Griffon Corporation

INVESTOR PRESENTATION

February 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-GAPP measures included as Appendix A, is available on our website www.griffon.com.

Griffon CORPORATION

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
- We own and operate businesses in multiple industries and geographic markets to reduce market cyclicality, seasonality, and weather
- We are committed to long-term value creation for our shareholders and believe the company is strategically positioned for further growth

Key data

~$2.2 billion revenue[1]

~$230 million segment adjusted EBITDA[1]

~7,200 employees

8.8 million sq. ft. of manufacturing and distribution

$1,073 million net debt[2]

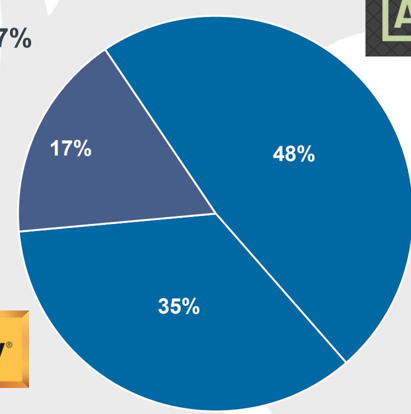
5.4x pro-forma net leverage[2]

~42 million diluted shares outstanding

NYSE:GFF

Revenue (FYE 9/30/2018)

Defense Electronics, 17%



Home and Building Products, 83%

[1]FY 2019 management guidance
[2]As of 12/31/18; net debt / consolidated adjusted EBITDA calculated per debt compliance certificates

Evolution of Griffon

1959 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018

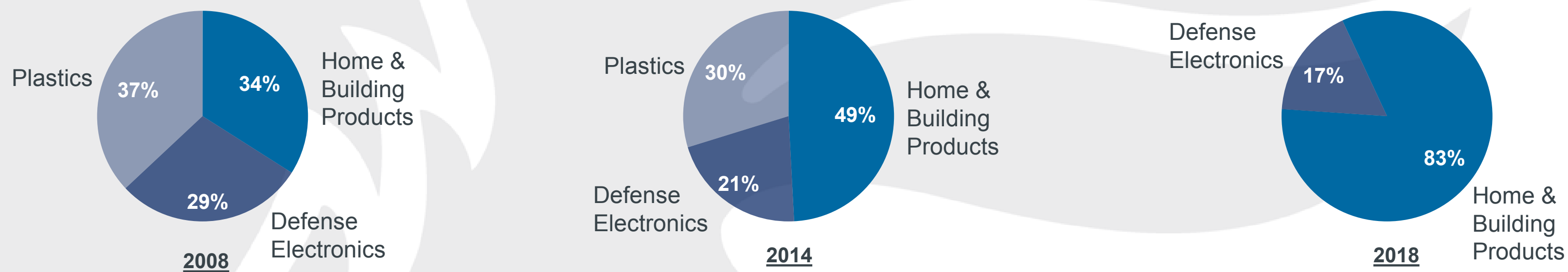
Key Management changes

- *2008: Ron Kramer is appointed CEO*
- *2012: Bob Mehmel is appointed President and COO*
- *2015: Brian Harris is appointed Senior VP and CFO*

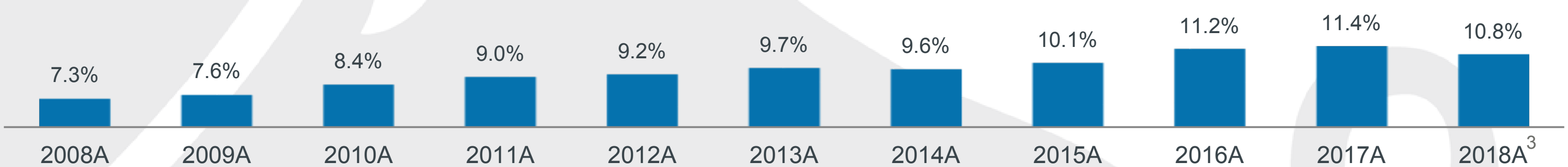
Acquisitions / divestitures[1]

- *2010: AMES*
- *2012: Southern Patio*
- *2014: Northcote Pottery, Cyclone and Nylex*
- *2017: Hills Home Product*
- *2017: La Hacienda Tuscan Path*
- *2018: Divestiture of Clopay Plastics*
- *2018: ClosetMaid Harper Brush Kelkay Cornell-Cookson*

Business mix



Segment adjusted EBITDA margin trajectory[2]



Positioned for growth

Note: Dates indicate Griffon fiscal year (ending 9/30).
[1] Logo represents acquisitions, unless otherwise noted
[2] Inclusive of Clopay Plastics, except 2018A
[3] Includes impact of initially-lower margins from CornellCookson and ClosetMaid acquisitions

Leading market positions

Segment	Brand	Description	Key Takeaways
Home and Building Products (HBP)	AMES EST. 1774	North American manufacturer and global provider of branded consumer and professional tools, landscaping products, and outdoor lifestyle solutions	✓ #1 or #2 positions in core Home & Building Product categories ✓ Fragmented markets present opportunities for consolidation ✓ Cross-selling opportunities across the Home Building Products segment
	CLOSETMAID	North American manufacturer and marketer of wood and wire closet organization, general living storage and wire garage storage products	
	Clopay	U.S. manufacturer and marketer of residential and commercial garage doors	
	CORNELLCOOKSON The door to building excellence	U.S. manufacturer and marketer of rolling steel door and grille products designed for commercial, industrial, institutional and retail use	
Defense Electronics	TELEPHONICS	Globally recognized provider of highly sophisticated intelligence, surveillance and communication solutions for defense, aerospace and commercial customers	✓ Established long-term relationships with the U.S. Government, prime contractors and international customers

Griffon CORPORATION

Home & Building Products (HBP)

AMES EST. 1774

+

CLOSETMAID

= $953mm revenue[1]

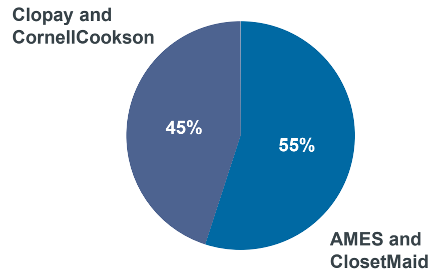
Clopay

+

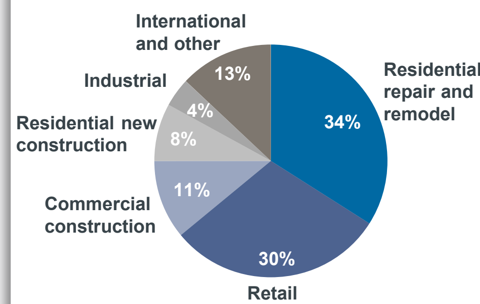
CORNELLCOOKSON
The door to building excellence

= $767mm revenue[1]

Revenue by company[1]



Revenue by end market[2]



- Diversity of leading brands and products
- Differentiated branding strategies for key retail customers
- Extensive logistical / distribution capabilities

- Premium, reliable and recognized brands
- 51 distribution centers in North America
- Investments in technology driving innovation and growth
- Network of ~2,500 professional dealers

Market leading positions in every core product category

[1]Revenue on a trailing 12-month basis as of 12/31/2018.
[2]Revenue by end market based on management estimates as of 9/30/2018. International and Other category includes all revenue outside of North America.

Griffon CORPORATION

Portfolio of highly recognized consumer and professional brands

	North America (~86%)	Australasia (~10%)	United Kingdom Ireland (~3%)
Long handle tools, wheelbarrows and snow tools	AMES EST. 1774, True Temper, Razorback, Garant, Jackson Professional Tools, UnionTools, Harper	Cyclone, Kelso Trade Tools, Westmix	True Temper
Landscaping, pots and planters	Southern Patio, Dynamic Design	Northcote Pottery (115 years, designed for lifestyle), tuscanpath	Kelkay, La Hacienda, Northcote Pottery (115, designed for lifestyle)
Watering	AMES EST. 1774	nylex	
Storage, organization and accessories	ClosetMaid	Hills	
Commercial and residential doors	Clopay, Ideal Door, CornellCookson (The door to building excellence), Holmes Garage Door Company		

Key Takeaways

- ✓ Broad, iconic portfolio of branded products
- ✓ Widely recognized and respected consumer brands with strong, established customer relationships
- ✓ Many brands have 100+ year legacy
- ✓ A market leader in the U.S., Canada, Australasia and the UK
- ✓ Provides momentum and a solid foundation for growth

Note: FYE 9/30/18 revenue by geography excludes ~1% of revenue from other regions

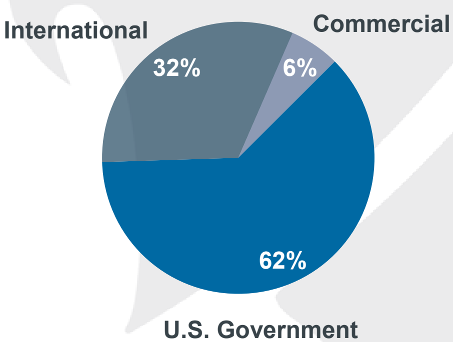
Griffon CORPORATION

Defense Electronics

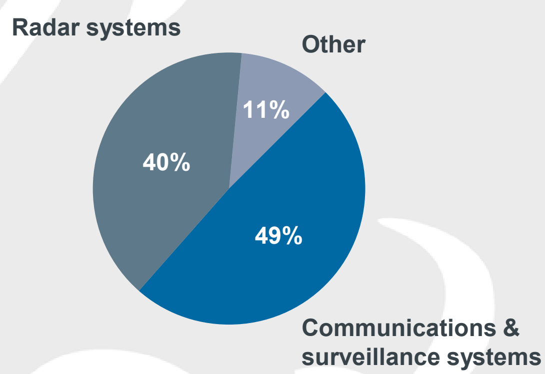
$331mm TTM 12/31/18 revenue

- 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
- Expected increase in defense spending will accelerate growth

Revenue by end market (FYE 9/30/2018)



Revenue by product (FYE 9/30/2018)



Mission-critical technological solutions

Investment Highlights

Investment Highlights

- Strong acquisition track record at reasonable valuations
- Significant optimization and integration opportunity
- Free cash flow generation and capital allocation
- Foundation for growth

Strong acquisition track record at reasonable valuations

Acquisition criteria and strategy

- ✓ Durable competitive strengths
- ✓ Enhances current portfolio or expands into adjacent categories
- ✓ Geographical fit and strategic focus
- ✓ Strong management in place, or be able to leverage and elevate Griffon team
- ✓ Good long-term returns

Long-term strategy of cultivating relationships with potential acquisition targets

Strong track record of successful acquisitions

- ✓ History of sourcing proprietary, immediately accretive deals at reasonable multiples
- ✓ 10 acquisitions completed in the past 5 years
  - All acquisitions under exclusive arrangements
  - 4 carve-outs from public companies, 6 from private sellers
  - No acquisitions from private equity sellers
- ✓ Leverages existing Management platform

United States	Australia	United Kingdom
ClosetMaid	Cyclone	Kelkay
CornellCookson	Northcote Pottery, Hills	La Hacienda
Harper	Nylex, Tuscan Path	

Significant optimization and integration opportunity

ClosetMaid acquisition

- Acquired by GFF on October 2, 2017 for $165mm[1]
- ClosetMaid is an industry-leading closet organization, home storage and garage storage products
- Integration with AMES expands product offerings and customer base

AMES EST. 1774 / CLOSETMAID

Market share

- Increase sales through the professional builder and installer channel and further penetration of additional home center customers

Cross-sell

- Ability to cross-sell products to key customers

Productivity

- Leverage warehousing, distribution, manufacturing, sourcing and G&A

CornellCookson acquisition

- Clopay acquired CornellCookson on June 4, 2018 for $170mm[2] and began integration with Clopay
- CornellCookson, founded in 1828, is a leading rolling door and grille manufacturer
- Creates comprehensive product combination of residential and commercial doors

Clopay / CORNELLCOOKSON The door to building excellence®

Complementary portfolio

- Serve the market efficiently with multiple types of rolling steel and sectional product offerings

Increased scale

- Enhances Clopay's scale for commercial and industrial doors
- Broadens existing portfolio of products, customers and dealer network

Cross-sell

- Ability to cross-sell products to key customers
- Previously partnered together to provide various customer solutions

Productivity

- Leverage sourcing, G&A, and best practices

Focused on delivering 300+ bps of EBITDA margin improvement over the next few years

[1] Announced price of $200mm less tax benefits and post-closing adjustments
[2] Announced price of $180mm less tax benefits and excluding post-closing adjustments primarily related to working capital

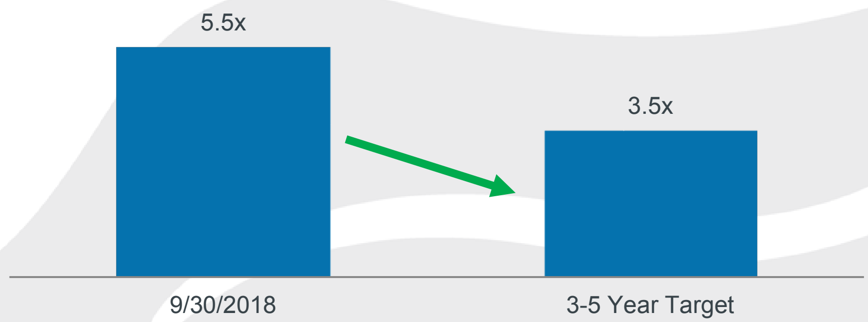
Griffon CORPORATION

Free cash flow generation and capital allocation

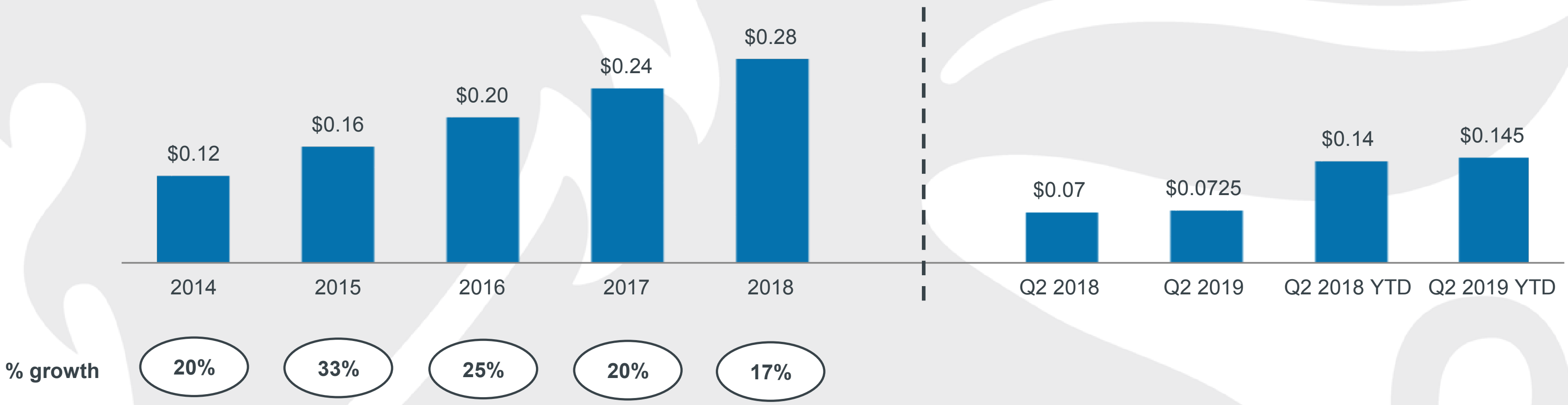
Capital allocation priorities

1. Deleveraging balance sheet
2. Bolt-on acquisitions
3. Dividend growth

Balance sheet net debt / EBITDA leverage reduction



5-year regular quarterly dividend growth



Improving free cash flow will reduce leverage and increase shareholder value

Foundation for growth: near-term objectives

	Revenue CAGR (%)	Segment EBITDA Margin (%)	Drivers
Home & Building Products: AMES, CLOSETMAID, Clopay, CORNELLCOOKSON	5%+	12%+	■ Continued steady housing and economic growth ■ Normalized seasonal weather ■ Productivity improvements ■ Completion of acquisition integrations
Defense Electronics: TELEPHONICS	2-3%+	12%+	■ 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%+***	

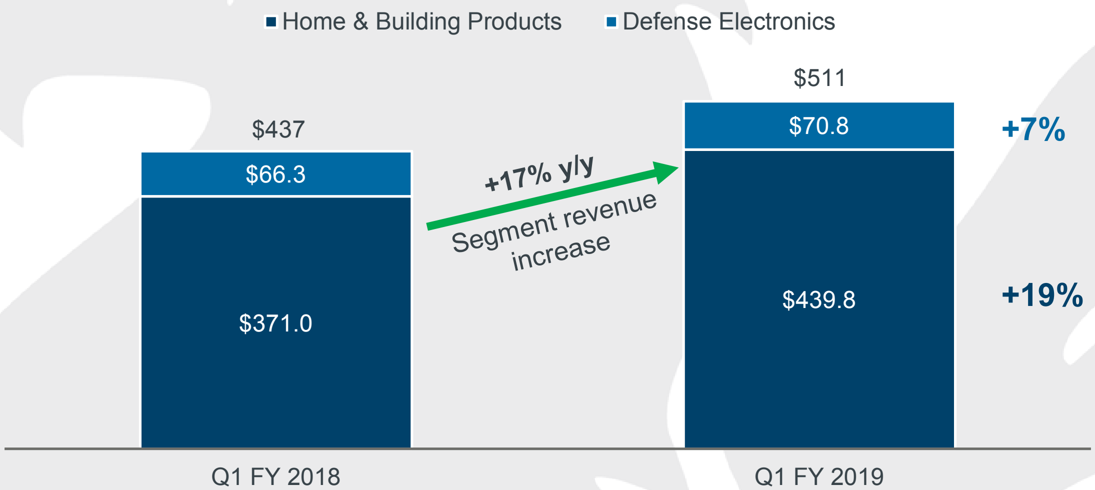
Compounded EPS growth and increased cash flow generation provide a foundation for delivering shareholder value

Financial update Q1 FY 2019

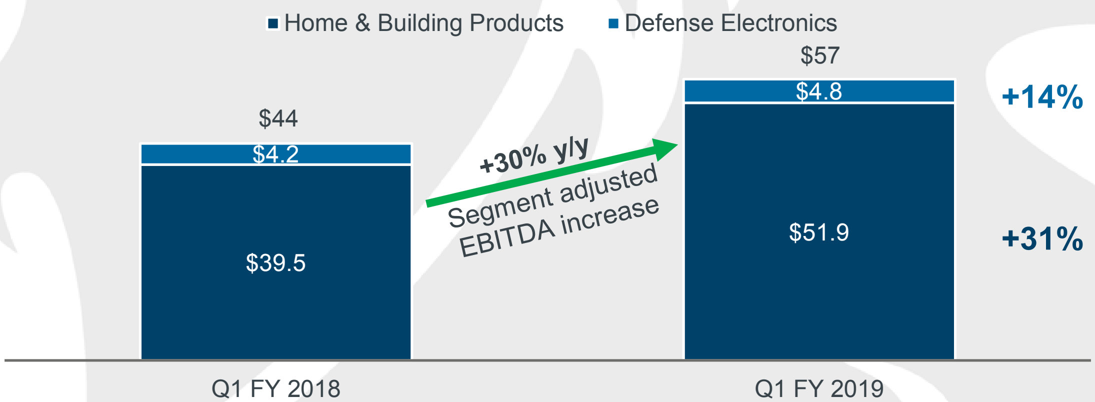
Griffon CORPORATION

Q1 FY 2019 financial update

Revenue ($mm)



Segment adjusted EBITDA ($mm)



% revenue	10.0%	11.1%

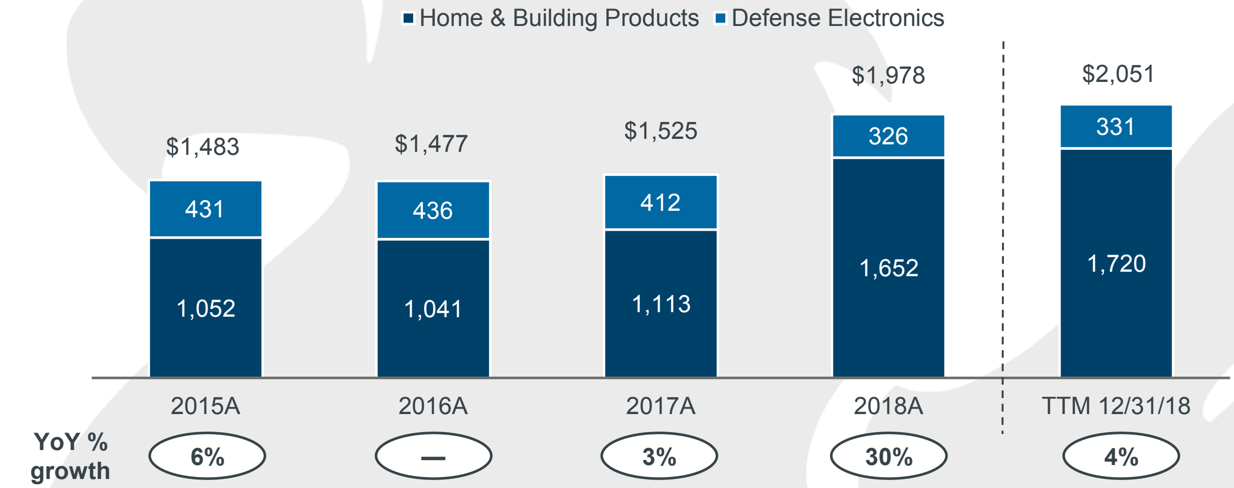
Highlights

- Revenue increased **17%** and Segment Adjusted EBITDA increased **30%** for the quarter when compared with prior year
- HBP revenue increase driven by **5%** organic growth and a **14%** contribution from acquisitions
- HBP EBITDA improvement driven by additional revenue and operational efficiencies, partially offset by higher input costs and tariffs
- Defense Electronics (Telephonics) backlog $367mm as of 12/31/2018 and Q1 FY 2019 book to bill of 0.9x
- Continued integration of recent acquisitions position us for future earnings acceleration

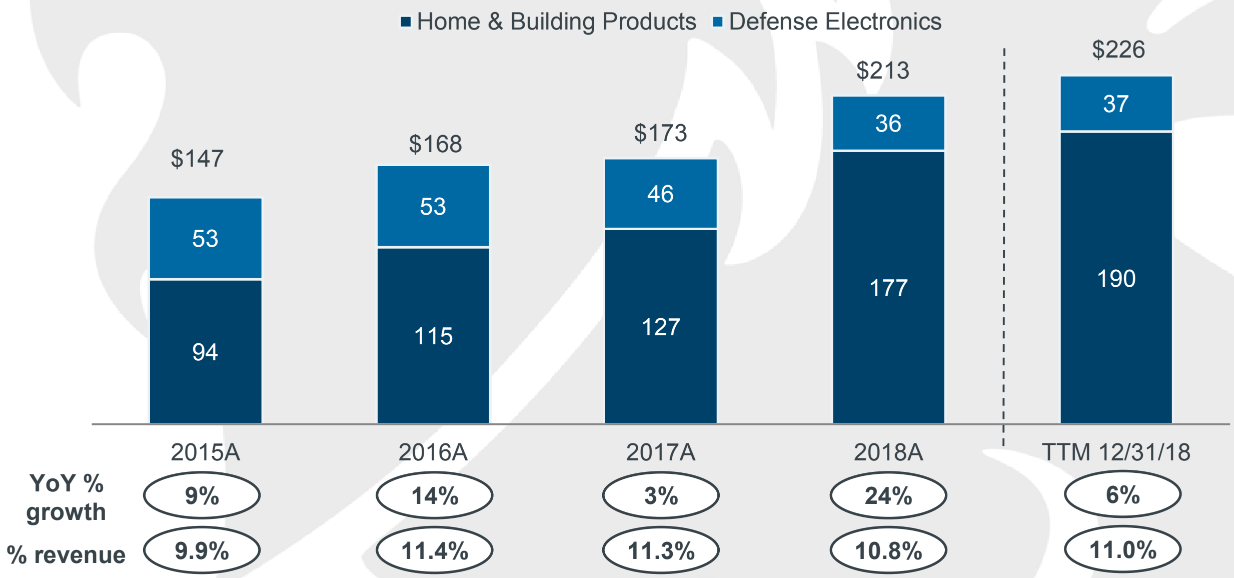
Griffon CORPORATION

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

Balance sheet update

Capitalization Summary ($mm)

	12/31/2018	Multiple of TTM EBITDA
$350mm revolver	56.2	0.3x
ESOP loan	34.0	0.2x
Capital lease and other debt	75.7	0.4x
Senior notes	989.1	5.0x
Total debt	**1,155.0**	**5.9x**
Cash and cash equivalents	(81.8)	(0.4x)
Net debt	**1,073.2**	**5.4x**
Pro-forma consolidated TTM EBITDA	197.4	

- Expect increasing free cash flow over the next several years driven by improved margin performance and the integration of recent acquisitions
- Ample liquidity

Note: Pro-forma consolidated trailing twelve month (TTM) EBITDA is defined as total segment adjusted EBITDA of $226.5mm less corporate expense of $46.3mm plus stock compensation expense of $10.4mm and pro-forma adjustments of $6.8mm related to acquisitions.

Griffon CORPORATION

TLSI® Silicon Driven
Telephonics Large Scale Integration

CORNELL Innovative door solutions.®

EXPRESSSHELF™

SOUTHERN PATIO DYNAMIC DESIGN®

NEVER LEAK AMES

SpaceCreations®

SOUTHERN PATIO®

Hills®

WESTMIX™

115 YEARS NORTHCOTE AUSTRALIA POTTERY designed for lifestyle

Garant®

DARBY PROFESSIONAL TOOLS

SuiteSymphony™

IMPRESSIONS™

UnionTools®

TELEPHONICS®

Clopay®

KELKAY® NATURALLY CREATIVE

nylex

tuscanpath

AMES EST. 1774®

CLOSETMAID®

La Hacienda EST. 1989

Cyclone®

HOLMES GARAGE DOOR COMPANY® Excellence Since 1920™

RAZORBACK®

IDEAL Door®

Kelso TRADE TOOLS

COOKSON Preferred door solutions.®

SEG™ Intelligence Applied
Telephonics Systems Engineering Group

MasterSuite

SHELFTRACK®

Supercraft

HARPER Est. 1900

CORNELLCOOKSON The door to building excellence.®

TRUE TEMPER®

Jackson® PROFESSIONAL TOOLS

Mahindra TELEPHONICS

Griffon CORPORATION

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 December 31,	
	2018	2017	2016	2018	2017
Income from continuing operations	$ 33,255	$ 17,783	$ 19,781	$ 8,753	$ 22,831
Adjusting items, net of tax:					
Acquisition costs	5,047	6,145	-	-	2,348
Special dividend ESOP charges	2,125	-	-	-	-
Secondary equity offering costs	795	-	-	-	-
Contract settlement charges	-	3,300	-	-	-
Cost of life insurance benefit	248	-	-	-	248
Discrete and certain other tax benefits	(9,384)	(8,274)	(857)	467	(23,018)
Adjusted income from continuing operations	$ 32,086	$ 18,954	$ 18,924	$ 9,220	$ 2,409
Diluted income per common share from continuing operations	$ 0.78	$ 0.41	$ 0.45	$ 0.21	$ 0.53
Adjusting items, net of tax:					
Acquisition costs	0.12	0.14	-	-	0.05
Special dividend ESOP charges	0.05	-	-	-	-
Secondary equity offering costs	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)	0.01	(0.53)
Adjusted earnings per common share from continuing operations	$ 0.76	$ 0.44	$ 0.43	$ 0.22	$ 0.06

GAAP to Non-GAAP reconciliation

GRIFFON CORPORATION AND SUBSIDIARIES

RECONCILIATION OF NON-GAAP MEASURES

SEGMENT ADJUSTED EBITDA - BY REPORTABLE SEGMENT

(Unaudited)

(in thousands)	Year Ended September 30,			Three Months Ended December 31,	
	2016	**2017**	**2018**	**2018**	**2017**
Home & Building Products					
Segment operating profit	$ 79,682	$ 89,495	$ 130,487	$ 39,545	$ 27,751
Depreciation and amortization	35,267	36,547	44,533	12,315	10,133
Acquisition costs	-	724	2,380	-	1,573
Segment adjusted EBITDA	114,949	126,766	177,400	51,860	39,457
Telephonics					
Segment operating profit	42,801	29,943	25,262	2,149	1,480
Depreciation and amortization	10,584	10,851	10,801	2,636	2,719
Contract settlement charges	-	5,137	-	-	-
Segment adjusted EBITDA	53,385	45,931	36,063	4,785	4,199
All segments:					
Income from operations - as reported	82,340	69,027	96,450	29,292	14,155
Unallocated amounts	40,393	42,398	45,812	11,398	10,436
Other, net	(250)	(880)	1,231	1,004	414
Corporate acquisition costs	-	8,893	5,217	-	1,612
Special dividend ESOP charges	-	-	3,220	-	-
Secondary equity offering costs	-	-	1,205	-	-
Cost of life insurance benefit	-	-	2,614	-	2,614
Segment operating profit from continuing operations	122,483	119,438	155,749	41,694	29,231
Segment depreciation and amortization	45,851	47,398	55,334	14,951	12,852
Acquisition costs	-	724	2,380	-	1,573
Contract settlement costs	-	5,137	-	-	-
Segment adjusted EBITDA from continuing operations	$ 168,334	$ 172,697	$ 213,463	$ 56,645	$ 43,656

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

Griffon CORPORATION