

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 3, 2021 (August 3, 2021)

GIBRALTAR INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

0-22462
(Commission File Number)

16-1445150
(IRS 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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| <u>Title of each class</u> | <u>Trading Symbol</u> | <u>Name of each exchange on which registered</u> |
|---|-----------------------|--|
| Common Stock, \$0.01 par value per share | ROCK | NASDAQ Stock Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

TABLE OF CONTENTS

| | |
|---|---|
| Item 2.02 Results of Operations and Financial Condition | 3 |
| Item 7.01 Regulation FD Disclosure | 3 |
| Item 9.01 Financial Statements and Exhibits | 3 |
| EX - 99.1 | |
| SIGNATURE | 4 |

Item 2.02 Results of Operations and Financial Condition

and

Item 7.01 Regulation FD Disclosure

The following information is furnished pursuant to both Item 2.02 and Item 7.01:

On August 3, 2021, Gibraltar Industries, Inc. (the "Company") issued a news release and held a conference call regarding results for the three months ended June 30, 2021. A copy of the news release (the "Release") is furnished herewith as [Exhibit 99.1](#) and is incorporated herein by reference.

The Company references adjusted financial information in both the Release and the conference call. A reconciliation of these adjusted financial measures is contained in the Release. The information in this Form 8-K under the captions Items 2.02 and 7.01 and Item 9.01, including the Release, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 (the "Securities Act") or the Exchange Act, unless the Company specifically incorporates it by reference in a document filed under the Securities Act or the Exchange Act.

Item 9.01 Financial Statements and Exhibits

(a)-(c) Not Applicable

(d) Exhibits:

| <u>Exhibit No.</u> | <u>Description</u> |
|----------------------|---|
| 99.1 | Earnings Release issued by Gibraltar Industries, Inc. on August 3, 2021 |

SIGNATURE

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 hereunto duly authorized.

GIBRALTAR INDUSTRIES, INC.

Date: August 3, 2021

By: /s/ Jeffrey J. Watorek
Jeffrey J. Watorek
Vice President, Treasurer and Secretary



Gibraltar Announces Second Quarter 2021 Financial Results

Q2 Revenue Increases 37%, including 14% Organic and 23% Growth from Acquisitions

GAAP and Adjusted EPS Up 8% and 7%, Respectively, to \$0.80

Record Order Backlog Exceeds \$400 Million, Led by Renewables

Reaffirming Full Year Revenue and EPS Guidance

Buffalo, New York, August 3, 2021 - Gibraltar Industries, Inc. (Nasdaq: ROCK), a leading manufacturer and provider of products and services for the renewable energy, residential, agtech and infrastructure markets, today reported its financial results for the three-month period ended June 30, 2021.

"In the midst of a dynamic and inflationary market environment, we delivered solid performance with revenue growth of 37%, adjusted operating income growth of 8%, adjusted EPS growth of 7%, and order backlog increased 54%, or 32% on a proforma basis, to over \$400 million, the highest level in the history of the company," President and Chief Executive Officer Bill Bosway stated. "Material cost inflation continued to accelerate as we exited the first quarter, and labor, freight, and logistics inflation and availability began to surface as we entered the second quarter. Working closely with customers and suppliers starting during fourth quarter 2020 and implementing ongoing pricing and productivity initiatives has helped us manage these dynamics and deliver this quarter's results. Additionally, the integrations of TerraSmart and Sunfig are on track, our Agtech business is recovering as planned, and overall demand is currently in line with expectations."

Second Quarter 2021 Consolidated Results from Continuing Operations

Net sales from continuing operations increased 36.5% to \$348.4 million, with organic growth contributing 14.0% and recent acquisitions 22.5%. Organic growth was driven by strong end market demand and participation gains in all four segments.

GAAP earnings increased 7.8% to \$26.4 million, or \$0.80 per share, and adjusted earnings increased 6.9% to \$26.3 million, or \$0.80 per share, the result of continued execution across the business segments, the TerraSmart acquisition, and 80/20 productivity initiatives, partially offset by timing and alignment of higher input costs and price increases, supply chain disruptions, and shifts in project timing in the Agtech and Renewables segments. Adjusted measures remove charges for restructuring initiatives, acquisition-related items, senior leadership transition costs, and other reclassifications, as further described in the appended reconciliation of adjusted financial measures.

Below are second quarter 2021 consolidated results from continuing operations:

| <i>\$Millions, except EPS</i> | Three Months Ended June 30, | | | | | |
|-------------------------------|-----------------------------|-------------|-----------------|-------------|-------------|-----------------|
| | GAAP | | | Adjusted | | |
| | <u>2021</u> | <u>2020</u> | <u>% Change</u> | <u>2021</u> | <u>2020</u> | <u>% Change</u> |
| Net Sales | \$348.4 | \$255.2 | 36.5% | \$348.4 | \$255.2 | 36.5% |
| Net Income | \$26.4 | \$24.5 | 7.8% | \$26.3 | \$24.6 | 6.9% |
| Diluted EPS | \$0.80 | \$0.74 | 8.1% | \$0.80 | \$0.75 | 6.7% |

Second Quarter Segment Results

Renewables

The headwinds impacting the solar industry in the first quarter, including steel inflation, supply chain challenges with panels, and the safe harbor ITC extension announced in December 2020, continued into the second quarter. Despite this, the Renewable business continued to accelerate, delivering year-over-year revenue growth of 92.5% through the combination of the legacy and TerraSmart businesses and pro forma organic growth of 25%. Growth was driven by strong demand across Gibraltar's broad offering of fixed tilt, tracker, canopy, and eBos product solutions serving the community and commercial and industrial market segments. Order backlog exceeded \$218 million at the end of the quarter, up 54% from last year on a proforma basis, its highest level in the company's history. The integration of the legacy and TerraSmart businesses remains on track, and the combination of the two is resonating well in the market.

Adjusted operating income improved 45.2% while adjusted operating margin contracted 380 basis points, the majority of which was anticipated, and related to the integration of TerraSmart. The TerraSmart integration is delivering as expected with adjusted operating margins nearly doubling over the first quarter as demand continued to accelerate and 80/20 productivity initiatives were implemented, and TerraSmart's full-year margin plan remains on track. Of the remaining shortfall, approximately half was related to a one-time tariff credit received in Q2 2020, with the remaining the result of timing and alignment of price actions with input cost inflation and project movement related to supply chain schedule and logistics challenges.

For the second quarter, the Renewables segment reported:

| <i>\$Millions</i> | Three Months Ended June 30, | | | | | |
|-------------------|-----------------------------|-------------|-----------------|-------------|-------------|-----------------|
| | GAAP | | | Adjusted | | |
| | <u>2021</u> | <u>2020</u> | <u>% Change</u> | <u>2021</u> | <u>2020</u> | <u>% Change</u> |
| Net Sales | \$107.8 | \$56.0 | 92.5% | \$107.8 | \$56.0 | 92.5% |
| Operating Income | \$9.5 | \$8.4 | 13.1% | \$12.2 | \$8.4 | 45.2% |
| Operating Margin | 8.8% | 15.1% | (630) bps | 11.3% | 15.1% | (380) bps |

Residential

Revenue increased 17.7% with strong organic growth of 12% driven by increased pricing and volume, despite supply chain dynamics related to material, labor and logistics availability; Architectural Mailboxes, acquired in 2020, contributed 6% of the quarter's growth and integration remains on track.

The business delivered adjusted operating margin of 16.6%, a decrease versus last year, driven by the impact of accelerated inflation, material and labor availability, and the timing and alignment of price actions with input costs. Gibraltar has implemented multiple price increases, and will continue to do so until inflation subsides. In accordance with customer supply agreements, each price action will take time to align with accelerating inflation, with operating margin historically recovering within a one or two quarter period. In the near term, management will continue to maximize operating profit dollars with focus on execution and 80/20 productivity initiatives.

For the second quarter, the Residential segment reported:

| <i>\$Millions</i> | Three Months Ended June 30, | | | | | |
|-------------------|-----------------------------|-------------|-----------------|-------------|-------------|-----------------|
| | GAAP | | | Adjusted | | |
| | <u>2021</u> | <u>2020</u> | <u>% Change</u> | <u>2021</u> | <u>2020</u> | <u>% Change</u> |
| Net Sales | \$164.2 | \$139.5 | 17.7% | \$164.2 | \$139.5 | 17.7% |
| Operating Income | \$27.2 | \$28.0 | (2.9%) | \$27.2 | \$28.2 | (3.5%) |
| Operating Margin | 16.5% | 20.0% | (350) bps | 16.6% | 20.2% | (360) bps |

Agtech

Revenue increased 27.0% with solid activity across the produce, commercial, car wash, retail, and processing equipment segments. Although demand continued to improve, the business experienced project movement from the second quarter into the second half of 2021 as schedules have been impacted by permit delays, rescoping of projects, and supply chain disruptions. Order backlog experienced a slight and temporary contraction during the quarter due to rescoping of projects and the impact of supply chain disruptions. July customer order activity is accelerating backlog momentum, and the segment remains on track with expectations for the year.

Adjusted operating income was flat year-over-year and adjusted operating margin expanded 180 basis points on a sequential basis as the processing equipment business continued to improve along with continuing benefits of integration in the produce business. Adjusted operating margin contracted year-over-year due to business mix, the movement of certain abovementioned projects into the second half of the year, higher input costs and logistics challenges. These temporary headwinds were partially offset by improvements in legacy greenhouse structures, cannabis greenhouse structures, and cannabis and hemp processing equipment businesses.

For the second quarter, the Agtech segment reported:

| <i>\$Millions</i> | Three Months Ended June 30, | | | | | |
|-------------------|-----------------------------|-------------|-----------------|-------------|-------------|-----------------|
| | GAAP | | | Adjusted | | |
| | <u>2021</u> | <u>2020</u> | <u>% Change</u> | <u>2021</u> | <u>2020</u> | <u>% Change</u> |
| Net Sales | \$53.7 | \$42.3 | 27.0% | \$53.7 | \$42.3 | 27.0% |
| Operating Income | \$1.0 | \$0.8 | 25.0% | \$2.3 | \$2.3 | -- |
| Operating Margin | 1.8% | 1.8% | -- bps | 4.2% | 5.5% | (130) bps |

Infrastructure

Revenue increased 29.7% as demand for fabricated and non-fabricated products increased as State D.O.T. project funding improved with the strengthening of the U.S. economy. Order backlog increased 11% to more than \$46 million during the quarter indicating growing strength across the business.

Improvement in adjusted operating margin was driven by mix of higher-margin non-fabricated products and solutions, strong execution on higher volumes, and continued investment in 80/20 productivity initiatives.

For the second quarter, the Infrastructure segment reported:

| <i>\$Millions</i> | Three Months Ended June 30, | | | | | |
|-------------------|-----------------------------|-------------|-----------------|-------------|-------------|-----------------|
| | GAAP | | | Adjusted | | |
| | <u>2021</u> | <u>2020</u> | <u>% Change</u> | <u>2021</u> | <u>2020</u> | <u>% Change</u> |
| Net Sales | \$22.7 | \$17.5 | 29.7% | \$22.7 | \$17.5 | 29.7% |
| Operating Income | \$4.2 | \$2.8 | 50.0% | \$4.2 | \$2.8 | 50.0% |
| Operating Margin | 18.4% | 16.0% | 240 bps | 18.4% | 16.0% | 240 bps |

Business Outlook

"We expect today's business environment, which has been very dynamic since the beginning of January, to remain so throughout the second half of 2021. We will continue to manage inflation, minimize supply chain disruptions, operate in a tight labor market, and continue with our COVID operating protocols. We are currently positioned well with solid end market demand, record order backlog, a very healthy balance sheet, and strong focus on daily execution, acquisition integrations, and further strengthening our organization and operating systems," commented Mr. Bosway. "We remain confident in our existing full year 2021 guidance for revenue and earnings. We base this on our performance to date in 2021, which is consistent with historical patterns, and our current outlook and initiatives for improving profitability across each business. Consolidated revenue is expected to range between \$1.3 billion and \$1.35 billion. GAAP EPS from continuing operations is expected to range between \$2.78 and \$2.95 compared to \$2.53 in 2020, and adjusted EPS from continuing operations is expected to range between \$3.30 and \$3.47 compared to \$2.73 in 2020."

Second Quarter 2021 Conference Call Details

Gibraltar will host a conference call today starting at 9:00 a.m. ET to review its results for the second quarter of 2021. Interested parties may access the webcast through the Investors section of the Company's website at www.gibraltar1.com or dial into the call at (877) 407-3088 or (201) 389-0927. For interested individuals unable to join the live conference call, a webcast replay will be available on the Company's website for one year.

About Gibraltar

Gibraltar Industries is a leading manufacturer and provider of products and services for the renewable energy, residential, agtech and infrastructure markets. With a three-pillar strategy focused on business systems, portfolio management, and organization and talent development, Gibraltar's mission is to create compounding and sustainable value with strong leadership positions in higher growth, profitable end markets. Gibraltar serves customers primarily throughout North America. Comprehensive information about Gibraltar can be found on its website at www.gibraltar1.com.

Forward-Looking Statements

Certain information set forth in this news release, other than historical statements, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that are based, in whole or in part, on current expectations, estimates, forecasts, and projections about the Company's business, and management's beliefs about future operations, results, and financial position. These statements are not guarantees of future performance and are subject to a number of risk factors, uncertainties, and assumptions. Actual events, performance, or results could differ materially from the anticipated events, performance, or results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from current expectations include, among other things, the impacts of COVID-19 on the global economy and on our customers, suppliers, employees, operations, business, liquidity and cash flows, other general economic conditions and conditions in the particular markets in which we operate, changes in customer demand and capital spending, competitive factors and pricing pressures, our ability to develop and launch new products in a cost-effective manner, our ability to realize synergies from newly acquired businesses, and our ability to derive expected benefits from restructuring, productivity initiatives, liquidity enhancing actions, and other cost reduction actions. Before making any investment decisions regarding our company, we strongly advise you to read the section entitled "Risk Factors" in our most recent annual report on Form 10-K which can be accessed under the "SEC Filings" link of the "Investor Info" page of our website at www.Gibraltar1.com. The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law or regulation.

Adjusted Financial Measures

To supplement Gibraltar's consolidated financial statements presented on a GAAP basis, Gibraltar also presented certain adjusted financial measures in this news release. Adjusted financial measures exclude special charges consisting of restructuring costs primarily associated with 80/20 simplification initiatives, senior leadership transition costs, acquisition related costs, and other reclassifications. These adjustments are shown in the reconciliation of adjusted financial measures excluding special charges provided in the supplemental financial schedules that accompany this news release. The Company believes that the presentation of results excluding special charges provides meaningful supplemental data to investors, as well as management, that are indicative of the Company's core operating results and facilitates comparison of operating results across reporting periods as well as comparison with other companies. Special charges are excluded since they may not be considered directly related to the Company's ongoing business operations. These adjusted measures should not be viewed as a substitute for the Company's GAAP results and may be different than adjusted measures used by other companies.

Contact:

LHA Investor Relations
Jody Burfening/Carolyn Capaccio
(212) 838-3777
rock@lhai.com

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------------|------------------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Net Sales | \$ 348,389 | \$ 255,184 | \$ 635,981 | \$ 470,585 |
| Cost of sales | 267,458 | 189,623 | 495,032 | 355,163 |
| Gross profit | 80,931 | 65,561 | 140,949 | 115,422 |
| Selling, general, and administrative expense | 49,522 | 34,813 | 96,725 | 71,897 |
| Income from operations | 31,409 | 30,748 | 44,224 | 43,525 |
| Interest expense | 245 | 222 | 689 | 266 |
| Other income | (4,666) | (1,892) | (4,351) | (1,374) |
| Income before taxes | 35,830 | 32,418 | 47,886 | 44,633 |
| Provision for income taxes | 9,457 | 7,961 | 11,017 | 10,274 |
| Income from continuing operations | 26,373 | 24,457 | 36,869 | 34,359 |
| Discontinued operations: | | | | |
| (Loss) income before taxes | (502) | 3,746 | 2,068 | 6,576 |
| (Benefit of) provision for income taxes | (78) | 911 | 226 | 1,584 |
| (Loss) income from discontinued operations | (424) | 2,835 | 1,842 | 4,992 |
| Net income | <u>\$ 25,949</u> | <u>\$ 27,292</u> | <u>\$ 38,711</u> | <u>\$ 39,351</u> |
| Net earnings per share – Basic: | | | | |
| Income from continuing operations | \$ 0.80 | \$ 0.75 | \$ 1.12 | \$ 1.05 |
| (Loss) income from discontinued operations | (0.01) | 0.09 | 0.06 | 0.16 |
| Net income | <u>\$ 0.79</u> | <u>\$ 0.84</u> | <u>\$ 1.18</u> | <u>\$ 1.21</u> |
| Weighted average shares outstanding -- Basic | <u>32,790</u> | <u>32,605</u> | <u>32,791</u> | <u>32,596</u> |
| Net earnings per share – Diluted: | | | | |
| Income from continuing operations | \$ 0.80 | \$ 0.74 | \$ 1.11 | \$ 1.05 |
| (Loss) income from discontinued operations | (0.01) | 0.09 | 0.06 | 0.15 |
| Net income | <u>\$ 0.79</u> | <u>\$ 0.83</u> | <u>\$ 1.17</u> | <u>\$ 1.20</u> |
| Weighted average shares outstanding -- Diluted | <u>33,056</u> | <u>32,860</u> | <u>33,071</u> | <u>32,868</u> |

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

| | June 30, 2021 (unaudited) | December 31, 2020 |
|--|---------------------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 16,963 | \$ 32,054 |
| Accounts receivable, net of allowance of \$5,294 and \$3,529 | 225,315 | 197,990 |
| Inventories, net | 133,625 | 98,307 |
| Prepaid expenses and other current assets | 23,641 | 19,671 |
| Assets of discontinued operations | — | 77,438 |
| Total current assets | 399,544 | 425,460 |
| Property, plant, and equipment, net | 95,837 | 89,562 |
| Operating lease assets | 21,651 | 25,229 |
| Goodwill | 508,857 | 514,279 |
| Acquired intangibles | 159,734 | 156,365 |
| Other assets | 510 | 1,599 |
| | <u>\$ 1,186,133</u> | <u>\$ 1,212,494</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 168,917 | \$ 134,738 |
| Accrued expenses | 68,677 | 83,505 |
| Billings in excess of cost | 49,215 | 34,702 |
| Liabilities of discontinued operations | — | 49,295 |
| Total current liabilities | 286,809 | 302,240 |
| Long-term debt | 32,309 | 85,636 |
| Deferred income taxes | 37,555 | 39,057 |
| Non-current operating lease liabilities | 14,391 | 17,730 |
| Other non-current liabilities | 27,461 | 24,026 |
| Stockholders' equity: | | |
| Preferred stock, \$0.01 par value; authorized 10,000 shares; none outstanding | — | — |
| Common stock, \$0.01 par value; 100,000 and 50,000 shares authorized as June 30, 2021 and December 31, 2020, respectively; 33,718 shares and 33,568 shares issued and outstanding in 2021 and 2020 | 337 | 336 |
| Additional paid-in capital | 310,728 | 304,870 |
| Retained earnings | 508,654 | 469,943 |
| Accumulated other comprehensive income (loss) | 1,552 | (2,461) |
| Cost of 1,083 and 1,028 common shares held in treasury in 2021 and 2020 | (33,663) | (28,883) |
| Total stockholders' equity | 787,608 | 743,805 |
| | <u>\$ 1,186,133</u> | <u>\$ 1,212,494</u> |

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

| | Six Months Ended June 30, | |
|---|------------------------------|------------|
| | 2021 | 2020 |
| Cash Flows from Operating Activities | | |
| Net income | \$ 38,711 | \$ 39,351 |
| Income from discontinued operations | 1,842 | 4,992 |
| Income from continuing operations | 36,869 | 34,359 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 16,014 | 9,942 |
| Stock compensation expense | 4,935 | 4,171 |
| Gain on sale of business | — | (1,881) |
| Exit activity costs, non-cash | 1,193 | 346 |
| Benefit of deferred income taxes | (36) | (195) |
| Other, net | 349 | 429 |
| Changes in operating assets and liabilities, excluding the effects of acquisitions: | | |
| Accounts receivable | (29,150) | (26,289) |
| Inventories | (42,686) | 3,289 |
| Other current assets and other assets | (611) | 1,893 |
| Accounts payable | 35,174 | (989) |
| Accrued expenses and other non-current liabilities | (9,274) | (36,042) |
| Net cash provided by (used in) operating activities of continuing operations | 12,777 | (10,967) |
| Net cash (used in) provided by operating activities of discontinued operations | (2,002) | 3,712 |
| Net cash provided by (used in) operating activities | 10,775 | (7,255) |
| Cash Flows from Investing Activities | | |
| Acquisitions, net of cash acquired | (2) | (54,385) |
| Net proceeds from sale of property and equipment | — | 59 |
| Purchases of property, plant, and equipment | (9,474) | (4,178) |
| Net proceeds from sale of business | 39,991 | 704 |
| Net cash provided by (used in) investing activities of continuing operations | 30,515 | (57,800) |
| Net cash used in investing activities of discontinued operations | (176) | (1,053) |
| Net cash provided by (used in) investing activities | 30,339 | (58,853) |
| Cash Flows from Financing Activities | | |
| Proceeds from long-term debt | 31,200 | — |
| Long-term debt payments | (83,636) | — |
| Purchase of treasury stock at market prices | (4,780) | (4,462) |
| Net proceeds from issuance of common stock | 924 | 78 |
| Net cash used in financing activities | (56,292) | (4,384) |
| Effect of exchange rate changes on cash | 87 | (12) |
| Net decrease in cash and cash equivalents | (15,091) | (70,504) |
| Cash and cash equivalents at beginning of year | 32,054 | 191,363 |
| Cash and cash equivalents at end of period | \$ 16,963 | \$ 120,859 |

GIBRALTAR INDUSTRIES, INC.
Reconciliation of Adjusted Financial Measures
(in thousands, except per share data)
(unaudited)

| | Three Months Ended June 30, 2021 | | | | |
|---|-------------------------------------|--------------------------|--|------------------------------|--------------------------------|
| | As Reported In GAAP Statements | Restructuring Charges | Senior Leadership Transition Costs | Acquisition Related Items | Adjusted Financial Measures |
| Net Sales | | | | | |
| Renewables | \$ 107,751 | — | — | — | \$ 107,751 |
| Residential | 164,209 | — | — | — | 164,209 |
| Agtech | 53,696 | — | — | — | 53,696 |
| Infrastructure | 22,733 | — | — | — | 22,733 |
| Consolidated sales | 348,389 | — | — | — | 348,389 |
| Income from operations | | | | | |
| Renewables | 9,510 | 786 | — | 1,858 | 12,154 |
| Residential | 27,155 | 29 | — | — | 27,184 |
| Agtech | 977 | 1,287 | — | — | 2,264 |
| Infrastructure | 4,186 | — | — | — | 4,186 |
| Segments Income | 41,828 | 2,102 | — | 1,858 | 45,788 |
| Unallocated corporate expense | (10,419) | 59 | 18 | 32 | (10,310) |
| Consolidated income from operations | 31,409 | 2,161 | 18 | 1,890 | 35,478 |
| Interest expense | 245 | — | — | — | 245 |
| Other (income) expense | (4,666) | — | — | 4,747 | 81 |
| Income before income taxes | 35,830 | 2,161 | 18 | (2,857) | 35,152 |
| Provision for income taxes | 9,457 | 507 | 5 | (1,149) | 8,820 |
| Income from continuing operations | \$ 26,373 | \$ 1,654 | \$ 13 | \$ (1,708) | \$ 26,332 |
| Income from continuing operations per share - diluted | \$ 0.80 | \$ 0.05 | \$ — | \$ (0.05) | \$ 0.80 |
| Operating margin | | | | | |
| Renewables | 8.8 % | 0.7 % | — % | 1.7 % | 11.3 % |
| Residential | 16.5 % | — % | — % | — % | 16.6 % |
| Agtech | 1.8 % | 2.4 % | — % | — % | 4.2 % |
| Infrastructure | 18.4 % | — % | — % | — % | 18.4 % |
| Segments Margin | 12.0 % | 0.6 % | — % | 0.5 % | 13.1 % |
| Consolidated | 9.0 % | 0.6 % | — % | 0.5 % | 10.2 % |

GIBRALTAR INDUSTRIES, INC.
Reconciliation of Adjusted Financial Measures
(in thousands, except per share data)
(unaudited)

| | Three Months Ended June 30, 2020 | | | | | Adjusted Financial Measures |
|---|-------------------------------------|--|-------------------|-----------------------------|--|--------------------------------|
| | As Reported In GAAP Statements | Restructuring & Senior Leadership Transition Costs | Acquisition Costs | Gain on Sale of Business | | |
| Net Sales | | | | | | |
| Renewables | \$ 55,950 | \$ — | \$ — | \$ — | | \$ 55,950 |
| Residential | 139,472 | — | — | — | | 139,472 |
| Agtech | 42,309 | — | — | — | | 42,309 |
| Infrastructure | 17,453 | — | — | — | | 17,453 |
| Consolidated sales | 255,184 | — | — | — | | 255,184 |
| Income from operations | | | | | | |
| Renewables | 8,422 | — | — | — | | 8,422 |
| Residential | 27,964 | 263 | — | — | | 28,227 |
| Agtech | 766 | 388 | 1,172 | — | | 2,326 |
| Infrastructure | 2,801 | — | — | — | | 2,801 |
| Segments Income | 39,953 | 651 | 1,172 | — | | 41,776 |
| Unallocated corporate expense | (9,205) | 161 | 50 | — | | (8,994) |
| Consolidated income from operations | 30,748 | 812 | 1,222 | — | | 32,782 |
| Interest expense | 222 | — | — | — | | 222 |
| Other income | (1,892) | — | — | 1,881 | | (11) |
| Income before income taxes | 32,418 | 812 | 1,222 | (1,881) | | 32,571 |
| Provision for income taxes | 7,961 | 170 | 274 | (469) | | 7,936 |
| Income from continuing operations | \$ 24,457 | \$ 642 | \$ 948 | \$ (1,412) | | \$ 24,635 |
| Income from continuing operations per share - diluted | \$ 0.74 | \$ 0.02 | \$ 0.03 | \$ (0.04) | | \$ 0.75 |
| Operating margin | | | | | | |
| Renewables | 15.1 % | — % | — % | — % | | 15.1 % |
| Residential | 20.0 % | 0.2 % | — % | — % | | 20.2 % |
| Agtech | 1.8 % | 0.9 % | 2.8 % | — % | | 5.5 % |
| Infrastructure | 16.0 % | — % | — % | — % | | 16.0 % |
| Segments Margin | 15.7 % | 0.3 % | 0.5 % | — % | | 16.4 % |
| Consolidated | 12.0 % | 0.3 % | 0.5 % | — % | | 12.8 % |

GIBRALTAR INDUSTRIES, INC.
Reconciliation of Adjusted Financial Measures
(in thousands, except per share data)
(unaudited)

| | As Reported In GAAP Statements | Restructuring Charges | Six Months Ended June 30, 2021 | | Acquisition Related Items | Adjusted Financial Measures |
|---|-----------------------------------|-----------------------|---------------------------------------|---------|------------------------------|--------------------------------|
| | | | Senior Leadership Transition Costs | | | |
| Net Sales | | | | | | |
| Renewables | \$ 193,263 | — | — | — | — | \$ 193,263 |
| Residential | 304,426 | — | — | — | — | 304,426 |
| Agtech | 100,435 | — | — | — | — | 100,435 |
| Infrastructure | 37,857 | — | — | — | — | 37,857 |
| Consolidated sales | 635,981 | — | — | — | — | 635,981 |
| Income from operations | | | | | | |
| Renewables | 8,989 | 5,757 | — | 3,758 | — | 18,504 |
| Residential | 50,089 | 94 | — | — | — | 50,183 |
| Agtech | 1,906 | 1,491 | — | — | — | 3,397 |
| Infrastructure | 6,223 | — | — | — | — | 6,223 |
| Segments Income | 67,207 | 7,342 | — | 3,758 | — | 78,307 |
| Unallocated corporate expense | (22,983) | 59 | 1,307 | 915 | — | (20,702) |
| Consolidated income from operations | 44,224 | 7,401 | 1,307 | 4,673 | — | 57,605 |
| Interest expense | | | | | | |
| Interest expense | 689 | — | — | — | — | 689 |
| Other (income) expense | (4,351) | — | — | 4,747 | — | 396 |
| Income before income taxes | 47,886 | 7,401 | 1,307 | (74) | — | 56,520 |
| Provision for income taxes | 11,017 | 1,880 | 311 | (442) | — | 12,766 |
| Income from continuing operations | \$ 36,869 | \$ 5,521 | \$ 996 | \$ 368 | \$ — | \$ 43,754 |
| Income from continuing operations per share - diluted | \$ 1.11 | \$ 0.17 | \$ 0.03 | \$ 0.01 | \$ — | \$ 1.32 |
| Operating margin | | | | | | |
| Renewables | 4.7 % | 3.0 % | — % | 1.9 % | — % | 9.6 % |
| Residential | 16.5 % | — % | — % | — % | — % | 16.5 % |
| Agtech | 1.9 % | 1.5 % | — % | — % | — % | 3.4 % |
| Infrastructure | 16.4 % | — % | — % | — % | — % | 16.4 % |
| Segments Margin | 10.6 % | 1.2 % | — % | 0.6 % | — % | 12.3 % |
| Consolidated | 7.0 % | 1.2 % | 0.2 % | 0.7 % | — % | 9.1 % |

GIBRALTAR INDUSTRIES, INC.
Reconciliation of Adjusted Financial Measures
(in thousands, except per share data)
(unaudited)

| | Six Months Ended June 30, 2020 | | | | |
|---|-----------------------------------|--|-------------------|-----------------------------|--------------------------------|
| | As Reported In GAAP Statements | Restructuring & Senior Leadership Transition Costs | Acquisition Costs | Gain on Sale of Business | Adjusted Financial Measures |
| Net Sales | | | | | |
| Renewables | \$ 103,213 | \$ — | \$ — | \$ — | \$ 103,213 |
| Residential | 242,891 | — | — | — | 242,891 |
| Agtech | 91,543 | — | — | — | 91,543 |
| Infrastructure | 32,938 | — | — | — | 32,938 |
| Consolidated sales | 470,585 | — | — | — | 470,585 |
| Income from operations | | | | | |
| Renewables | 12,781 | 18 | — | — | 12,799 |
| Residential | 41,689 | 484 | — | — | 42,173 |
| Agtech | 2,106 | 388 | 2,173 | — | 4,667 |
| Infrastructure | 4,377 | — | — | — | 4,377 |
| Segments Income | 60,953 | 890 | 2,173 | — | 64,016 |
| Unallocated corporate expense | (17,428) | 2,441 | 309 | — | (14,678) |
| Consolidated income from operations | 43,525 | 3,331 | 2,482 | — | 49,338 |
| Interest expense | | | | | |
| Interest expense | 266 | — | — | — | 266 |
| Other (income) expense | (1,374) | — | — | 1,881 | 507 |
| Income before income taxes | 44,633 | 3,331 | 2,482 | (1,881) | 48,565 |
| Provision for income taxes | 10,274 | 229 | 590 | (469) | 10,624 |
| Income from continuing operations | \$ 34,359 | \$ 3,102 | \$ 1,892 | \$ (1,412) | \$ 37,941 |
| Income from continuing operations per share - diluted | \$ 1.05 | \$ 0.09 | \$ 0.05 | \$ (0.04) | \$ 1.15 |
| Operating margin | | | | | |
| Renewables | 12.4 % | — % | — % | — % | 12.4 % |
| Residential | 17.2 % | 0.2 % | — % | — % | 17.4 % |
| Agtech | 2.3 % | 0.4 % | 2.4 % | — % | 5.1 % |
| Infrastructure | 13.3 % | — % | — % | — % | 13.3 % |
| Segments Margin | 13.0 % | 0.2 % | 0.5 % | — % | 13.6 % |
| Consolidated | 9.2 % | 0.7 % | 0.5 % | — % | 10.5 % |