

23-Apr-2026

Carlisle Cos., Inc. (CSL)

Q1 2026 Earnings Call

CORPORATE PARTICIPANTS

Mehul S. Patel

Vice President-Investor Relations, Carlisle Cos., Inc.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

Kevin Philip Zdimal

Vice President & Chief Financial Officer, Carlisle Cos., Inc.

OTHER PARTICIPANTS

Susan Maklari

Analyst, Goldman Sachs & Co. LLC

Timothy Wojs

Analyst, Robert W. Baird & Co., Inc.

Bryan F. Blair

Analyst, Oppenheimer & Co., Inc.

Tomohiko Sano

Analyst, JPMorgan Securities Japan Co. Ltd.

Ryan Merkel

Analyst, William Blair & Co. LLC

David S. MacGregor

Analyst, Longbow Research LLC

Garik Shmois

Analyst, Loop Capital Markets LLC

Adam Baumgarten

Analyst, Vertical Research Partners LLC

McClaran Hayes

Analyst, Zelman Partners LLC

Keith Hughes

Analyst, Truist Securities, Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon. My name is Colby, and I'll be your conference operator today. At this time, I'd like to welcome everyone to the Carlisle Companies' First Quarter 2026 Earnings Conference Call. All lines will be placed on mute to prevent any background noise. And after the speakers' remarks we will conduct a question-and-answer session.

I would like to turn the call over to Mr. Mehul Patel, Carlisle's Vice President of Investor Relations. Mehul, please go ahead.

Mehul S. Patel

Vice President-Investor Relations, Carlisle Cos., Inc.

Thank you, and good afternoon, everyone. Welcome to Carlisle's first quarter 2026 earnings call. I'm Mehul Patel, Vice President of Investor Relations for Carlisle. We released our first quarter financial results today and you can find both our press release and the presentation for today's call in the Investor Relations section of our website.

On the call with me today are Chris Koch, our Board Chair, President, and CEO, along with Kevin Zdimal, our CFO. Today's call will begin with Chris providing key highlights for the first quarter. Kevin will follow Chris and provide an overview of our Q1 financial performance and our reaffirmed outlook for the full year of 2026. Following our prepared remarks, we will open up the line for questions.

But before we begin, please refer to slide 2 of our presentation where we note that comments today will include forward-looking statements based on our current expectations. Actual results could differ materially from these statements due to a number of risks and uncertainties which are discussed in our press release and SEC filings. As Carlisle provides non-GAAP financial information, we provided reconciliations between GAAP and non-GAAP measures in our press release and in the appendix of our presentation materials which are available on our website.

With that, I'll turn the call over to Chris on slide 3.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

Thank you, Mehul, and good afternoon, everyone, and thank you for joining us today. Carlisle's first quarter results exemplify the focus and execution our teams consistently deliver even in challenging operating environments.

Revenue for the first quarter was \$1.1 billion, down 4% year-over-year, driven primarily by two timing-related factors. First, winter weather delayed projects and shipments across many regions in North America. Second, last year's first quarter benefited from approximately \$15 million of tariff-related order pull-forward from Canadian customers, which did not repeat this year.

Despite those headwinds, the underlying fundamentals of the business performed as expected and delivered better EBITDA margins in the quarter despite the sales challenges. As we reflected in our yearend 2025 call, improving profitability was a top priority for 2026. Q1 results reflected strong execution on that priority with adjusted EPS rising to \$3.63, up 1% versus last year, and adjusted EBITDA margin expanding by 50 basis points to 22.3%.

It's important to underscore that margin expansion in the quarter was a result of our focused efforts, particularly worth noting in a quarter where volumes were pressured. The margin improvement reflects work that has been underway for several quarters.

Our teams have been systematically driving productivity, improving manufacturing efficiency, tightening cost discipline, and simplifying execution across the network, effectively using all parts of the Carlisle Operating System, or COS. Those actions will continue to compound over time and will drive our forecasted margin expansion under our Vision 2030 goals. This is another reminder that Carlisle is built to perform through cycles, not just at peaks, regardless of the environment.

Q1 was a demanding quarter operationally and the team responded exactly the right way. We stayed focused on the areas we can control: cost discipline, thoughtful pricing execution, and supporting customers through innovation and the Carlisle Experience. That execution is clearly reflected in our results.

Underlying demand trends in our end markets were consistent with the information from our Q1 outlook based on the Carlisle Market Survey with weather being the key variable that caused a slight shortfall to projections for the quarter.

Re-roofing activity grew low single-digits, continuing to provide the stable recurring demand base that defines Carlisle's resilience across economic cycles. Commercial re-roofing remains our primary revenue engine, accounting for roughly 70% of CCM's commercial roofing business, supported by an aging installed base with 20-

to 25-year roof lifecycles and increasing content per square foot driven by innovation that improves energy efficiency and reduces labor costs.

We also understand that to protect and grow our position in the market, we must strive to be the leader in specifications, systems performance, comprehensive warranties, the Carlisle Experience, and most importantly, trust with contractors, architects, and building owners, areas where Carlisle continues to lead.

Importantly, orders improved as the quarter progressed, and we exited March with better momentum than we entered the year. April activity to-date has been encouraging with re-roofing work in line with seasonal norms and backlog conversion improving as weather disruptions have subsided.

Offsetting this is the continued uncertainty in new construction related to the issues we have discussed before, notably interest rates and economic and geopolitical uncertainty.

While we remain early in the quarter, the level of order activity we are seeing gives us increased confidence in the trajectory of the business as we move into the second quarter and into the heart of the roofing season. However, at the same time, we remain cautious about the second half given the ongoing geopolitical volatility.

New construction remains soft across both residential and non-residential markets as expected. Our full-year outlook does not assume a near-term recovery. A higher-for-longer interest rate environment continues to weigh on construction activity and our plans appropriately reflect that reality.

Turning to pricing and input costs, recent geopolitical escalation has materially increased uncertainty in global energy markets. Rising oil prices impacted our petrochemical-linked raw materials and freight. We acted quickly in mid-March, announcing price increases across both CCM and CWT effective mid-April and implementing real-time freight surcharges to drive more immediate recovery.

In addition, we announced a second round of price increases at CCM today to offset the additional cost pressures that disruptions in the petrochemical supply chain are driving. Those actions are beginning to work their way through the market and we expect price-cost dynamics to improve sequentially through the remainder of 2026.

It is also important to be clear that we're constantly evaluating the actions in the market by our suppliers and will act accordingly to address any misalignment. More specifically, heightened risk surrounding the Iran conflict and sustained disruption through the Straits of Hormuz introduces uncertainty which we are monitoring very closely. If volatility persists, structural cost levels reset higher, we are prepared to take additional pricing actions as needed. Our approach remains disciplined and deliberate.

We've seen this type of situation play out repeatedly during periods of significant disruption, whether during the global financial crisis, the COVID-19 pandemic, or now amid elevated geopolitical risk, Carlisle has demonstrated exceptional margin sustainability. That durability is reinforced by the discipline embedded in Vision 2030, the depth and tenure of our team, our recurring re-roofing revenue base, the fact that over 90% of our revenue is generated in North America, and our superior capital allocation approach.

Another important contributor to that durability is the way Carlisle allocates capital. We view capital allocation as a core competency, not a byproduct of the business. Across cycles, we have consistently prioritized returns over growth for growth's sake: investing organically where we have durable competitive advantage, pursuing acquisitions only when they meet our stated criteria, and returning excess capital to shareholders when that

represents the highest and best use. This balanced and disciplined approach continues to differentiate Carlisle and supports our ability to compound value over time.

Based on our execution and the actions already underway, we are reaffirming our full-year 2026 outlook of low-single-digit revenue growth and approximately 50 basis points of adjusted EBITDA margin expansion.

Kevin will now walk through the financials in detail. Kevin?

Kevin Philip Zdimal

Vice President & Chief Financial Officer, Carlisle Cos., Inc.

Thank you, Chris, and good afternoon, everyone. I will review our first quarter financial results and then provide additional details on our full-year outlook for 2026, which is unchanged from the outlook we provided in our previous earnings call.

Beginning with consolidated results on slide 4, first quarter revenue of \$1.1 billion was down 4% compared to last year. As Chris mentioned earlier, the two primary drivers of that decline were the adverse impact of this winter's harsh weather limiting the number of days that roofing contractors were able to spend on the roof and the absence of approximately \$15 million of tariff-related pull-forward that benefited the first quarter of 2025. M&A contributions from our recent acquisition slightly offset the organic shortfall.

Adjusted EBITDA was \$235 million in the quarter, resulting in adjusted EBITDA margin of 22.3%, a 50 basis point improvement from the first quarter of 2025. The margin expansion on decreased revenue is the result of strong execution led by COS-driven productivity gains, procurement discipline, and efficient management of selling and administrative costs.

Adjusted EPS was \$3.63 for the quarter, up 1% year-over-year. This increase was driven by share repurchases which more than offset lower organic earnings and higher interest expense.

Our segment performance starts on slide 5. CCM generated first quarter revenue of \$758 million, a 5% decline year-over-year, reflecting lower volumes due to this winter's weather and last year's tariff-related pull-forward along with continued softness in commercial new construction activity, partially offset by solid re-roofing growth.

CCM adjusted EBITDA was \$208 million in the quarter, down 4% year-over-year. However, adjusted EBITDA margin increased 30 basis points to 27.4%.

COS productivity gains, disciplined procurement, and selling and administrative cost controls all contributed to the improvement in the EBITDA margin.

Moving to CWT on slide 6. CWT reported Q1 revenue of \$294 million, down 1% year-over-year. The slight decline reflects contributions from recent acquisitions, which mostly offset volume pressure from continued softness in both residential and non-residential new construction activity.

CWT adjusted EBITDA was \$45 million, down 3% year-over-year. Adjusted EBITDA margin was 15.2%, a decrease of 40 basis points, compared to the first quarter of last year. This margin decrease reflects the impact of lower volumes partially offset by the benefits of internal initiatives, including footprint consolidation and the expansion of in-house production of expanded polystyrene resin from our Plasti-Fab acquisition. We continue to see a clear path to meaningful margin expansion at CWT over the balance of 2026 as these actions compound and integration synergies build.

For your reference, slide 7 provides our first quarter adjusted EPS bridge. Turning to slide 8, Carlisle's financial position remains strong. As of March 31, 2026, we had \$771 million in cash and cash equivalents, and \$1 billion available under our revolving credit facility.

Our net debt-to-EBITDA ratio was 1.7 times, within our target range of 1 to 2 times. This financial strength continues to provide us with significant flexibility to invest in innovation and capital expenditures, pursue synergistic M&A, and consistently return cash to shareholders.

Moving to our cash flow on slide 9. Seasonality, Q1 is the quarter where we deploy cash to pay down year-end incentives and rebate liabilities and build working capital ahead of the construction season.

Net cash used in operating activities was \$45 million in the quarter and free cash flow used in continuing operations was \$73 million, reflecting a \$125 million post-year-end settlement of an accrued tax-related liability. Excluding this tax-related payment, operating cash flow improved year-over-year as we deployed less cash into working capital.

During the quarter, we invested \$28 million in capital expenditures. We also returned \$296 million to shareholders through \$250 million of share repurchases and \$46 million of dividends, and we are maintaining our pace toward our annual repurchase target for 2026 of \$1 billion.

Now turning to our outlook on slide 10. Oil cost volatility, interest rate uncertainty, and prolonged geopolitical conflicts are adding broader macroeconomic pressure to an already soft new construction market. However, based on our progress to-date, we are reaffirming our 2026 outlook.

We continue to expect full-year consolidated revenue growth in the low-single-digit range. And with our recent price increase announcements, we now expect revenue growth at the higher end of that range along with double-digit growth for EPS.

Our consolidated full-year revenue outlook reflects CCM revenue growth in the low-single-digits driven by higher prices, continued strength in re-roofing more than offsetting slower new construction, and CWT revenue also up low-single-digits as contributions from higher prices and share gain initiatives more than offset continued end market softness.

Consistent with our guidance at the beginning of the year, we still expect consolidated adjusted EBITDA margins to expand by approximately 50 basis points for the full year, supported by price realization building through the year to offset raw material increases, continued COS-driven productivity gains across both segments, and the structural operational improvement actions underway at CWT.

We will continue to execute the levers within our control while remaining mindful of the macro risks and limited visibility in this dynamic environment. We remain confident in Vision 2030 and our long-term financial targets of \$40 of adjusted EPS and 25%-plus ROIC.

Our path to Vision 2030 is founded on organic growth anchored in steadily increasing re-roofing demand and content per square foot. COS led margin improvements in both segments, disciplined capital return through share buybacks, and targeted synergistic M&A when the right opportunities are available at the right price. These are flexible independent levers.

Our strategy does not depend on all of them contributing significantly in every year. As we showed under Vision 2025, the trajectory towards the target can accommodate choppy periods, and cumulative execution across these levers over time is what ultimately drives us to our destination.

With that, I'll turn the call back to Chris for closing remarks.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

Thanks, Kevin. Overall, the first quarter was challenging, but the team delivered results with the kind of perseverance and disciplined execution that compounds over time and ultimately distinguishes Carlisle from its peers.

While we are very cognizant of the volatility that continues in the markets, what we are targeting for 2026 is designed to place a minimal reliance on new construction from current levels or a broader macro tailwind. We remain an imperative business with a leading position in what we believe is the most attractive building products market in the world.

The structural demand drivers in North America are secular and intact. Our balance sheet is strong, our operational capabilities are advancing, and our capital allocation remains disciplined. We remain very confident in Carlisle's position as we move further into 2026.

Before I close, I want to acknowledge and thank the Carlisle employees who produced these results through their daily effort and commitment to excellence. Over the years, they have made the commitment to ensuring our success. Thank you all for your time and continued interest in Carlisle. We look forward to providing further updates as the year progresses.

And with that, I'll turn it over to the operator to open the line for questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] And with our first question, it comes from Susan Maklari with Goldman Sachs. Your line is open.

Susan Maklari

Analyst, Goldman Sachs & Co. LLC

Thank you. Good afternoon, everyone.

Q

Kevin Philip Zdimal

Vice President & Chief Financial Officer, Carlisle Cos., Inc.

Good afternoon. Sue.

A

Susan Maklari

Analyst, Goldman Sachs & Co. LLC

Good afternoon, Kevin. My first question is talking a bit about demand. Can you give us an update on the new products, how they're doing in the market, the path for further introductions that you expect this year?

And within that, can you talk a bit about how these product offerings and the service that Carlisle has for contractors helps in terms of price elasticity? And do you think that that's partially what you're seeing when you're talking about the level of activity and the improvement that you're getting into the spring season?

Q

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

Okay. Sue, I'll try and remember this. New products. So, it's a good questions, too. The new products, we are forecasting to release just over 10 – 10, 12 new products this year. Probably the biggest one is our ThermaThin R-7 insulation which, I'm sure you've read about and others have too, what it's doing for our R value per square inch. And the implications of this for cold storage, for reduced inches on the roof in terms of insulation, or being able to put more inches of insulation per linear inch, vertical inch is really pretty significant.

So, we've been out doing testing. We launched at IRE, we won two awards. I was really proud that we won two awards that really symbolized two different sectors. One was around basically specifiers and people who were industry experts for a new product award, and then the other one was just the people that were coming to the show and voted it, I think, the best new product at IRE. So, that's really nice to see that, let's just call it specifiers and contractors, both thought there was a value proposition in that.

Now that product is gathering momentum in terms of recognition, more testing. We do have test sites that are out now where people are getting to use the product and give us feedback on it, not so much to determine whether it's a good product or not, but just how it works and validating some of the other things we wanted to know about it from a marketing perspective. But that won't really hit the market in terms of deliveries until, probably July of this year deliveries will start.

So, that's been good. It's creating a lot of enthusiasm, but not really impacting any growth in Q1 or Q2. We have a new gun for our foam adhesives that has come out that – again – introduced, but will be really reflected in more

A

Q2. We'll start to sell that. So, a lot of these new products, the growth is going to come – I won't say second-half loaded, but, yeah, I mean it'll be basically second-half loaded.

And so, then to try to shorten this up. When you get into service and new products and how they help, it really does differentiate us in the eyes of the contractor. And again, we've had two things we want to do. One is we want to increase energy efficiency, which is important to specifiers and building owners, but then the other one is get labor off the roof. And as we know, we already have issues with labor. We want to grow as an industry. We're going to have to find ways to use the existing labor pool more efficiently. And things like ThermaThin and our new FAST [indiscernible] (00:23:24) and things like that, APEEL, our SeamShield, these are the kind of things that are really really designed to get the contractor to be able to put that down.

And when you couple that up with another labor-saving initiative, which is the Carlisle Experience, it truly is labor-saving because it's about the right product at the right place at the right time. It means you don't have contractors standing around wondering where the shipment is, when it's going to be there, and this kind of stuff. They can depend on us. And I think that plays into growth because I think it means that when you deliver on new products and you deliver on service, obviously you get stickier with your customer, you get stickier with your architects, people depend on you, and hopefully that allows you to grow share as well as and we've been talking about this, increase the profitability and sales dollars per square foot because people, as we said, we're going to price the value. So, hopefully I covered enough of that for you.

Susan Maklari

Analyst, Goldman Sachs & Co. LLC

Q

Yes. No, that was perfect. And then my second question is on the CWT margins. Can you talk about the efforts that are coming through there, how we should think about the path of improvement and your ability to realize some level of expansion this year despite the tough environment?

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

Right. Well, this profitability growth in CWT was key for Frank Ready and his team over at CWT. I think they're well on their way. We put a goal in this year of getting as close as we could to 20%. We want to show return to those margins that – when we bought Henry, we had expected, which is let's say mid-20s and we wanted to get to 30%. Frank and his team are committed to that.

Obviously, the volumes in the resi side and what's impacted Frank have been tough to overcome. But the team's done a lot of good work. Automation has been a sizable impact. Footprint consolidation has been a sizable impact. Insourcing. And so, when we look at Q1 we would have made more traction towards our 20% goal. In fact, I'm still pleased with what they did, but would have made more traction if the mix had been a little different. Our sales had a heavier mix on the foam side and that was a lower-margin sale than the retail side that we had anticipated in our plan having. So, there was a little bit of a drain there to all the good things they'd done. But still, even with that there, I think they're going to have good traction. And I think it'll play out pretty linearly along Q2, Q3, and Q4. And hopefully we can get some rebound in volume which will really make a huge difference.

Susan Maklari

Analyst, Goldman Sachs & Co. LLC

Q

Okay. So, is it reasonable then to assume that you start to see some year-over-year expansion in the second quarter and it'll grow from there?

Kevin Philip Zdimal

Vice President & Chief Financial Officer, Carlisle Cos., Inc.

A

Yes, we see it play out during the year. We think we'll see improvement from quarter-to-quarter. So, Q2 might be around 19% and then improving to 22% in Q3. And overall for the year in our guidance that we provided, we're looking for at least 100 basis points of margin improvement year-over-year for CWT.

Susan Maklari

Analyst, Goldman Sachs & Co. LLC

Q

Okay. All right. Thank you both. And good luck with the quarter.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

Thanks, Sue.

Operator: Your next question comes from the line of Timothy Wojs with Baird. Your line is open.

Timothy Wojs

Analyst, Robert W. Baird & Co., Inc.

Q

Hey guys, good afternoon.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

Hey.

Kevin Philip Zdimal

Vice President & Chief Financial Officer, Carlisle Cos., Inc.

A

Hi Tim.

Timothy Wojs

Analyst, Robert W. Baird & Co., Inc.

Q

Hey, thanks. Maybe just on the pricing piece. I guess, what are you seeing? I mean, I guess, pricing on the first round's only been effective for a couple weeks. But I guess, any sort of context or commentary you could give us on just kind of what you're seeing in terms of stickiness there? And then, I guess, secondly, usually when you need price, it's because of demand-driven inflation and this is more kind of a supply-side shock. So, I guess, does that change how the industry deals with price or how contractors accept price just kind of it is a little different this time? So, if you can just kind of walk through how you think that plays out.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

Yeah. I'll start, Tim, and Kevin can jump in on his comments as well [indiscernible] (00:27:41). We did have the two price increases, one in March and then one in April. Obviously, the effective date of the first one is around April 15. And then as you know how the mechanics work on this, we are protecting jobs that were quoted to contracts that already had orders in there. We didn't go back and retroactively increase those, that wouldn't be terribly fair to them. So, we'll see it move through into the second quarter and then into the third quarter.

And I think the stickiness with the price increases is going to be pretty good. I don't think this is a – in terms of line of sight to the driver, I don't think there's anybody out in our contractor base or distributor base that doesn't see what's happening on the news every night and doesn't see the price of oil and doesn't understand that these are derivatives of the petrochemical industry that we are selling. And so, I think people understand that. Certainly on freight charges with diesel fuel and things like that, that's also hitting people that are moving around job sites with their own diesel fuel in their trucks and things like that.

So, I think the stickiness will be there. I also think there will be resolve throughout the industry because again, I don't think this isn't a unique event for one manufacturer, one distributor, one contractor. We're all experiencing this. We're all – it's broad-based. So, I think the stickiness will be good. And then we'll have to watch it play out. But obviously, that's what's going to be important in the second quarter is to see how that plays out.

When you think about that – usually it's in a rising demand situation. I mean, that is unique. I think that's one of the concerns from the fed is that we're in a – get into this stagflation thing, right? But certainly the inflation is going to be there. But I think the dynamic for us is going to be, I'd say relatively – I don't want to say muted but look, we're going to just control the things we can control. We want to continue to drive innovation. We want to continue to drive efficiency. We want to continue to take labor off the roof. We want to continue to provide that value proposition on new products and these kind of things to [indiscernible] (00:29:49) contractors and our specifiers.

And so I think as we go through it, that's what we're trying to get across in the message is that look, we can't control what's going to happen on that geopolitical front, but what we can do is continue to provide the best service. We can continue to provide innovation. We can continue to provide help in making sure that we're giving our contractors and distributors the best service we can. And hopefully that results in us either gaining a little bit of share or maintaining it as we roll through this difficult time. I think we also have the feeling that in this case there's probably resolution sooner than later. And it's a little bit different than the resi housing crisis that we're going through, that this will have a – in the end a little bit sooner than that, a resolution I should say.

Timothy Wojs

Analyst, Robert W. Baird & Co., Inc.

Q

Okay. Okay. Great. Thanks for all that. And then I guess, Kevin, just, you kind of went through the expectations on margins for CWT. Any chance you could do that on CCM for us?

Kevin Philip Zdimal

Vice President & Chief Financial Officer, Carlisle Cos., Inc.

A

Sure. CCM, as we get into the second quarter, we think we'll be approaching that 31% of EBITDA for Q2 and then think we can exceed – slightly exceed that 31% in Q3. And then for Q4, right around 28%. So, full year about 50 basis points of improvement for CCM.

Timothy Wojs

Analyst, Robert W. Baird & Co., Inc.

Q

Okay, great. I'll hop back in queue. Thanks guys. Appreciate this.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

Thanks, Tim.

Operator: [Operator Instructions] Your next question comes from the line of Bryan Blair from Oppenheimer. Your line is open.

Bryan F. Blair

Analyst, Oppenheimer & Co., Inc.

Thank you. Afternoon, guys.

Q

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

Afternoon, Bryan.

A

Bryan F. Blair

Analyst, Oppenheimer & Co., Inc.

Somewhat of a follow-up to Tim's first question. We know that you're still expecting low-single-digit revenue growth for 2026, but maybe you've announced a fair amount of pricing since last quarter. In the reaffirmed guide, what are you now baking in for volume versus price for CCM and CWT for the year?

Q

Kevin Philip Zdimal

Vice President & Chief Financial Officer, Carlisle Cos., Inc.

Yeah. It's really the same for both CCM and CWT. As we went into the year or in our year-end call, we had said low-single-digits. And we talked at the bottom of that range, so probably 1%, and now we're talking at the top end of that low-single-digit range, so 3%. And all of that improvement is price. So, as Chris talked about price, we'll see some price in the second quarter as we go through it and then much more so as we get into Q3. And so second half of the year is where we see more of the price increases, but no doubt we will see some in Q2 as well. For the full year, it's hard to put the full number on it so for now what we put in there is just increase that to 3% for the year. Now that can change as we're going through the year and we'll update again at the end of next quarter.

A

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

And I think, Bryan, just one thing just to add, it might be sitting out there as a question, is the oil price rise, right? You think about what we've tried to do is just balance this out and make sure that the price – that we're covering those raw material price increases with price offsets. So, I think we started the year we thought there might be a little bit of a favorable from raws as we went through the year and now it's just going to, in our forecast it's probably little bit neutral.

A

Operator: Your next question comes from the line of Tomo Sano with JPMorgan. Your line is open.

Tomohiko Sano

Analyst, JPMorgan Securities Japan Co. Ltd.

Hello, everyone.

Q

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

Hello.

A

Tomohiko Sano

Analyst, JPMorgan Securities Japan Co. Ltd.



Thank you for taking my questions. I'd like to double-click on distribution channel inventories. There has been industry-wide discussion about the consolidations leading inventory destocking and order volatility with among distributors including QXO and other key channel partners. Are you seeing signs of the distributor inventory levels and ordering patterns are returning to more normalized levels? And how would you characterize the current activities in your distribution channels? And if you could talk about some dynamics of the consolidations and channel partners for the short term and medium term, please. Thank you.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.



Sure. Yeah, you're welcome. I think if you look at inventory, I would say that we're still – we're moving into what we would think would be a more normal inventory situation as we move into the construction season and that's normal. There needs to be more out there so that the increase in activity can be sustained and distributors can provide that service levels that they need to. I would say though, we went into the fourth quarter I think as we discussed, that people were destocking and carrying less inventory obviously with higher interest rates and an economic outlook that wasn't as fantastic. And so I think in the first quarter we saw a continuation in inventory levels of maybe the fourth quarter.

And that's part of the momentum that we got to – when we get to April and we get close to the construction season. I think then we see a pickup in distributors' willingness to carry inventory if they see that economic activity and building activity is good. Now we just saw ABI and you did too, we're 49.8 getting close to that 50 level where it is expansion. So that might be supportive of carrying a little bit more inventory for people. We might also see a little more inventory being picked up because of the price increases. There might be that effect as we get into the second quarter. So that's kind of the situation there.

And then you asked about the dynamic – broader dynamic with distribution, and I would say that the QXO situation that we talked about many times, they continue to improve as we – and we continue to have great conversations with them as we move through the year. Like we said back in September that acquisitions are tough to go through and integrations, and the team continues to work well with our teams and continues to make progress. So that's a good one. We also have excellent relationships with the other distributors that we sell to. Good programs, good progress.

Broader, the QXO acquisition recently of TopBuild and some of the other things that have taken place in the industry are not as impactful to Carlisle. If we take the TopBuild acquisition for example, that business – a lot of insulation that Carlisle doesn't play in that market, the resi insulation, the fiberglass insulation in that.

And then when you pair it with Beacon – with Beacon's significant presence in shingles. We're not in shingles either. So coming together there, I think, doesn't have as big an effect on Carlisle as you might think. And what we need to do with QXO obviously is focus on those initiatives that we started the year with and that we work so hard with their team on to get back to the levels that we've been used to with QXO and Beacon. So that's our report on the distribution activity.

Operator: Your next question comes from the line of Ryan Merkel with William Blair. Your line is open.

Ryan Merkel

Analyst, William Blair & Co. LLC



Hey everyone, thanks for the question. I wanted to ask about 2Q revenue. Can we assume normal seasonality? That would put you at like up 2% year-over-year for 2Q. And then Chris, you mentioned that March exited better. Did you see trends improve once the weather got better?

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

Yeah. I'll take that one first and then Kevin can take the other one. Yeah, definitely the weather. Obviously, we thought weather in the first quarter was probably – this is always a ballpark number, but we thought it was about three days in which we probably put around \$30 million, \$35 million of impact on the top line. And so as we got into March and the weather got a little bit better, yeah, things picked up. I think that had something to do with the momentum.

And then I do think ABI was right. I think things were a little bit better if we looked at the sectors out there that we typically look at in warehousing and things like that, they did show a better trend, I would say, than we had seen last year. If you think about warehouses, our outlook is more around 2% compared to last year which was down 5%.

Educational buildings last year I think we thought the industry was down about 13% and it's seeing some positive growth. So I think in general the ABI is reflecting accurately what we're seeing, so that contributed. And then obviously once the price increase hit, there's some activity there too, if you have anything out there to get ahead of it. So that all contributed to that momentum we saw exiting March and into April.

Kevin Philip Zdimal

Vice President & Chief Financial Officer, Carlisle Cos., Inc.

A

And then your quarterly question on the revenue, as we look at it, we really look at it in buckets. It's very seasonal business and for us Q1, Q4 are the lighter quarters. So if you look at CWT, typically 23% of their revenues are in Q1, 23% in Q4, and then Q2 and Q3 are about equal at 27% a piece. CCM's a little bit different than that. They get about 20% of their revenue in Q1. Q2 is about 30% of their revenue and then Q3 is a little bit lighter than Q2 and then Q4 is a balance of that.

Operator: Your next question comes from the line of David MacGregor with Longbow Research. Your line is open.

David S. MacGregor

Analyst, Longbow Research LLC

Q

Yeah, thank you and good afternoon everyone.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

Hi, David.

David S. MacGregor

Analyst, Longbow Research LLC

Q

Hey Chris. I wanted to just go back to the idea of elasticity of demand here and just talk about that a little bit. Get your thoughts on the extent to which the rapid onset of higher project costs could give rise to project deferrals or maybe even just a limiting effect on the scope of jobs. And I guess given that we're focused on volume here, let

me just ask you if warranty expiration is still a business driver at this point or whether you're seeing people maybe approach this a little bit differently than they might have in the past? Thanks.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

Yeah. That's a good question around the idea that – project delays. We have seen some project delays but frankly, we were seeing them really when we got into the August, September timeframe of last year is really when it started. We thought there was going to be interest rate cuts from the fed.

We had things coming into the year and it didn't work out that way. And now this year definitely this Middle Eastern crisis is causing issues that are probably causing some people to have some project delays and look at them, but it hasn't been as impactful as we might have thought.

Again, I referenced the ABI, our ABI and what we've seen happening out there, even our Carlisle Market Survey. So I think it might be one that people are waiting, obviously if it continues and it's a longer crisis, I think at least our feedback from the petrochemical industry is recovery could be short now. The longer it keeps going, the more destruction, obviously the longer it takes to recover, right, which has bigger impact on prices.

And then you start to get into something, David, around – and it's almost like labor, you get into this idea that there isn't enough supply. And so if there's not enough supply, are you really going to delay your project because if you delay your project and you can't get materials then you might be in a bad situation.

So I think labor constraints are one that keeps people thinking about: do I want to delay? Because if I delay my project and that labor gets reallocated and I've got to get back in the queue, I might be looking at next year before I can get it done. And then that ties into the warranty.

And I think warranty is still a driver because I think on the bigger projects, maybe not on smaller projects, like a house, you can do it, but I don't know if there'd be a warranty on a house, but let's just use that example.

But on a bigger project, I don't think building management teams – I think they prize the warranty. They want the warranty in place. At corporations, they don't want to be exposed. And so, again, I think you get back in the queue as quickly as you can to make sure that that warranty when it expires, it's replaced with a re-roof and a new warranty. I just don't think people want that risk of exposure for a roof.

It's an important part of the building, but they actually probably want to do what they're doing inside the building, which is move product around, like a FedEx or Amazon or it's manufacture things like others. They don't want to be thinking about the roof and whether they've got an issue there.

So, I think the bigger one for me, I said to Kevin, is we want to look at the availability of supply and make sure that as things extend that could be the factor we're really worried about, not so much the inflation right now. Don't know if that answer make sense, but I'll say this.

Operator: Your next question comes from the line of Garik Shmois with Loop Capital. Your line is open.

Garik Shmois

Analyst, Loop Capital Markets LLC

Q

Hi. Thanks. I just wanted to clarify just on the revenue guidance for CCM. I just wanted to square the slightly higher guide kind of moving towards the higher end of the low single digits. It seems like it's driven by pricing, but want to be clear if there's any change to your volume expectations, especially as you're starting to see momentum here in March and April. And if there could be some conservatism there just given the magnitude of the price increases you're putting through.

Kevin Philip Zdimal

Vice President & Chief Financial Officer, Carlisle Cos., Inc.

A

Yeah, certainly with the uncertainty with the geopolitical situation, we don't know how much that could impact demand or not. So, yeah, as we enter Q2, that's where we're going with that guide of just up low single digits at the 3%. Maybe it does get better in the second half of the year. But for now, that is, yeah, bit of a conservative guide.

Operator: Your next question comes from the line of Adam Baumgarten with Vertical Research Partners. Your line is open.

Adam Baumgarten

Analyst, Vertical Research Partners LLC

Q

Hey guys, thanks for taking my question. Just on the price increases, I think in March, the ones you announced in March or April were about 5% to 7% on membranes and polyiso. So, just curious what the magnitude of the incremental price increases you announced today is.

And then, just given all that and the change in guidance to the higher end of the low-single-digit range kind of implies that the realization is relatively low. Maybe that's conservative, just curious on that, and then just what you're thinking about for price-cost in 2Q?

Kevin Philip Zdimal

Vice President & Chief Financial Officer, Carlisle Cos., Inc.

A

Yeah. So on price-cost for Q2, we're looking at offsetting any of the cost increases with price, so. And that's the same actual assumption for Q3 and Q4. So, we're looking at full year of being neutral on the price-cost that Chris talked about.

On the pricing as the quarters go, it is obviously really hard to predict right now how much pricing we'll see, how much raw material inflation we'll see. We are seeing it today on the raw material increases and that's why that second announcement came out and, yeah, I would expect that to stick in the marketplace for – what we have out there for the price increases.

Obviously, if it all goes through, you're going to see a higher revenue number for us for the year, but the EBITDA dollars number will be not incremental for that pricing because it's just offsetting raw material inflation.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

And for the second price increase, it was the same as the first, approximately 5% to 8%. So very similar to what you saw in the March announcement.

Operator: Your next question comes from the line of McClaran Hayes with Zelman Associates. Your line is open.

McClaran Hayes

Analyst, Zelman Partners LLC

Q

Thanks, guys. Yeah, just on the raw material piece. Just wondering if you could give us a sense of the magnitude of the input cost inflation that you're baking into your guidance.

Mehul S. Patel

Vice President-Investor Relations, Carlisle Cos., Inc.

A

I'll take that one. So overall, as Chris or Kevin mentioned, our pricing moving from low-single-digit range to the higher range is basically a couple points of price. So our price-cost assumption is neutral. So that basically implies a similar level of raw material inflation. If you do the math on that, that implies it's about high-single-digit raw material inflation as a percentage of raws for the full year.

Operator: Your next question comes from the line of Keith Hughes with Truist. Your line is open. Keith, your line is open.

Keith Hughes

Analyst, Truist Securities, Inc.

Q

Hello. Can you hear me now?

Mehul S. Patel

Vice President-Investor Relations, Carlisle Cos., Inc.

A

Hello, Keith. You there?

Keith Hughes

Analyst, Truist Securities, Inc.

Q

Hello. Okay. Sorry, I don't know what happened there. Let me start again. So, on the last answer of the high-single-digit raw material inflation, I assume you probably have some that are up more, some up less than that. Can you give us sort of a feel, what's the range of the inputs that are coming in year-to-date?

Mehul S. Patel

Vice President-Investor Relations, Carlisle Cos., Inc.

A

Yeah, Keith. So, as you know, MDI, that's our biggest raw material purchase. I'll kind of just walk down from a top two or three to give you a sense.

Keith Hughes

Analyst, Truist Securities, Inc.

Q

Sure.

Mehul S. Patel

Vice President-Investor Relations, Carlisle Cos., Inc.

A

That one's up double digits that's impacted by both supply-demand dynamics as well as benzene, which is up pretty significantly. It's linked to petrochemicals. Our TPO resins, which is closely linked to propylene, that's up

double digits for us. So that ties very closely to the propylene index that's widely available. And then polyols, that's also tied to some high-demand dynamics as well as diethylene glycol, that's up in the high-single-digit range.

Keith Hughes

Analyst, Truist Securities, Inc.

Q

Okay. And I think on polyol there's been some shortages with the plant outage. Has that caused any problems?

Mehul S. Patel

Vice President-Investor Relations, Carlisle Cos., Inc.

A

For us both, we use polyols for polyiso insulation in CCM as well as on our spray foam in CWT. It has a bigger impact on our CWT just with the type of polyols we use. But we're in a pretty good position with options that we have to get volume.

Keith Hughes

Analyst, Truist Securities, Inc.

Q

Okay. Thank you.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

Thanks, Keith.

Operator: Our last question comes from David MacGregor with Longbow Research. Your line is open.

David S. MacGregor

Analyst, Longbow Research LLC

Q

Yeah, thanks for taking my follow-up question. Chris, I just wanted you to talk – I was hoping you could talk about acquisitions made over the past couple years and the synergy capture versus your initial plans and the possibility that you could squeeze a little more out of that this year if needed to offset some of the dynamics we've been talking about in price and cost.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

Right. Well, as you can imagine with all the acquisitions, there's various results. I would say if we look at the top end of it, the MTL acquisition has been exceptional in every way. We continue to expand there. The management team at MTL has done a really good nice job of managing through this raw material situation as well as taking share and coming up with new products and things like that. So the MTL acquisition is great.

When I look at Plasti-Fab, another great acquisition. I think Mehul can touch on some of the effects of the vertical integration there around EPS bead and that the team has done. They continue to – and we love to just ask for capital to invest in automation and strengthen their manufacturing things in Canada. And so that's been another great acquisition. The ones that have filled in on EPS were geographies we needed to fill in. They're doing a good job again of creating that global – or not global, US-wide or North American-wide EPS network.

So, I think they're performing. I think the bigger impact – all of them, they're meeting their deal models. They're doing what they basically said they thought they were going to do. And the bigger issue is just volume. I mean,

outside of really the MTL which is more on the commercial roofing side of it. The others are in CWT and you can see what's happened with the CWT business.

Now, I go back to what I was saying again about what the team has done to improve margin expansion and they'll continue to have footprint consolidation. They'll continue to insource where they can. They'll continue to put automation in place, technology, introduce new products.

Can we squeeze any more out of them? We can, but you're going to step – really the push to 20% if we want to get back to the mid-20s, some volume increase would help. And so obviously we like this ABI increasing and we'd love to see some recovery in housing and help on that side. That would be the bigger driver.

David S. MacGregor

Analyst, Longbow Research LLC

Q

Got it. Thanks for that detailed answer. Good luck.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

A

Yeah, of course.

Operator: And there are no further questions at this time. I'll hand the call over to Chris Koch for closing remarks. Please go ahead.

D. Christian Koch

Chair, President & Chief Executive Officer, Carlisle Cos., Inc.

Thanks everybody. Very challenging time that we're facing working through all these issues. But this does conclude our first quarter call. We look forward to talking with you again on our second quarter call and we'll have a lot more information about how things have played out on pricing and all that for you then. Thanks very much.

Operator: Ladies and gentlemen, this concludes today's conference call. Thank you for your participation. You may now disconnect.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2026 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.