



## **CSW Industrials Deploys \$57.8 Million Executing Acquisition Strategy Through Multiple Transactions in Profitable HVAC/R and Plumbing End Markets**

### **Acquisition Highlights**

- Cover Guard complements CSWI's existing lineset covers sold into the heating, ventilation, air conditioning, and refrigeration (HVAC/R) end market
- AC Guard expands the range of HVAC/R installation accessories
- Falcon Stainless, Inc. designs and sells high-quality water and gas connectors used primarily in plumbing and HVAC/R applications
- Capital investment multiple of 6.6 times the combined acquired trailing twelve-month EBITDA
- Expected to be accretive to earnings per share in the first full year of ownership
- \$487MM of cumulative inorganic capital investment in the profitable, high-growth Contractor Solutions segment since December 2020

**Dallas, Texas – October 4, 2022** – CSW Industrials, Inc. (Nasdaq: CSWI) today announced the strategic deployment of \$57.8 million in completing the acquisitions of Cover Guard, AC Guard, and Falcon Stainless, Inc. (Falcon). All three acquisitions demonstrate the Company's ongoing commitment to add compelling product offerings for existing customers by maximizing its deep experience in the HVAC/R and plumbing end markets, existing distribution channels, and go-to-market strategy.

Joseph B. Armes, Chairman, President, and Chief Executive Officer of CSW Industrials, said, "These acquisitions align with our stated objective of enhancing long-term shareholder value as we once again deliver accretive, synergistic inorganic growth within our existing end markets. These newly acquired products are complementary to our existing HVAC/R and plumbing offerings and provide a meaningful value proposition to our end use customers. These acquisitions integrate directly into Contractor Solutions' sales channel, warehouses, distribution networks, and supply chain. We expect the addition of these high value-added products to produce incremental market share gains."

The \$57.8 million of total deployed capital represents approximately 6.6 times the combined acquired trailing twelve month adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA). CSWI funded the transactions with cash on hand and borrowings under its existing \$400.0 million revolving credit facility.

The acquisitions of the Cover Guard and AC Guard product lines further expand Contractor Solutions' offering of leading HVAC/R accessories. Cover Guard is a patented, adjustable, innovative lineset cover that augments Contractor Solutions' existing selection of lineset covers. AC Guard is an enclosure that enhances the security of outdoor HVAC condenser units and represents an HVAC/R product line expansion. Through these differentiated products, Contractor Solutions expects to achieve incremental ductless and ducted HVAC/R market penetration.

Falcon provides high-quality, full port, corrugated stainless steel, and flexible water and gas connectors that are used extensively in the plumbing and HVAC/R end markets. Falcon products are well-known among the professional trades for supplying enhanced water flow delivery and increased customer satisfaction. The addition of Falcon products supplements Contractor Solutions' existing product portfolio. The combined plumbing offerings result in a holistic solution for water heaters and gas appliances and strengthen CSWI's market share in these categories.

### **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.

### **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](http://www.cswindustrials.com). For more information, please visit [www.cswindustrials.com](http://www.cswindustrials.com).

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