CSW Industrials, Inc. Announces Agreement to Acquire Aspen Manufacturing

March 18, 2025

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Forward Looking Statement

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” or the “Company”). 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 and include, without limitation, the factors described from time to time in our filings with the SEC, including the risk factors described in our Annual Report on Form 10-K. 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.

Aspen Manufacturing Business Overview

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Aspen Manufacturing: Proposed Acquisition Overview

Financing Considerations	• **~$313.5 Million purchase price** representing ~11x Aspen Manufacturing's 2024 Adjusted EBITDA • Anticipated acquisition funding with cash on hand and the remainder funded utilizing CSWI's existing $500MM Revolving Credit Facility
Financial Impact	• Expected to be immediately accretive to CSWI's EPS and EBITDA • 2024E Aspen Manufacturing's Financial Summary[1] – **Net Revenue of ~$122MM,** with a margin profile in line with CSWI's consolidated margins and FCF conversion
Transaction Highlights	• **Expansion of existing product portfolio** in the attractive HVAC/R end market • Leverage **existing distribution channels to grow share of wallet** with our existing customers • **Leverage existing expertise in sheet metal products** to provide additional value add through refrigeration systems • **US-based** manufacturing footprint (Humble, TX)
Timing and Approvals	• **Expected to close in Q1 of FY2026,** subject to customary closing conditions

[1] See Forward-Looking Statements for more information regarding Aspen Manufacturing's estimated results for 2024

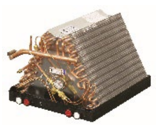
Aspen Manufacturing Overview

Company Overview

- Founded in 1975 and based in Humble, TX, Aspen is **one of the largest independent coil and air handler manufacturers** in North America
- Primarily serves **end users in the residential market segment** (both single and multi-family)
- Aspen has successfully **partnered with many OEM HVAC manufacturers** who have Aspen produce service coils and specialty niche coils
- **Aspen sells through a mix of national, regional, and local wholesalers and distributors** who value the Company's proven ability to produce a high quality, cost-effective product
- Aspen **ships 2,000+ SKUs to 150+ customers across 2,300+ locations** in the United States and Canada

Product Summary

Evaporator Coils

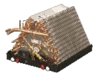

Uncased Copper Coil


Horizontal Copper Coil


Uncased Aluminum Coil

1,550+ # of Shipped SKUs

~$275-475 Typical Price Point


Copper Uncased


Aluminum Uncased


Aluminum Cased Multi-Position


Copper Cased Upflow / Downflow


Copper Light Comm. Slab Coil


Copper Dedicated Horizontal

Air Handlers


Multi-Position Air Handler


Vertical Wall-Mount Air Handler

500+ # of Shipped SKUs

~$500-1,100 Typical Price Point


Multi-Position Electric Heat


Vertical Wall Mount Electric Heat


Multi Position Hydronic Heat


Ceiling Mount Electric Heat


Ceiling Mount Hydronic Heat

Majority of Aspen's air handlers include an Aspen Coil

Aspen Manufacturing Customer Value Proposition

Value Proposition Underpinned by Quality, Reliability, and...

Product Offering Diversity

- ✓ Efficient national distribution network with ability to cover any customer's breadth of operations
- ✓ Broad product offering tailored to meet customers' needs, including all OEM cabinet paint colors
- ✓ AHRI-certifiable with all OEM brands
- ✓ Manufactured to customer specifications for exact furnace fit
- ✓ Benefits from ongoing regulatory changes given recent investments

On-time Delivery

- ✓ Generally shorter than industry average lead times for both coils and air handlers
- ✓ Lead times updated weekly and communicated to customers via sales reps and order entry process

Quality

- ✓ Rigorous quality control measures to deliver a product designed and built to highest standards
- ✓ Copper tube coils utilize thicker walls than majority of the industry
- ✓ Exceptional historical warranty claims rate

Supply Chain

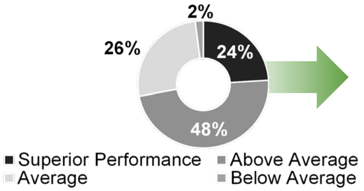
- ✓ Dynamic plant operations with lean manufacturing implemented to efficiently produce all size orders
- ✓ Engineered for best-in-class performance for high-efficiency matched systems
- ✓ **Manufactured in the U.S.**

Value Added Support

- ✓ Loyalty programs designed to fit customers' needs
- ✓ Local sales reps for personal, knowledgeable service
- ✓ 10-year extended warranty with registration

…Customer Satisfaction

Aspen received feedback from 42 vendors as part of a key buying group's vendor survey



~3/4 customers rate Aspen as superior or above average relative to competition

"Well exceeds expectations. Outperforming competition"

"They manufacture quality coils that my customers trust"

"Been selling Aspen coils for over 20 yrs. and never had an issue"

"They continue to produce high quality products. I believe we have only had 1 leaking coil in 4 years"

"Much more reliable and communicative than the "other" vendors"

"Quick to react to any request our rep is one of the best reps we have ever worked with. He always goes above and beyond"

"They have a very good quality line of coils at a competitive price"

"Would like to find a way to do more business with Aspen"

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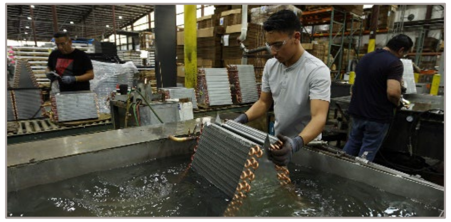
Aspen Manufacturing Core Capabilities

Continuous Investment

- Significant capital investment for manufacturing facility, equipment and working capital
- Investing in talent and people to drive capabilities and process
- Latest technology in aluminum coil production and testing

Product Capabilities

- Extensive product design capabilities required to achieve ratings certifications
- Long learning curve to replicate Aspen's 500,000+ active ratings with AHRI
- Broad range of product applications to meet industry demand
- Ability to custom fit product offering to end user needs



Manufacturing Expertise

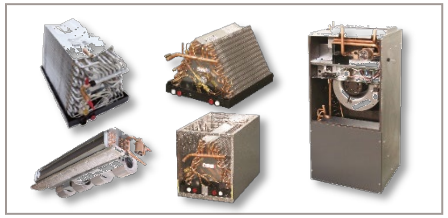
- Manufacturing expertise to be price competitive
- Experience and knowledge for scalable production with negligible warranty rate
- Core group of employees in which knowledge is retained over decades
- **U.S. based manufacturing** avoids high freight costs and unpredictable transit time and/or mitigates tariffs versus foreign competitors

Customer Relationships

- Long-term customer relationships with switching costs
- Deep channel reach with key OEM, national, and regional players
- Regional sales force with local network along with industry and regulatory knowledge

Depth of Product Offering

- Depth of SKU offering and product acceptance
- Flexibility of design to meet the needs of broad customer base
- Offering includes products designed to meet national and regional regulations and energy efficiency standards
- Increasing regulatory changes present more opportunities to fill gaps



Aspen Manufacturing Operational Capabilities

Producing Industry-Leading, Quality Products

- ✓ Design philosophy rooted in creating long-lasting products
- ✓ 100% of products are tested prior to shipping
- ✓ Core organizational knowledge of production for quality and performance

Batch Manufacturing

- ✓ Expertise in balancing large SKU complexity with Make-to-Order (MTO) process
- ✓ Core heat exchanger output can be transformed to multiple products
- ✓ Quick changeovers, allowing for high throughput rates and low lead times

Heat Exchange Expertise

- ✓ Collective 200+ years of experience in producing quality heat exchangers
- ✓ Documented knowledge of machinery, processes, and application to produce quality evaporator coils
- ✓ Onsite testing and R&D to align development to production and performance

Advanced Aluminum Production

- ✓ State-of-the-art brazing and de-oiling systems
- ✓ Advanced, two-stage testing equipment with data collection capabilities
- ✓ Industry best practices implemented as late-adopters

On-Campus Engineering and Design

- ✓ Full design staff with collective 115 years of experience
- ✓ Full psychrometric testing capabilities for all product categories
- ✓ Platform design philosophy and practice

Complete Air Handler Production

- ✓ Sheet metal expertise and capabilities
- ✓ Assembly line run testing
- ✓ Flexible tooling to produce a broad product offering
- ✓ Scalable production for large batch and custom configurations of AHUs
- ✓ Leading expertise in hydronic air handler range and production

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CSW Industrials + Aspen Manufacturing: A Strong, Strategic Fit

CSWI's Acquisition Track Record

We have a successful record of making attractive and synergistic acquisitions that support expansion of our broad portfolio of solutions.

Acquisition Metrics

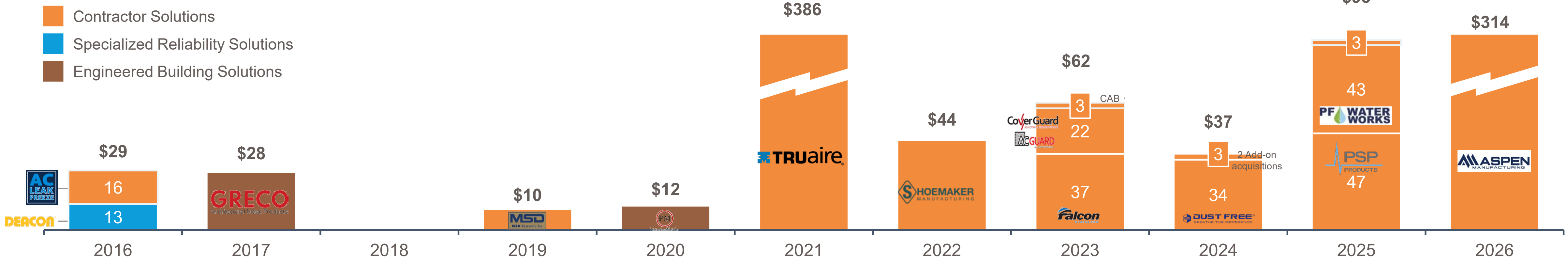
- Identify and execute accretive acquisitions that will broaden and complement our portfolio of brands and products
- Focus on commercially proven products and solutions that:
  - Are attractive in our target end markets
  - Currently have limited access to distribution channels that will benefit from our market channels
- Utilize strong free cash flow or financing to fund acquisitions

Key Highlights

17 Acquisitions completed since October 2015	**$1B[1]** Cumulative capital deployed on acquisitions	**7.9x** Median purchase price multiple[2]

Acquisitions Post-Spin

(Acquisition Price in millions; years reflect CSWI Fiscal years)



[1] Includes pending purchase of Aspen Manufacturing

[2] Reflects median of publicly disclosed purchase multiples and includes pending Aspen Manufacturing purchase; excludes Petersen Metals, MSD Research and Deacon acquisitions due to undisclosed multiples

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CSWI's Approach to Shareholder Value Creation

Ability to build on our track record of growth and enhancing long-term shareholder value.

Opportunity to Leverage Our HVAC/R Market Leadership Position and Distribution Channels

- Leverage our existing distribution channel with potential to **grow share of wallet** with our existing customers
- **Expands product offering** and adds vitality to the combined product portfolio
- Aspen Manufacturing customers to benefit from CSWI's **investments** in people, systems, and processes necessary to support **sustainable long-term growth**

Investing in Accordance with Our Stated Capital Allocation Strategy

- Provides opportunities to continue to **drive above market, profitable growth** and **deliver value to our shareholders**
- **Aspen Manufacturing's margin profile** expects to expand as a part of CSWI and expects to generate **near and long-term accretion** for **CSWI shareholders**
- **Aspen Manufacturing's decades of execution of growth initiatives** augments CSWI's historical above-market growth profile

Delivering on disciplined acquisition strategy, maintaining strong balance sheet, and maximizing channels to market

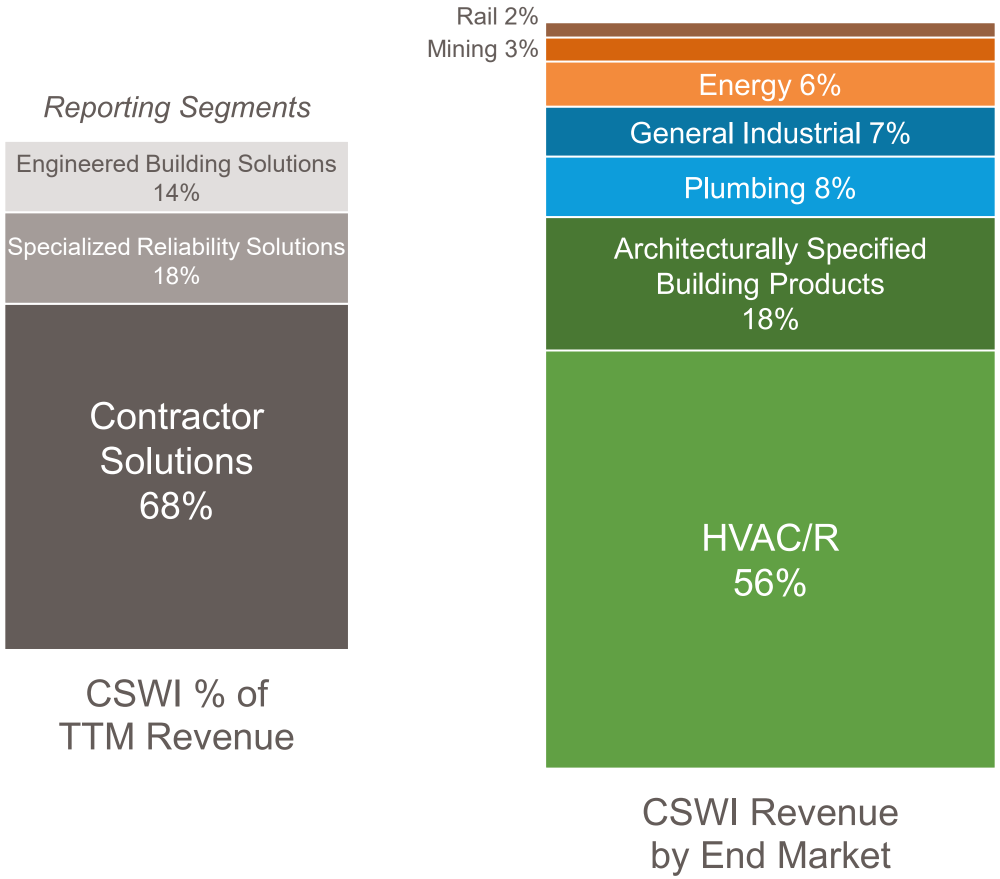
CSWI Acquisition Screen: Aspen Manufacturing

CSW Industrials Stated Acquisition Target Criteria:

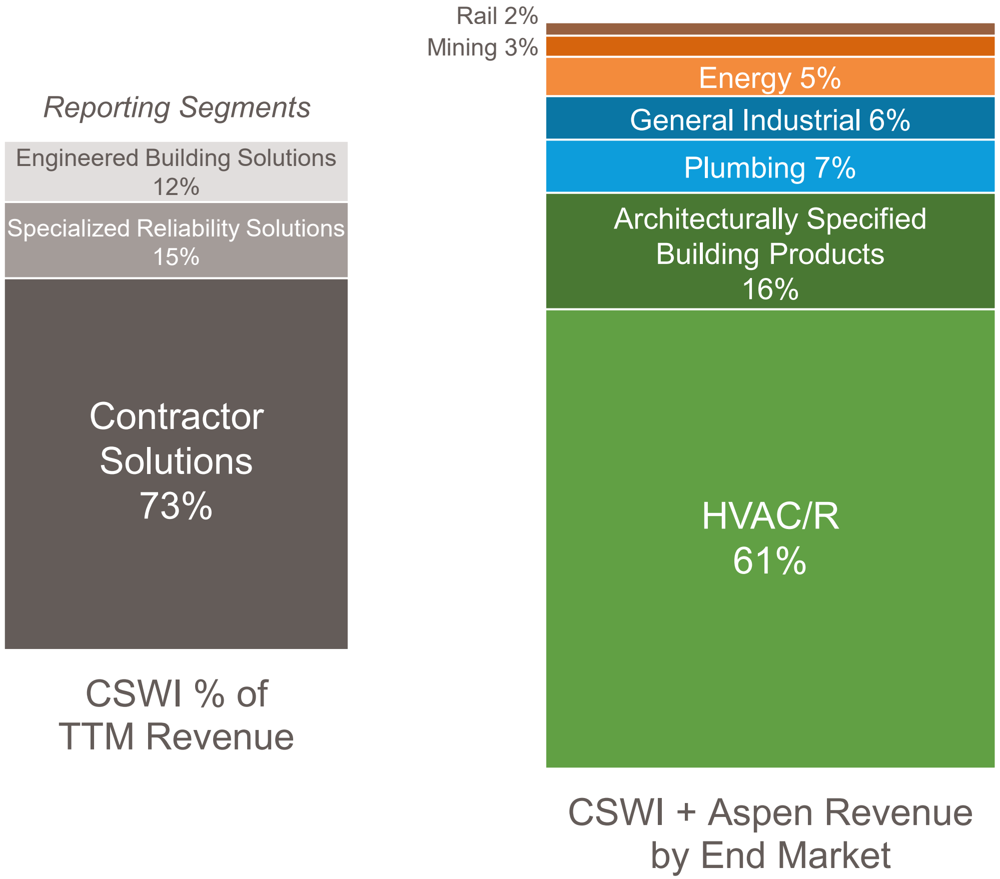
- ✓ Long-term growth in excess of GDP
- ✓ Strong margin contribution in-line with existing operations, with the opportunity for margin improvement as a part of CSWI
- ✓ Leverages our strategy and channels to market, including our extensive distribution network
- ✓ Executes our capital allocation strategy, investing in opportunities with the highest risk-adjusted rate of return
- ✓ Expands current markets with product introductions and meaningful acquisitions
- ✓ Maintains strong balance sheet
- ✓ Drives enhanced returns by leveraging market knowledge, and existing systems and processes

CSWI's Go-Forward Segments

CSWI TTM Revenue[1] ~$859MM



CSWI TTM + Aspen Revenue[1,2] ~$973MM



1 Trailing Twelve Months (TTM) are defined as the twelve months ended 12/31/24 for CSWI and 2024E for Aspen Manufacturing.
2 The combined financial information is presented for illustrative and informational purposes only and is not intended to represent or be indicative of what the actual results of combined operations would have been for the periods indicated, and it is neither representative of nor projects the combined results of operations for any future period.

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Appendix

CSWI Executive Team

Veteran leadership with broad industry experience, dedicated to enhancing shareholder value.

Joseph B. Armes

Chairman, CEO and President

Joe has served as the Company’s Chairman of the Board of Directors & CEO since September 2015, & President since February 2018. Prior to the Company’s September 2015 spin-off from Capital Southwest Corporation, a capital provider to middle market companies, Mr. Armes served as the Chairman, CEO & President of Capital Southwest Corporation from June 2013 to September 2015.

James E. Perry

Executive VP and Chief Financial Officer

James has been EVP and CFO since May 2020. From 2004 to 2019, he served in financial roles with Trinity Industries, a publicly held, diversified industrial company, and served as its CFO from 2010 to 2019. From 2001 to 2004, Mr. Perry was a senior financial executive at RMH Teleservices, including serving as CFO. He previously held positions at JP Morgan Chase & Co. and Ernst & Young LLP.

Donal J. Sullivan

Executive VP and Chief Strategy Officer

Donal has served as EVP & Chief Strategy Officer since April 2024, and previously served as EVP & General Manager, Contractor Solutions since May 2020. Prior to that Mr. Sullivan served as SVP, Industrial Products since January 2016, and was appointed as an executive officer of the Company in March 2019.
He has previously held roles at Goodman Global and Carrier Corporation.

Luke E. Alverson

Senior VP, General Counsel and Secretary

Luke has served as SVP, General Counsel & Secretary since February 2016. From May 2008 to February 2016, Mr. Alverson held roles of increasing responsibility with Flowserve Corporation, a leading global manufacturer of fluid motion control products and provider of related services, serving most recently as VP, Corporate Legal Services & Assistant Secretary.

Danielle R. Garde

Senior VP and Chief People Officer

Danielle has served as SVP and Chief People Officer since October 2022. From June 2020 to September 2022, she was the Chief Human Resources Officer at PlayPower, Inc., a privately-held producer of recreation equipment. From March 2014 to February 2020, Ms. Garde held roles of increasing responsibility with KidKraft Inc., a privately-held producer of children’s toys and furniture, last serving as VP, Human Resources.

Jeff A. Underwood

Senior VP and GM, Contractor Solutions

Jeff has served as SVP & General Manager, Contractor Solutions since April 2024, and previously served as SVP, Sales & Marketing for the Company's RectorSeal operating subsidiary within the Contractor Solutions segment since May 2021. Mr. Underwood joined the Company in September 2018 as VP of Sales for RectorSeal. He previously held roles at Goodman Manufacturing and Bain & Company.

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