

Wells Fargo Conference

June 2023

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.

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

Three Segments (Segment percentages reflect TTM¹ Revenue)



TTM Total Revenue ~\$757.9MM

Key Highlights

2015

Publicly Listed on Nasdaq²

~\$2.4B

Market Capitalization³

~\$491MM

Acquisition Capital Invested since December 2020.

~42%

TTM Gross Margin

\$265MM

Liquidity⁴

Compelling Investment Thesis



Sustained multi-year revenue growth



Robust margin profile



Strong balance sheet and financial results



Experienced leadership team



Driving long-term shareholder value

Consistently demonstrating growth in excess of end markets served

- Total revenue CAGR of **18.4%** from FY18 through FY23¹
- Organic revenue CAGR of **11.4%** from FY18 through FY23¹

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

- **43.6%** adjusted gross profit margin annual average FY18 – FY23¹
- **21.6%** adjusted EBITDA margin annual average FY18 – FY23¹

Strong financial position supports incremental organic and inorganic growth

- ~1.3x leverage (Debt/EBITDA), ~\$247MM available on our \$500MM revolving credit facility²
- \$174.1MM TTM EBITDA, and 23.0% EBITDA margin as a percent of revenue³

Demonstrated track record of leading public companies

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

Disciplined and strategic capital allocation policy enhances shareholder value

- ~\$570MM cumulative investment in acquisitions completed FY16 through FY23
- ~\$170MM cash returned to shareholders since 3Q18, in the form of dividends and share repurchases⁴
- ~440% total shareholder return, compared to ~80% for the Russell 2000⁵
- Went public in September 2015 with 15.6MM shares outstanding and today have 15.5MM shares outstanding

Our Guiding Objectives

At CSWI, *how we succeed matters*, and accordingly we will:

Treat Our Employees Well

- Focus on **Safety**:
 - **Goal** is a zero-incident workplace
- Focus on **Total Rewards**:
 - **Competitive** total rewards with generous health and retirement benefits
- Focus on **Wellness**:
 - **Cigna Well-Being Award** 2022, 2021 and 2020
- **Great Place to Work Certified**

Serve Our Customers Well

- Emphasize consistent availability and timely delivery
- Continuously evaluate inventory at the product and category levels to meet customer demand for our products, while optimizing working capital investments
- Focus on driving market and wallet share gains

Manage Our Supply Chains Effectively

- Supply chain recovery signaled by sequential quarter over quarter improvement in material and freight costs and freight delays
- Supplier on-time delivery has meaningfully improved
- Proactively increased dual-sourcing for critical components
- Leverage own manufacturing capacity

Position CSWI for Sustainable, Long-Term Growth and Profitability

- Top-Line Growth: **34.5%** revenue CAGR¹
- Compelling Profitability: **23.0%**, 21.3%, and 21.8% Adjusted EBITDA margin² FY23, FY22, and FY21, respectively
- Capital Allocation Priorities: **Invested \$58.3MM and completed multiple acquisitions FY23** in desirable HVAC/R and plumbing end markets

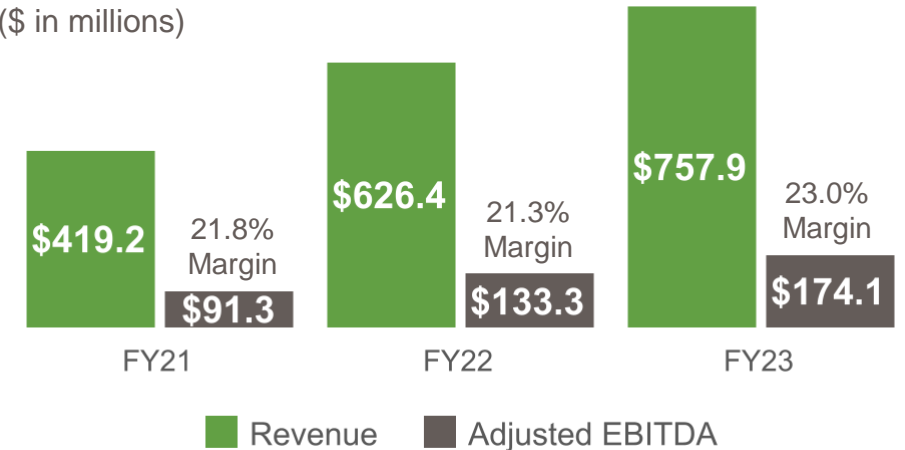
Consolidated Results: FY23 Summary

Consolidated Financial Highlights (FY23 vs FY22):

- **Record revenue of \$757.9MM, a 21.0% increase**
 - **\$35.9MM** inorganic contribution from the Shoemaker, Cover Guard, AC Guard, and Falcon acquisitions
 - **\$95.6MM** organic growth, or **72.7%** of **\$131.5MM**
 - Growth in all segments and end market served
- **Record EBITDA of \$174.1MM, 30.6% growth**
 - EBITDA margin increased 170 basis points
- **Record EPS of \$6.20, a 41.2% increase**, compared to \$4.39 (as adjusted to exclude the final TRUaire purchase accounting effect)
- Net cash provided by operating activities of **\$121.5MM**, a 76% increase, compared to \$69.1MM
- **Returned cash to shareholders of \$46.2MM**, including \$35.7MM through share repurchases and \$10.6MM in dividends

Summary FY23 Consolidated Results¹

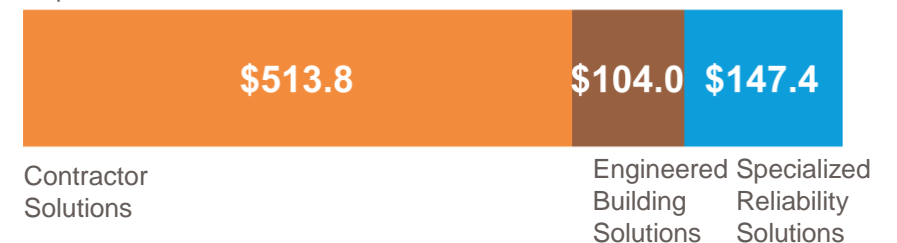
(\$ in millions)



FY23 Revenue

(\$ in millions)

\$757.9 Consolidated CSWI²



Seeking Sustainable Growth in Shareholder Value

Our demonstrated track record of growth and enhancing long-term shareholder value.



Since Inception

- **360%** market cap growth¹
- **184%** Revenue growth²
- **189%** adjusted EBITDA growth³
- **~\$170MM⁴ cash returned to shareholders** through dividend and share repurchase programs

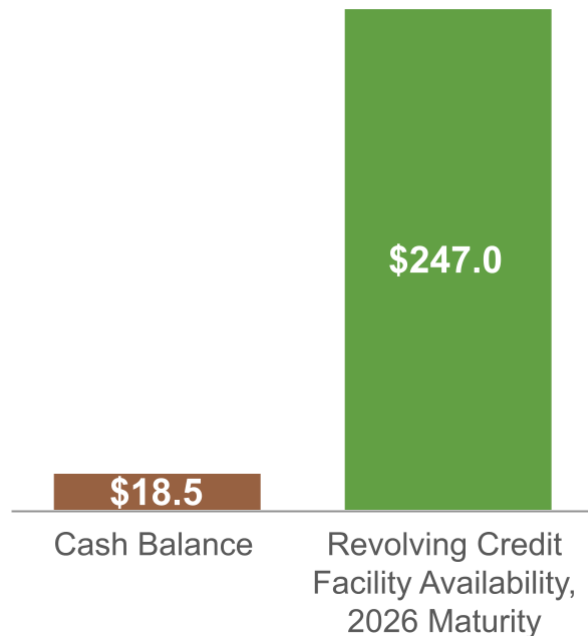
¹ ~\$2.2B market cap as of 5/22/2023, compared to ~\$500MM at 2015 public debut. ² \$757.9MM TTM Revenue versus \$266.9MM FY16. ³ \$174.1MM TTM adjusted EBITDA versus \$60.3MM FY16. ⁴ As of 5/22/2023



Maintaining Our Strong Balance Sheet

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

Liquidity Position as of 3/31/23 (\$ in millions)



Strong liquidity position to support organic & inorganic investments

- Cash balance¹ of \$18.5MM
- ~\$247.0MM available under existing \$500.0MM revolving credit facility¹
- Strong operating cash generation of \$121.5MM in FY23 compared to \$69.1MM in the prior fiscal year
- Debt to EBITDA² of ~1.3x as compared to ~1.7x in the prior year
 - Operating leverage of 1.0x – 3.0x would be appropriate through cycles
- During the fourth quarter of FY23, the Company executed an interest rate swap to fix the SOFR-portion rate of the first \$100.0MM of its Revolver borrowing at 3.85% through May 2026

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 and efficiency initiatives
- Increase sales footprint domestically and internationally
- Expand capacity to serve Specialized Reliability Solution's customers

Dividends

- Dividend program initiated in April 2019
- 17 consecutive quarters of dividends declared, for cumulative return of cash of \$38.9MM

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 repurchases of \$131.0MM and 1.9MM shares since program inception in 3Q18

TTM Capital Allocation¹ (\$ in millions)

\$118.5MM

Capital Expenditures \$13.9

Acquisitions \$58.3

Dividends \$10.6

Share Repurchase \$35.7

Strategic, Disciplined Approach to M&A

As a diversified industrial growth company, with a demonstrated track record of acquisitions, our goal is to increase free cash flow through sustainable organic growth, accretive inorganic growth, and operational efficiencies.

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 markets, including our extensive distribution network
- Commit to 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
- Drive enhanced returns by leveraging market knowledge, and existing systems and processes



Corporate Culture and Values

The Goal of Our Corporate Culture is to Maximize Performance

CSWI is committed to recruiting great talent, offering rewarding career destinations, and recognizing team members for a job well done. Our employee-centric culture features a diverse and inclusive environment where every team member belongs, is encouraged to contribute, and is provided with options to develop and expand their skill sets. CSWI leaders embody and cultivate our Core Values – collectively known as ACT. RISE. – helps empower team members to maximize sustainable performance.

Everything we do is accomplished with a focus on environmental stewardship, and the health and safety of our team members.

Our Core Values Provide the Framework for Our Corporate Culture:



Accountability



Respect



Citizenship



Integrity



Teamwork



Stewardship



Excellence

Corporate Culture and Values

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, and we are excited to have been named to Forbes 2023 America's Best Small Companies list and certified as a Great Place To Work.



Key Highlights:

1.7

Total Recordable Incident Rate¹

~5%

Insider ownership, including ESOP²

88%

Independent Directors on our Board

38%

Diverse Directors on our Board

¹ TRIR is for the trailing twelve months ended 3/31/23

² Employee Stock Ownership Plan (ESOP)

Segment Summary

Contractor Solutions

- **\$513.8MM** TTM Revenue, **\$153.2MM** adjusted EBITDA, and **29.8%** adjusted EBITDA margin
- Manufactures and supplies efficiency and performance enhancing products for residential and commercial HVAC/R and plumbing applications, designed primarily for professional tradespeople



Engineered Building Solutions

- **\$104.0MM** TTM Revenue, **\$14.4MM** adjusted EBITDA, and **13.9%** adjusted EBITDA margin
- Provides primarily code-driven products focused on life safety that are engineered to provide aesthetically-pleasing solutions for the construction, refurbishment and modernization of commercial, institutional, and multi-family residential buildings



Specialized Reliability Solutions

- **\$147.4MM** TTM Revenue, **\$26.0MM** adjusted EBITDA, and **17.6%** adjusted EBITDA margin
- Provides long-established products for increasing the reliability, performance and lifespan of industrial assets and solving equipment maintenance challenges



Shell & Whitmore
Reliability Solutions, LLC

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 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.



Donal J. Sullivan
Executive VP and GM,
Contractor Solutions

Donal has served as EVP & General Manager, Contractor Solutions since May 2020, and previously served as SVP & General Manager, Industrial Products from January 2016, and was appointed as an executive officer of the Company in March 2019. He has previously held roles at Goldman 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.