

Investor Presentation

October 2020



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” 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.

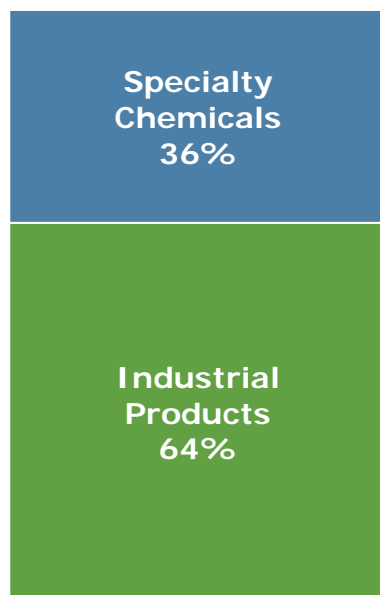
Non-GAAP Financial Information

This presentation includes non-GAAP financial measures including Adjusted Earnings Per Share, Adjusted Net Income and Adjusted Operating Income. Reconciliations to the most directly comparable GAAP measures are included in the Appendix 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.

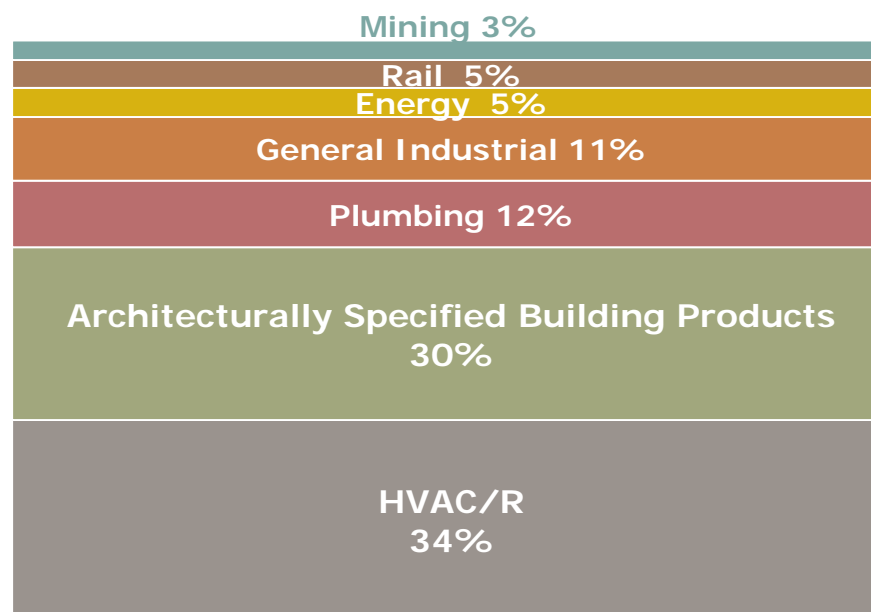
CSW Industrials (Nasdaq: CSWI)

A **growth-oriented, diversified industrial** company with a **strategic focus** on providing **niche, value-added products** in the end markets we serve.

Two Segments



Serving Diverse End Markets:



Trailing Twelve Month Total Revenue ~\$378MM

Key Highlights:

2015

Publicly listed on Nasdaq²

~\$1.2B

Market capitalization³

>150%

Total Shareholder Return Oct. 1, 2015 – 2Q21⁴

\$44.3MM

TTM¹ Cash Returned to Shareholders

~46%

TTM¹ Gross Margin

~\$297MM

Liquidity⁵ as of 9/30/20

Compelling Investment Thesis



Sustained multi-year revenue growth

Consistently demonstrating growth in excess of end markets served

- Total revenue CAGR of **9.6%** from FY16 through FY20¹
- Organic revenue CAGR of **7.2%** from FY16 through FY20¹



Proven history of robust profitability

Robust margin profile provided by niche products, applications, and solutions

- **46.2%** Adjusted Gross Profit Margin annual average FY16 – FY20¹
- **16.3%** Adjusted Operating Income Margin annual average FY16 – FY20¹



Strong balance sheet and operating cash flow

Strong balance sheet supports incremental organic and inorganic growth

- **\$47.3MM** of cash balances as of 9/30/20
- Net cash provided by operating activities of **\$78.7MM** TTM²
- **Fully available** \$250MM revolving credit facility, 0.1x leverage as of 9/30/20



Experienced leadership team

Veteran leadership team with broad industry experience

- Dedicated to enhancing shareholder value
- Committed to exemplifying CSWI's culture and values



Driving long-term shareholder value

Disciplined and strategic capital allocation policy enhances shareholder value

- **\$93.1** million of cash returned to shareholders since 3Q18
- 5 acquisitions completed for total investment of \$78.7 million from FY16 through FY20, **adding 240 basis points** of compound inorganic growth

Corporate Culture and Values

The Goal of Our Corporate Culture is to Maximize Performance.

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, norms, and dominant values of the Company. Our culture should be effective in reinforcing certain behaviors and eradicating others. Everything we do is accomplished with a focus on environmental stewardship, and the health and safety of our team members.

Core Values Support Our Culture:

Integrity

Respect

Excellence

Stewardship

Citizenship

Accountability

Teamwork

Our Commitment to Diversity, Inclusion, and Respect:

We seek to create, nurture, and sustain an inclusive and diverse environment that attracts and retains the highest caliber team members, leveraging their skills and expertise to serve our customers. We are dedicated to attracting, developing, and retaining high-quality individuals of all backgrounds, and to making CSWI a place where everyone can contribute and grow. We at CSWI believe that diversity not only inspires our internal team, but also informs customer insight and service.

8,500+

Annual Training Hours
Across the Company

7%

Insider ownership,
including ESOP¹

88%

Independent Directors
on our Board

25%

Women Directors
on our Board

2021 Guiding Objectives

At CSWI, we will:

Treat Our Employees Well

- Provide **continuing employment** for full-time employees, positioning for demand recovery
- Pledge to foster an inclusive environment that is focused on **health and safety**
- Grant **ESOP**¹ participation to all eligible employees, ensuring **alignment** of capital and labor

Serve Our Customers Well

- Operate with **minimal COVID-19 disruption**
- Increase commitment to being a **vendor of choice**
- Offer **innovative products** that add value to our customers' business
- **Increase shipping department personnel** to meet our customers' expectations

Manage Our Supply Chains Effectively

- **Selectively build inventory** with certain key inputs to assure ability to meet customers needs
- **Increase reliability of supply chains** via diversification opportunities for third-party manufacturing locations

Position Our Company for Sustainable, Long-Term Growth and Profitability

- Respond decisively and act in the best interest of **all stakeholders**
- Maintain **strong balance sheet** and **liquidity**
- Align **investment decisions** with our capital allocation strategy
- Position for **organic** and **inorganic growth**

Fiscal 2nd Quarter 2021 Summary of Financial Results

CSWI Product Spotlight

Fortress Lineset Covers

End Market: HVAC/R



Fortress[®] Lineset covers are a precision system of premade ducting offering strength and longevity at a modest price point. Perfect for a variety of A/C systems, Fortress[®] conceals/protects lineset, wiring and drain hose from weather/damage. Made in USA.



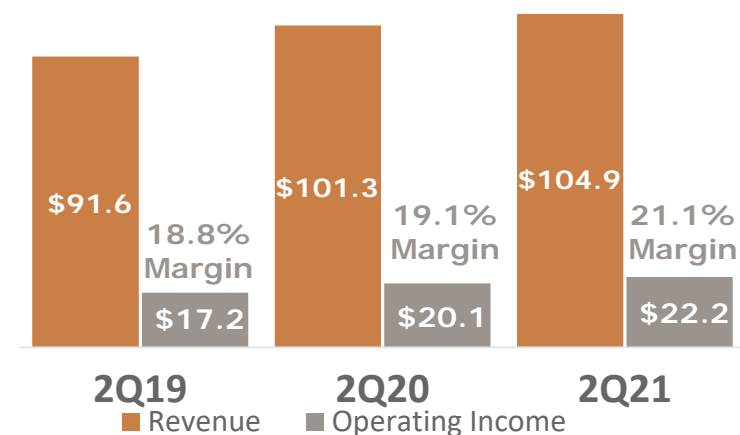
2Q21: Highest Quarterly Revenue and Operating Income

Consolidated Financial Highlights:

- **Record Revenue of \$104.9 million**, a 3.6% increase (100% organic) compared to \$101.3 million in the prior year
 - **Highest ever quarterly sales** into the HVAC/R end market
 - **30% growth in sales** 2Q21 over 2Q20 into HVAC/R and Plumbing end markets combined
- **Operating Income** from continuing operations **increased 15.0%** to \$22.2 million, compared to \$20.1 million in prior year.
- **Record Operating Income Margin of 21.1%**, 130 basis point growth over 2Q20 (excluding the gain on property sales)
- **EPS¹ of \$1.10, \$0.18 (or ~20%) higher** than adjusted EPS of \$0.92 in 2Q20

Summary Quarterly Consolidated Results¹

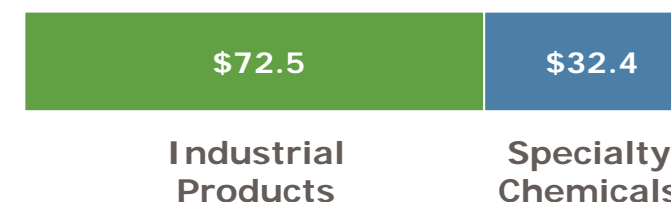
(\$ in millions)



2Q21 Revenue¹

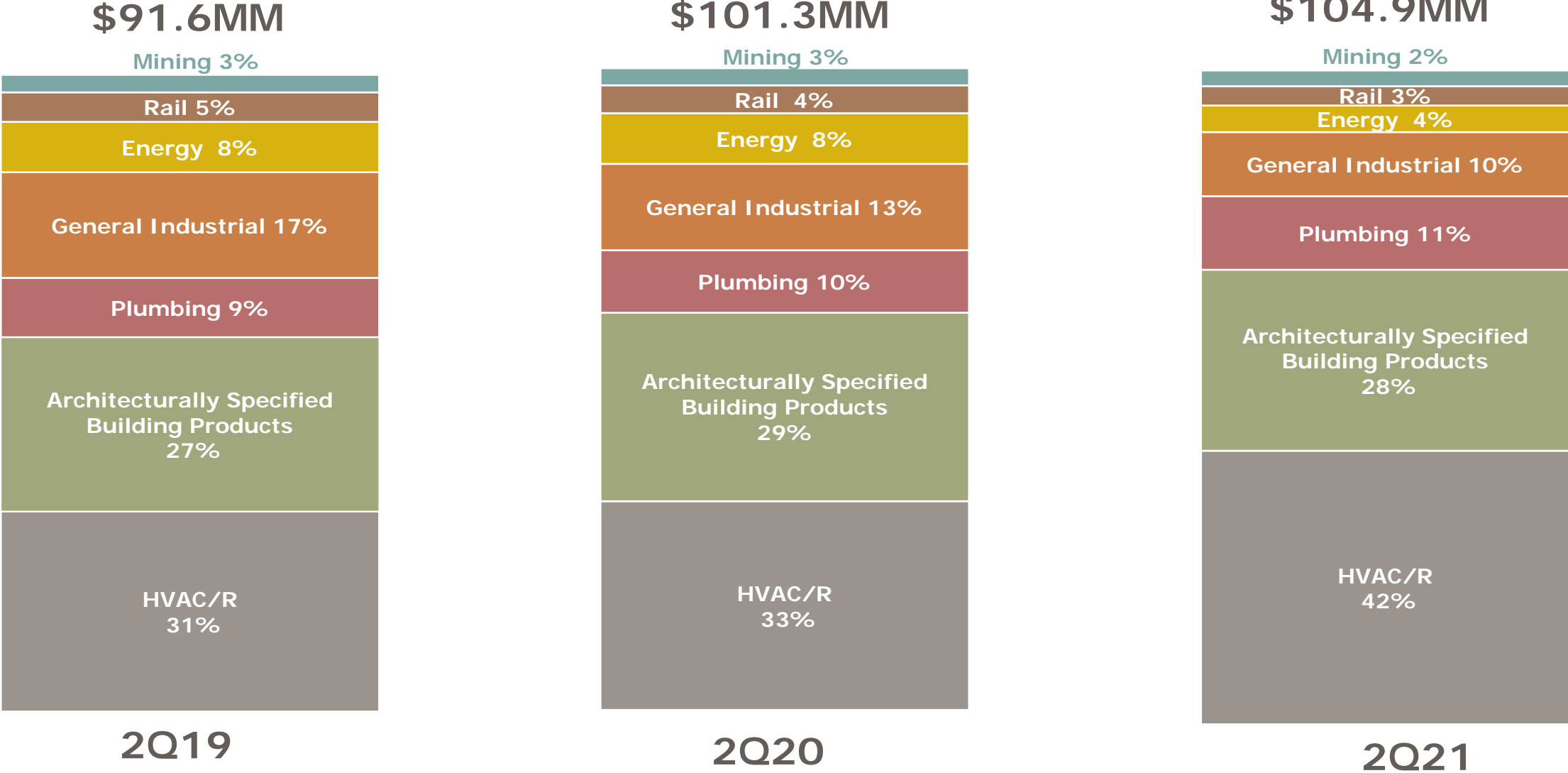
(in millions)

\$104.9 Consolidated CSWI



Diversified Revenue Across End Markets Served¹

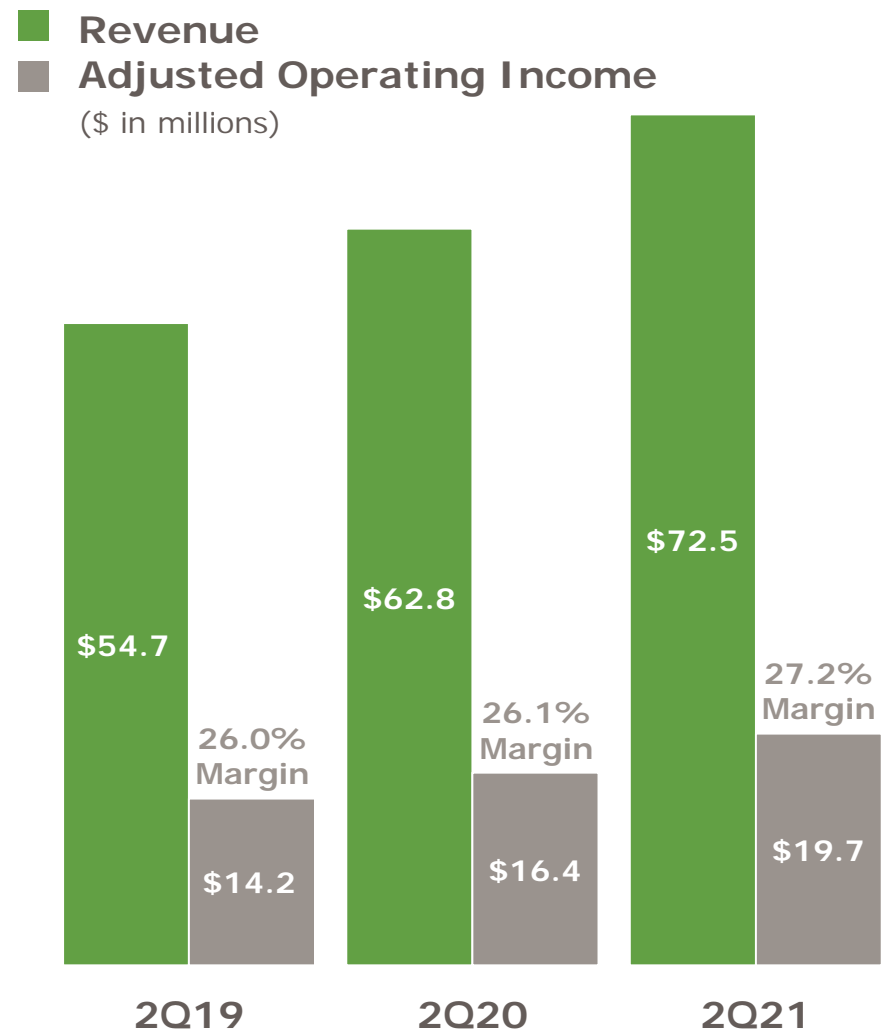
(\$ in millions)



¹ Calculated for continuing operations only.

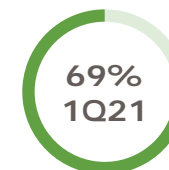


2Q21: Industrial Products Summary¹



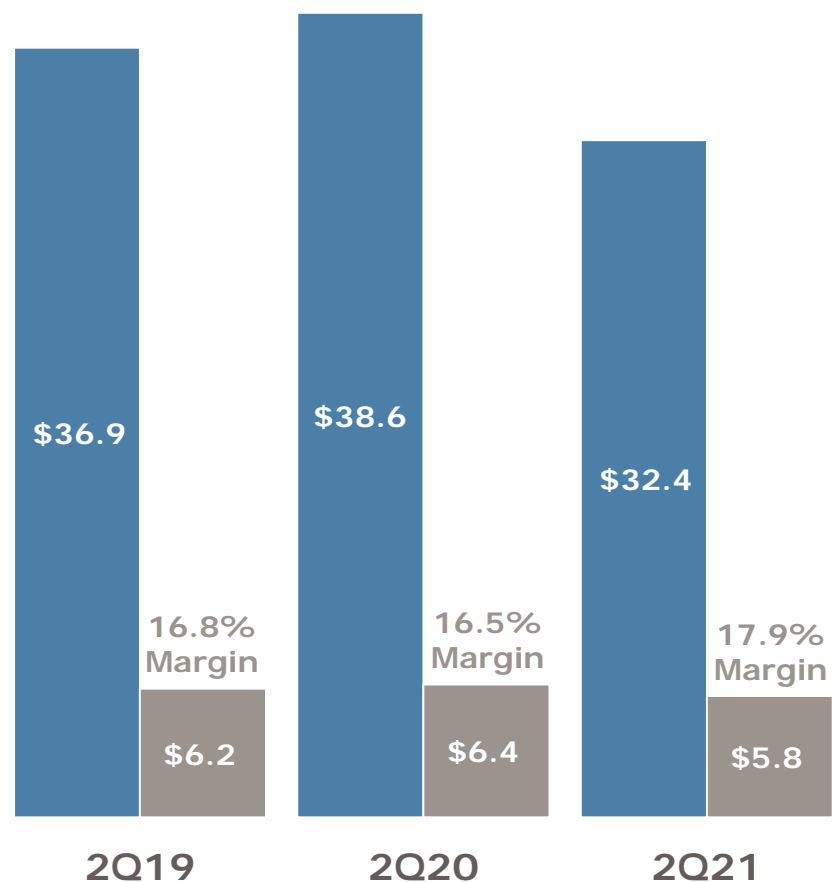
- **Revenue increased 15.5%** to \$72.5MM from \$62.8MM in the prior year period as demand in HVAC/R and plumbing rebounded in 2Q21 due to ongoing work from home, higher than average temperatures, and distributor inventory restocking
- **Segment operating income increased to \$19.7MM**, compared to \$16.4MM in the prior year period due increased sales
- **Segment operating income margin improved to 27.2%** as a result of higher sales and partially offset by increases in enterprise-resource-planning system related expenses and personnel expenses

Segment as a % of Consolidated CSWI Revenue:



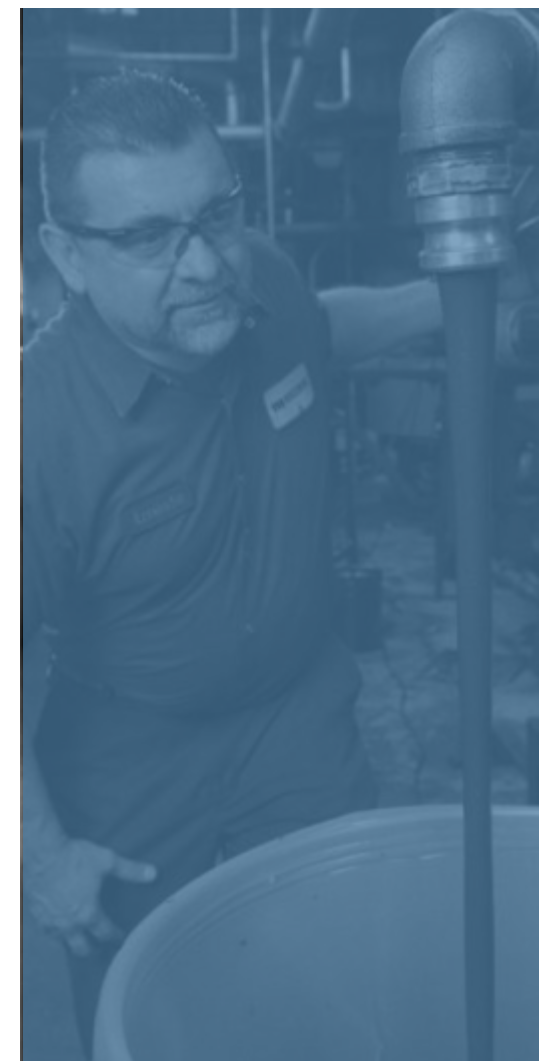
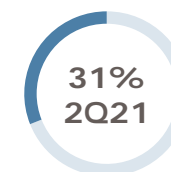
2Q21: Specialty Chemicals Summary¹

■ Revenue
 ■ Adjusted Operating Income
 (\$ in millions)



- **Revenue decreased 15.8%** to \$32.4MM from \$38.6MM in the prior year period as increased sales volumes into the plumbing and HVAC/R end markets were more than offset by pandemic driven demand decline in energy, general industrial, rail, and mining end markets
- **Segment adjusted operating income was \$5.8MM**, \$0.6MM lower than the prior year period as cost reductions in travel-related expenses, personnel expenses, and sales commissions were more than offset by lower sales revenue
- **Segment adjusted operating income margin improved to 17.9%** due primarily to cost reduction initiatives deployed to offset the decline in sales

Segment as a % of Consolidated CSWI Revenue:



¹ Calculated for continuing operations only.

Fiscal 1st Half 2021 Summary of Financial Results

CSWI Product Spotlight

Safe-T-Switch® SC1 Cleanout Device

End Market: HVAC/R



Safe-T-Switch® Model SC1 inline cleanout device allows quick and easy access for cleaning of condensate drain lines. Device includes an integrated, easy-access Schrader valve for pressure cleaning. The directional cleaning tool can be used for both pressure and vacuum



1H21: Further Enhanced Liquidity and Leverage

1st Half 2021 Consolidated Financial Highlights:



Increased Operating
Cash Flow

- **Net cash provided by operating activities from continuing operations** increased to **\$44.8 million** in 1H21, a **19.4% increase** over \$37.5 million in the prior year period



Nearly \$300MM
of liquidity as of
9/30/20

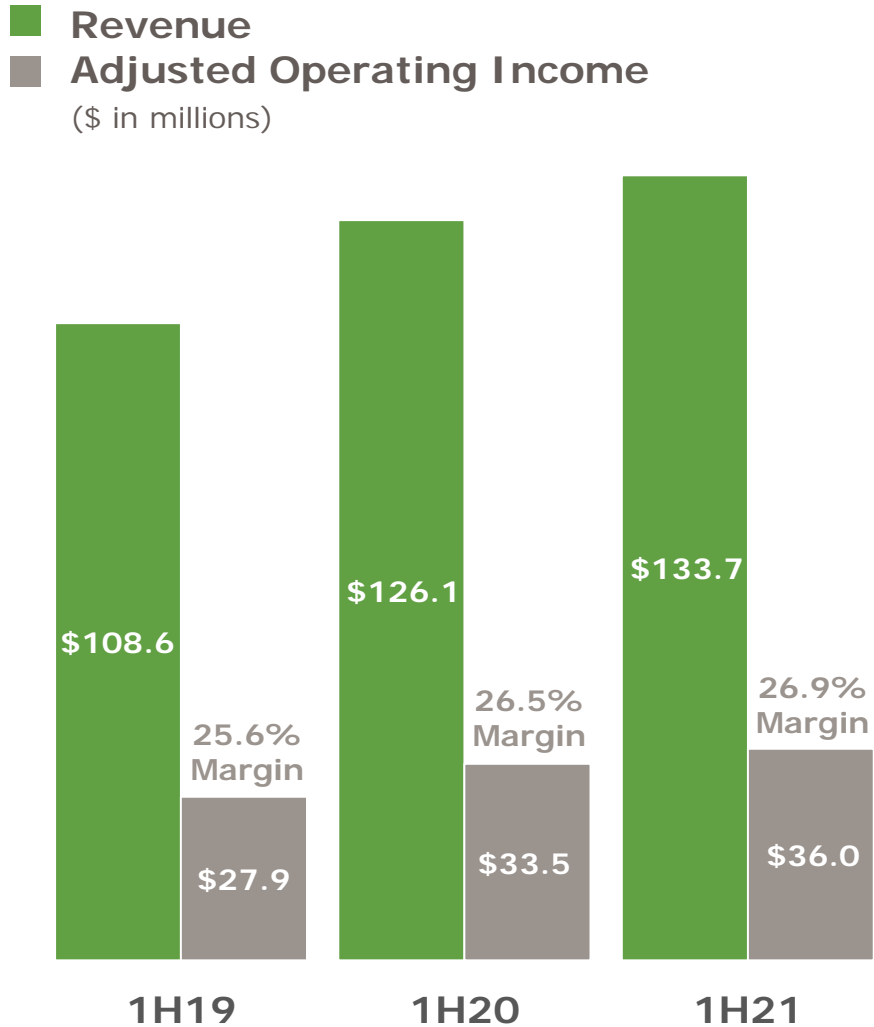
- **Strong balance sheet, ample liquidity**², executed **capital allocation** strategy
 - **\$47.3 million of cash**, a \$27.6 million increase over 1Q21
 - \$250.0 million fully available revolving credit facility
 - \$13.3 million of **shares repurchased** and **dividend payments** in 1H21



1H21 Consolidated
Financial Summary

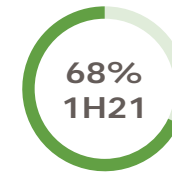
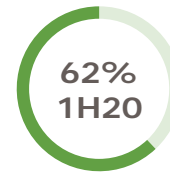
- **Reported revenue of \$195.9 million**, a 3.8% decrease over 1H20
 - Increased sales into the HVAC/R and plumbing end markets were more than offset by pandemic driven demand declines in other end markets served
- **Reported operating income of \$38.4MM**, a \$2.0MM decrease over 1H20 due primarily to lower sales volumes
- Reported EPS of \$1.91 compared to \$1.59 in 2Q20, or \$1.89 of adjusted EPS after 2Q20 earnings were adjusted to exclude one-time items, the most significant being the one-time charge to terminate the U.S. qualified pension plan

1H21: Industrial Products Summary¹



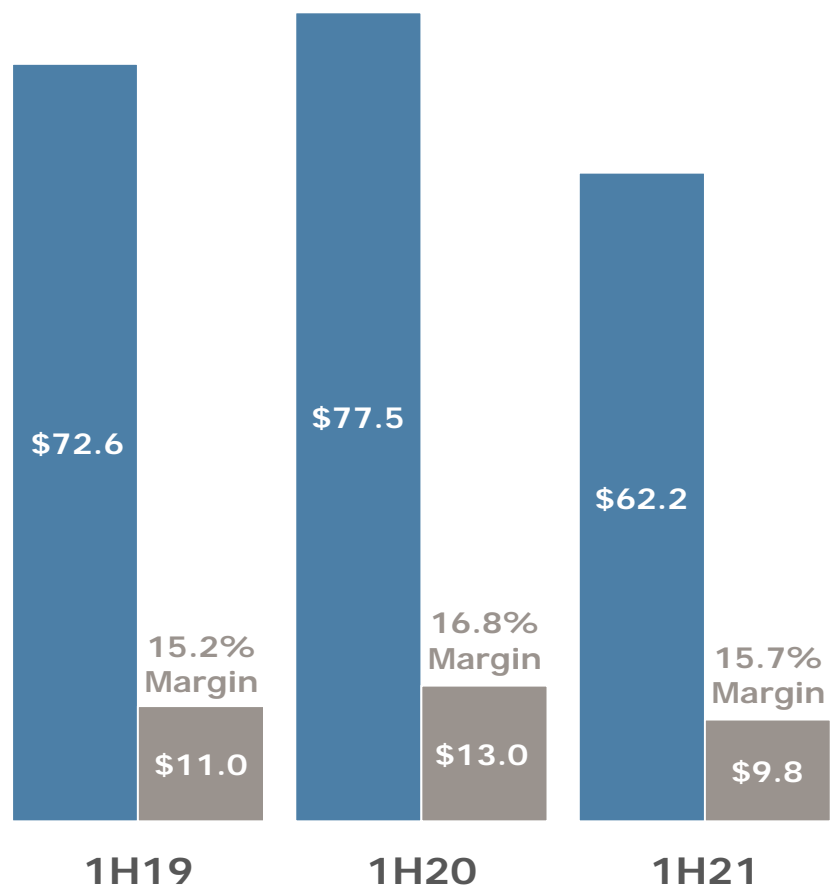
- **Revenue increased 6.0%** to \$133.7 million in the prior year period due to increased demand in HVAC/R and plumbing end markets, partially offset by other end markets served
- **Segment operating income increased to \$36.0 million**, due to primarily increased sales
- **Segment operating income margin improved to 26.9%** as a result of higher sales and partially offset by increases in enterprise-resources-planning system related expenses and personnel expenses

Segment as a % of Consolidated CSWI Revenue:



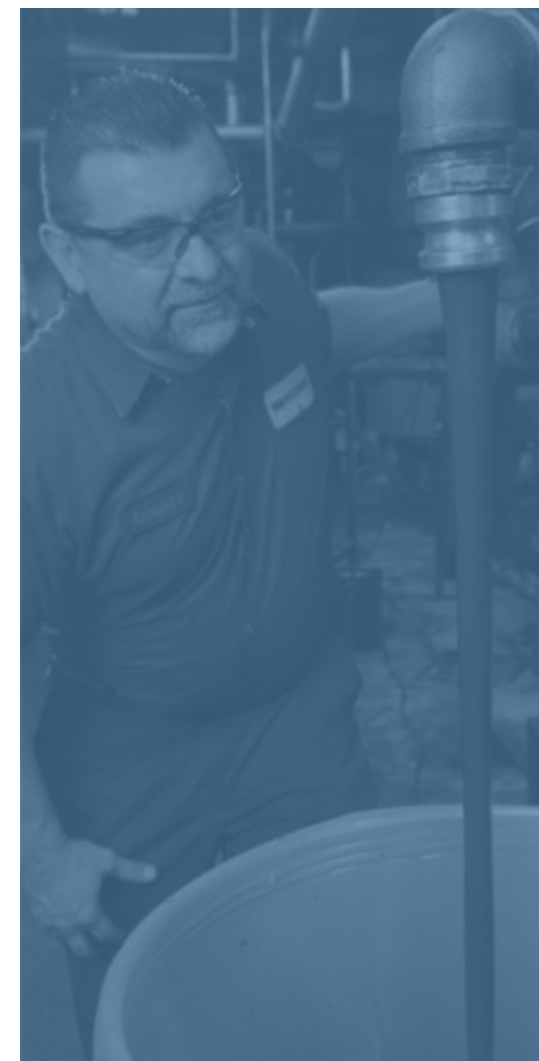
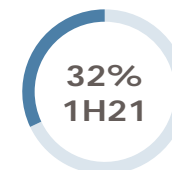
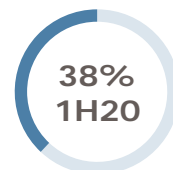
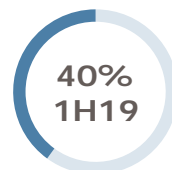
1H21: Specialty Chemicals Summary¹

■ Revenue
 ■ Adjusted Operating Income
 (\$ in millions)



- **Revenue decreased 20.0%** to \$62.2 million from \$77.5 million in the prior year period due to pandemic driven demand decline in all end markets served
- **Segment operating income decreased to \$9.8 million** due primarily to decreased sales, and a \$0.8 million gain on sale in the prior year period that did not recur
- **Segment operating income margin was 15.7%**, a decline from the prior year period primarily associated with lower sales, and partially offset by cost reduction initiatives

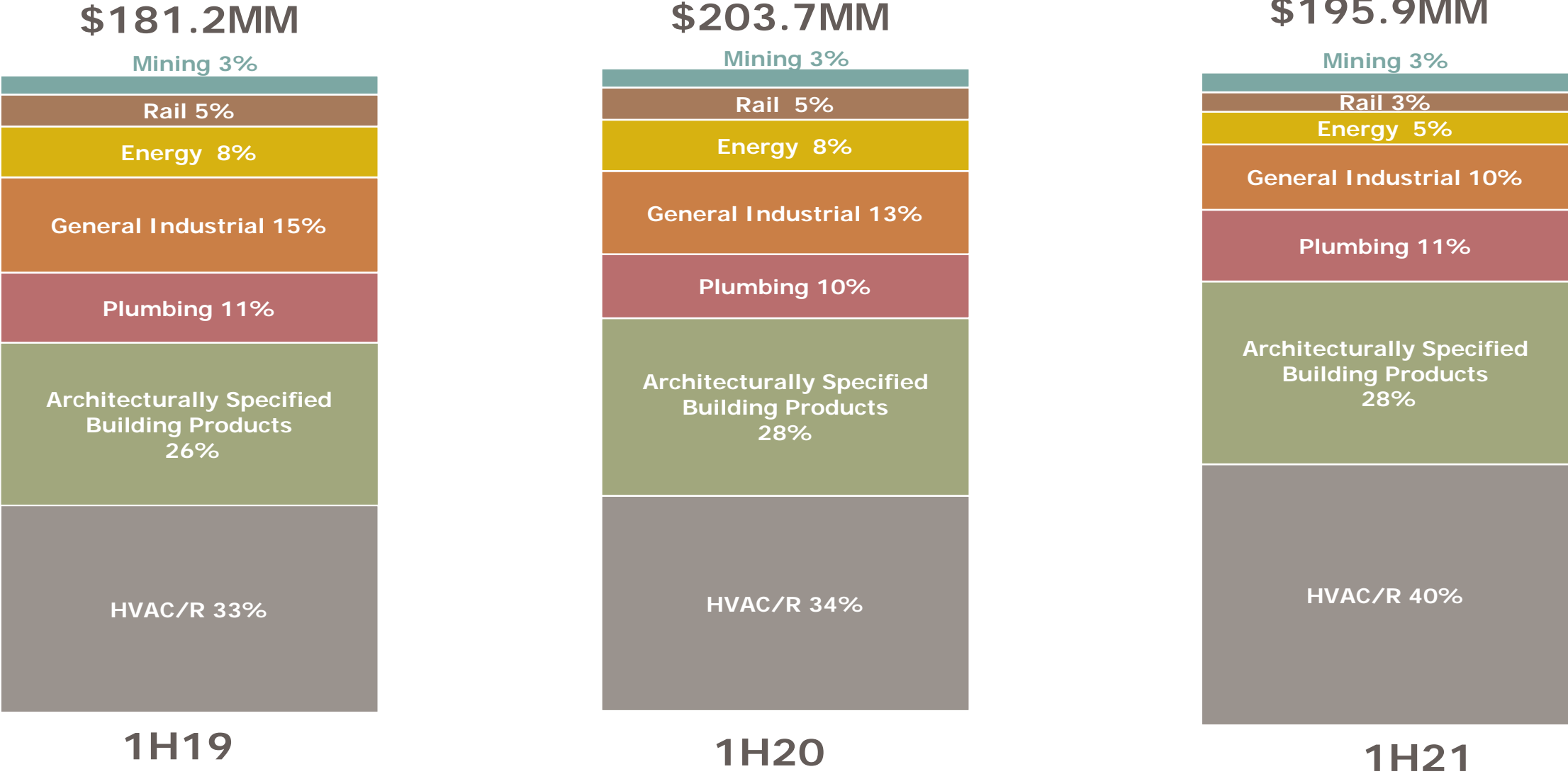
Segment as a % of Consolidated CSWI Revenue:



¹ Calculated for continuing operations only.

Diversified Revenue Across End Markets Served¹

(\$ in millions)



¹ Calculated for continuing operations only.

Driving Long-Term Shareholder Value

CSWI Product Spotlight

PRO-Fit Quick Connect

End Market: HVAC/R



PRO-Fit Quick Connect fittings are designed to connect refrigerant lines without an open flame, brazing, or swaging. They are suitable for joining refrigerant lines in seconds after cutting the line, deburring the ends, and push to connect.



Seeking Sustainable Growth in Shareholder Value

Maintain Our Strong Balance Sheet

Allocate Capital Efficiently

Maximize Channels to Market and Increase Market Share

Invest in Organic Growth

Disciplined Acquisition Strategy

Demonstrated track record of proven growth and enhancing long-term shareholder value

- 2015 public debut with market cap of ~\$500MM, ~\$1.2B as of 10/23/20
- FY15 revenue¹ of \$262MM, versus TTM² of \$378MM
- FY15 GAAP Operating Income¹ of \$44MM, versus TTM² of \$64MM
- Five accretive acquisitions since public debut
- Dividend and share repurchase programs to return cash to shareholders

Maintaining Our Strong Balance Sheet

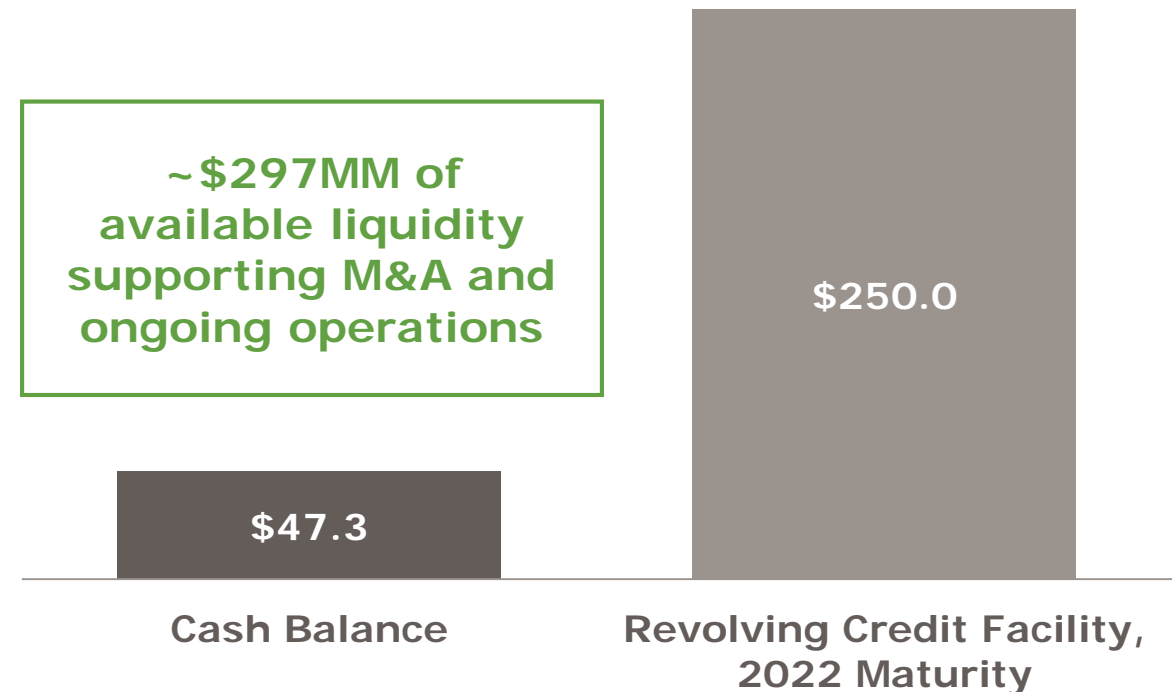
CSWI is committed to maintaining a strong balance sheet, with ample liquidity through cash and available credit to maximize growth opportunities, both organically and inorganically.

Attributes

- Cash balance of \$47.3 million¹
- Strong operating cash generation
- Full \$250MM available under existing revolving credit facility¹
- Utilize strong free cash flow and financing to fund organic and inorganic growth
- Operating leverage of 1.0x – 3.0x Debt / EBITDA would be appropriate through cycles

Liquidity Position¹

(\$ in millions)



Allocating Capital Efficiently

Capital allocation decisions will continue to be prioritized on a risk-adjusted returns basis, with the goal of driving long-term shareholder value.

Organic Growth

- Invest in enhancing innovative, value-adding products
- Invest in efficiency initiatives
- Increase sales footprint domestically and internationally

Dividends

- Dividend program initiated in April 2019
- 7 consecutive quarters of dividends declared, for cumulative return of cash of \$14.1MM

Inorganic Growth

- Prioritize accretive, synergistic acquisitions within existing end markets
- Consider broader strategic opportunities as appropriate

Share Repurchases

- As appropriate, return cash through opportunistic share repurchases
- Cumulative share repurchase of \$81.0MM and 1.4MM shares since program inception in 3Q FY18

TTM Capital Allocation¹ (\$ in millions)

\$53.4MM

Dividends \$8.0

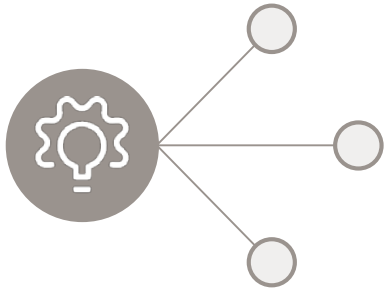
Capital Expenditures
\$11.2

Share Repurchases
\$34.2

Accessing Distribution Channels to Accelerate Growth

We have focused on growing our distribution network in recent years, enhancing revenue growth from new product introductions and acquisitions.

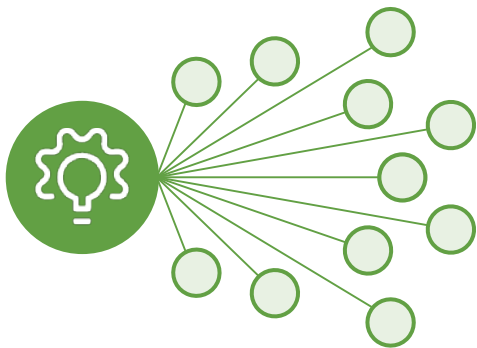
Without CSWI: Limited Distribution



< 40
Distributor
Groups

Newly designed products, while innovative & helpful for contractors, are often challenged by limited distribution

With CSWI: Broad Distribution



> 200
Distributor
Groups



The Power of Our Distribution Model

CSWI maintains robust access to distributors, including through buying groups and national account relationships

CSWI can acquire or master distribute products, resulting in sales at a faster and more cost-effective rate due to leverage in logistics, supply agreements, sales staff, credit and back office support

Investing in Innovative Products

Our product innovation strategy is focused on commercially attractive products and solutions, while maintaining a flexible manufacturing strategy.

Key Innovation Attributes Include:

- Attractive in our target end markets, especially where we have the solution for specific applications or needs
- Ensuring reliability for our customers' mission-critical equipment, with specialty lubricants and greases that perform under environments

**Serving
Niche
Applications**

- Products that are in constrained distribution channels benefit from our numerous market channel options
- Cross-selling end markets, such as HVAC/R and plumbing, or various directional drilling applications, enabling greater market access

**Providing
Incremental
Market Access**

- Enhancing products via innovative research and development
- Protecting capital assets in the most demanding environments and extreme conditions
- Providing code-driven, life safety solutions

**Value-Selling
Through
Differentiation**

- Driving material labor or maintenance savings for end-users, especially where empirically demonstrated
- Extending the life of our customers' capital intense assets with quantifiable data support

**Resulting
in Labor
Savings**

Strategic, Disciplined Approach to M&A

As a diversified industrial growth company, our goal is to increase free cash flow through sustainable organic growth, accretive inorganic growth, and operational efficiency.

CSW Industrials Target Criteria:

- Seek long-term growth well in excess of GDP
- Expect strong margin contribution in-line with existing operations, and margin resiliency through-cycles
- Leverage our go to market strategy and channels to market, including our extensive distribution network
- Committed capital allocation strategy investing in opportunities with the highest risk adjusted rate of return
- Expand in existing markets with product introductions and meaningful acquisitions
- Maintain strong balance sheet, with maximum leverage of 3.75x Net Debt / EBITDA¹ for any acquisition
- Drive enhanced returns by leveraging market knowledge, and existing systems and processes

CSWI Acquisition History

Acquisitions Aligned with Target Metrics

- Identified and executed accretive acquisitions that broadened and complemented our portfolio of brands and products
- Optimize costs in strategic acquisitions and eliminate most non-manufacturing related costs in product line acquisitions
- Focus on commercially proven products and solutions that:
 - Are attractive in our target end markets
 - Had limited access to distribution channels that benefit from our market channels
- Strong free cash flow and financing funded acquisitions

Acquisitions Since 2015

(\$ in millions)

- Industrial Products
- Specialty Chemicals



Business Segment Discussion

CSWI Product Spotlight

OilSafe Lubrication Management

End Market: General Industrial



OilSafe®, is a lubrication management system used to establish best practices throughout our customer's workflow. Every step is color-coded to eliminate risk and human error - simplifying maintenance and extending the life of our customers' machinery.



Two Business Segments With Diverse Product Offerings



Specialty mechanical products, controls, fire & smoke protection; architecturally specified building products; storage, filtration & application equipment for use with our specialty chemicals

Used In:

- Residential and commercial HVAC/R, new installation and repair
- Mechanical products for use with our Specialty Chemicals
- Architecturally Specified Building Products primarily in:
 - Multi-family residential, commercial, hospitality, healthcare, educational, and governmental new construction and remodel
 - Fire & smoke protection; expansion joints; rail
- Filtration

Consumables that enhance performance characteristics and reliability, including pipe thread sealants, fire stopping sealants and caulks, adhesives and solvents cements, lubricants and greases, drilling and anti-seize compounds, degreasers and cleaners, and chemical formulations

Used In:

- Adhesives and solvents for residential and commercial HVAC/R and plumbing
- Anti-seize threaded technology in petrochemical downstream applications, down-hole drilling, and municipal horizontal-directional-drilling
- Sealants for petrochemical downstream and firestopping
- Specialty lubricants for high temperature and high-pressure applications

Industrial Products – Segment Overview

~\$243MM

TTM¹ Revenue

~24%

TTM¹ Adj. Operating
Income Margin

Summary:

- Highly diversified product portfolio providing industry leading products in both direct-to-customer and distributor models.
- Strong reputation for providing high quality products to long-standing customer base.
- Focus on adding value by innovating new and existing products to accelerate organic growth.
- Future growth focus on new product introductions through organic innovation and inorganic additions.

End Markets
Served:

HVAC/R

PLUMBING

*GENERAL
INDUSTRIAL*

RAIL

*ARCHITECTURALLY SPECIFIED
BUILDING PRODUCTS*

Strategic
Growth that
Outpaces
End Markets:

- Niche, innovative products that are relatively low cost and high value, while driving additional revenue for the distributor and efficiency for the professional contractor.
- Acquire, develop, and introduce innovative products that create new niche markets that we can own. Recent examples include condensate cutoff switches and providing accessories for the growing mini split market.

Industrial
Brands:



Specialty Chemicals – Segment Overview

~\$136MM

TTM¹ Revenue

~16%

TTM¹ Adj. Operating
Income Margin

Summary:

- Our product portfolio allows us to effectively compete and capture enhanced margins relative to larger Specialty Chemical peers.
- Focus on end markets with sustainable growth trends, offering products that serve niche solutions to our customers.
- Focus on adding value by innovating new and existing products to accelerate organic growth.
- Future growth focus on new product introductions through organic innovation and inorganic additions.

End Markets
Served:

**GENERAL
INDUSTRIAL**

MINING

PLUMBING

ENERGY

RAIL

**ARCHITECTURALLY SPECIFIED
BUILDING PRODUCTS**

Strategic
Growth that
Outpaces
End Markets:

- Products that protect assets in the most demanding environments and extreme conditions.
- Our customers depend on their mission-critical equipment, and hence they depend on our trusted specialty lubricants and greases to ensure the reliability of their equipment.

Industrial
Brands:



Appendix

CSWI Product Spotlight

Air Sentry® Desiccant Breathers

End Market: General Industrial



Air Sentry Breathers provide the first line of defense in contamination control, using patented designs to clean air. These are often used to replace existing breather caps or air vents on fluid holding storage tanks.



CSWI Executive Team: Corporate



Joe Armes

Chairman, CEO & 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 Perry

Executive VP & CFO

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 as CFO. He previously held positions at JP Morgan Chase & Co. and Ernst & Young LLP.



Luke Alverson

Senior VP, General Counsel & 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.

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

CSWI Executive Team: Business Segments



Don Sullivan

Executive VP & GM, Industrial Products

Don has served as the EVP & GM, Industrial Products since May 2020. Mr. Sullivan previously served as the Senior VP & GM, Industrial Products, January 2016 to May 2020. From May 2015 to January 2016, Mr. Sullivan was the Chief Operating Officer for RectorSeal, one of CSWI's operating subsidiaries. From October 2010 to April 2015, he served as Division President of Goodman Global, a member of the Daikin Group, a leading global HVAC manufacturer. Prior to 2005, Mr. Sullivan held a variety of management positions at Carrier Corporation, a leading heating, air-conditioning and refrigeration solutions company, including sales, product management and general management.

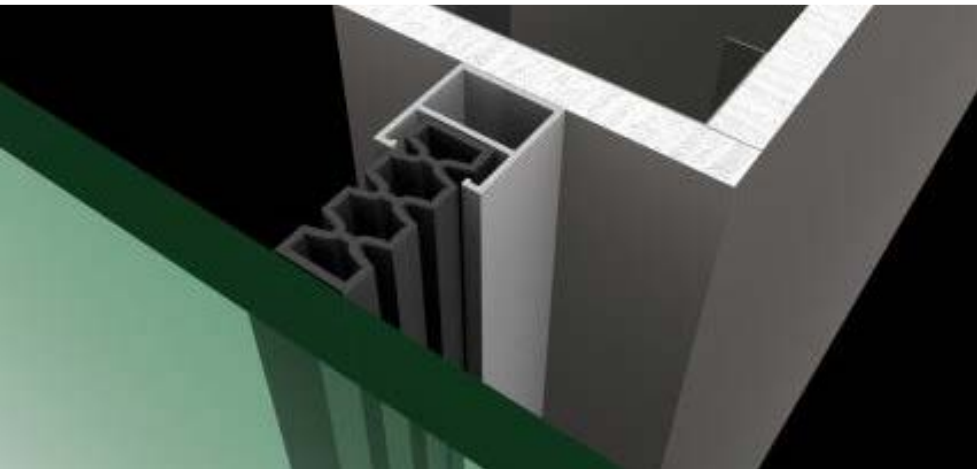
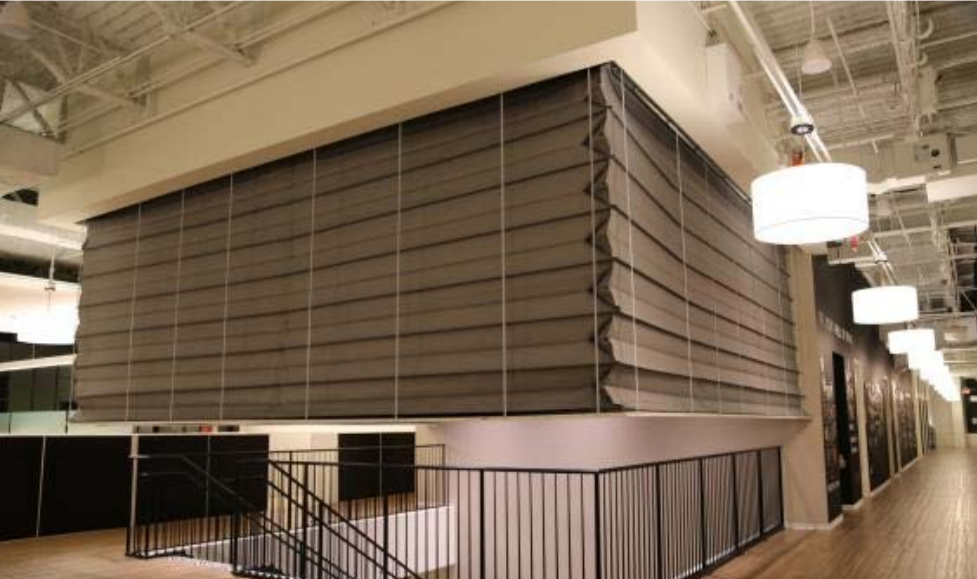


Craig Foster

Senior VP & GM, Specialty Chemicals

Craig has served as SVP & GM, Specialty Chemicals since January of 2016. From June 2015 to August 2015, Mr. Foster was Vice President and General Manager, Elastomers Division, at Zeon Chemicals, a Japanese specialty chemicals company. From 1995 to June 2015, he served in positions of increasing responsibility with Flint Group, a specialty chemicals company, where he was most recently Regional President of China and India, also serving as the functional executive responsible for the company's global operations. Mr. Foster started his career with Akzo Nobel Coatings, and prior to this served in the U.S. Navy within the Nuclear Submarine Force and the Naval Mobile Construction Force.

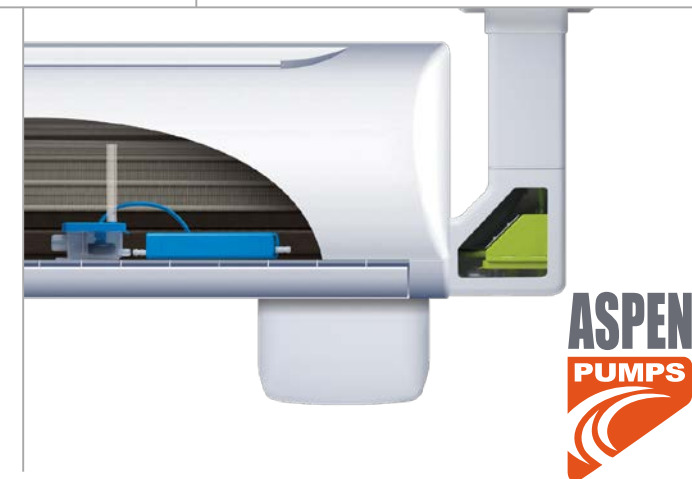
Products Serving the Architecturally Specified Building Products End Market



Products Serving the Energy End Market



Products Serving the HVAC/R End Market



Products Serving Niche HVAC/R Mini-Split Market



Safe-T-Switch[®]
Primary drain pan overflow protection.

Aspen Pumps[®] Univert or Silent- 4 discrete condensate pump models. White, Aqua, Orange, Lime

Pre-filter protects mini pump from condensate debris.

Actabs[®] DMSS Drain pan odor and noise control.

Mighty Bracket[™] Support tool - allows single person evaporator installation or repair.

Telescoping wall sleeve

Nokink[™] flexible, easy flare line connector.

Desolv[®] Cleaning kit and Aerosol protect walls and floors.

Slimduct[®] Fortress[™] Lineset duct and fitting systems, 5 sizes, 4 colors.

3-in-1 Lineset Cutter Cuts cleanly, advanced corrosion resistance.

Drain hose Insulated and Non-insulated, Smooth bore, UV resistant.

Paircoil[™] Dual line, single run, flexible, insulated lineset.

RSH-50 Surge Protective Device protects equipment from electrical surges and other voltage disturbances.

Condenser brackets Powdercoat & stainless.

AC Leak Freeze[™] with UV leak stop sealant, non clogging, non reactive polymer-free nano formula.

Novent[™] The original, code approved locking refrigerant access port caps.

Interconnect cable 4 wire plus ground, 1/4 gauge, shielded.

EZ Trap[™] Waterless in-line condensate trap.

PRO-Fit[™] Flaring & Swaging Tool Bits Kits create precise and fast standard 45° flare or swage.

Flarelite[™] flare gasket against leaks for common fittings, 40° copper stamping with coating.

ArmorPad[™] equipment pad, Light weight, durable, high anchoring strength.

Big Foot[™] 12" & 18" Mini-Split stand kits Strong and sturdy base, ASTM-A36 galvanized steel.

Polymer risers

Big Foot[™] Fix-It-Foot vibration absorbing risers.

INSTALLATION • MAINTENANCE • TOP SOLUTIONS • ONE SOURCE

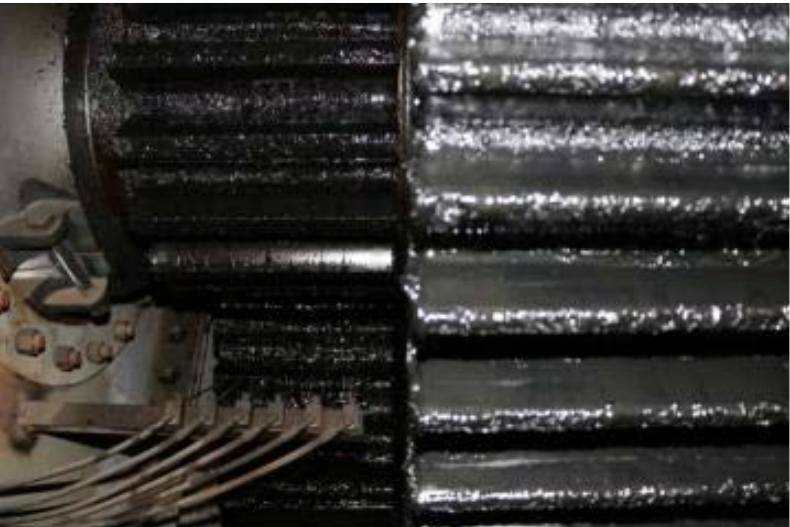
Mini-split accessory necessities.

RECTORSEAL
A CSW Industrials Company

Products Serving the General Industrial End Market



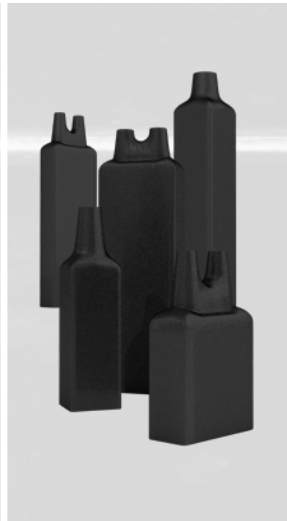
Products Serving the Mining End Market



Products Serving the Plumbing End Market



Products Serving the Rail End Market



Reconciliation of Fiscal Second Quarter Segment Operating Income to Adjusted Segment Operating Income

(Amounts in thousands, except percentages)

	(unaudited)											
	For the Three Months Ended September 30, 2020				For the Three Months Ended September 30, 2019				For the Three Months Ended September 30, 2018			
	Industrial Products	Specialty Chemicals	Corporate and Other	Consolidated Continuing Operations	Industrial Products	Specialty Chemicals	Corporate and Other	Consolidated Continuing Operations	Industrial Products	Specialty Chemicals	Corporate and Other	Consolidated Continuing Operations
Revenue	\$ 72,493	\$ 32,447	\$ -	\$ 104,940	\$ 62,769	\$ 38,555	\$ -	\$ 101,324	\$ 54,727	\$ 36,884	\$ -	\$ 91,612
Operating Income	\$ 19,727	\$ 5,815	\$ (3,362)	\$ 22,180	\$ 16,413	\$ 7,142	\$ (3,433)	\$ 20,122	\$ 14,212	\$ 6,158	\$ (3,166)	\$ 17,204
Adjusting items:												
(Gain on sale) impairment of property	-	-	-	-	-	(776)	-	(776)	-	-	-	-
Adjusted Operating Income	\$ 19,727	\$ 5,815	\$ (3,362)	\$ 22,180	\$ 16,413	\$ 6,366	\$ (3,433)	\$ 19,346	\$ 14,212	\$ 6,158	\$ (3,166)	\$ 17,204
% of revenue	27.2%	17.9%		21.1%	26.1%	16.5%		19.1%	26.0%	16.7%		18.8%

Reconciliation of Fiscal Year-to-Date Segment Operating Income to Adjusted Segment Operating Income

(Amounts in thousands, except percentages)

	(unaudited)											
	Year To Date September 30, 2020				Year To Date September 30, 2019				Year To Date September 30, 2018			
	Industrial Products	Specialty Chemicals	Corporate and Other	Consolidated Continuing Operations	Industrial Products	Specialty Chemicals	Corporate and Other	Consolidated Continuing Operations	Industrial Products	Specialty Chemicals	Corporate and Other	Consolidated Continuing Operations
Revenue	\$ 133,732	\$ 62,172	\$ -	\$ 195,904	\$ 126,121	\$ 77,536	\$ -	\$ 203,657	\$ 108,587	\$ 72,602	\$ 1	\$ 181,190
Operating Income	\$ 36,034	\$ 9,761	\$ (7,363)	\$ 38,432	\$ 33,456	\$ 13,765	\$ (6,777)	\$ 40,444	\$ 28,105	\$ 12,631	\$ (5,788)	\$ 34,948
Adjusting items:												
(Gain on sale) impairment of property	-	-	-	-	-	(776)	-	(776)	(253)	(1,586)	-	(1,839)
Adjusted Operating Income	\$ 36,034	\$ 9,761	\$ (7,363)	\$ 38,432	\$ 33,456	\$ 12,989	\$ (6,777)	\$ 39,668	\$ 27,852	\$ 11,045	\$ (5,788)	\$ 33,109
% of revenue	26.9%	15.7%		19.6%	26.5%	16.8%		19.5%	25.6%	15.2%		18.3%

Reconciliation of Fiscal Year Segment Operating Income to Adjusted Segment Operating Income

(in thousands, except percentages)

	Fiscal Year Ended March 31, 2020				Fiscal Year Ended March 31, 2019				Fiscal Year Ended March 31, 2018			
	Industrial Products	Specialty Chemicals	Corporate and Other	Consolidated Continuing Operations	Industrial Products	Specialty Chemicals	Corporate and Other	Consolidated Continuing Operations	Industrial Products	Specialty Chemicals	Corporate and Other	Consolidated Continuing Operations
Revenue	\$ 234,895	\$ 150,976	\$ -	\$ 385,871	\$ 205,931	\$ 144,223	\$ 1	\$ 350,155	\$ 186,483	\$ 139,735	\$ 4	\$ 326,222
Operating Income	\$ 55,725	\$ 24,691	\$ (14,349)	\$ 66,067	\$ 48,817	\$ 23,930	\$ (12,307)	\$ 60,440	\$ 44,225	\$ 17,804	\$ (12,370)	\$ 49,659
Adjusting items:												
Restructuring & realignment	-	-	-	-	-	-	-	-	367	1,030	-	1,397
Gain on sale of property & other	-	(776)	200	(576)	(253)	(1,586)	-	(1,839)	-	-	-	-
Asset Impairment	-	951	-	951	-	-	-	-	-	-	-	-
Acquisition & integration costs	-	-	-	-	-	-	-	-	110	-	-	110
Pension Lump Sum & Officer Transition Costs	-	-	-	-	-	-	-	-	119	47	546	712
Adjusted Operating Income	\$ 55,725	\$ 24,866	\$ (14,149)	\$ 66,442	\$ 48,564	\$ 22,344	\$ (12,307)	\$ 58,601	\$ 44,821	\$ 18,881	\$ (11,824)	\$ 51,878
% of revenue	23.7%	16.5%		17.2%	23.6%	15.5%		16.7%	24.0%	13.5%		15.9%

Reconciliation of TTM¹ Operating Income to Adjusted Operating Income

(Amounts in thousands, except percentages)

	(Unaudited)				
	Trailing Twelve Month Actuals by Quarter				
	3Q20	4Q20	1Q21	2Q21	T12M
Revenue	\$ 83,716	\$ 98,498	\$ 90,964	\$ 104,940	\$ 378,118
Adj Gross Margin	37,691	44,719	42,752	48,736	173,898
	45.0%	45.4%	47.0%	46.4%	46.0%
Operating Income	10,488	15,135	16,253	22,180	64,056
Adjusting items:					
Asset Impairment	-	951	-	-	951
Other	-	200	-	-	200
Adjusted Operating Income	<u>\$ 10,488</u>	<u>\$ 16,286</u>	<u>\$ 16,253</u>	<u>\$ 22,180</u>	<u>\$ 65,207</u>
<i>% of revenue</i>	<i>12.5%</i>	<i>16.5%</i>	<i>17.9%</i>	<i>21.1%</i>	<i>17.2%</i>

Reconciliation of Net Income to Adjusted Net Income, Continuing Operation

(Amounts in thousands, Except Share Data)	(unaudited)			
	Quarter Ended September 30,		Six Months Ended September 30,	
	2020	2019	2020	2019
GAAP Net Income, Continuing Operations	\$ 16,354	\$ 8,818	\$ 28,312	\$ 24,163
Adjusting items, net of tax:				
Gain On Sale of Property	-	(582)	-	(582)
Pension Termination	-	5,377	-	5,377
Discrete Tax Provisions & Other	-	411	-	(133)
Adjusted Net Income, Continuing Operations	<u>\$ 16,354</u>	<u>\$ 14,024</u>	<u>\$ 28,312</u>	<u>\$ 28,825</u>
GAAP Net Income Per Diluted Common Share, Continuing operations	\$ 1.10	\$ 0.58	\$ 1.91	\$ 1.59
Adjusting items, per diluted common share:				
Gain On Sale of Property	-	(0.04)	-	(0.04)
Pension Termination	-	0.35	-	0.35
Discrete Tax Provisions & Other	\$ -	0.03	-	(0.01)
Adjusted Net income per diluted common share	<u>\$ 1.10</u>	<u>\$ 0.92</u>	<u>\$ 1.91</u>	<u>\$ 1.89</u>



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