JOE PUISHYS, CEO

APOGEE ENTERPRISES, INC.
BEC Conference | Nashville | March 2020
# About Apogee

<table>
<thead>
<tr>
<th>Year Founded</th>
<th>Headquartered in Minneapolis, MN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949</td>
<td></td>
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<table>
<thead>
<tr>
<th>Operating Companies</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Countries of Operation</th>
<th>Primarily W. Hemisphere</th>
</tr>
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<tbody>
<tr>
<td>4</td>
<td></td>
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</tbody>
</table>

| Employees | | |
|-----------|---|
| ~7,000    |   |

<table>
<thead>
<tr>
<th>Annual Revenue</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>~$1.4B</td>
<td></td>
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</table>
Segments that span the value chain
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- Architectural Glass
- Framing Systems
- Installation Services
Segments that span the value chain

- Architectural Glass
- Framing Systems
- Installation Services
Trusted with a range of premier projects
We are operating in the backdrop of a robust (?) market
✓ ABI fairly stable for several years
✓ Recent uptick after brief decline
Dodge Momentum Index

Long up-cycle but still below prior peak
Construction Starts

Total U.S. Construction Starts
billions of dollars

bumping along the top...

...but we could be here for a long time

Dodge Data & Analytics
Job Growth

U.S. Average Monthly Job Growth - in thousands

Continued strong employment growth
Particularly in office occupying sectors, education & healthcare

Bureau of Labor Statistics
Length of U.S. Expansion

The current expansion is the **longest** on record...

U.S. Department of Commerce, National Bureau of Economic Research and Wells Fargo Securities
Strength of U.S. Expansion

Average GDP Growth

1949
1954
1958
1961
1970
1975
1980
1982
1991
2001
2009

...but it is also the weakest.

U.S. Department of Commerce, National Bureau of Economic Research and Wells Fargo Securities
Consumer Sentiment

consumer sentiment remains strong

multiple years of high confidence
CBRE Vacancy Rates

- Vacancy rates at decade+ low
- Balanced supply and demand
- Few signs of over-building

I like this trend, too
Overall, a healthy market where companies can grow.
The competitive landscape has changed dramatically
A level playing field?
Strength of the US dollar brings in foreign competitors

33% increase in USD strength
Welcome to competition
New technologies are emerging

- efficiency standards
- glass trends
- environmental protection
Energy efficiency standards evolve

New York City - Climate Mobilization Act

- Strict carbon emissions limits for buildings 25,000+ sq ft
- By 2024, buildings will face significant fines for noncompliance

And more...

- 2015 Seattle Energy Codes
- 2017 California’s Net Zero Mandate
- 2019 California’s Title 24
- Ontario’s U-Value Standards

Very appealing to our entire industry
Our industry is responding with **innovative solutions**

**High-performing technology**
- Thermally-enhanced spacers
- Two Low-e coatings and triple-pane insulating units
- Vacuum insulating glass
- High-performing thermal framing systems
- And many others
Oversize continues to grow

increasing capital investments and expertise across the supply chain
Complexity increases
And architects want even bigger
Minimizing impact on nature

**birds**
Bird-friendly standards established - California, New York, Illinois, Canada

**turtles**
Turtle code established - Florida
But we always focus on new construction...
Why not upgrade the envelope?
Aesthetics and image
Aesthetics and image

Energy efficiency
Aesthetics and image

Energy efficiency

Reduced maintenance
Aesthetics and image

Energy efficiency

Reduced maintenance

Protective upgrades
Aesthetics and image
Energy efficiency
Reduced maintenance
Protective upgrades
Perimeter use & productivity
Triggers for renovation

- Remediation of failure: 56%
- Aesthetics upgrade: 74%
- Energy performance: 65%
- Code compliance: 15%
- Standard compliance: 14%
- Other: 6%
U.S. commercial building market

- **5M** commercial buildings
- **70B** square feet

- **40%** of energy consumption
- **60-70%** built prior to Low-e glass and framing advances
- **50%** do not have insulated glass

BUILDING ENVELOPE CONTRACTORS CONFERENCE 2020

NGA
Big market opportunity

1% of existing buildings is as large as the construction market
Change of command
50% Percentage of the workforce made up by millennials

© PricewaterhouseCoopers
A particularly painful challenge for our industry...

...due to heavy reliance on:

- experience
- relationships
### Significant leadership changes

**Major leadership and ownership changes at top 20 glaziers in the last four years alone**

<table>
<thead>
<tr>
<th>Company</th>
<th>Change Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>New president named in 2018</td>
</tr>
<tr>
<td>Company B</td>
<td>New president named in 2016</td>
</tr>
<tr>
<td>Company C</td>
<td>New leadership in 2020</td>
</tr>
<tr>
<td>Company D</td>
<td>New leadership in 2020</td>
</tr>
<tr>
<td>Company E</td>
<td>Company sold, new leadership in 2016</td>
</tr>
<tr>
<td>Company F</td>
<td>Transitioned to ESOP in 2019</td>
</tr>
</tbody>
</table>
In it for the ride
In it for the ride

- Another recession ...
In it for the ride

- Another recession . . . ???
In it for the ride

- Another recession . . . ???
- Tighter standards . . .
In it for the ride

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- Tighter standards . . . absolutely
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- Tighter standards . . . absolutely
- Global playing field . . .
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- Demographics . . .
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- Demographics . . . work in our favor
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- From mfg to service economy . . .
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A roller coaster ride? . . .
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* A roller coaster ride? . . . of course*
THANK YOU