



Deutsche Bank Global Industrials and Materials Summit

June 8-9, 2016



Safe Harbor Statement

Note on 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, future operating results of Quanex, the future financial condition of Quanex, future uses of cash and other expenditures, expenses and tax rates, expectations relating to the Company’s industry, and Quanex’s future growth, including any guidance referenced in this presentation. Guidance is a forward-looking estimate of performance and may not be indicative of actual results. The statements and guidance set forth in this release are based on current expectations. Actual results or events may differ materially from this release. Factors that could impact future results may include, without limitation, the effect of both domestic and global economic conditions, the impact of competitive products and pricing, the availability and cost of raw materials, and customer demand. For a more complete discussion of factors that may affect the Company’s future performance, please refer to the Company’s Annual Report on Form 10-K for the fiscal year ended October 31, 2015, under the sections entitled “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors,” and in Quanex’s other documents filed with the Securities and Exchange Commission from time to time. Any forward-looking statements in this presentation are made as of the date hereof, and Quanex Building Products Corporation undertakes no obligation to update or revise any forward-looking statements to reflect new information or events.

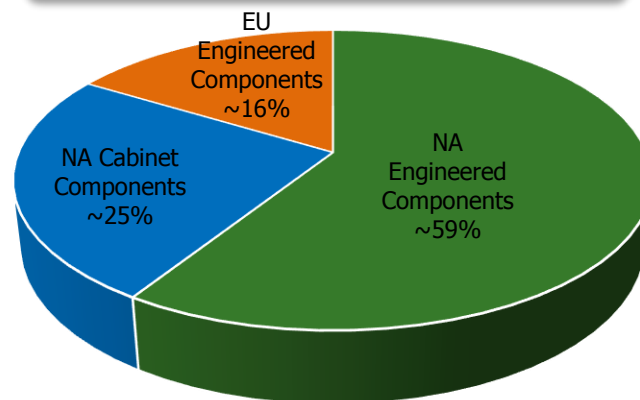
Note on Non-GAAP Financial Measures: EBITDA (defined as net income or loss before interest, taxes, depreciation and amortization and other, net, as described in the Company’s filings with the Securities and Exchange Commission) is a non-GAAP financial measure that Quanex’s management uses to measure its operational performance and assist with financial decision-making. Adjusted EBITDA is EBITDA as further adjusted to exclude non-recurring items such as transaction expenses and purchase price accounting inventory step-ups. Divisional EBITDA is EBITDA excluding discontinued operations, corporate costs and ERP related expenses. The Company believes these non-GAAP measures provide a consistent basis for comparison between periods, and will assist investors in understanding our financial performance when comparing our results to other investment opportunities. While the Company considers EBITDA, Adjusted EBITDA and Divisional EBITDA to be important measures of operating performance, it does not intend for this information to be considered in isolation or as a substitute for net income or other measures prepared in accordance with US GAAP. Due to the high variability and difficulty in predicting certain items that affect GAAP net income, information reconciling forward-looking EBITDA, Adjusted EBITDA and Divisional EBITDA as presented to GAAP financial measures is unavailable to Quanex without unreasonable effort. Net debt/LTM Pro Forma Adjusted EBITDA as of 4.30.16. LTM Pro Forma Adjusted EBITDA is a non-GAAP measure that assumes the acquisitions of HL Plastics and Woodcraft Industries occurred at a date prior to the actual date of acquisition and thus includes pro forma adjustments to calculate the trailing twelve months of EBITDA including the HL Plastics and Woodcraft Industries acquisitions. These adjustment items are not historical in nature and therefore cannot be reconciled to a comparable GAAP measure.

The “NEW” Quanex At-A-Glance

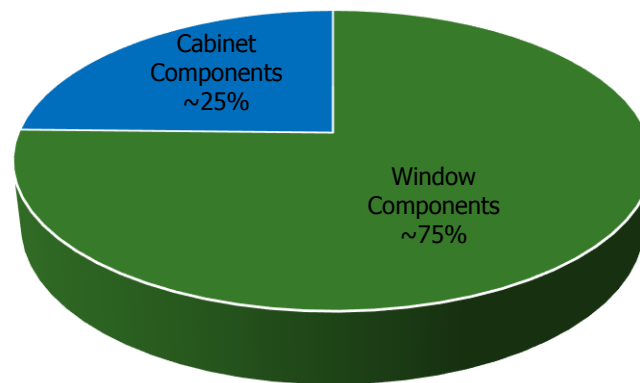
Industry Leading, Recently Transformed “Pure Play” Building Products Manufacturer

- **Acquisitions of HL Plastics & Woodcraft Industries in 2015** transformed Quanex into the **largest supplier** of components to OEMs in the building products sector
 - OEMs’ customer base predominately focused on serving **new construction and R&R markets**
- **Manufacturing Facilities:**
 - 38 locations (~3.8 million sq. ft.)
 - Sufficient capacity for growth
- **Key Financials:**
 - FY 2015 Net Sales ⁽¹⁾: ~\$935 Million
 - Net Debt as of 4.30.16: ~\$286 Million
 - Leverage Ratio as of 4.30.16 ⁽²⁾: 2.6x
- **Corporate Headquarters:** Houston, TX
- **Employees:** ~4,000
- **Fiscal Year-End:** October 31
- **NYSE Ticker:** NX
- **Market Cap as of 6.6.16:** ~\$665 Million

FY 2015 Sales by Segment ⁽¹⁾



FY 2015 Sales by Product Category ⁽¹⁾



(1) Pro forma for HL Plastics (June 2015) and Woodcraft (November 2015) acquisitions.

(2) Net debt/LTM Pro Forma Adjusted EBITDA as of 4.30.16. LTM Pro Forma Adjusted EBITDA is a non-GAAP measure that assumes the acquisitions of HL Plastics and Woodcraft Industries occurred at a date prior to the actual date of acquisition and thus includes pro forma adjustments to calculate the trailing twelve months of EBITDA including the HL Plastics and Woodcraft Industries acquisitions. These adjustment items are not historical in nature and therefore cannot be reconciled to a comparable GAAP measure.



New Reporting Segments

Legacy Quanex Less European
IG Spacers Business

NA Engineered Components

Pro Forma 2015
Net Sales: ~\$555 M

Vinyl Profiles

IG Spacers

Screens & Other
Fenestration
Components

EU Engineered Components

Pro Forma 2015
Net Sales: ~\$155 M

IG Spacers

Vinyl Profiles &
Conservatories
(HL Plastics)

NA Cabinet Components

Pro Forma 2015
Net Sales: ~\$230 M

(Woodcraft)

Stock-Based Comp, Transaction
Costs, Interest Exp., Taxes &
Inter-Segment Elims

Unallocated Corporate & Other

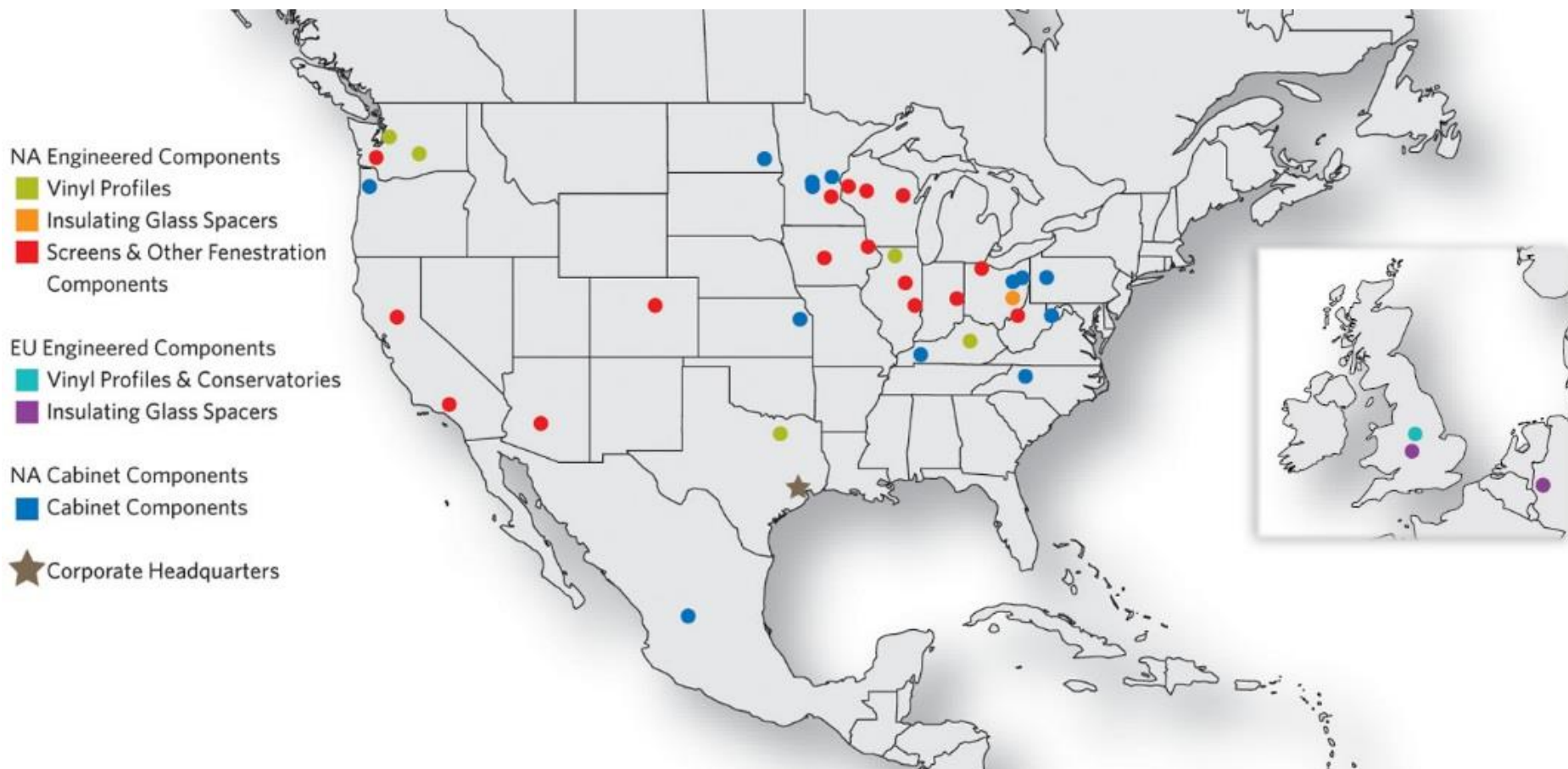
Pro Forma 2015
Net Sales: ~(\$5) M

Note: A portion of corporate costs are now being allocated to better reflect the true costs of each reporting segment.



Geographic Footprint

Facilities Strategically Located to Better Serve Customers





Guidance

5-6% Y/Y Pro Forma Growth
After FX Adjustment

GAAP to Non-GAAP Reconciliation

Net sales			
EBITDA ⁽²⁾			
Depreciation and amortization			
Operating income (loss)			
Interest expense			
Other, net ⁽³⁾			
Income (loss) before income taxes			
Income tax (expense) benefit			
Income (loss) from continuing operations			
Diluted Earnings Per Share			

Fiscal 2016E

Mid-Cycle ⁽¹⁾

Estimates Before Adjustments	1H16 Adjustments	Adjusted Guidance
\$965 - \$975	-	\$965 - \$975
\$110 - \$114	\$7	\$117 - \$121
\$53	-	\$53
\$57 - \$61	\$7	\$64 - \$68
(\$23)	-	(\$23)
(\$2)	\$2	-
\$32 - \$36	\$9	\$41 - \$45
(\$11) - (\$12)	(\$3)	(\$14) - (\$15)
\$21 - \$24	\$6	\$27 - \$30
\$0.61 - \$0.70		\$0.78 - \$0.87

\$1,300 - \$1,400
\$185 - \$210

(1) Mid-cycle defined as the point in time when U.S. housing starts recover to ~1.5 million per year and U.S. windows shipments recover to ~65 million units per year.

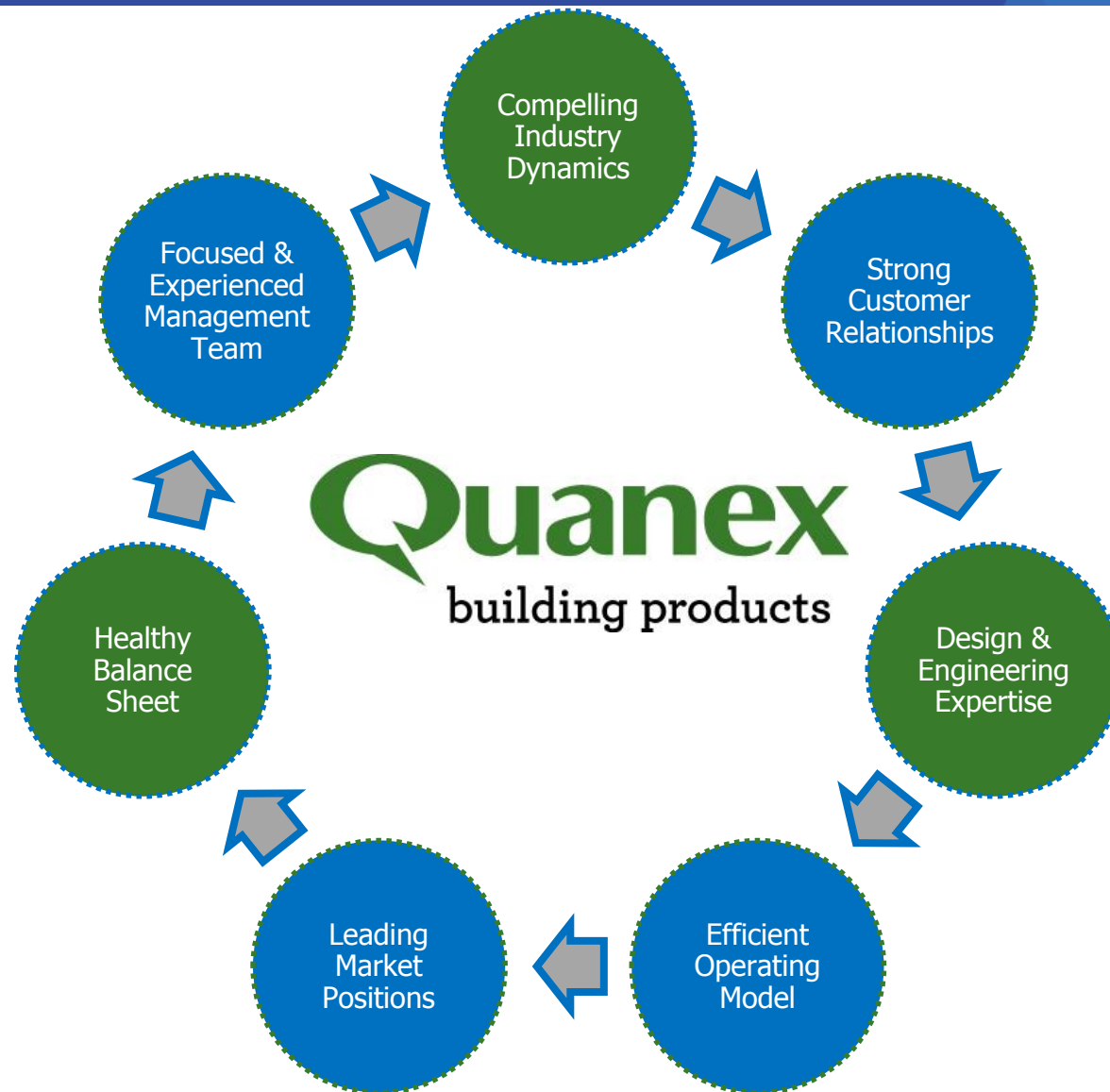
(2) EBITDA adjustments are for transaction costs and purchase price accounting inventory step-up impact from acquisitions.

(3) Other, net adjustments relate to foreign currency transaction gains (losses).



Investment Highlights

Well Positioned to Create Shareholder Value



Appendix



Sales Bridge

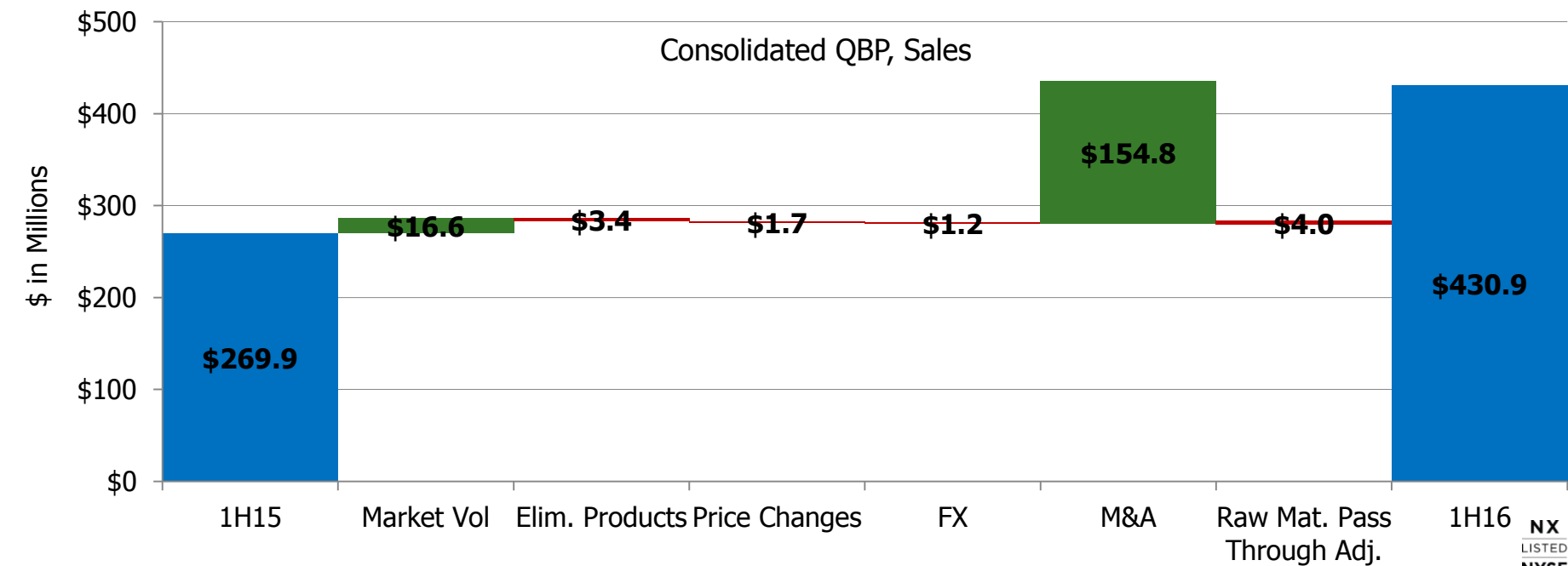
1H15 vs 1H16

~6% Growth Y/Y

~9% Growth Y/Y

HL Plastics/Woodcraft

(\$ in millions)	1H15	Market Volume	Eliminated Products	Price Changes	FX	M&A	Raw Material Pass Through Adj.	1H16
NA Engineered Components	\$248.7	\$15.0	(\$3.4)	(\$0.8)	-	-	(\$4.0)	\$255.6
EU Engineered Components	23.3	2.2	-	(1.0)	(1.2)	46.7	-	70.0
NA Cabinet Components	-	-	-	-	-	108.1	-	108.1
Unallocated Corp. & Other	(2)	(0.6)	-	-	-	-	-	(2.8)
	\$269.9	\$16.6	(\$3.4)	(\$1.7)	(\$1.2)	\$154.8	(\$4.0)	\$430.9





Healthy Balance Sheet

Capitalization (\$ Millions)	NX 4.30.16
Cash & Cash Equivalents	\$29.0
Senior Secured Term Loan B Facility due 2022	309.2
Senior Secured ABL Revolving Credit Facility due 2020 ⁽¹⁾	-
Capital Leases and Other	5.9
Total Debt	\$315.1
<i>Net Debt</i>	<i>\$286.1</i>
Stockholders' Equity	390.0
Total Capitalization	\$705.1
Borrowing Base	88.7
Less: Borrowings Against \$100 Million ABL Facility	-
Plus: Cash	29.0
Total Liquidity	\$117.7
Net Debt/LTM PF Adj. EBITDA ⁽²⁾	2.6x

No near-term debt maturities

Targeting debt reduction of ~\$50 million per year

Ample capacity on ABL revolver - BB expected to grow w/ seasonality of business

Expect 2.0-2.5x leverage ratio by year-end 2016

(1) Excludes \$5.9 million in outstanding letters of credit.

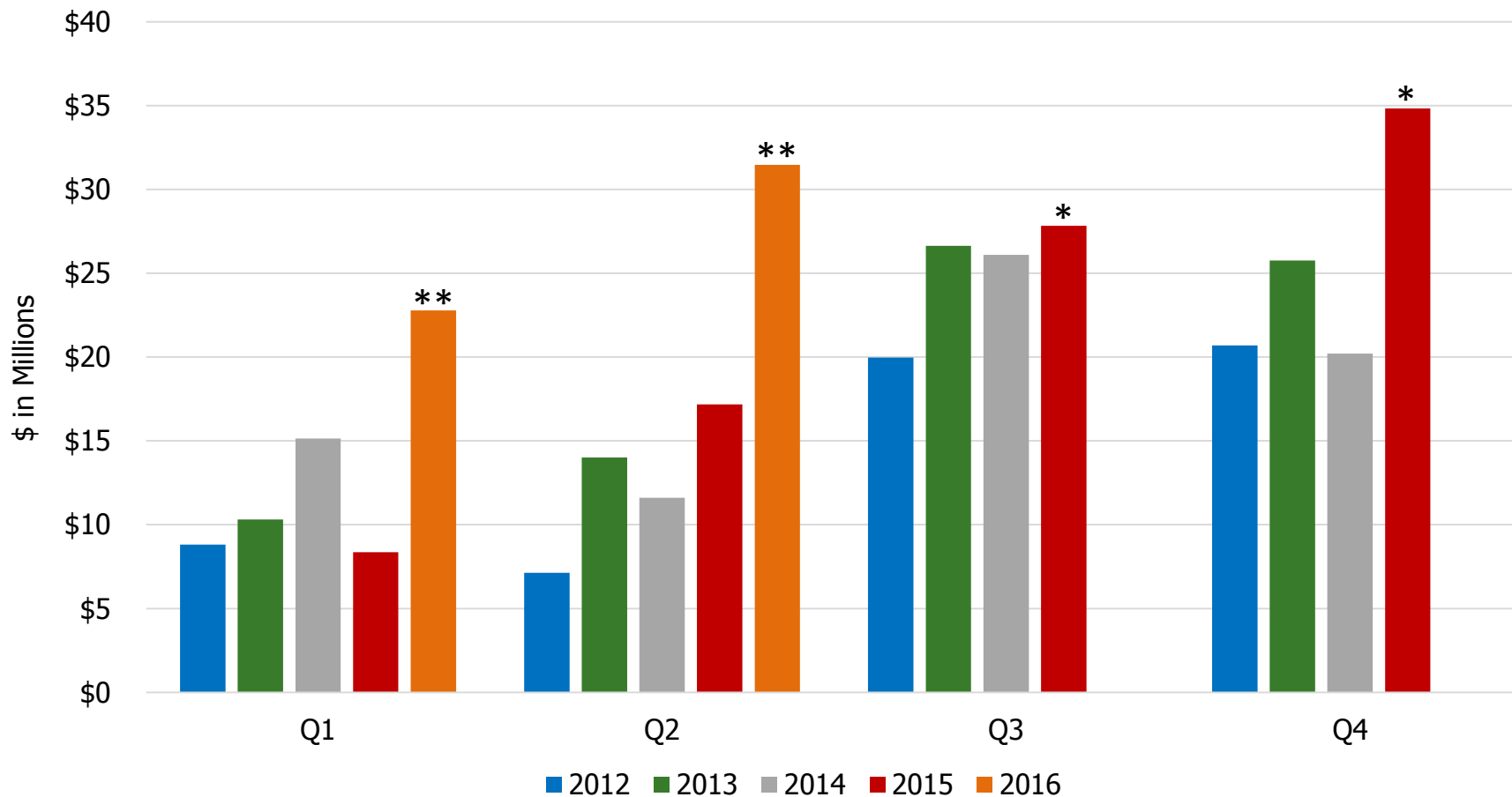
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Seasonality

Fiscal 2H Historically Stronger

Quarterly Divisional EBITDA



Note: Divisional EBITDA only, excludes Nichols, corporate costs and ERP-related expenses; see Appendix for a reconciliation of historical Divisional EBITDA to its most comparable GAAP measure.

*Includes the impact of HL Plastics acquisition from the date of acquisition.

**Includes the impact of HL Plastics and Woodcraft acquisitions from the dates of acquisitions.

GAAP/Non-GAAP Reconciliation (Unaudited)

Net Income from Continuing Operations to EBITDA

(\$ in thousands)	Q1	Q2	Q3	Q4	Fiscal 2012	Q1	Q2	Q3	Q4	Fiscal 2013
Net income (loss) from continuing operations	\$1,179	-	\$8,216	\$8,775	\$18,170	\$1,643	\$3,612	\$11,702	\$12,025	\$28,982
Interest expense	(33)	(35)	(15)	(14)	(97)	(13)	10	15	11	23
Income tax expense (benefit)	794	12	4,843	4,775	10,424	1,092	2,281	6,787	6,015	16,175
Depreciation and amortization	7,012	7,038	6,911	7,154	28,115	7,473	8,097	8,066	7,731	31,367
Other, net	(137)	107	18	6	(6)	111	5	58	(30)	144
Div. EBITDA	\$8,815	\$7,122	\$19,973	\$20,696	\$56,606	\$10,306	\$14,005	\$26,628	\$25,752	\$76,691

(\$ in thousands)	Q1	Q2	Q3	Q4	Fiscal 2014	Q1	Q2	Q3*	Q4*	Fiscal 2015	Q1 2016**	Q2 2016**
Net income (loss) from continuing operations	\$4,934	\$2,568	\$11,675	\$9,154	\$28,331	\$621	\$6,487	\$12,674	\$17,663	\$37,443	\$4,434	\$13,284
Interest expense	16	22	2	20	60	17	22	81	15	135	147	26
Income tax expense (benefit)	2,631	1,386	6,503	3,333	13,853	(190)	2,908	6,716	6,798	16,234	2,859	5,245
Depreciation and amortization	7,645	7,592	7,859	7,689	30,785	7,723	7,638	8,310	10,260	33,931	12,811	13,672
Other, net	(90)	38	62	17	27	182	123	51	86	442	2,529	(762)
Div. EBITDA	\$15,136	\$11,606	\$26,101	\$20,213	\$73,056	\$8,353	\$17,178	\$27,832	\$34,822	\$88,185	\$22,780	\$31,465

Note: Divisional EBITDA only; excludes Nichols, corporate costs and ERP-related expenses.

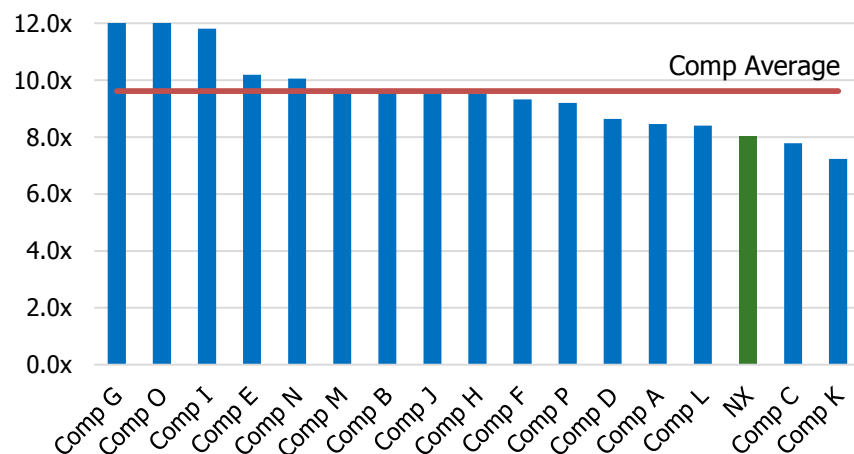
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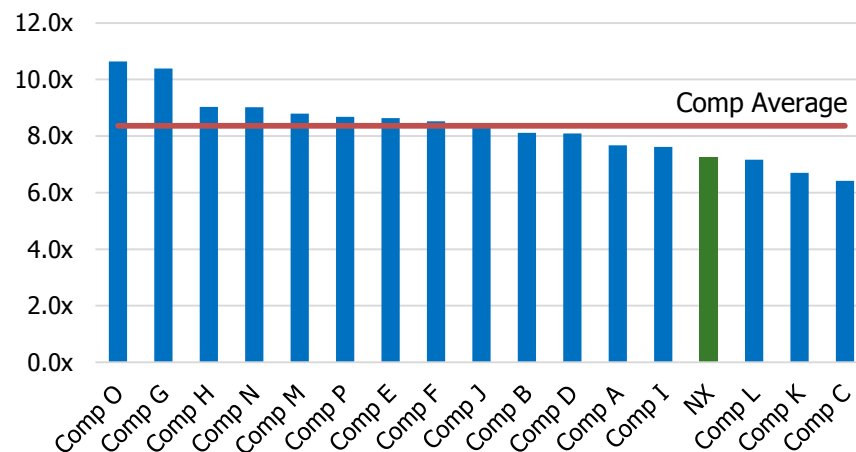


Attractive Valuation

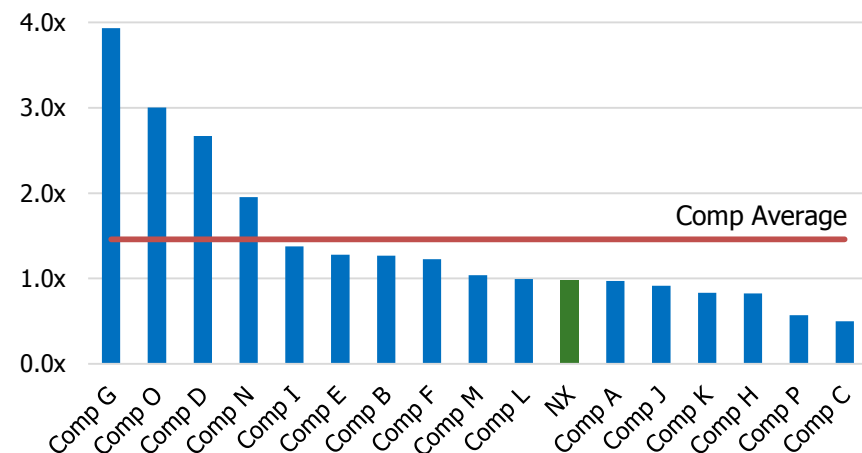
2016E EV/EBITDA



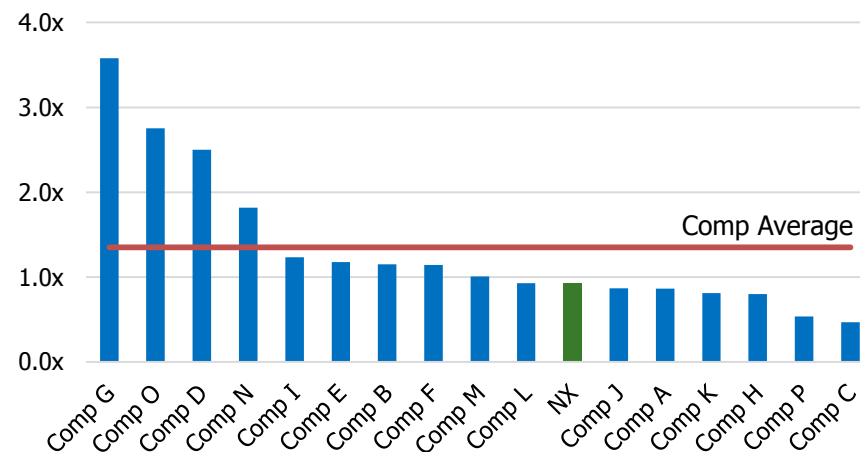
2017E EV/EBITDA



2016E EV/Sales



2017E EV/Sales



Notes:
Consensus estimates per Nasdaq IR Insight as of 6.6.16.
Comp Group – AMWD, APOG, BLDR, CBPX, DOOR, DW, EXP, GFF, LPX, NCS, NTK, PGEM, ROCK, SSD, TREX and UFPI.

Clear Strategy w/ History of Execution

To enhance Shareholder Value by outperforming our peers in revenue growth, profitability & cash generation, by being the preferred supplier in each of our served markets.

TO ACHIEVE THIS WE WILL:

INVEST

in our existing businesses as a first priority to further our market leadership and strive to continuously improve.



- \$70M Capex in the last 2 years
- \$75M stock repurchase program

OUTGROW

our served markets by cross selling all of our products and services to all of our existing customers.



ACQUIRE

businesses that add new customers, new technologies, new products or scale to existing products.



Acquired:
Aluminite (Dec 2012)
Atrium's vinyl extrusion assets (Dec 2013)
HL Plastics (June 2015)

EXPLORE

adjacent segments of the Building Products Industry for opportunities that complement our core competencies and business goals.



Acquired:
Woodcraft (Nov 2015)



History Timeline

85+ Year History of Acquisition & Transformation

1927 - Founded as Michigan Seamless Tube Company

1965 - First listed on the New York Stock Exchange

1977 - Changed name to Quanex Corporation and moved headquarters to Houston, TX

1989 - Acquired Nichols-Homeshield for \$106M (Aluminum Sheet Coil, Screens and Grilles)

2000 - Acquired Imperial Products for \$15M (Door Thresholds)

2002 - Acquired Colonial Craft for \$17M (Wood Mouldings)

2003 - Acquired Truseal Technologies for \$113M (Butyl Spacer)

2004 - Acquired Mikron for \$205M (Vinyl Profiles)

2008 - Divested legacy vehicular products business and spun off building products assets as a new company named Quanex Building Products Corporation

2011 - Acquired Edgetech for \$107M (EPDM/Silicone Spacers)

2011 - Acquired JELD-WEN's vinyl extrusion plant for \$6M (Window Profiles)

2012 - Acquired Aluminite for \$22M (Screens)

2013 - Purchased Atrium's TX extrusion plant for \$5M (Window Profiles)

2014 - Divested Nichols Aluminum to Aleris for \$110M

2015 - Acquired HL Plastics for \$149M (PVC components in the U.K. and Ireland)

2015 - Acquired Woodcraft Industries for \$248.5M (Kitchen/Bathroom Cabinet Doors and Components)



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