



INVESTOR PRESENTATION

September 2019

Forward-looking statements

Cautionary Note Regarding Forward-Looking Statements

This presentation contains “forward-looking statements” – statements that address future, not past events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” or “will.” Forward looking statements by their nature address matters that are, to different degrees, uncertain. These statements are based on assumptions of future events that may not prove accurate. They are also based on our current plans and strategy and such plans and strategy could change in the future. Actual results may differ materially from those projected or implied in any forward-looking statements. Please refer to our most recent SEC filings, including our 2018 Annual Report on Form 10-K, subsequently filed Quarterly reports on Form 10-Q, as well as our other filings with the SEC, for detailed information regarding factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements. We do not undertake to update our forward-looking statements.

Use of Non-GAAP Financial Measures

The Company provides financial measures and terms not calculated in accordance with accounting principles generally accepted in the United States (GAAP). Presentation of non-GAAP measures such as, but not limited to, “free cash flow” and “adjusted EBITDA” provide investors with an alternative method for assessing our operating results in a manner that enables them to more thoroughly evaluate our performance. The non-GAAP measures included in this presentation are provided to give investors access to the types of measures that we use in analyzing our results.

The Company’s calculation of non-GAAP financial measures is not necessarily comparable to similarly titled measures reported by other companies. These non-GAAP measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results.

A copy of this presentation, including the reconciliation of GAAP to non-GAAP measures included as Appendix A, is available on our website www.griffon.com.

Griffon at a glance

Business overview

- Diversified global management and holding company, which oversees the operations of its subsidiaries, allocates resources among them, and manages their capital structures
- Owns and operates businesses in multiple industries and geographic markets to reduce the effects of market cyclicalities, seasonality, and weather
- Strategically positioned for further growth

Key data

~\$2.2 billion revenue¹

~\$230 million segment adjusted EBITDA¹

~7,200 employees

8.8 million sq. ft. of manufacturing and distribution

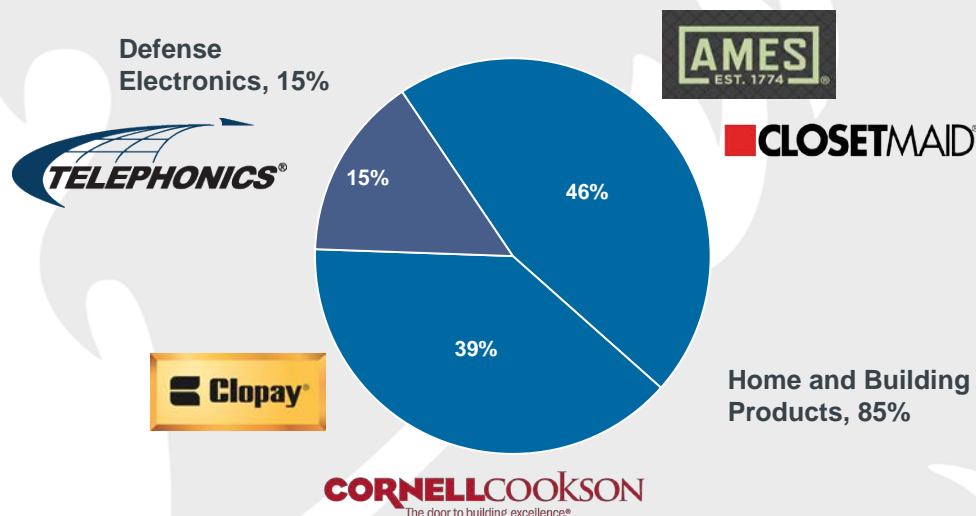
\$1,112 million net debt²

5.4x pro-forma net leverage²

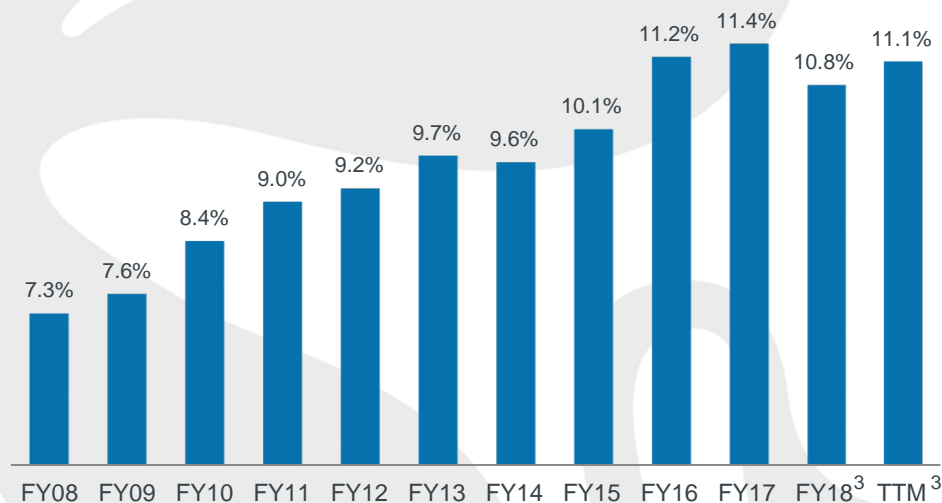
~43 million diluted shares outstanding

NYSE:GFF

Revenue by segment (TTM 6/30/2019)



Segment Adjusted EBITDA margin (FY 2008-2018, TTM 6/30/2019)



¹ FY 2019 management guidance

² As of 6/30/2019; net debt / consolidated adjusted EBITDA calculated per debt compliance certificates

³ Includes impact of initially-lower margins from CornellCookson and ClosetMaid acquisitions

Home & Building Products



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Long handle tools, wheelbarrows, hand tools, snow tools

Long Handle Tools: Garden



Wheelbarrows and Carts



Hand Tools: Striking and Handheld



Long Handle Tools: Yard Maintenance



Cleaning



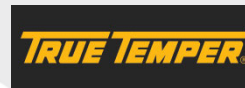
Snow Tools



North America



UK & Ireland



Australasia



Landscaping and watering

Carts



Deck Boxes



Reels



Hangers



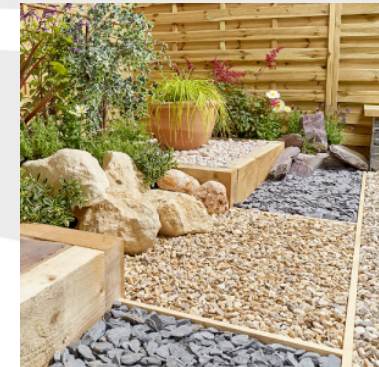
Hoses



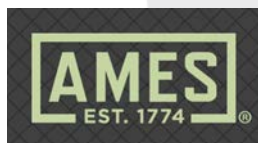
Water Features



Decorative
Aggregates



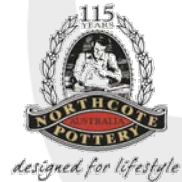
North America



UK & Ireland



Australasia



Pots and planters, outdoor décor



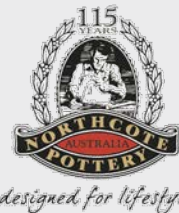
North America



UK & Ireland



La Hacienda
EST. 1989



Australasia



Storage and organization

Wire and Wood Closet Systems



Decorative Shelving



Cube & Stackable Storage



Cabinet Pull Outs and Racks



Wire and Wood Garage and Utility Systems



North America

CLOSETMAID®

Suite Symphony™

EXPRESSSHELF™

Style +™

Space Creations®

Master Suite®

Australasia

Hills®

Griffon
CORPORATION

Residential garage doors



North America



Commercial sectional and commercial rolling steel

Sectional Doors



Grilles



Shutters



Service Doors



North America



CORNELLCOOKSON
The door to building excellence.®

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Home & Building Products (HBP)



CLOSETMAID®

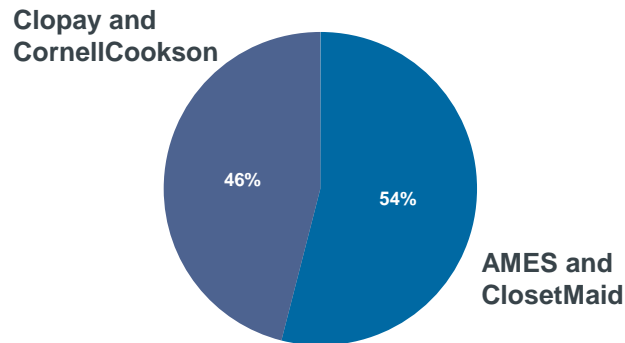
**\$994mm
revenue¹**



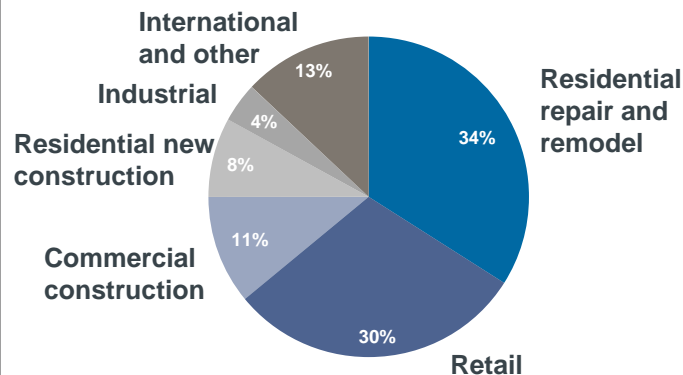
CORNELLCOOKSON
The door to building excellence®

**\$860mm
revenue¹**

Revenue by company¹



Revenue by end market²



- Broad, iconic portfolio of market-leading branded products
- Widely recognized and respected consumer brands, many with 100+ year legacy
- Strong, long-term customer relationships
- Extensive logistical / distribution capabilities

- Premium, reliable and recognized brands that are market leaders in their categories
- Extensive logistical / distribution capabilities – 51 distribution centers in North America
- Network of ~2,500 professional dealers
- Investments in technology and capacity driving innovation and growth

Market leading positions in every core product category

¹Revenue on a trailing 12-month basis as of 6/30/2019

²Revenue by end market based on management estimates as of 9/30/2018. International and Other category includes all revenue outside of North America.

Defense Electronics



Defense Electronics



Audio Management System (AMS)



AN/APS-153(V) maritime surveillance radar with integrated IFF



TruLink



Identification Friend or Foe (IFF) Systems



United States and International



MahindraTELEPHONICS

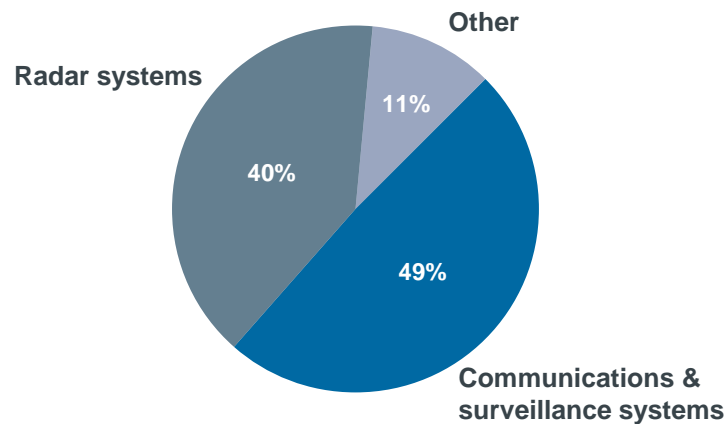


Defense Electronics

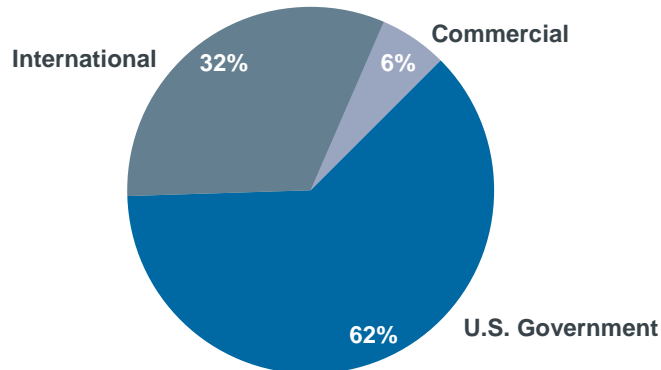


**\$327mm
revenue¹**

Revenue by product²



Revenue by end market²



- Leading global provider of intelligence, surveillance and communication solutions for defense, aerospace and commercial customers
- Incumbent position on high-profile U.S. and international, military and paramilitary, air, ground and sea-based platforms with intelligence, surveillance and reconnaissance (ISR) products
- Excellent reputation with customers and end users driven by consistent product and program performance
- Diverse set of customers including the U.S. Government and international allies, Lockheed Martin, Boeing, Northrop Grumman and Airbus

Respected global provider of intelligence, surveillance, and communications solutions

¹Revenue on a trailing 12-month basis as of 6/30/2019

²Revenue based on fiscal year end 9/30/2018






A large, light gray, stylized griffin watermark is centered on the page. The griffin is depicted in profile, facing left, with its head turned slightly towards the viewer. Its mane is flowing, and its wings are spread out to the right. The overall style is minimalist and modern.

Investment Highlights

Investment Highlights

- Significant optimization and integration underway
 - Targeting 300+ bps of EBITDA margin improvement for ClosetMaid and CornellCookson businesses post-acquisition
- Strong free cash flow generation and disciplined capital allocation
 - Expect free cash flow generation in excess of net income
 - Leverage target of 3.5x net debt to EBITDA
- Foundation for growth
 - Targeting organic revenue growth of ~5% per year
 - Expect continued success completing strategic acquisitions at reasonable valuations

Near-term objectives

	Revenue CAGR (%)	Segment EBITDA Margin (%)	Drivers
Home & Building Products:    	5%+	12%+	<ul style="list-style-type: none"> ■ Continued steady housing and economic growth ■ Normalized seasonal weather ■ Productivity improvements ■ Completion of acquisition integrations
Defense Electronics: 	2-3%+	12%+	<ul style="list-style-type: none"> ■ Global demand for ISR products driven by geopolitical landscape resulting in higher domestic and international defense spending ■ Solid margin and free cash flow profile
TOTAL	~5%	12%+	

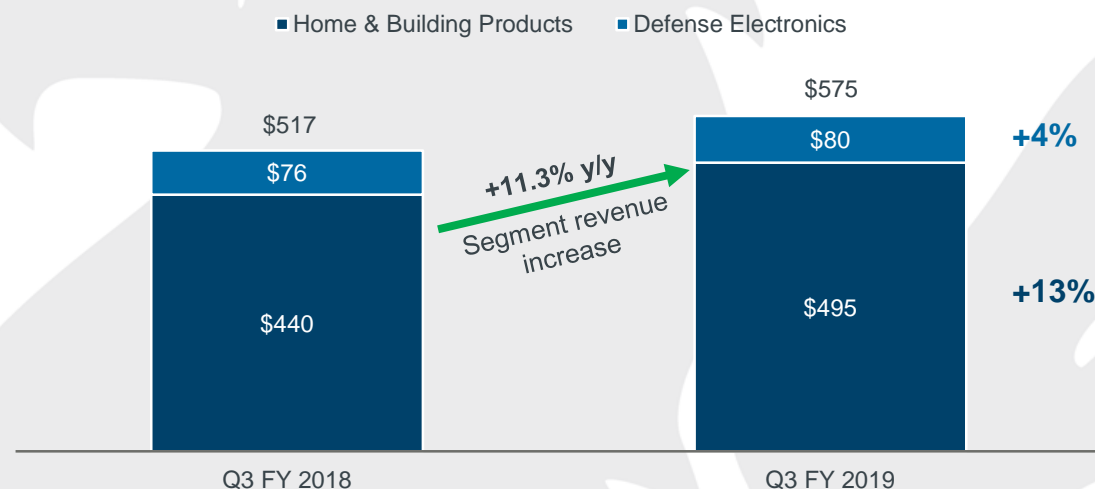
*Compounded EPS growth and increased cash flow generation
provide a foundation for delivering shareholder value*



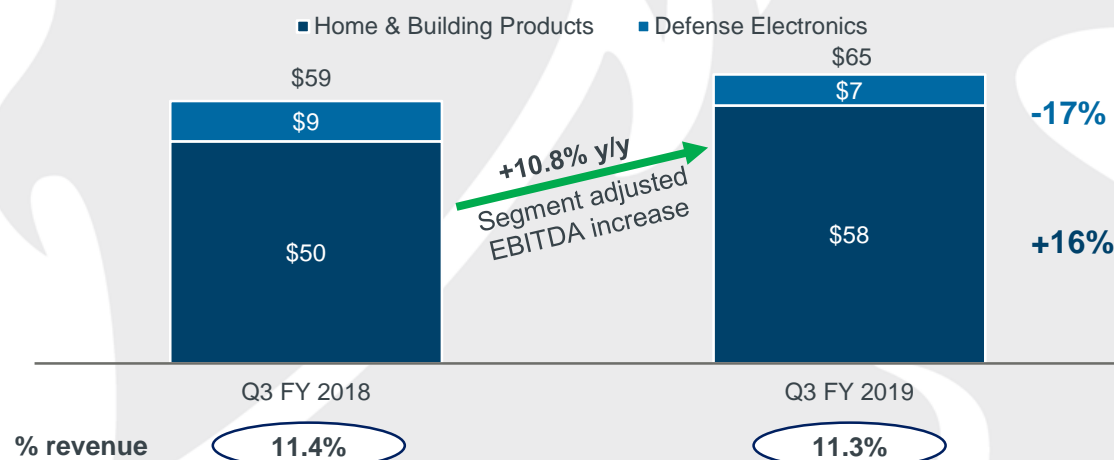
Financial update Q3 FY 2019

Q3 FY 2019 financial update

Revenue (\$mm)



Segment adjusted EBITDA (\$mm)

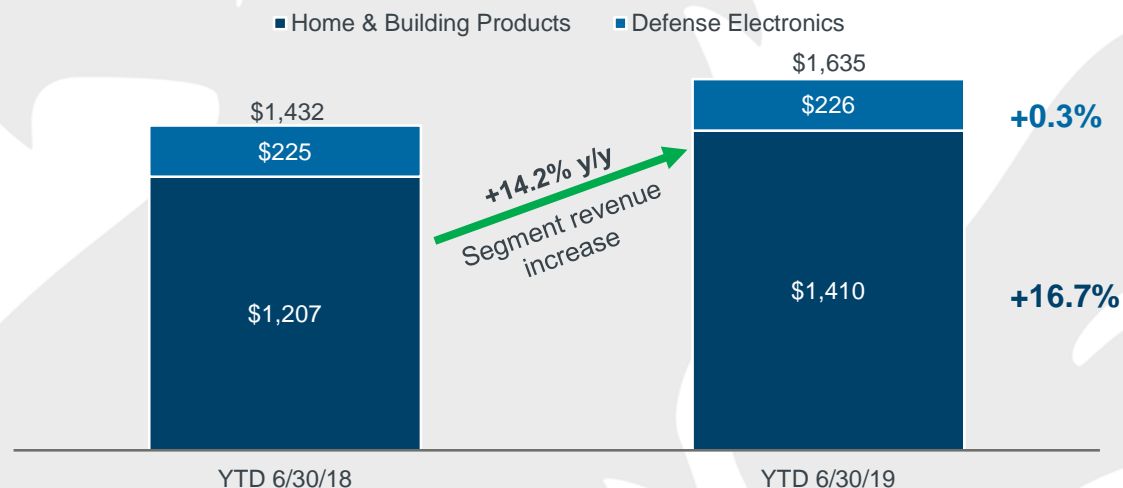


Highlights

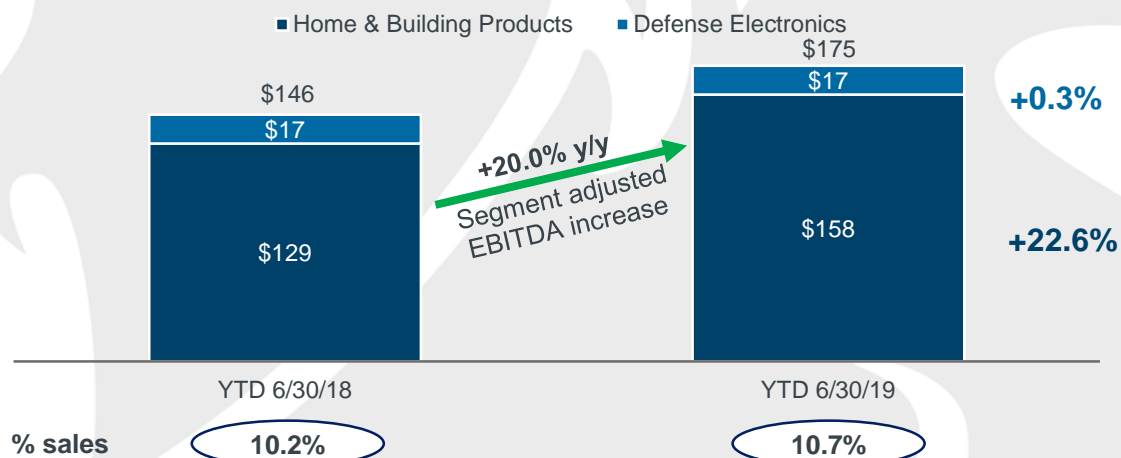
- Revenue increased **11%** and Segment Adjusted EBITDA increased **11%** for the quarter when compared with prior year
- HBP revenue increase driven by **5%** organic growth and a **8%** contribution from the CornellCookson acquisition
- HBP EBITDA improvement driven by higher volume, favorable mix in the U.S., and contribution from the CornellCookson acquisition, offset by increased material costs and tariffs
- Defense Electronics (Telephonics) backlog \$384mm as of 6/30/2019 and Q3 FY 2019 book to bill of 1.1x
- Continued integration of recent acquisitions position us for future earnings acceleration

YTD 2019 financial update

Revenue (\$mm)



Segment adjusted EBITDA (\$mm)



% sales

10.2%

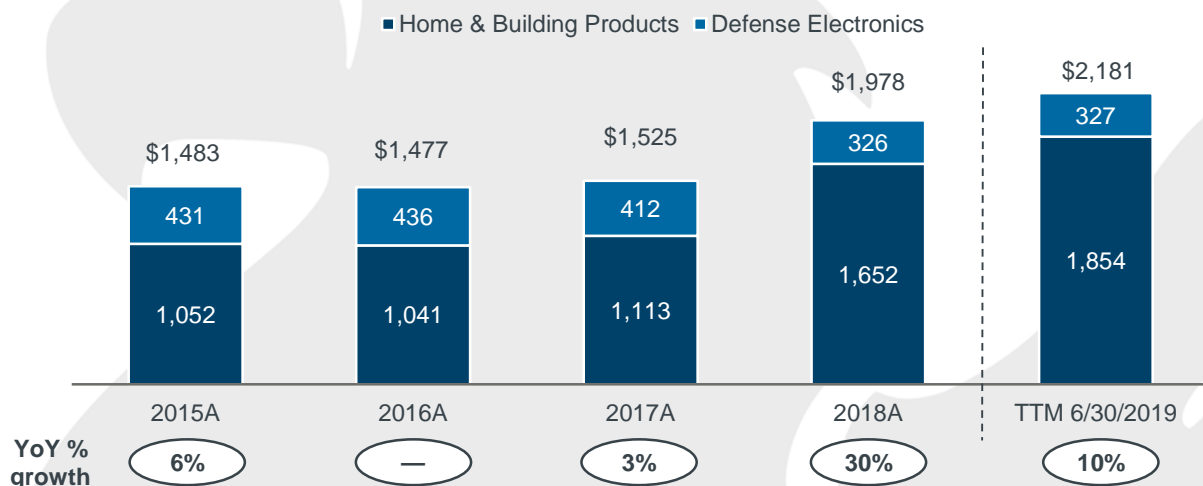
10.7%

Commentary

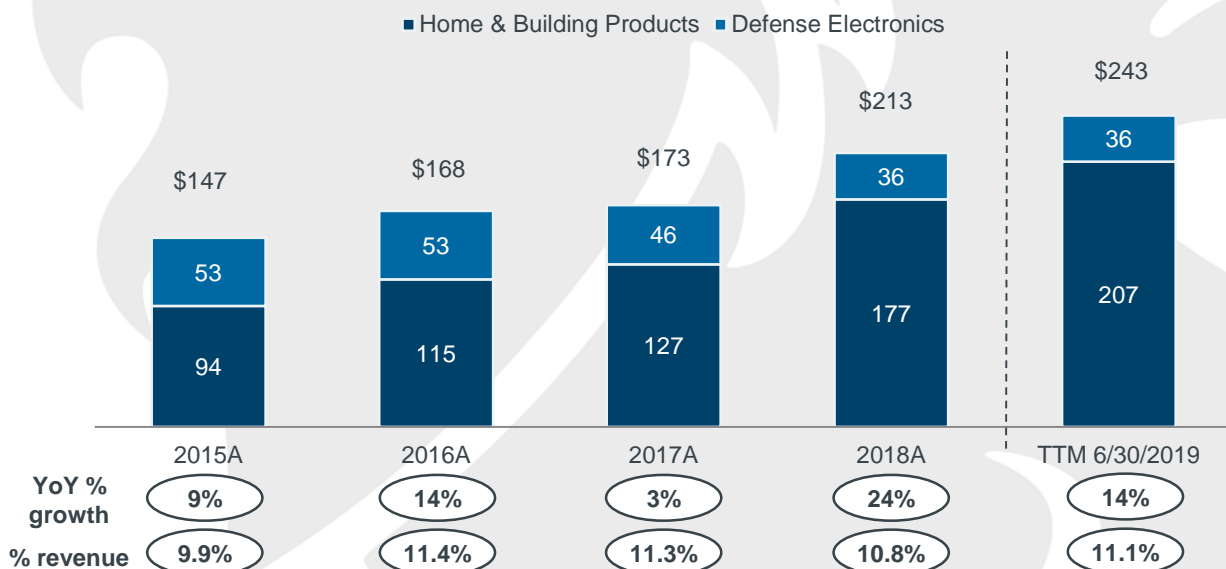
- Revenue increased **14%** and segment adjusted EBITDA increased **20%** YTD vs. prior year
- HBP revenue driven by **6%** organic growth and a **11%** contribution from CornellCookson acquisition
- Defense Electronics (Telephonics) revenue and EBITDA in line with prior year; backlog growing
- EBITDA improvement driven by additional revenue and integration efficiencies, partially offset by higher raw material costs and tariffs

Historical revenue and EBITDA

Revenue (\$mm)



Adj. segment EBITDA (\$mm)



Commentary

- Historical revenue growth has been driven by opportunities in the Home & Building Products segment
- Integrated 10 acquisitions in the past 5 years
- Defense Electronics expected to benefit from increased U.S. and international defense spending
- Strategic actions taken by management are driving margin expansion in the Home & Building Products segment

TTM year-over-year growth calculated as TTM compared to last full fiscal year.

Note sum of segment data may not match total due to rounding.

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Balance sheet update

Capitalization Summary (\$mm)

	6/30/2019	Multiple of TTM EBITDA
\$350mm revolver	121.3	0.6x
Capital lease and other debt	58.4	0.3x
Senior notes	990.8	4.8x
Total debt	1,170.5	5.6x
Cash and cash equivalents	(58.1)	(0.3x)
Net debt	1,112.4	5.4x
Pro-forma consolidated TTM EBITDA	207.9	

- Expect increasing free cash flow over the next several years driven by improved margin performance and the integration of recent acquisitions
- Free cash flow will exceed net income
- Ample liquidity
- Seasonal cash cycle, with first six months cash usage and second six months cash generation

Note: Pro-forma consolidated trailing twelve month (TTM) EBITDA is defined as total segment adjusted EBITDA of \$242.7mm less corporate expense of \$47.2mm plus stock compensation expense of \$12.4mm.



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SOUTHERN
PATIO®

SpaceCreations®

Hills®

WESTMIX™

KELKAY
NATURALLY CREATIVE

SuiteSymphony™



DARBY
PROFESSIONAL TOOLS

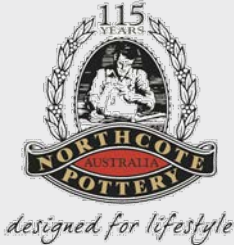
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Style +™

TELEPHONICS®

Clopay®

nylex



AMES
EST. 1774®

CLOSETMAID®

La Hacienda
EST. 1989

Cyclone®

Kelso
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RAZORBACK®

IDEALDoor®

COOKSON
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Telephonics Systems Engineering Group

MasterSuite.

Supercraft

HARPER
Est. 1900

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TRUE TEMPER®

MahindraTELEPHONICS

Jackson
PROFESSIONAL TOOLS

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Appendix

Reconciliation of Net Income to Adjusted Net Income

GRIFFON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF INCOME FROM CONTINUING OPERATIONS TO ADJUSTED INCOME FROM CONTINUING OPERATIONS
(Unaudited)

	For the Years Ended September 30,			For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2018	2017	2016	2019	2018	2019	2018
Income from continuing operations	\$ 33,255	\$ 17,783	\$ 19,781	\$ 14,128	\$ 7,442	\$ 29,371	\$ 32,224
Adjusting items, net of tax:							
Acquisition costs	5,047	6,145	-	-	2,320	-	5,046
Special dividend ESOP charges	2,125	-	-	-	2,125	-	2,125
Secondary equity offering costs	795	-	-	-	795	-	795
Contract settlement charges	-	3,300	-	-	-	-	-
Cost of life insurance benefit	248	-	-	-	-	-	248
Discrete and certain other tax benefits	(9,384)	(8,274)	(857)	(669)	(1,430)	(299)	(24,080)
Adjusted income from continuing operations	<u>\$ 32,086</u>	<u>\$ 18,954</u>	<u>\$ 18,924</u>	<u>\$ 13,459</u>	<u>\$ 11,252</u>	<u>\$ 29,072</u>	<u>\$ 16,358</u>
Diluted income per common share from continuing operations	\$ 0.78	\$ 0.41	\$ 0.45	\$ 0.33	\$ 0.18	\$ 0.69	\$ 0.76
Adjusting items, net of tax:							
Acquisition costs	0.12	0.14	-	-	0.06	-	0.12
Special dividend ESOP charges	0.05	-	-	-	0.05	-	0.05
Secondary equity offering costs	0.02	-	-	-	0.02	-	0.02
Contract settlement charges	-	0.08	-	-	-	-	-
Cost of life insurance benefit	0.01	-	-	-	-	-	0.01
Discrete and certain other tax benefits	(0.22)	(0.19)	(0.02)	(0.02)	(0.03)	(0.01)	(0.56)
Adjusted earnings per common share from continuing operations	<u>\$ 0.76</u>	<u>\$ 0.44</u>	<u>\$ 0.43</u>	<u>\$ 0.31</u>	<u>\$ 0.27</u>	<u>\$ 0.68</u>	<u>\$ 0.38</u>

GAAP to Non-GAAP reconciliation

GRIFFON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP MEASURES
SEGMENT ADJUSTED EBITDA - BY REPORTABLE SEGMENT
(Unaudited)

<i>(in thousands)</i>	Year Ended September 30,			Three Months Ended June 30,		Nine Months Ended June 30,	
	2018	2017	2016	2019	2018	2019	2018
Home & Building Products							
Segment operating profit	\$ 130,487	\$ 89,495	\$ 79,682	\$ 45,037	\$ 38,753	\$120,603	\$ 94,982
Depreciation and amortization	44,533	36,547	35,267	12,784	11,251	37,831	31,888
Acquisition costs	2,380	724	-	-	-	-	2,380
Segment adjusted EBITDA	177,400	126,766	114,949	57,821	50,004	158,434	129,250
Telephonics							
Segment operating profit	25,262	29,943	42,801	4,611	6,084	9,075	8,866
Depreciation and amortization	10,801	10,851	10,584	2,669	2,676	7,926	8,090
Contract settlement charges	-	5,137	-	-	-	-	-
Segment adjusted EBITDA	36,063	45,931	53,385	7,280	8,760	17,001	16,956
All segments:							
Income from operations - as reported	96,450	69,027	82,340	36,494	23,570	91,507	54,611
Unallocated amounts	45,812	42,398	40,393	12,175	12,016	34,920	32,993
Other, net	1,231	(880)	(250)	979	1,228	3,251	3,988
Corporate acquisition costs	5,217	8,893	-	-	3,598	-	5,217
Special dividend ESOP charges	3,220	-	-	-	3,220	-	3,220
Secondary equity offering costs	1,205	-	-	-	1,205	-	1,205
Cost of life insurance benefit	2,614	-	-	-	-	-	2,614
Segment operating profit from continuing operations	155,749	119,438	122,483	49,648	44,837	129,678	103,848
Segment depreciation and amortization	55,334	47,398	45,851	15,453	13,927	45,757	39,978
Acquisition costs	2,380	724	-	-	-	-	2,380
Contract settlement costs	-	5,137	-	-	-	-	-
Segment adjusted EBITDA from continuing operations	\$ 213,463	\$ 172,697	\$ 168,334	\$ 65,101	\$ 58,764	\$175,435	\$146,206

Unallocated amounts typically include general corporate expenses not attributable to any reportable segment.



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