



## **CSW Industrials Announces Deployment of over \$65 million in Cash Supporting Capital Allocation Strategy since end of fiscal 2018**

April 4, 2019

DALLAS, April 04, 2019 (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 reported the strategic deployment of over \$65 million in capital supporting the Company's previously disclosed capital allocation strategy.

### **Acquisitions**

CSW Industrials announces the acquisition of two Companies: MSD Research, including its leading All-Access™ line of A/C condensate switches and line cleanouts; and Petersen Metals, a designer, manufacturer and installer of engineered railings and safety systems for institutional and commercial structures in the Southeast U.S.

Joseph B. Armes, Chief Executive Officer of CSW Industrials, said, "We are pleased to welcome both MSD Research and Petersen Metals to CSWI and our Industrial Products segment. These acquisitions deliver on our stated growth strategy of identifying and prioritizing accretive, synergistic acquisitions within our existing business units. Both acquisitions represent best-in-class product lines that enable us to drive sustainable, profitable growth through leveraging the CSWI platform, our existing distribution channels and our broad end market exposure within the business units."

The Company allocated in excess of \$20 million of capital for the two acquisitions, which were funded with a combination of cash on hand and borrowings under the Company's revolving credit facility. Both acquisitions have closed and the Company expects both businesses to be accretive to earnings per share in fiscal 2020.

MSD Research is a leading provider of condensate management products for commercial and residential HVAC systems, including float switches, drain line cleanouts and flush tools. MSD Research is a highly strategic complement to the Company's existing condensate management products within the Industrial Products segment. The addition of MSD Research's products further expands CSWI's offering of leading condensate management products and is expected to enable broader market penetration and differentiation among product lines.

Petersen Metals, based near Tampa, Florida, is a leading designer, manufacturer and installer of architecturally-specified, engineered metal products and railings, including aluminum and stainless steel railings products for interior and exterior applications. Petersen Metals is a highly strategic complement to the Company's existing line of architecturally-specified building products within the Industrial Products segment, enabling geographic and end market diversification and expansion. Petersen Metals serves the growing Southeast U.S. geographic market as well as institutional customers. The addition of Petersen is expected to allow CSWI to further expand its cross selling opportunities in existing end markets as well as the new geographic and institutional markets that Petersen currently serves.

### **Share Repurchase Program**

During fiscal 2019, CSW Industrials repurchased approximately 861,000 shares of common stock under the Company's authorized share repurchase programs, for a total of \$45.6 million or \$53.00 per share.

The Company will continue to remain opportunistic on share buybacks in support of its capital allocation strategy. As of March 31, 2019, approximately \$63.2 million remains available under the current \$75 million authorized repurchase program.

### **Dividend Initiation Plan**

Earlier today, the Company separately announced it has commenced a dividend program and approved a regular quarterly dividend of \$0.135 per share, payable on June 12, 2019 to shareholders of record on May 8, 2019. The indicated annual rate of \$0.54 per share demonstrates the Company's commitment to its stated capital allocation principles, which includes returning cash to shareholders.

### **Organic Growth Investment**

The Company also announced that it plans to increase capital spending in fiscal 2020 to a range of 2.75% to 3.25% of net sales to pursue attractive, identified organic growth opportunities in select end markets.

Armes commented, "We recognize the importance of continuing to drive organic growth at a rate higher than the markets we serve, and the commitment of additional capital to attractive investment opportunities will allow us to drive increased penetration in attractive markets that we already serve, primarily HVAC."

### **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.

### **Safe Harbor Statement**

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Words or phrases such as "may," "should," "expects," "could," "intends," "plans," "anticipates," "estimates," "believes," "forecasts," "predicts" or other similar expressions are intended to identify forward-looking statements, which include, without limitation, earnings forecasts,

effective tax rate, statements relating to our business strategy and statements of expectations, beliefs, future plans and strategies and anticipated developments concerning our industry, business, operations and financial performance and condition.

The forward-looking statements included in this press release are based on our current expectations, projections, estimates and assumptions. These statements are only predictions, not guarantees. Such forward-looking statements are subject to numerous risks and uncertainties that are difficult to predict. These risks and uncertainties may cause actual results to differ materially from what is forecast in such forward-looking statements, and include, without limitation, the risk factors described from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K.

All forward-looking statements included in this press release are based on information currently available to us, and we assume no obligation to update any forward-looking statement except as may be required by law.

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