader market dynamics over the past few years have resulted in impacts to the Company. Supply chains continue to recover from global disruptions experienced over the last few year including shortages of solar modules used by the Company's customers in conjunction with the goods and services the Company provides and for which such shortages have resulted in project delays. We continue working to minimize supply chain challenges which have and may continue to adversely impact our performance and our financial results. In addition, the uncertainty of the current environment and potential worsening of macro-economic conditions present risks for the Company. Although such uncertainty did not significantly impact our financial results in the first half of 2023, the Company expects that some of these dynamics, along with higher interest rates, will continue in 2023.

In June 2022, the Uyghur Forced Labor Prevention Act ("UFLPA") was enacted. The UFLPA requires traceability of components of imported goods to validate that the components are not sourced from areas in the Xinjiang region of China. This has caused solar panels to be held at the border awaiting a determination that the panels do not contain components from Xinjiang. While a few of the historically significant suppliers have begun to have panels cleared for importation, the clearance is still on a shipment-by-shipment basis, and formal documentation requirements have not yet been published. Some of the Company's larger customers have continued to shift sourcing to modules manufactured outside of the typical southeast Asia manufacturers in efforts to clear U.S. customs more efficiently and ramp up the execution of solar projects.

In December 2022, the U.S. Department of Commerce ("USDOC") announced its preliminary ruling regarding the circumvention of antidumping and countervailing duties (“AD/CVD”) on Chinese imports of solar panels produced in four other countries in Southeast Asia. Four of eight major manufacturers across the four countries investigated were found to have been circumventing the AD/CVD orders. The findings are preliminary and further investigation is occurring with a final determination scheduled for August 17, 2023. Independent of the DOC’s final determination, the Presidential Proclamation issued in June 2022 provides that duties will not be collected on the imports from the impacted countries until June 2024. This provides U.S. solar importers time to adjust supply chains to ensure compliance with U.S. law.

As the timing and progress of many of our customers’ projects depend upon the supply of solar panels, our operating results have been and could be impacted by these actions. We continue to work with customers who are assessing their ability to source panels needed to complete projects.

On August 16, 2022, the Inflation Reduction Act ("IRA") was signed into law. Among other things, the IRA provides for Investment Tax Credits ("ITC") for renewable energy. The IRA provides a 30% ITC for projects started prior January 29, 2023. Projects started on or after this date have the opportunity to claim the 30% rate only if the project is less than one megawatt or adheres to the new prevailing wage and apprenticeship requirements. Otherwise, these projects will default to a base rate of 6%. The IRA also provides the option to earn an additional 10% credit for domestic content, and separately, an additional 10% credit for siting a project in an “energy community.” Lastly, under the IRA, Manufacturers Tax Credits ("MTC") that support clean energy manufacturing were established and expanded, and are available to suppliers of certain, specific solar tracker components, including mechanical parts and battery storage, that are made in the U.S. Final guidance is pending and expected to be issued by the Department of Treasury over the course of 2023 for the domestic content, energy community, and MTC credits. The Company believes that these enhanced tax credits under the IRA will provide long-term certainty for the industry and should reduce policy driven demand swings for our products. We will work with our customers to maximize the tax credits available to them.

Business Strategy

The Company's mission is to make life better for people and the planet, fueled by advancing the disciplines of engineering, science, and technology. The Company is innovating to reshape critical markets in sustainable power, comfortable and efficient living, and productive growing throughout North America. Furthermore, the Company strives to create compounding and sustainable value for its stockholders and stakeholders with strong and relevant leadership positions in higher growth, profitable end markets focused on addressing some of the world's most challenging opportunities. The foundation of the Company's strategy is built on three core pillars: Business System, Portfolio Management, and Organization Development.

1. Business System reflects the necessary systems, processes, and management tools required to deliver consistent and continuous performance improvement, every day. The Company's business system is a critical enabler to grow, scale, and deliver its plans. The Company's focus is on deploying effective tools to drive growth, improve operating performance, and develop the organization utilizing 80/20 and lean quote-to-cash initiatives along with digital systems for speed, agility and responsiveness. The Business System pillar challenges existing operating paradigms, drives day-to-day performance, forces prioritization of resources, tests the Company's business models, and drives new product and services innovation.

2. Portfolio Management is focused on optimizing the Company’s business portfolio in higher growth markets with leadership positions while ensuring its financial capital and human resources are effectively and efficiently deployed to deliver sustainable, profitable growth while increasing its relevance with customers and shaping its markets. Recent acquisitions to help achieve these objectives include the assets of a small privately held manufacturing and distributing company of roof flashing and accessory products in July 2023 and Quality Aluminum Products ("QAP") in 2022, both within the Residential segment. To further these objectives, the Company made the decision in 2022 to divest its non-core Processing business and is currently in the final stages of liquidation of this business.
3. Organization Development drives the Company’s continuous focus on ensuring it has the right design and structure to scale the organization in order to execute the Company’s plans and meet commitments. The Company aspires to make its place of work the "Best Place to Work", where focus is on creating an environment for our people to have the best opportunity for success, continue to develop, grow and learn. At core of this pillar is the Company’s development process focused on helping employees reach their potential, improve performance, develop career roadmaps, identify ongoing education requirements, and respective succession plans. The Company believes doing so helps it attract and retain the best people to execute its business plans.

The Company believes the key elements of the Company's strategy enable the Company to respond timely to changes in the end markets the Company serves, including the broader market dynamics experienced over the past two years. The Company continues to examine the need for restructuring of the Company's operations, including consolidation of facilities, reducing overhead costs, curtailing investments in working capital, and managing the Company's business to generate incremental cash. The Company believes its strategy enables the Company to respond to volatility in commodity and other input costs and fluctuations in customer demand, along with striving to maintain and improve margins. The Company has used cash flows generated by these initiatives to minimize debt, improve the Company's liquidity position, invest in growth initiatives and return capital to the Company's shareholders through share repurchases. Overall, the Company continues to strive to achieve stronger financial results, make more efficient use of capital, and deliver higher stockholder returns.

Recent Developments

On July 5, 2023, the Company acquired the assets of a Utah based privately held company that manufactures and distributes roof flashing and accessory products, for $10.4 million.

On December 8, 2022, the Company entered into a Credit Agreement (the "Credit Agreement"), and concurrently with entering into the Credit Agreement, the Company paid off all amounts owed under the Sixth Amended and Restated Credit Agreement dated as of January 24, 2019, which was terminated with no prepayment penalties. The Credit Agreement provides for a revolving credit facility and letters of credit in an aggregate amount equal to $400 million. The Company can request additional financing to increase the revolving credit facility to $700 million or enter into a term loan of up to $300 million subject to conditions set forth in the Credit Agreement. The Credit Agreement contains two financial covenants. As of June 30, 2023, the Company was in compliance with both financial covenants. The Credit Agreement terminates on December 8, 2027.

On August 22, 2022, the Company purchased all the issued and outstanding membership interests of Quality Aluminum Products ("QAP"), a manufacturer of soffit, fascia, trim coil, rain carrying products and aluminum siding for an aggregate purchase price of $52.1 million. The acquisition of QAP was financed primarily through borrowings under the Company's revolving credit facility. The results of operations of QAP have been included in the Residential segment of the Company's consolidated financial statements from the date of acquisition.

In May 2022, the Company's Board of Directors authorized a share repurchase program of up to $200 million of the Company's issued and outstanding common stock. The program has a duration of three years, ending May 2, 2025. Repurchases may be made, from time to time, in amounts and at prices the Company deems appropriate, subject to market conditions, applicable legal requirements, debt covenants and other considerations. Any such repurchases may be executed using open market purchases, privately negotiated agreements or other transactions. The repurchase program may be suspended or discontinued at any time at the Company's discretion. As of June 30, 2023, the Company has repurchased 2,518,941 shares for an aggregate price of $111.0 million under this repurchase program.

Results of Operations

Three Months Ended June 30, 2023 Compared to the Three Months Ended June 30, 2022

The following table sets forth selected results of operations data and its percentage of net sales for the three months ended June 30 (in thousands):

	2023		2022	
Net sales	$ 364,914	100.0 %	$ 366,949	100.0 %
Cost of sales	268,175	73.5 %	276,678	75.4 %
Gross profit	96,739	26.5 %	90,271	24.6 %
Selling, general, and administrative expense	53,662	14.7 %	50,132	13.7 %
Income from operations	43,077	11.8 %	40,139	10.9 %
Interest expense	1,308	0.3 %	656	0.1 %
Other (income) expense	(509)	(0.1)%	281	0.1 %
Income before taxes	42,278	11.6 %	39,202	10.7 %
Provision for income taxes	11,555	3.2 %	9,895	2.7 %
Net income	$ 30,723	8.4 %	$ 29,307	8.0 %

The following table sets forth the Company's net sales by reportable segment for the three months ended June 30, (in thousands):

				Impact of		
	2023	2022	Total Change	Acquisitions	Portfolio Management	Ongoing Operations
Net sales:						
Renewables	$ 77,459	$ 101,549	$ (24,090)	$ —	$ —	$ (24,090)
Residential	228,234	200,245	27,989	25,563	—	2,426
Agtech	35,028	43,680	(8,652)	—	(1,983)	(6,669)
Infrastructure	24,193	21,475	2,718	—	—	2,718
Consolidated	$ 364,914	$ 366,949	$ (2,035)	$ 25,563	$ (1,983)	$ (25,615)

Consolidated net sales decreased by $2.0 million, or 0.5%, to $364.9 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The net sales decrease was largely due to a $25.6 million or 7.0% decrease in organic revenue, the net result of a 8% volume decline and a 1% increase in pricing to customers, essentially offset by $25.6 million of revenues generated from QAP, which was acquired during the third quarter of 2022 and reported as part of the Company's Residential segment. Consolidated backlog remained flat at $411 million, as compared to the end of the prior year quarter.

Net sales in the Company's Renewables segment decreased $24.1 million, or 23.6%, to $77.5 million for the three months ended June 30, 2023 compared to $101.5 million for the three months ended June 30, 2022. Revenue declined as a result of the continued lower demand for solar module installations impacted by importation challenges resulting from the UFLPA implemented in June 2022, along with timing delays experienced by new projects due to lengthier permitting processes. New order bookings continued to accelerate during the quarter and backlog increased 6% from the prior year, as customers and solar module importers gain a better understanding of documentary compliance requirements relative to the UFLPA.

Net sales in the Company's Residential segment increased $28.0 million, or 14.0%, to $228.2 million for the three months ended June 30, 2023 compared to $200.2 million for the three months ended June 30, 2022. Sales of $25.6 million generated by QAP, acquired in the third quarter of 2022, along with the positive impact of participation gains offset the year over year impact of market price adjustments made in prior quarters in response to lower commodity prices and some remaining channel inventory right-sizing.

Net sales in the Company's Agtech segment decreased 19.9%, or $8.7 million, to $35.0 million for the three months ended June 30, 2023 compared to $43.7 million for the three months ended June 30, 2022. Revenue declined as the commercial business experienced customer-driven delays in project starts. While backlog decreased 24% year over year, primarily because of a slower commercial end market, the Company expects new produce projects to drive improved revenue in the second half of 2023.

Net sales in the Company's Infrastructure segment increased 12.6%, or $2.7 million, to $24.2 million for the three months ended June 30, 2023 compared to $21.5 million for the three months ended June 30, 2022. The increase in revenue was due to continued solid market demand supported by the Infrastructure Investment and Jobs Act and ongoing efforts to increase market participation. Backlog also benefited from these efforts resulting in a 46% increase year over year.

The Company's consolidated gross margin increased to 26.5% for the three months ended June 30, 2023 compared to 24.6% for the three months ended June 30, 2022. The increase was driven by improved price to material cost alignment, solid execution in field operations and continued operational efficiencies, along with favorable business and product mix.

Selling, general, and administrative ("SG&A") expenses increased by $3.5 million, or 7.0% to $53.7 million for the three months ended June 30, 2023 compared to $50.1 million for the three months ended June 30, 2022. The $3.5 million increase was primarily due to higher performance-based compensation expense as compared to the prior year quarter. SG&A expenses as a percentage of net sales increased to 14.7% for the three months ended June 30, 2023 compared to 13.7% for the three months ended June 30, 2022.

The following table sets forth the Company’s income from operations and income from operations as a percentage of net sales by reportable segment for the three months ended June 30, (in thousands):

	2023		2022		Total Change	Impact of Portfolio Management	Impact of Ongoing Operations
Income from operations:							
Renewables	$ 5,908	7.6 %	$ 6,829	6.7 %	$ (921)	$ —	$ (921)
Residential	43,959	19.3 %	35,664	17.8 %	8,295	—	8,295
Agtech	(1,117)	(3.2)%	1,542	3.5 %	(2,659)	(3,113)	454
Infrastructure	5,828	24.1 %	2,887	13.4 %	2,941	—	2,941
Unallocated Corporate Expenses	(11,501)	(3.2)%	(6,783)	(1.8)%	(4,718)	—	(4,718)
Consolidated income from operations	$ 43,077	11.8 %	$ 40,139	10.9 %	$ 2,938	$ (3,113)	$ 6,051

The Renewables segment generated an operating margin of 7.6% in the current year quarter compared to 6.7% in the prior year quarter. The increase in operating margin was driven by field operations efficiencies, favorable price to cost alignment and improved supply chain management that offset lower volumes and restructuring charges incurred in the current year quarter.

The Residential segment generated an operating margin of 19.3% in the current year quarter compared to 17.8% in the prior year quarter. The expansion in operating margin was the result of increased volume, improved alignment of price/cost, implementation of additional 80/20 initiatives, and favorable product line mix.

The Agtech segment generated an operating margin of (3.2)% in the current year quarter compared to 3.5% in the prior year quarter. Operating margin declined year over year, due to portfolio management charges related to the liquidation of the processing business recorded in the current quarter, partially offset by 80/20 initiatives, supply chain optimization initiatives, and improvement in project management systems.

The Infrastructure segment generated an operating margin of 24.1% during the three months ended June 30, 2023 compared to 13.4% during the three months ended June 30, 2022. The margin improved year over year driven by strong operating execution, 80/20 productivity, supply chain efficiency, and product line mix.

Unallocated corporate expenses increased $4.7 million from $6.8 million during the three months ended June 30, 2022 to $11.5 million during the three months ended June 30, 2023. The increase in expense was primarily the result of higher performance-based compensation expense as compared to the prior year quarter.

Interest expense increased $0.6 million to $1.3 million for the three months ended June 30, 2023 compared to $0.7 million for the three months ended June 30, 2022. The increase in interest expense was primarily due to higher interest rates as rates more than tripled as compared to the prior year quarter. Average outstanding balances on the Company's revolving credit facility were $61.9 million and $60.9 million for the three months ended June 30, 2023, and 2022, respectively.

The Company recorded other income of $0.5 million for the three months ended June 30, 2023, compared to other expense of $0.3 million recorded for the three months ended June 30, 2022. The change year over year is the combined result of foreign currency translation fluctuations and changes in the fair market valuation allowance related to the liquidation of the processing business.

The Company recognized a provision for income taxes of $11.6 million and $9.9 million, with effective tax rates of 27.3% and 25.2% for the three months ended June 30, 2023, and 2022, respectively. The effective tax rate for the three months ended June 30, 2023, and 2022, respectively, was greater than the U.S. federal statutory rate of 21% due to state taxes and nondeductible permanent differences partially offset by favorable discrete items due to an excess tax benefit on stock-based compensation.

Six Months Ended June 30, 2023 Compared to the Six Months Ended June 30, 2022

The following table sets forth selected results of operations data and its percentage of net sales for the six months ended June 30 (in thousands):

	2023		2022	
Net sales	$ 658,181	100.0 %	$ 684,814	100.0 %
Cost of sales	484,513	73.6 %	529,699	77.3 %
Gross profit	173,668	26.4 %	155,115	22.7 %
Selling, general, and administrative expense	101,221	15.4 %	93,781	13.7 %
Income from operations	72,447	11.0 %	61,334	9.0 %
Interest expense	2,799	0.4 %	1,141	0.2 %
Other (income) expense	(906)	(0.1)%	434	0.1 %
Income before taxes	70,554	10.7 %	59,759	8.7 %
Provision for income taxes	18,732	2.8 %	14,996	2.2 %
Net income	$ 51,822	7.9 %	$ 44,763	6.5 %

The following table sets forth the Company's net sales by reportable segment for the six months ended June 30, (in thousands):

				Impact of		
	2023	2022	Total Change	Acquisitions	Portfolio Management	Ongoing Operations
Net sales:						
Renewables	$ 136,664	$ 180,332	$ (43,668)	$ —	$ —	$ (43,668)
Residential	407,729	379,730	27,999	39,829	—	(11,830)
Agtech	70,880	86,108	(15,228)	—	(1,292)	(13,936)
Infrastructure	42,908	38,644	4,264	—	—	4,264
Consolidated	$ 658,181	$ 684,814	$ (26,633)	$ 39,829	$ (1,292)	$ (65,170)

Consolidated net sales decreased by $26.6 million, or 3.9%, to $658.2 million for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The 3.9% decrease in revenue was driven by a $65.2 million or 9.5% decrease in organic revenue, the net result of a 11% volume decline and a 1% increase in pricing to customers which primarily occurred in the first quarter of 2023. Partially offsetting the year over year decrease were $39.8 million of revenues generated by QAP, which was acquired during the third quarter of 2022 and reported as part of the Company's Residential segment. Consolidated backlog remained flat at $411 million, as compared to the end of the prior year period.

Net sales in the Company's Renewables segment decreased $43.7 million, or 24.2%, to $136.7 million for the six months ended June 30, 2023 compared to $180.3 million for the six months ended June 30, 2022. The decline was the result of decreased demand for solar module installations, which continues to be impacted by importation challenges resulting from the UFLPA implemented in June 2022, along with timing delays incurred due to lengthier permitting processes. New order bookings continued to accelerate during the year and backlog increased 6% from the prior year, as customers and solar module importers gain a better understanding of documentary compliance requirements relative to the UFLPA.

Net sales in the Company's Residential segment increased $28.0 million, or 7.4%, to $407.7 million for the six months ended June 30, 2023 compared to $379.7 million for the six months ended June 30, 2022. Sales of $39.8 million generated by QAP, acquired in the third quarter of 2022, along with the positive impact of participation gains more than offset channel inventory correction, price declines related to commodity cost reductions, and adverse winter weather conditions in the earlier months of 2023.

Net sales in the Company's Agtech segment decreased 17.7%, or $15.2 million, to $70.9 million for the six months ended June 30, 2023 compared to $86.1 million for the six months ended June 30, 2022. Revenue declined as both the segment's commercial business and produce projects experienced delayed project starts, the latter the result of key project re-scoping and prioritizing. While backlog decreased 24% year over year, primarily because of a slower commercial end market, the Company expects new produce projects to drive improved revenue in the second half of 2023.

Net sales in the Company's Infrastructure segment increased 11.1%, or $4.3 million, to $42.9 million for the six months ended June 30, 2023 compared to $38.6 million for the six months ended June 30, 2022. The increase in revenue was due to continued solid market demand supported by the Infrastructure Investment and Jobs Act and ongoing efforts to increase market participation. Backlog also benefited from these efforts resulting in a 46% increase year over year.

The Company's consolidated gross margin increased to 26.4% for the six months ended June 30, 2023 compared to 22.7% for the six months ended June 30, 2022. The increase was driven by improved price to material cost alignment, solid execution in field operations, improvement in supply chain management and continued operational efficiencies, along with favorable business and product mix.

Selling, general, and administrative ("SG&A") expenses increased by $7.4 million, or 7.9%, to $101.2 million for the six months ended June 30, 2023 compared to $93.8 million for the six months ended June 30, 2022. The $7.4 million increase was primarily due to higher performance-based compensation expense as compared to the prior year. Incremental SG&A expenses incurred by QAP, acquired in the third quarter of 2022, also contributed to the increase. SG&A expenses as a percentage of net sales increased to 15.4% for the six months ended June 30, 2023 compared to 13.7% for the six months ended June 30, 2022.

The following table sets forth the Company’s income from operations and income from operations as a percentage of net sales by reportable segment for the six months ended June 30, (in thousands):

						Impact of	
	2023		2022		Total Change	Portfolio Management	Ongoing Operations
Income from operations:							
Renewables	$ 8,177	6.0 %	$ (155)	(0.1)%	$ 8,332	$ —	$ 8,332
Residential	73,468	18.0 %	69,099	18.2 %	4,369	—	4,369
Agtech	1,213	1.7 %	1,573	1.8 %	(360)	(1,223)	863
Infrastructure	8,542	19.9 %	4,068	10.5 %	4,474	—	4,474
Unallocated Corporate Expenses	(18,953)	(2.9)%	(13,251)	(1.9)%	(5,702)	—	(5,702)
Consolidated income from operations	$ 72,447	11.0 %	$ 61,334	9.0 %	$ 11,113	$ (1,223)	$ 12,336

The Renewables segment generated an operating margin of 6.0% in the current year compared to (0.1)% in the prior year. The increase in operating margin was driven by field operations productivity, favorable price to cost alignment and improved supply chain management that offset lower volumes.

The Residential segment generated an operating margin of 18.0% in the current year compared to 18.2% in the prior year. The decrease in operating margin was the result of the anticipated lower margins from the Company's recent acquisition of QAP largely offset by continued price/cost rebalancing, 80/20 activities and mix.

The Agtech segment generated an operating margin of 1.7% in the current year compared to 1.8% in the prior year. Operating margin declined year over year, due to portfolio management charges related to the liquidation of the processing business recorded in the current year, largely offset by 80/20 initiatives, supply chain optimization initiatives, and improvement in project management systems.

The Infrastructure segment generated an operating margin of 19.9% during the six months ended June 30, 2023 compared to 10.5% during the six months ended June 30, 2022. The margin improved year over year driven by strong operating execution, 80/20 productivity, supply chain efficiency, and product line mix.

Unallocated corporate expenses increased $5.7 million from $13.3 million during the six months ended June 30, 2022 to $19.0 million during the six months ended June 30, 2023. The increase in expense was primarily due to higher performance-based compensation expense as compared to the prior year.

Interest expense increased year over year with $2.8 million for the six months ended June 30, 2023 compared to $1.1 million for the six months ended June 30, 2022. The increase in expense was largely due to higher interest rates which more than tripled compared to the prior year. Higher average outstanding balances on the Company's revolving credit facility of $72.5 million and $55.4 million for the six months ended June 30, 2023, and 2022, respectively, also contributed to the increased expense.

The Company recorded other income of $0.9 million for the six months ended June 30, 2023, compared to other expense of $0.4 million recorded for the six months ended June 30, 2022. The change year over year is the combined result of foreign currency translation fluctuations and changes in the fair market valuation allowance related to the liquidation of the processing business.

The Company recognized a provision for income taxes of $18.7 million and $15.0 million, with effective tax rates of 26.6% and 25.1% for the six months ended June 30, 2023 and 2022, respectively. The effective tax rate for the six months ended June 30, 2023, and 2022, respectively, was greater than the U.S. federal statutory rate of 21% due to state taxes and nondeductible permanent differences partially offset by favorable discrete items due to an excess tax benefit on stock-based compensation.

Liquidity and Capital Resources

The following table sets forth the Company's liquidity position as of (in thousands):

	June 30, 2023	December 31, 2022
Cash and cash equivalents	$ 18,621	$ 17,608
Availability on revolving credit facility	383,855	304,505
	$ 402,476	$ 322,113

Sources of Liquidity

The Company's sources of liquidity are comprised of cash on hand and available borrowing capacity under the Company's Credit Agreement (the "Credit Agreement"), entered into on December 8, 2022. The Credit Agreement replaced and paid off all amounts owed under the Sixth Amended and Restated Credit Agreement dated as of January 24, 2019. The Credit Agreement maintains similar capacity as the prior agreement in which it provides for a revolving credit facility and letters of credit in an aggregate amount equal to $400 million. The Company can request additional financing to increase the revolving credit facility to $700 million or enter into a term loan of up to $300 million subject to conditions set forth in the Credit Agreement. The Company believes that these sources provide the Company with ample liquidity and capital resources to invest in operational excellence, growth initiatives and the development of the organization.

The Company has been able to weather the economic impacts of the broader market dynamics, including the inflationary cost environment, while continuing to make investments that support the Company's strategy. The Company continues to remain focused on managing its working capital, closely monitoring customer credit and collection activities, and working to extend payment terms with its vendors. The Company believes its liquidity, together with the cash expected to be generated from operations, will be sufficient to fund working capital needs and growth initiatives for the foreseeable future.

The Company can and does use the Credit Agreement to provide liquidity and capital resources primarily for the Company's U.S. operations when necessary. Generally, the Company's foreign operations have generated cash flow from operations sufficient to invest in working capital and fund their capital improvements. As of June 30, 2023 and December 31, 2022, the Company's foreign subsidiaries held $16.4 million and $15.2 million of cash, respectively.

Outstanding balances on the Company's revolving credit facility under the Company's Credit Agreement accrue interest at a rate, at the Company's option, equal to the applicable margin plus (a) a base rate, (b) a daily simple secured overnight financing rate ("SOFR"), (c) a term SOFR rate, or (d) for certain foreign currencies, a foreign currency rate. See Note 8 to the Company's consolidated financial statements in Part I, Item 1, Financial Statements, of this Quarterly Report on Form 10-Q for further information on the Credit Agreement.

Uses of Cash / Cash Requirements

The Company's material short-term cash requirements primarily include accounts payable, certain employee and retiree benefit-related obligations, operating lease obligations, interest and repayments of borrowing on its revolving credit facility, capital expenditures, and other purchase obligations originating in the normal course of business for inventory purchase orders and contractual service agreements. The Company's principal capital requirements are to fund its operations' working capital and capital improvements, as well as provide capital for acquisitions and to strategically allocate capital through repurchases of Company stock. The Company will continue to invest in growth opportunities as appropriate while focusing on working capital efficiency and profit improvement opportunities to minimize the cash invested to operate its business. The Company intends to fund its cash requirements through cash generated from operations and, as necessary, from the availability on its revolving credit facility.

In May 2022, the Company's Board of Directors authorized a share repurchase program of up to $200 million of the Company's issued and outstanding common stock. The program has a duration of three years, ending May 2, 2025. Repurchases may be made, from time to time, in amounts and at prices the Company deems appropriate, subject to market conditions, applicable legal requirements, debt covenants and other considerations. Any such repurchases may be executed using open market purchases, privately negotiated agreements or other transactions. The repurchase program may be suspended or discontinued at any time at the Company's discretion. As of June 30, 2023, the Company has repurchased 2,518,941 shares for an aggregate price of $111.0 million under this repurchase program, including 521,575 shares repurchased for an aggregate price of $25.2 million during the six months ended June 30, 2023.

Over the long-term, the Company expects that future investments, including strategic business opportunities such as acquisitions, may be financed through a number of sources, including internally available cash, availability under the Credit Agreement, new debt financing, the issuance of equity securities, or any combination of the aforementioned. All potential acquisitions are evaluated based on the Company's acquisition strategy, which includes the enhancement of the Company's existing products, operations, and/or capabilities, as well as expanding the Company's access to new products, markets, and customers, with the goal of creating compounding and sustainable stockholder value.

These expectations are forward-looking statements based upon currently available information and may change if conditions in the credit and equity markets deteriorate or other circumstances change. To the extent that operating cash flows are lower than current levels, or sources of financing are not available or not available at acceptable terms, the Company's future liquidity may be adversely affected.

Except as disclosed above, there have been no material changes in the Company's cash requirements since December 31, 2022, the end of fiscal year 2022. See Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Cash Flows

The following table sets forth selected cash flow data for the six months ended June 30, (in thousands):

	2023	2022
Cash provided by (used in):		
Operating activities	$ 114,094	$ 544
Investing activities	(4,730)	(11,202)
Financing activities	(107,970)	16,032
Effect of foreign exchange rate changes	(381)	(1,074)
Net increase in cash and cash equivalents	$ 1,013	$ 4,300

Operating Activities

Net cash provided by operating activities for the six months ended June 30, 2023 of $114.1 million consisted of net income of $51.8 million, non-cash net charges totaling $21.6 million, which include depreciation, amortization, stock-based compensation, exit activity recoveries and other non-cash charges, and $40.7 million of cash generated from working capital and other net operating assets. The cash generated from working capital and other net operating assets was largely due to increases in accounts payable, the result of the timing of purchases and vendor payments, and billings in excess of costs, the result of increased advance payments from and billings to customers on projects. In addition, cash was generated due to the Company's focus on reducing its investment in inventory to better align with lower sales volumes while still meeting customer demand. These activities were partially offset by an increase in accounts receivable largely the result of seasonal increases in demand.

Net cash provided by operating activities for the six months ended June 30, 2022 of $0.5 million consisted of income from continuing operations of $44.8 million and non-cash net charges totaling $20.7 million, which include depreciation, amortization, stock-based compensation, exit activity costs and other non-cash charges, offset by a $64.9 million investment in working capital and other net assets. The investment in working capital and other net assets was due to increases in accounts receivable and inventory, largely the result of seasonal increases in demand along with increased raw material and freight costs impacting inventory. A decrease in accounts payable as a result of the correlation between the timing of inventory receipts and vendor payments also contributed to the increase. The overall increase was partially offset by an increase in accrued expenses and other non-current liabilities due to increases in advance payments from and billings to customers on projects.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2023 of $4.7 million was primarily due to capital expenditures of $5.3 million, offset by receipt of the $0.6 million final working capital settlement resulting from the 2022 acquisition of QAP.

Net cash used in investing activities for the six months ended June 30, 2022 of $11.2 million was primarily due to capital expenditures of $11.3 million.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2023 of $108.0 million consisted of net long-term debt payments of $79.2 million and $28.8 million of common stock repurchases. Net long-term debt payments consisted of $120.0 million in long-term debt payments, offset by $40.8 million in proceeds from borrowing on the Company's long-term debt credit facility. The Company paid $26.0 million during the six months ended June 30, 2023 related to repurchase of 538,575 shares under the Company's authorized share repurchase program. The remainder of the repurchased common stock of $2.8 million related to the net settlement of tax obligations for participants in the Company's equity incentive plans.

Net cash provided by financing activities for the six months ended June 30, 2022 of $16.0 million was the result of $120.5 million in proceeds from borrowing on our long-term credit facility, offset by $51.0 million in payments on long-term debt and $53.5 million of common stock repurchases. Share repurchases of 1,194,925 under the Company’s authorized share repurchase program totaled $50.0 million with the balance repurchased for the net settlement of tax obligations for participants in the Company's equity incentive plans.

Critical Accounting Estimates

There have been no material changes to the Company's critical accounting estimates during the six months ended June 30, 2023 from those disclosed in the consolidated financial statements and accompanying notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Recent Accounting Pronouncements

See Note 2 to the Company's consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information on recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the ordinary course of business, the Company is exposed to various market risk factors, including changes in general economic conditions, competition, interest rates, foreign exchange rates, and raw materials pricing and availability. In addition, the Company is exposed to other financial market risks, primarily related to its foreign operations. In the current year, there have been no material changes in the information provided under Item 7A in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

The Company maintains a system of disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Management of the Company, under the supervision and with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures as of the end of the period covered in this report. Based upon that evaluation and the definition of disclosure controls and procedures contained in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that as of the end of such period the Company’s disclosure controls and procedures were effective.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in the Company’s internal control over financial reporting (as defined by Rule 13a-15(f) or 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time the Company has been and may in the future become involved in litigation, as well as other legal proceedings in the ordinary course of the Company's business. The Company maintains liability insurance against risks arising out of the normal course of business. While the outcome of these legal proceedings cannot be predicted with certainty, the Company's management, based on currently available facts, does not believe that the ultimate outcome of any pending litigation will have a material effect on the Company's consolidated financial condition, results of operations, or liquidity.

There were no material legal proceedings terminated, settled, or otherwise resolved during the quarter ended June 30, 2023.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risks discussed in “Part I, Item 1A. Risk Factors” in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022. These risks and uncertainties have the potential to materially affect the Company's business, financial condition, results of operation, cash flows, and future prospects. Additional risks and uncertainties not currently known to the Company or that the Company currently deems immaterial may materially adversely impact the Company's business, financial condition, or operating results. During the quarter ended June 30, 2023, there have been no material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In May 2022, the Company's Board of Directors authorized a share repurchase program of up to $200 million of the Company's issued and outstanding common stock. The program was publicly announced on May 4, 2022 and has a duration of three years, ending May 2, 2025. Repurchases may be made, from time to time, in amounts and at prices the Company deems appropriate, subject to market conditions, applicable legal requirements, debt covenants and other considerations. Any such repurchases may be executed using open market purchases, privately negotiated agreements or other transactions. The repurchase program may be suspended or discontinued at any time at the Company's discretion.

The following table sets forth purchases made by or on behalf of the Company during the quarter ended June 30, 2023.

	Issuer Purchases of Equity Securities			
Period	**Total Number of Shares Purchased**	**Average Price Paid per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Program**	**Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program**
April 1 - 30, 2023	342,562	$ 48.31	342,562	$ 90,206,650
May 1 - 31, 2023	25,476	$ 49.58	25,476	$ 88,943,472
June 1 - 30, 2023	—	$ —	—	$ 88,943,472
Total	368,038	$ 48.40	368,038	

The Company did not sell unregistered equity securities during the period covered by this report.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

3.1	Certificate of Incorporation of Gibraltar Industries, Inc., as amended by: (i) Certificate of Amendment of Certificate of Incorporation of Gibraltar Industries, Inc. filed on October 27, 2004, (ii) Certificate of Change of Registered Agent and Registered Office of Gibraltar Industries, Inc. filed on May 11, 2005, (iii) Certificate of Amendment of Certificate of Incorporation of Gibraltar Industries, Inc. filed on May 22, 2012, (iv) Certificate of Amendment of Certificate of Incorporation of Gibraltar Industries, Inc. filed on May 11, 2015, (v) Certificate of Change of Registered Agent and/or Registered Office filed on January 10, 2019, (vi) Certificate of Amendment of Certificate of Incorporation of Gibraltar Industries, Inc. filed on May 6, 2021 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on August 3, 2021), and (vii) Certificate of Amendment of Certificate of Incorporation of Gibraltar Industries, Inc. filed on May 3, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 8, 2023)
3.2	Second Amended and Restated By-Laws of Gibraltar Industries, Inc., effective as of December 7, 2022 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K/A filed on December 9, 2022)
10.1	Gibraltar Industries, Inc. Amended and Restated 2018 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 8, 2023)
10.2*	Form of Award of Restricted Units under the Gibraltar Industries, Inc. Amended and Restated 2018 Equity Incentive Plan
10.3*	Form of Award of Performance Units under the Gibraltar Industries, Inc. Amended and Restated 2018 Equity Incentive Plan
10.4	Gibraltar Industries, Inc. Change in Control Executive Severance Plan, effective as of July 28, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 2, 2023)
10.5	First Amendment to Change in Control Agreement and Employment Agreement, dated July 28, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 2, 2023)
10.6	First Amendment to Change in Control Agreement, dated July 28, 2023 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on August 2, 2023)
31.1*	Certification of Chairman of the Board, President and Chief Executive Officer pursuant to Section 302 of the Sarbanes–Oxley Act of 2002.
31.2*	Certification of Senior Vice President and Chief Financial Officer pursuant to Section 302 of the Sarbanes–Oxley Act of 2002.
32.1**	Certification of the Chairman of the Board, President and Chief Executive Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002.
32.2**	Certification of the Senior Vice President and Chief Financial Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Submitted electronically with this Quarterly Report on Form 10-Q.

** Documents are furnished not filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GIBRALTAR INDUSTRIES, INC.
(Registrant)

/s/ William T. Bosway
William T. Bosway
Chairman of the Board, President and Chief Executive Officer

/s/ Timothy F. Murphy
Timothy F. Murphy
Senior Vice President and
Chief Financial Officer

Date: August 2, 2023

GIBRALTAR INDUSTRIES, INC.

AMENDED AND RESTATED 2018 EQUITY INCENTIVE PLAN

Award of Restricted Units

THIS AWARD made to [EMPLOYEE NAME] (the "Recipient") as of [GRANT DATE].

Recitals:

Effective as of May 3, 2023, Gibraltar Industries, Inc. (the Company) adopted an equity based incentive plan known as the Gibraltar Industries, Inc. Amended and Restated 2018 Equity Incentive Plan (the "Plan"). The Plan provides that the terms and conditions of each Award are to be specified in a written instrument.

Grant of Award:

NOW, THEREFORE, the Company hereby grants to the Recipient [NUMBER OF RESTRICTED UNITS] Restricted Units on the following terms and conditions:

1. Award of Restricted Units. Subject to the terms and conditions of this Award instrument ("Instrument"), the Recipient is hereby granted an Award of that number of Restricted Units which is set forth at the beginning of this Instrument. Any reference in this Instrument to Restricted Units shall be deemed to refer only to the Restricted Units granted pursuant to the Award reflected in this Instrument together with any Dividend Equivalent Units attributable to such Restricted Units and any additional Restricted Units credited to the Recipient with respect to the Restricted Units referred to above pursuant to the anti-dilution provisions of the Plan.

2. Restriction on Transfer. As contemplated by Section 5.02 of the Plan, except as set forth in Section 3, Section 4 and Section 6 below, the Restricted Units shall not be sold, assigned, transferred (other than a transfer to the Recipient's Beneficiary occurring by reason of the Recipient's Death), made the subject of a gift, or otherwise disposed of, mortgaged, pledged or otherwise encumbered by the Recipient, voluntarily or by operation of law.

3. Lapse of Restrictions; Expiration of Restricted Period. The Restrictions on the Restricted Units awarded pursuant to this Instrument shall lapse and the Restricted Period with respect to such Restricted Units shall end in accordance with a vesting schedule which is established by the Committee in connection with the issuance of this Award. The vesting schedule established by the Committee may provide that the Restrictions on all of the Restricted Units provided for by this Award will lapse on a specified date or that, on specified dates, the Restrictions with respect to a specified portion of the total number of Restricted Units which have been granted pursuant to this Award will lapse. Concurrently with the issuance of this Award, the vesting schedule will be provided to the Recipient in writing.

4. Lapse of Restrictions Upon Certain Terminations of Employment. Notwithstanding any provisions of Section 5.06 of the Plan to the contrary, if: (a) the Recipient's employment with the Company is terminated: (i) as a result of the Recipient's death; or (ii) as a result of the Recipient's Disability; or (iii) by the Recipient or the Company for any reason at any time after the later of: (A) the date the Recipient has completed at least five (5) years of service with his Employer (as determined under rules governing years of service provided for by the Company's 401(k) plan) and (B) the date the Recipient has attained age sixty (60) (a Recipient who has attained age sixty (60) and completed at least five (5) years of service (determined as provided above) being hereinafter a "Retirement Eligible Recipient"); then (b) the Restrictions on any Restricted Units granted pursuant to this Award which have not lapsed as of the date the Recipient's employment is so terminated (as determined pursuant to the vesting schedule) shall lapse on the earlier of: (i) the end of the six (6) month period which begins on the first day following the date the Recipient's employment is terminated; and (ii) the date of the Recipient's death.

5. Forfeiture of Restricted Units Upon Certain Terminations of Employment. If: (a) the Recipient's employment with the Company is terminated for any reason (whether by the Company or by the Recipient) other than due to the Recipient's death or Disability prior to the date a Change in Control occurs and prior to the date the Recipient becomes a Retirement Eligible Recipient; then (b) any Restricted Units credited to the bookkeeping account established for the Recipient in connection with this Award as to which the Restrictions have not lapsed (as determined pursuant to the vesting schedule) shall be forfeited as of the date the Recipient's employment is so terminated.

6. Lapse of Restrictions Upon a Change in Control. As provided for by Article 9 of the Plan, upon the occurrence of a Change in Control, the Restrictions on any Restricted Units granted pursuant to this Award which have not lapsed (as determined pursuant to the vesting schedule) shall lapse on the date the Change in Control occurs provided that: (a) the Recipient's employment with the Company or any subsidiary of the Company by whom the Recipient is employed is terminated on the date the Change in Control occurs; or (b) in connection with the Change in Control, the Acquiror does not agree to assume the obligations of the Company under this Award and does not issue an Alternative Award.

7. Form of Payment. Except as otherwise provided by Article 9 of the Plan, upon the lapse of the Restrictions on any Restricted Units contained in this Award, the Company shall issue to the Recipient a stock certificate representing the number of Shares of Common Stock represented by such Restricted Units (and related Dividend Equivalent Units) with respect to which the Restrictions have lapsed, together with cash equal to the Fair Market Value, determined as of the date the Restrictions have lapsed, of any fractional Restricted Unit as to which the Restrictions have lapsed.

8. Applicability of the Plan. Except as otherwise provided by this Instrument, the terms of the Plan shall apply to the Award described in this Instrument and the rights of the Recipient with respect to such Award. This Instrument, together with the Plan, contains all the terms and

conditions of the Award described herein and the rights of the Recipient with respect to such Award.

9. Notices. Any notices or other communications given in connection with this Agreement shall be mailed, and shall be sent by registered or certified mail, return receipt requested, to the indicated address as follows:

If to the Company:

Gibraltar Industries, Inc.
3556 Lake Shore Road
P.O. Box 2028
Buffalo, New York 14219
Attn: Corporate Secretary

If to the Recipient:

To the address of record or to such changed address as to which either party has given notice to the other party in accordance with this Section 9. All notices shall be deemed given when so mailed, except that a notice of a change of address shall be deemed given when received.

10. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning provided to such terms by the Plan.

IN WITNESS WHEREOF, this Award Instrument has been executed on and as of the issue date set forth above.

GIBRALTAR INDUSTRIES, INC.

By: ______________________________

Its:

GIBRALTAR INDUSTRIES, INC.

AMENDED AND RESTATED 2018 EQUITY INCENTIVE PLAN

Award of Performance Units

THIS AWARD is made to [PARTICIPANT NAME] (the “Recipient”) as of [GRANT DATE].

Recitals:

Effective as of May 3, 2023, Gibraltar Industries, Inc. (the “Company”) adopted an equity based incentive plan known as the Gibraltar Industries, Inc. Amended and Restated 2018 Equity Incentive Plan (the “Plan”).

An Award to the Recipient of [TOTAL AWARDS] Performance Units (the “Targeted Performance Unit Award”) has been approved as provided for by the Plan. These Performance Units will be converted into Shares of Common Stock which will be issued to the Recipient provided that the Company achieves certain Performance Goals established by the Committee. The actual number of Performance Units with respect to which the Recipient shall be entitled to receive a distribution of Shares of Common Stock shall be increased or decreased, depending on the degree to which the Company achieves a level of performance which exceeds or is less than Performance Goals established by the Committee; provided that the number of additional Performance Units which may be credited to the Recipient shall not exceed the number of Performance Units contained in the Targeted Performance Unit Award with the result that maximum number of Performance Units with respect to which the Recipient may be entitled to receive a distribution of Shares of Common Stock as a result of this Award is two (2) times the number of Performance Units contained in the Targeted Performance Unit Award.

The Plan provides that the terms and conditions of each Award are to be specified in a written instrument.

The Award of Performance Units to the Recipient on the terms and conditions contained in this instrument has been approved according to the terms of the Plan.

Grant of Award:

NOW, THEREFORE, the Company hereby grants an Award of Performance Units to the Recipient on the following terms and conditions:

1. Award of Performance Units. Subject to the terms and conditions of this Award instrument (“Instrument”), the Recipient is hereby granted an Award of Performance Units equal in number to the number of Performance Units contained in the Targeted Performance Unit

Award. The number of Performance Units with respect to which the Recipient shall be entitled to receive a distribution of Shares of Common Stock shall be increased or decreased based on the degree to which the Company has achieved or failed to achieve the Performance Goals established by the Committee. Provided that the Recipient satisfies the terms and conditions set forth in this Instrument, the Performance Units awarded to the Recipient will be converted into Shares of Common Stock and issued to the Recipient as provided for in this Instrument. Any reference in this Instrument to Performance Units shall be deemed to refer only to the Performance Units granted pursuant to the Award reflected in this Instrument together with any Dividend Equivalent Units attributable to such Performance Units and any additional Performance Units credited to the Recipient with respect to the Performance Units referred to above pursuant to the anti-dilution provisions of the Plan.

2. Restriction on Transfer. The Performance Units issued pursuant to this Award shall be subject to the Restrictions on transfer set forth in Section 8.01 of the Plan.

3. Performance Period and Performance Goals. The Performance Period for the Performance Units contained in this Award shall be the period beginning January 1, [Year of Performance Period Commencement] and ending December 31, [Year of Performance Period Commencement]. The Performance Goal which shall be in effect for the Performance Period shall be the achievement by the Company of a return on invested capital (“ROIC”) for the Performance Period (hereinafter the “Company ROIC”), which Company ROIC is equal to the Targeted ROIC the Performance. The Targeted ROIC for the Performance Period has been established by the Committee as _____%. The Company ROIC shall be equal to a fraction, the numerator of which is equal to the sum of the Company’s Net Income and the Company’s Net Interest Expense; and the denominator of which is an amount equal to the sum of the Company’s Monthly Average Debt and Monthly Average Equity minus the Company’s Monthly Average Cash. At the discretion of the Committee, the calculation of Company ROIC will be adjusted to remove the impact of net restructuring charges, net other non-routine charges and discontinued operations on the calculation of the Company ROIC. The Company’s Net Income is as reported in the Company’s consolidated annual financial statements, the Company’s Net Interest Expense is interest expense as reported in the Company’s consolidated annual financial statements, net of the tax benefit of interest expense, the Company’s Monthly Average Debt, Monthly Average Equity and Monthly Average Cash are based on the average of the balances of Debt, Equity and Cash, respectively, on the Company’s consolidated financial statements as of the end of each calendar month during the thirteen (13) month period beginning December 31, [Year Immediately Preceding Year of Performance Period Commencement] and ending December 31, [Year of Performance Period Commencement].

4. Issuances of Shares to Employed Recipients. Except as otherwise provided in Section 9 below, if, prior to [Date Established by Compensation Committee in Connection with Award Grant] (hereinafter the “Vesting Date”), there has not been a Change in Control and the Recipient is still in the employ of the Company on the Vesting Date, the Company shall, no earlier than February 1, [Year Immediately Following Vesting Date] and no later than March 1, [Year Immediately Following Vesting Date] (such period being hereinafter the “Intended Payment Period”), issue to the Recipient, Shares of Common Stock, equal in number to the

number of the Performance Units (and related Dividend Equivalent Units) which are deemed to have been earned by the Recipient for the Performance Period (as determined pursuant to Section 7 hereof).

5. Issuances of Shares Upon Certain Terminations of Employment. Notwithstanding any provisions of Section 6.10 of the Plan to the contrary and subject, in all cases, to the provisions of the Omnibus Code Section 409A Compliance Policy adopted by the Company effective January 1, 2009 and Section 9 below:

(a) if: (i) prior to the Vesting Date, there has not been a Change in Control which has resulted in the issuance of Shares of Common Stock to the Recipient pursuant to Section 8 hereof; and (ii) the Recipient terminates his employment with the Company after: (A) the later of: (I) the end of the Performance Period; and (II) the first anniversary of the date the Award is made to the Recipient; and (B) after the Recipient has attained at least age sixty (60) and completed at least five (5) years of service with the Company (as determined under the rules governing years of service provided for by the Company’s 401(k) plan) (any such Recipient who has attained at least age sixty (60) and completed at least five (5) years of service being hereinafter a “Retirement Eligible Recipient”); then (ii) during the Intended Payment Period, the Company shall issue to the Retirement Eligible Recipient, Shares of Common Stock, equal in number to the number of the Performance Units (and related Dividend Equivalent Units) which are deemed to have been earned by the Retirement Eligible Recipient for the Performance Period (as determined pursuant to Section 7 hereof);

(b) if: (i) prior to the Vesting Date, there has not been a Change in Control which has resulted in the issuance of Shares of Common Stock to the Recipient pursuant to Section 8 hereof; and (ii) the Recipient’s employment with the Company has been terminated prior to the end of the Performance Period due to the Recipient’s Disability; then (iii) during the period beginning on the first day following the end of the six (6) month period following the date on which the Recipient’s employment with the Company is terminated and ending at the end of the thirty (30) day period following such date, the Company shall issue to the Recipient, Shares of Common Stock, equal in number to the number of Performance Units contained in the Targeted Performance Unit Award;

(c) if: (i) prior to the Vesting Date, there has not been a Change in Control which has resulted in the issuance of Shares of Common Stock to the Recipient pursuant to Section 8 hereof; and (ii) the Recipient’s employment with the Company has been terminated prior to the end of the Performance Period due to the Recipient’s death; then (iii) as soon as practicable following the date of the Recipient’s death, but in no event later than December 31 of the calendar year following the calendar year in which the Recipient’s death occurs, the Company shall issue to the Recipient’s Beneficiary, Shares of Common Stock, equal in number to the number of Performance Units contained in the Targeted Performance Unit Award;

(d) if: (i) prior to the Vesting Date, there has not been a Change in Control which has resulted in the issuance of Shares of Common Stock to the Recipient pursuant to Section 8 hereof; and (ii) the Recipient’s employment with the Company has been terminated prior to the later of end of the Performance Period and the first anniversary of the date the Award is made to the Recipient: (I) by the Company “without cause” (as “cause” is defined in Section 6(c) below) (whether or not the Recipient is a Retirement Eligible Recipient); and (II) for a “Good Reason”, but, only to the extent that a written agreement defining “Good Reason” exists between the Company and the Recipient; then (iii) during the period beginning on the first day following the end of the six (6) month period following the date on which the Recipient’s employment with the Company is terminated and ending at the end of the thirty (30) day period following such date, or, if later, on March 1 following the end of the Performance Period or as soon as practicable thereafter, the Company shall issue to the Recipient, Shares of Common Stock, equal in number to the number of Performance Units (and related Dividend Equivalent Units) which are deemed to have been earned by the Recipient (as determined pursuant to Section 7

(e) if: (i) prior to the Vesting Date, there has not been a Change in Control which has resulted in the issuance of Shares of Common Stock to the Recipient pursuant to Section 8 hereof; and (ii) the Recipient’s employment with the Company has been terminated after the end of the Performance Period: (I) due to the Recipient’s Disability; (II) by the Company “without cause” (as “cause” is defined in Section 6(c) below); or (III) for a “Good Reason”, but, only to the extent that a written agreement defining “Good Reason” exists between the Company and the Recipient (in each of the instances described in (I), (II) and (III),whether or not the Recipient is a Retirement Eligible Recipient); then (iii) during the period beginning on the first day following the end of the six (6) month period following the date on which the Recipient’s employment with the Company is terminated and ending at the end of the thirty (30) day period following such date, the Company shall issue to the Recipient, Shares of Common Stock, equal in number to the number of Performance Units (and related Dividend Equivalent Units) which are deemed to have been earned by the Recipient (as determined pursuant to Section 7);

(f) if: (i) prior to the Vesting Date, there has not been a Change in Control which has resulted in the issuance of Shares of Common Stock to the Recipient pursuant to Section 8 hereof; and (ii) the Recipient’s employment with the Company has been terminated after the end of the Performance Period due to the Recipient’s death (whether or not the Recipient is a Retirement Eligible Recipient); then (iii) as soon as practicable following the date of the Recipient’s death, but in no event later than December 31 of the calendar year following the calendar year in which the Recipient’s death occurs, the Company shall issue to the Recipient’s beneficiary, Shares of Common Stock, equal in number to the number of Performance Units (and related Dividend Equivalent Units) which are deemed to have been earned by the Recipient (as determined pursuant to Section 7); and

(g) if: (i) prior to the Vesting Date, there has not been a Change in Control which has resulted in the issuance of Shares of Common Stock to the Recipient pursuant to Section 8 hereof; and (ii) the Recipient’s employment with the Company has been terminated by the Company “for cause” (as “cause” is defined in Section 6(c) below) after the later of: (A) the end of the Performance Period; and (B) the first anniversary of the date on which the Award was made to the Recipient; and (iii) at the time the Recipient’s employment is terminated, the Recipient is a Retirement Eligible Recipient; then (iv) during the period beginning on the first day following the end of the six (6) month period following the date on which the Recipient’s employment with the Company is terminated and ending at the end of the thirty (30) day period following such date, the Company shall issue to the Retirement Eligible Recipient, Shares of Common Stock, equal in number to the number of Performance Units (and related Dividend Equivalent Units) which are deemed to have been earned by the Retirement Eligible Recipient (as determined pursuant to Section 7).

6. Forfeiture of Performance Units Upon Certain Terminations of Employment. (a) If: (i) prior to the Vesting Date, there has not been a Change in Control which has resulted in the issuance of Shares of Common Stock to the Recipient pursuant to Section 8 hereof; and (ii) the Recipient's employment with the Company has been terminated prior to the later of: (A) end of the Performance Period; and (B) the first anniversary of the date the Award is made to the Recipient; but (C) after the Recipient has become a Retirement Eligible Recipient; and (iii) the Recipient's employment with the Company has been terminated "for cause" (as "cause" is defined in Section 6(c) below) or for any other reason other than: (I) the Recipient's death or Disability; or (II) a termination by the Company "without cause" (as "cause" is defined in Section 6(c) below); or (III) by the Recipient for a "Good Reason", but, only to the extent that a written agreement defining "Good Reason" exists between the Company and the Recipient; then (iv) the Retirement Eligible Recipient shall forfeit his right to payment for any Performance Units awarded pursuant to the terms of this Instrument and the Company shall have no obligation to pay the Recipient any amount with respect to such Performance Units. (b) If: (i) prior to the Vesting Date, there has not been a Change in Control which has resulted in the issuance of Shares of Common Stock to the Recipient pursuant to Section 8 hereof; and (ii) the Recipient's employment with the Company has been terminated prior to the Vesting Date (whether before or after the expiration of the Performance Period) for any reason other than: (I) the Recipient's death or Disability; or (II) a termination of the Recipient by the Company without "cause" (as "cause is defined in Section 6(c) below); or (III) a termination by the Recipient for a "Good Reason", but, only to the extent that a written agreement defining "Good Reason" exists between the Company and the Recipient; and (iii) at the time that the Recipient's employment is terminated, the Recipient is not a Retirement Eligible Recipient; then (iv) the Recipient shall forfeit his right to payment for any Performance Units awarded pursuant to the terms of this Instrument and the Company shall have no obligation to pay the Recipient any amount with respect to such Performance Units. (c) For purposes of this Agreement, the term "cause" when used in the context of a termination "for cause" or a termination "without cause" shall mean that the Recipient has, in the determination of the Committee, engaged in egregious acts or omissions which have resulted in material injury to the Company and its business.

7. Performance Units Deemed Earned. For purposes of determining the amount of the payment to be made to the Recipient with respect to the Performance Units awarded pursuant to this Instrument, the number of Performance Units deemed to have been earned by the Recipient for the Performance Period shall be determined by the Committee as soon as practicable following the end of the Performance Period. To determine the number of Performance Units which shall be deemed to have been earned by the Recipient, the Committee shall first determine the Company's ROIC for the Performance Period. The Committee shall compare the Company ROIC for the Performance Period to the Targeted ROIC for the Performance Period. If the Company ROIC for the Performance Period exceeds the Targeted ROIC for the Performance

Period, the number of Performance Units deemed to have been earned by the Recipient with respect to such Performance Period shall be equal to the number of Performance Units contained in the Targeted Performance Unit Award, increased by a number of Performance Units (provided that the aggregate number of Performance Units deemed to have been earned by the Recipient after any such increase shall not in any event exceed two hundred percent (200%) of the number of Performance Units contained in the Targeted Performance Unit Award) equal to five percent (5.0%) of the total number of Performance Units in the Targeted Performance Unit Award (or a pro-rata portion thereof) for each ten (10) basis points (or a pro-rata portion thereof) by which the Company ROIC for the Performance Period exceeds the Targeted ROIC for the Performance Period. If the Company ROIC for the Performance Period is less than the Targeted ROIC for the Performance Period and greater than the Company ROIC for the preceding fiscal year (the Company ROIC for the fiscal year immediately preceding the Performance period being hereinafter the "Prior Year ROIC"), the number of Performance Units deemed to have been earned by the Recipient for the Performance Period shall be equal to the number of Performance Units contained in the Targeted Performance Unit Award, reduced by a number of Performance Units equal to five percent (5.0%) of the total number of Performance Units in the Targeted Performance Unit Award (or a pro-rata portion thereof) for each ten (10) basis points (or a pro-rata portion thereof) by which the Targeted ROIC for the Performance Period exceeds the Company ROIC for the Performance Period. If the Company ROIC for the Performance Period is less than the Targeted ROIC for the Performance Period and less than the Prior Year ROIC, the number of Performance Units deemed to have been earned by the Recipient for the Performance Period shall be equal to the number of Performance Units contained in the Targeted Performance Unit Award, reduced by a number of Performance Units equal to five percent (5.0%) of the total number of Performance Units in the Targeted Performance Unit Award (or a pro-rata portion thereof) for each ten (10) basis points (or a pro-rata portion thereof) by which the Targeted ROIC for the Performance Period exceeds the Prior Year ROIC and further reduced by a number of Performance Units equal to 10 percent (10.0%) of the total number of Performance Units in the Targeted Performance Unit Award (or a pro-rata portion thereof) for each ten (10) basis points (or a pro-rata portion thereof) by which the Prior Year ROIC exceeds the Company ROIC for the Performance Period. If the Company ROIC for the Performance Period is equal to the Targeted ROIC for the Performance Period, the number of Performance Units deemed to have been earned by the Recipient shall be equal to the number of performance Units contained in the Targeted Performance Unit Award. No fractional Performance Units will be earned or issued, and, instead, the award of Performance Units will be rounded up or down to the nearest whole share. Notwithstanding the foregoing, for purposes of determining the number of Shares of Common Stock to be issued to the Recipient, the number of Performance Units which are deemed to be earned by the Recipient may, as contemplated by Section 6.08 of the Plan, be reduced by the Committee, in its discretion, to take into account such additional factors as may be determined by the Committee.

8. Issuance of Shares for Performance Units Upon a Change in Control. If a Change in Control occurs and, in connection with the Change in Control, the Acquiror (as defined in the Plan) does not either: (a) expressly assume, in writing, the obligations of the Company under the terms of this Award; or (b) issue to the Recipient a substitute award which is based on the Acquiror's stock and is substantially equivalent to the terms of this Award, both from an

economic perspective as well as from the perspective of the Recipient's rights to issuance of Shares of Common Stock (or stock of the Acquiror) upon terminations of employment with or without "Cause", due to death or Disability or on the initiative of the Recipient for a "Good Reason"; then (c)(i) if the Change in Control occurs after the end of the Performance Period, on the date the Change in Control occurs the Recipient shall, subject to the provisions of Section 9 below, be issued Shares of Common Stock, equal in number to the number of Performance Units, if any, deemed to have been earned by the Recipient pursuant to Section 7 hereof with respect to the Performance Period; and (ii) if the Change in Control occurs prior to the end of the Performance Period, on the date the Change in Control occurs the Recipient shall, subject to the provisions of Section 9 below, be issued Shares of Common Stock, equal in number to the number of Performance Units contained in the Targeted Performance Unit Award. Notwithstanding the foregoing, if any Shares of Common Stock have been issued to any Recipient under the terms of Section 4, Section 5 or Section 6 above and following the date of any such issuance, a Change in Control occurs, the Recipient shall not be entitled to any additional payment with respect to the Performance Units awarded to the Recipient pursuant to the terms of this Award as a result of the occurrence of the Change in Control.

9. Timing of Issuance of Shares. All Shares of Common Stock required to be issued to a Recipient in connection with the Performance Units reflected in this Award shall be issued on the same date.

10. Applicability of the Plan. Except as otherwise provided by this Instrument, the terms of the Plan shall apply to the Award described in this Instrument and the rights of the Recipient with respect to such Award. This Instrument, together with the Plan, contains all the terms and conditions of the Award described herein and the rights of the Recipient with respect to such Award.

11. Notices. Any notices or other communications given in connection with this Agreement shall be mailed, and shall be sent by registered or certified mail, return receipt requested, to the indicated address as follows:

If to the Company:

Gibraltar Industries, Inc.
3556 Lake Shore Road P.O. Box 2028
Buffalo, New York 14219
Attn: Corporate Secretary

If to the Recipient:

To the address of record or to such changed address as to which either party has given notice to the other party in accordance with this Section 11. All notices shall be deemed given when so mailed, except that a notice of a change of address shall be deemed given when received.

12. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning provided to such terms by the Plan.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first set forth above.

GIBRALTAR INDUSTRIES, INC.

By: ______________________________
Its:

EXHIBIT 31.1

CERTIFICATIONS

I, William T. Bosway, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gibraltar Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2023

/s/ William T. Bosway
William T. Bosway
Chairman of the Board, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Timothy F. Murphy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gibraltar Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 2, 2023

/s/ Timothy F. Murphy
Timothy F. Murphy
Senior Vice President and
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF PRESIDENT AND CHIEF EXECUTIVE OFFICER
PURSUANT TO TITLE 18, UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, William T. Bosway, President and Chief Executive Officer, of Gibraltar Industries, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William T. Bosway
William T. Bosway
Chairman of the Board, President and Chief Executive Officer

August 2, 2023

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
PURSUANT TO TITLE 18, UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Timothy F. Murphy, Senior Vice President and Chief Financial Officer, of Gibraltar Industries, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Timothy F. Murphy
Timothy F. Murphy
Senior Vice President and
Chief Financial Officer

August 2, 2023

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.