A Part of Something Bigger℠

Quanex

INVESTOR PRESENTATION

MARCH 2023

SAFE HARBOR STATEMENT

Forward Looking Statements: Statements that use the words "estimated," "expect," "could," "should," "believe," "will," "might," or similar words reflecting future expectations or beliefs are forward-looking statements. The forward-looking statements include, but are not limited to, the following: impacts from public health issues (including pandemics, such as the recent COVID-19 pandemic) on the economy and the demand for Quanex's products, the Company's future operating results, future financial condition, future uses of cash and other expenditures, expenses and tax rates, expectations relating to Quanex's industry, and the Company's future growth, including any guidance discussed in this presentation. The statements and guidance set forth in this release are based on current expectations. These forward-looking statements involve significant risks and uncertainties that could cause the actual results or events to differ materially from this presentation. Many of these factors are outside Quanex's control and are difficult to predict. For a complete discussion of factors that may affect Quanex's future performance, please refer to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2022, and Quanex's Quarterly Reports on Form 10-Q under the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors". Any forward-looking statements in this presentation are made as of the date hereof, and the Company undertakes no obligation to update or revise any forward-looking statements to reflect new information or events.

Non-GAAP Terminology Definitions and Disclaimers: Adjusted Net Income (defined as net income further adjusted to exclude purchase price accounting inventory step-ups, transaction costs, certain severance charges, gain/loss on the sale of certain fixed assets, restructuring charges, asset impairment charges, other net adjustments related to foreign currency transaction gain/loss and effective tax rates reflecting impacts of adjustments on a with and without basis) and Adjusted EPS are non-GAAP financial measures that Quanex believes provide a consistent basis for comparison between periods and more accurately reflects operational performance, as they are not influenced by certain income or expense items not affecting ongoing operations. EBITDA (defined as net income or loss before interest, taxes, depreciation and amortization and other, net) and Adjusted EBITDA (defined as EBITDA further adjusted to exclude purchase price accounting inventory step-ups, transaction costs, certain severance charges, gain/loss on the sale of certain fixed assets, restructuring charges and asset impairment charges) are non-GAAP financial measures that the Company uses to measure operational performance and assist with financial decision-making. Net Debt is defined as total debt (outstanding balance on the revolving credit facility plus financial lease obligations) less cash and cash equivalents. The leverage ratio of Net Debt to LTM Adjusted EBITDA is a financial measure that the Company believes is useful to investors and financial analysts in evaluating Quanex's leverage. In addition, with certain limited adjustments, this leverage ratio is the basis for a key covenant in the Company's credit agreement. Return on Invested Capital (ROIC) is defined as Adjusted EBIT*(1 – Tax Rate) / (Average Shareholders' Equity + Average Net Debt). Adjusted EBIT is calculated as Adjusted EBITDA – D&A. Average Shareholders' Equity and Average Net Debt is calculated as average of beginning and ending balances of the period. Quanex uses the ROIC metric to measure the Company's effectiveness in allocating capital and assist with capital deployment decision-making. Quanex believes ROIC is useful to investors in analyzing the efficiency of the Company's deployment of capital. Return on Equity (ROE) is defined as Adjusted Net Income / Average Shareholders' Equity. Average Shareholders' Equity is calculated as the average of beginning and ending balances of the period. The Company uses the ROE metric to evaluating how much profit Quanex generates on the shareholders' equity in the Company. Quanex believes ROE is useful to investors in analyzing the profitability of companies in the same industry. Free Cash Flow is a non-GAAP measure calculated using cash provided by operating activities less capital expenditures. Quanex uses the Free Cash Flow metric to measure operational and cash management performance and assist with financial decision-making. Free Cash Flow is measured before application of certain contractual commitments (including capital lease obligations), and accordingly is not a true measure of the Company's residual cash flow available for discretionary expenditures. Quanex believes Free Cash Flow is useful to investors in understanding and evaluating the Company's financial and cash management performance. Quanex believes that the presented non-GAAP measures provide a consistent basis for comparison between periods and will assist investors in understanding the Company's financial performance when comparing results to other investment opportunities. The presented non-GAAP measures may not be the same as those used by other companies. Quanex does not intend for this information to be considered in isolation or as a substitute for other measures prepared in accordance with U.S. GAAP.

INVESTMENT APPEALS

A GROWING MANUFACTURING BUSINESS WITH CORE CAPABILITIES & BROAD APPLICATIONS

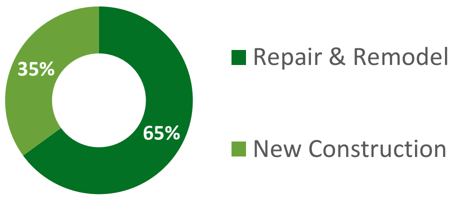
1. A Global market leader aligned with top OEMs across all product categories
2. Profitable above-market growth, strong free cash flow generation & significant ROIC improvement
3. Leveraging material science expertise and process engineering to expand into adjacent markets
4. Strong balance sheet with significant liquidity
5. Flexible business model with ability to respond to changing market dynamics
6. Capital allocation strategy focused on increasing total shareholder returns

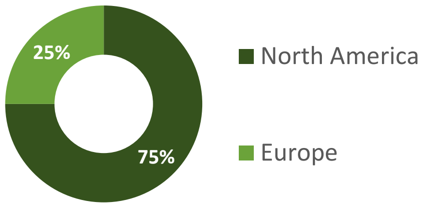
QUANEX AT A GLANCE

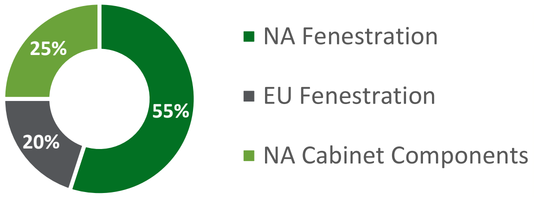
COMPANY OVERVIEW

- **Largest domestic manufacturer and supplier of components to window and cabinet OEMs**
  - 85-year legacy of market leadership and consistent growth
- **Diversified business operating through three segments with a portfolio of strong brand names:**
  - NA Fenestration: *IG Spacers*, *Homeshield* (screens and accessories), MIKRON Quality Extruded Products (vinyl extrusions) & custom mixing
  - EU Fenestration: Liniar (vinyl extrusions), Edgetech A Quanex Building Products Company (IG spacers)
  - NA Cabinet Components
- **Extensive plant network and extruding capabilities contributing to leading positions across product lines**
  - Widely recognized parent brand associated with differentiated products, quality and customer service
  - Broadest portfolio of product systems in the industry, enhanced by customizable solutions
- **Core manufacturing capabilities with broad applications**
- **Headquartered in Houston, Texas**

FY 2022 REVENUE BREAKDOWN







KEY STATISTICS

LTM 1Q23 SALES: $1.2B +9.7% Y/Y	LTM 1Q23 NET INCOME: $79.0M LTM 1Q23 ADJ. NET INCOME: $83.7M	LTM 1Q23 ADJ. EBITDA: $148.6M ~12.2% Margin
1Q23 NET LEVERAGE: 0.8X (1) Total Liquidity of $263.0M (2)	NETWORK OF 30 PLANTS 27 U.S. and 3 Intl	EMPLOYEES: ~4,000 ~80% U.S. and ~20% Intl

Note: EBITDA adjusted to exclude non-recurring items referenced in Safe Harbor Statement on slide 2. Please reference the Appendix for a reconciliation of Net Income to Adjusted EBITDA and a reconciliation of Net Leverage.

(1) Net Leverage Ratio defined as Net Debt/LTM Adjusted EBITDA. Total Debt includes $53.2 million in real-estate lease liabilities considered “finance” leases under U.S. GAAP. Please reference the Appendix for a reconciliation of Net Debt and Net Leverage Ratio.

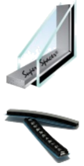
(2) Excludes outstanding letters of credit and deferred financing fees; includes cash on balance sheet and availability under current credit facilities.

ROBUST PORTFOLIO OF CURRENT PRODUCT OFFERINGS

TOP SUPPLIER TO OEMS ACROSS A BROAD RANGE OF PRODUCT CATEGORIES

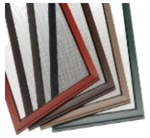
Window, Patio Door & Other Components

1 Insulating Glass Spacers



Enhance durability, condensation resistance and thermal performance

2 Window & Patio Screens



Largest selection of screen solutions and components

3 Door Components

Door Seals

Door Jambs

Thresholds

4 Window Components

Window Grills

Cladding

Bow and Bay Windows

Muntin Bars

5 Window & Patio Profiles

Full system solutions or custom designs for residential and commercial markets

Provide superior energy efficiency and durability

6 Other Components

Solar Sealant (PSET)

Custom Mixing

Flashing Tape

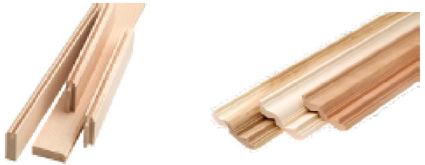
Vinyl Fencing

Cabinet Components

1 Cabinet Doors

2 Drawer Fronts

3 Face Frames & Components



Quanex

LEADING COMPONENT SUPPLIER TO OEMs

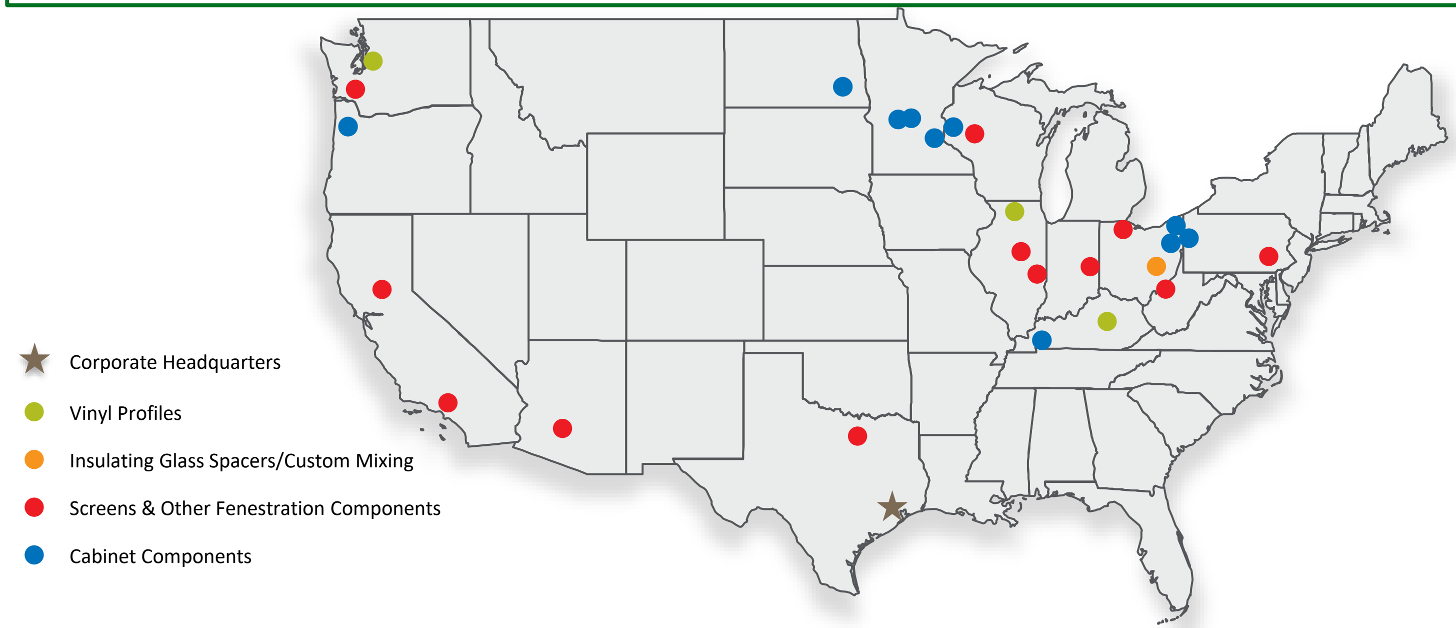
	IG SPACERS	U.K. VINYL EXTRUSIONS	CUSTOM MIXING	SCREENS AND ACCESSORIES	U.S. VINYL EXTRUSIONS	CABINET COMPONENTS
Market Position	**A global market leader**	**Top 5 manufacturer in U.K.**	**A market leader in the U.S.**	**A market leader in U.S.**	**Top 5 manufacturer in U.S.**	**A market leader in U.S.**
Segment Overview	Highly engineered products focused on improving window and patio door thermal and energy efficiency	Branded PVC profiles used in the assembly of windows, patio doors and conservatories, fencing, decking, piling and exterior building products	Technically advanced rubber compounding facility supporting niche and specialized products for the custom mixing market	Largest portfolio of screen solutions for windows and patio doors, as well as exterior and patio door thresholds and other precision products	Vinyl and composite profiles engineered for increased durability and superior energy performance	Single-source supplier of high-quality hardwood and engineered wood cabinet and drawer fronts and components for kitchen and bath OEMs
Key Strengths	✓ Mission-critical, low-cost window component ✓ Diverse customer base generating cross-selling opportunities ✓ Significant economies of scale in North America ✓ Differentiated energy-efficient solutions preferred by OEMs ✓ Shifting consumer sustainability preferences multiplying TAM ✓ Strong brand synonymous with quality and service ✓ Lowest total cost platform	✓ Fastest-growing vinyl window profile extruder in U.K. ✓ Most energy-efficient profile systems in U.K. ✓ State-of-the-art manufacturing capabilities ✓ Strong brand recognition through the "Liniar" line of products	✓ Diverse market and customer base ✓ Strategic focus on innovation and new product development ✓ Unique strength and expertise in sponge compounding ✓ Highly automated and controlled manufacturing processes. ✓ State-of-the-art mixing equipment and controls ✓ Strong supplier and customer relationships	✓ Highly integrated in customer supply chain ✓ Customizable manufacturing and best-in-class lead times ✓ Strong relationships with largest OEMs across sectors ✓ Increasingly outsourced product by window manufacturers ✓ Automation opportunities to unlock significant margin expansion	✓ Expertise in vinyl extrusion ✓ Manufacturing footprint with capacity to grow ✓ Opportunity for market consolidation and margin improvement ✓ Ability to leverage existing asset base in new fenestration businesses	✓ Target goal of low double-digit "normalized" Adj. EBITDA margin profile ✓ Close working relationship with top cabinet OEMs ✓ Best-in-class service levels ✓ Unrivaled breadth of product ✓ Opportunity to expand into adjacent wood product categories

Note: Please refer to the Safe Harbor Statement on slide 2 for further information regarding Adjusted EBITDA.

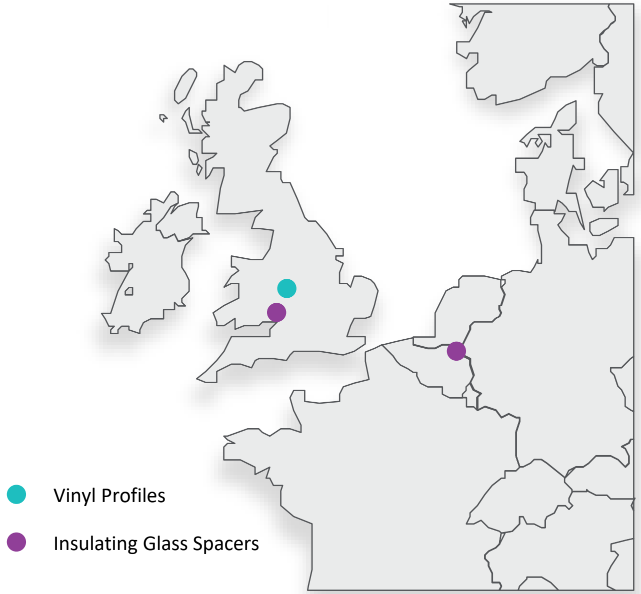
DIFFERENTIATED MANUFACTURING FOOTPRINT

1. *Extensive coast to coast manufacturing capacity*
2. *Domestic footprint supports local customer base*
3. *Ideally positioned to handle international supply chain disruptions*
4. *Efficient design allowing for flexible manufacturing*
5. *Differentiated just-in-time, customized product runs*

DOMESTIC FOOTPRINT



INTERNATIONAL FOOTPRINT



 | QUANEX.COM

Quanex

CORE MANUFACTURING CAPABILITIES WITH BROAD APPLICATIONS

DIFFERENTIATED, GLOBAL MANUFACTURING FOOTPRINT – POSITIONED TO EXPAND OFFERINGS

Quanex

Rubber Extrusion

The continuous process in which rubber and other additive compounds are softened through a heated screw and barrel that forces the melted compound through shaping dies, downstream tooling, and cooling / curing baths to obtain an array of profiles

- Operates 20 extrusion lines in the U.S., 5 in Germany and 2 in the U.K.

Plastic Extrusion

PVC resin, impact modifiers, UV and heat stabilizers as well as flow agents are melted and forced through shaping dies, downstream tooling and cooling baths resulting in rigid profiles that are then cut to specified lengths

- Operates 98 extruders in the U.S. and 33 in the U.K.

Woodwork

Interior wood components are created through a process of chopping, planning, cutting and finishing of multiple species of lumber

- Operates 5 rough mills and 6 production plants across the U.S.

Compound & Sealant Mixing

Numerous raw materials are combined according to a "recipe" and mixed per time and temperature parameters to create a new final compound

- Operates 14 mixers in the U.S., 1 in Germany and 1 in the U.K.

Metal Rollforming

Through a series of pressure points and bend angles / rollers, intricate profiles and fenestration components that are too complicated to extrude are produced in steel and aluminum

- Operates 63 rollformers in the U.S.

POISED TO BENEFIT FROM SECULAR TAILWINDS

1

Residential demand remains strong, sustaining start levels for years to come

- Demand is expected to remain elevated as long-term trends, including shifting demographics and de-urbanization, are coupled with a structural housing undersupply, despite the recent uptick in mortgage rates

2

Elevated repair & remodel spending

- Spending supported by substantial homeowner equity and expected to remain elevated as consumers invest in home improvement with secular shifts toward spending more time in the home, due in part to work-from-home trends, driving demand for larger living spaces

3

Component outsourcing trends continue to gain traction

- OEMs continue to shift toward component outsourcing, alleviating pressure related to labor and plant capacity constraints while simultaneously addressing increased investor focus on return metrics

4

Domestic manufacturing being prioritized in light of recent supply chain disruptions

- Continued supply chain difficulties abroad coupled with geopolitical tensions are catalyzing onshoring of manufacturing capacity with “Made in the U.S.” expected to provide further support for investment momentum

5

Attention and capital committed to ESG oriented opportunities continues to accelerate

- Consumers globally are focused on energy efficiency of buildings; Investors are focused on improving long-term sustainability and reducing sector carbon footprints, using ESG as an increasingly important criterion for investment decisions

SHIFTING DEMAND TRENDS BENEFITING QUANEX

ACCELERATING OUTSOURCING TRENDS

Current Market Conditions	*Impact on Outsourcing Trends*
Labor Continues To Be A Major Growth Constraint	Outsourcing Allows OEM Labor Force To Focus On Product And System Assembly
Weak Payback For OEMs On Capital For Component Manufacturing	Frees Up OEM Capital To Invest In Final Product Assembly (Core Competency)
Many OEMs Are Facing Physical Capacity Constraints	Outsourcing Increases Plant Availability For Assembly Of Products And Systems

ACCELERATING ESG TRENDS ALIGNED WITH QUANEX IDENTITY

ESG WOVEN INTO Quanex CORPORATE CULTURE

Continuous focus on driving improvement across the organization to create value for all key constituents including:

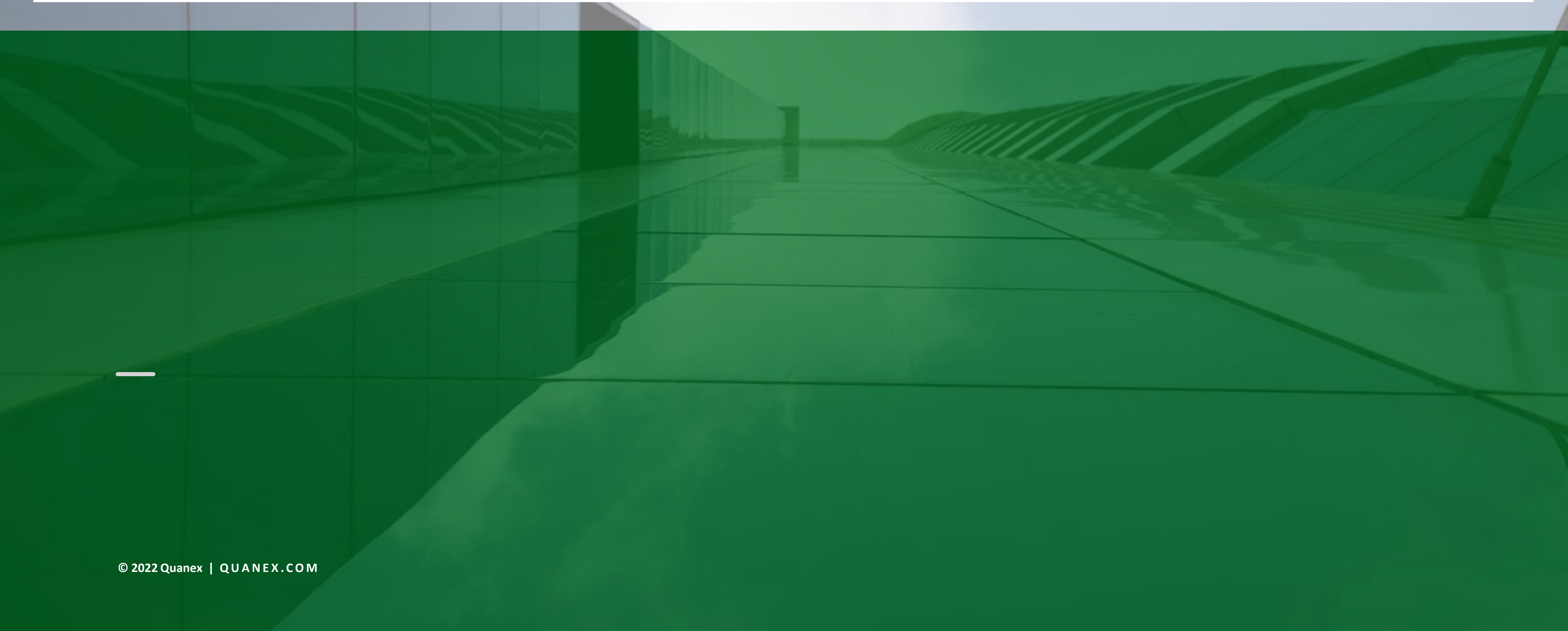
Initiatives in process in each business segment already yielding substantial benefits:

- **Committing to enhancing diversity, equity and inclusion throughout the business**
  - Corporate employee base is now ~50% female and ~45% diverse
- **Eliminating waste in production, using recycled resin and reusing scrap**
- **Focusing on new product development to enhance energy and thermal efficiency of homes**
  - Expanding portfolio of award winning or certified spacers, profiles and thresholds that offer improved performance and reduce carbon footprints of end users

Source: Freightos, Statista and NAHB.

A Part of Something Bigger℠

GROWTH WITH PURPOSE



JOURNEY TO BECOMING:

B

Bold acquisition strategy targeting existing and new lines of business

- Explore markets that are synergistic with existing manufacturing capabilities
- Expand product portfolio, and approach “complete solution provider” status
- Bolster human capital, purchasing power or manufacturing capabilities
- Capitalize on existing market opportunities

I

Innovative product development driving consistent growth in core segments

- Split innovation and NPD from product management and technical support
- Identify future market drivers, determine priorities and resource allocation
- Create new-to-market, patentable products
- Develop collaborative partnerships

G

Growth-focused strategy incorporating technology across the platform

- Adopt global and regional approach to product management
- Utilize current technology know-how
- Identify gaps in existing markets
- Leverage existing manufacturing capacity to enter adjacent markets

G

Globally-oriented approach that leverages reach while supporting international divisions

- Expand global manufacturing footprint
- Risk mitigation to improve competitiveness
- Defined growth strategy for IG International in Europe and Asia
- Explore international acquisition potential
- Strategic research on specific emerging markets

E

ESG-driven to maximize positive impact on all stakeholders

- Focus on reducing carbon footprint across business operations
- Create long-term value for shareholders through good governance
- Deliver best-in-class service to our customers
- Build an inclusive and supportive culture
- Remain committed to doing good in our community

R

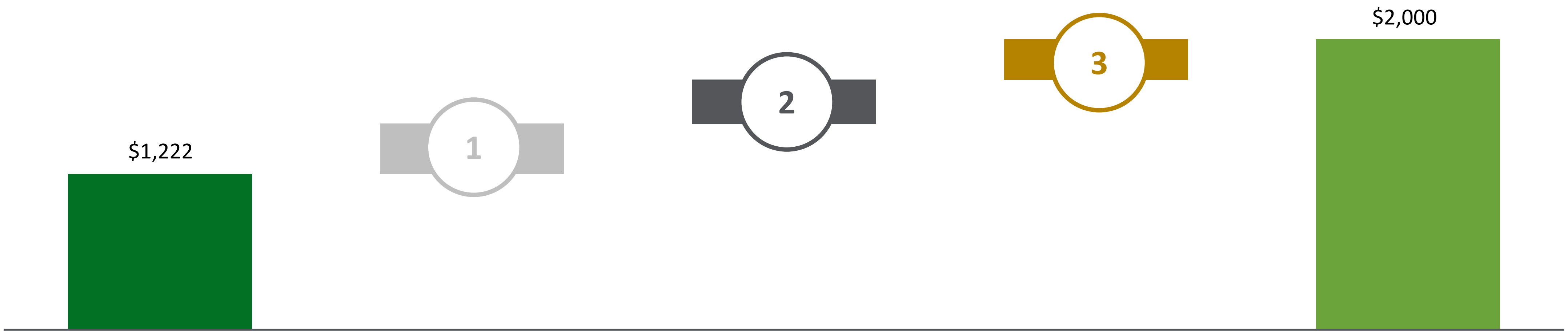
Responsive to ideas and opportunities identified across the organization

- Utilize technology to improve efficiency and automation
- Clarify and streamline processes to enable quick decision-making
- Improve speed to market by empowering teams to act on new opportunities
- Create an entrepreneurial environment that rewards innovation rather than a risk-averse mentality

GROWTH WITH PURPOSE

PATHWAY TO $2 BILLION OF SALES

($ in millions)



FY 2022

Near-Term Organic Growth

- Price and volume growth forecast through FY 2026
- Margin improvement associated with slate of strategic initiatives
  – Includes cost and efficiency opportunities across segments

Long-Term Organic Growth

- Continued volume and growth expansion beyond FY 2026
- Execution on longer-term strategic growth opportunities
  – Includes leveraging existing manufacturing capacity to enter adjacent markets

Inorganic M&A Activity

- Expanding target market to include product categories that are in, on and outside the house
- Pipeline of M&A targets that range in terms of size, product focus and synergy potential

Long-Term Target

INVESTING IN THE CORE: REINFORCING SECTOR LEADERSHIP

- Growth in existing markets and reinforcing leadership positions enabling improved relative positioning with material suppliers driving continued volume growth and share gains
  - Significant increase in scale will create a more effective platform for further inorganic growth in the future
- Ability to generate substantial cost synergies as well as incremental revenue opportunities delivering avenues for future growth, margin expansion and cash flow conversion gains
- Long-tenured leadership team has existing relationships and targeted dialogue with the most logical targets driven in part by prior engagement on potential transactions
  - Augmented by current Board relationships, including at the Chairman level, providing incremental levers for exploring potential transactions

EXPANDING THE CORE: LEVERAGING CORE EXTRUSION COMPETENCIES

- Ability to leverage industry leading operational expertise in material extrusion to rapidly expand product portfolio into new building product segments across the entire home
- Robust universe of private equity owned assets that are or will become actionable in the near-term along with significant pool of family-owned targets
  - Active landscape monitoring strategy in place to maximize opportunities to pre-empt auction processes
- Significant amount of existing manufacturing capacity that is currently unutilized and can efficiently be transitioned to producing new products with minimal capital requirements
  - Opportunity to drive improved fixed cost leveraging across the organization and deliver incremental margin improvement

STRATEGY FOR INORGANIC GROWTH IN TARGET MARKETS

- ☑ Attractive Category With New Opportunities for Growth
- ☑ Broader Channel Diversification Beyond OEM
- ☑ Value Added Positioning with Secular Growth Drivers
- ☑ Established Track Record of Execution and Financial Performance
- ☑ Seasoned Operational and Management Team

WHO WE WANT TO BE:

	In The House	On The House	Outside The House
Current Exposure	Cabinetry Millwork	IG Spacers Solar PV Vinyl Profiles Vinyl Screens Weather Proofing	Decking Fencing
Expansion Opportunity	Hardware Fire Protection HVAC LVT Flooring Soundproofing Building Envelope	Aluminum (Windows & Doors) Hardware Roofing	Artificial Turf Garden Offices Patio Furniture Stonework

LMI ACQUISITION CONSISTENT WITH QUANEX GROWTH STRATEGY

Transaction Description

- Acquired substantially all the assets of LMI Custom Mixing, LLC ("LMI") on 11/1/22
- LMI is a custom polymer mixing compounder that produces high-quality, customized rubber compounds used in a variety of diversified industrial applications

Transaction Considerations

- $92 million purchase price, or ~$79 million, net of present value of $13 million estimated tax benefit
- To be funded with cash-on-hand and borrowings on existing revolving credit facility
- Expect to realize synergies of ~$500,000 in Year 1
- FY 2023E LMI Projections: ~$80 Million Revenue & ~15% EBITDA Margin

Strong Strategic Fit

- Fits squarely within Quanex's materials science and process engineering expertise
- Expands product portfolio into new, attractive category with significant growth opportunities
- Vertical integration and cost savings through supply of compounds to North American IG Systems business, which is located on the same site as LMI's Cambridge, OH plant
- Familiar, complementary operations represent low execution and integration risk

Industry Leading Compounder

- Strong reputation for cutting edge compound development using state-of-the-art machinery
- Highly customer centric company, offering a development support team to optimize compound design for highly technical applications
- Well-invested facility in Cambridge, OH with ability to expand capacity on site

Expected Financial Impact

- Attractive effective purchase price multiple
- Immediately accretive to adjusted EPS
- Improves consolidated margin profile
- Pro forma balance sheet remains strong

ATTRACTIVE AND HIGHLY COMPLEMENTARY BUSINESS

Highly complementary business

- Fits squarely within Quanex's material science and process engineering expertise
- Compounding is a core competency of Quanex
- Located on same site as North American IG Systems business = synergy opportunity

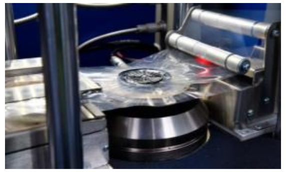
Strategic entry into attractive new category with compelling growth opportunities

- Expands customer base beyond Original Equipment Manufacturers
- Diversified industrial end markets
- Stable, accretive margins
- Identified pipeline of profitable new business, with meaningful available capacity to support growth
- Fragmented industry with leading, independent, regional players - Quanex can be the preferred acquiror

Low execution and integration risk

- Strong cultural fit with LMI management post-transaction commitment to the business
- Business and process Quanex understands (Quanex has in-house compounding expertise and a long-standing relationship with LMI)
- Conservative post-transaction capital structure

Facility Overview

- **Location:** Cambridge, Ohio
- **Plant Size:** ~140k ft^2
- **Capacity:** 60M lbs annually
- **Employees:** ~125 (non-union)
- **End Markets:** Automotive, Building & Construction, Wire & Cable, Industrial, Energy & Utilities, Solar, Food & Drug Administration (FDA) & National Sanitation Foundation (NSF), and ECO-Friendly

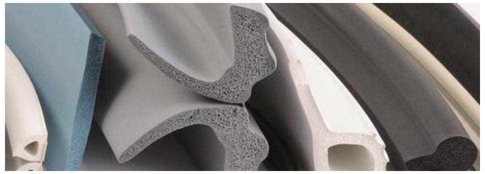
Polymer Compounds

Black & Custom Color Compounds

Compounds for Extrusion

Compounds for Molding

Sponge Compounds



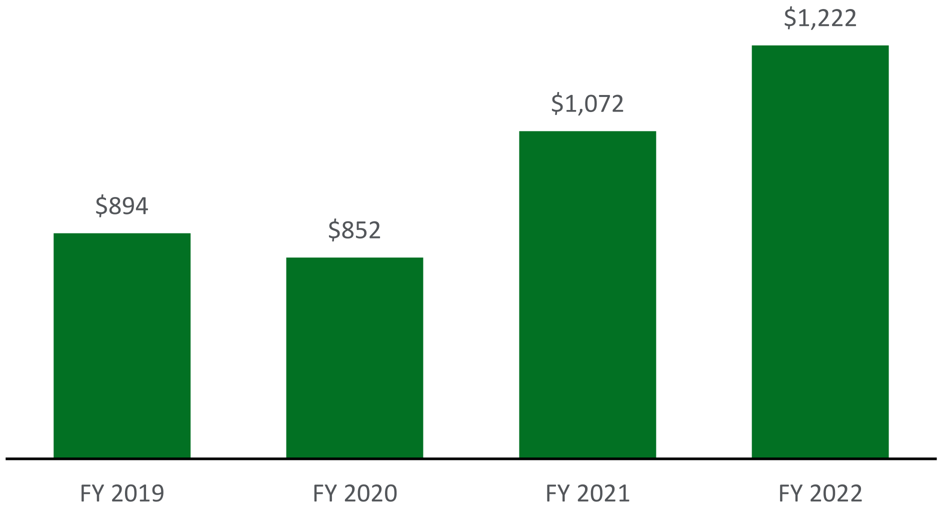
Compound Design and Development

A Part of Something Bigger℠

FINANCIAL RESULTS

STRONG FINANCIAL RESULTS WITH CLEAR OPERATING OBJECTIVES

REVENUE
($ in millions)

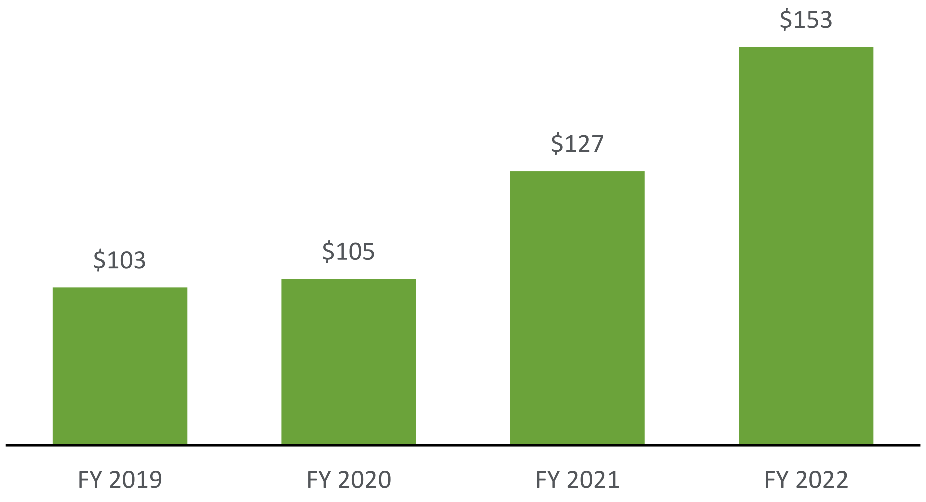


% YoY Growth

FY 2019	FY 2020	FY 2021	FY 2022
0.4%	(4.7%)	25.9%	13.9%

- **Revenue growth largely attributable to volume increases in fenestration segments and higher prices related to the pass-through of raw material cost inflation**

ADJ. EBITDA
($ in millions)



% Margin

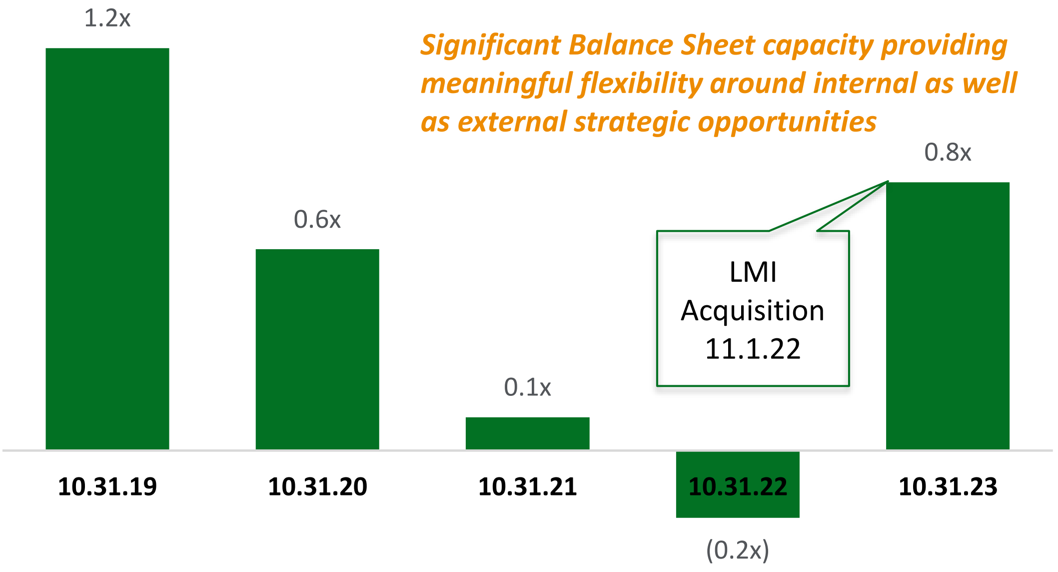
FY 2019	FY 2020	FY 2021	FY 2022
11.5%	12.3%	11.8%	12.5%

- **Operational efficiency gains and improved operating leverage driven by volume growth**
  - **NA Fenestration:** Capitalizing on screen outsourcing trends
  - **EU Fenestration:** Taking market share in UK Vinyl
  - **NA Cabinet Components:** Developing path for engineered wood products

Note: EBITDA adjusted to exclude non-recurring items referenced in Safe Harbor Statement on slide 2. Please reference the Appendix for a reconciliation of Net Income to Adjusted EBITDA.
Source: Company filings.

FAVORABLE LEVERAGE PROFILE AND FREE CASH FLOW GENERATION

NET LEVERAGE (1)

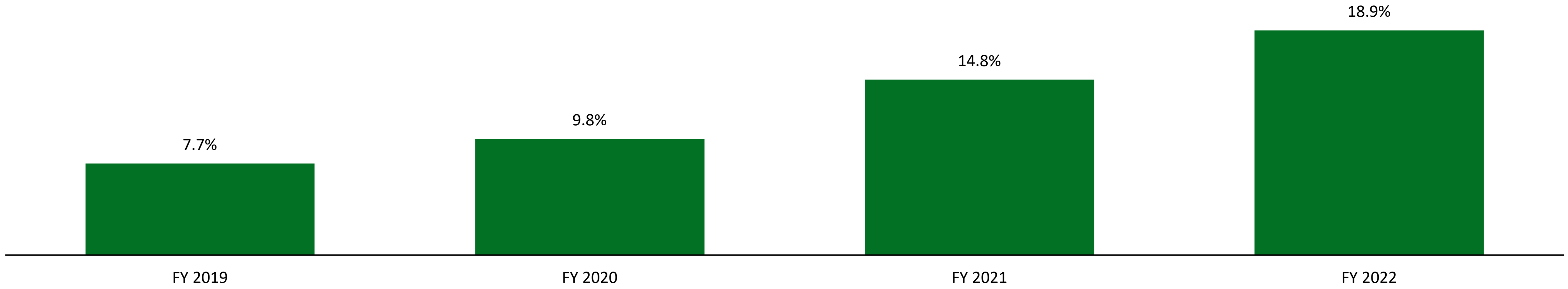


- **Cumulative Free Cash Flow of ~$385M since FY 2017**
  - ✓ Free Cash Flow weighted to second half of each fiscal year
- **Free Cash Flow Priorities:**
  - ✓ Explore capital allocation options through debt paydown, stock repurchases, M&A and dividend increases
  - ✓ Manage rising costs
  - ✓ Continue to focus on maintaining a strong balance sheet profile and ensure strategic flexibility

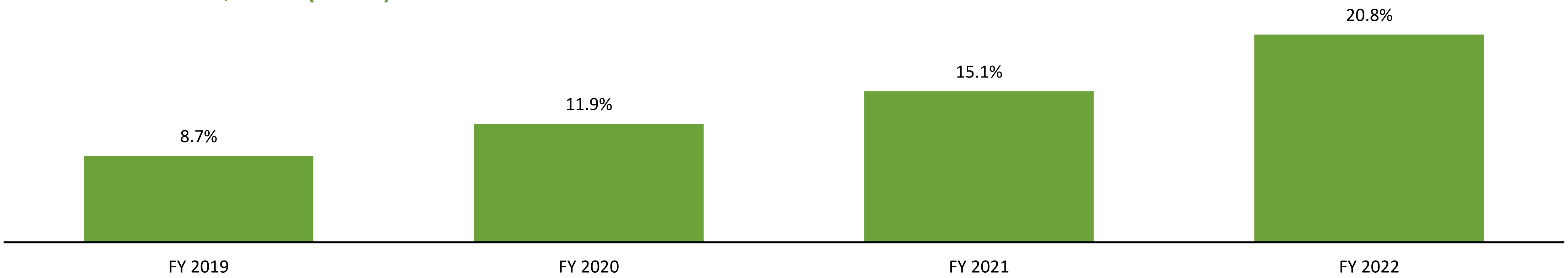
Source: Company filings.
Note: Please refer to the Safe Harbor Statement on slide 2 for further information regarding Net Leverage and Free Cash Flow and reference the Appendix for a reconciliation of Net Debt and Net Leverage Ratio.
(1) Net Leverage Ratio defined as Net Debt/LTM Adjusted EBITDA. Total Debt Includes $53.2 million in real-estate lease liabilities considered "finance" leases under U.S. GAAP.

STRONG EXECUTION DRIVING SUBSTANTIAL IMPROVEMENT IN RETURNS

RETURN ON INVESTED CAPITAL (ROIC)(1)



RETURN ON EQUITY(ROE)(2)



Source: Company filings and public guidance.

Note: Please reference the Appendix for a reconciliation of Return on Invested Capital and Return on Equity.

(1) Return on Invested Capital is calculated as Adj. EBIT*(1 – Tax Rate) / (Average Shareholders' Equity + Average Net Debt). Adj. EBIT calculated as Adj. EBITDA – D&A. Average Shareholders' Equity and Average Net Debt calculated as average of beginning and ending balances of the period. Tax Rate assumed to be 25%, based on public guidance.

(2) Return on Equity is calculated as Adj. Net Income / Average Shareholders' Equity. Average Shareholders' Equity is calculated as average of beginning and ending balances of the period. Tax Rate assumed to be 25%, based on public guidance.

CAPITAL ALLOCATION PRIORITIES

FOCUSED ON INCREASING TOTAL SHAREHOLDER RETURN

ORGANIC GROWTH

Focused Investment of ~$176M In Business Since FY17

STRATEGIC M&A

Evaluating Targeted & Opportunistic Acquisitions

Leverage Core Competencies

STOCK BUYBACKS

~$67M Repurchased Since FY17

$68.4M Remaining on Current Authorization

DEBT REPAYMENT

Net Leverage Ratio: 0.8x as of 1.31.23 (1)

DIVIDENDS

~$58M Paid Out Since FY17

Doubled the Dividend in FY18

MAINTAIN STRONG AND FLEXIBLE BALANCE SHEET

(1) Net Leverage Ratio defined as Net Debt/LTM Adjusted EBITDA. Please reference the Appendix for a reconciliation of Net Debt and Net Leverage Ratio.

FY23 GUIDANCE

~$1.12 – $1.16B

Net Sales

~$130 – $142M

Adjusted EBITDA

~$50-55M

Free Cash Flow

- Y/Y sales decline primarily driven by lower volume
  - reversion to normal seasonality combined with customer inventory rebalancing early in year
  - consumer confidence impacted by rising interest rates and inflation
- Demand softness expected throughout 1H
- Cautiously optimistic for volume uptick in 2H

- Margin expansion possible in 2H as consumer confidence improves and volumes recover
- Proactively working to adjust costs to protect margin

- Free Cash Flow has historically been second-half weighted to match seasonality
- Free cash flow to be used on repayment of debt, along with opportunistic share repurchases

Note: Please see Non-GAAP Terminology and Definitions Disclaimers referenced in Safe Harbor Statement on slide 2. A reconciliation of the Adjusted EBITDA and Free Cash Flow forward-looking non-GAAP financial measures on this slide to the most directly comparable GAAP financial measures is not provided in this presentation because Quanex is unable to provide such reconciliation without unreasonable effort.

Source: Public guidance.

INVESTMENT APPEALS

A GROWING MANUFACTURING BUSINESS WITH CORE CAPABILITIES & BROAD APPLICATIONS

1. A Global market leader aligned with top OEMs across all product categories
2. Profitable above-market growth, strong free cash flow generation & significant ROIC improvement
3. Leveraging material science expertise and process engineering to expand into adjacent markets
4. Strong balance sheet with significant liquidity
5. Flexible business model with ability to respond to changing market dynamics
6. Capital allocation strategy focused on increasing total shareholder returns

APPENDIX

GAAP/NON-GAAP RECONCILIATION (UNAUDITED)

FY22, FY21, FY20 & FY19 ADJUSTED NET INCOME & ADJUSTED EBITDA

Reconciliation of Adjusted Net Income and Adjusted EPS	**Twelve Months Ended October 31, 2022**	**Twelve Months Ended October 31, 2021**	**Twelve Months Ended October 31, 2020**	**Twelve Months Ended October 31, 2019**
	Net Income	**Net Income**	**Net Income**	**Net (Loss) Income**
Net income as reported	$ 88,336	$ 56,980	$ 38,496	$ (46,730)
Net Income reconciling items from below	581	1,609	2,218	78,155
Adjusted net income	$ 88,917	$ 58,589	$ 40,714	$ 31,425

Reconciliation of Adjusted EBITDA	**Twelve Months Ended October 31, 2021**	**Twelve Months Ended October 31, 2021**	**Twleve Months Ended October 31, 2020**	**Twelve Months Ended October 31, 2019**
	Reconciliation	**Reconciliation**	**Reconciliation**	**Reconciliation**
Net income as reported	$ 88,336	$ 56,980	$ 38,496	$ (46,730)
Income tax expense	21,427	23,114	11,804	10,776
Other, net	(1,041)	(754)	(280)	(116)
Interest expense	2,559	2,530	5,245	9,643
Depreciation and amortization	40,109	42,732	47,229	49,586
EBITDA	151,390	124,602	102,494	23,159
EBITDA reconciling items from below	1,114	2,160	2,020	79,504
Adjusted EBITDA	$ 152,504	$ 126,762	$ 104,514	$ 102,663

Reconciling Items	**Twelve Months Ended October 31, 2021**			**Twelve Months Ended October 31, 2021**			**Twleve Months Ended October 31, 2020**			**Twelve Months Ended October 31, 2019**		
	Income Statement	**Reconciling Items**		**Income Statement**	**Reconciling Items**		**Income Statement**	**Reconciling Items**		**Income Statement**	**Reconciling Items**	
Net sales	$ 1,221,502	$ -		$ 1,072,149	$ -		$ 851,573	$ -		$ 893,841	$ -	
Cost of sales	953,004	-		831,541	(307)	*(1)*	658,750	-		694,420	-	
Selling, general and administrative	117,108	(1,114)	*(2)*	115,967	(1,814)	*(2)*	89,707	(1,398)	*(2)*	101,292	(4,534)	*(2)*
Restructuring charges	-	-		39	(39)	*(3)*	622	(622)	*(3)*	370	(370)	*(3)*
Asset impairment charges	-	-		-	-		-	-		74,600	(74,600)	*(4)*
EBITDA	151,390	1,114		124,602	2,160		102,494	2,020		23,159	79,504	
Depreciation and amortization	40,109	-		42,732	-		47,229	(968)	*(5)*	49,586	(192)	
Operating income	111,281	1,114		81,870	2,160		55,265	2,988		(26,427)	79,696	
Interest expense	(2,559)	-		(2,530)	-		(5,245)	-		(9,643)	-	
Other, net	1,041	(386)	*(6)*	754	98	*(6)*	280	57	*(6)*	116	384	*(6)*
Income before income taxes	109,763	728		80,094	2,258		50,300	3,045		(35,954)	80,080	
Income tax expense	(21,427)	(147)	*(7)*	(23,114)	(649)	*(7)*	(11,804)	(827)	*(7)*	(10,776)	(1,925)	*(7)*
Net income	$ 88,336	$ 581		$ 56,980	$ 1,609		$ 38,496	$ 2,218		$ (46,730)	$ 78,155	

(1) Loss on damage to a plant caused by flooding of $0.3 million for the twelve months ended October 31, 2021.

(2) Transaction and advisory fees; Loss on a sale of a plant of $1.8 million in the twelve months ended October 31, 2021; Executive severance charges of $1.3 million in the twelve months ended October 31, 2020. Loss of a sale of a plant of $0.8 million in the twelve months ended 2019 and $2.3 million of severance charges related to a reorganization and executive severance in the twelve months ended 2019.

(3) Restructuring charges related to the closure of manufacturing plant facilities.

(4) Asset impairment charges relate to goodwill impairment in the North American Cabinet Components segment.

(5) Accelerated depreciation related to the closure of a North American Cabinet Components plant.

(6) Foreign currency transaction (gains) losses.

(7) Impact on a with and without basis.

A Part of Something Bigger℠

GAAP/NON-GAAP RECONCILIATION (UNAUDITED)

LTM ADJUSTED NET INCOME & ADJUSTED EBITDA

Reconciliation of Adjusted Net Income and Adjusted EPS	Three Months Ended January 31, 2023	Three Months Ended October 31, 2022	Three Months Ended July 31, 2022	Three Months Ended April 30, 2022	Total
	Net Income	Net Income	Net Income	Net Income	Net Income
Net income as reported	$ 1,909	$ 24,667	$ 25,908	$ 26,522	$ 79,006
Net income reconciling items from below	4,154	290	257	1	4,702
Adjusted net income	$ 6,063	$ 24,957	$ 26,165	$ 26,523	$ 83,708

Reconciliation of Adjusted EBITDA	Three Months Ended January 31, 2023	Three Months Ended October 31, 2022	Three Months Ended July 31, 2022	Three Months Ended April 30, 2022	Total
	Reconciliation	Reconciliation	Reconciliation	Reconciliation	Reconciliation
Net income as reported	$ 1,909	$ 24,667	$ 25,908	$ 26,522	$ 79,006
Income tax expense	453	3,329	7,801	7,879	19,462
Other, net	(218)	(136)	(398)	(453)	(1,205)
Interest expense	2,259	710	724	602	4,295
Depreciation and amortization	10,620	9,555	9,734	10,563	40,472
EBITDA	15,023	38,125	43,769	45,113	142,030
EBITDA reconciling items from below	5,448	564	419	131	6,562
Adjusted EBITDA	$ 20,471	$ 38,689	$ 44,188	$ 45,244	$ 148,592

Reconciling Items	Three Months Ended January 31, 2023		Three Months Ended October 31, 2022		Three Months Ended July 31, 2022		Three Months Ended April 30, 2022		Total	
	Income Statement	Reconciling Items	Income Statement	Reconciling Items	Income Statement	Reconciling Items	Income Statement	Reconciling Items	Income Statement	Reconciling Items
Net sales	$ 261,916	$ -	$ 307,532	$ -	$ 324,037	-	$ 322,893	-	$ 1,216,378	$ -
Cost of sales	210,149	-	240,073	-	251,446	-	249,651	-	951,319	-
Selling, general and administrative	36,744	(5,448) (1)	29,334	(564) (1)	28,822	(419) (1)	28,129	(131) (1)	123,029	(6,562) (1)
EBITDA	15,023	5,448	38,125	564	43,769	419	45,113	131	142,030	6,562
Depreciation and amortization	10,620	-	9,555	-	9,734	-	10,563	-	40,472	-
Operating income	4,403	5,448	28,570	564	34,035	419	34,550	131	101,558	6,562
Interest expense	(2,259)	-	(710)	-	(724)	-	(602)	-	(4,295)	-
Other, net	218	(42) (2)	136	(222) (2)	398	(82) (2)	453	(123) (2)	1,205	(469) (2)
Income before income taxes	2,362	5,406	27,996	342	33,709	337	34,401	8	98,468	6,093
Income tax expense	(453)	(1,252) (3)	(3,329)	(52) (3)	(7,801)	(80) (3)	(7,879)	(7) (3)	(19,462) (5)	(1,391) (3)
Net income	$ 1,909	$ 4,154	$ 24,667	$ 290	$ 25,908	$ 257	$ 26,522	$ 1	$ 79,006	$ 4,702
Diluted earnings per share	$ 0.06		$ 0.75		$ 0.78		$ 0.80			

(1) Transaction and advisory fees.
(2) Foreign currency transaction gains.
(3) Impact on a with and without basis.

Quanex

GAAP/NON-GAAP RECONCILIATION (UNAUDITED)

FREE CASH FLOW

($ in thousands)	Q1	Q2	Q3	Q4	Fiscal 2017
Cash provided by operating activities	$3,081	$13,648	$29,736	$33,313	$79,778
Capital expenditures	($8,141)	($9,409)	($9,548)	($7,466)	($34,564)
Free Cash Flow	**($5,060)**	**$4,239**	**$20,188**	**$25,847**	**$45,214**

($ in thousands)	Q1	Q2	Q3	Q4	Fiscal 2018
Cash provided by operating activities	$8,192	$13,423	$26,838	$56,158	$104,611
Capital expenditures	($7,811)	($7,402)	($5,885)	($5,386)	($26,484)
Free Cash Flow	**$381**	**$6,021**	**$20,953**	**$50,772**	**$78,127**

($ in thousands)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Fiscal 2019
Cash (used for) provided by operating activities	($20,243)	$20,386	$29,893	$66,336	$96,372
Capital expenditures	($6,271)	($6,751)	($3,962)	($7,899)	($24,883)
Free Cash Flow	**($26,514)**	**$13,635**	**$25,931**	**$58,437**	**$71,489**

($ in thousands)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Fiscal 2020
Cash (used for) provided by operating activities	($3,657)	$6,129	$45,089	$53,235	$100,796
Capital expenditures	($9,312)	($7,001)	($4,360)	($5,053)	($25,726)
Free Cash Flow	**($12,969)**	**($872)**	**$40,729**	**$48,182**	**$75,070**

($ in thousands)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Fiscal 2021
Cash (used for) provided by operating activities	($3,395)	$32,355	$18,475	$31,153	$78,588
Capital expenditures	($5,246)	($4,553)	($6,207)	($8,002)	($24,008)
Free Cash Flow	**($8,641)**	**$27,802**	**$12,268**	**$23,151**	**$54,580**

($ in thousands)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Fiscal 2022
Cash (used for) provided by operating activities	($21,651)	$19,770	$51,735	$48,111	$97,965
Capital expenditures	($7,370)	($6,415)	($5,703)	($13,633)	($33,121)
Free Cash Flow	**($29,021)**	**$13,355**	**$46,032**	**$34,478**	**$64,844**

GAAP/NON-GAAP RECONCILIATION (UNAUDITED)

NET DEBT

The following table reconciles the Company's Net Debt which is defined as total debt principal of the Company plus finance lease obligations minus cash.

($ in thousands)	**10.31.19**	**10.31.20**	**10.31.21**	**10.31.22**	**1.31.23**
Revolving credit facility	$142,500	$103,000	$38,000	$13,000	$100,000
Finance lease obligations	15,865	15,321	15,537	19,202	55,122
Total debt (1)	158,365	118,321	53,537	32,202	155,122
Less: Cash and cash equivalents	30,868	51,621	40,061	55,093	43,055
Net Debt	**$127,497**	**$66,700**	**$13,476**	**($22,891)**	**$112,067**

(1) Excludes outstanding letters of credit.

GAAP/NON-GAAP RECONCILIATION (UNAUDITED)

NET LEVERAGE

Capitalization ($ in thousands)	FY19 10.31.19	FY20 10.31.20	FY21 10.31.21	FY22 10.31.22	FY23 1.31.23
Cash & Cash Equivalents	$30,868	$51,621	$40,061	$55,093	$43,055
Senior Secured Revolving Credit Facility due 2023 [1]	142,500	103,000	38,000	13,000	100,000
Finance/Capital Leases and Other	15,865	15,321	15,537	19,202	55,122
Total Debt	**$158,365**	**$118,321**	**$53,537**	**$32,202**	**$155,122**
Net Debt	*$127,497*	*$66,700*	*$13,476*	*($22,891)*	*$112,067*
Stockholders' Equity	330,187	355,759	419,782	464,835	475,688
Total Capitalization	**$488,552**	**$474,488**	**$473,321**	**$497,037**	**$630,810**
Borrowing Base [1]	325,000	325,000	325,000	325,000	325,000
Less: Borrowings Against Revolving Credit Facility	142,500	103,000	38,000	13,000	100,000
Plus: Cash	30,868	51,621	40,061	55,093	43,055
Total Liquidity	**$213,368**	**$273,621**	**$327,061**	**$367,093**	**$268,055**
Net Debt/LTM Adj. EBITDA [2]	**1.2x**	**0.6x**	**0.1x**	**(0.2)x**	**0.8x**

(1) Excludes outstanding letters of credit and deferred financing fees.
(2) LTM Adjusted EBITDA excludes non-recurring items referenced in Safe Harbor Statement on slide 2.

GAAP/NON-GAAP RECONCILIATION (UNAUDITED)

ROIC & ROE

Public Tax Rate Guidance:
25.0%

	FY18	FY 2019	FY 2020	FY 2021	FY 2022
Adj. Net Income		$31.4	$40.7	$58.6	$88.9
Adj. EBITDA	$89.9	$102.7	$104.5	$126.8	$152.5
D&A	$51.8	$49.6	$47.2	$42.7	$40.1
Adj. EBIT	$38.1	$53.1	$57.3	$84.0	$112.4
Debt	$210.6	$157.2	$117.4	$52.9	$30.3
Cash	$29.0	$30.9	$51.6	$40.1	$55.1
Shareholders' Equity	$395.2	$330.2	$355.8	$419.8	$464.8
Invested Capital	**$576.8**	**$456.5**	**$421.6**	**$432.7**	**$440.1**
Avg. Invested Capital		**$516.6**	**$439.0**	**$427.1**	**$445.8**
Avg. Shareholders' Equity		**$362.7**	**$343.0**	**$387.8**	**$427.8**
ROIC (1)		**7.7%**	**9.8%**	**14.8%**	**18.9%**
ROE (2)		**8.7%**	**11.9%**	**15.1%**	**20.8%**

Source: Company filings and public guidance.

(1) Return on Invested Capital is calculated as Adj. EBIT*(1 – Tax Rate) / (Average Shareholders' Equity + Average Net Debt). Adj. EBIT calculated as Adj. EBITDA – D&A. Average Shareholders' Equity and Average Net Debt calculated as average of beginning and ending balances of the period. Tax Rate assumed to be 25%, based on public guidance.

(2) Return on Equity is calculated as Adj. Net Income / Average Shareholders' Equity. Average Shareholders' Equity is calculated as average of beginning and ending balances of the period. Tax Rate assumed to be 25%, based on public guidance.

EXECUTIVE COMPENSATION

ALIGNED WITH SHAREHOLDERS

Performance-based compensation philosophy at target

- Base salary targeted at market 50th percentile
- Annual incentive award based on specific metrics
- Long-term incentives as referenced below

2023 Annual Incentive Award

- 40% weighting on Revenue growth
- 25% weighting on Adjusted EBITDA growth
- 25% weighting on Adjusted EBITDA margin growth
- 10% weighting on working capital as a percentage of revenue (quarterly average)

2023 Long-Term Incentive (~70% performance based - shareholder alignment)

- Performance Shares: 40% weighting (3-year performance period)
  - 100% Return on Net Assets (RONA)
  - Payout 100% cash
- Performance Restricted Stock Units: 30% weighting (3-year performance period)
  - Final payout based on Absolute Total Shareholder Return (ATSR)
  - Payout 100% common stock
- Restricted Stock: 30% weighting

Shareholder approval of >92%+ since implementing Say-on-Pay

INVESTOR CONTACT

Scott Zuehlke
SVP, Chief Financial Officer & Treasurer
1800 West Loop South, Suite 1500
Houston, TX 77027
(713) 877-5327
scott.zuehlke@quanex.com