

May 2023

# Investor Presentation

Fiscal 2023 4<sup>th</sup> Quarter and  
Full Year Results

## 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.



# Index

4	Overview and Investment Thesis
7	Fiscal 2023 4 <sup>th</sup> Quarter Results
12	Fiscal 2023 Full Year Results
17	Driving Long-Term Shareholder Value
25	Corporate Sustainability Update
28	Business Segment Overview
41	Appendix

# 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 TTM<sup>1</sup> Revenue)



TTM Total Revenue ~\$757.9MM

## Key Highlights

**2015**

Publicly Listed on Nasdaq<sup>2</sup>

**~\$2.2B**

Market Capitalization<sup>3</sup>

**~\$491MM**

Acquisition Capital Invested since December 2020.

**~42%**

TTM Gross Margin

**\$265MM**

Liquidity<sup>4</sup>

# 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 FY23<sup>1</sup>
- Organic revenue CAGR of **11.4%** from FY18 through FY23<sup>1</sup>

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

- **43.6%** adjusted gross profit margin annual average FY18 – FY23<sup>1</sup>
- **21.6%** adjusted EBITDA margin annual average FY18 – FY23<sup>1</sup>

## Strong financial position supports incremental organic and inorganic growth

- ~1.3x leverage (Debt/EBITDA), ~\$247MM available on our \$500MM revolving credit facility<sup>2</sup>
- \$174.1MM TTM EBITDA, and 23.0% EBITDA margin as a percent of revenue<sup>3</sup>

## 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 repurchases<sup>4</sup>
- ~370% total shareholder return, compared to ~80% for the Russell 2000<sup>5</sup>
- 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 CAGR<sup>1</sup>
- **Compelling Profitability: 23.0%**, 21.3%, and 21.8% Adjusted EBITDA margin<sup>2</sup> FY23, FY22, and FY21, respectively
- **Capital Allocation Priorities: Invested \$58.3MM and completed multiple acquisitions FY23** in desirable HVAC/R and plumbing end markets

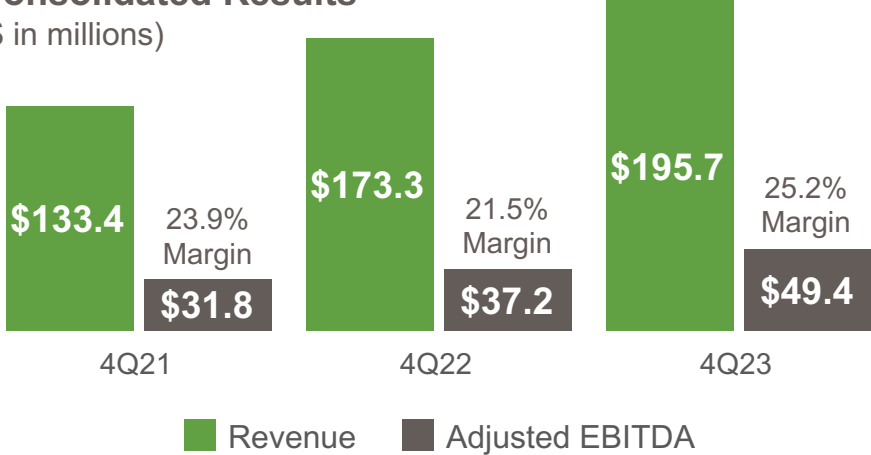
# Fiscal 2023 4<sup>th</sup> Quarter Summary of Financial Results

# Consolidated Results: 4Q23 Summary

## Consolidated Financial Highlights (4Q23 vs 4Q22):

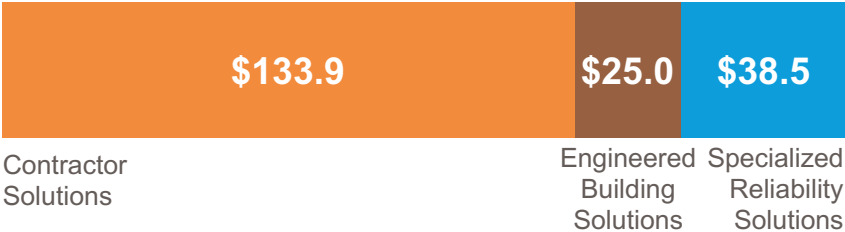
- **Record quarterly revenue of \$195.7MM, 12.9% increase**
  - **\$18.1MM** organic growth, representing **81%** of total revenue growth, from price actions and increased volumes
    - \$108.0MM of sales into the HVAC end market
  - **\$4.3MM** inorganic contribution from the Cover Guard, AC Guard, and Falcon acquisitions
- GAAP net income attributable to CSWI of **\$27.1MM**, compared to **\$18.4MM**, as adjusted for prior year
  - GAAP earnings per share (EPS) of **\$1.74**, compared to \$1.17 prior year
- **EBITDA of \$49.4MM, 32.8% growth**, and 25.2% margin
  - EBITDA margin **increased 370** basis points due to improvement in gross margin and operating expense margins
- Net cash provided by operating activities of **\$37.4MM**

**Summary Quarterly Consolidated Results<sup>1, 2</sup>**  
(\$ in millions)



**4Q23 Revenue**  
(\$ in millions)

**\$195.7 Consolidated CSWI<sup>3</sup>**



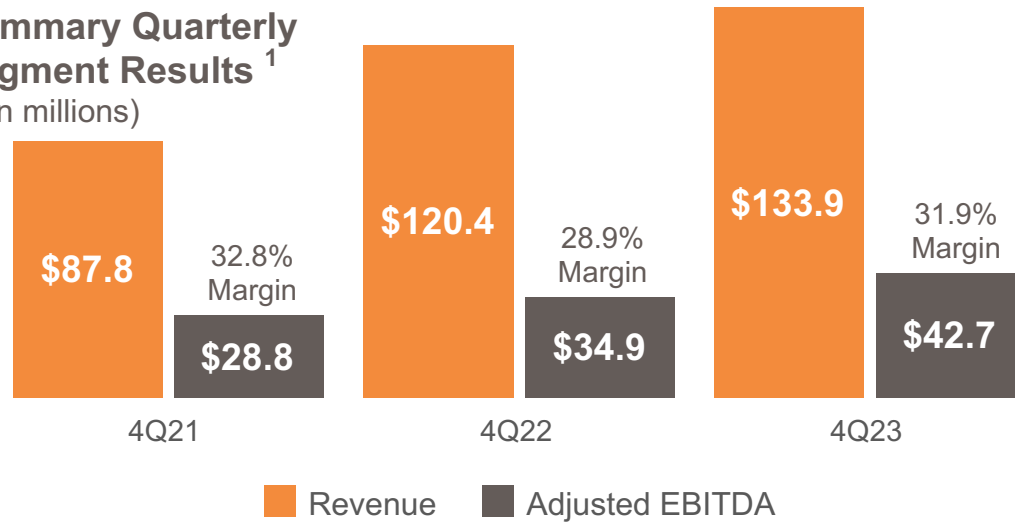
<sup>1</sup> Throughout the presentation, all financials are presented with calculations for continuing operations only. <sup>2</sup> 4Q21 EBITDA is adjusted for \$2.4MM transaction expense and \$5MM indemnification receivable. <sup>3</sup> Consolidated CSWI revenue includes Corporate & Other, which are not depicted above. Please see the Appendix for the breakout.



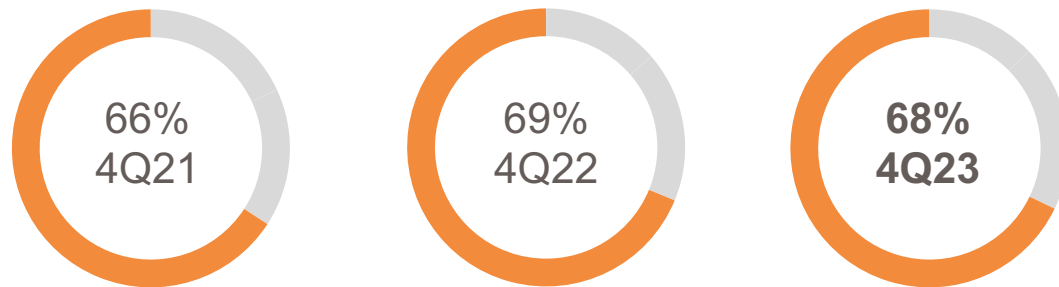


# Contractor Solutions: 4Q23 Segment Summary

## Summary Quarterly Segment Results <sup>1</sup> (\$ in millions)



## Segment as a % of Consolidated CSWI Revenue:



## Segment Financials (4Q23 vs 4Q22):

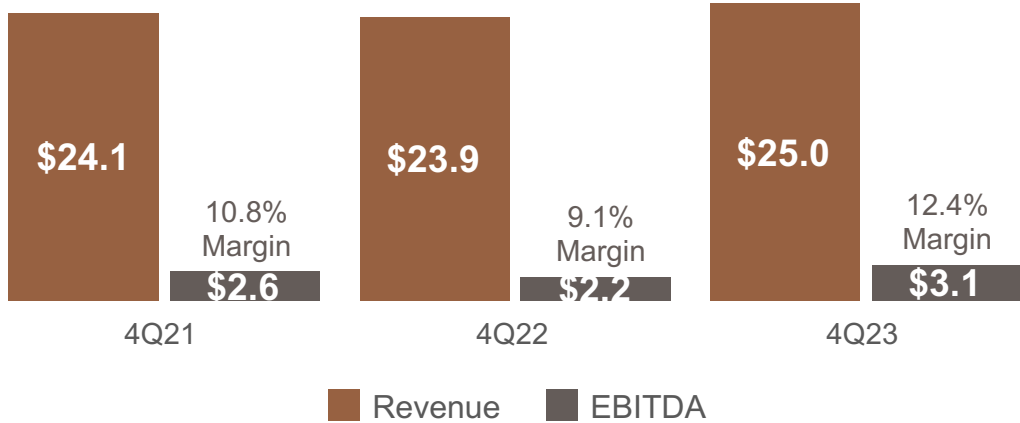
- Segment Revenue increased **11.2%** to **\$133.9MM**
  - Inorganic growth of \$4.3MM from the Cover Guard, AC Guard, and Falcon acquisitions
  - Organic growth of \$9.2MM, due to cumulative benefit of implemented pricing initiatives, partially offset by a slight decrease in unit volumes
- Segment EBITDA increased **22.4%** to **\$42.7MM**
  - Strong revenue growth was partially offset by increased spending on employee compensation as well as depreciation and amortization expenses
- Segment EBITDA margin increased **290** basis points to **31.9%**
  - Gross margin improvement driven by cumulative impact of pricing initiatives
  - Reduced operating expense as a percentage of revenue

# Engineered Building Solutions: 4Q23 Segment Summary

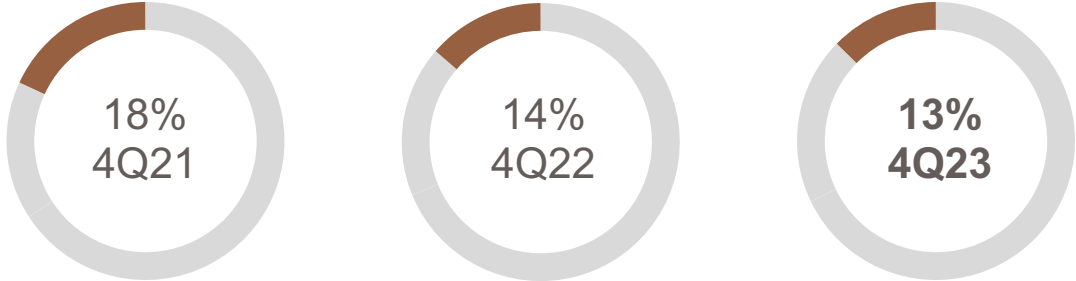
## Segment Financials (4Q23 vs 4Q22):

- Segment Revenue of **\$25.0MM**, a **4.5% increase**
  - Growth due to successful commercial initiatives and pricing actions
- Segment EBITDA **increased 43.0%** to **\$3.1MM** and EBITDA margin **increased 330** basis points
  - Increases due to improved project margins
- Record backlog for **fifth** consecutive quarter
  - Increased quantity and quality of projects within our backlog reflect intentional curation of opportunities

## Summary Quarterly Segment Results (\$ in millions)



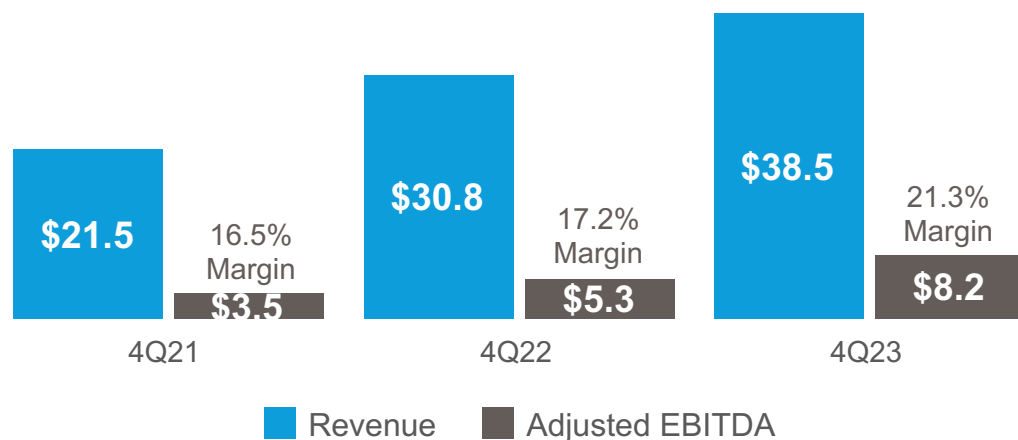
## Segment as a % of Consolidated CSWI Revenue:



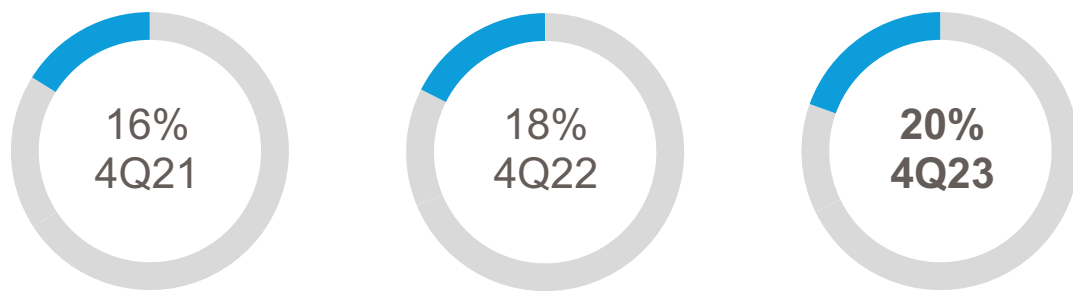
# Specialized Reliability Solutions: 4Q23 Segment Summary

## Summary Quarterly Segment Results <sup>1</sup>

(\$ in millions)



## Segment as a % of Consolidated CSWI Revenue:



## Segment Financials (4Q23 vs 4Q22):

- Segment Revenue increased **25.1%** to **\$38.5MM**, primarily driven by:
  - Continued strength in all end markets
  - Incremental unit volumes and cumulative benefit of implemented pricing initiatives
- Segment EBITDA increased **55.1%** to **\$8.2MM**
  - Segment EBITDA more than **doubled** as compared to 4Q21
  - Strong revenue growth while operating expenses declined compared to the same period in the prior year
- Segment EBITDA margin increased **410** basis points
  - Primarily driven by flat to lower operating expenses mentioned above

# Fiscal 2023 Full Year Summary of Financial Results

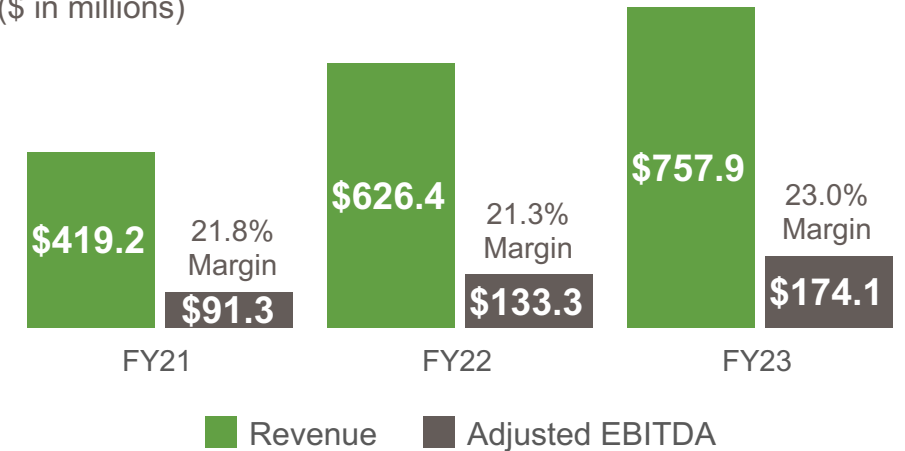
# Consolidated Results: FY23 Summary

## 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

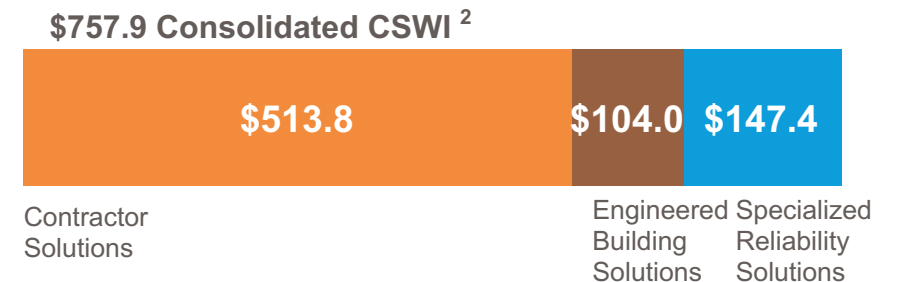
## Summary FY23 Consolidated Results<sup>1</sup>

(\$ in millions)



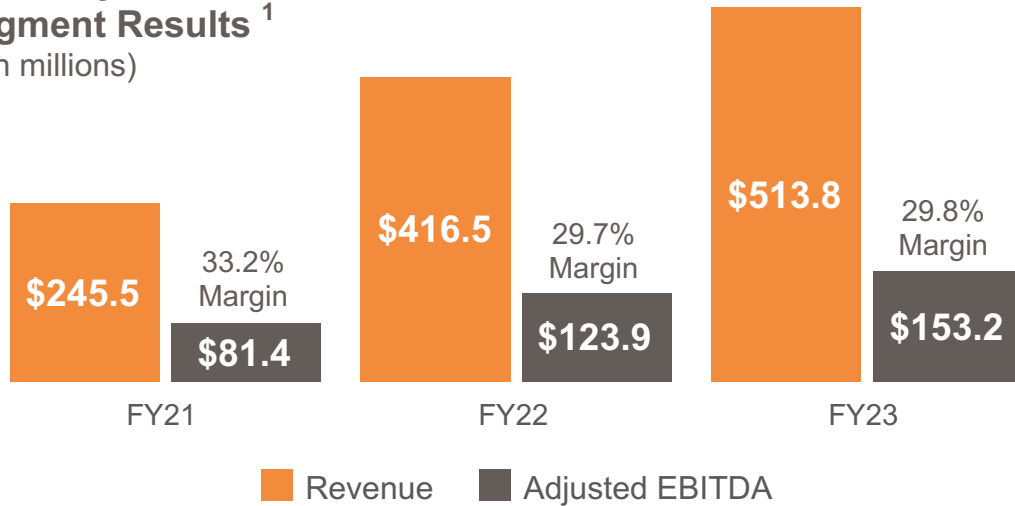
## FY23 Revenue

(\$ in millions)

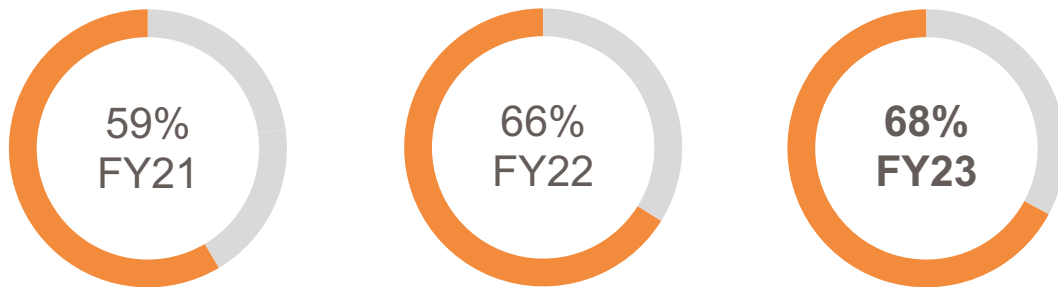


# Contractor Solutions: FY23 Segment Summary

## Summary FY23 Segment Results <sup>1</sup> (\$ in millions)



## Segment as a % of Consolidated CSWI Revenue:



## Segment Financials (FY23 vs FY22):

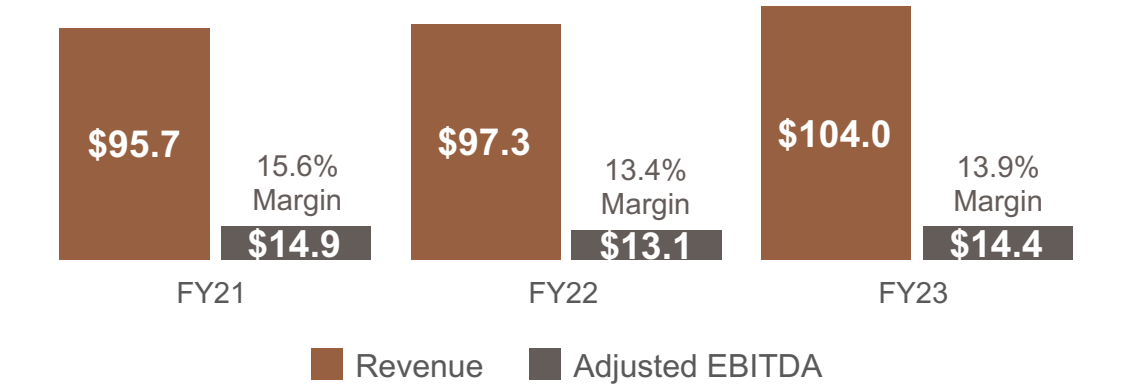
- Segment Revenue **increased 23.4%** to of **\$513.8MM**, primarily driven by:
  - Inorganic growth of **\$35.9MM** from the Shoemaker, Cover Guard, AC Guard, and Falcon
  - Organic growth of **\$61.4MM**, driven primarily by pricing initiatives that were slightly offset by a slight decrease in unit volumes
- Segment EBITDA **increased 23.7%** to **\$153.2MM**
  - Strong revenue growth was partially offset by increased spending due to the inclusion of Shoemaker, employee compensation, increased third-party sales commissions, and professional fees
- Segment adjusted EBITDA margin was **29.8%**
  - Strong revenue growth was offset by increased costs to support commercial success, business growth, and acquisition closing costs

# Engineered Building Solutions: FY23 Segment Summary

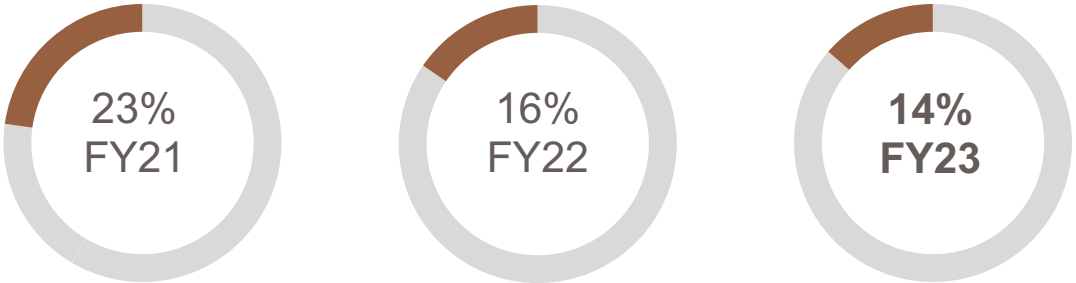
## Segment Financials (FY23 vs FY22):

- Segment Revenue **increased 6.9%** to **\$104.0MM**, primarily driven by:
  - Sustained commercial activity, retention of market share, and successful pricing initiatives
- Segment EBITDA **increased 10.5%** to **\$14.4MM**,
- Segment EBITDA margin was 13.9%
  - Increased net revenue and management of operating expenses offset by completion of lower margin legacy projects
- Activity provides optimism
  - Bookings increased 24%
  - Record Backlog as of March 31, 2023:
    - Trailing 8-quarter book to bill ratio of 1.18 to 1
    - Trailing 4-quarter book to bill ratio of 1.24 to 1

## Summary FY23 Segment Results (\$ in millions)

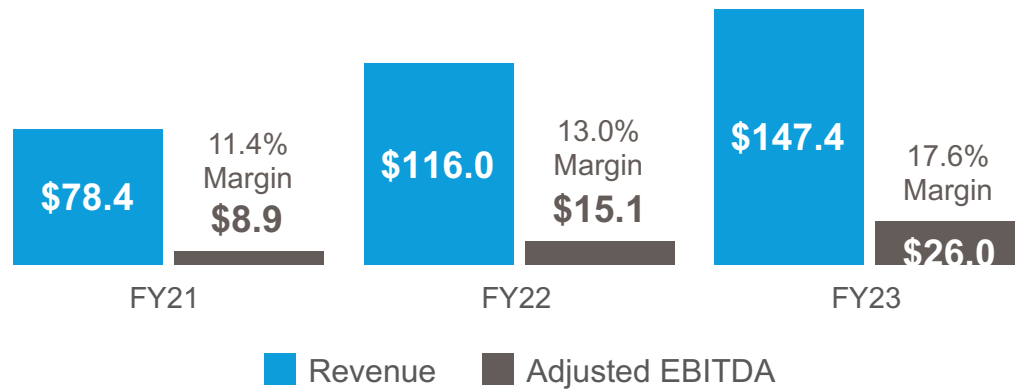


## Segment as a % of Consolidated CSWI Revenue:

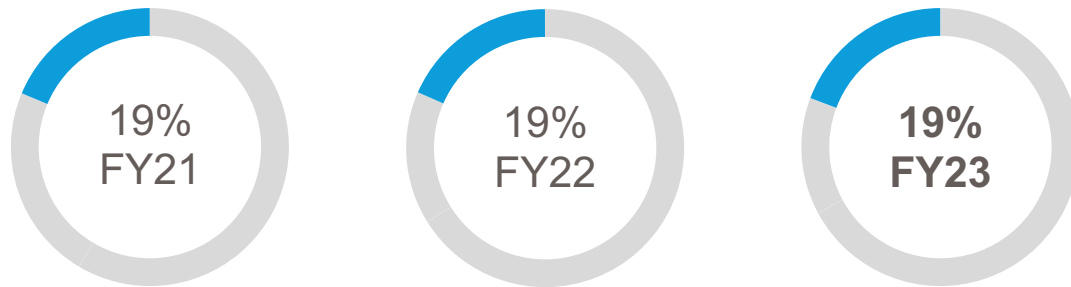


# Specialized Reliability Solutions: FY23 Segment Summary

## Summary FY23 Segment Results <sup>1</sup> (\$ in millions)



## Segment as a % of Consolidated CSWI Revenue:



## Segment Financials (FY23 vs FY22):

- Segment Revenue **increased 27.1%**, to **\$147.4MM**, primarily driven by:
  - Pricing initiatives, increased unit volumes, and growth in all end markets served
- Segment EBITDA **increased 72.6%** to **\$26.0MM**
- Segment EBITDA margin **increased 460** basis points, to **17.6%**
  - Result of leverage from unit volume increase, paired with reduced growth in operating expenses as a percentage of revenue



A photograph of an industrial manufacturing process. In the foreground, a row of dark grey plastic buckets is being filled by a robotic arm. The arm is equipped with a complex assembly of metal parts, including a hopper and a dispensing mechanism. The background shows a blurred industrial setting with yellow safety railings and other machinery. The overall scene is dimly lit, with a focus on the mechanical components and the repetitive nature of the task.

# Driving Long-Term Shareholder Value

# Seeking Sustainable Growth in Shareholder Value

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



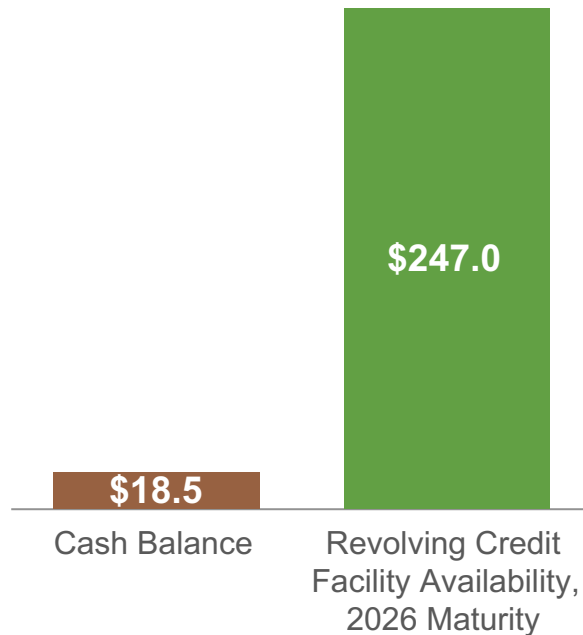
## Since Inception

- 360% market cap growth<sup>1</sup>
- 184% Revenue growth<sup>2</sup>
- 189% adjusted EBITDA growth<sup>3</sup>
- ~\$170MM<sup>4</sup> cash returned to shareholders through dividend and share repurchase programs

# 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 balance<sup>1</sup> of \$18.5MM
- ~\$247.0MM available under existing \$500.0MM revolving credit facility<sup>1</sup>
- Strong operating cash generation of \$121.5MM compared to \$69.1MM in the prior year
- Debt to EBITDA<sup>2</sup> 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 Allocation<sup>1</sup> (\$ in millions)

**\$118.5MM**

Capital Expenditures \$13.9

Acquisitions \$58.3

Dividends \$10.6

Share Repurchase \$35.7

# 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:

### Serving Niche Applications

- 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

### Providing Incremental Market Access

- 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

### Value-Selling Through Differentiation

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

### Resulting in Labor Savings

- 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

# 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 efficiencies.

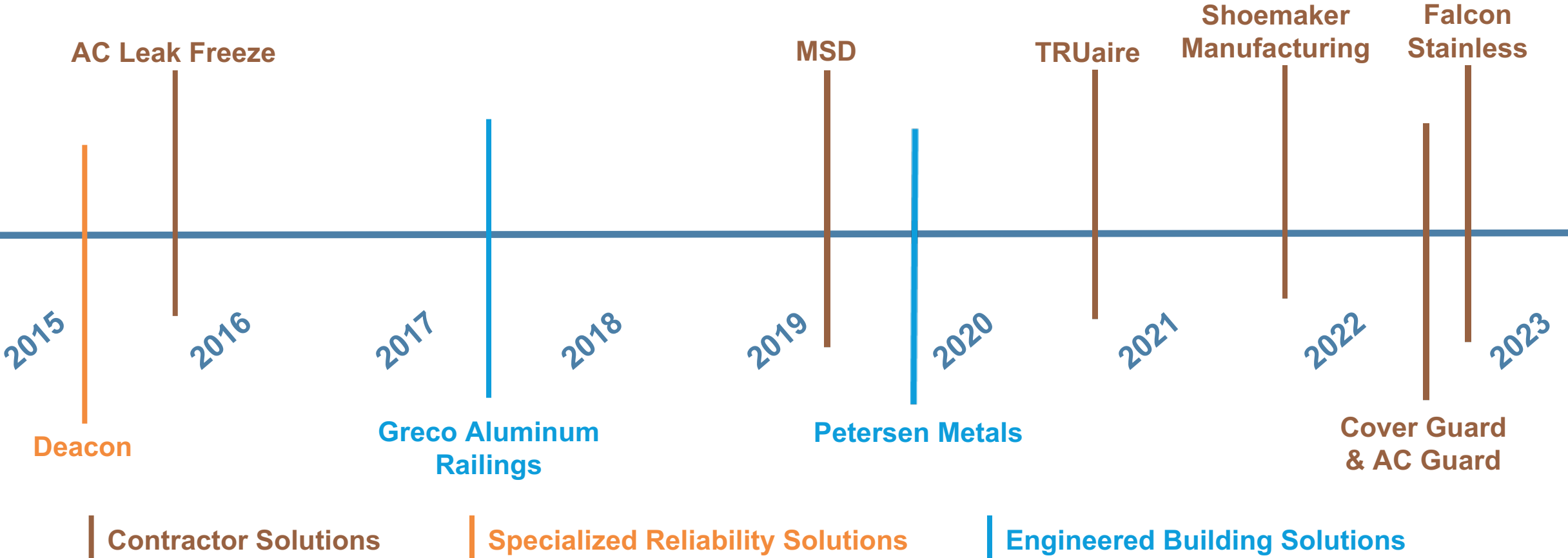
## CSW Industrials Target Criteria:

- 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



# Strategic, Disciplined M&A Execution

Demonstrated track record of acquisitions aligned with our stated strategy



# 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



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

## With CSWI: Broad Distribution



## 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



# Corporate Sustainability

# 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:



**A**ccountability



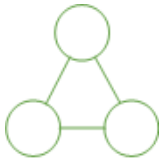
**R**espect



**C**itizenship



**I**ntegrity



**T**eamwork



**S**tewardship



**E**xcellence

# 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	~5%	88%	38%
Total Recordable Incident Rate <sup>1</sup>	Insider ownership, including ESOP <sup>2</sup>	Independent Directors on our Board	Diverse Directors on our Board

<sup>1</sup> TRIR is for the trailing twelve months ended 3/31/23  
<sup>2</sup> Employee Stock Ownership Plan (ESOP)

# Business Segment Overview

# 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

# Contractor Solutions Segment – Overview

## Summary:

- Highly diversified product portfolio providing industry leading products in both direct-to-customer and distributor models
- 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
- Strong reputation for providing high quality products to long-standing customer base





~\$513.8MM

TTM Revenue

~29.8%

TTM Adjusted EBITDA Margin

## End Markets Served:

-  HVAC/R
-  Plumbing
-  Electrical
-  General Industrial

# Contractor Solutions Segment – Overview

## Strategic Growth that Outpaces End Markets:

- Continue to develop and market innovative products providing low cost and high value, while supporting additional revenue growth for distributors and efficiencies for professional contractors
- Acquire, develop, and introduce innovative products in specific new markets that can be owned. Successful examples include condensate cutoff switches and component accessories for the thriving market of mini-split HVAC systems

## Contractor Solutions Brands:



# Contractor Solutions: Products



Push-to-connect refrigerant fittings



Water & Gas Connectors



Pipe Thread Sealant



Grilles, Registers, and Diffusers



Surge Protective Devices



Secondary Condensate Drain Pans



Condensate overflow switches and clean out devices



# Products Serving Niche HVAC/R Mini-Split Market

**Slimduct, Fortress, and Cover Guard**  
Protection for exposed ducted and ductless HVAC piping



**Nokink**  
Flexible, easy flare line connector

**Aspen Pumps**  
Univolt or Silent+. 4 discrete condensate pump models. White, Aqua, Orange, Lime.

**Safe-T-Switch**  
Primary drain pan overflow protection.



**Coil-Cure**  
EPA registered coil cleaner and disinfectant.



**Coil-Cure AM**  
Spray-applied antimicrobial coil coating



**Desolv**  
Cleaning Kit and Aerosol protect walls and floors



**Mighty Bracket**  
Support tool - allows single person evaporator installation or repair

**PRO-Fit Quick Connect**  
Push-to-connect refrigerant fittings. Quick-release removal



**Surge Protection**  
Protects equipment from electrical surges and other voltage disturbances



**Condenser brackets**  
Powdercoat and stainless



**EZ Trap**  
Waterless in-line condensate trap



**AC Leak Freeze with UV**  
Leak stop sealant, non clogging, non reactive polymer-free nano formula

**Slimduct, Fortress, and Cover Guard**  
Protection for exposed ducted and ductless HVAC piping

**Flaretite**  
Flare gasket against leaks for common fittings, 45° copper stamping with coating

**PRO-Fit Flaring & Swaging Tool Bit Kits**  
Create precise and fast standard 45° flare or swage

# Engineered Building Solutions Segment – Overview

## Summary:

- Decades of experience creating products that protect lives
- Endless use cases for construction, refurbishments, and modernization of buildings
- Multiple manufacturing locations provide efficiency to meet the needs of general contractors and architects
- Continuous engineering improvement to produce best in class products

~\$104.0MM

TTM Revenue

~13.9%

TTM Adjusted EBITDA Margin

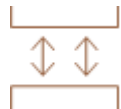
## End Markets Served:



Smoke & Fire Protection



Safety Railings



Expansion Joints



Safety Egress

# Engineered Building Solutions Segment – Overview

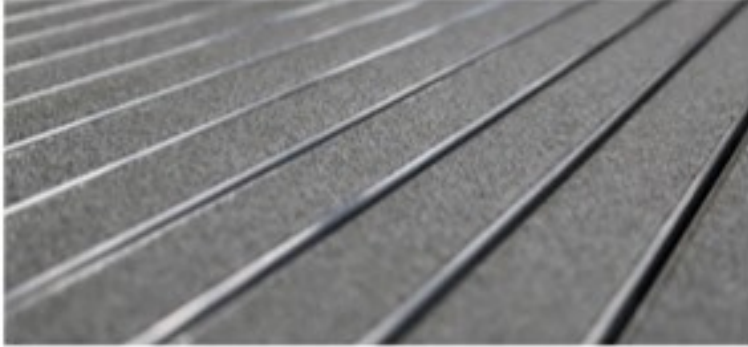
## Where Form Meets Function:

- Market leader in providing unique solutions to architects and contractors that meet code requirements, while adding functionality, performance, and aesthetically-pleasing designs
- Whether for new construction or renovation, safety and code compliance are top of mind for commercial builders, our products provide fire-rated and smoke-rated protection
- Design, manufacture and install stainless steel and other architectural metal product railings for interior and exterior end uses

## Engineered Building Solutions Brands:



# Engineered Building Solutions: Products



# Specialized Reliability Solutions Segment – Overview

## 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

~\$147.4MM

TTM Revenue

~17.6%

TTM Adjusted EBITDA Margin

## End Markets Served:



Rail Transport



Energy



Mining



General Industrial

# Specialized Reliability Solutions Segment – Overview

## Mission Critical Meets Mission Accomplished:

- Established reputation for solving equipment maintenance challenges and increasing the reliability, performance, and lifespan of industrial assets utilized in the most demanding environments and extreme conditions
- Two centuries of combined operations manufacturing and supplying our trusted specialty lubricants, compounds, sealants, coatings, desiccant breather filtration, and lubrication management systems

## Specialized Reliability Solutions Brands:



# Specialized Reliability Solutions: Products



# Specialized Reliability Solutions: Shell-Whitmore JV Products





# 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 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 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.

# Reconciliation of Fiscal Fourth Quarter Segment Operating Income to Adjusted Segment Operating Income and to Adjusted Segment EBITDA

(Amounts in thousands)	(Unaudited)					(Unaudited)					(Unaudited)				
	Three Months Ended March 31, 2023					Three Months Ended March 31, 2022					Three Months Ended March 31, 2021*				
	Contractor Solutions	Engineered Building Solutions	Specialized Reliability Solutions	Corporate and Other	Consolidated Operations	Contractor Solutions	Engineered Building Solutions	Specialized Reliability Solutions	Corporate and Other	Consolidated Operations	Contractor Solutions	Engineered Building Solutions	Specialized Reliability Solutions	Corporate and Other	Consolidated Operations
Revenue, net	\$ 133,945	\$ 24,991	\$ 38,487	\$ (1,738)	\$ 195,686	\$ 120,439	\$ 23,907	\$ 30,753	\$ (1,801)	\$ 173,299	\$ 87,833	\$ 24,123	\$ 21,478	\$ (64)	\$ 133,369
GAAP Operating Income	\$ 35,788	\$ 2,716	\$ 6,517	\$ (5,257)	\$ 39,765	\$ 28,526	\$ 1,713	\$ 3,717	\$ (5,020)	\$ 28,937	\$ 18,549	\$ 2,303	\$ 509	\$ (3,476)	\$ 17,886
Adjusting Items:															
Transaction costs & other professional fees	—	—	—	—	—	—	—	—	—	—	844	—	1,556	—	2,400
Purchase Accounting Effect	—	—	—	—	—	—	—	—	—	—	2,963	—	—	—	2,963
Adjusted Operating Income	\$ 35,788	\$ 2,716	\$ 6,517	\$ (5,257)	\$ 39,765	\$ 28,526	\$ 1,713	\$ 3,717	\$ (5,020)	\$ 28,937	\$ 22,356	\$ 2,303	\$ 2,065	\$ (3,476)	\$ 23,249
Operating Income % Revenue	26.7 %	10.9 %	16.9 %		20.3 %	23.7 %	7.2 %	12.1 %		16.7 %	25.5 %	9.5 %	9.6 %		17.4 %
Adjusting Items:															
Other Income (Expense)	(167)	(42)	146	632	570	44	(41)	104	(142)	(34)	(4,784)	(195)	38	230	(4,710)
Depreciation & Amortization	7,056	428	1,517	52	9,053	6,292	498	1,453	45	8,289	9,171	503	1,442	141	11,257
Purchase Accounting Effect	—	—	—	—	—	—	—	—	—	—	(2,963)	—	—	—	(2,963)
Reversal of Indemnification Receivable	—	—	—	—	—	—	—	—	—	—	5,000	—	—	—	5,000
Adjusted EBITDA	\$ 42,677	\$ 3,103	\$ 8,181	\$ (4,573)	\$ 49,388	\$ 34,863	\$ 2,170	\$ 5,274	\$ (5,116)	\$ 37,191	\$ 28,781	\$ 2,611	\$ 3,545	\$ (3,104)	\$ 31,833
EBITDA % Revenue	31.9 %	12.4 %	21.3 %		25.2 %	28.9 %	9.1 %	17.2 %		21.5 %	32.8 %	10.8 %	16.5 %		23.9 %

# Reconciliation of YTD Segment Operating Income to Adjusted Segment Operating Income and to Adjusted Segment EBITDA

(Amounts in thousands)	Fiscal Year Ended March 31, 2023					Fiscal Year Ended March 31, 2022					Fiscal Year Ended March 31, 2021*				
	Engineered		Specialized			Engineered		Specialized			Engineered		Specialized		
	Contractor Solutions	Building Solutions	Reliability Solutions	Corporate and Other	Consolidated Operations	Contractor Solutions	Building Solutions	Reliability Solutions	Corporate and Other	Consolidated Operations	Contractor Solutions	Building Solutions	Reliability Solutions	Corporate and Other	Consolidated Operations
Revenue, net	\$ 513,776	\$ 103,969	\$ 147,445	\$ (7,287)	\$ 757,904	\$ 416,487	\$ 97,297	\$ 116,042	\$ (3,390)	\$ 626,435	\$ 245,528	\$ 95,672	\$ 78,365	\$ (360)	\$ 419,205
GAAP Operating Income	\$ 126,204	\$ 12,889	\$ 20,176	\$ (20,202)	\$ 139,066	\$ 96,115	\$ 11,101	\$ 9,007	\$ (18,843)	\$ 97,380	\$ 59,007	\$ 14,066	\$ 581	\$ (14,434)	\$ 59,220
Adjusting Items:															
Transaction costs & other professional fees	—	—	—	—	—	—	—	—	—	—	7,763	—	2,597	—	10,360
Purchase Accounting Effect	—	—	—	—	—	3,919	—	—	—	3,919	2,963	—	—	—	2,963
Adjusted Operating Income	\$ 126,204	\$ 12,889	\$ 20,176	\$ (20,202)	\$ 139,066	\$ 100,034	\$ 11,101	\$ 9,007	\$ (18,843)	\$ 101,299	\$ 69,733	\$ 14,066	\$ 3,178	\$ (14,434)	\$ 72,543
Operating Income % Revenue	24.6 %	12.4 %	13.7 %		18.3 %	24.0 %	11.4 %	7.8 %		16.2 %	28.4 %	14.7 %	4.1 %		17.3 %
Adjusting Items:															
Other Income (Expense)	76	(231)	(228)	425	42	(130)	(107)	32	(261)	(466)	(4,737)	(1,145)	(22)	(66)	(5,969)
Depreciation & Amortization	26,951	1,771	6,035	201	34,958	27,879	2,063	6,016	450	36,408	14,415	2,014	5,744	545	22,718
Purchase Accounting Effect	—	—	—	—	—	(3,919)	—	—	—	(3,919)	(2,963)	—	—	—	(2,963)
Reversal of Indemnification Receivable	—	—	—	—	—	—	—	—	—	—	5,000	—	—	—	5,000
Adjusted EBITDA	\$ 153,231	\$ 14,429	\$ 25,983	\$ (19,576)	\$ 174,067	\$ 123,864	\$ 13,058	\$ 15,055	\$ (18,655)	\$ 133,323	\$ 81,448	\$ 14,935	\$ 8,900	\$ (13,954)	\$ 91,329
EBITDA % Revenue	29.8 %	13.9 %	17.6 %		23.0 %	29.7 %	13.4 %	13.0 %		21.3 %	33.2 %	15.6 %	11.4 %		21.8 %



**CSW**  
INDUSTRIALS