

## Gibraltar Industries (ROCK)

**\$50.81** (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$52.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 10/28/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**4-Sell**

Zacks Style Scores:

VGM: A

Value: A

Growth: B

Momentum: B

### Summary

Shares of Gibraltar have underperformed the industry in the past six months and indicate a declining trend. The company's prospects are hurting from delays in the CEA projects in the Agtech unit and softness in mail and package solutions demand. Moreover, slowness in new housing construction starts and inefficiency related to the supplier transition are added concerns. However, solid performance in the metal roofing and structural businesses is boding well. Besides, Gibraltar's ongoing focus on portfolio optimization, business system conversions and strategic acquisitions is expected to boost prospects in the upcoming period. Management expects strong backlog conversion and continued M&A execution to sustain margin improvement in 2025 and beyond. Earnings estimates for 2025 and 2026 have moved down in the past 30 days, depicting concerns.

### Data Overview

52 Week High-Low	\$75.08 - \$42.86
20 Day Average Volume (sh)	395,176
Market Cap	\$1.5 B
YTD Price Change	-13.2%
Beta	1.28
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<a href="#">Building Products - Miscellaneous</a>
Zacks Industry Rank	Bottom 42% (140 out of 243)

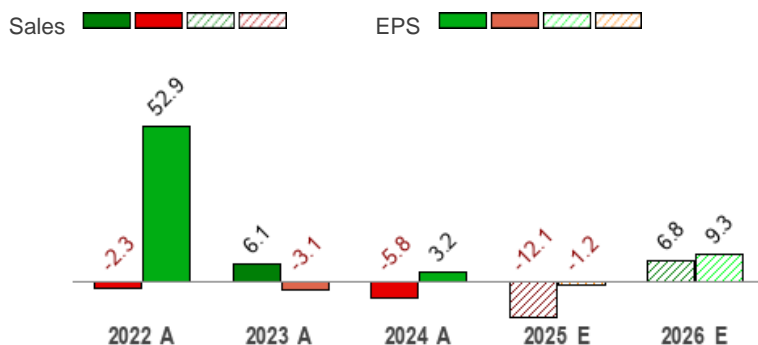
Last EPS Surprise	-6.6%
Last Sales Surprise	-2.5%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/18/2026
Earnings ESP	0.0%

P/E TTM	12.1
P/E F1	12.3
PEG F1	3.2
P/S TTM	1.3

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



### Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026					1,229 E
2025	290 A	310 A	311 A	284 E	1,151 E
2024	293 A	353 A	361 A	302 A	1,309 A

### EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026					4.59 E
2025	0.95 A	1.13 A	1.14 A	1.01 E	4.20 E
2024	0.80 A	1.18 A	1.27 A	1.01 A	4.25 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/15/2025.

(2) The report's text and the price target are as of 12/02/2025.

## Overview

Gibraltar Industries Inc. manufactures and distributes products to the industrial and building markets. The products range from ventilation and expanded metal to mail storage solutions and rain dispersion products and solutions.

Gibraltar has a leading presence in the industry due to its diversified product offering through different market players like wholesalers, retail home centers, residential, commercial and transportation contractors, among others. Home Depot, other big box retailers and national building products wholesalers are some of its major customers.

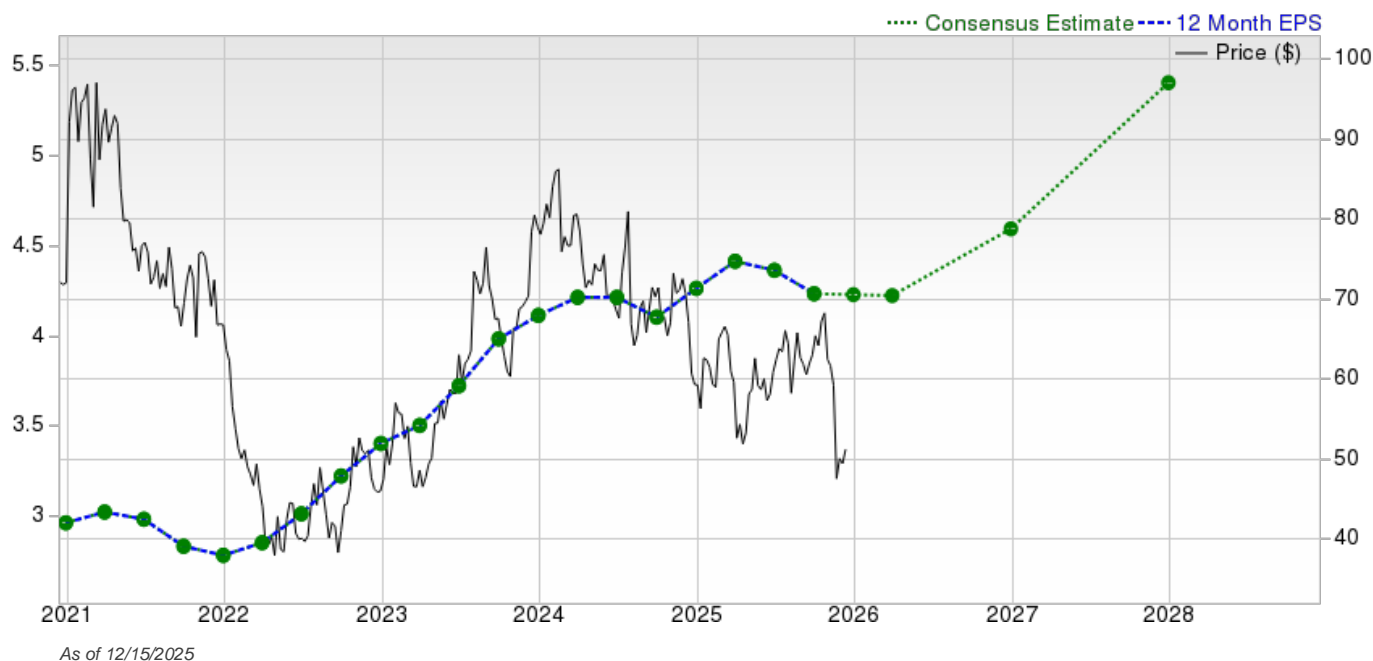
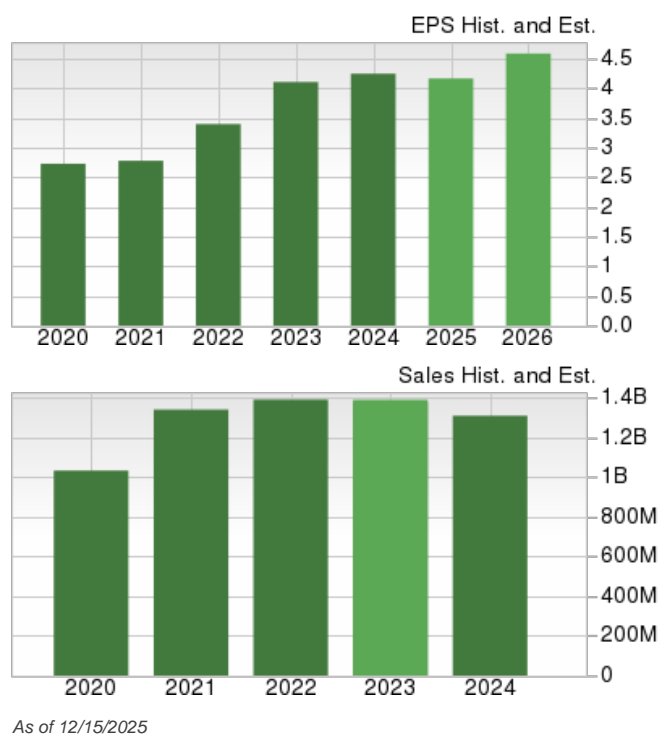
As of Sept. 30, 2025, the company had 36 facilities in 20 states, Canada and China, including 31 manufacturing facilities, five offices and two distribution centers.

As of June 30, 2025, the company reports its results through three operating segments, after it considered divesting its Renewables business (discontinued operations). This move was undertaken to focus on a simpler portfolio with the right resources and capital, alongside building products and structures markets. The continued operations are discussed below:

**Residential (accounting for 73.9% of the first nine months of 2025 net sales):** This segment deals with a range of products, including rain dispersion, roof and ventilation products, both single and cluster units, trims and flashings for single and multifamily residences, mail storage and low-rise commercial buildings. These products are offered for residential housing.

**Agtech (18.1%):** In the segment, Gibraltar offers commercial greenhouse growing and plant processing solutions, including the designing, engineering, manufacturing and installation of commercial greenhouses and botanical oil extraction systems.

**Infrastructure (8%):** In the segment, Gibraltar offers products, including bridge bearings and roadway expansion joints, bar grating and expanded and perforated metals. These products are sold to end markets, including transportation infrastructure, discrete and process manufacturing and energy.



## Reasons To Buy:

▲ **Three-Pillar Value Creation Strategy:** Gibraltar's strategy is anchored on three core pillars: Business System, Portfolio Management, and Organization Development. The Business System pillar emphasizes continuous performance improvement through structured processes, lean initiatives, and digital tools that enhance efficiency, agility, and innovation. As part of this core pillar, the company shed light on completing business system conversions to a single system across the Residential segment by the end of 2026. The Portfolio Management pillar focuses on optimizing Gibraltar's mix of businesses to align resources with higher-growth, higher-margin markets. This includes concentrating capital allocation on Residential, Agtech, and Infrastructure while divesting non-core operations such as the Renewables business, which was classified as held-for-sale and discontinued operations as of June 30, 2025. The third pillar, Organization Development, prioritizes talent growth and organizational scalability, ensuring that Gibraltar has the right structure and workforce capabilities to execute its long-term plans and sustain competitiveness.

Gibraltar's focus on portfolio optimization, strong backlog, and cash-rich balance sheet fuel its growth momentum.

During the first nine months of 2025, Gibraltar completed four business acquisitions. On Feb. 11, it acquired Lane Supply, Inc. for \$118 million and included its operations into its Agtech segment; on March 31, it acquired two privately held businesses within its Residential segment for a total consideration of \$90.5 million; and on July 31, purchased substantially all the assets of another privately held business within its Residential segment for \$16 million. Concurrently, the company launched a \$200 million share repurchase program in April 2025 to enhance shareholder returns. These actions, combined with robust backlog growth and disciplined cost management, reflect a sharper focus on scaling leadership positions in resilient end markets and reinforcing long-term shareholder value.

▲ **Margin-Driving Initiatives:** Gibraltar's 80/20 simplification, productivity initiatives, and scale benefits from acquisitions are supporting continued margin improvement through cost checks and operational optimization. During the first nine months of 2025, the selling, general, and administrative expense (as a percentage of net sales) contracted 30 basis points to 15.2% year over year due to lower performance-based compensation expenses and practical benefits realized from continued operational efficiencies along with 80/20 initiatives.

Given the current market dynamics of new tariff implementations and lingering inflationary pressures, Gibraltar has planned a balanced approach toward key focus areas for 2025 and beyond. It aims to drive growth and improve margins through pricing, productivity under the 80/20 model, and by shifting toward higher-margin projects and channels.

▲ **Portfolio Simplification and Focus on Core Markets:** The decision to divest the Renewables business and concentrate resources on Residential, Agtech, and Infrastructure segments represents a strategic narrowing of focus toward higher-return markets. These areas not only provide multiple growth avenues but also align with long-term demand drivers in housing, controlled environment agriculture (CEA), and infrastructure. Management emphasized that concentrating on Building Products and Structures will yield stronger growth, margin expansion, and cash flow performance.

▲ **Robust Backlog and Visibility into Growth:** Project-based businesses are showing healthy momentum, with backlog increasing 50% year over year to \$257 million in the third quarter of 2025. In the Agtech segment, total backlog surged 96% (75% organically). This underscores the accelerating demand in key markets, substantiated by project wins, including 15 new CEA growers, 24 commercial classic growers and 20 customers focused on institutional operations like agricultural research and botanical gardens, despite project start delays. On a year-to-date basis, total bookings were up 121% year over year, with organic bookings up 44%. The backlog provides a clear line of sight into sustained revenue growth over the next several quarters.

▲ **Healthy Balance Sheet and Cash Flow Generation:** As of the first nine months of 2025, Gibraltar generated \$131.5 million in net operating cash flow and \$68.2 million in free cash flow (7.9% of sales). The company remains debt-free with \$393.8 million available on its revolver and \$200 million remaining under its share repurchase authorization. Management targets free cash flow at 10% of sales for 2025, providing ample capacity to fund organic investments, pursue acquisitions, and return capital to shareholders.

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## Reasons To Sell:

- ▼ **Margin Pressure from Mix Shifts:** Despite healthy operational execution and several initiatives, Gibraltar's consolidated gross margin slipped to 27.7% in the first nine months of 2025 from 29.9% reported in the year earlier. Product line mix and lower volume in the Infrastructure segment contributed to this compression.

The adjusted operating margin across all the continued segments tumbled year over year in the first nine months of 2025. During the said time frame, the metric was 18.6% for the Residential segment, 7.2% for the Agtech segment and 24.5% for the Infrastructure segment, down from 19.9%, 8.4% and 25.2%, respectively. Ongoing slowness in single-home and multi-family new construction starts, slower mail product sales, a large CEA project delay, lower volume and inefficiency related to the supplier transition restricted the margin growth across the continued operations.

Gibraltar faces margin strain, housing weakness, tariffs, and funding risks, thereby challenging growth.

- ▼ **Vulnerability in Residential Mail & Package:** The Mail & Package product line, once a solid contributor, remains under pressure from softness in multifamily construction. With new housing starts down more than 35% in 2024, demand for centralized mail systems has fallen significantly. Although Gibraltar managed to limit losses versus the broader market, the segment's end-market reliance creates structural vulnerability tied to housing cycles and affordability trends.
  - ▼ **Exposure to Tariff and Raw Material Volatility:** Gibraltar is heavily exposed to steel and aluminum, both of which face potential tariff expansion under shifting U.S. trade policies. Management acknowledged that tariffs could pressure input costs, even though prior initiatives helped mitigate inflationary spikes in 2021-22. Persistent volatility in raw materials could weigh on both margins and pricing power, especially as customers become more price-sensitive in weaker construction and agricultural markets.
  - ▼ **Seasonal Influence on the Business:** Gibraltar's business has been historically subject to seasonal influences, with lower sales typically in the first and fourth quarters due to reduced activity in the building industry owing to inclement weather.
  - ▼ **Dependence on Government Funding:** Gibraltar prepares complex design components for elevated highways and bridges. Construction of these projects involves long gestation periods and, hence, is generally funded by the government authorities. As a result, demand in the company's construction market is highly dependent on government funding. Moreover, the company is exposed to customer concentration risks as it derives a large portion of its sales from only a handful of customers. Moreover, Gibraltar does not have long-term contracts with its clients. This leads to a possibility of termination of the purchase, leading to a severe loss.
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## Last Earnings Report

### Gibraltar Q3 Earnings & Sales Lag Estimates, Gross Margin Down Y/Y

Gibraltar reported lower-than-expected third-quarter 2025 results, with earnings and net sales missing the Zacks Consensus Estimate. Year over year, the top line grew while the bottom line tumbled.

The quarter's improvement stemmed from solid performance in the metal roofing and structural businesses and participation gains in building accessories, partly offset by delayed controlled-environment agriculture (CEA) projects in the Agtech unit and softness in mail and package solutions.

**FY Quarter Ending** **12/31/2024**

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	-2.45%
EPS Surprise	-6.56%
Quarterly EPS	1.14
Annual EPS (TTM)	4.23

### Earnings & Revenue Discussion

Adjusted earnings per share (EPS) of \$1.14 lagged the Zacks Consensus Estimate of \$1.22 by 6.6% and declined year over year by 0.9% from \$1.15 per share.

Net sales grew 12.2% year over year to \$310.9 million, but missed the consensus mark of \$319 million by 2.5%.

### Segmental Highlights

**Residential:** Sales climbed 8.4% year over year to \$230.3 million, with adjusted operating margin slipping 200 basis points (bps) to 18.2%, as roofing acquisitions and mix weighed on profitability.

**Agtech:** Sales surged 38.8% to \$57.6 million, but adjusted operating margin contracted 440 bps to 5.7% due to delayed CEA work and integration costs at Lane Supply.

**Infrastructure:** Revenues were nearly flat at \$23.1 million compared with the prior year. The adjusted operating margin of 20.5% was down year over year by 740 bps. Supplier-transition inefficiencies pressured the result.

### Margins and Profitability

Gross profit increased modestly to \$82.7 million from \$81.4 million a year ago, while the gross margin contracted 320 bps to 26.6%.

Operating income fell 7.5% year over year to \$39.9 million, with the operating margin at 12.8%, down 280 bps. On an adjusted basis, the operating margin improved slightly to 13.7%.

Adjusted EBITDA was \$51.4 million, translating to a 16.5% margin, compared with 18.6% last year.

### Balance Sheet and Cash Position

Cash and equivalents totaled \$89.4 million at quarter-end versus \$269.5 million at 2024 year-end, with no long-term debt outstanding. Total liquidity under its \$400 million revolver stood near \$394 million.

Gibraltar generated \$57 million in operating cash flow, up 39% year over year, and repurchased \$63.7 million of its common stock in 2025.

### 2025 Outlook Revised

For 2025, Gibraltar narrowed its net-sales guidance to \$1.15 – \$1.175 billion, implying nearly 15% growth year over year. This range was narrowed from the prior projection of \$1.15–\$1.20 billion, mainly due to timing shifts in Agtech projects and softer-than-expected demand in mail and package solutions.

The company projects adjusted EBITDA in the range of \$197.4–\$202.0 million, up 11–14% from \$177.5 million in 2024, though trimmed from the previous range of \$200.9–\$212.4 million. The adjusted EBITDA margin is now projected between 17.1% and 17.2%, slightly lower than the prior estimate of 17.5–17.7%. The adjusted operating margin is forecast at 14.1–14.2%, compared with 14.7% in 2024.

It projects GAAP EPS of \$3.67 – \$3.77 and adjusted EPS of \$4.20 – \$4.30, up 10–12% year over year.

## Recent News

### Will Gibraltar's \$1.3B OmniMax Buyout Reinvent Its Growth Story? – Nov. 17, 2025

Gibraltar has agreed to acquire OmniMax International from funds managed by Strategic Value Partners, LLC and its affiliates for \$1.335 billion in cash. OmniMax is a leading provider of residential roofing accessories and rainware solutions, which is expected to generate \$565 million in adjusted net sales and \$110 million in adjusted EBITDA in 2025.

This strategic acquisition will strengthen Gibraltar's strategy to expand in residential building products and enhance customer experience through OmniMax's complementary brands and operational capabilities.

## Valuation

Gibraltar's shares are down 16.4% in the past six months and 31% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 8%, and up 10.9% in the Zacks Construction sector, in the past six months. Over the past year, the Zacks sub-industry has been down 16.4%, and the sector has moved down 8.9%.

The S&P 500 index is up 17.1% in the past six months and 15.4% in the past year.

The stock is currently trading at 10.85X forward 12-month earnings, which compares to 17.55X for the Zacks sub-industry, 19.26X for the Zacks sector, and 23.41X for the S&P 500 index.

Over the past five years, the stock has traded as high as 28.46X and as low as 9.73X, with a 5-year median of 14.43X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$52 price target reflects 11.4X forward 12-month earnings.

The table below shows the summary valuation data for ROCK.

Valuation Multiples - ROCK					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	10.85	17.55	19.26	23.41
	5-Year High	28.46	18.77	19.5	23.82
	5-Year Low	9.73	10.62	8.92	15.73
	5-Year Median	14.43	15.98	15.23	21.19
P/S F12M	Current	1.2	2.03	2.8	5.29
	5-Year High	2.51	2.26	3.11	5.5
	5-Year Low	0.83	1.21	1.55	3.83
	5-Year Median	1.4	1.72	2.26	5.04
EV/EBITDA TTM	Current	8.65	12.84	18.49	18.54
	5-Year High	23.44	29.3	24.81	22.41
	5-Year Low	7.67	9.33	10.38	13.87
	5-Year Median	10.45	18.82	17.08	17.96

As of 12/01/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 42% (140 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Armstrong World Indus... (AWI)	Neutral	3
TopBuild Corp. (BLD)	Neutral	3
Builders FirstSource... (BLDR)	Neutral	3
Masco Corporation (MAS)	Neutral	3
Construction Partner... (ROAD)	Neutral	4
United Rentals, Inc. (URI)	Neutral	4
Owens Corning Inc (OC)	Underperform	5
UFP Industries, Inc. (UFPI)	Underperform	5

## Industry Comparison<sup>(1)</sup> Industry: Building Products - Miscellaneous

	ROCK	X Industry	S&P 500	AWI	BLDR	UFPI
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	4	-	-	3	3	5
VGM Score	A	-	-	C	A	A
Market Cap	1.51 B	4.16 B	39.38 B	8.04 B	12.00 B	5.38 B
# of Analysts	2	3	22	4	7	3
Dividend Yield	0.00%	0.00%	1.41%	0.73%	0.00%	1.52%
Value Score	A	-	-	D	A	B
Cash/Price	0.06	0.09	0.04	0.01	0.02	0.19
EV/EBITDA	7.28	11.43	14.60	17.06	7.46	6.51
PEG Ratio	3.16	1.85	2.23	1.84	11.60	NA
Price/Book (P/B)	1.59	2.39	3.35	9.04	2.78	1.68
Price/Cash Flow (P/CF)	9.81	13.82	15.20	21.36	6.43	9.88
P/E (F1)	12.41	19.28	19.78	24.92	15.43	17.34
Price/Sales (P/S)	1.25	1.39	3.06	5.02	0.77	0.83
Earnings Yield	8.16%	4.99%	4.99%	4.01%	6.48%	5.76%
Debt/Equity	0.00	0.47	0.57	0.47	1.03	0.07
Cash Flow (\$/share)	5.21	2.90	8.99	8.72	16.88	9.35
Growth Score	B	-	-	B	B	B
Hist. EPS Growth (3-5 yrs)	11.47%	14.21%	8.16%	15.51%	14.85%	-0.25%
Proj. EPS Growth (F1/F0)	-3.06%	8.92%	8.57%	18.54%	-39.19%	-22.34%
Curr. Cash Flow Growth	2.73%	3.41%	6.75%	16.27%	-20.54%	-12.16%
Hist. Cash Flow Growth (3-5 yrs)	9.19%	10.10%	7.43%	4.05%	40.96%	18.16%
Current Ratio	1.79	1.78	1.19	1.52	1.79	4.49
Debt/Capital	0.00%	32.03%	38.01%	31.97%	50.64%	6.81%
Net Margin	0.35%	5.05%	12.78%	19.08%	3.79%	5.00%
Return on Equity	12.58%	16.25%	17.00%	38.97%	21.28%	10.18%
Sales/Assets	0.84	0.85	0.53	0.86	1.39	1.56
Proj. Sales Growth (F1/F0)	6.10%	1.07%	5.77%	12.80%	-6.90%	-3.90%
Momentum Score	B	-	-	C	D	A
Daily Price Chg	-1.58%	-0.70%	-1.07%	-0.65%	-1.27%	-0.17%
1 Week Price Chg	3.63%	1.60%	-0.63%	1.33%	-1.39%	1.78%
4 Week Price Chg	-13.59%	4.04%	1.39%	2.00%	4.87%	2.01%
12 Week Price Chg	-17.37%	-2.53%	2.45%	-5.22%	-12.62%	-3.16%
52 Week Price Chg	-23.69%	-6.24%	12.83%	21.26%	-34.82%	-27.24%
20 Day Average Volume	395,176	308,656	2,728,366	291,961	2,047,111	447,497
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	0.00%	-1.33%
(F1) EPS Est 12 week change	-3.47%	-0.52%	0.69%	2.94%	-0.99%	-4.08%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	-2.60%

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	B
Momentum Score	B
VGM Score	A

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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