



CREATING
PEAK VALUE

Apogee Enterprises, Inc.

Fiscal 2023 Second Quarter Earnings Call

September 20, 2022

Non-GAAP measures & forward-looking statements

This presentation contains non-GAAP financial measures which the company uses to evaluate historical and prospective financial performance, measure operational profitability on a consistent basis, and provide enhanced transparency to the investment community. Definitions for these non-GAAP financial measures are included in today's press release and reconciliations to the most directly comparable GAAP measures are included at the end of this presentation.

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "intend," "estimate," "forecast," "project," "should" and similar expressions are intended to identify "forward-looking statements". These statements reflect Apogee management's expectations or beliefs as of the date of this release. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These forward-looking statements are subject to significant risks that could cause actual results to differ materially from the expectations reflected in the forward-looking statements. Such risks and uncertainties include our ability to successfully implement our new enterprise strategy and execute our priorities for fiscal year 2023, manage inflation and supply chain challenges, realize the benefits of our recent restructuring actions, and achieve operational improvements. More information concerning potential factors that could affect future financial results is included in the company's Annual Report on Form 10-K for the fiscal year ended February 26, 2022, and in subsequent filings with the U.S. Securities and Exchange Commission.

Agenda

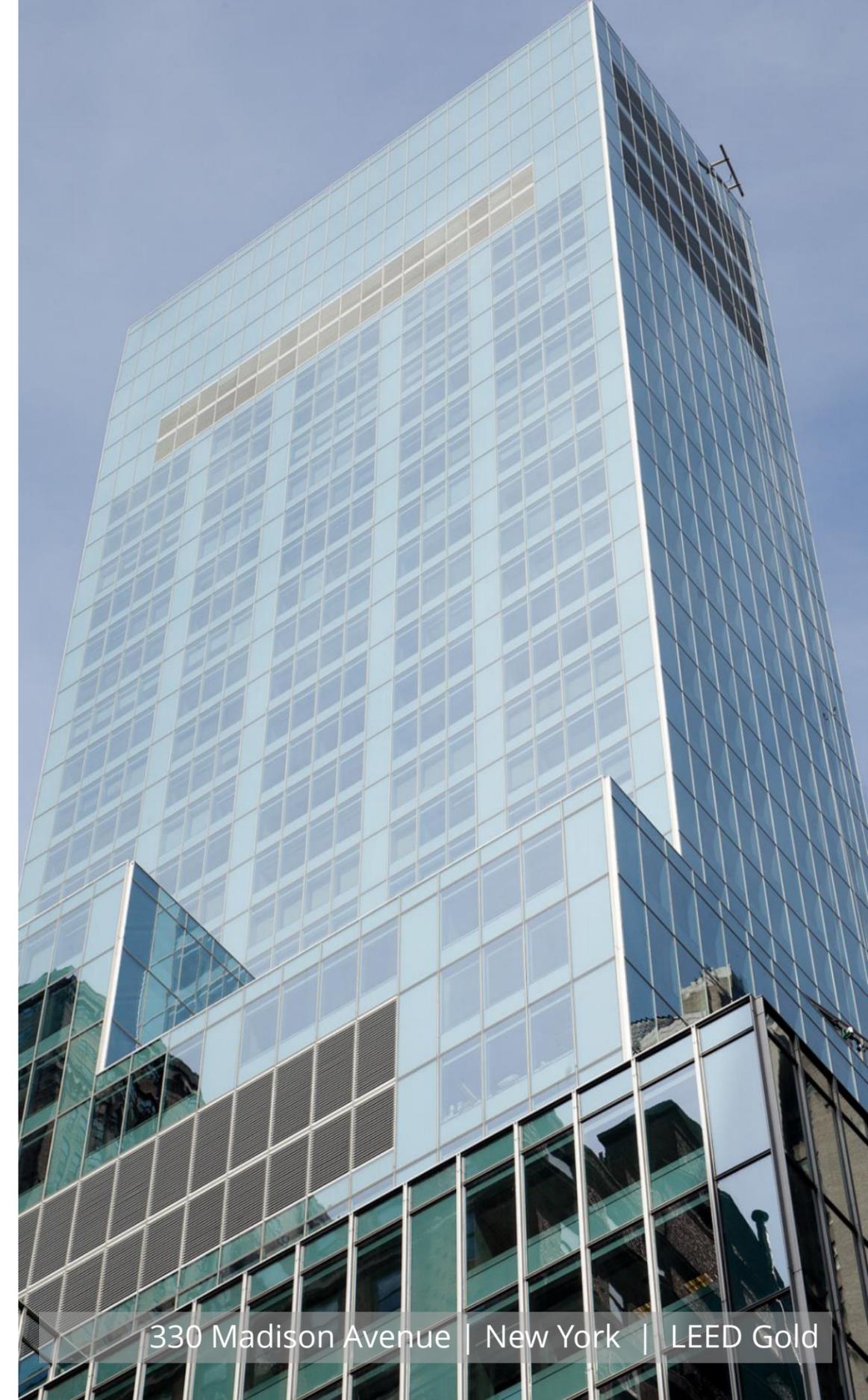
Introductory remarks

Ty Silberhorn
Chief Executive Officer

Financial results and outlook

Mark Augdahl
Interim Chief Financial Officer

Q&A



Executing our Enterprise Strategy

Three Pillar Enterprise Strategy

To Unlock Profitable Growth

1

ECONOMIC LEADER
IN TARGET MARKETS

2

ACTIVELY MANAGE
THE PORTFOLIO

3

STRENGTHEN CORE
CAPABILITIES & PLATFORMS

FOUNDATIONAL ENABLERS

- Results-driven Culture
- Talent Development
- Apogee Management System
- Best-in-class Governance

FY2023 Second Quarter Highlights

- Record quarterly revenue and earnings per share
- Effectively managing pricing and costs to offset inflation
- Achieving benefits from restructuring and cost saving actions
- Lean efforts driving productivity gains, especially in Glass
- Increased backlog, driven by project wins in Services
- Increasing full-year earnings guidance

Net sales

\$372 M

+14% year-over-year

**Adjusted
operating
margin***

8.6%

+320 bps year-over-year

**Adjusted
EPS***

\$1.06

+100% year-over-year

*Non-GAAP metric, see reconciliation table

Execution of our strategy is driving improved results

FY2023 Priorities

1

**ECONOMIC
LEADER**
IN TARGET
MARKETS

- Advance Lean / Continuous Improvement initiative
- Drive effective price management
- Invest to grow value-add offerings

KPI

Margin
expansion

2

**ACTIVELY
MANAGE**
THE PORTFOLIO

- Strengthen M&A capabilities
- Integrate Sotawall
- Increase mix of differentiated products & services

ROIC
improvement

3

**STRENGTHEN
CORE**
CAPABILITIES &
PLATFORMS

- Grow our talent development investments
- Drive process standardization
- Advance transformation initiatives

Transformation
investment

Consolidated Results

Second quarter

\$ in millions, except EPS	Q2 FY23	Q2 FY22	Change
Net sales	\$372	\$326	14%
Adjusted operating income*	\$32.1	\$17.7	81%
Adjusted operating margin*	8.6%	5.4%	320 bps
Adjusted EBITDA*	\$42.5	\$30.7	39%
Adjusted diluted EPS*	\$1.06	\$0.53	100%

Year-to-date

\$ in millions, except EPS	FY23	FY22	Change
Net sales	\$729	\$652	12%
Adjusted operating income*	\$65.3	\$33.8	93%
Adjusted operating margin*	9.0%	5.2%	380 bps
Adjusted EBITDA*	\$85.3	\$59.4	44%
Adjusted diluted EPS*	\$2.06	\$0.95	117%

*Non-GAAP metric, see reconciliation table

Segment Results

Second quarter FY2023

	Revenue \$M	Adjusted operating margin*
Architectural Framing Systems <i>Year-over-year change</i>	\$173 <i>26%</i>	11.9% <i>430 bps</i>
Architectural Services <i>Year-over-year change</i>	\$107 <i>11%</i>	5.1% <i>(230) bps</i>
Architectural Glass <i>Year-over-year change</i>	\$77 <i>(3)%</i>	8.3% <i>780 bps</i>
Large-Scale Optical <i>Year-over-year change</i>	\$25 <i>7%</i>	23.8% <i>50 bps</i>

Year-to-date FY2023

	Revenue \$M	Adjusted operating margin*
Architectural Framing Systems <i>Year-over-year change</i>	\$336 <i>23%</i>	13.1% <i>620 bps</i>
Architectural Services <i>Year-over-year change</i>	\$210 <i>12%</i>	4.0% <i>(210) bps</i>
Architectural Glass <i>Year-over-year change</i>	\$154 <i>(5)%</i>	7.6% <i>600 bps</i>
Large-Scale Optical <i>Year-over-year change</i>	\$50 <i>5%</i>	24.8% <i>110 bps</i>

*Non-GAAP metric, see reconciliation table

Cash Flow and Balance Sheet

\$ in millions	Twenty-Six Weeks Ended Aug 27, 2022	Twenty-Six Weeks Ended Aug 28, 2021
Cash flow from operations	\$(2.6)	\$54.9
Capital expenditures	\$9.3	\$10.1
Free cash flow*	\$(11.9)	\$44.8
Total debt	\$250.8	\$163.0
Cash & equivalents	\$22.1	\$61.8
Net debt**	\$228.8	\$101.2
Share repurchases	\$74.3	\$22.4
Dividends	\$9.6	\$10.1

*Free cash flow is a non-GAAP metric which the company defines as cash flow from operations less capital expenditures.

**Net debt is a non-GAAP metric which the company defines as total debt (current debt plus long-term debt) less cash and equivalents

Commentary

- Cash from operations improved significantly in Q2 compared to Q1
- Lower YTD cash flow due to increased working capital tied to revenue growth and inflation
- Refinanced our credit facility during the quarter
 - Increased revolver to \$385 million
 - Extended maturity to 2027
 - Lowered borrowing costs
 - Increased financial flexibility
- Returned \$84 million of cash to shareholders YTD

Strong financial position with flexibility to support our strategy and drive value

FY2023 Outlook

**Adjusted
earnings
per share***

\$3.75 to \$4.05

Increased from previous range of \$3.50 to \$3.90

*A reconciliation of non-GAAP guidance on adjusted EPS to GAAP guidance is not available on a forward-looking basis without unreasonable effort due to the uncertainty of future adjustments, although it is important to note that these factors could be material to Apogee's results computed in accordance with GAAP.

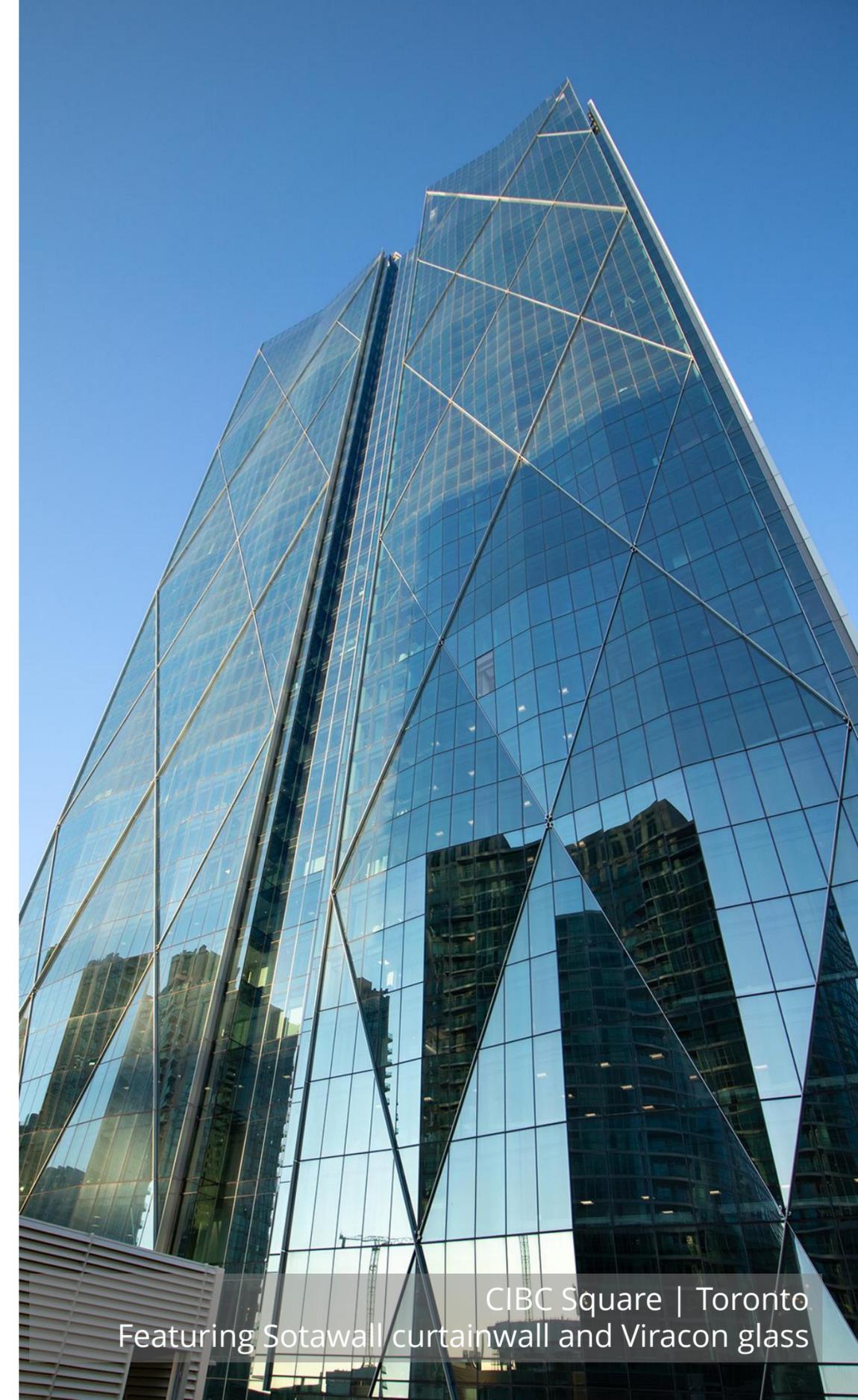
Key Assumptions

- Expect full year revenue growth of 8-10%, primarily driven by Framing Systems
- Expect full-year margin expansion, primarily driven by improved performance in Framing Systems and Glass
- Anticipate continued challenges from inflation and supply chain
- CapEx of approximately \$40 million
- Long-term average tax rate of approximately 24.5%

Increasing our full-year outlook

Concluding Remarks

- Execution of our strategy is driving improved results
- Strengthening operational execution and productivity
- Effectively managing pricing and costs to offset inflation
- Positioning the company to outperform, regardless of the cycle
- Increasing our full-year guidance



CIBC Square | Toronto
Featuring Sotawall curtainwall and Viracon glass

Q&A



enterprises, inc.

Reconciliation of non-GAAP financial measures

Adjusted net earnings and adjusted earnings per diluted common share

(Unaudited)

<i>In thousands</i>	Three Months Ended	Three Months Ended	Six Months Ended	Six Months Ended
	August 27, 2022	August 28, 2021	August 27, 2022	August 28, 2021
Net earnings (loss)	\$ 37,389	\$ (2,116)	\$ 60,120	\$ 8,701
Worthless stock deduction (1)	(13,702)	—	(13,702)	—
Restructuring costs (2)	—	20,814	—	20,814
Income tax impact on above adjustments (3)	—	(5,203)	—	(5,203)
Adjusted net earnings	\$ 23,687	\$ 13,495	\$ 46,418	\$ 24,312
	Three Months Ended	Three Months Ended	Six Months Ended	Six Months Ended
	August 27, 2022	August 28, 2021	August 27, 2022	August 28, 2021
Earnings (loss) per diluted common share	\$ 1.68	\$ (0.08)	\$ 2.66	\$ 0.34
Worthless stock deduction (1)	(0.62)	—	(0.61)	—
Restructuring costs (2)	—	0.82	—	0.81
Income tax impact on above adjustments (3)	—	(0.20)	—	(0.20)
Adjusted earnings per diluted common share	\$ 1.06	\$ 0.53	\$ 2.06	\$ 0.95
Shares outstanding for EPS	22,245	25,140	22,563	25,637

Per share amounts are computed independently for each of the items presented so the sum of the items may not equal the total amount.

(1) Adjustment related to income tax benefit from worthless stock deduction related to the Sotawall business.

(2) Adjustment related to previously announced decision to exit certain operations in the Architectural Glass segment and reorganize operations within the Architectural Framing Systems segment, including \$15.4 million of asset impairment charges, \$4.3 million of employee termination costs and \$1.1 million of other costs associated with these restructuring plans.

(3) Income tax impact calculated using an estimated statutory tax rate of 25%, which reflects the estimated blended statutory tax rate for the jurisdiction in which the charge or income occurred.

Reconciliation of non-GAAP financial measures

Adjusted operating income and adjusted operating margin (Unaudited)

<i>In thousands</i>	Three Months Ended August 27, 2022						
	Framing Systems Segment		Glass Segment		Corporate	Consolidated	
	Operating income	Operating margin	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating income (loss)	\$ 20,512	11.9%	\$ 6,457	8.3%	\$ (6,378)	\$ 32,072	8.6%

<i>In thousands</i>	Three Months Ended August 28, 2021						
	Framing Systems Segment		Glass Segment		Corporate	Consolidated	
	Operating income	Operating margin	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating income (loss)	\$ 8,381	6.1%	\$ (16,995)	(21.4)%	\$ (7,076)	\$ (3,068)	(0.9)%
Restructuring costs (1)	2,048	1.5%	17,391	21.9%	1,375	20,814	6.4%
Adjusted operating income (loss)	\$ 10,429	7.6%	\$ 396	0.5%	\$ (5,701)	\$ 17,746	5.4%

(1) Adjustment related to previously announced decision to exit certain operations in the Architectural Glass segment and reorganize operations within the Architectural Framing Systems segment, including \$15.4 million of asset impairment charges, \$4.3 million of employee termination costs and \$1.1 million of other costs associated with these restructuring plans.

Reconciliation of non-GAAP financial measures

Adjusted operating income and adjusted operating margin (Unaudited)

<i>In thousands</i>	Six Months Ended August 27, 2022						
	Framing Systems Segment		Glass Segment		Corporate	Consolidated	
	Operating income	Operating margin	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating income (loss)	\$ 44,177	13.1%	\$ 11,626	7.6%	\$ (11,421)	\$ 65,288	9.0%

<i>In thousands</i>	Six Months Ended August 28, 2021						
	Framing Systems Segment		Glass Segment		Corporate	Consolidated	
	Operating income	Operating margin	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating income (loss)	\$ 16,752	6.1%	\$ (14,867)	(9.2)%	\$ (11,607)	\$ 12,973	2.0%
Restructuring costs (1)	2,048	0.8%	17,391	10.7%	1,375	20,814	3.2%
Adjusted operating income (loss)	\$ 18,800	6.9%	\$ 2,524	1.6%	\$ (10,232)	\$ 33,787	5.2%

(1) Adjustment related to previously announced decision to exit certain operations in the Architectural Glass segment and reorganize operations within the Architectural Framing Systems segment, including \$15.4 million of asset impairment charges, \$4.3 million of employee termination costs and \$1.1 million of other costs associated with these restructuring plans.

Reconciliation of non-GAAP financial measures

EBITDA and Adjusted EBITDA (Unaudited)

	Three Months Ended	Three Months Ended	Six Months Ended	Six Months Ended
<i>In thousands</i>	August 27, 2022	August 28, 2021	August 27, 2022	August 28, 2021
Net earnings (loss)	\$ 37,389	\$ (2,116)	\$ 60,120	\$ 8,701
Income tax (benefit) expense	(7,188)	(1,919)	781	1,753
Interest expense, net	1,698	1,072	2,904	2,310
Depreciation and amortization	10,599	12,828	21,448	25,808
EBITDA	\$ 42,498	\$ 9,865	\$ 85,253	\$ 38,572
Restructuring costs (1)	—	20,814	—	20,814
Adjusted EBITDA	\$ 42,498	\$ 30,679	\$ 85,253	\$ 59,386

(1) Adjustment related to previously announced decision to exit certain operations in the Architectural Glass segment and reorganize operations within the Architectural Framing Systems segment, including \$15.4 million of asset impairment charges, \$4.3 million of employee termination costs and \$1.1 million of other costs associated with these restructuring plans.

Fiscal 2022 Pro Forma Segment Results

Fiscal 2022 Reclassified Pro Forma Segment Data (unaudited)

Net Sales for FY2022					
<i>(in thousands)</i>	Q1	Q2	Q3	Q4	FY 2022
Architectural Framing Systems	151,840	149,972	151,665	143,132	596,608
Architectural Glass	83,031	79,373	74,289	72,548	309,241
Architectural Services	75,656	83,031	91,971	98,729	349,386
Large-Scale Optical	24,228	23,543	27,351	26,551	101,673
Intersegment elimination	(8,749)	(10,121)	(11,059)	(13,003)	(42,931)
Total	326,006	325,797	334,217	327,957	1,313,977

Pro Forma Net Sales for Reclassified Segments for FY2022*					
<i>(in thousands)</i>	Q1	Q2	Q3	Q4	FY 2022
Architectural Framing Systems	136,768	136,973	141,462	131,355	546,558
Architectural Glass	83,031	79,373	74,289	72,548	309,241
Architectural Services	90,732	96,370	105,404	114,916	407,422
Large-Scale Optical	24,228	23,543	27,351	26,551	101,673
Intersegment elimination	(8,753)	(10,462)	(14,289)	(17,413)	(50,917)
Total	326,006	325,797	334,217	327,957	1,313,977

Operating Income (Loss) for FY2022					
<i>(in thousands)</i>	Q1	Q2	Q3	Q4	FY 2022
Architectural Framing Systems	8,060	8,278	10,689	(43,753)	(16,726)
Architectural Glass	2,128	(16,995)	(1,277)	17,928	1,785
Architectural Services	4,537	7,242	9,203	11,761	32,743
Large-Scale Optical	5,847	5,483	5,996	6,293	23,618
Corporate and other	(4,530)	(7,076)	(6,901)	(869)	(19,375)
Total	16,042	(3,068)	17,710	(8,640)	22,045

Pro Forma Operating Income (Loss) for Reclassified Segments for FY2022*					
<i>(in thousands)</i>	Q1	Q2	Q3	Q4	FY 2022
Architectural Framing Systems	8,371	8,381	12,085	9,251	38,088
Architectural Glass	2,128	(16,995)	(1,277)	17,928	1,785
Architectural Services	4,226	7,139	7,807	(41,243)	(22,071)
Large-Scale Optical	5,847	5,483	5,996	6,293	23,618
Corporate and other	(4,530)	(7,076)	(6,901)	(869)	(19,375)
Total	16,042	(3,068)	17,710	(8,640)	22,045

Adjusted Operating Income (Loss) for FY2022					
<i>(in thousands)</i>	Q1	Q2	Q3	Q4	FY 2022
Architectural Framing Systems	8,060	10,326	10,645	5,449	34,480
Architectural Glass	2,128	396	2,241	4,659	9,425
Architectural Services	4,537	7,242	9,203	11,761	32,743
Large-Scale Optical	5,847	5,483	5,996	6,293	23,618
Corporate and other	(4,530)	(5,701)	(6,956)	(506)	(17,692)
Total	16,042	17,746	21,129	27,656	82,574

Pro Forma Adjusted Operating Income (Loss) for Reclassified Segments for FY2022*					
<i>(in thousands)</i>	Q1	Q2	Q3	Q4	FY 2022
Architectural Framing Systems	8,371	10,429	12,041	8,980	39,821
Architectural Glass	2,128	396	2,241	4,659	9,425
Architectural Services	4,226	7,139	7,807	8,230	27,402
Large-Scale Optical	5,847	5,483	5,996	6,293	23,618
Corporate and other	(4,530)	(5,701)	(6,956)	(506)	(17,692)
Total	16,042	17,746	21,129	27,656	82,574

*Pro Forma results have been recast to reflect the move of the Sotawall business from Architectural Framing Systems to Architectural Services, starting at the beginning of the first quarter of fiscal 2023.