

Carlisle Companies Incorporated
Consolidated Statements of Income and Comprehensive Income

| (in millions, except per share amounts) | Years Ended December 31, | | |
|---|--------------------------|-----------------|-----------------|
| | 2018 | 2017 | 2016 |
| Revenues | \$ 4,479.5 | \$ 3,750.8 | \$ 3,425.2 |
| Cost of goods sold | 3,304.8 | 2,702.5 | 2,338.8 |
| Selling and administrative expenses | 625.4 | 532.9 | 495.4 |
| Research and development expenses | 55.1 | 51.3 | 45.4 |
| Impairment charges | — | — | 141.5 |
| Other operating (income) expense, net | (14.8) | 0.1 | (0.1) |
| Operating income | 509.0 | 464.0 | 404.2 |
| Interest expense, net | 53.5 | 33.5 | 30.6 |
| Other non-operating (income) expense, net | 9.6 | 1.5 | (5.6) |
| Income from continuing operations before income taxes | 445.9 | 429.0 | 379.2 |
| Provision for income taxes | 87.3 | 88.4 | 148.1 |
| Income from continuing operations | 358.6 | 340.6 | 231.1 |
| Discontinued operations: | | | |
| Income before income taxes | 300.1 | 39.6 | 30.2 |
| Provision for income taxes | 47.6 | 14.7 | 11.2 |
| Income from discontinued operations | 252.5 | 24.9 | 19.0 |
| Net income | <u>\$ 611.1</u> | <u>\$ 365.5</u> | <u>\$ 250.1</u> |
| Basic earnings per share attributable to common shares: | | | |
| Income from continuing operations | \$ 5.92 | \$ 5.36 | \$ 3.57 |
| Income from discontinued operations | 4.17 | 0.39 | 0.29 |
| Basic earnings per share | <u>\$ 10.09</u> | <u>\$ 5.75</u> | <u>\$ 3.86</u> |
| Diluted earnings per share attributable to common shares: | | | |
| Income from continuing operations | \$ 5.88 | \$ 5.32 | \$ 3.53 |
| Income from discontinued operations | 4.14 | 0.39 | 0.29 |
| Diluted earnings per share | <u>\$ 10.02</u> | <u>\$ 5.71</u> | <u>\$ 3.82</u> |
| Average shares outstanding (in thousands): | | | |
| Basic | <u>60,393</u> | <u>63,073</u> | <u>64,226</u> |
| Diluted | <u>60,786</u> | <u>63,551</u> | <u>64,883</u> |
| Comprehensive income: | | | |
| Net income | \$ 611.1 | \$ 365.5 | \$ 250.1 |
| Other comprehensive income (loss): | | | |
| Foreign currency (losses) gains | (30.3) | 46.6 | (36.7) |
| Amortization of unrecognized net periodic benefit costs, net of tax | (0.4) | (5.2) | 1.0 |
| Other, net of tax | 0.8 | (4.9) | 0.6 |
| Other comprehensive income (loss) | (29.9) | 36.5 | (35.1) |
| Comprehensive income | <u>\$ 581.2</u> | <u>\$ 402.0</u> | <u>\$ 215.0</u> |

See accompanying Notes to Consolidated Financial Statements

Carlisle Companies Incorporated
Consolidated Balance Sheets

(in millions, except share and per share amounts)

| | December 31, 2018 | December 31, 2017 |
|---|--------------------------|--------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 803.6 | \$ 378.3 |
| Receivables, net | 698.3 | 625.7 |
| Inventories, net | 457.5 | 448.8 |
| Prepaid expenses | 22.0 | 21.7 |
| Other current assets | 75.3 | 73.6 |
| Discontinued operations | — | 96.5 |
| Total current assets | <u>2,056.7</u> | <u>1,644.6</u> |
| Property, plant and equipment, net | 760.1 | 731.1 |
| Goodwill, net | 1,441.8 | 1,452.1 |
| Other intangible assets, net | 967.7 | 1,065.0 |
| Other long-term assets | 22.9 | 34.9 |
| Discontinued operations | — | 372.1 |
| Total assets | <u><u>\$ 5,249.2</u></u> | <u><u>\$ 5,299.8</u></u> |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 312.1 | \$ 332.1 |
| Accrued expenses | 258.0 | 257.8 |
| Deferred revenue | 25.5 | 27.8 |
| Discontinued operations | — | 40.9 |
| Total current liabilities | <u>595.6</u> | <u>658.6</u> |
| Long-term liabilities: | | |
| Long-term debt | 1,587.8 | 1,586.2 |
| Deferred revenue | 201.9 | 188.0 |
| Other long-term liabilities | 266.5 | 288.7 |
| Discontinued operations | — | 50.0 |
| Total long-term liabilities | <u>2,056.2</u> | <u>2,112.9</u> |
| Commitments and contingencies (see Note 17) | | |
| Shareholders' equity: | | |
| Preferred stock, \$1 par value per share (5,000,000 shares authorized and unissued) | — | — |
| Common stock, \$1 par value per share (200,000,000 shares authorized; 57,957,912 and 61,839,734 shares outstanding, respectively) | 78.7 | 78.7 |
| Additional paid-in capital | 383.8 | 353.7 |
| Deferred compensation equity | 8.0 | 10.4 |
| Treasury shares, at cost (20,534,652 and 16,613,193 shares, respectively) | (1,102.4) | (649.6) |
| Accumulated other comprehensive loss | (122.1) | (85.7) |
| Retained earnings | 3,351.4 | 2,820.8 |
| Total shareholders' equity | <u>2,597.4</u> | <u>2,528.3</u> |
| Total liabilities and equity | <u><u>\$ 5,249.2</u></u> | <u><u>\$ 5,299.8</u></u> |

See accompanying notes to Consolidated Financial Statements

Carlisle Companies Incorporated
Consolidated Statements of Cash Flows

| (in millions) | Years Ended December 31, | | |
|---|--------------------------|-----------|----------|
| | 2018 | 2017 | 2016 |
| Operating activities: | | | |
| Net income | \$ 611.1 | \$ 365.5 | \$ 250.1 |
| Reconciliation of net income to cash flows provided by operating activities: | | | |
| Depreciation | 86.4 | 84.9 | 75.1 |
| Amortization | 104.2 | 84.2 | 62.7 |
| Impairment charges | — | — | 141.5 |
| Stock-based compensation, net of tax benefit | 23.9 | 13.2 | (2.6) |
| Deferred taxes | (0.8) | (58.5) | (25.0) |
| Gain on sale of discontinued operations, net of tax | (250.4) | — | — |
| Other operating activities, net | (18.8) | 13.9 | (6.0) |
| Changes in assets and liabilities, excluding effects of acquisitions: | | | |
| Receivables | (54.5) | (53.9) | 0.3 |
| Inventories | (29.0) | (48.5) | (12.2) |
| Prepaid expenses and other assets | (2.0) | (20.1) | (9.2) |
| Accounts payable | (39.5) | 42.7 | 21.6 |
| Accrued expenses | (99.9) | 20.6 | 23.1 |
| Deferred revenues | 11.8 | 19.3 | 11.7 |
| Other long-term liabilities | (3.3) | (4.6) | 0.1 |
| Net cash provided by operating activities | 339.2 | 458.7 | 531.2 |
| Investing activities: | | | |
| Proceeds from sale of discontinued operation | 758.0 | — | — |
| Acquisitions, net of cash acquired | (19.5) | (934.3) | (185.5) |
| Capital expenditures | (120.7) | (159.9) | (108.8) |
| Other investing activities, net | 11.4 | (0.1) | 0.9 |
| Net cash provided by (used in) investing activities | 629.2 | (1,094.3) | (293.4) |
| Financing activities: | | | |
| Proceeds from revolving credit facility | — | 1,189.0 | — |
| Repayments of revolving credit facility | — | (1,189.0) | — |
| Proceeds from notes | — | 997.2 | — |
| Repayments of notes | — | — | (150.0) |
| Repurchases of common stock | (459.8) | (268.4) | (75.0) |
| Dividends paid | (93.5) | (92.1) | (84.5) |
| Financing costs | — | (8.3) | — |
| Proceeds from exercise of stock options, net | 12.6 | (1.2) | 48.4 |
| Net cash (used in) provided by financing activities | (540.7) | 627.2 | (261.1) |
| Effect of foreign currency exchange rate changes on cash and cash equivalents | (1.1) | 2.7 | (2.1) |
| Change in cash and cash equivalents | 426.6 | (5.7) | (25.4) |
| Less: change in cash and cash equivalents of discontinued operations | 1.3 | 1.0 | 0.3 |
| Cash and cash equivalents at beginning of period | 378.3 | 385.0 | 410.7 |
| Cash and cash equivalents at end of period | \$ 803.6 | \$ 378.3 | \$ 385.0 |

See accompanying notes to Consolidated Financial Statements