



CSW
INDUSTRIALS

Company Presentation

November 17, 2015

Forward-Looking Statements

- This presentation contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 relating to, among other things, the business, financial condition and results of operations of CSW Industrials, Inc. ("CSWI"). Any statements preceded or followed by or that include the words "believe," "expect," "intend," "plan," "should" or words, phrases or similar expressions or the negative thereof, are intended to identify forward-looking statements. These statements are made on the basis of the current beliefs, expectations and assumptions of the management of CSWI. There are a number of risks and uncertainties that could cause CSWI's actual results to differ materially from the forward-looking statements included in this presentation.
- In light of these risks, uncertainties, assumptions, and other factors inherent in forward-looking statements, actual results may differ materially from those discussed in this presentation. Other unknown or unpredictable factors could also have a material adverse effect on CSWI's actual future results, performance, or achievements. CSWI's filings with the SEC, including the Information Statement filed as an exhibit to CSWI's Registration Statement including the risks and uncertainties set forth in the Form 10. As a result of the foregoing, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. CSWI does not assume any obligation to update these forward-looking statements to reflect any new information, subsequent events or circumstances, or otherwise, except as may be required by law.

Pro-Forma and Non-GAAP Financial Information

- The pro forma financial data in this presentation as of and for the fiscal year ended March 31, 2015 has been adjusted (a) to include the acquisition of substantially all the assets of Strathmore Products, Inc. and (b) to give effect to the proposed spin-off of CSWI and the related transactions. The pro forma financial data does not purport (i) to represent what CSWI's results of operations actually would have been if the spin-off and Strathmore acquisition had occurred prior to the fiscal year presented or (ii) to project CSWI's financial performance for any future period.
- This presentation includes non-GAAP financial measures including EBITDA, Adjusted EBITDA, and Adjusted Operating Income. Reconciliations to the most directly comparable GAAP measures are included on page 33 of this presentation. These measures should be considered in addition to results prepared in accordance with GAAP, but are not a substitute for GAAP results.

Transaction Overview

The separation was designed to unlock shareholder value immediately and to enhance long-term shareholder value by establishing two strong, independent companies with distinct growth strategies

- Structured as a tax-free spin transaction
- Registration statement declared effective on September 14, 2015

Ticker	• CSWI
Exchange	• NASDAQ
Exchange Ratio	• 1 Share of CSWI for every 1 share of CSWC
Number of Shares	• 15.6mm
Record Date	• September 18, 2015
Distribution of CSWI Shares	• September 30, 2015
First Day of Regular-Way Trading	• October 1, 2015

Experienced Management Team

Executive Officers



Joseph B. Armes
Chairman and CEO



Kelly Tacke
CFO



Christopher J. Mudd
President & COO

Board of Directors

**Michael
Gambrell**

*Former Executive
Vice President of
The Dow Chemical
Company*

**Linda
Livingstone, Ph.D.**
*Dean of The George
Washington University
School of Business*

**William F.
Quinn**
*Executive Chairman
and Founder of
American Beacon
Advisors*

**Robert
Swartz**
*Lead director of the
CSWI Board
Executive Vice President
and Chief Operating
Officer of Glazer's, Inc*

Management team including subsidiary company executives averages 25 years of experience in the industrial manufacturing and specialty chemicals industries



I. Company Overview

Investment Highlights

- Broad Portfolio of Leading Industrial Brands and Solutions
- Sustainable Organic Revenue Growth and Operating Performance
- Stable Platform for Acquisitions with Proven Track Record
- Culture of Product Enhancement and Customer Centric Solutions
- Diverse Sales and Distribution Channels Serving Attractive End Markets

CSWI Overview

- A diversified industrial growth company with well-established, scalable platforms
- Domain expertise across three segments:
 - Industrial Products
 - Coatings, Sealants & Adhesives
 - Specialty Chemicals
- PF⁽¹⁾ 2015 Net Revenues: \$325.0mm, PF⁽¹⁾ 2015 EBITDA: \$60.1mm
- 1H FY2016⁽²⁾ Net Revenues: \$172.7mm, Adj. Operating Income: \$30.6mm⁽³⁾, PF EBITDA: \$34.2mm⁽⁴⁾,
- Broad portfolio of leading industrial products providing performance optimizing solutions to our diversified customer base. Products include mechanical products for heating, ventilation and air conditioning (“HVAC”) and refrigeration applications, coatings and sealants and high performance specialty lubricants

We seek to deliver solutions to our professional customers that provide superior performance and reliability

(1) PF2015 includes Strathmore FY2014 results and other pro forma adjustments; Strathmore fiscal year ends December 31

(2) 1H FY2016 includes the financial results of Strathmore since the date of its acquisition (effective April 1, 2015) through September 30, 2015

(3) 1H FY2016 operating results adjusted for pension curtailment gain, Strathmore transaction costs, and start-up/organizational costs

(4) 1H FY2016 operating results adjusted for pension curtailment gain, Strathmore transaction costs, start-up/organizational costs and expected recurring corporate overhead and other expenses related to operating as a standalone company



CSWI Corporate Culture

CSWI's corporate culture will **SHAPE** and **GUIDE** our company by helping each team member understand how to make his/her contribution to the company we serve. Our culture manifests the **OBSERVED BEHAVIORS**, the **NORMS**, and the **DOMINANT VALUES** of the company. Our culture should be effective in **REINFORCING** certain behaviors and **ERADICATING** others.

**THE GOAL OF OUR CORPORATE CULTURE IS TO MAXIMIZE
PERFORMANCE.**



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CSWI Corporate Culture (Cont'd)

Our corporate culture will be based on our core values:

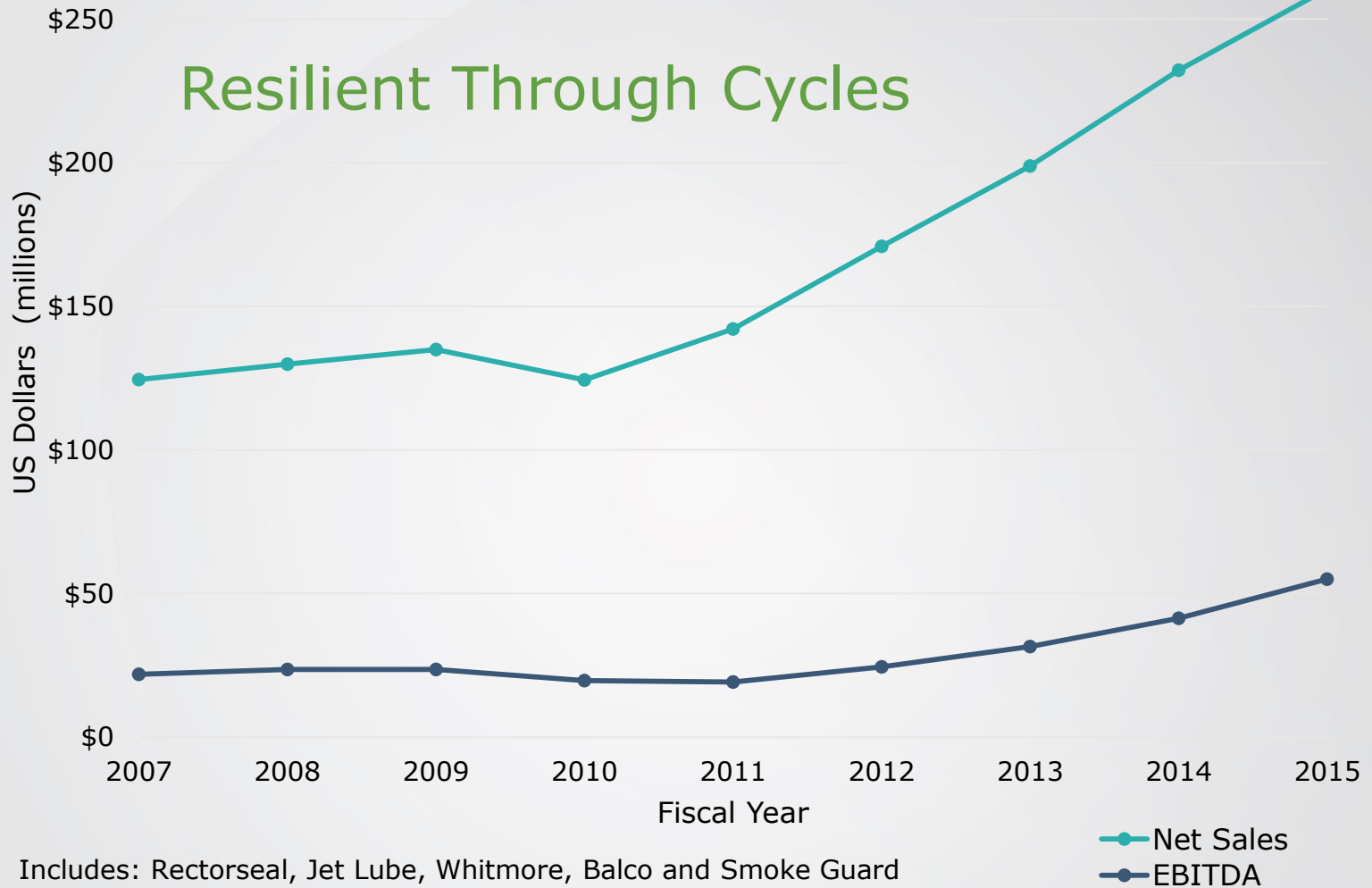
- **Integrity**
- **Respect**
- **Excellence**
- **Stewardship**
- **Citizenship**
- **Accountability**
- **Teamwork**



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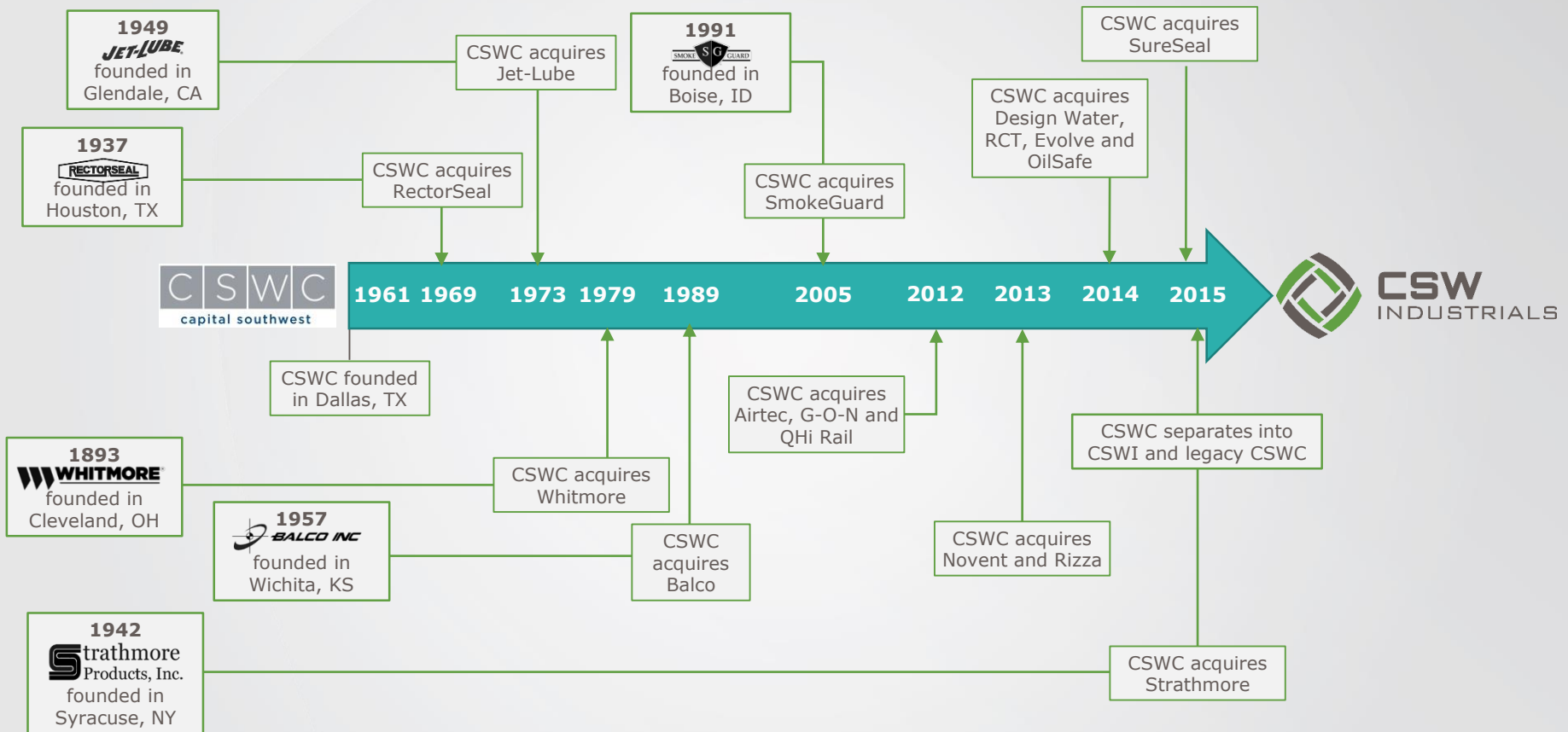
Resilient Through Cycles



CSWI Business Segments



History of CSWI Businesses



- CSW Industrials employs over 750 individuals worldwide

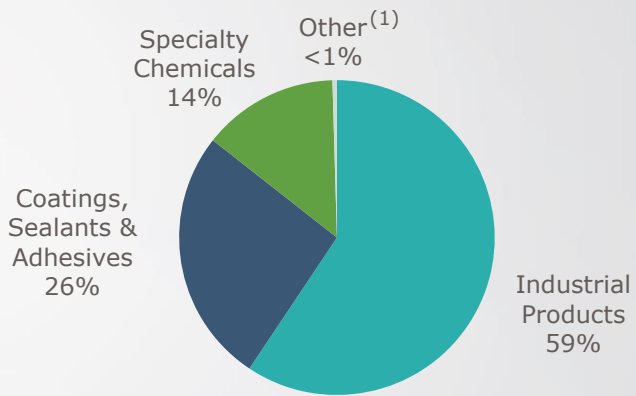
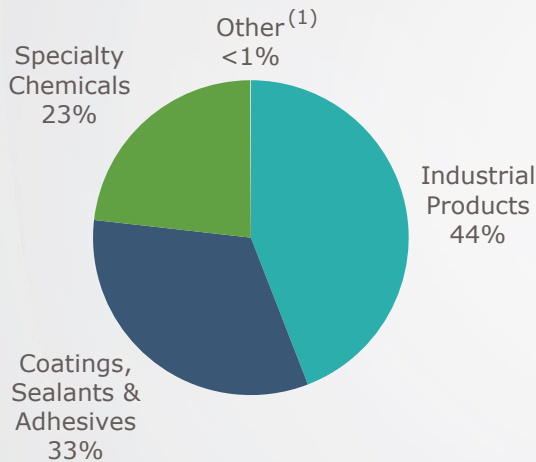


CSWI Business Segments

Well-balanced portfolio of businesses with strong organic growth profiles and numerous product line and strategic acquisition opportunities in each segment

1H FY2016 Net Revenues

1H FY2016 Adj. Operating Income



Total Net Revenues: \$172.7mm

Total Adj. Operating Income: \$30.6mm⁽²⁾

(1) Includes (i) Rental income from CapStar, a real estate holding company; (ii) Eliminations; and (iii) Adjustments not captured at the segment level
 (2) Total adjusted operating income includes adjustments not captured at the segment level

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II. Key Growth Drivers

CSWI Key Growth Drivers



Benefits from Reorganization

As an independent, publicly traded company, CSWI has greater focus on its core businesses and flexibility to pursue growth opportunities including organic investments, product line and strategic acquisitions

Post Spin-Off Structure



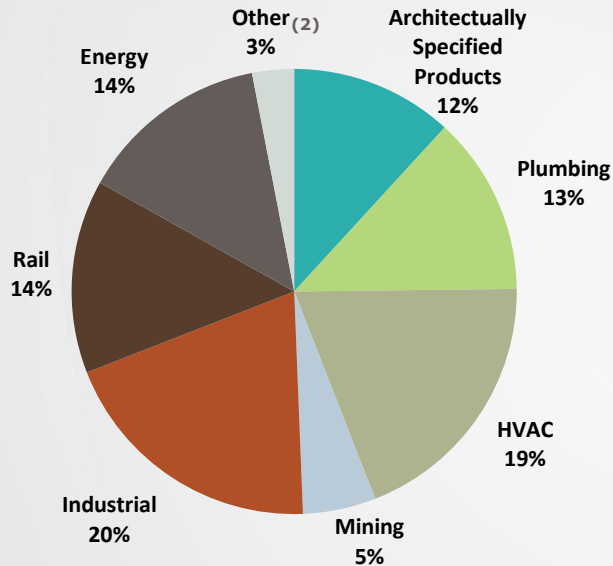
Benefits from Spin-Off

- Organize CSWI around key market segments
- Grow CSWI by allocating capital more efficiently
- Offer greater investor choice through separate entities
- Unlock shareholder value
- Increase management focus
- Better align interests of management and stockholders

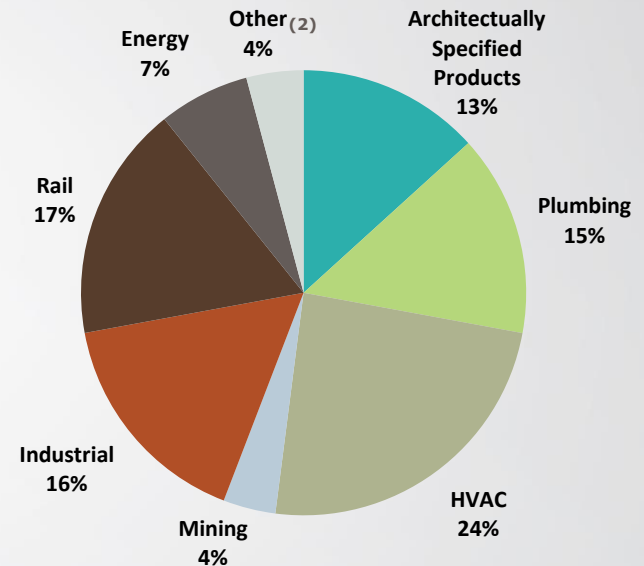
(*) Also includes CapStar, a real estate holding company, whose operations are not material to CSWI

Diverse End Markets and Products

PF2015 Sales Revenue by End Market⁽¹⁾



1H 2016 Sales Revenue by End Market



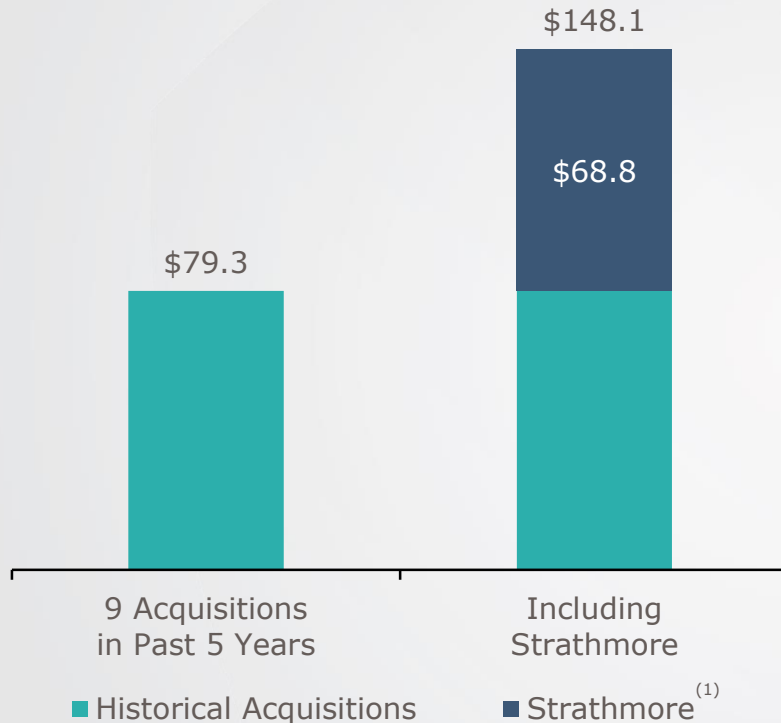
Ability to leverage customer base and cross-sell products across three segments

(1) PF2015 includes Strathmore FY2014 results; Strathmore fiscal year ends December 31

(2) Other key end use markets include Water Well drilling, Power Generation, Marine, Cement and Aviation

Focused Acquisitions

Capital Invested for Acquisitions (\$mm)



Strategy & Execution Plan

- Identify and execute acquisitions that will broaden our portfolio of industrial brands and products, and support our business segments
- Eliminate costs and overhead in strategic acquisitions and most non-manufacturing related costs in product line acquisitions
- Focus on commercially proven products and solutions that:
 - Are attractive to customers in our target end markets
 - Currently have limited distribution
 - Would benefit from a broader distribution network
- Utilize strong free cash flow or third-party financing to fund these acquisitions

There are further attractive synergistic acquisitions available to achieve higher growth and profitability

(1) Strathmore purchase price of \$68.8mm does not include potential earn out consideration of up to \$16.5mm

Deacon Acquisition

- Acquisition completed October 1st
- \$12.0mm purchase price
- \$4.0mm LTM Revenue ⁽¹⁾
- \$1.7mm LTM Adjusted EBITDA ⁽¹⁾
- Sales efforts underway at Jet-Lube and Whitmore through the industrial, energy, power generation and other end markets
- Maintaining current toll manufacturing in Washington, PA



(1) LTM includes the financial results through September 30, 2015

Operational Excellence

- Focus on operational excellence in all aspects of CSWI's business, leading to improved efficiencies and increased profitability
- Examples of achieving savings through operational excellence:
 - CSWI is consolidating the manufacturing of all lubricant and grease products currently manufactured in a Houston, TX facility to the Rockwall, TX facility to optimize capacity, efficiency and quality
 - CSWI recently organized a technology summit among the technical and commercial leaders of our Coatings, Sealants & Adhesives and Specialty Chemicals segments in order to accelerate the process of leveraging best practices across these business segments
 - CSWI expects to benefit from exploiting new opportunities by applying its best practices when integrating acquisitions

Continue to expand improvement initiatives and information sharing across CSWI's entire platform, promoting best practices



III. Financial Overview

Combined Financials – Net Revenues

Net Revenues (\$mm, %)



Highlights

- Net revenues for 1H FY2016 increased by \$35.8mm (26.1%) compared with 1H FY2015, of which \$32.5mm was attributable to acquisitions
- Consistent mid double-digit annual net revenue growth (16.4%, 16.4% and 13.0% in FY2013, FY2014 and FY2015, respectively) supported by industry leading products in high growth end markets with a diversified customer base
 - 40.3% net revenue growth in PF2015 including acquisition of Strathmore
- Net revenue growth driven by a combination of robust organic growth and acquisitions
 - Strong track record of capitalizing on product line and strategic acquisition opportunities

(1) PF2015 includes Strathmore FY2014 results and other pro forma adjustments; Strathmore fiscal year ends December 31

(2) 1H FY2016 includes the financial results of Strathmore since the date of its acquisition (effective April 1, 2015) through September 30, 2015

Strong Organic & Acquisition Growth

Net Revenues (\$mm, %)⁽¹⁾

(\$ millions)



Highlights

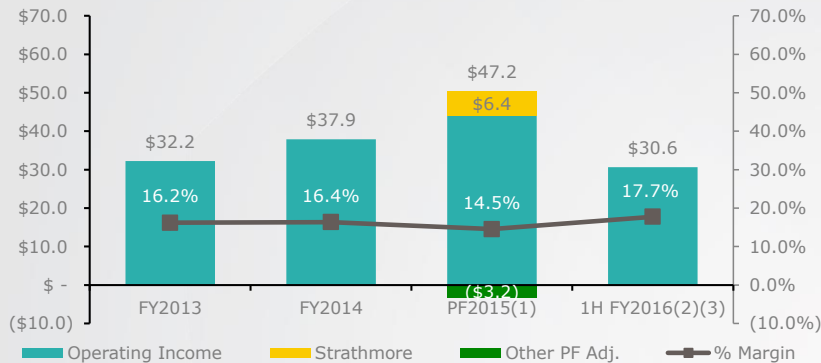
- Acquisitions contributed a combined \$32.5 million of revenue during 1H FY2016
- 26.1% growth in 1H FY2016 compared to 1H FY2015
 - 2.4% organic growth
 - 23.7% acquisition growth
- 15.3% total net revenue CAGR over the last three fiscal years
 - Strong compounded organic net revenue growth of 7.0% as a result of CSWI's focus on end markets with attractive growth trends
 - Additional 8.1% contribution to total net revenue CAGR from acquisitions over the last three fiscal years including product line and strategic acquisitions

(1) Acquisition revenue calculated based on standard rolling 12 months method

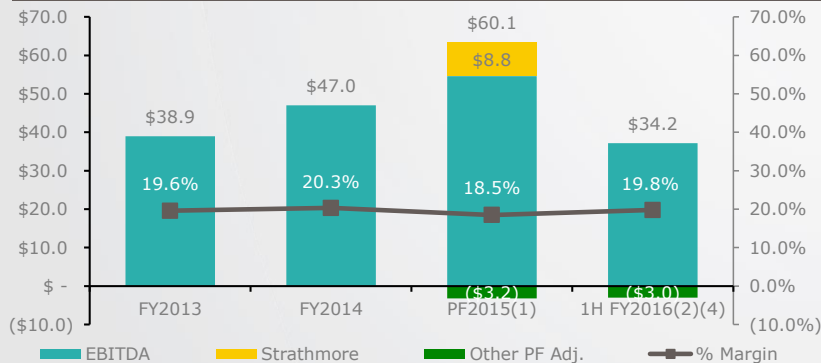
(2) FY2015 net revenues do not include Strathmore

Combined Financials – Margins

Operating Income (\$mm, %)



EBITDA (\$mm, %)



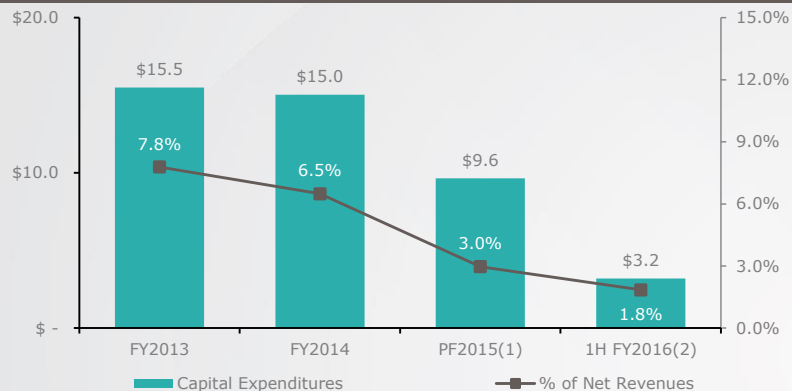
Highlights

- Attractive operating and EBITDA margins with potential improvement from integration of businesses and shared best practices
 - EBITDA margins higher than those of peers, partly due to CSWI’s loyal and diverse customer base that recognizes the performance and quality of the products and solutions
 - Disciplined product line acquisition strategy
 - Continued improvement of profitability through targeted investments in manufacturing processes

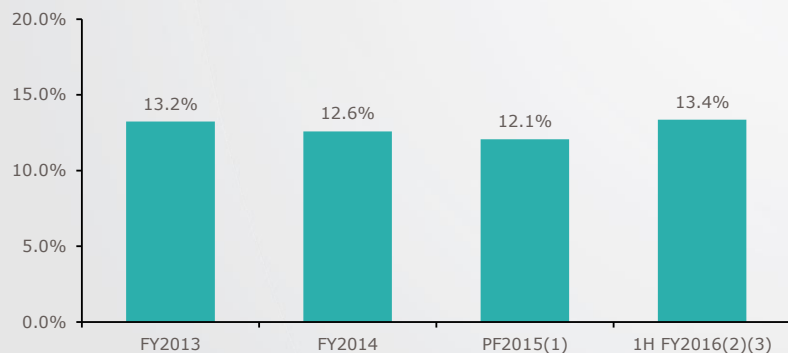
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Combined Financials – Capital Investment & ROIC

Capital Expenditures (\$mm, %)



ROIC⁽⁴⁾ (%)



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(4) ROIC calculated using average balance of invested capital (defined as net debt plus equity); NOPAT assumes 38% tax rate

Highlights

- Historical capital expenditures to net revenue ratio averaged 5.7% in the last three years
 - Capital expenditures declined in PF2015 and 1H FY2016 primarily due to completion of facility expansion project for Whitmore
- Average ROIC of 12.6% for the last three full fiscal years, including Strathmore and other PF adjustments
 - Excluding other PF adjustments of \$3.2mm results in ROIC of 12.1% in PF2015
 - 1H FY2016 annualized ROIC of 13.4%

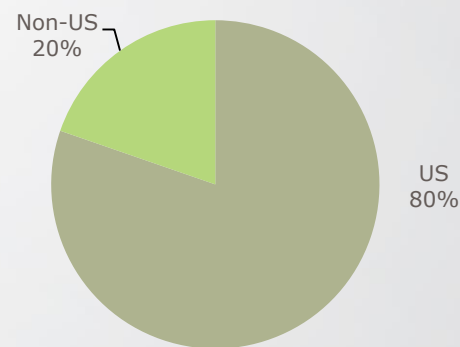
Segment Financials – Net Revenues

Net Revenues (\$mm)



Highlights

- 27.8% net revenue CAGR over the last two fiscal years, including Strathmore
- Recent growth primarily attributable to an increase in sales volumes in the Industrial Products segment and in the Coatings, Sealants & Adhesives segment
- Net revenues by geography (PF2015)



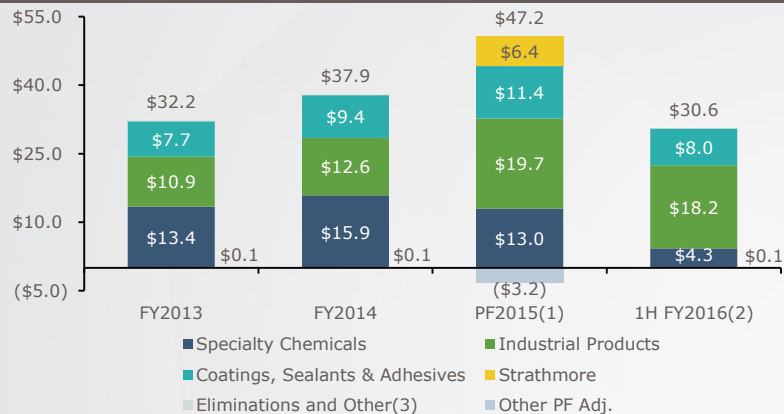
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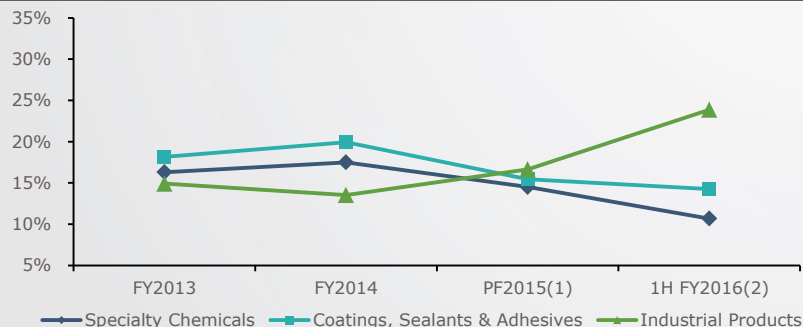
(3) Includes (i) Rental income from CapStar, a real estate holding company; and (ii) Eliminations

Segment Financials – Margins

Operating Income (\$mm)



Operating Income Margin (%)⁽⁴⁾



Highlights

- Many products enjoy strong margin profiles due to high performance and quality and loyal customer bases
- Margin expansion driven by targeted investments to further improve manufacturing processes, including:
 - Lower manufacturing costs
 - Increased production utilization
 - Improved product quality
- Strathmore acquisition reduced Coatings, Sealants & Adhesives margins in PF2015 and 1H FY2016 but expected to increase with integration execution

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(3) Includes (i) Rental income from CapStar, a real estate holding company; (ii) Eliminations; and (iii) Adjustments not captured at the segment level

(4) PF2015 and 1H FY2016 operating margins do not reflect pro forma adjustments for corporate overhead

Strong Balance Sheet (as of September 30, 2015)

Total Capitalization

(\$mm)	Amount	x PF LTM EBITDA ⁽¹⁾⁽²⁾
Cash and Cash Equivalents (3)	\$53.9	
Debt:		
Current Portion of Long-Term Debt	17.4	0.3x
Long-Term Debt, Less Current Portion	76.7	1.2x
Total Debt	\$94.2	1.5x
Total Stockholders' Equity	\$252.9	
Total Capitalization	\$347.0⁽⁴⁾	

Indebtedness

(\$mm)	Amount	x PF LTM EBITDA ⁽¹⁾⁽²⁾
Debt:		
RectorSeal Line of Credit	\$12.5	0.2x
Whitmore Secured Term Loan	13.4	0.2x
Strathmore Acquisition Debt	68.3	1.1x
Total Debt	\$94.2	1.5x
Less: Cash and Cash Equivalents	(53.9)	
Less: Bank time deposits	(7.0)	
Net Debt	\$33.2⁽⁴⁾	0.5x

Highlights

- Strong balance sheet with ample liquidity
 - Current available cash and cash equivalents sufficient to easily meet CSWI's liquidity needs for at least the next 12 months

(1) PF LTM EBITDA represents 6 months ending September 30, 2015, plus PF 2015 EBITDA, less 6 months ending September 30, 2014

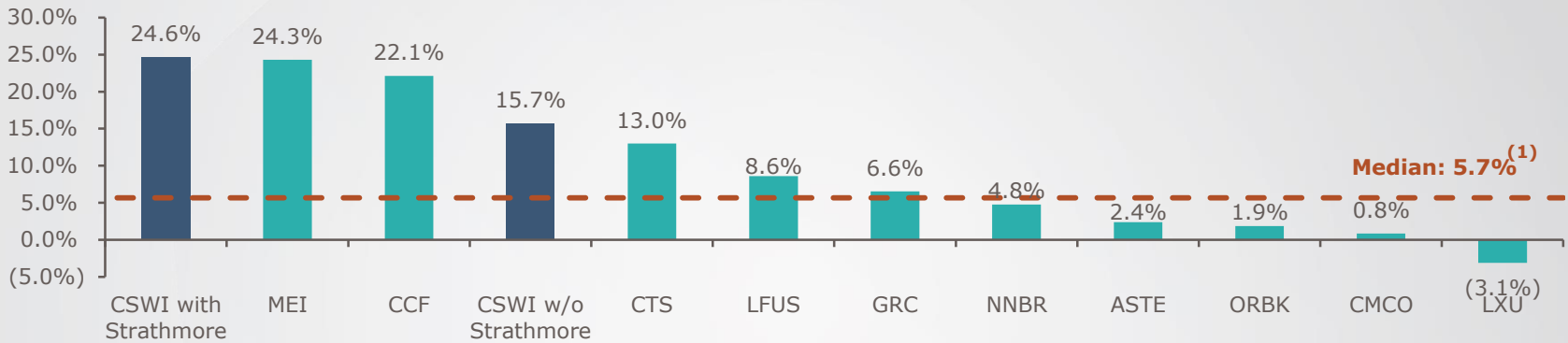
(2) 1H FY2016 operating results adjusted for pension gain, Strathmore transaction, start-up/organizational costs and expected recurring corporate overhead and other expenses related to operating as a standalone company

(3) Excludes \$7.0 million of bank time deposits

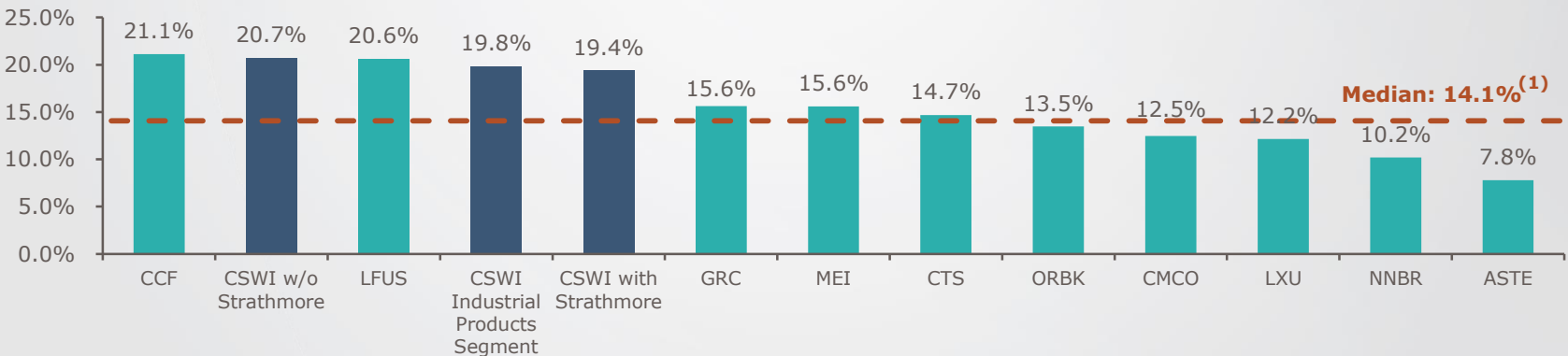
(4) Figures displayed on page do not sum to total due to rounding

CSWI vs. Industrial Goods Peers

2011-2014 Net Revenue CAGR



2014 EBITDA Margin

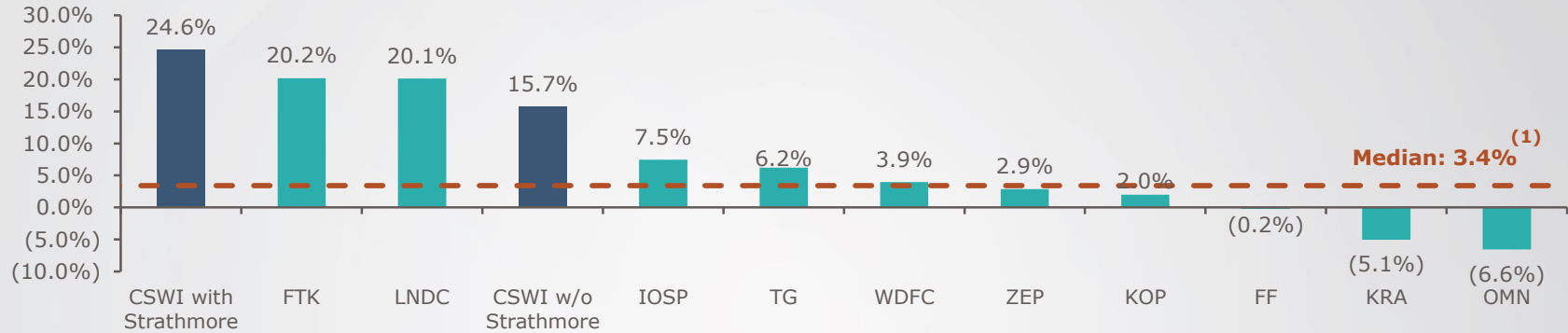


Note: Net revenue growth and margins based on calendarized financials, revenue growth figure is a 3-year CAGR

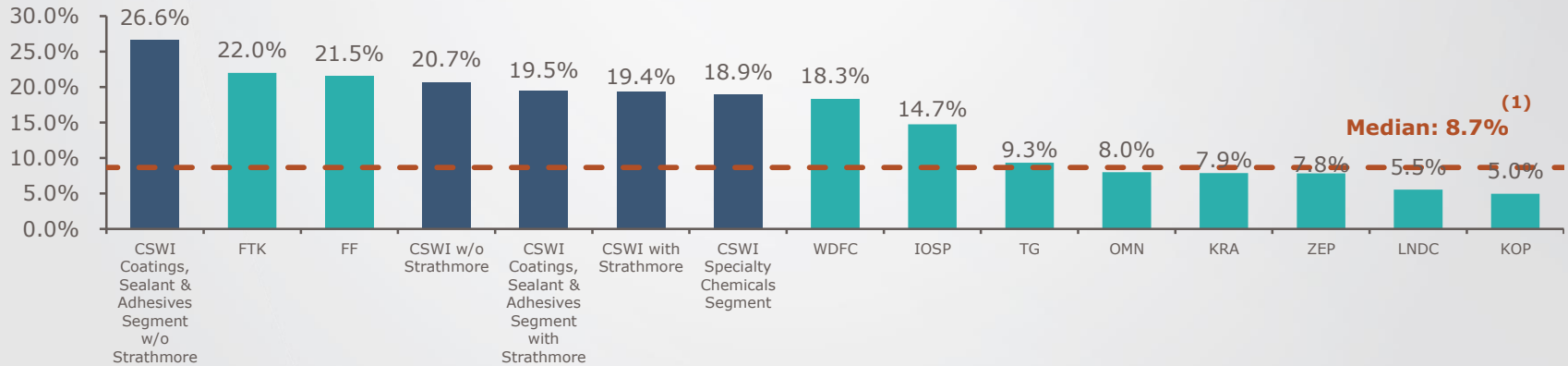
(1) Median excludes CSWI and CSWI segments

CSWI vs. Specialty Chemicals Peers

2011-2014 Net Revenue CAGR



2014 EBITDA Margin



Note: Net revenue growth and margins based on calendarized financials, revenue growth figure is a 3-year CAGR

(1) Median excludes CSWI and CSWI segments



Appendix

Adj. Operating Income / EBITDA Reconciliation

(\$mm)	1H FY2016(3)
Operating Income	\$35.1
Elimination of Pension Gain	(8.0)
Elimination of Strathmore Transaction Costs	2.7
Elimination of Start-Up / Organizational Costs	0.9
Adjusted Operating Income	\$30.6⁽⁴⁾

	FY2013	FY2014	PF2015	1H FY2016
Operating Income	\$32.2	\$37.9	\$44.0	\$30.6
Depreciation	3.9	5.3	5.9	3.3
Amortization	2.8	3.9	4.6	3.3
Strathmore Operating Income			6.4	
Strathmore D&A(1)			2.4	
Other Pro Forma Adjustments			(3.2) ⁽²⁾	(3.0) ⁽⁵⁾
EBITDA	\$38.9	\$47.1	\$60.1	\$34.2

(1) Strathmore D&A includes \$1.8mm of additional D&A as a result of application of acquisition method of accounting

(2) Other pro forma adjustments include incremental expenses related to operating as a stand alone independent company, net of \$1.5mm of nonrecurring charges related to the Jet-Lube integration into Whitmore and Strathmore acquisition costs. Incremental expenses include compensation, professional service fees, director fees, compliance costs, rent and office expenses.

(3) 1H FY2016 includes the financial results of Strathmore since the date of its acquisition (effective April 1, 2015) through September 30, 2015

(4) Figures displayed on page do not sum to total due to rounding

(5) Represents expected recurring corporate overhead and other expenses related to operating as a standalone company

Historical and Pro Forma Financial Results

(\$mm)	FY2013	FY2014	FY2015	PF2015	1H FY2016(3)(4)
Net Revenues					
Industrial Products	\$73.3	\$93.0	\$118.4	\$118.4	\$76.2
Coatings, Sealants & Adhesives	42.6	47.0	52.1	115.3	56.4
Specialty Chemicals	82.4	90.7	89.7	89.7	39.9
Consolidated Net Revenues	\$199.1	\$231.7	\$261.8	\$325.0	\$172.7
Net Revenue Growth %					
Industrial Products	NA	26.9%	27.3%	27.3%	18.7%
Coatings, Sealants & Adhesives	NA	10.3%	11.0%	145.6%	115.1%
Specialty Chemicals	NA	10.2%	(1.1%)	(1.1%)	(13.0%)
Consolidated Net Revenue Growth %	NA	16.4%	13.0%	40.3%	26.1%
Operating Income					
Industrial Products	\$10.9	\$12.6	\$19.7	\$19.7	\$18.2
Coatings, Sealants & Adhesives	7.7	9.4	11.4	17.8	8.0
Specialty Chemicals	13.4	15.9	13.0	13.0	4.3
Other (1)	0.1	0.1	(0.1)	(0.1)	0.1
Other Pro Forma Adjustments (2)	-	-	-	(3.2)	-
Consolidated Operating Income	\$32.2	\$37.9	\$44.0	\$47.2	\$30.6
Operating Income Margin %					
Industrial Products	14.9%	13.5%	16.6%	16.6%	23.9%
Coatings, Sealants & Adhesives	18.2%	19.9%	21.9%	15.5%	14.2%
Specialty Chemicals	16.3%	17.5%	14.5%	14.5%	10.7%
Consolidated Op. Income Margin %	16.2%	16.4%	16.8%	14.5%	17.7%
Operating Income Growth %					
Industrial Products	NA	15.1%	56.5%	56.5%	58.7%
Coatings, Sealants & Adhesives	NA	21.1%	22.0%	90.5%	25.5%
Specialty Chemicals	NA	18.3%	(18.0%)	(18.0%)	(46.8%)
Consolidated Op. Income Growth %	NA	17.6%	16.1%	24.6%	18.3%

- (1) Includes (i) Rental income from CapStar, a real estate holding company; (ii) Eliminations; and (iii) Adjustments not captured at the segment level
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