



CREATING
PEAK VALUE

Apogee Enterprises, Inc. Fiscal 2022 Fourth Quarter Earnings Call

April 7, 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 27, 2021, and in subsequent filings with the U.S. Securities and Exchange Commission.

Agenda

Introductory remarks

Ty Silberhorn

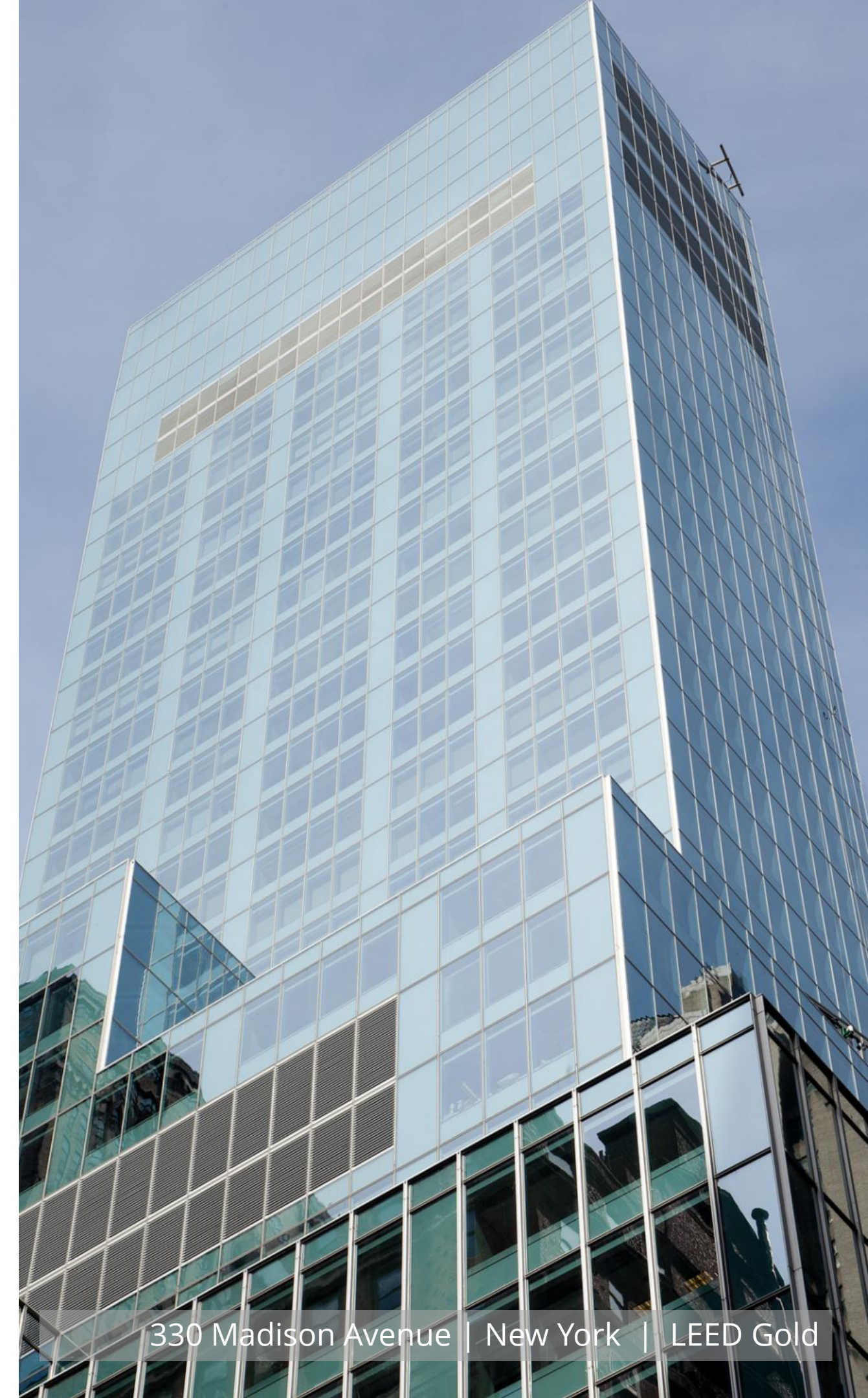
Chief Executive Officer

Financial results and outlook

Nisheet Gupta

Executive Vice President and Chief Financial Officer

Q&A



Executing our New 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

OUR AMBITION GOING FORWARD IS CLEAR

Create Peak Value by building **differentiated** businesses with **strong** operational execution

FY2022 Highlights

- ✓ **Completed** enterprise strategy work
- ✓ **Realigned** AFS to increase focus on target markets and build more competitive cost model
- ✓ **Refocused** Architectural Glass to emphasize differentiated, high value-add products
- ✓ **Drove** significant progress on enterprise transformation initiatives
- ✓ **Added** key talent to support our transformation
- ✓ **Reinvigorated** Lean/CI programs, laying foundation for the Apogee Management System
- ✓ **Managed** pricing and costs to mitigate the impact of inflation

Building momentum in our transformation

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

FY2022 Fourth-Quarter Results

\$ in millions, except EPS	Q4 FY22	Q4 FY21	Change
Net sales	\$328	\$309	6%
Adjusted operating income*	\$27.7	\$22.0	26%
Adjusted operating margin*	8.4%	7.1%	130 bps
Adjusted EBITDA*	\$38.2	\$36.2	5%
Adjusted diluted EPS*	\$0.91	\$0.63	44%

Highlights

- Pricing & cost reductions mitigated impact of inflation
- Record revenue and operating income in Arch. Services
- Strong revenue growth in Large-Scale Optical
- Yr/Yr adjusted margin expansion in Arch. Glass and AFS
- EPS benefited from lower share count due to repurchases

*Non-GAAP metric, see reconciliation table

FY2022 Full-Year Results

\$ in millions, except EPS	FY2022	FY2021	Change
Net sales	\$1,314	\$1,231	7%
Adjusted operating income*	\$82.6	\$87.1	(5)%
Adjusted operating margin*	6.3%	7.1%	(80) bps
Adjusted EBITDA*	\$131.2	\$140.1	(6)%
Adjusted diluted EPS*	\$2.48	\$2.40	3%
Return on Invested Capital*	8.1%	7.7%	40 bps

*Non-GAAP metric, see reconciliation table

Highlights

- Adjusted EPS improved sequentially each quarter
- Revenue growth in 3 of 4 segments
- Pricing & cost reductions mitigated impact of inflation
- Record full-year revenue & op. income in Arch. Services
- LSO demand surpassed pre-COVID levels
- ROIC improved by 40 bps

Segment Results

Fourth Quarter FY2022

	Revenue \$M	Adjusted operating margin*
Architectural Framing Systems <i>Year-over-year change</i>	\$143 9%	3.8% 110 bps
Architectural Glass <i>Year-over-year change</i>	\$73 (12)%	6.4% 200 bps
Architectural Services <i>Year-over-year change</i>	\$99 21%	11.9% (120) bps
Large-Scale Optical <i>Year-over-year change</i>	\$27 23%	23.7% (440) bps

Full Year FY2022

	Revenue \$M	Adjusted operating margin*
Architectural Framing Systems <i>Year-over-year change</i>	\$597 5%	5.8% 60 bps
Architectural Glass <i>Year-over-year change</i>	\$309 (6)%	3.0% (270) bps
Architectural Services <i>Year-over-year change</i>	\$349 18%	9.4% (110) bps
Large-Scale Optical <i>Year-over-year change</i>	\$102 45%	23.2% 630 bps

*Non-GAAP metric, see reconciliation table

Cash Flow and Balance Sheet

\$ in millions	FY2022	FY2021
Cash flow from operations	\$100.5	\$141.9
Capital expenditures	\$21.8	\$26.2
Free cash flow*	\$78.7	\$115.7
Total debt	\$163.0	\$165.0
Cash & equivalents	\$37.6	\$47.3
Net debt**	\$125.4	\$117.7
Share repurchases	\$100.4	\$32.9
Dividends	\$20.2	\$19.6

*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 cash equivalents

Highlights

- Continued strong free cash flow
- Asset sales contributed additional \$31 million of cash flow
- Net debt / adjusted EBITDA below 1.0
- No significant debt maturities until June 2024
- No outstanding borrowings on \$235 million revolver
- Returned \$76 million of cash to shareholders in Q4; \$121 million for the full year

Strong financial position – Deploying capital to drive value

Capital Allocation Strategy

Invest in Profitable Growth

- High-return organic investments
- M&A (active portfolio manager)

Return Capital to Shareholders

- Continued dividend growth
- Opportunistic buybacks

Maintain a Strong Balance Sheet

- Target leverage of 1.5x Adj. EBITDA
- Capacity to flex higher

FY2023 Outlook

Adjusted
earnings
per share*

\$2.90 to \$3.30
+17% to 33%

Key Assumptions

- Expect revenue growth, primarily driven by Framing Systems
- Revenue in other three segments roughly flat vs. F22
- Continued challenges from inflation and supply chain
- Expect margin expansion, primarily driven by restructuring benefits and operational improvements in Framing Systems and Glass
- CapEx of \$35 to \$40 million

*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.

Expect continued progress toward our financial goals

Segment Margin Potential

Updating our guidance for segment margin potential (by FY25), to reflect moving Sotawall from Framing Systems to Services

	VALUE DRIVERS	MARGIN POTENTIAL (by FY25)
Framing Systems	<ul style="list-style-type: none">• Integration• Cost performance• Focused growth	9-12%
Glass	<ul style="list-style-type: none">• Cost & productivity• Quality, service, & delivery• Refocusing on target market	7-10%
Services	<ul style="list-style-type: none">• Investing to scale and grow• Sotawall integration	7-9%
LSO	<ul style="list-style-type: none">• Expansion into adjacencies• Investing to expand offerings	20%+

Concluding Remarks

- Executing our new strategy to position for the long term
- Taking action to offset inflation and supply chain challenges
- Sequential performance improvements each quarter this year
- Strong cash flow and balance sheet
- Deploying capital to drive value
- Expect continued progress in FY23



Wolf Point East | Chicago
Photo credit: Harmon, Inc.

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 February 26, 2022	Three Months Ended February 27, 2021	Twelve Months Ended February 26, 2022	Twelve Months Ended February 27, 2021
Net (loss) earnings	\$(16,273)	\$ (42,371)	\$ 3,486	\$ 15,436
Impairment expense on goodwill and intangible assets (1)	49,473	70,069	49,473	70,069
Restructuring costs (2)	6,279	4,884	30,512	4,884
Gain on sale of assets (3)	(19,456)	—	(19,456)	(19,346)
Impairment of equity investment (4)	—	—	3,000	—
COVID-19 (5)	—	920	—	4,988
Post-acquisition and acquired project matters	—	—	—	1,000
Income tax impact on above adjustments (6)	2,394	(17,475)	(4,414)	(13,905)
Adjusted net earnings	\$ 22,417	\$ 16,027	\$ 62,601	\$ 63,126
	Three Months Ended February 26, 2022	Three Months Ended February 27, 2021	Twelve Months Ended February 26, 2022	Twelve Months Ended February 27, 2021
(Loss) earnings per diluted common share	\$(0.67)	\$ (1.65)	\$ 0.14	\$ 0.59
Impairment expense on goodwill and intangible assets (1)	2.01	2.74	1.96	2.66
Restructuring costs (2)	0.26	0.19	1.21	0.19
Gain on sale of assets (3)	(0.79)	—	(0.77)	(0.74)
Impairment of equity investment (4)	—	—	0.12	—
COVID-19 (5)	—	0.04	—	0.19
Post-acquisition and acquired project matters	—	—	—	0.04
Income tax impact on above adjustments (6)	0.10	(0.68)	(0.17)	(0.53)
Adjusted earnings per diluted common share	\$ 0.91	\$ 0.63	\$ 2.48	\$ 2.40

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

See footnotes to non-GAAP reconciliation tables on page 22 of this presentation

Reconciliation of non-GAAP financial measures

Adjusted operating income and adjusted operating margin (unaudited)

	Three Months Ended February 26, 2022								
	Framing Systems Segment		Glass Segment		LSO Segment		Corporate	Consolidated	
<i>In thousands</i>	Operating income	Operating margin	Operating (loss) income	Operating margin	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating (loss) income	\$ (43,753)	(30.6)%	\$ 17,928	24.7%	\$ 6,293	23.7%	\$ (869)	\$ (8,640)	(2.6)%
Impairment (1)	49,473	34.6%	—	—	—	—	—	49,473	15.1%
Restructuring costs (2)	(271)	(0.2)%	6,187	8.5%	—	—	363	6,279	1.9%
Gain on sale of assets (3)	—	—	(19,456)	(26.8)%	—	—	—	(19,456)	(5.9)%
Adjusted operating income (loss)	\$ 5,449	3.8%	\$ 4,659	6.4%	\$ 6,293	23.7%	\$ (506)	\$ 27,656	8.4%

	Three Months Ended February 27, 2021								
	Framing Systems Segment		Glass Segment		LSO Segment		Corporate	Consolidated	
<i>In thousands</i>	Operating income	Operating margin	Operating income	Operating margin	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating (loss) income	\$ (70,972)	(54.1)%	\$ 3,371	4.1%	\$ 6,073	28.1%	\$ (3,090)	\$ (53,906)	(17.5)%
Impairment (1)	70,069	53.5%	—	—	—	—	—	70,069	22.7%
Restructuring costs (2)	4,448	3.4%	207	0.3%	—	—	229	4,884	1.6%
COVID-19 (5)	—	—	—	—	—	—	920	920	0.3%
Adjusted operating income (loss)	\$ 3,545	2.7%	\$ 3,578	4.4%	\$ 6,073	28.1%	\$ (1,941)	\$ 21,967	7.1%

See footnotes to non-GAAP reconciliation tables on page 22 of this presentation

Reconciliation of non-GAAP financial measures

Adjusted operating income and adjusted operating margin (unaudited)

	Twelve Months Ended February 26, 2022								
	Framing Systems Segment		Glass Segment		LSO Segment		Corporate	Consolidated	
<i>In thousands</i>	Operating income	Operating margin	Operating (loss) income	Operating margin	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating (loss) income	\$ (16,726)	(2.8)%	\$ 1,785	0.6%	\$ 23,618	23.2%	\$ (19,375)	\$ 22,045	1.7%
Impairment (1)	49,473	8.3%	—	—	—	—	—	49,473	3.8%
Restructuring costs (2)	1,733	0.3%	27,096	8.8%	—	—	1,683	30,512	2.3%
Gain on sale of assets (3)	—	—	(19,456)	(6.3)%	—	—	—	(19,456)	(1.5)%
Adjusted operating income (loss)	\$ 34,480	5.8%	\$ 9,425	3.0%	\$ 23,618	23.2%	\$ (17,692)	\$ 82,574	6.3%

	Twelve Months Ended February 27, 2021								
	Framing Systems Segment		Glass Segment		LSO Segment		Corporate	Consolidated	
<i>In thousands</i>	Operating income	Operating margin	Operating income	Operating margin	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating income (loss)	\$ (44,761)	(7.8)%	\$ 18,678	5.7%	\$ 31,203	44.5%	\$ (10,775)	\$ 25,527	2.1%
Impairment (1)	70,069	12.3%	—	—	—	—	—	70,069	5.7%
Restructuring costs (2)	4,448	0.8%	207	0.1%	—	—	229	4,884	0.4%
Gain on sale of assets (3)	—	—	—	—	(19,346)	(27.6)%	—	(19,346)	(1.6)%
COVID-19 (5)	—	—	—	—	—	—	4,988	4,988	0.4%
Post-acquisition & acquired project matters	—	—	—	—	—	—	1,000	1,000	0.1%
Adjusted operating income (loss)	\$ 29,756	5.2%	\$ 18,885	5.7%	\$ 11,857	16.9%	\$ (4,558)	\$ 87,122	7.1%

See footnotes to non-GAAP reconciliation tables on page 22 of this presentation

Reconciliation of non-GAAP financial measures

EBITDA and Adjusted EBITDA (Unaudited)

<i>In thousands</i>	Three Months Ended February 26, 2022	Three Months Ended February 27, 2021	Twelve Months Ended February 26, 2022	Twelve Months Ended February 27, 2021
Net (loss) earnings	\$(16,273)	\$ (42,371)	\$ 3,486	\$ 15,436
Income tax expense (benefit)	5,563	(10,895)	10,384	7,175
Interest expense, net	928	167	3,767	4,408
Depreciation and amortization	11,640	13,440	49,993	51,440
EBITDA	\$ 1,858	\$ (39,659)	\$ 67,630	\$ 78,459
Impairment expense on goodwill and intangible assets (1)	49,473	70,069	49,473	70,069
Restructuring costs (2)	6,279	4,884	30,512	4,884
Gain on sale of assets (3)	(19,456)	—	(19,456)	(19,346)
Impairment of equity investment (4)	—	—	3,000	—
COVID-19 (5)	—	920	—	4,988
Post-acquisition and acquired project matters	—	—	—	1,000
Adjusted EBITDA	\$ 38,154	\$ 36,214	\$ 131,159	\$ 140,054
Long-term debt			\$ 162,000	\$ 163,000
Current debt			1,000	2,000
Less: cash & cash equivalents			37,583	47,277
Net debt			\$ 125,417	\$ 117,723
Net debt / adjusted EBITDA			0.96	0.84

See footnotes to non-GAAP reconciliation tables on page 22 of this presentation

Reconciliation of non-GAAP financial measures

Return on Invested Capital Reconciliation (unaudited)

	Three Months Ended	Three Months Ended
<i>In thousands, except percentages</i>	February 26, 2022	February 27, 2021
Operating income	\$ 22,045	\$ 25,527
Impairment (1)	49,473	70,069
Restructuring costs (2)	30,512	4,884
Gain on sale of assets (3)	(19,456)	(19,346)
COVID-19 (5)	—	4,988
Post-acquisition & acquired project matters	—	1,000
Adjusted operating income	\$ 82,574	\$ 87,122
Tax adjustment (7)	20,644	21,781
Adjusted operating income after taxes	61,930	65,341
Average invested capital (8)	760,993	845,114
Return on invested capital (ROIC) (9)	8.1%	7.7%

See footnotes to non-GAAP reconciliation tables on page 22 of this presentation

Reconciliation of non-GAAP financial measures

Footnotes to non-GAAP reconciliation tables

- (1) Adjustment related to impairment charge recorded during the fourth quarter of the current year on indefinite- and long-lived intangible assets within the Architectural Framing Systems segment as a result of triggering events during the fourth quarter. For the prior year periods, impairment expense on goodwill and indefinite-lived intangible assets within the Architectural Framing Systems segment resulted from our fourth quarter annual impairment evaluation
- (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 \$4.9 million and \$21.5 million of asset impairment charges, \$0.4 million and \$6.2 million of employee termination costs and \$1.0 million and \$2.8 million of other costs associated with these restructuring plans incurred during the fourth quarter and full year of fiscal 2022, respectively. In the prior year, restructuring costs related to exiting certain facilities within the Architectural Framing Systems segment and other termination costs across the company.
- (3) Gain on sale of building and related fixed assets within the Architectural Glass segment during the fourth quarter of fiscal 2022 and gain on sale of building within the Large-Scale Optical segment during the third quarter of fiscal 2021.
- (4) Adjustment for impairment of minority equity investment is a result of the assignment for the benefit of creditors of all of the assets of a company in which Apogee holds a minority interest. The impairment was recorded during the third quarter of fiscal 2022 and represents a write-down of Apogee's entire investment in the company.
- (5) Adjustment for COVID-19-related costs, primarily incremental labor costs due to quarantine-related absenteeism and personal protective equipment for employees.
- (6) 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. Income tax impact in the current year periods excludes the tax benefit related to the impairment expense in certain jurisdictions due to a tax valuation allowance. Income tax impact in the prior year periods excludes the amount of impairment expense that is non-deductible in the applicable jurisdiction.
- (7) 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.
- (8) Average invested capital represents a trailing five quarter average of total assets less average current liabilities (excluding current portion long-term debt).
- (9) ROIC calculated by dividing adjusted operating income after taxes by average invested capital.

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

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

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 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

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

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.