



CSW Industrials Announces \$75 Million Share Buyback Authorization; Details Capital Allocation Strategy

November 7, 2018

DALLAS, Nov. 07, 2018 (GLOBE NEWSWIRE) -- CSW Industrials, Inc. (NASDAQ:CSWI), a diversified industrial growth company with well-established, scalable platforms and domain expertise across two segments: Industrial Products and Specialty Chemicals, today announced the Board of Directors has authorized a \$75 million share repurchase program over a two-year period. To date, the Company has repurchased approximately 656 thousand shares and completed the current \$35 million Board-authorized share repurchase program implemented on November 11, 2016.

Under the 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' capital allocation priorities, the market price of its common stock and general market conditions. The Board of Directors has established a two year time limit for the 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.

Formalized Capital Allocation Strategy

As part of CSW Industrials' ongoing strategic planning with its Board of Directors, the Company also announced a formalized capital allocation strategy.

Joseph Armes, Chief Executive Officer of CSW Industrials, said, "We are very pleased to formalize our capital allocation strategy, which will guide us as we remain focused on maximizing shareholder returns on a risk adjusted basis. The general framework of our broadly discussed capital allocation principles remains unchanged, but we believe that articulating our principles more formally adds incremental transparency and accountability to our shareholders."

Armes continued, "Additionally, with our announcement of a new and increased share repurchase program, our Board has expressed its confidence in the strength of our Company and our strategy, as well as demonstrated its commitment to our capital allocation principles."

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 prioritize accretive, synergistic acquisitions within its existing business units.
 - 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 3x total debt to EBITDA or less. The Company believes that, over time, its capital allocation priorities will prudently increase leverage from current levels. Additionally, the Company retains the flexibility to exceed the maximum sustained leverage ratio for a limited time to support strategic investment opportunities.

About CSW Industrials

CSWI is a diversified industrial growth company with well-established, scalable platforms and domain expertise across two segments: Industrial Products and Specialty Chemicals. CSWI's broad portfolio of leading products provides performance optimizing solutions to its customers. CSWI's products include mechanical products for heating, ventilation and air conditioning ("HVAC") and refrigeration applications, sealants and high performance specialty lubricants. Markets that CSWI serves include: HVAC, industrial, rail, plumbing, architecturally-specified building products, energy, mining and general industrial markets.

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Source: CSW Industrials, Inc.