

GCP Applied Technologies

Q1 2017 Investor Highlights

May 9, 2017

Forward Looking Statements

This document contains, and our other public communications may contain, forward-looking statements, that is, information related to future, not past, events. Such statements generally include the words "believes," "plans," "intends," "targets," "will," "expects," "suggests," "anticipates," "outlook," "continues" or similar expressions. Forward-looking statements include, without limitation, statements about proposed transactions and the anticipated timing thereof; expected financial positions; results of operations; cash flows; financing plans; business strategy; operating plans; capital and other expenditures; competitive positions; growth opportunities for existing products; benefits from new technology and cost reduction initiatives, plans and objectives; and markets for securities. Like other businesses, we are subject to risks and uncertainties that could cause our actual results to differ materially from our projections or that could cause other forward-looking statements to prove incorrect. Factors that could cause actual events to materially differ from those contained in the forward-looking statements include, without limitation: the possibility that a transaction will not be completed, or if completed, not completed in the expected timeframe, and the potential that the expected strategic benefits or opportunities from a transaction may not be realized, or may take longer to realize than expected; risks related to foreign operations, especially in emerging regions; the cost and availability of raw materials and energy; the effectiveness of GCP's research and development and growth investments; acquisitions and divestitures of assets and gains and losses from dispositions; developments affecting GCP's outstanding indebtedness; developments affecting GCP's funded and unfunded pension obligations; GCP's legal and environmental proceedings; uncertainties related to the Company's ability to realize the anticipated benefits of the spin-off / separation from W.R. Grace; the inability to establish or maintain certain business relationships and relationships with customers and suppliers or the inability to retain key personnel; costs of compliance with environmental regulation and those factors set forth in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, which have been filed with the Securities and Exchange Commission ("SEC") and are available on the Internet at www.sec.gov. Our reported results should not be considered as an indication of our future performance. Readers are cautioned not to place undue reliance on our projections and forward-looking statements, which speak only as of the date thereof. We undertake no obligation to publicly release any revisions to the projections and forward-looking statements contained in this document, or to update them to reflect events or circumstances occurring after the date of this document.

Non-GAAP Financial Measures

These slides contain certain "non-GAAP financial measures". Please refer to the Appendix for definition of the non-GAAP financial measures used herein and a reconciliation of those non-GAAP financial measures to their most comparable GAAP measures.

Participants

Greg Poling

President and Chief Executive Officer

Dean Freeman

Vice President and Chief Financial Officer

GCP Applied Technologies: Transitioning to a Construction Products Technology Company

Divestiture of Darex on track for mid-year 2017 close

- Received necessary works council clearances
- Received anti-trust clearance in U.S., Germany, Brazil, Russia and Austria; filed for antitrust clearance in South Africa
- Have structured transitional services agreements

Signed definitive agreement to acquire Stirling Lloyd

- Specialty liquid waterproofing business servicing infrastructure and repair and renovation markets
- High-performance, sprayable waterproofing products
- Provides cross-selling opportunities for SBM global sales organization

Planning repositioning for \$20M targeted savings

- ~\$15M to eliminate costs reported in discontinued operations
- ~\$5M to eliminate costs and optimize organization

First Quarter 2017 Overview

All financial results are presented on a continuing operations basis

Net sales consistent with expectations (down 5% Y/Y to \$225M, down 1% ex-FX to \$235M)

- SCC sales⁽¹⁾ up 4% Y/Y on higher volumes in North America and price increases
- SBM sales⁽¹⁾ down 8% Y/Y due to comparative impact of more favorable construction season in the first quarter of 2016 and timing of projects in 2017

Adjusted EBIT⁽²⁾ declined 61% Y/Y to \$11M due to:

- Anticipated lower sales, higher SG&A expenses reflecting full run-rate costs of operating new company not included in 1Q16 and stranded costs associated with Darex divestiture

Net loss of (\$25M); Adjusted EPS⁽²⁾ of (\$0.06)

Cash used in operating activities of (\$28M); Adjusted FCF⁽²⁾ of (\$39M)

- Interest payment, incentives and inventory build in anticipation of higher demand

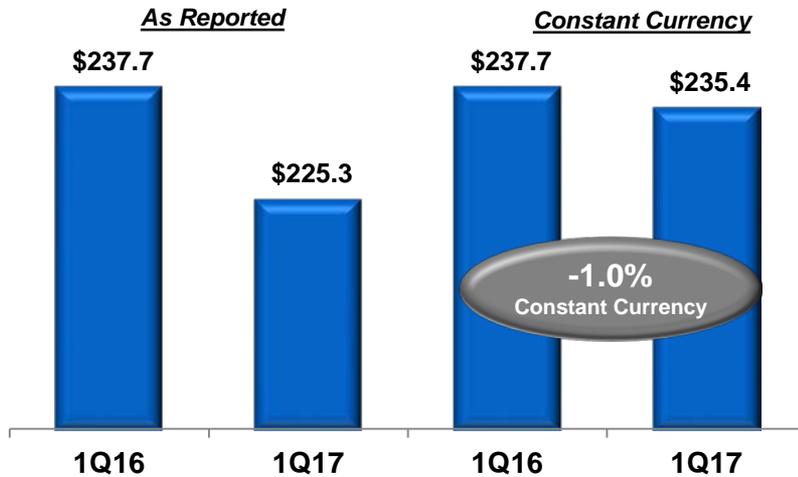
(1) In constant currency

(2) Refer to Appendix for reconciliations between GAAP and non-GAAP measures.

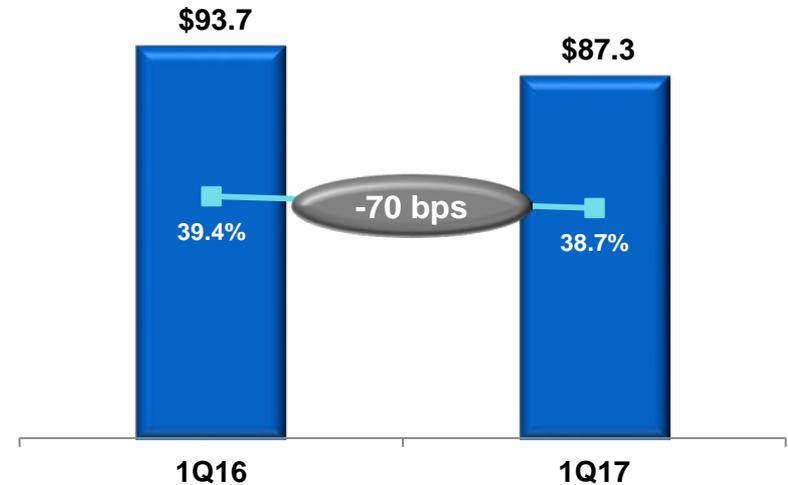
1Q17 Continuing Operations Summary

\$ in millions.

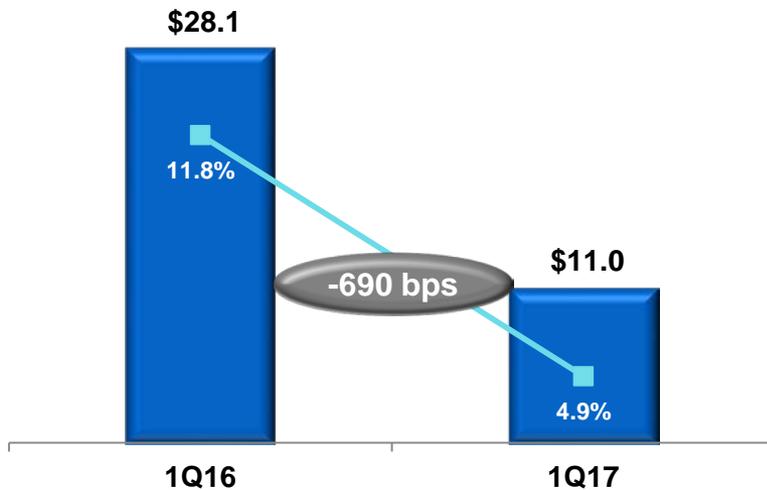
Net Sales



Adjusted Gross Profit⁽¹⁾



Adjusted EBIT⁽¹⁾



Adjusted FCF⁽¹⁾



(1) Refer to Appendix for reconciliations between GAAP and non-GAAP measures.

Specialty Construction Chemicals

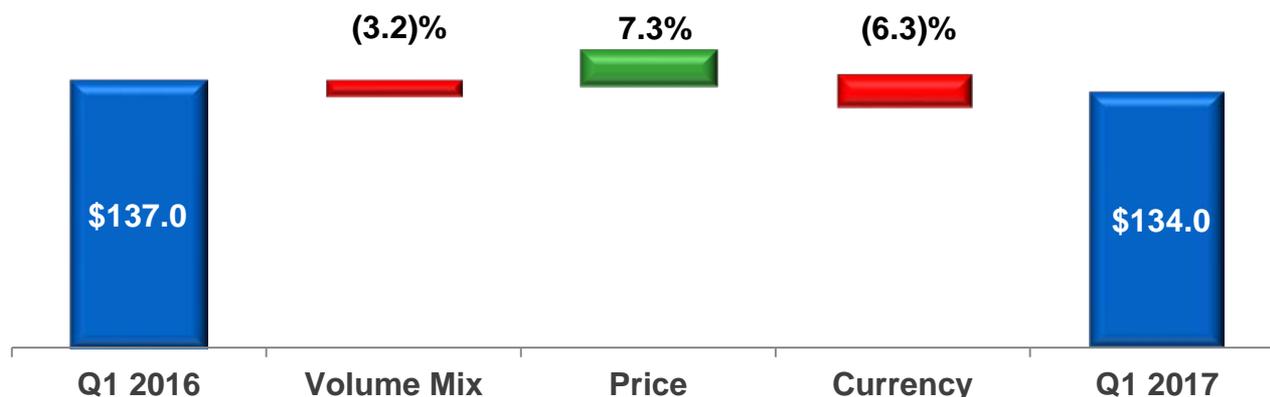
Markets, sells and manufactures concrete admixtures, cement additives and concrete production management systems

\$ in millions.

Q1 2017	\$/%	Delta YOY
Net Sales	\$134.0	(2)%
Net Sales ⁽¹⁾ (Constant Currency)	\$142.7	4%
Gross margin	35.7%	130 bps
Segment operating income	\$8.6	(13)%
Segment operating margin	6.4%	(80) Bps

- Constant currency sales⁽¹⁾ increase 4% Y/Y
 - Higher North American volumes and price increases partially offset by unfavorable volumes in other regions
- Gross margin increases 130 bps
 - Margin expansion reflects pricing and productivity programs partially offset by raw material inflation
- Segment operating income down 13% Y/Y
 - Decrease largely reflects allocation of corporate and global support costs not in prior year period

Factors Impacting Sales⁽¹⁾



(1) Refer to Appendix for reconciliations between GAAP and non-GAAP measures.

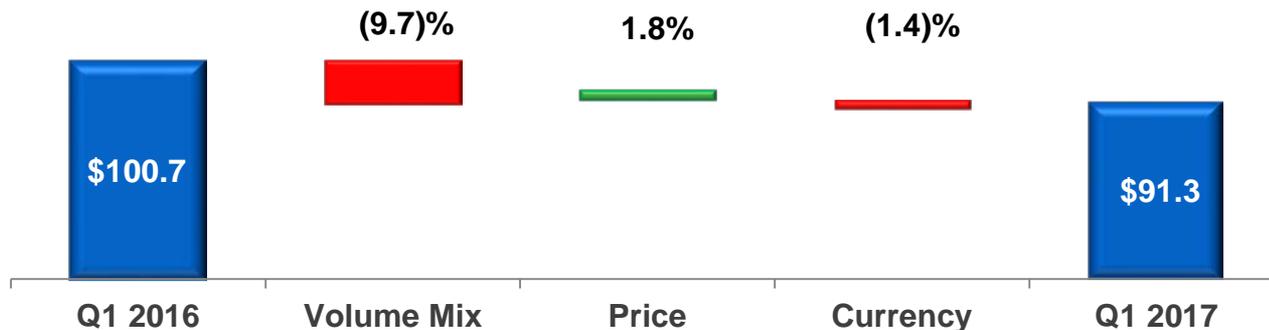
Specialty Building Materials

Markets, sells and manufactures building envelope, residential and specialty construction products

\$ in millions.

Q1 2017	\$/%	Delta YOY	
Net sales ⁽¹⁾	\$91.3	(9)%	<ul style="list-style-type: none"> • Constant currency sales^(1,2) decrease 8% Y/Y <ul style="list-style-type: none"> - Impact of project timing and more favorable construction season in 1Q16
Net Sales (Constant Currency) ⁽¹⁾	\$92.7	(8)%	<ul style="list-style-type: none"> • Gross margin decreases 300 bps <ul style="list-style-type: none"> - Lower volume of high margin products due to project timing and impact of Halex - Favorable price offsets raw material inflation
Gross margin	43.3%	(300) bps	
Segment operating income ⁽¹⁾	\$15.2	(45)%	
Segment operating margin ⁽¹⁾	16.6%	(1,100) bps	<ul style="list-style-type: none"> • Segment operating margin⁽¹⁾ drops to 17% <ul style="list-style-type: none"> - Decline due to lower volume and associated margin mix, timing of sales and marketing expenses, and allocation of corporate and global support costs not in prior year period

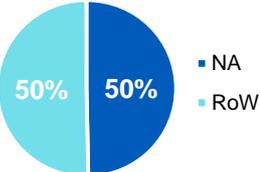
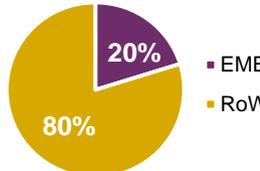
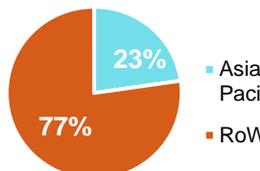
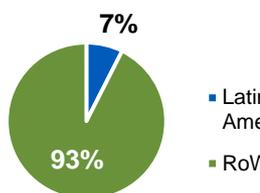
Factors Impacting Sales



(1) Includes the results of Halex Corporation

(2) Refer to Appendix for reconciliations between GAAP and non-GAAP measures.

2017 Regional Outlook

Region	% 1Q17 GCP Sales	Regional Outlook excluding Darex
North America	 <p>50% 50%</p> <ul style="list-style-type: none"> NA RoW 	<ul style="list-style-type: none"> Continue to expect growth across construction segments Additional infrastructure spending would extend cycle
EMEA	 <p>80% 20%</p> <ul style="list-style-type: none"> EMEA RoW 	<ul style="list-style-type: none"> Expect moderate growth in Europe
Asia Pacific	 <p>77% 23%</p> <ul style="list-style-type: none"> Asia Pacific RoW 	<ul style="list-style-type: none"> Modest growth, particularly in China Growth varies by country for rest of region
Latin America	 <p>93% 7%</p> <ul style="list-style-type: none"> Latin America RoW 	<ul style="list-style-type: none"> Region stabilizing with potential growth in 2017 compared to declines in 2016

2017 Annual Guidance for Continuing Operations

- Revenue growth 5% - 8%⁽¹⁾
- Adjusted EBIT of \$145 million to \$160 million⁽²⁾
- Tax rate 32% to 33%
- Adjusted EPS \$0.71 to \$0.88⁽³⁾
- Adjusted Free Cash Flow \$40 million to \$50 million
- Capital Expenditures ~5% sales

(1) 2017 GCP guidance assumes January 2017 FX rates carried forward into the guidance period

(2) Updated FY 2016 Adjusted EBIT baseline of \$143 million. The \$19 million difference from original FY 2016 Adjusted EBIT baseline of \$124 million is due to the reclassification of Darex costs to discontinued operations, including Darex's share of both pension expense and currency loss in Venezuela in 2016.

(3) Assumes 71.7M shares outstanding.

First Quarter 2017 Summary

- Began transformation into construction products technology company
- Darex sale process on track for mid-year 2017 close
- Executing on bolt-on M&A strategy
- Growth programs are gaining traction
- Planned realignment lowers costs and aligns resources with customers

Appendix

GCP Applied Technologies Inc.
Consolidated Statements of Operations (unaudited)

(In millions, except per share amounts)	Three Months Ended March 31,	
	2017	2016
Net sales	\$ 225.3	\$ 237.7
Cost of goods sold	140.0	144.5
Gross profit	85.3	93.2
Selling, general and administrative expenses	72.8	63.4
Research and development expenses	4.8	4.1
Interest expense and related financing costs	17.0	12.5
Repositioning expenses	2.0	4.3
Restructuring expenses	1.1	0.9
Other income (expense), net	1.0	(0.1)
Total costs and expenses	98.7	85.1
(Loss) income from continuing operations before income taxes	(13.4)	8.1
Provision for income taxes	(11.6)	(1.7)
(Loss) income from continuing operations	(25.0)	6.4
Income from discontinued operations, net of income taxes	8.1	11.8
Net (loss) income	(16.9)	18.2
Less: Net income attributable to noncontrolling interests	—	(0.4)
Net (loss) income attributable to GCP shareholders	\$ (16.9)	\$ 17.8
Amounts Attributable to GCP Shareholders:		
(Loss) income from continuing operations attributable to GCP shareholders	(25.0)	6.0
Income from discontinued operations, net of income taxes	8.1	11.8
Net (loss) income attributable to GCP shareholders	\$ (16.9)	\$ 17.8
Earnings Per Share Attributable to GCP Shareholders		
Basic earnings per share:		
(Loss) income from continuing operations attributable to GCP shareholders	\$ (0.35)	\$ 0.08
Income from discontinued operations, net of income taxes	\$ 0.11	\$ 0.17
Net (loss) income attributable to GCP shareholders	\$ (0.24)	\$ 0.25
Weighted average number of basic shares	71.2	70.6
Diluted earnings per share:		
(Loss) income from continuing operations attributable to GCP shareholders	\$ (0.35)	\$ 0.08
Income from discontinued operations, net of income taxes	\$ 0.11	\$ 0.17
Net (loss) income attributable to GCP shareholders	\$ (0.24)	\$ 0.25
Weighted average number of diluted shares	71.2	70.9

GCP Applied Technologies Inc.
Consolidated Balance Sheets (unaudited)

(In millions, except par value and shares)	March 31, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 109.5	\$ 146.1
Trade accounts receivable, less allowance of \$4.6 (2016—\$4.5)	169.4	166.6
Inventories	101.3	89.3
Other current assets	53.1	42.9
Current assets held for sale	120.3	108.9
Total Current Assets	553.6	553.8
Properties and equipment, net	191.5	192.2
Goodwill	115.1	114.9
Technology and other intangible assets, net	51.0	52.6
Deferred income taxes	59.0	76.9
Overfunded defined benefit pension plans	22.0	21.2
Other assets	23.7	22.4
Noncurrent assets held for sale	61.8	55.8
Total Assets	\$ 1,077.7	\$ 1,089.8
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current Liabilities		
Debt payable within one year	\$ 37.9	\$ 47.9
Accounts payable	104.7	95.4
Other current liabilities	96.9	119.5
Current liabilities held for sale	54.8	48.7
Total Current Liabilities	294.3	311.5
Debt payable after one year	782.7	783.0
Deferred income taxes	5.9	6.6
Unrecognized tax benefits	10.9	9.7
Underfunded and unfunded defined benefit pension plans	86.2	83.2
Other liabilities	13.8	13.9
Noncurrent liabilities held for sale	21.6	20.9
Total Liabilities	1,215.4	1,228.8
Commitments and Contingencies - Note 7		
Stockholders' (Deficit) Equity		
Common stock issued, par value \$0.01; 300,000,000 shares authorized; outstanding: 71,450,751	0.7	0.7
Paid-in capital	17.2	11.0
Accumulated deficit	(21.6)	(4.7)
Accumulated other comprehensive loss	(135.0)	(147.6)
Treasury stock	(3.0)	(2.1)
Total GCP's Shareholders' (Deficit) Equity	(141.7)	(142.7)
Noncontrolling interests	4.0	3.7
Total Stockholders' (Deficit) Equity	(137.7)	(139.0)
Total Liabilities and Stockholders' (Deficit) Equity	\$ 1,077.7	\$ 1,089.8

GCP Applied Technologies Inc.
Consolidated Statements of Cash Flows (unaudited)

(In millions)	Three Months Ended March 31,	
	2017	2016
OPERATING ACTIVITIES		
Net (loss) income	\$ (16.9)	\$ 18.2
Less: Income from discontinued operations	8.1	11.8
(Loss) income from continuing operations	(25.0)	6.4
Reconciliation to net cash (used in) provided by operating activities:		
Depreciation and amortization	8.4	7.4
Amortization of debt discount and financing costs	0.8	0.5
Stock-based compensation expense	2.1	1.1
Currency and other losses in Venezuela	0.1	0.1
Deferred income taxes	8.5	(7.4)
(Gain) loss on disposal of property and equipment	(0.8)	0.7
Changes in assets and liabilities, excluding effect of currency translation:		
Trade accounts receivable	(0.4)	(5.5)
Inventories	(12.7)	(1.0)
Accounts payable	16.7	7.3
Pension assets and liabilities, net	1.9	1.1
Other assets and liabilities, net	(27.6)	(2.5)
Net cash (used in) provided by operating activities from continuing operations	(28.0)	8.2
Net cash provided by operating activities from discontinued operations	14.3	16.3
Net cash (used in) provided by operating activities	(13.7)	24.5
INVESTING ACTIVITIES		
Capital expenditures	(12.7)	(12.7)
Other investing activities	2.9	0.1
Net cash used in investing activities from continuing operations	(9.8)	(12.6)
Net cash used in investing activities from discontinued operations	(2.4)	(1.0)
Net cash used in investing activities	(12.2)	(13.6)
FINANCING ACTIVITIES		
Borrowings under credit arrangements	1.6	283.1
Repayments under credit arrangements	(13.0)	(9.1)
Proceeds from issuance of notes	—	525.0
Cash paid for debt financing costs	—	(18.2)
Share repurchase under GCP 2016 Stock Incentive Plan	(0.9)	(1.7)
Proceeds from exercise of stock options	3.5	0.2
Transfers to parent, net	—	(758.7)
Net cash (used in) provided by financing activities from continuing operations	(8.8)	20.6
Net cash provided by (used in) financing activities from discontinued operations	0.4	(5.8)
Net cash (used in) provided by financing activities	(8.4)	14.8
Effect of currency exchange rate changes on cash and cash equivalents	2.8	2.4
(Decrease) increase in cash and cash equivalents	(31.5)	28.1
Cash and cash equivalents, beginning of period	163.3	98.6
Cash and cash equivalents, end of period	131.8	126.7
Less: Cash and cash equivalents of discontinued operations	22.3	15.9
Cash and cash equivalents of continuing operations, end of period	\$ 109.5	\$ 110.8

Analysis of Operations

The Company has set forth in the table below GCP's key operating statistics with percentage changes for the first quarter compared with the corresponding prior-year periods. In the table, the Company presents financial information in accordance with U.S. GAAP, as well as certain non-GAAP financial measures, which it describes below in further detail. GCP believes that the non-GAAP financial information supplements its discussions about the performance of its businesses, improves period-to-period comparability and provides insight to the information that management uses to evaluate the performance of its businesses. Management uses non-GAAP measures in financial and operational decision-making processes, for internal reporting, and as part of its forecasting and budgeting processes, as these measures provide additional transparency to GCP's core operations.

In the table, the Company has provided reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP. These non-GAAP financial measures should not be considered substitutes for financial measures calculated in accordance with U.S. GAAP, and the financial results that the Company calculates and presents in the table in accordance with U.S. GAAP, as well as the corresponding reconciliations from those results, should be carefully evaluated.

Constant currency means current period revenue in local currency translated using prior period exchange rates. GCP uses constant currency in assessing trends in sales excluding the impact of fluctuations in foreign currency exchange rates.

Adjusted EBIT (a non-GAAP financial measure) means net income from continuing operations attributable to GCP shareholders adjusted for interest income; interest expense and related financing costs; income taxes; restructuring and repositioning expenses and asset impairments; pension costs other than service and interest costs, expected returns on plan assets, and amortization of prior service costs/credits; income and expense items related to certain product lines and investments; gains and losses on sales of businesses, product lines and certain other investments; third-party acquisition-related costs; tax indemnification adjustments, and certain other items that are not representative of underlying trends. GCP uses Adjusted EBIT to assess and measure its operating performance and in determining performance-based compensation. GCP uses Adjusted EBIT as a performance measure because it provides improved period-to-period comparability for management's decision-making and compensation purposes and because it allows management to measure the ongoing earnings results of the Company's strategic and operating decisions. The Company defines Adjusted EBITDA (a non-GAAP financial measure) to be Adjusted EBIT adjusted for depreciation and amortization. GCP uses Adjusted EBITDA as a performance measure in making significant business decisions.

Adjusted EBITDA (a non-GAAP financial measure) means Adjusted EBIT adjusted for depreciation and amortization. GCP uses Adjusted EBITDA as a performance measure in making significant business decisions.

Adjusted Earnings Per Share (a non-GAAP financial measure) means earnings per share ("EPS") from continuing operations on a diluted basis adjusted for costs related to restructuring and repositioning expenses and asset impairments; pension costs other than service and interest costs, expected return on plan assets, and amortization of prior service costs/credits; gains and losses on sales of businesses, product lines and certain other investments; third-party acquisition-related costs; tax indemnification adjustments, other financing costs associated with the modification or extinguishment of debt; certain other items that are not representative of underlying trends; and certain discrete tax items. GCP uses Adjusted EPS as a performance measure to review its diluted earnings per share results on a consistent basis.

Adjusted Gross Profit (a non-GAAP financial measure) means gross profit adjusted for pension-related costs included in cost of goods sold. Adjusted Gross Margin means Adjusted Gross Profit divided by net sales. Management uses this performance measure to understand trends and changes and to make business decisions regarding core operations.

Adjusted Free Cash Flow (a non-GAAP financial measure) means net cash provided by or used for operating activities minus capital expenditures plus cash paid for restructuring and repositioning; taxes paid for repositioning; capital expenditures related to repositioning; accelerated payments under defined benefit pension arrangements; and expenditures for legacy items. GCP uses Adjusted Free Cash Flow as a liquidity measure to evaluate its ability to generate cash to support its ongoing business operations, to invest in its businesses, to provide a return of capital to shareholders and to determine payments of performance-based compensation.

Adjusted EBIT Return On Invested Capital (a non-GAAP financial measure) means Adjusted EBIT (on a trailing four quarters basis) divided by the sum of net working capital, properties and equipment and certain other assets and liabilities. Management uses Adjusted EBIT Return On Invested Capital as a performance measure to review investments and to make capital allocation decisions.

Adjusted EBIT, Adjusted EBITDA, Adjusted EPS, Adjusted EBIT Return on Invested Capital, Adjusted Gross Margin, and Adjusted Free Cash Flow do not purport to represent income measures as defined under U.S. GAAP. These measures are provided to improve the period-to-period comparability and peer-to-peer comparability of GCP's financial results and to ensure that investors understand the information GCP uses to evaluate the performance of its businesses.

Adjusted EBIT has material limitations as an operating performance measure because it excludes costs related to income and expenses from restructuring and repositioning activities, which historically has been a material component of our net income. Adjusted EBITDA also has material limitations as an operating performance measure because it excludes the impact of depreciation and amortization expense. GCP's business is substantially dependent on the successful deployment of capital, and depreciation and amortization expense is a necessary element of its costs. GCP compensates for the limitations of these measurements by using these indicators together with net income as measured under GAAP to present a complete analysis of its results of operations. Adjusted EBIT and Adjusted EBITDA should be evaluated together with net income measured under GAAP for a complete understanding of GCP's results of operations.

The Company does not provide GAAP earnings on a forward-looking basis because the Company is unable to estimate with reasonable certainty unusual or unanticipated charges, expenses or gains without unreasonable effort. These items are uncertain, depend on various factors, and could be material to the Company's results computed in accordance with GAAP.

GCP Applied Technologies Inc.
Analysis of Operations (unaudited)

Analysis of Operations (In millions, except per share amounts)	Three Months Ended March 31,		
	2017	2016	% Change
Net sales:			
Specialty Construction Chemicals	\$ 134.0	\$ 137.0	(2.2)%
Specialty Building Materials	91.3	100.7	(9.3)%
Total GCP net sales	\$ 225.3	\$ 237.7	(5.2)%
Net sales by region:			
North America	\$ 111.9	\$ 112.6	(0.6)%
Europe Middle East Africa (EMEA)	45.5	55.1	(17.4)%
Asia Pacific	51.2	54.9	(6.7)%
Latin America	16.7	15.1	10.6 %
Total net sales by region	\$ 225.3	\$ 237.7	(5.2)%
Net Sales, Constant Currency:			
Specialty Construction Chemicals	\$ 142.7	\$ 137.0	4.2 %
Specialty Building Materials	92.7	100.7	(7.9)%
Total GCP Net Sales, Constant Currency (non-GAAP)	\$ 235.4	\$ 237.7	(1.0)%
Profitability performance measures:			
Adjusted EBIT(A):			
Specialty Construction Chemicals segment operating income	\$ 8.6	\$ 9.9	(13.1)%
Specialty Building Materials segment operating income	15.2	27.8	(45.3)%
Corporate costs(B)	(10.2)	(7.7)	(32.5)%
Certain pension costs(C)	(2.6)	(1.9)	(36.8)%
Adjusted EBIT (non-GAAP)	11.0	28.1	(60.9)%
Repositioning expenses	(2.0)	(4.3)	53.5 %
Restructuring expenses	(1.1)	(0.9)	(22.2)%
Pension MTM adjustment and other related costs, net	—	(2.7)	NM
Third-party acquisition-related costs	(0.4)	—	NM
Amortization of acquired inventory fair value adjustment	(1.5)	—	NM
Tax indemnification adjustments	(2.4)	—	NM
Interest expense, net	(17.0)	(12.5)	36.0 %
Provision for income taxes	(11.6)	(1.7)	NM
Net (loss) income from continuing operations attributable to GCP shareholders (GAAP)	\$ (25.0)	\$ 6.0	NM
Diluted EPS from continuing operations (GAAP)	\$ (0.35)	\$ 0.08	NM
Adjusted EPS (non-GAAP)	\$ (0.06)	\$ 0.15	NM

GCP Applied Technologies Inc.
Analysis of Operations (unaudited) (continued)

Analysis of Operations (In millions)	Three Months Ended March 31,		
	2017	2016	% Change
Adjusted profitability performance measures:			
Gross Profit:			
Specialty Construction Chemicals	\$ 47.8	\$ 47.1	1.5 %
Specialty Building Materials	39.5	46.6	(15.2)%
Adjusted Gross Profit (non-GAAP)	87.3	93.7	(6.8)%
Amortization of acquired inventory fair value adjustment	(1.5)	—	NM
Pension costs in cost of goods sold	(0.5)	(0.3)	(66.7)%
Total GCP Gross Profit (GAAP)	85.3	93.4	(8.7)%
Gross Margin:			
Specialty Construction Chemicals	35.7 %	34.4 %	1.3 pts
Specialty Building Materials	43.3 %	46.3 %	(3.0) pts
Adjusted Gross Margin (non-GAAP)	38.7 %	39.4 %	(0.7) pts
Amortization of acquired inventory fair value adjustment	(0.7)%	— %	NM
Pension costs in cost of goods sold	(0.2)%	(0.1)%	(0.1) pts
Total GCP Gross Margin (GAAP)	37.8 %	39.3 %	(1.5) pts
Adjusted EBIT(A)(B)(C):			
Specialty Construction Chemicals segment operating income	\$ 8.6	\$ 9.9	(13.1)%
Specialty Building Materials segment operating income	15.2	27.8	(45.3)%
Corporate and certain pension costs	(12.8)	(9.6)	(33.3)%
Total GCP Adjusted EBIT (non-GAAP)	11.0	28.1	(60.9)%
Depreciation and amortization:			
Specialty Construction Chemicals	\$ 5.1	\$ 4.8	6.3 %
Specialty Building Materials	2.9	2.2	31.8 %
Corporate	0.4	0.4	— %
Total GCP	8.4	7.4	13.5 %
Adjusted EBITDA:			
Specialty Construction Chemicals	\$ 13.7	\$ 14.7	(6.8)%
Specialty Building Materials	18.1	30.0	(39.7)%
Corporate and certain pension costs	(12.4)	(9.2)	(34.8)%
Total GCP Adjusted EBITDA (non-GAAP)	19.4	35.5	(45.4)%
Adjusted EBIT Margin:			
Specialty Construction Chemicals	6.4 %	7.2 %	(0.8) pts
Specialty Building Materials	16.6 %	27.6 %	(11.0) pts
Total GCP Adjusted EBIT Margin (non-GAAP)	4.9 %	11.8 %	(6.9) pts
Adjusted EBITDA Margin:			
Specialty Construction Chemicals	10.2 %	10.7 %	(0.5) pts
Specialty Building Materials	19.8 %	29.8 %	(10.0) pts
Total GCP Adjusted EBITDA Margin (non-GAAP)	8.6 %	14.9 %	(6.3) pts

Analysis of Operations (In millions)	Four Quarters Ended	
	March 31, 2017	March 31, 2016
Calculation of Adjusted EBIT Return On Invested Capital (trailing four quarters):		
Adjusted EBIT	\$ 125.3	\$ 157.9
Invested Capital:		
Trade accounts receivable	169.4	168.4
Inventories	101.3	79.2
Accounts payable	(104.7)	(93.3)
	166.0	154.3
Other current assets (excluding income taxes and related party loans receivable)	35.0	24.0
Properties and equipment, net	191.5	182.1
Goodwill	115.1	99.7
Technology and other intangible assets, net	51.0	32.7
Investment in unconsolidated affiliate	—	—
Other assets (excluding capitalized financing fees)	19.7	17.2
Other current liabilities (excluding income taxes, restructuring, repositioning and accrued interest)	(81.4)	(76.2)
Other liabilities (excluding other postretirement benefits liability)	(13.8)	(9.1)
Total invested capital	\$ 483.1	\$ 424.7
Adjusted EBIT Return On Invested Capital (non-GAAP)	25.9%	37.2%

Amounts may not add due to rounding.

- (A) GCP's segment operating income includes only GCP's share of income of consolidated joint ventures.
- (B) Management allocates all costs within corporate to each segment to the extent such costs are directly attributable to the segments. Corporate costs include approximately \$3.0 million and \$1.6 million of allocated costs in the three months ended March 31, 2017 and 2016, respectively, that were previously reported within the Darex operating segment. Such costs did not qualify to be reclassified to discontinued operations.
- (C) Certain pension costs include only ongoing costs recognized quarterly, which include service and interest costs, expected returns on plan assets, and amortization of prior service costs/credits. Other pension related costs including annual mark-to-market adjustments, actuarial gains and losses, gains or losses from curtailments and terminations, and other related costs are excluded from Adjusted EBIT. These amounts are not used by management to evaluate the performance of the GCP businesses and significantly affect the peer-to-peer and quarter-to-quarter comparability of our financial results. Mark-to-market adjustments, actuarial gains and losses, and other related costs relate primarily to changes in financial market values and actuarial assumptions and are not directly related to the operation of the GCP businesses. SCC and SBM segment operating income and corporate costs do not include any amounts for pension cost.
- NM Not meaningful.

GCP Applied Technologies Inc.
Analysis of Operations (unaudited) (continued)

(In millions)	Three Months Ended March 31,	
	2017	2016
Cash flow measure:		
Net cash (used in) provided by operating activities from continuing operations	\$ (28.0)	\$ 8.2
Capital expenditures	(12.7)	(12.7)
Free Cash Flow (non-GAAP)	(40.7)	(4.5)
Cash paid for repositioning	1.1	3.9
Cash paid for restructuring	0.3	1.8
Capital expenditures related to repositioning	0.8	0.9
Cash taxes related to repositioning and restructuring	—	5.9
Accelerated pension plan contributions	—	1.0
Adjusted Free Cash Flow (non-GAAP)	\$ (38.5)	\$ 9.0

GCP Applied Technologies Inc.
Adjusted Earnings Per Share (unaudited)

(In millions, except per share amounts)	Three Months Ended March 31,							
	2017				2016			
	Pre-Tax	Tax Effect	After-Tax	Per Share	Pre-Tax	Tax Effect	After-Tax	Per Share
Diluted EPS from continuing operations (GAAP)				\$ (0.35)				\$ 0.08
Repositioning expenses	\$ 2.0	\$ 0.8	\$ 1.2	0.02	\$ 4.3	\$ 1.7	\$ 2.6	0.04
Restructuring expenses	1.1	0.3	0.8	0.01	0.9	0.3	0.6	0.01
Pension MTM adjustment and other related costs, net	—	—	—	—	2.7	1.0	1.7	0.02
Third-party acquisition-related costs	0.4	0.2	0.2	—	—	—	—	—
Amortization of acquired inventory fair value adjustment	1.5	0.6	0.9	0.01	—	—	—	—
Tax indemnification adjustments	2.4	0.9	1.5	0.02	—	—	—	—
Discrete tax items:								
Discrete tax items, including adjustments to uncertain tax positions	—	(16.7)	16.7	0.23	—	(0.1)	0.1	—
Adjusted EPS (non-GAAP)				\$ (0.06)				\$ 0.15