

# **CARLISLE COMPANIES**

## **VISION 2030 VIDEO TRANSCRIPT**

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## P R E S E N T A T I O N

### **Mehul Patel, VP, Investor Relations – Welcome and Legal Disclaimer**

- Welcome... my name is Mehul Patel. I am the Investor Relations Vice President here at Carlisle.
- I want to thank you for being part of our Vision 2030 launch and your interest in our value creation story. We are very excited to share with you our 2030 vision and the path that we have laid out for above market, profitable growth in the coming years.
- In connection with the Vision 2030 video, we have also posted a supplemental presentation on our website. Before we begin, please read the forward-looking statements on slide 2 and also displayed on the screen.

### **Chris Koch, Chair, President & CEO – Introduction**

- Welcome to our launch of Vision 2030, the next phase in Carlisle's journey. My name is Chris Koch and I am proud to have spent the last 15 years of my career at Carlisle, with the last 8 years as President and CEO. It's been an exciting and rewarding journey for Carlisle, for me, for our exceptionally talented team, and most importantly for our stakeholders.
- In 2018 we introduced Vision 2025, where we set out to drive organic growth of 5 percent, leverage that growth into earnings, supplement that growth with synergistic acquisitions, drive efficiencies through the Carlisle Operating System, and ultimately, deliver outstanding results.
- In 2021, we added to Vision 2025 by formalizing our desire to "Pivot" our portfolio to our highest returning building products businesses. This Pivot was driven by our aspiration to be superior capital allocators, and to drive to "best in class" return on investment for our shareholders. With the recent announced sale process of our CIT business, we have completed that Pivot, and accomplished what we set out to do in 2021. We have created a pure play building products portfolio with best in class returns.
- One of the elements of our success has been to transition our businesses from simply selling industry-leading products, to selling a compelling value proposition to the market through what we call the Carlisle Experience. We understand how to price our products and solutions for the value they create for our end users, contractors and distributors. We know how to win through innovation. We have structured our businesses to generate exceptional and resilient margins for our shareholders. And in the process, we have built incredible value for all Carlisle stakeholders.
- Since the introduction of Vision 2025 we have nearly doubled revenue in our building products segments. We have more than doubled Adjusted EBITDA in those segments, and increased free cash flow by over 200%. We have exceeded our target of over \$15 per share three years ahead of the Vision 2025 plan. During that time, we've seen our stock price more than double. We are proud of these accomplishments, which we view as a validation of Vision 2025, and our ROIC-focused capital allocation strategy. And we're just getting started.

- Our focus on providing innovative, energy-efficient, and labor-saving solutions allows our shareholders to benefit from a more attractive margin profile, and one driven by the increasing demand for green buildings and products, especially solutions such as Carlisle's that require less labor to install.
- We have a portfolio of two high-performing businesses that are directly aligned with our focus on the building envelope. Together they produce an ROIC in excess of 25%. As a reminder,
  - Our largest business, Carlisle Construction Materials, or CCM, delivers premium building products and solutions through strong brands with leading positions. This business represents 70% of our building products revenue.
  - And our newest segment, Carlisle Weatherproofing Technologies, or CWT, delivers high performance building envelope system solutions including a portfolio of products for weatherproofing, insulation and moisture protection. This represents the remainder, or 30% of our building products revenue.
- Our unparalleled building products portfolio has a record of value creation that is only just beginning to be realized by investors. Against the backdrop of dozens of building product and light commercial companies with billions in revenue, only a handful generate consistent free cash flow to sales above 15% like we do. And only one of those generates an ROIC in excess of 25%. That Company is Carlisle.
- Beyond our industry, our growth story and earnings power is driving attractive valuations that compare very favorably in many instances to the top quartile of the S&P 500.
- Since 2017, we have compounded EPS growth, significantly outperforming the S&P over that same time. When we compare the average forward multiple on the S&P 500, which is in the high teens, to our current low teen multiple, that to us suggests that there is incredible upside embedded in our shares. As we will introduce today, we expect to produce compounded annual EPS growth at a mid-teen percent rate through 2030. When combined with an ROIC above 25%, we are confident that this will be one of the most compelling investment opportunities within the building products space.
- Today our team will share with you how we are going to drive the success of Carlisle over the next seven years. Perhaps more importantly, they will elaborate on the key strategies that we have in place to steer the future under Vision 2030. We'll demonstrate how we are set up to capitalize on the mega trends and major secular tailwinds in the marketplace. We'll talk about how Carlisle's investments in innovation are poised to accelerate growth. And we are introducing what we believe to be highly attractive and achievable targets through our Vision 2030 strategic plan.

#### **Kevin Zdimal, Vice President & CFO – Vision 2030 Key Messages**

- I am Kevin Zdimal, Chief Financial Officer. During my 28 years at Carlisle we have executed many strategic plans and financial goals.
- Over the last 5 years, I have been pleased to be part of perhaps the greatest evolution in Carlisle's history.

- With our exceptional teams in place and a new vision for the future, we are set to benefit from the ongoing transformation in the building envelope industry. Importantly, 5 key themes form the basis for our Vision 2030 strategic plan.
  - First, we have formulated a plan to build on our record of success and strategic pivot to a pure play building products company.
  - Second, the mega trends around energy efficiency, labor savings and re-roofing cycle are expanding our market opportunity.
  - Third, we have the infrastructure in place to invest in innovation to achieve above market growth and additional price for value.
  - Fourth, our results have demonstrated margin resilience through cycles, which we believe is sustainable, and
  - Finally, we produce strong cash flow which is used to drive superior returns on invested capital.
- It's an exciting time for Carlisle...We are introducing Vision 2030 with a track record of exceeding our targets.
- We have well-defined plans to grow the Company, deliver exceptional margins and produce highly attractive returns.
- Our Vision 2030 targets are to roughly more than double EPS to over \$40 per share and produce superior returns on capital in excess of 25%.
- We plan to achieve these targets through a mid-to-high single digit organic revenue CAGR, while sustaining a resilient Adjusted EBITDA margins above 25% and generating a free cash flow to sales ratio over 15%. These executable goals set the tone for the next 7 years.

#### **Chris Koch, Chair, President & CEO – Vision 2030 Strategic Drivers**

- Carlisle's Vision 2030 is the next step in continuing to build on what we have already accomplished under Vision 2025. We are now taking the next steps to capitalize even further on; our streamlined portfolio, the Carlisle Operating System, the Carlisle Experience, innovation, and exceptional talent, to continue to deliver industry leading returns.
- Carlisle's financial results have demonstrated the power of our differentiated products and services in the market, and the ability to get paid for the value provided by those products and services in that marketplace. The Carlisle Experience means, getting the right product to the right place at the right time. And why is that important? Because labor is always at a premium for our contractors, and represents well over half of a typical installation cost. Getting roofers done with a job and off the roof safely, and with efficiency, is a goal we seek to meet and improve on every day.
- Carlisle has built a leading position in the building products industry, and because of that we are confident in the strength of our margin resilience across cycles. Many have seen Carlisle's success

and have tried to replicate it. While others are striving for the same high standards that we demonstrate, Carlisle's excellence will be difficult to match.

- Moving forward, innovation will be one of our key differentiators for above market growth and pricing momentum. Our innovation-driven growth is focused on three areas:
  - Keeping Carlisle at the forefront of energy efficiency trends,
  - Bringing solutions to solve the contractor's need for more labor-saving efficiencies, and in turn, more opportunity for their businesses, and
  - Driving more content per square foot with integrated system solutions.
- We have the infrastructure and funding to dramatically increase our R&D spend to augment returns across our full suite of products and services.
- These initiatives are supported by very strong industry mega trends including; pent-up demand in the re-roofing cycle, growing demand for energy and labor-saving efficiencies, and increased customer preference for full building envelope solutions. Carlisle is well suited to capitalize on all these trends.
- On top of those mega trends, synergistic M&A is an attractive avenue to further accelerate accretive growth. Carlisle operates within a massive \$70 billion addressable market including our existing and adjacent building envelope categories, and that market offers many opportunities for M&A.
- As we grow we will continue to focus on attracting, developing, and retaining the best talent within our decentralized operating model, while ensuring consistent COS utilization, leveraging common resources, and setting standards as a leading building products company.
- We will also stay true to our established and well-defined sustainability commitments.
- We have grown faster than the market. We have the building blocks in place to continue to do so organically, and a strong balance sheet to support our M&A aspirations that will add to that organic growth.
- Combined with our broader capital deployment approach, which includes reinvesting for organic growth and returning capital to shareholders, we have a clear path to sustain our stated goal of ROIC in excess of 25%.

#### **Mike Leherr, VP of Operations – Carlisle Operating System**

- The Carlisle Operating System, or COS, has been one of the foundational pillars of sustainable value creation at Carlisle for over a decade. COS was introduced in 2008 as a methodology for continuous improvement. COS is used across the entire Carlisle organization to drive growth and greater efficiency. Over the past five years COS has helped us achieve average cost savings of 2% annually.
- The Carlisle Operating System is an integral part of executing the Carlisle Experience. We have a structured system in place to get the right product to the right place at the right time, every time.

We use KPIs to track performance in deliveries, cost, quality and safety. We are able to measure metrics against targets within businesses, functions, product lines and other areas in real time. For example, if we are operating a production line at 90% capacity and want to bring it up to 95%, we can break down the process across all functions to give ownership of clear measurable targets to each person involved to accomplish our goal.

- In a similar manner, COS touches marketing, new product development, sales and pricing discipline. Having a flexible model centered on enhancing customer experiences has allowed Carlisle to not only charge a premium, but also lower our cost basis at the same time.
- COS is also highly integrated in our sustainability commitments. We have performed well against our Path to Zero initiative or in other words our goal of zero accidents and zero injuries. Our 2022 OSHA Incident Rate was 0.67, which puts us in the top ten percent of all manufacturing companies, and is down substantially from 1.39 in 2016. We recently commissioned our state-of-the-art Polyiso manufacturing facility right here in Sikeston, Missouri. The Carlisle Operating System was critical to almost every step of the facility's design and construction to LEED Platinum specifications, and we roll out of a range of sustainable products.
- COS will help galvanize our teams around Vision 2030. We will ensure consistent applications of COS across every function in the enterprise and drive operational efficiencies through clear, measurable and achievable metrics. Combined with the advancement of our automation and technological capabilities, we expect to derive future savings, benefits, and cost avoidance of 1-2% of sales every year.

#### **Nikki Clark, Director of Customer Service – Carlisle Experience**

- The Carlisle Experience has elevated Carlisle to a premium brand, recognized for its value proposition, high-quality products, and exceptional service. This, in turn, allows us to command higher prices for our offerings.
- The Carlisle Experience revolves around the needs of the contractors who install our products. They often struggle with coordinating labor and materials for timely, budget-friendly projects. Ensuring on-time delivery of the right products is crucial. Surprisingly, this approach wasn't common in the industry in the past and remains a challenge for some of the building envelope companies. We have a longstanding history of exceptional service, superior customer support, and timely deliveries. Since 2018, we've formalized this as the Carlisle Experience. Substantial cost savings through labor efficiency and waste reduction enable us to command premium pricing in the market.
- We drive differentiation in a number of ways. With a majority of our products shipped directly to the job sites, we ensure that we have the right products at the right place and at the right time. We provide continuous touch points and personalized connections with each customer to give them everything they need to make the job easier. Our integrated systems feature industry-leading warranties. Customers are willing to pay for our warranties because they trust in our commitment to our products. We are excelling across all those fronts based off feedback from a recent customer survey of approximately 1,000 contractors. The top 4 reasons for choosing

Carlisle products were brand reputation, product portfolio, product availability, and ease of installation.

- Our net promotor score is 25% better than the average of our competition. Our goal is to continue extending our lead by raising the standard of service in our industry. We continue to differentiate ourselves by developing new products, services, and tools that allow customers to do their job more quickly, efficiently, and with higher quality. We are investing in R&D to bring new innovation to market. We are enhancing digital experience for more real time engagement with customers.
- An example of our digital experience is the recently launched mobile device friendly customer success portal. This provides customers with one platform for access to product catalogs, personalized pricing, orders, tracking deliveries and facilitates more real time communication with our customer service and operations teams. This is a technological leap forward within our industry.
- Beyond the contractor, our network spans the building envelope ecosystem to help bring our products to market. Carlisle holds a premium position with national, regional, and local distributors, crucial for ensuring product availability and aiding customers in choosing the right products for their projects.
- Our relationships also extend all the way to building owners and architects to help get our products specified for all types of projects. This has fostered strong connections with key influencers, as seen in about a third of shipments being specified for Carlisle products and systems.
- When we think of the Carlisle Experience, it encompasses everything we have done to transform the way we do business, and frankly the way our industry does business. Superior service, accurate deliveries, labor savings for customers and innovation are key. These, along with additional aspects, collectively shape the Carlisle Experience.

#### **Chris Koch, Chair, President & CEO – Price Evolution**

- The Carlisle Experience and Carlisle Operating system together helped us build discipline in our businesses around pricing, margin and returns. We have seen the building envelope industry evolve from a single product, commodity type market, to an integrated solutions-driven, value-added business. As we look at the path towards Vision 2030, we are again leading the charge to upgrade our industry standards and earn an even greater share of wallet with customers. We know what it takes to win in the marketplace, what it takes to show value and earn a premium, which in turn drives the engine that generates strong returns at Carlisle. That's why Vision 2030 is placing an even greater emphasis on innovation. New products, new solutions and new services, are going to be a critical point of differentiation for us to drive share, increase loyalty, and earn price for our added value to our customers.

#### **Anil Shenoy, Executive Vice President, R&D – Innovation and R&D**

- Carlisle has always been an innovative company and we are set to accelerate our innovation in the areas of energy efficiency, labor savings and integrated systems. There is tremendous value to building owners in the energy efficiency of our products. In addition, there is enormous value to contractors in a product that is dependable and saves them time on installation and quality of install. And to Carlisle, the ability to sell more product per square foot through our integrated system solutions is an incredible value driver for us. Innovation across these three fronts is very attractive for all stakeholders in the value chain.
- We sell technical products in a non-technical market so reducing complexity typically sets the stage for some of the things we do in Research and Innovation. We have spent the last 5 years developing our new product pipeline, which today represents 15% of our revenue. We have invested and continue to invest in our infrastructure to create and scale even bolder innovations. Our Vision 2030 goal is to achieve 25% of revenue through new product introductions. We are backing that goal with our commitment to increase R&D investments to 3% of sales by 2030. That compares to less than 1% today. We have generated strong returns on all our new product introductions in the past, which gives us confidence that our R&D investments will create significant additional value for our customers and for Carlisle.
- Energy efficiency is very important to building owners. With an increasing focus on greenhouse emissions from buildings, rising energy costs and environmental challenges present us with multiple opportunities to innovate. The intensifying demand for energy efficiency is one of the megatrends driving our industry. Owners ask us questions such as, “how can we reduce landfill waste with recyclable materials?”, or “how do we reduce energy consumption?”. These are complex issues that Carlisle is geared to solve, with 65% of our revenues already coming from LEED qualified products.
- As you heard earlier, another major pain point for our industry is availability of quality labor. This constitutes a big portion of a contractor’s installation cost. Labor saving efficiencies that we bring to a contractor through innovation translates into pricing premium for our products and loyal customer base.
- We have an extensive portfolio of comprehensive solutions across the building envelope. As an example, we recently introduced a 16-foot TPO sheet, which nicely complements our 10’ and 12’ TPO offerings. This allows contractors to install the roofs in 30% less time and move on to the next project. That is invaluable to them. While the concept may be straight forward, reengineering our existing lines to cost effectively manufacture this product was an innovation milestone within our industry. Carlisle is the only manufacturer in our industry to have accomplished this feat.
- Another example is our patented Self Adhering Technology. We factory apply the adhesive on the backside of our roofing membrane so contractors can simply take it out of the box, lay it down on the roof and eliminate the adhesive application step from a typical install. Another innovative concept is our patented A-peel Technology for white roofs. This technology allows contractors to not worry about tracking dirt and debris on a white roof membrane during the installation process and then simply peel off the protective liner after project completion. That can save them up to 15 cents per square foot on cleanup costs from power washing, which adds up to a lot on a several hundred thousand square foot roof.

- Innovation also helps us grow our dollar and product content per square foot. Our systems solutions drive a higher share of wallet that ultimately contributes to above market growth and increased margins. An example is our patented rapid lock system that replaces adhesives with a hook and loop technology to permanently bond the membrane and the insulation at any outdoor temperature. This technology allows our contractor base to install roofs even in winter time. This works when the membrane and insulation are purchased as a system from us so that the roof can be warranted, which then ultimately results in cross selling.
- Innovation takes a lot of time, effort, intellectual property creation and investment to perfect. We already have the innovation flywheel spinning, which makes it hard for anyone else in our space to catch up. We plan to stay ahead of the curve.

### **Chris Koch, Chair, President & CEO – Mega Trends**

- The actions we are taking at Carlisle are supported by very strong industry mega trends in our core markets. Those significant market drivers include replacement needs for an increasing average age of existing roofs, the global push for enhanced energy efficiency, the need for labor saving solutions and the increasing demand for full building envelope solutions.
- Let me expand on a few of these mega trends.
- The first is re-roofing demand. We have a leading position in the non-residential market, and we believe there is a large amount of pent-up re-roofing demand in coming years given the rising age of existing roofs. The typical life of a roof is generally about 20 to 30 years. The coming catalyst that we see is a very significant surge in replacing the roofs that were put in place in the early-to-mid 2000s and which are approaching prime age for replacement.
- When we think more broadly about the total existing US commercial buildings stock, an average building may require several roof replacements or repairs during its multi-decade useful life. Based on our internal install forecasts, we estimate that up to 40% of total US commercial roofing square footage could be towards the upper end of that typical replacement cycle and prime for an upgrade in the next decade.
- Repair, replacement and remodel activity drives a significant percentage of our revenue and is inherently less cyclical to macroeconomic cycles. And in turn, modulates the economic cycles traditionally seen in building products.
- Another mega trend is energy efficiency, where Carlisle has been front and center. Over the past decade we have focused on making products that enhance energy efficiency, and last year approximately two thirds of our revenues were from LEED qualified product sales.
- To put that into context, despite the rapid growth in recent years, LEED and STAR qualified buildings still account for less than 10% of total US commercial buildings. So not only has our share of wallet been immense in energy efficiency, but more importantly, the number of green commercial buildings is expected to grow in the low to mid double digits through 2030. Needless to say, there is still a lot of runway for growth.

- With over 30% of global annual greenhouse gas emissions emanating from buildings, the regulators at all levels of government are setting ever more stringent energy standards and creating incentives. Most notably, the Inflation Reduction Act of 2022 dedicated over \$50 billion to sustainable construction and building energy use. As of last year, 25 states had mandatory statewide energy efficiency building standards. Clearly significant actions that Carlisle will participate in moving forward.
- And with our planned investments to accelerate innovation, we expect to continue capturing an outsized portion of this rising demand for energy efficiency solutions.

#### **Mehul Patel, VP, Investor Relations – Above Market Growth**

- The mega trends that Chris just talked about will generate mid-to-high single-digit organic growth. In addition, we have a lot of white space in our businesses and opportunity to make accretive acquisitions and generate strong returns.
- We estimate our addressable building envelope market to be approximately \$70 billion dollars.
- And today we only have direct exposure to just under half of that leaving significant growth run way.
- Aligned with our innovation goals, we have four growth vectors within a disciplined M&A framework to pursue building product targets that bring solutions to customers.
- Number one...There's a lot of room to expand within our existing building envelope categories.
- Two...These categories provide a long tail of bolt on opportunities in existing and new geographies.
- Three...These categories represent a lot of white space to pursue adjacent building envelope targets where we can leverage the Carlisle Experience and the Carlisle Operating System.
- And lastly, number four, there are plenty of creative startups that we can either acquire or partner with to expand our innovative products and solutions for customers.
- CWT is performing well and serves as a clear example of successful expansions into adjacent and complete building envelope solutions. This team is executing its strategy and realizing the synergies planned with the Henry acquisition from 2021. Nearly everything we discussed today pertains to both our CCM and CWT businesses. Given many of the CWT categories are newer to our platform, I'll take a moment to discuss how CWT fits nicely into our exciting path forward.
- CWT's mission is to be the supplier of choice for high quality integrated system solutions that drive energy efficiency and sustainability for commercial and residential weatherproofing applications. To achieve this, they work closely with architects, building owners and designers. In turn, they have a leading portfolio of curated integrated solutions with products that are designed to work together as a system to reduce the risk of water intrusion and optimize energy efficiency.

- Within a particular product category, they typically have the best technologies, including: air barriers, insulation, coatings, or waterproofing products.
- Their significant advantages revolve around both the scale and the integrated solutions within their weatherproofing applications. One way investors can understand CWT's value proposition is by looking at their EBITDA margins this year expanding from a mid-teen percentage to the mid-twenties in the recent quarter.
- As we build our achievements, we believe CWT's contribution to our vision 2030 goal will be supported by four primary drivers:
  - First is CWT's ability at selling integrated systems that provide maximum energy efficiency for buildings.
  - Second, the ability to leverage innovation in weatherproofing systems.
  - Third, a go to market approach with each sales team organized around end market segments that optimize alignment with key decision makers and support the unique needs and solutions for those end markets.
  - And fourth...on top of these organic drivers, CWT is focused on acquiring technologies that can further advance energy efficiency, labor savings and sustainability goals for customers.
- Carlisle has historically grown revenue faster than the market. We have the building blocks in place to continue to do so organically and with M&A. Our organic growth breaks down to three factors.
- The first factor is Carlisle's favorable weighting towards R&R and commercial, which have been stable growers over time.
- The next aspect is our brand and value proposition. This allows us to execute with pricing discipline and operate more efficiently.
- The third element of organic outperformance is innovation, with our goal to generate 25% of revenues from new products through targeted R&D investments.
- Beyond above market organic performance, accretive acquisitions fill in gaps and accelerate growth. When we look collectively at these factors we have grown at an average rate of roughly 10% per year over the past decade, with most of that achieved organically.

#### **Kevin Zdimal, Vice President & CFO – Margin Resilience**

- Up to this point we have demonstrated how we win in the market place and how we have the infrastructure in place to drive profitable above market growth for the foreseeable future.
- As we grow we will aim to be the best partner to customers and get paid for delivering value, which we have shown drives strong, sustainable margins. Since 2008 we have more than doubled our segment Adjusted EBITDA margin to 27% in 2022 and expect to maintain that level in 2023. We have driven consistently strong performance through cycles and we expect that to continue.

- Carlisle has a leading position in the building products industry. The dependable tailwinds from the re-roofing cycle, coupled with other mega trends stimulating demand for innovation are directly aligned with the value proposition that we bring to customers through the Carlisle Experience. Building owners, architects, and contractors choose Carlisle based on our long-standing relationships with them and our reputation for excellence. Within distribution, an increasingly consolidated distribution channel is favoring leading suppliers such as Carlisle, with our expansive portfolio of integrated products, and our ability to serve multiple sectors. We are generating an increasing mix of our revenues from cross-selling and new products. All these factors are driving price for value and we have moved a long way from competing on cost or tracking movements in commodity inputs. Combined with the Carlisle Operating System, we believe our business is poised to generate highly resilient EBITDA margins.
- We have an exceptional case study of our margin resilience during 2023, with two very important proof points. On a mid-teen percentage drop in volume, we have held our pricing roughly flat and with one month left in the year, we expect our segment Adjusted EBITDA margin to be consistent with 2022.
- Our ability to hold margins relatively steady in 2023 is reflective of the quality of our best-in-class solutions, price discipline, cost controls and Carlisle Experience. Each of these elements reinforces each other and puts us in a position to sustain our attractive margins through economic downturns.

#### **Dave Smith, VP, Sustainability & Community Relations – Sustainability**

- Sustainability has been fundamental to Carlisle's culture for more than 100 years. From our very first inner tube production line where we recycled rubber waste to our latest sustainability achievement right here in Sikeston Missouri. I am pleased to be here in the first manufacturing facility in the country designed and built to LEED Platinum Version four Standards.
- At Carlisle, we seek to drive environmental impact and create value for all of our stakeholders through our three-pillar Sustainability Strategy:
  - Under our first pillar, we endeavor to help our end user customers access solutions to drive energy efficiency in their buildings. From our single-ply membranes and insulation, to our vapor barriers and sealants, Carlisle manufactures and sells products that reduce the energy consumption of buildings. In 2022 alone, we sold more than three and a half billion dollars' worth of LEED qualified products into the residential and commercial building markets. As a result, our customers who put these Carlisle products in place will save as much as 155 million megawatt hours of electricity or twenty-three billion dollars over the lifetime of those products - that is enough energy to power almost 14 million homes in the U.S. for a whole year.
  - Our second pillar, reducing our operational and value chain emissions, helps Carlisle reduce our carbon footprint while improving the environment. Our aspiration to be a positive contributor to emissions reductions was formalized in December of 2022 with our commitment to achieve a Net Zero state in our operations by the year 2050. Guided by the Science Based Target Initiative program, our Net Zero goal is real and attainable. As part of

this work, and to show measurable near-term progress, our 2030 GHG reduction targets are to reduce our operational emissions by 42% and our value chain carbon intensity by 52%. Both significant improvements.

- Let me share a few details of our plan. We have achieved progress against our operational reduction target by deploying specific Energy Conservation Measures - which include the installation of LED lighting, the conversion of our vehicle fleet and lift trucks to electric models, HVAC optimization, as well as the certification of our manufacturing sites to ISO14001 environmental, and ISO50001 energy standards.
- Like many manufacturing companies, the majority of our GHG emissions resides in our supply chain. We work diligently with our chemical suppliers to realize meaningful reduction in our upstream and downstream emissions. In 2023 for example, we reformulated a number of our insulation products to reduce their life-cycle emissions by more than 200,000 tons and save over two million dollars per year on material costs.
- And finally, pillar three focuses on the reduction of construction waste entering landfills. A well-known statistic articulates the problem: that currently construction waste is responsible for as much as 30% of total volume in landfills. The Carlisle sustainability team, which includes teams in CCM and CWT, has implemented waste diversion and upcycling initiatives to reduce that burden substantially. As a result, in just the past 5 years, Carlisle's recycling and upcycling programs have diverted over 700,000 tons of waste.
- Turning back to our state-of-the-art factory here in Sikeston. The best example of our commitment to achieve our operational emissions reduction goals is right here behind me. Carlisle products such as Sure-Weld EXTRA TPO White Roofing Membrane, SecurShield HD Composite Polyiso Insulation, and our Barrithane Air and Vapor Barriers, were all utilized in the construction of this first of its kind, LEED Platinum Version four specified manufacturing facility. Perhaps even more importantly, this facility lowers the carbon footprint of the manufacturing and distribution of polyiso products - In part by reducing the transportation needs of our supply chain to customers due to its central U.S. location.
- I am very proud of Carlisle's more than 100-year legacy of sustainability, our impact on our communities, employees and the environment. Operating more efficiently, reducing waste and providing solutions to help our end users reduce energy consumption, has been part of the daily work at Carlisle for decades. COS and our philosophy of continuous improvement ensures it will be for the future.

**Lori Snyder, Chief Human Resources Officer – Talent / Team**

- Hi. I'm Lori Snyder, and I'm the Chief Human Resources Officer at Carlisle.
- Under Vision 2030, we have set ambitious targets, and, of course, achieving our vision will only be possible with the dedication of our thousands of talented employees. Our people make all the difference.

- Over the past five years we grew significantly, and this will continue as we strive to achieve Vision 2030. Attracting exceptional talent will continue to be imperative.
- People join Carlisle because of our track record of success, our vision, our culture, the opportunity to grow professionally, and our highly competitive compensation and benefits package. To give you a little background...
  - On top of comp, healthcare and other benefits, we provide all-employees stock option grants, giving each employee the opportunity to share in the success of Carlisle.
  - We prioritize safe working environments for our employees.
  - We support the communities in which we live and work through sponsorship and service.
  - And, we strive to build a collaborative and team-oriented environment that allows each of us to reach our fullest potential together.
  - These are all things we will continue to build on as we move forward.
- People who join Carlisle want to stay. In 2022, our employee retention rate for the core business was 85%. We're proud of the fact that some of our employees have built their careers at Carlisle. We have hundreds of team members who have been with Carlisle for decades, and this is an advantage for us, as our long-tenured team members provide stability and help develop the next generation at Carlisle.
- We work tirelessly to ensure we have a solid pipeline of future leaders and technical capability at Carlisle. This includes making significant investments in training and development programs for all of our employees. Our available training courses cover over 1,000 topics. Most notably, we have three signature leadership development programs that span from first-time leaders to the next generation of executive leadership. These programs include...
  - The Carlisle Leadership Foundation, which provides solid footing for our emerging leaders, imparting important leadership principles as they prepare to take on their first leadership role.
  - The Carlisle Leadership Program, a customized program that is facilitated by The Wharton School at The University of Pennsylvania which helps prepare high-potential middle to senior leaders who aspire to advance at Carlisle.
  - And the Leadership Summit, which provides a deeper understanding of our strategic vision to the next generation of executive leadership and to other exceptionally talented people at Carlisle.
- And these things are not new for Carlisle. Investing in people at all levels of our organization has always been core to our culture.
- As we look forward, we seek to become an "employer of choice" by building on this strong foundation and providing our people with the tools and resources to continue to thrive as a part of Vision 2030.

### **Kevin Zdimal, Vice President & CFO – Financial Targets**

- Looking at our financial outlook for Vision 2030, we expect to deliver strong returns for our shareholders by achieving our key financial targets. In regards to our top line projections, we expect to produce mid-to-high single-digit organic revenue growth through solid R&R and replacement demand, leaning forward on innovation and sustainability, reaping additional benefits from the Carlisle Experience and capturing share gains in the marketplace. We also see potential upside through M&A, with our expansive addressable market for building envelope systems.
- Moving to the bottom line, our ability to earn price for value through the Carlisle Experience and innovation, and leveraging our COS platform to control costs are collectively expected to help us maintain resilient Adjusted EBITDA margins above 25%. Our strong margin profile, in addition to prudent capital allocation and exceptional cash generation should help us drive robust return on invested capital of 25% plus and more than double EPS to over \$40 per share.
- In addition to our world-class teams and proven business model, we've benefited from superior balance sheet strength and excellent cash flow generation to provide both financial and strategic flexibility to accomplish our goals. Since 2018, we've generated nearly \$3 billion of cash as well as received significant additional capital infusion from the sales of non-core businesses. Our strong balance sheet features an attractive leverage profile with a net debt to adjusted EBITDA ratio of 1.7 times, which is within our targeted range of 1 to 2 times. Additionally, we have an average debt maturity of five and a half years and over \$1 billion of liquidity which leaves us well situated for value-enhancing investments. Looking at our strong track record of capital deployment, we have invested over \$6 billion since 2018 to unlock value for shareholders, with over three quarters of our capital deployed towards acquisitions and share repurchases, further propelling our growth and superior returns during that same timeframe.
- We are entering vision 2030 with financial flexibility and a clear path for sustainable value creation. Our free cash flow of 15% plus as a percentage of sales provide us with plenty of dry powder to deploy capital effectively against our capital allocation goals. This includes accretive acquisitions and the ability to comfortably fund internal initiatives, along with a consistent return of capital to shareholders in the form of a growing dividend and opportunistic share repurchases. In doing so, we are more than prepared to deliver a highly attractive ROIC greater than 25%.

### **Chris Koch, Chair, President & CEO – Closing Remarks**

- We created Vision 2030 based on the desire to continue the outstanding results delivered under Vision 2025. Vision 2030 continues that winning tradition with a detailed, executable plan that builds on our organization's collective strengths, more focused operations, record of capital deployment, and superior returns.
- Vision 2030 will expand on our accomplishments and demonstrate our philosophy of continuous improvement. We have realigned our portfolio of businesses to focus on delivering innovative and complete building envelope solutions, supported by the mega trends I described earlier.
- Vision 2030 can be summed up in a few key take aways

- It builds on our record of success and strategic pivot to a pure play building products portfolio that delivers products and solutions focused on energy efficiency and labor savings.
- Leverages mega trends around energy efficiency, labor savings and the re-roofing cycle that continue to expanding our market opportunity.
- Drives innovation by investing in and enhancing the significant technical infrastructure in place to help deliver above market growth and additional price for value.
- Continues the tradition of results that have demonstrated margin resilience through cycles, and which we believe is sustainable, and
- Produces strong cash flow to drive superior returns on invested capital
- With our record of success, strong teams, and a solid foundation already in place, we are confident Carlisle will deliver on its goals under Vision 2030.