



Apogee Enterprises, Inc.

Fiscal 2021 Third Quarter Earnings Call

December 18, 2020

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 also contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect Apogee management's expectations or beliefs as of the date of this release and actual results may differ as a result of various factors that could affect Apogee's business and financial results. 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. More information about factors that could affect Apogee's business and financial results can be found in the company's filings with the U.S. Securities and Exchange Commission

Agenda

Introductory remarks and business update

Joe Puishys

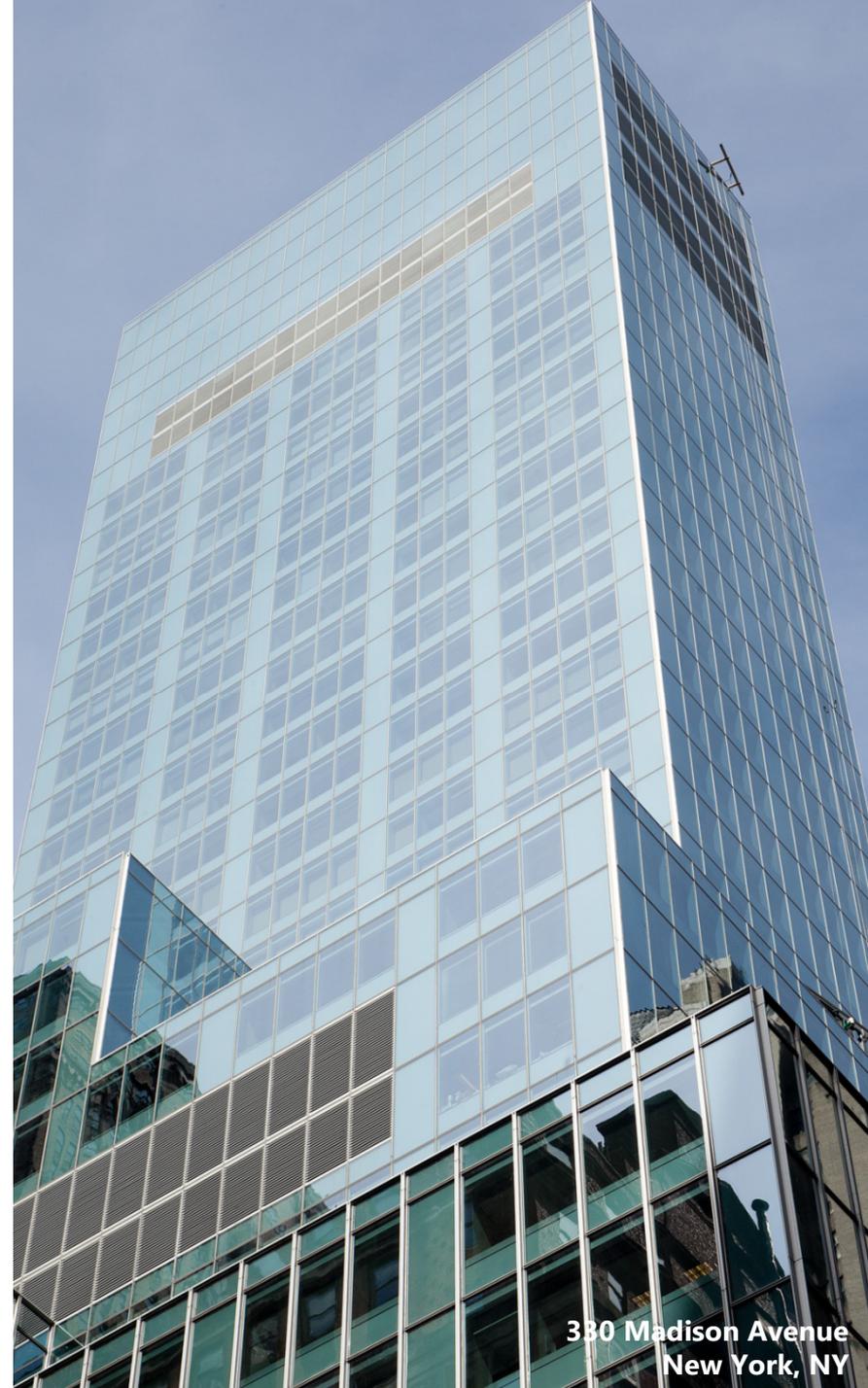
Chief Executive Officer

Financial results and outlook

Nisheet Gupta

Executive Vice President and CFO

Q&A



380 Madison Avenue
New York, NY

FY2021 Third Quarter Highlights

- GAAP earnings increase to \$1.42; adjusted earnings grow to \$0.90
- Continued impact from COVID-related project delays and soft market conditions
- Margins and earnings supported by effective cost management and strong execution
- On-track to achieve cost savings target of over \$40 million in FY21
- Double-digit top and bottom-line growth in Architectural Services
- Large-Scale Optical recovered faster than expected from shutdown earlier in the year
- Year-to-date cash from operations more than double prior-year level
- Continued actions to drive value and strengthen our financial position

Q3 results demonstrate the strength and resilience of our business

FY2021 Q3 Consolidated Results

All numbers in \$M, except per share amounts and percentages

	3 rd Quarter FY21	3 rd Quarter FY20	Year-to-date FY21	Year-to-date FY20
Net sales	\$313.6	\$337.9	\$922.2	\$1,050.3
Operating income	49.8	21.6	79.4	72.2
Adjusted operating income*	31.8	21.7	65.2	72.4
Operating margin	15.9%	6.4%	8.6%	6.9%
Adjusted operating margin*	10.1%	6.4%	7.1%	6.9%
Adjusted EBITDA*	\$44.5	\$33.7	\$103.2	\$107.0
Interest expense, net	1.5	2.0	4.2	7.2
Other income, net	0.5	0.2	0.7	0.6
Tax rate	23.5%	23.2%	23.8%	23.9%
Earnings per diluted share	\$1.42	\$0.57	\$2.19	\$1.87
Adjusted EPS*	\$0.90	\$0.57	\$1.78	\$1.87

*See reconciliation of non-GAAP financial measures tables at the end of this presentation.

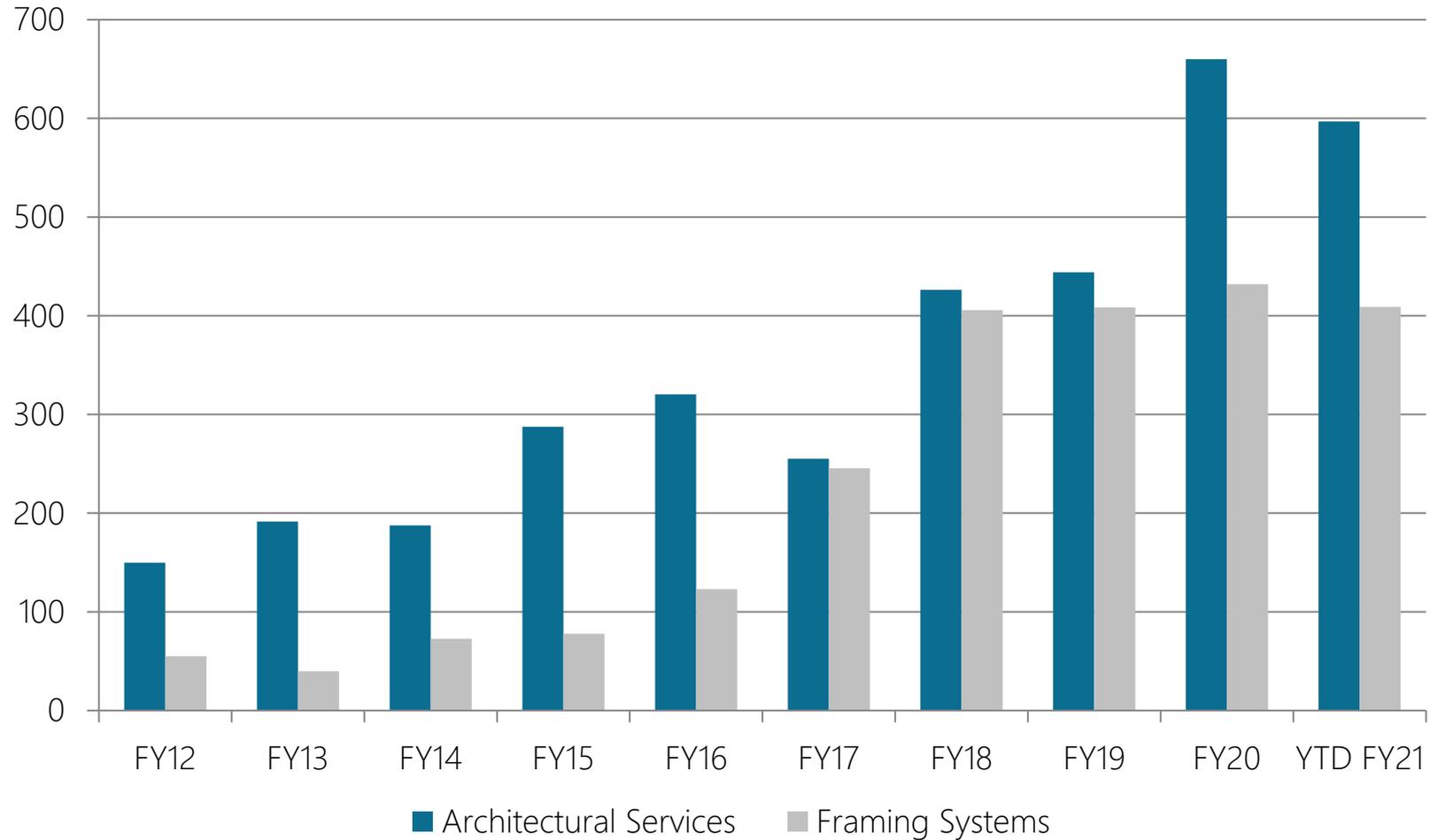
FY2021 Q3 Segment Results

All numbers in \$M, except percentages

	3 rd Quarter FY21	3 rd Quarter FY20	Year-to-date FY21	Year-to-date FY20
Revenues				
Architectural Framing Systems	\$136.7	\$165.5	\$439.8	\$533.4
Architectural Glass	84.8	89.4	248.3	288.9
Architectural Services	76.7	69.0	213.9	195.8
Large-Scale Optical	25.3	24.4	48.4	66.4
Operating Margin				
Arch. Framing Systems	5.3%	3.8%	6.0%	6.4%
Architectural Glass	12.8%	4.6%	6.2%	5.9%
Architectural Services	11.2%	9.5%	9.6%	7.7%
Large-Scale Optical	103.4%	27.7%	51.9%	23.4%
Large-Scale Optical (adjusted)	26.8%	27.7%	11.9%	23.4%

Backlog Trend

Segment Backlog at Period End



Update on cost actions

**On-track to deliver
\$40M+ savings in
current year**

**Initiated additional
actions to improve
fixed cost base**

- Procurement savings initiative & Framing Systems improvements
 - Expect current-year savings of over \$20 million
 - Expect ~\$40 million run-rate savings by end of FY22

- Temporary actions in response to COVID
 - Delivered current-year savings more than \$20 million
 - Began to reverse these actions during Q3
 - Expect limited benefit from these actions in FY22

- Additional fixed cost optimization
 - Targeting \$10 to \$20 million of savings by end of FY23
 - Evaluating investments in FY22 to drive further improvements

Cash Flow and Balance Sheet

All numbers in \$M	Thirty-Nine Weeks Ended Nov 28, 2020	Thirty-Nine Weeks Ended Nov 30, 2019
Cash flow from operations	\$120.5	\$53.6
Capital expenditures	17.1	41.2
Free cash flow*	103.4	12.4
Share repurchases	20.7	20.0
Dividends paid	14.5	13.8
Cash and cash equivalents	55.4	10.5
Total debt	168.5	251.3

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

Concluding Remarks

- Managing what we can control in a challenging environment
- Strong execution and cost control offset Q3 revenue decline
- On-track to achieve cost savings goals
- Strong cash flow, significantly above prior year
- Well positioned to manage through the current situation
- Confident in our long-term outlook – focused on emerging stronger in the recovery



One World Trade Center
New York, NY



enterprises, inc.

Reconciliation of Non-GAAP Financial Measures

Adjusted Net Earnings and Adjusted Earnings per Diluted Common Share (Unaudited)

	Thirteen	Thirteen	Thirty-Nine	Thirty-Nine
	Weeks Ended	Weeks Ended	Weeks Ended	Weeks Ended
<i>In thousands</i>	November 28, 2020	November 30, 2019	November 28, 2020	November 30, 2019
Net earnings	\$ 37,273	\$ 15,234	\$ 57,807	\$ 49,956
Gain on sale of building	(19,346)	—	(19,346)	—
COVID-19 (1)	1,372	—	4,068	—
Post-acquisition and acquired project matters	—	(2,635)	1,000	(2,635)
Cooperation agreement advisory costs	—	2,776	—	2,776
Income tax impact on above adjustments	4,224	(33)	3,398	(34)
Adjusted net earnings	\$ 23,523	\$ 15,342	\$ 46,927	\$ 50,063
	Thirteen	Thirteen	Thirty-Nine	Thirty-Nine
	Weeks Ended	Weeks Ended	Weeks Ended	Weeks Ended
	November 28, 2020	November 30, 2019	November 28, 2020	November 30, 2019
Earnings per diluted common share	\$ 1.42	\$ 0.57	\$ 2.19	\$ 1.87
Gain on sale of building	(0.74)	—	(0.73)	—
COVID-19 (1)	0.05	—	0.15	—
Post-acquisition and acquired project matters	—	(0.10)	0.04	(0.10)
Cooperation agreement advisory costs	—	0.10	—	0.10
Income tax impact on above adjustments	0.16	—	0.13	—
Adjusted earnings per diluted common share	\$ 0.90	\$ 0.57	\$ 1.78	\$ 1.87

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 for COVID-19-related costs, primarily incremental labor costs due to quarantine-related absenteeism and personal protective equipment for employees.

Reconciliation of Non-GAAP Financial Measures

Adjusted Operating Income and Adjusted Operating Margin (Unaudited)

Thirteen Weeks Ended November 28, 2020					
<i>In thousands</i>	Large-Scale Optical Segment		Corporate	Consolidated	
	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating income (loss)	\$ 26,114	103.4%	\$ (2,965)	\$ 49,750	15.9%
Gain on sale of building	(19,346)	(76.6)%	—	(19,346)	(6.2)%
COVID-19 (1)	—	— %	1,372	1,372	0.4%
Adjusted operating income (loss)	\$ 6,768	26.8%	\$ (1,593)	\$ 31,776	10.1%

Thirteen Weeks Ended November 30, 2019					
<i>In thousands</i>	Large-Scale Optical Segment		Corporate	Consolidated	
	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating income (loss)	\$ 6,754	27.7 %	\$ (2,130)	\$ 21,594	6.4%
Cooperation agreement advisory costs	—	— %	2,776	2,776	0.8%
Post-acquisition and acquired project matters	—	— %	(2,635)	(2,635)	(0.8)%
Adjusted operating income (loss)	\$ 6,754	27.7%	\$ (1,989)	\$ 21,735	6.4 %

(1) Adjustment for COVID-19-related costs, primarily incremental labor costs due to quarantine-related absenteeism and personal protective equipment for employees.

Reconciliation of Non-GAAP Financial Measures

Adjusted Operating Income and Adjusted Operating Margin (Unaudited)

Thirty-Nine Weeks Ended November 28, 2020					
<i>In thousands</i>	Large-Scale Optical Segment		Corporate	Consolidated	
	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating income (loss)	\$ 25,131	51.9%	\$ (7,685)	\$ 79,433	8.6%
Gain on sale of building	(19,346)	(39.9) %	—	(19,346)	(2.1)%
COVID-19 (1)	—	— %	4,068	4,068	0.4%
Post-acquisition and acquired project matters	—	—%	1,000	1,000	0.1%
Adjusted operating income (loss)	\$ 5,785	11.9%	\$ (2,617)	\$ 65,155	7.1%

Thirty-Nine Weeks Ended November 30, 2019					
<i>In thousands</i>	Large-Scale Optical Segment		Corporate	Consolidated	
	Operating income	Operating margin	Operating loss	Operating income	Operating margin
Operating income (loss)	\$ 15,561	23.4%	\$ (9,525)	\$ 72,210	6.9%
Cooperation agreement advisory costs	—	— %	2,776	2,776	0.3%
Post-acquisition and acquired project matters	—	— %	(2,635)	(2,635)	(0.3)%
Adjusted operating income (loss)	\$ 15,561	23.4%	\$ (9,384)	\$ 72,351	6.9 %

(1) Adjustment for COVID-19-related costs, primarily incremental labor costs due to quarantine-related absenteeism and personal protective equipment for employees.

Reconciliation of Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA

(Unaudited)

	Thirteen	Thirteen	Thirty-Nine	Thirty-Nine
	Weeks Ended	Weeks Ended	Weeks Ended	Weeks Ended
<i>In thousands</i>	November 28, 2020	November 30, 2019	November 28, 2020	November 30, 2019
Net earnings	\$ 37,273	\$ 15,234	\$ 57,807	\$ 49,956
Income tax expense	11,447	4,596	18,070	15,677
Interest expense, net	1,502	1,995	4,240	7,176
Other income, net	472	231	684	599
Depreciation and amortization	12,716	11,922	38,000	34,681
EBITDA	\$ 62,466	\$ 33,516	\$ 117,433	\$ 106,891
Gain on sale of building	(19,346)	—	(19,346)	—
COVID-19 (1)	1,372	—	4,068	—
Post-acquisition and acquired project matters	—	(2,635)	1,000	(2,635)
Cooperation agreement advisory costs	—	2,776	—	2,776
Adjusted EBITDA	\$ 44,492	\$ 33,657	\$ 103,155	\$ 107,032

(1) Adjustment for COVID-19-related costs, primarily incremental labor costs due to quarantine-related absenteeism and personal protective equipment for employees.