



# **Carlisle to Acquire Accella Performance Materials**

**The Premier Specialty Polyurethane Platform**

# Forward Looking Statements

*This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally use words such as “expect,” “foresee,” “anticipate,” “believe,” “project,” “should,” “estimate,” “will,” “plans,” “forecast,” and similar expressions, and reflect our expectations concerning the future. It is possible that our future performance may differ materially from current expectations expressed in these forward-looking statements, due to a variety of factors such as: increasing price and product/service competition by foreign and domestic competitors, including new entrants; technological developments and changes; the ability to continue to introduce competitive new products and services on a timely, cost-effective basis; our mix of products/services; increases in raw material costs which cannot be recovered in product pricing; domestic and foreign governmental and public policy changes including environmental and industry regulations; threats associated with and efforts to combat terrorism; protection and validity of patent and other intellectual property rights; the successful integration and identification of our strategic acquisitions; the cyclical nature of our businesses; and the outcome of pending and future litigation and governmental proceedings. In addition, such statements could be affected by general industry and market conditions and growth rates, the condition of the financial and credit markets, and general domestic and international economic conditions including interest rate and currency exchange rate fluctuations. Further, any conflict in the international arena may adversely affect general market conditions and our future performance. We refer you to the documents we file from time to time with the Securities and Exchange Commission, such as our reports on Form 10-K, Form 10-Q and Form 8-K, for a discussion of these and other risks and uncertainties that could cause our actual results to differ materially from our current expectations and from the forward-looking statements contained in this press release. We undertake no obligation to update any forward-looking statement.*

## Use of Non-GAAP Financial Measures

This presentation contains a price multiple of EBITDA of Accella of 7.6x, which is computed by dividing “Transaction EBITDA”, plus expected synergies of \$30 million, by the purchase price of \$670 million. EBITDA is not considered to be a measure of financial performance in accordance with generally accepted accounting principles (“GAAP”). Transaction EBITDA represents an estimate of Accella’s annual net income adjusted to exclude interest expense (net of interest income), income taxes, depreciation and amortization, as well as other adjustments related to certain income, costs and expenses, including adjustments to annualize amounts related to recent Accella acquisitions.

In addition, this presentation includes a non-GAAP measure of the expected accretive impact of the acquisition to the Company’s EPS, based on internal projections of the incremental net loss generated by the acquired business in the first twelve months post-acquisition, excluding year-one transaction costs.

# Agenda

CCM Strategic Overview

Introduction to Accella Performance Materials

Expected Impact

Summary and Q&A

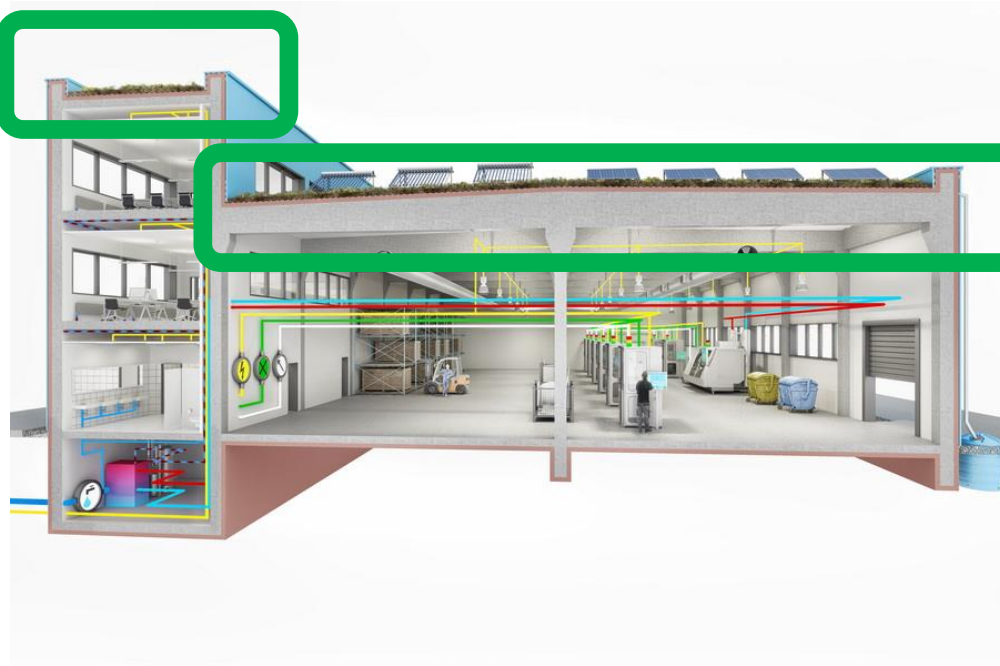
# CCM Strategic Overview

## Building Envelope Adjacency

- Enhance CCM's integrated building envelope solutions for customers
- Drive solid synergies in raw materials, operations and SGA
- Enlarge CCM portfolio of products
- Apply Carlisle Operating System

*Continue to actively build CCM organic base and add solutions to our core offering in the building envelope*

# CCM Strategy - Roofing



## Current Portfolio

- Roofing Membranes & Metal Panels
- Insulation
- Air Barriers
- Accessories
- Edge Metal
- Green Roof

## Opportunity

- Adhesives
- Roof Coatings
- Spray Foam
- Silicone



# CCM Strategy - Walls and Building Envelope

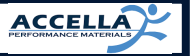


## Current Portfolio

- Insulation
- Flashing & Sealing
- HVAC Accessories
- Air and Vapor Barrier Membranes (AVB)

## Opportunity

- Spray Foam
- Building Envelope Sealing & Tie-Ins
- AVB



# Excellent Strategic Fit with CCM

## Outstanding Adjacency

- Adds over \$400 million of revenue
- Creates a new platform within a successful business segment
- Fits existing strategy of expanding building envelope solutions
- Establishes position in fast growing Liquid Applied Roofing market

## Core Spray Polyurethane Foam (SPF)

- Establishes market leading position
- Provides access to broader insulation solutions with solid market growth trajectory

## Profitable non-insulation businesses

- Employs core polyurethane technology
- Brings best-in-class R&D capabilities

**Organic and inorganic opportunities to double business over 3-5 years**

# The Premier Specialty Polyurethane Platform



|                       | Spray Foam  | Tire Fill   | Specialty PU Systems*   | Recycled Rubber  |
|-----------------------|---|---|---|--|
|                       |   |   |   |  |
| <b>Revenue</b>        | <ul style="list-style-type: none"> <li>56% of total</li> </ul>  | <ul style="list-style-type: none"> <li>20% of total</li> </ul>  | <ul style="list-style-type: none"> <li>13% of total</li> </ul>  | <ul style="list-style-type: none"> <li>11% of total</li> </ul>   |
| <b>Products</b>       | <ul style="list-style-type: none"> <li>Open-Cell Spray Foam</li> <li>Closed-Cell Spray Foam</li> <li>Liquid Applied Roofing (Silicone/Acrylic Roof Coatings)</li> </ul>               | <ul style="list-style-type: none"> <li>Tire Fill</li> <li>Tire Sealant</li> <li>Patented Filling Equipment</li> </ul> | <ul style="list-style-type: none"> <li>Adhesives &amp; Binders</li> <li>Sealants &amp; Encapsulants</li> <li>Elastomers</li> <li>Foams, Coatings, Rigid Castings</li> </ul> | <ul style="list-style-type: none"> <li>Molded Rubber Products</li> <li>Fitness Center Flooring</li> <li>Playground Safety Tiles</li> <li>Equine Matting</li> </ul> |
| <b>Key Highlights</b> | <ul style="list-style-type: none"> <li>#1 provider of spray foam insulation in North America</li> <li>Rapidly growing market as Spray Foam replaces traditional insulation</li> </ul> | <ul style="list-style-type: none"> <li>Global leadership position</li> </ul>  | <ul style="list-style-type: none"> <li>Broad and deep production capabilities</li> <li>Highly specialized R&amp;D capabilities</li> </ul>                                   | <ul style="list-style-type: none"> <li>#1 provider of polyurethane bound recycled rubber solutions in North America</li> </ul>                                     |

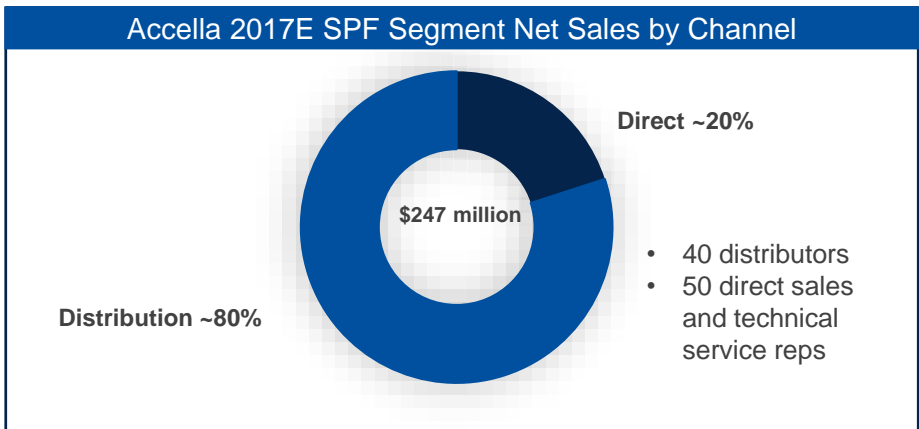
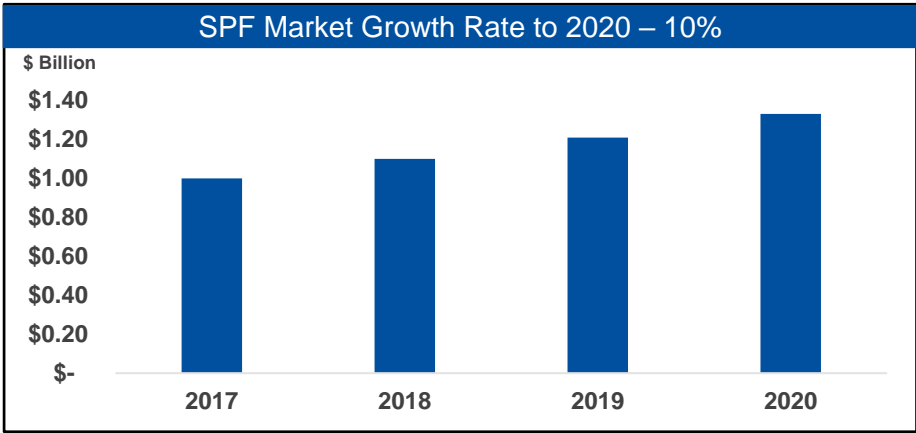
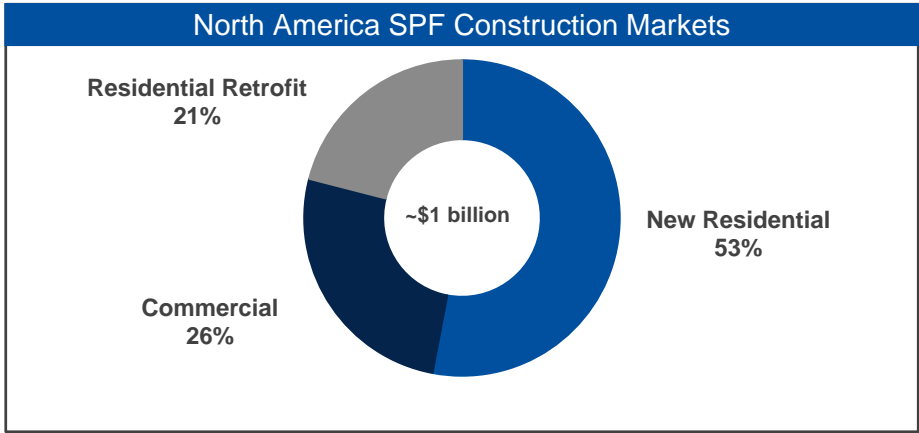
Details on slides 9-10



\*PU = Polyurethane



# Spray Polyurethane Foam (SPF) Overview



### N.A. SPF vs Alternative Insulation Methods

|                         | Spray Foam | Fiber-Glass | Rigid Foam |
|-------------------------|------------|-------------|------------|
| 2015 Market Share       | ~20%       | ~55%        | ~15%       |
| R-Value Per Square Inch | 3.7-7.4    | 2.0-3.6     | 4.2-6.0    |
| Air Sealing             | High       | Medium      | Medium     |
| Moisture Control        | High       | Medium      | High       |
| Installed Performance   | High       | Medium      | Medium     |

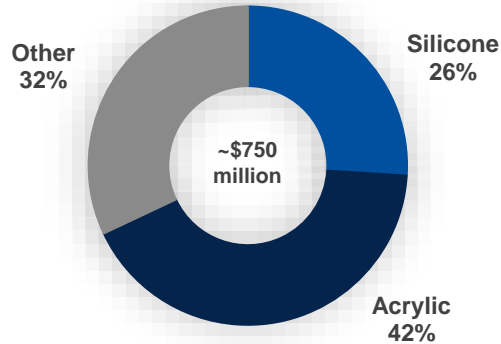


Market data: LEK Consulting

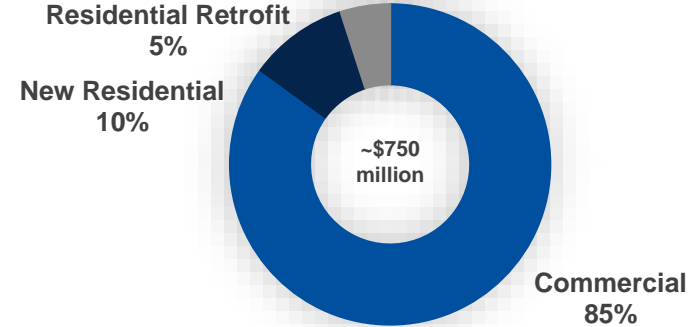


# Liquid Applied Roofing (LAR) Introduction

North America LAR Construction Markets



2016 North American LAR End Markets



- 75% of Accella's LAR revenue from silicone, expected to grow at ~15%
- Leading producer in highly fragmented market
- More economical than a full retrofit
- Silicone offers superior Water Resistance, UV Resistance, Energy Efficiency

# Deal Overview

## Transaction Description

- Acquisition of 100% of Accella's outstanding shares
- Aligns with CCM's strategy of expanding into building envelope and insulation

## Transaction Considerations

- \$670M purchase price
- Approximately 7.6x expected 2017 EBITDA (including synergies)
- All cash transaction funded from our revolver

## Expected Financial Impact

- Annual revenues of approximately \$430M
- EBITDA margins approaching 15%
- Expected 2018 EPS accretive by \$0.09

## Closing

- October 31, 2017, pending regulatory approval

# Appendix

# GAAP to Non-GAAP Reconciliation

## Transaction EBITDA and EBITDA Margin

|   |                 |
|---|-----------------|
| Estimated Accella Revenue                   | \$ 378.3        |
| Adjustment to annualize acquired revenue    | 51.7            |
|   | <u>\$ 430.0</u> |
| Estimated Accella Net Loss                  | \$ (19.0)       |
| Interest                                    | 16.0            |
| Income taxes                                | 5.2             |
| Depreciation and amortization               | 35.7            |
| Other adjustments                           | 18.5            |
| Accella EBITDA                              | 56.4            |
| Adjustment to annualize acquired net income | 1.9             |
| Transaction EBITDA                          | <u>\$ 58.3</u>  |
| Transaction EBITDA Margin                   | <u>14%</u>      |

## EPS Accretion--Year 1\*

|                                    |                |
|------------------------------------|----------------|
| Expected GAAP Incremental Net Loss | \$ (2.2)       |
| Add, net of tax:                   |                |
| Inventory Step-up                  | 6.9            |
| Acquisition costs                  | 1.3            |
| Expected Incremental Net Income    | <u>6.0</u>     |
| Diluted Shares Outstanding**       | <u>64.1</u>    |
| Expected EPS Accretion             | <u>\$ 0.09</u> |

\* Year 1 defined as period from November 1, 2017 to October 31, 2018

\*\*Carlisle Diluted Shares Outstanding as of June 30, 2017

## Purchase Price Multiple

|   |         |                 |
|---|---------|-----------------|
| Purchase Price  |         | <u>\$ 670.0</u> |
| Transaction EBITDA                                      | \$ 58.3 |                 |
| Add:  |         |                 |
| Estimated Synergies                                     | 30.0    |                 |
| Total Estimated Adjusted EBITDA                         |         | <u>\$ 88.3</u>  |
| Transaction Multiple (EBITDA divided by Purchase Price) |         | <u>7.6</u>      |