

A low-angle photograph of two tall, modern glass skyscrapers reaching towards a clear blue sky. The buildings are covered in a grid of windows, reflecting the sky and each other. The perspective makes the buildings appear to converge towards the top of the frame.

Apogee Enterprises, Inc.

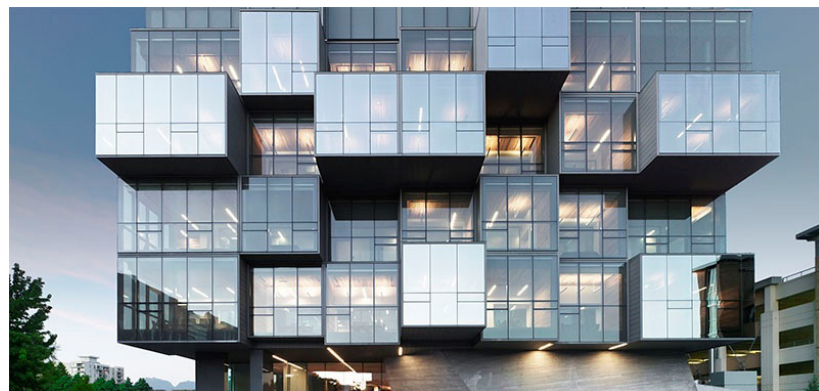
Investor Presentation

January 2020

An industry leader in architectural products & services

Apogee Enterprises (Nasdaq: APOG) is a leading provider of architectural glass, aluminum framing systems and installation services for enclosing buildings, and value-added glass and acrylic for custom picture framing & displays

- Strong portfolio of best-in-class brands
- Broad set of capabilities that span the value chain for building envelope solutions
- Executed a multi-year transformation to build a stronger, more diversified and stable business
- Numerous opportunities for continued growth and well-positioned to benefit from long-term industry trends
- Multiple levers to drive significant margin expansion
- Strong financial position and cash flow provides flexibility for value-creating capital deployment





Apogee at-a-glance

- Founded in 1949; headquartered in Minneapolis, MN
- 9 operating companies organized into 4 segments
- Operations in the U.S., Canada, and Brazil
- Approximately 7,000 employees
- FY19 revenue of \$1.4 billion
- FY19 adjusted EBITDA of \$161 million*
- ~95% of sales to customers in North America
- Over 90% of revenue from architectural businesses

Representative Architectural Project Types

- Commercial buildings: office towers; hotels; retail
- Institutional buildings: education; health care; government
- High-end multi-family residential

*Non-GAAP financial metric; see reconciliation table

A strong portfolio of best-in-class brands

Architectural Framing Systems

Designs, engineers, fabricates, and finishes aluminum window, curtainwall, storefront, and entrance systems

- FY19 revenue: \$721 million
- FY19 adjusted operating margin*: 8.0%



Architectural Glass

The leading North American fabricator of high performance, custom-coated architectural glass

- FY19 revenue: \$367 million
- FY19 operating margin: 4.5%



Architectural Services

One of the largest U.S. full-service building glass and curtainwall installation companies, with disciplined project selection that drives industry-leading profitability

- FY19 revenue: \$286 million
- FY19 operating margin: 10.7%



Large-Scale Optical

The leading North American manufacturer of value-added glass and acrylic products for framing and display markets

- FY19 revenue: \$88 million
- FY19 operating margin: 26.0%



Broad set of capabilities that span the value chain

Broad-range of capabilities for building envelope solutions, across the spectrum of project size and complexity, with best-in-class brands at each step in the value chain

Architectural Glass



- Single-source resource for innovative architectural glass products, reliable service and technical expertise
 - Fabrication of insulating, laminated & monolithic glass
 - Proprietary high-performance glass coatings
 - Value-added products such as hurricane & security protection, and digital printing



Framing Systems



- Wide-range of capabilities for architectural aluminum framing systems
 - Engineering & design
 - Aluminum extrusion & finishing
 - Fabrication of storefront, entrance, window, and curtainwall systems
 - Broad-range of project sizes & types



Installation Services



- Integrated offering for installation of building glass and curtainwall
 - Preconstruction services
 - Engineering & design
 - Fabrication
 - Project management
 - Field installation services

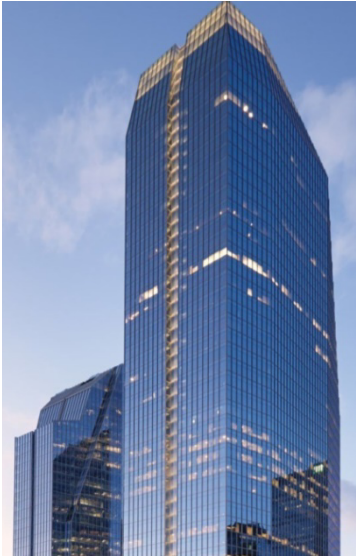


Apogee is trusted with a wide-range of premier projects

World Trade Towers One,
Seven and Museum
New York, NY



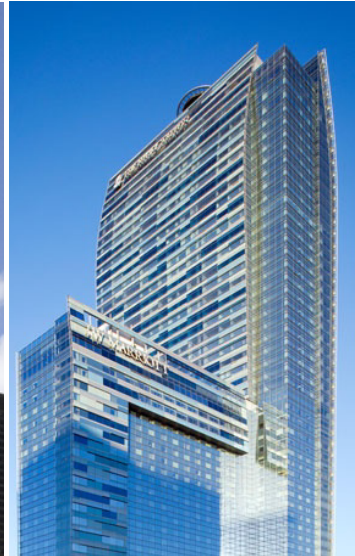
Eighth Avenue Place, East
and West Towers
Alberta, Canada



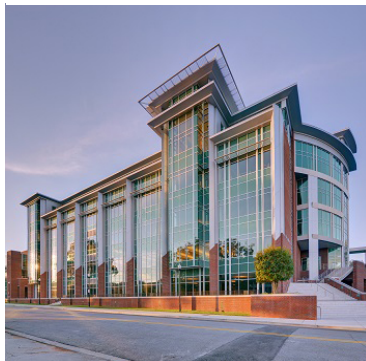
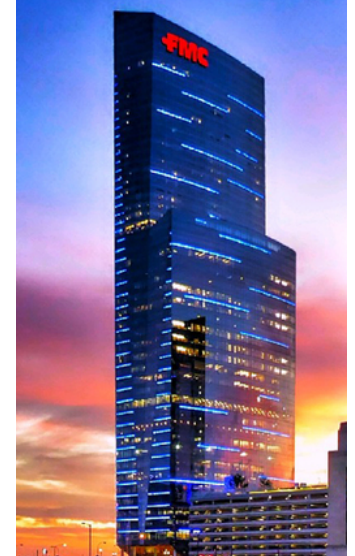
The Aqua
Chicago, IL



JW Marriott
L.A. Live
Los Angeles, CA



FMC Tower at
Cira Centre South
Philadelphia, PA



University of Tennessee at
Chattanooga Library
Chattanooga, TN



Youngstown State University
Wellness Center
Youngstown, OH



Exploration Tower at Port
Canaveral
Canaveral Cove, FL



Dewey Short Visitor Center –
Table Rock Lake
Branson, MO



Buchanan Center for the
Performing Arts
Laramie, WY

Apogee's business strategy

Beginning in FY2012, Apogee embarked on a strategy to reshape our business mix to enable new growth opportunities and to deliver more stable performance through an economic cycle

Diversify our business to provide more stable growth and profit over an economic cycle

- New geographies – through both organic growth and acquisitions
- New products – enterprise-wide new product introduction process
- New markets – increase exposure to less cyclical segments of the market
- Retrofit and renovation projects

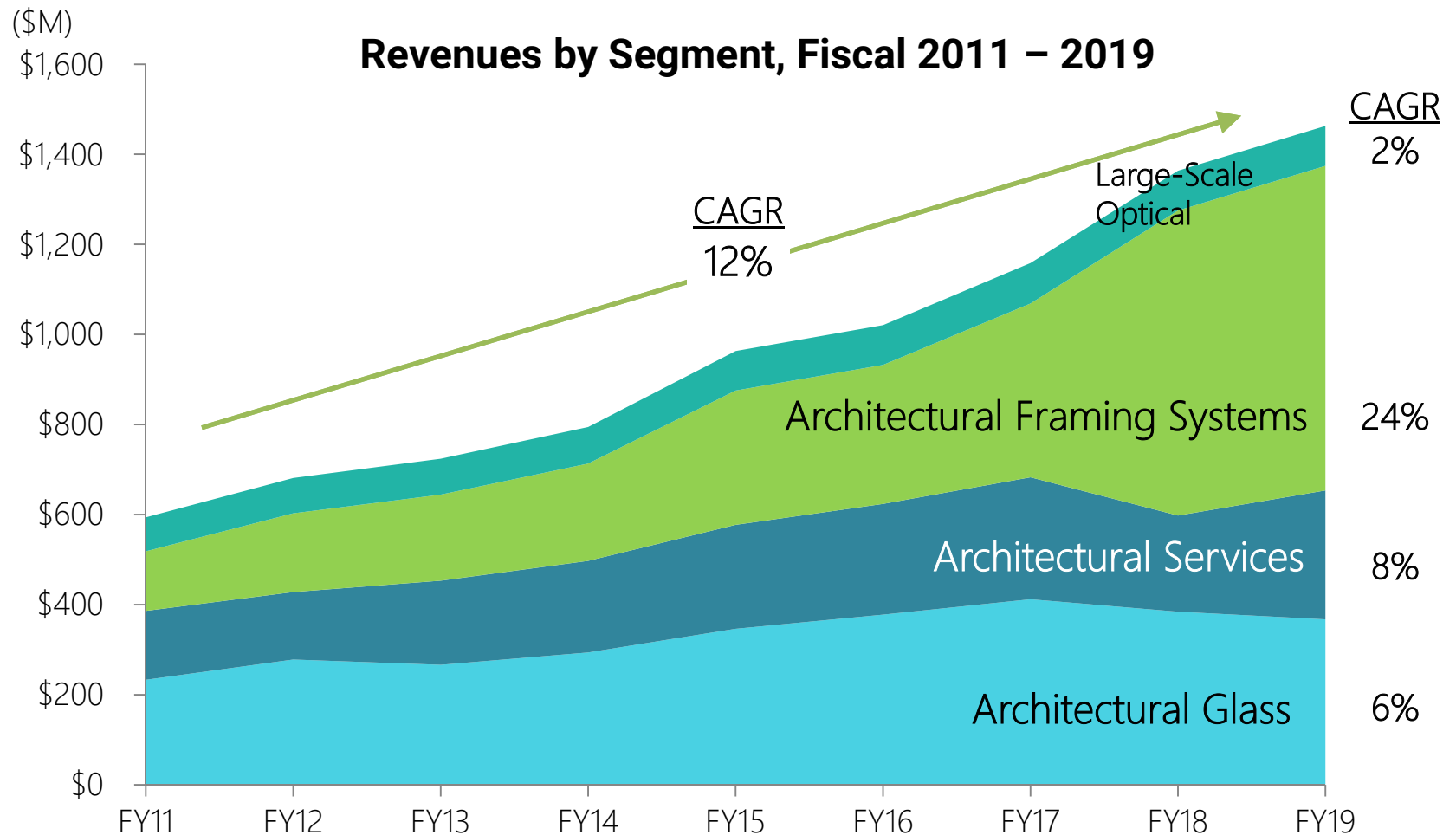
Improve the efficiency and productivity of our operations

- Apogee's Lean Enterprise System
- Investments in productivity and automation
- Improve project selection and pricing
- Realize synergies in our architectural businesses

Maintain a strong financial position which enables value-creating capital deployment

- Maintain a strong balance sheet
- Balanced approach to capital deployment – invest in our business & return cash to shareholders
- Investments in CapEx and acquisitions to drive growth and margin gains
- Dividends and opportunistic share repurchases

We've built a stronger, more diversified company



FY2012-2019 Financial Highlights

- More than doubled revenue
- Improved business mix and reduced cyclicity
- EPS growth from \$0.17 in FY12 to \$2.96 in FY19 (adj)
- Generated over \$300 million of free cash flow
- Increased quarterly dividend by over 90% and repurchased over \$120MM in stock
- Significantly improved ROIC

We have multiple drivers for continued revenue growth

New Geographies

- Organic expansion to extend service coverage
- Investments to expand geographic footprint
- Project selection to focus on the most attractive opportunities

New Products

- Robust, enterprise-wide, new product introduction process
- Expand offering with new products brought from recent acquisitions
- Gain share through differentiated offerings

New Markets

- Increase exposure to less cyclical segments of the market
- Cross-company building retrofit initiative
- Pursuing multiple business unit specific opportunities

Market indicators support our outlook

External Indicators

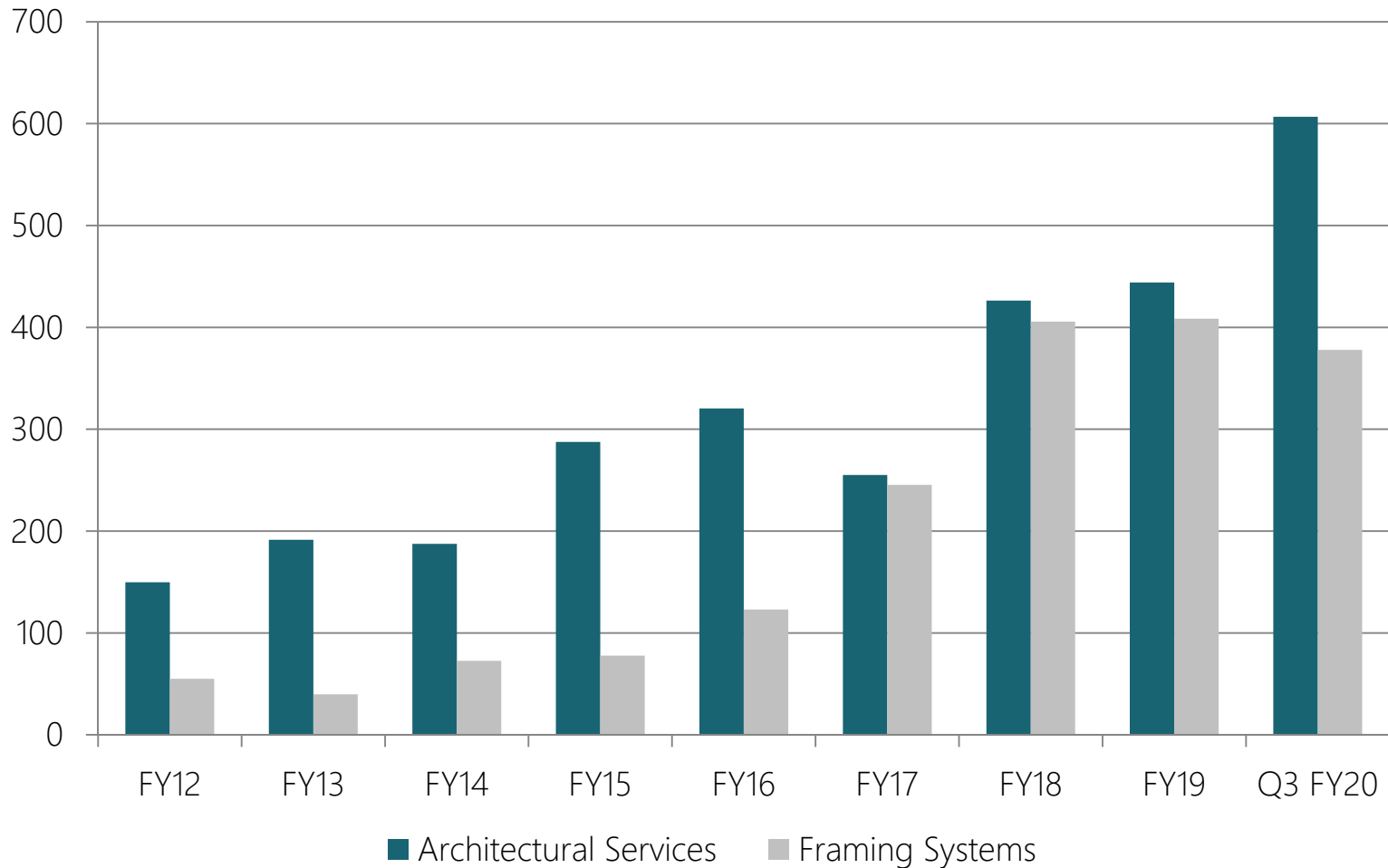
- New construction starts remain at healthy levels, with more room to run
- Continued employment growth, particularly in the office-occupying sectors, healthcare, and education
- Office vacancy rates at a decade low level
- Positive trends in forward indicators such as the Architecture Billings Index (ABI) and Dodge Momentum Index
- Supportive interest rate environment

Internal Indicators

- Significant activity with architects, developers, and building owners
- Strong sales pipeline and bidding activity
- Backlog at historically high levels
- Customer commitments and awards provide additional visibility beyond booked backlog

Backlogs are at historically high levels, particularly in Architectural Services

Segment Backlog at Period End



Well-positioned to benefit from long-term industry trends

Apogee's extensive line-up of industry-leading products and services, backed by a robust process for new product innovation, positions the company to benefit from several long-term industry trends

Industry Trends		Relevant Apogee Capabilities
Green building & sustainable design	Increasing demand for energy-efficient products that help architects and building owners achieve their green-building & sustainability goals	<ul style="list-style-type: none">• High-performance thermal framing systems• Energy-efficient architectural glass coatings• Energy modeling & building renovation solutions• Use of recycled materials & eco-friendly finishes
Increased security & protection requirements	Increased requirements for building & occupant protection from hazards such as hurricanes, blasts, and cyber-security	<ul style="list-style-type: none">• Hurricane & wind protection framing systems & glass• Blast mitigation framing systems & glass• Forced entry & ballistic resistant products• Cybershield™ architectural glass
Complex facades & large format glass	Architects continue to push the limits of complexity in building façade design, which increasingly includes larger glass sizes	<ul style="list-style-type: none">• Custom-engineered, high-performance window and curtainwall systems• Wide-range of innovative glass products, including large sizes and proprietary coatings
Construction labor shortages	North American construction contractors face persistent labor shortages which impact project schedules and budgets	<ul style="list-style-type: none">• Factory assembled, unitized and pre-glazed window and curtainwall products that reduce labor requirements at the construction site• Industry leading quality & delivery reliability enables efficient use of labor
Logistics challenges	Transportation & logistics challenges are a growing concern for the industry, driven by increased product complexity & size	<ul style="list-style-type: none">• North American footprint with locations near key growth markets• Robust logistics processes and networks to ensure on-time & complete delivery of products

We have significant opportunities for margin expansion

- Enterprise-wide procurement savings program
- Framing Systems cost reduction and synergy actions
- Lean and continuous improvement initiatives
- Investments in productivity and automation
- Continued productivity improvements in Architectural Glass
- Further improvement in project selection and pricing processes

Cost Reduction Actions

Procurement Savings Program

- Program to realize purchasing synergies and savings across all of Apogee
- Partnered with leading advisory firm to accelerate our efforts
- Targeting savings in all categories of spend
- Moving to more centralized procurement model to leverage scale and drive synergies
- Adding new Chief Procurement Officer position to lead on-going efforts

Framing Systems Cost Reduction and Synergy Actions

- Reduce overhead and other controllable costs
- Aligned, integrated product management and pricing strategies
- Optimize manufacturing capacity and footprint
- Build on our Lean Enterprise initiative to drive productivity in key value streams

Expect annual savings of \$30 to \$40 million when fully implemented

Operational excellence at Apogee

Apogee's Lean Enterprise System

- On-going effort to improve products, processes & quality across our organization, with a relentless focus on eliminating waste and adding value for our customers
- Efforts are customer-focused and data driven
- Implementation began in 2014; later extended beyond the shop floor to all areas of our business and to acquired companies

Investments in automation & productivity

- Investments in factory automation to drive productivity, add capacity and introduce new capabilities

Enterprise-wide safety program

- Focused effort to improve safety performance by embedding a culture of safety across the organization
- Significantly reduced incident rates over the past decade



Our strong financial position enables a balanced approach to capital deployment

Strong financial position

- Debt-to-adjusted EBITDA below 2x
- History of strong cash generation

Investing in the business

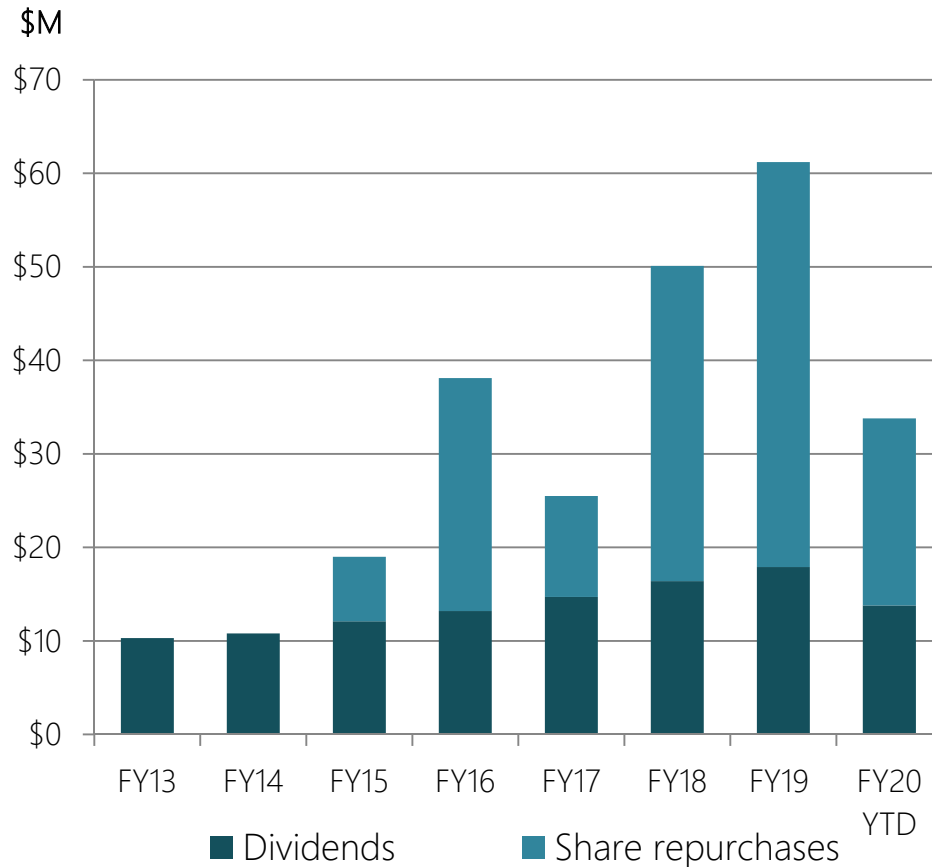
- Investments to enable growth, add capability, and improve productivity
- Forecast ~\$55 million of CapEx in FY20

Returning cash to shareholders

- Dividends
- Opportunistic share buybacks

Returning cash to shareholders

Cash Returned to Shareholders



- Seven consecutive years of dividend increases
- Quarterly dividend more than doubled from \$0.09 per share in 2013 to \$0.1875 in 2020
- Repurchased \$120 million of stock over the past five years; with ~1.45 million shares remaining on our authorization
- Returned \$34 million of cash to shareholders year-to-date FY20

Summary

- Strong portfolio of best-in-class brands
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One World Trade Center
New York, New York



Reconciliation of non-GAAP financial measures

Adjusted net earnings and adjusted earnings per diluted common share

(Unaudited)

	Fifty-two	Fifty-two
	Weeks Ended	Weeks Ended
<i>In thousands</i>	March 2, 2019	March 3, 2018
Net (loss) earnings	\$ 45,694	\$ 79,488
Amortization of short-lived acquired intangibles	4,894	10,521
Project-related charges	40,948	—
Impairment charge	3,141	—
Acquisition-related costs	—	5,098
Restructuring-related costs	—	3,026
Income tax impact on above adjustments	(11,560)	(5,157)
Adjusted net earnings	\$ 83,117	\$ 92,976
	Fifty-two	Fifty-two
	Weeks Ended	Weeks Ended
	March 2, 2019	March 3, 2018
(Loss) earnings per diluted common share	\$ 1.63	\$ 2.76
Amortization of short-lived acquired intangibles	0.17	0.37
Project-related charges	1.46	—
Impairment charge	0.11	—
Acquisition-related costs	—	0.18
Restructuring-related costs	—	0.11
Income tax impact on above adjustments	(0.41)	(0.18)
Adjusted earnings per diluted common share	\$ 2.96	\$ 3.23

Reconciliation of non-GAAP financial measures

Adjusted operating income and adjusted margin

(Unaudited)

	Fifty-two Weeks Ended March 2, 2019						
	Framing Systems Segment		Architectural Glass Segment		Corporate	Consolidated	
<i>In thousands</i>	Operating income	Operating margin	Operating income	Operating margin	Operating income (loss)	Operating income	Operating margin
Operating income (loss)	\$ 49,660	6.9%	\$ 16,503	4.5%	\$ (52,391)	\$ 67,284	4.8%
Amortization of short-lived acquired intangibles	4,894	0.7%	—	—	—	4,894	0.3%
Project-related charges	—	—	—	—	40,948	40,948	2.9%
Impairment charge	3,141	0.4%	—	—	—	3,141	0.2%
Adjusted operating income (loss)	<u>\$ 57,695</u>	<u>8.0%</u>	<u>\$ 16,503</u>	<u>4.5%</u>	<u>\$ (11,443)</u>	<u>\$ 116,267</u>	<u>8.3%</u>

	Fifty-two Weeks Ended March 3, 2018						
	Framing Systems Segment		Architectural Glass Segment		Corporate	Consolidated	
<i>In thousands</i>	Operating income	Operating margin	Operating income	Operating margin	Operating income (loss)	Operating income	Operating margin
Operating income (loss)	\$ 59,031	8.7%	\$ 32,764	8.5%	\$ (9,931)	\$ 114,284	8.6%
Amortization of short-lived acquired intangibles	10,521	1.6%	—	—	—	10,521	0.8%
Acquisition-related costs	—	—	—	—	5,098	5,098	0.4%
Restructuring-related costs	—	—	3,026	0.8%	—	3,026	0.2%
Adjusted operating income (loss)	<u>\$ 69,552</u>	<u>10.3%</u>	<u>\$ 35,790</u>	<u>9.3%</u>	<u>\$ (4,833)</u>	<u>\$ 132,929</u>	<u>10.0%</u>

Reconciliation of non-GAAP financial measures

EBITDA and adjusted EBITDA

(Unaudited)

	Fifty-two	Fifty-two
	Weeks Ended	Weeks Ended
<i>In thousands</i>	March 2, 2019	March 3, 2018
Net (loss) earnings	\$ 45,694	\$ 79,488
Income tax (benefit) expense	12,968	30,392
Other expense (income), net	528	(566)
Interest expense, net	8,094	4,970
Depreciation and amortization	49,798	54,843
EBITDA	117,082	169,127
Project-related charges	40,948	—
Impairment charge	3,141	—
Acquisition-related costs	—	5,098
Restructuring-related costs	—	3,026
Adjusted EBITDA	\$ 161,171	\$ 177,251