



1st Quarter  
2020 Earnings Conference Call

April 21, 2020

## Forward-looking statements

During this presentation, we make certain forward-looking statements concerning plans and expectations for Carlisle Companies Incorporated. We caution you that actual events or results may differ materially from our plans and expectations based on various factors and uncertainties, including risks from the global coronavirus (COVID-19) pandemic. The risk factors are contained in Carlisle's Securities and Exchange Commission filings. Carlisle undertakes no duty to update forward-looking statements.

## Non-GAAP financial measures

Certain ratios related to Earnings before Interest, Income Taxes, Depreciation and Amortization (“EBITDA”), Free Cash Flow, Net Debt, Debt to EBITDA ratio, and Net Debt to Capital Ratio are not measures of liquidity or financial condition under US GAAP. See slide 17 in this presentation for a reconciliation of these measures to the most directly comparable GAAP measures. Throughout this presentation each non-GAAP measure is denoted with an \*.

# Coronavirus Update - Employees and Facilities

- First and foremost, our pledge is to provide a safe working environment for our employees
- We are following best practices and guidance from recognized authorities on employee health and safety measures
- Carlisle businesses are considered *essential*, supporting critical infrastructure and supplying vital medical and transportation products; all but a few of our manufacturing facilities around the globe continue to operate
- We are adjusting our business operating norms in response to necessary health and safety guidelines
- Carlisle is making prudent adjustments to our business structure, employment and pay policies

# Coronavirus Update - Financial Strength

- As of March 31, 2020, we had cash-on-hand of \$1.2B and \$500M undrawn on our credit facility
- No principal payments are due on outstanding debt until November 15, 2022
- We expect to generate free cash flow conversion in excess of 125% in 2020
- We paid our first quarter dividend totaling \$28.3M on March 2nd, fully expect to pay our dividend in June, and anticipate increasing our dividend in September for the 44th consecutive year
- In the first quarter, we deployed \$121M repurchasing 950K shares; we will remain balanced and opportunistic with our capital deployment strategy
- We continue to work an active M&A pipeline and are also committed to sustaining internal organic investments
- We expect to maintain our strong investment grade ratings of BBB/Baa2

# Coronavirus Update - Responding to Increasing Economic Uncertainties

- Vision 2025 remains our long-term focus
- CCM is positioned to perform well in this market downturn
- The unprecedented downturn in the commercial aerospace industry will negatively impact CIT, but recent positive news from Boeing and major airlines is encouraging
- We will continue to build CIT's Medical Technologies platform organically and via a robust M&A pipeline
- We continue to evaluate opportunities to deploy capital into strategic and synergistic acquisitions
- The Carlisle Operating System (COS) will continue to be an essential tool as we seek opportunities to make our operations and business processes more efficient



# 2020 Q1 Results

## Q1 revenue, down 3.9%

- Organic revenue down 7.0%
  - CCM revenues up slightly
- 3.4% acquisition growth
- FX was an unfavorable 0.3% impact

## Operating income decreased 10.5% driven by:

- COVID-19 related volume declines and subsequent unfavorable absorption
- Wage inflation
- Partially offset by raw material savings and COS

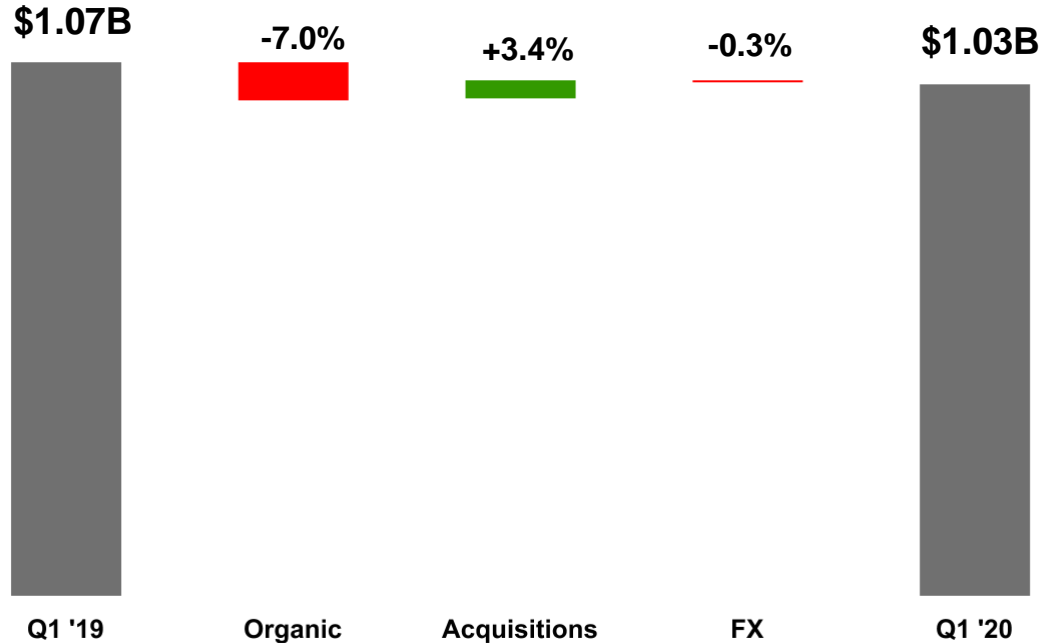
## Financial Summary

<i>(in millions, except per share amounts)</i>	Q1 '20	Q1 '19	Δ
Revenues	\$1,030.2	\$1,071.9	-3.9%
Operating income	\$102.7	\$114.7	-10.5%
Income from continuing operations, net of tax	\$61.8	\$77.4	(20.2)%
Diluted EPS from continuing operations	\$1.09	\$1.33	-18.0%

**Carlisle in strong position to weather the economic toll inflicted by coronavirus**

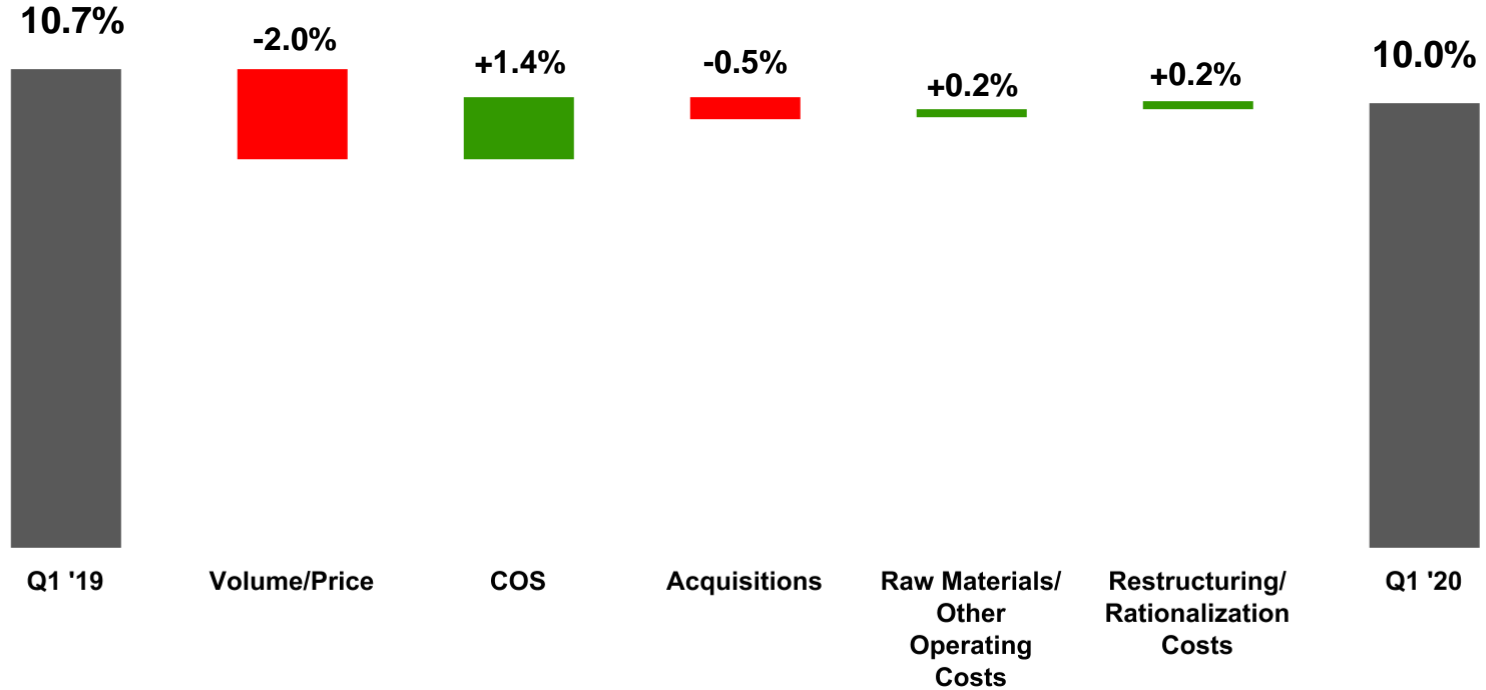
**Launched inaugural Sustainability Report**

# 2020 Q1 Revenue Bridge



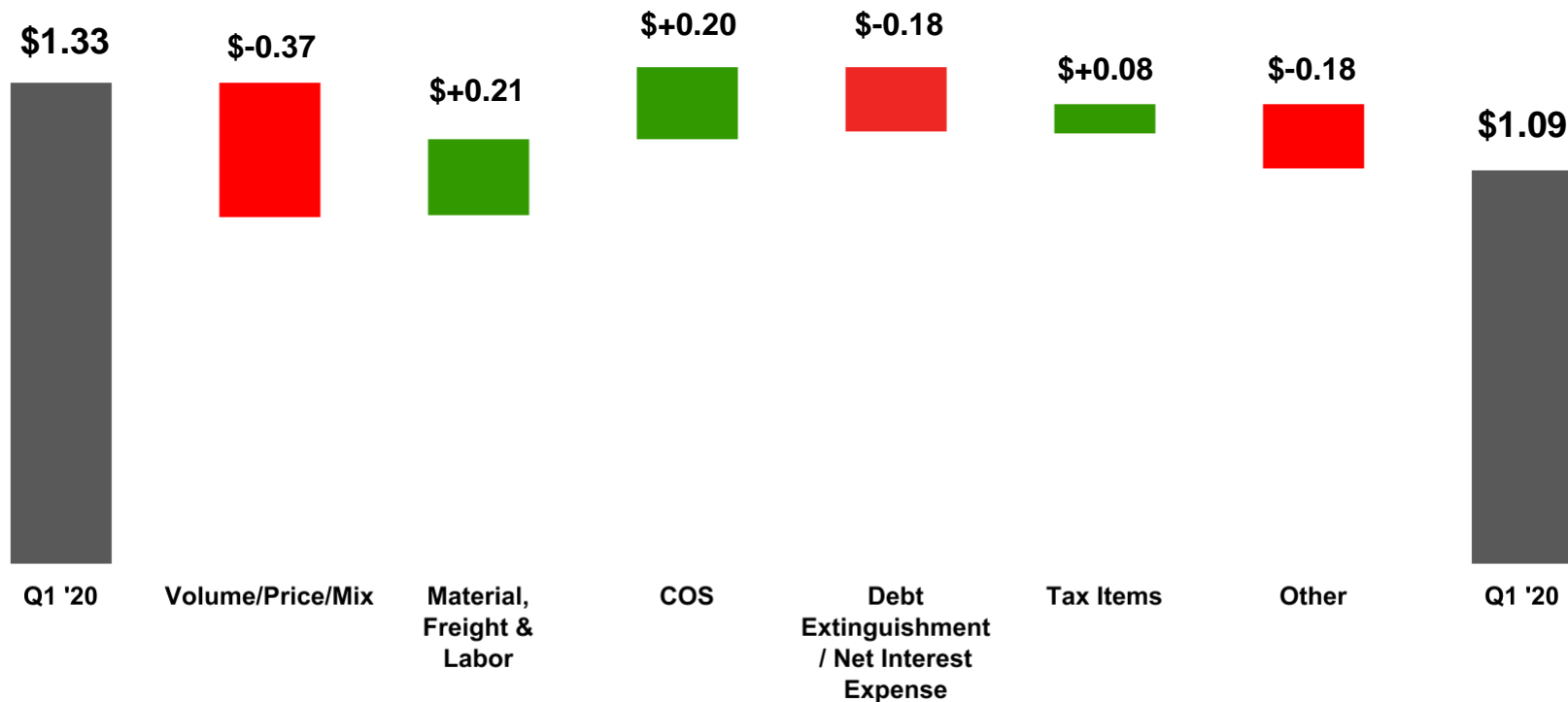
Organic Revenue by Segment	
Construction Materials	+0.7%
Interconnect Technologies	-19.7%
Fluid Technologies	-18.8%
Brake & Friction	-20.8%

# 2020 Q1 Operating Margin Bridge





# 2020 Q1 EPS Bridge



# Carlisle Construction Materials



<i>(in millions)</i>	Three Months Ended March 31,				Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
	2020	2019	Change \$	Change %			
Revenues	\$ 676.4	\$ 671.1	\$ 5.3	0.8 %	0.3 %	0.7 %	(0.2) %
Operating income	\$ 107.7	\$ 92.9	\$ 14.8	15.9 %			
Operating margin percentage	15.9 %	13.8 %		+210 bps			
Items affecting comparability	\$ 0.6	\$ 1.6					

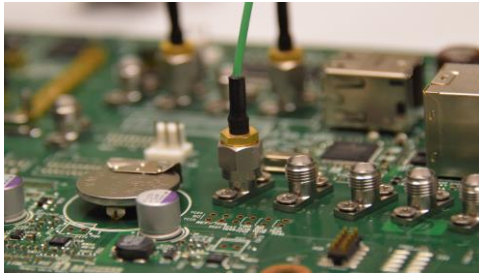
- **Q1 Notable Commercial Items:**

- U.S. commercial re-roofing and Polyurethane flat, Architectural Metals demand up double digits
- COVID-19 impact felt mid-March: contractors' inability to access roofs, government orders to cease work, inspection / permitting disruptions
- Anticipate increased demand in healthcare and education

- **Operating Income:**

- Excellent leverage driven by raw material and COS savings
- Partially offset by wage inflation

# Carlisle Interconnect Technologies



<i>(in millions)</i>	Three Months Ended March 31,				Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
	2020	2019	Change \$	Change %			
Revenues	\$ 224.5	\$ 246.4	\$ (21.9)	(8.9) %	10.9 %	(19.7) %	(0.1) %
Operating income	\$ 16.4	\$ 30.6	\$ (14.2)	(46.4) %			
Operating margin percentage	7.3 %	12.4 %		-510 bps			
Items affecting comparability	\$ 5.3	\$ 4.9					

- **Q1 Notable Commercial Items:**

- Unprecedented crisis in Commercial Aerospace market negatively impacting CIT
- Medical market sales trend positive
- Providien acquisition on track and contributing to positive outlook in Medical

- **Operating Income Decline:**

- Driven by 737-MAX related volume declines, COVID related direct costs, raw material and wage inflation
- Partially offset by savings from COS, favorable mix, and impact of FX

# Carlisle Fluid Technologies



<i>(in millions)</i>	Three Months Ended March 31,				Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
	2020	2019	Change \$	Change %			
Revenues	\$ 58.3	\$ 63.1	\$ (4.8)	(7.6) %	12.0 %	(18.8) %	(0.8) %
Operating income	\$ 2.8	\$ 6.4	\$ (3.6)	(56.3) %			
Operating margin percentage	4.8 %	10.1 %		-530 bps			
Items affecting comparability	\$ 0.3	\$ (0.9)					

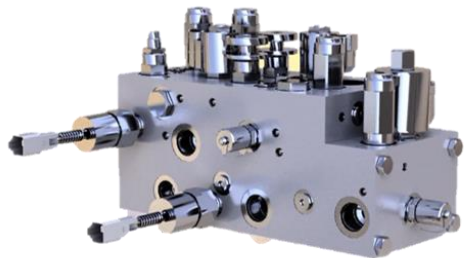
- **Q1 Notable Commercial Items:**

- Acquisition integrations (Hosco, IDS, Shinhang, Ecco) on track
- Lingering effects of Brexit, U.S./China trade negotiations and automotive market declines
- COVID-19 further accelerated volume declines

- **Operating Income Decline:**

- Driven by volume declines, labor and wage inflation
- Partially offset by past restructuring and facility rationalization efforts, lower SG&A, acquisitions and savings from COS

# Carlisle Brake & Friction



<i>(in millions)</i>	Three Months Ended March 31,				Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
	2020	2019	Change \$	Change %			
Revenues	\$ 71.0	\$ 91.3	\$ (20.3)	(22.2) %	— %	(20.8) %	(1.4) %
Operating income	\$ (3.8)	\$ 6.5	\$ (10.3)	(158.5) %			
Operating margin percentage	(5.4) %	7.1 %		-1250 bps			
Items affecting comparability	\$ 3.7	\$ 1.3					

- **Q1 Notable Commercial Items:**

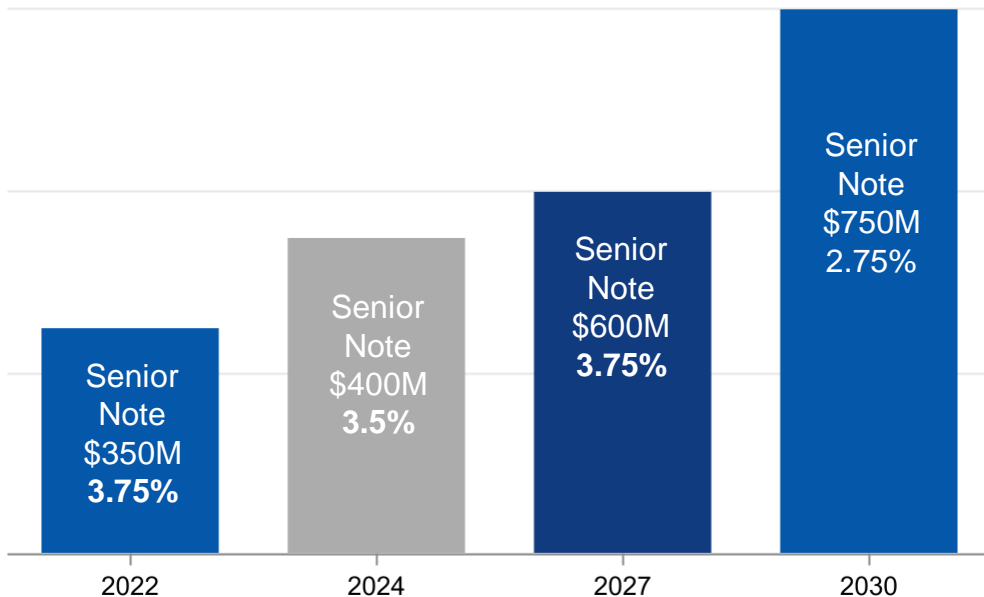
- Temporary shutdowns of Chinese, Italian and U.K factories had significant impact
- Multi-year Mining, Ag, and Construction declines lingering

- **Operating Income Decline:**

- Driven by COVID-19 related volume declines, unfavorable mix and higher restructuring costs
- Partially offset by savings from COS and lower SG&A

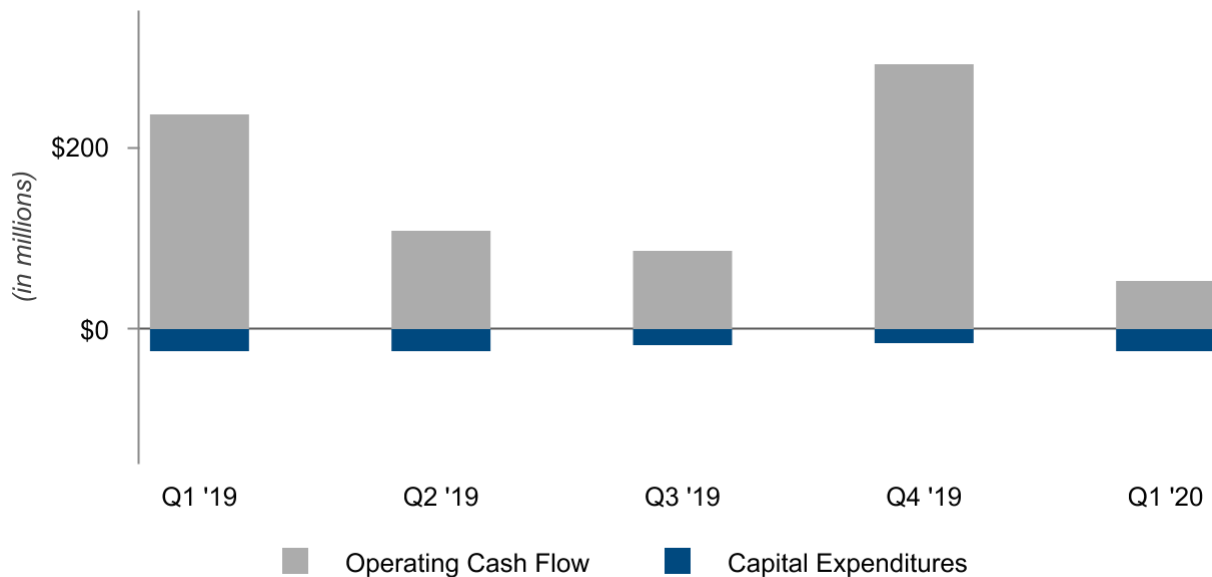
# Focused on Capital Structure Optimization

## Debt Maturity Schedule



- Cash on hand of \$1.2B as of 3/31/20
- \$500M available under revolver
- \$28M capital returned to shareholders in dividends in Q1
- Utilized \$121M of cash in Q1 to repurchase shares
  - 4.0M shares remaining under authorization as of 3/31/20
- Net debt to cap ratio of 36%\*
- Net Debt to EBITDA of 1.6x\*
- EBITDA to interest of 12.8x\*

# Cash Flow



	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20
<b>Operating Cash Flow</b>	\$109.8	\$87.3	\$292.4	\$213.6	\$53.2
<b>Capital Expenditures</b>	\$(23.3)	\$(17.7)	\$(15.6)	\$(32.3)	\$(22.8)
<b>Free Cash Flow *</b>	\$86.5	\$69.6	\$276.8	\$181.3	\$30.4

\*Represents non-GAAP measure

# 2020 Outlook

	Restructuring, facility rationalization acquisition/divestiture related items (in \$M)		
	<u>1Q20</u>	<u>2QF</u>	<u>FY20F</u>
CCM	\$0.5	~\$2-4	~\$2-4
CIT	\$5.4	~\$12-15	~\$25-30
CFT	\$0.3	~\$5-6	~\$5-6
CBF	\$3.7	~\$2-3	~\$10-11
Corporate	\$0.3	~\$0-1	~\$2-3
<b>Total CSL</b>	<b>\$10.2</b>	<b>~\$20-30</b>	<b>~\$45-55</b>

	<b>FY 2020</b>
Corporate Expense	~\$80M
D&A	~\$230M
CapEx	\$100-120M
FCF Conversion	~125%
Interest Expense, Net	~\$75M
Tax Rate	~24%



# Reconciliation of GAAP to Non-GAAP Measures

## Unaudited Leverage Ratios

(in millions except for ratios)

	LTM 3/31/2020
<b>Income from Continuing Operations</b>	<b>\$ 459</b>
Income tax expense	113
Interest expense	69
Depreciation and amortization	213
Non-cash stock based compensation expense	31
<b>EBITDA</b>	<b>\$ 884</b>
Short-term debt including current maturities	\$ 1
Long-term debt	2,576
<b>Total debt</b>	<b>\$ 2,577</b>
Less: Cash	1,188
<b>Net Debt</b>	<b>\$ 1,389</b>
<b>Net Debt to EBITDA<sup>1</sup></b>	<b>1.6x</b>
<b>EBITDA to interest</b>	<b>12.8x</b>

## Net Debt to Capital Ratio

(in millions except for ratios)

		Capital		
<b>Total debt</b>	<b>\$ 2,577</b>	Net debt	\$	1,389
Less: cash	\$ 1,188	Total shareholders' equity	\$	2,519
<b>Net debt</b>	<b>\$ 1,389</b>	<b>Total capital (net of cash)</b>	<b>\$</b>	<b>3,908</b>
		<b>Net debt to capital</b>		<b>36 %</b>