



apogee enterprises, inc.

Joe Puishys, Chief Executive Officer

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Forward-looking statements

This presentation contains non-GAAP financial measures when talking about Apogee's performance. Definitions for these non-GAAP financial measures are in our most recent earnings release.

It also contains forward-looking statements reflecting management's expectations based on currently available information. Actual results may differ materially. More information about factors that could affect Apogee's business and financial results can be found in our SEC filings.



About Apogee

A leading provider of value-added architectural glass and metal products and services for enclosing commercial buildings

1949 incorporated in Minnesota

Forecast over **\$1.4 billion** revenue in FY19

9 operating companies organized into 4 business segments

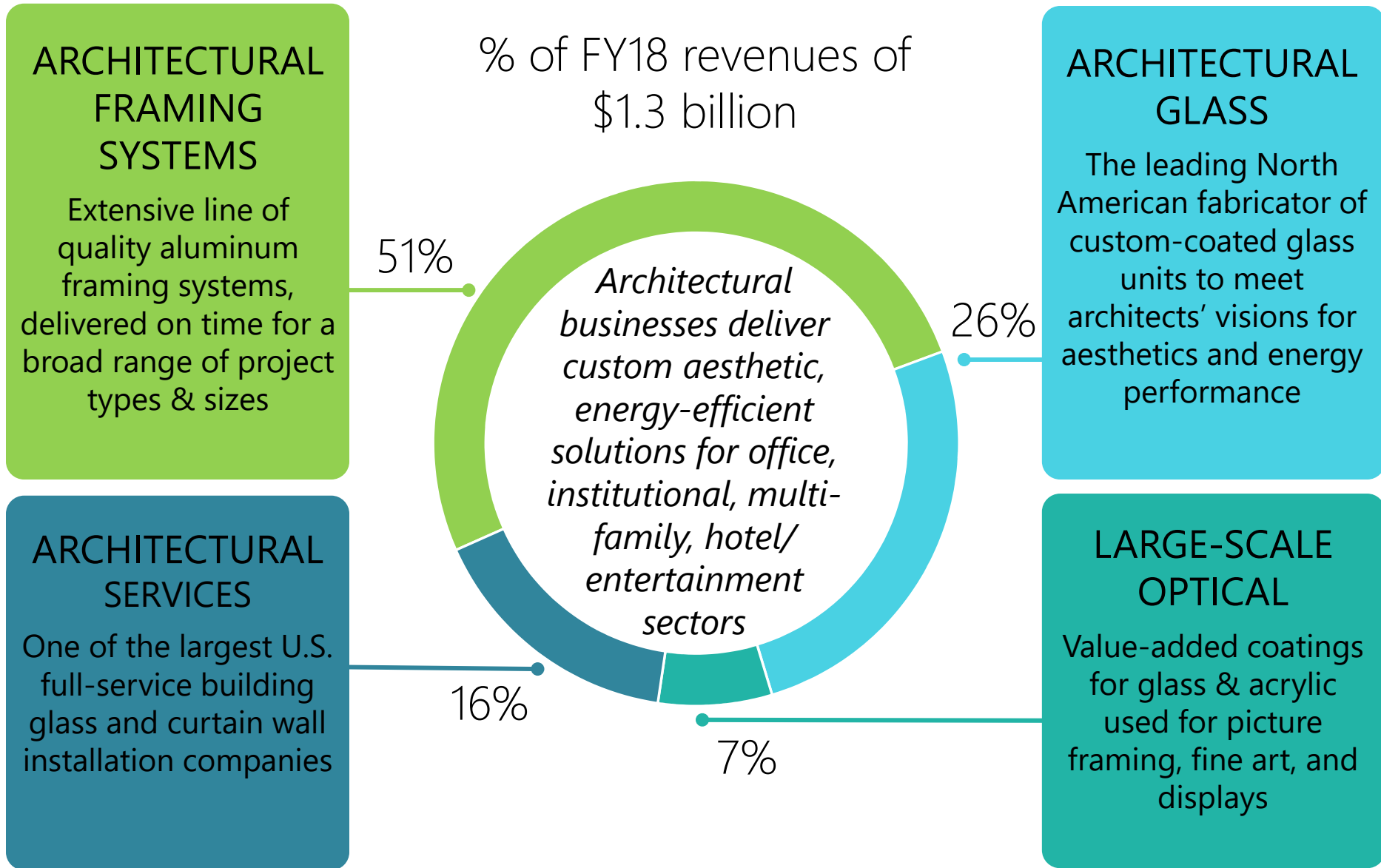
18 U.S. & 9 int'l manufacturing and fabrication locations

~6,700 employees

191 North Wacker
Chicago, IL

Apogee Enterprises, Inc.

Apogee's business segments



Why Apogee?

The “new Apogee” is stronger,
more diversified, and more stable

Favorable market conditions and healthy backlog

Robust platform for revenue growth,
with multi-year visibility

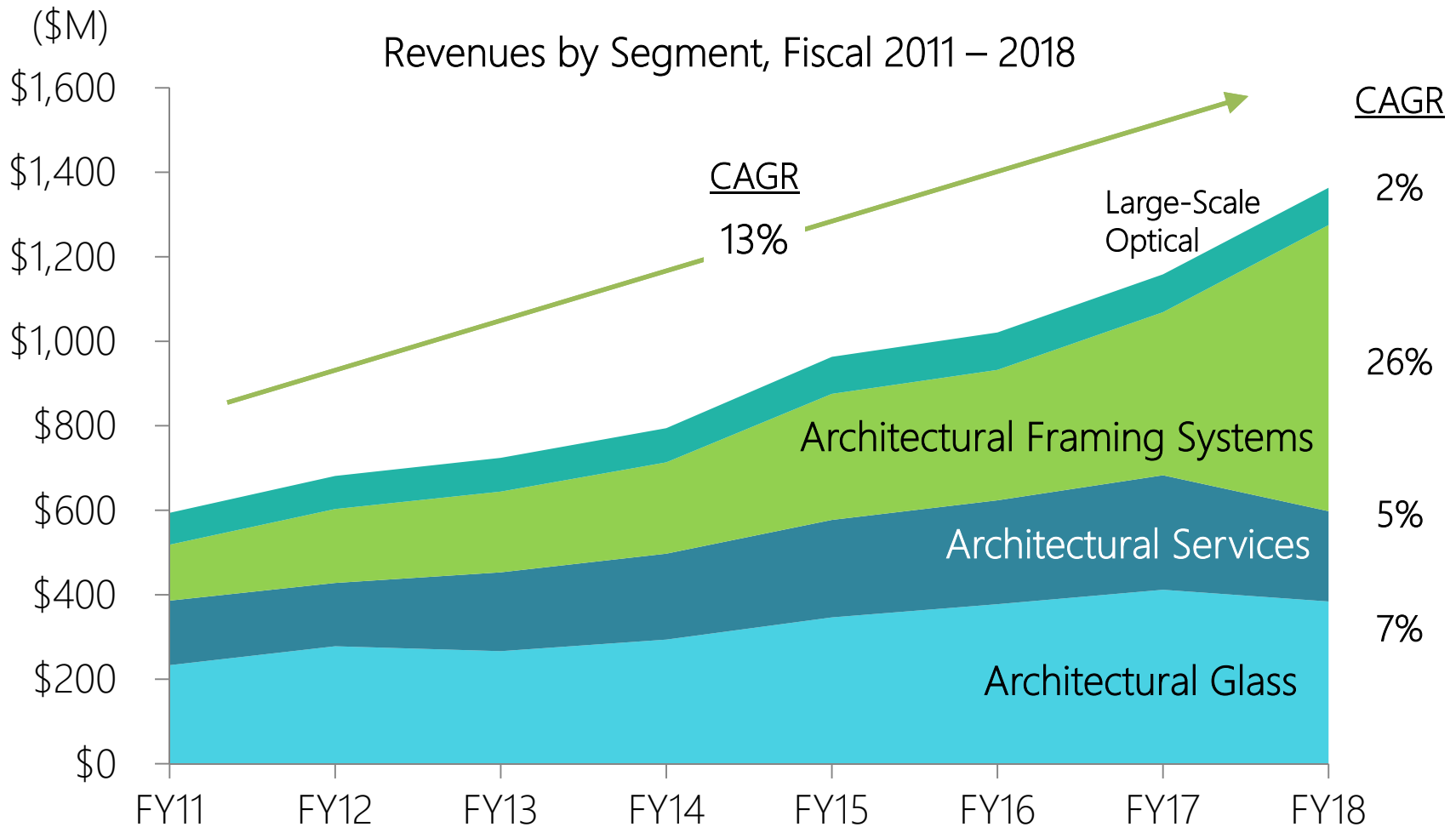
Significant opportunities for margin expansion
to accelerate earnings growth

Strong cash flow and balance sheet

Proven, experienced management team



Building a stronger, more diversified Apogee



Favorable market conditions support multi-year revenue visibility

Internal Indicators

- Architectural calls
- Bidding activity
- Commitments
- Awards
- Booked backlog

External Indicators

- Architectural Billing Index
- Dodge Momentum Index
- US employment growth for select industries
- CBRE office vacancy rate

Booked Revenue (0 – 18 Months) → Expected Demand (18 – 36 Months)*

*Varies by segment and product line.

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

Significant opportunities for margin expansion

- Lean and continuous improvement
- Investments in productivity and automation
- Optimize manufacturing capacity and supply chain
- Improve project selection
- Strategic pricing
- Synergies among architectural businesses

Strong financial position enables capital deployment to drive long-term value

Capital deployment priorities

Invest in the business

- Grow Apogee through internal investments and acquisitions
- Productivity & automation investments to drive margin gains

Return cash to shareholders

- Dividends with annual increases
- Opportunistic share buybacks

Business update

- Order flow and backlog remain healthy
 - Continues to position us well for the future
- Making progress toward operational improvements in Architectural Glass
 - Expect sequential margin improvement in Q3 and again in Q4
 - But significant work remains ahead of us
- Increased share buyback authorization and repurchased 600,000 shares since our Q2 earnings release

Summary

The “new Apogee” is stronger,
more diversified, and more stable

Favorable market conditions and healthy backlog

Robust platform for revenue growth,
with multi-year visibility

Significant opportunities for margin expansion
to accelerate earnings growth

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Reconciliation of FY18 Non-GAAP Financial Measures

Adjusted Net Earnings and Adjusted Earnings per Diluted Common Share

(Unaudited)

	Fifty-two	Fifty-three	
	Weeks Ended	Weeks Ended	
<i>In thousands</i>	March 3, 2018	March 4, 2017	% Change
Net earnings	\$ 79,488	\$ 85,790	(7.3)%
Amortization of short-lived acquired intangibles	10,521	1,722	N/M
Acquisition-related costs	5,098	531	N/M
Restructuring-related costs	3,026	—	N/M
Income tax impact on above adjustments ⁽¹⁾	(5,157)	(493)	N/M
Adjusted net earnings	\$ 92,976	\$ 87,550	6.2%

	Fifty-two	Fifty-three	
	Weeks Ended	Weeks Ended	
<i>In thousands, except per share amounts</i>	March 3, 2018	March 4, 2017	% Change
Earnings per diluted common share	\$ 2.76	\$ 2.97	(7.1)%
Amortization of short-lived acquired intangibles	0.37	0.06	N/M
Acquisition-related costs	0.18	0.02	N/M
Restructuring-related costs	0.11	—	N/M
Income tax impact on above adjustments ⁽¹⁾	(0.18)	(0.02)	N/M
Adjusted earnings per diluted common share	\$ 3.23	\$ 3.03	6.5%

⁽¹⁾ Income tax impact on adjustments was calculated using the estimated annual effective income tax rate of 27.7% in the current year and 30.1% in the prior year.

Reconciliation of FY18 Non-GAAP Financial Measures

Adjusted Operating Income and Adjusted Operating Margin (Unaudited)

	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)	\$ 69,552	10.3%	\$ 35,790	9.3%	\$ (4,833)	\$ 132,929	10.0%

	Fifty-Three Weeks Ended March 4, 2017						
	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)	\$ 44,768	11.6%	\$ 44,656	10.8%	\$ (8,160)	\$ 122,225	11.0%
Amortization of short-lived acquired intangibles	1,722	0.4%	—	—%	—	1,722	0.2%
Acquisition-related costs	—	—%	—	—%	531	531	—%
Adjusted operating income (loss)	\$ 46,490	12.0%	\$ 44,656	10.8%	\$ (7,629)	\$ 124,478	11.2%