# CSW Industrials Provides Updates to Share Repurchase Program and Revolving Credit Facility; Reaffirms Capital Allocation Strategy

December 16, 2022

DALLAS, Dec. 16, 2022 (GLOBE NEWSWIRE) -- CSW Industrials, Inc. (Nasdaq: CSWI) today provides the following updates:

- Announces a new $100 million share repurchase program, authorized by Board of Directors, to replace the existing program
- Increases revolving credit facility committed amount to $500 million
- Reaffirms commitment to capital allocation strategy previously published on November 7, 2018

Joseph B. Armes, CSWI Chairman, Chief Executive Officer, and President commented, "This new $100 million share repurchase program underscores our Board's confidence in CSWI's resilient business model, future growth, and cash generation. The incremental $100 million of capital available through our revolving credit facility reflects a strong reception from the bank market and is a testament to CSWI's track record of financial performance. We appreciate the support of our lender group and look forward to our continued collaboration as we execute our growth strategy."

Armes continued, "With our sustained financial performance, strong balance sheet, and stated objective of enhancing long-term shareholder value, I am pleased to reaffirm our commitment to our previously articulated capital allocation strategy. Our broadly discussed capital allocation principles remain unchanged, and we believe reaffirming this strategic commitment adds incremental accountability to our shareholders. Since the Company's spin-off in 2015, we have invested $566 million in acquisitions, returned $131 million to our shareholders through share repurchases, and paid $31 million in dividends to our shareholders, demonstrating our commitment to enhance long-term shareholder value."

**New $100 Million Share Repurchase Program**

CSWI today announced its Board of Directors authorized a new $100 million share repurchase program, which replaces the existing $100 million program. Under the Company's prior programs, the Company has repurchased 1.9 million shares to date.

Under the newly authorized program, shares may be repurchased from time to time in the open market or in privately negotiated transactions. All repurchases will be made at the Company's discretion, based on ongoing assessments of the business' prospects, capital allocation priorities, the market price of its common stock and general market conditions. The Board of Directors has established an expiration of December 31, 2024, for completion of the repurchase program; however, the program may be extended in the future, or it may be limited or terminated at any time without notice.

**Revolving Credit Capacity Increase of $100 Million**

On May 18, 2021, CSWI entered into a five-year, $400 million Revolving Credit Facility agreement that contained a $150 million accordion feature. On December 15, 2022, the Company amended the Revolving Credit Facility to utilize a portion of the accordion feature, thus increasing the commitment from $400 million to $500 million, and concurrently reduced the available incremental accordion by a corresponding amount.

The Company expects to employ the incremental commitment for general corporate purposes and to support its strategic growth initiatives. The additional commitment further bolsters liquidity and provides additional flexibility to execute the fiscal 2024 plan.

**Stated Capital Allocation Principles**

CSW Industrials is committed to maintaining a strong balance sheet with ample liquidity through both cash and available credit to maximize growth opportunities, both organically and inorganically. Capital allocation will be evaluated and prioritized on a risk-adjusted returns basis as detailed below.

- Investment to support organic growth opportunities.
- Investment in inorganic growth opportunities:
  - The Company will continue to prioritize accretive, synergistic acquisitions within its existing segments and end markets served.
  - The Company will also consider broader strategic opportunities as appropriate.
- Return of excess free cash to stockholders as appropriate through opportunistic share repurchases and dividends.

Through these efforts, the Company targets a sustained leverage ratio of 1x to 3x total debt to EBITDA. The Company retains the flexibility to exceed the maximum sustained leverage ratio for a limited time to support strategic investment opportunities.

**About CSW Industrials**

CSW Industrials is a diversified industrial growth company with industry-leading operations in three segments: Contractor Solutions, Engineered Building Solutions, and Specialized Reliability Solutions. CSWI provides niche, value-added products with two essential commonalities: performance and reliability. The primary end markets we serve with our well-known brands include: HVAC/R, plumbing, general industrial, architecturally-specified building products, energy, mining, and rail. For more information, please visit www.cswindustrials.com.

**Investor Relations**

Adrianne D. Griffin
Vice President Investor Relations, & Treasurer
214-489-7113
adrianne.griffin@cswi.com