# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended January 31, 2025**
**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**
**Commission File Number 1-33913**

# QUANEX BUILDING PRODUCTS CORPORATION
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware** | **26-1561397** |
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |

**945 Bunker Hill Road, Suite 900, Houston, Texas 77024**
**(Address of principal executive offices and zip code)**
**Registrant's telephone number, including area code: (713) 961-4600**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, par value $0.01 per share | NX | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ (Do not check if a smaller reporting company) | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Securities Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

The number of shares outstanding of the registrant's Common Stock as of March 5, 2025 was 47,230,263.

**QUANEX BUILDING PRODUCTS CORPORATION**

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## PART I. FINANCIAL INFORMATION

***Item 1. Financial Statements***

## QUANEX BUILDING PRODUCTS CORPORATION
## CONDENSED CONSOLIDATED BALANCE SHEETS
**(Unaudited)**

| | January 31, 2025 | October 31, 2024 |
|---|---|---|
| | (In thousands, except share amounts) | |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 49,982 | $ 97,744 |
| Restricted cash | 5,486 | 5,251 |
| Accounts receivable, net of allowance for credit losses of $948 and $254 | 164,347 | 197,689 |
| Inventories | 280,580 | 275,550 |
| Income taxes receivable | 5,283 | 5,937 |
| Prepaid and other current assets | 41,943 | 29,097 |
| Total current assets | 547,621 | 611,268 |
| Property, plant and equipment, net of accumulated depreciation of $363,201 and $391,851 | 391,118 | 402,466 |
| Operating lease right-of-use assets | 125,002 | 126,715 |
| Deferred income tax assets | 3,709 | 3,845 |
| Goodwill | 569,688 | 574,711 |
| Intangible assets, net | 580,081 | 597,909 |
| Other assets | 3,270 | 2,874 |
| Total assets | $ 2,220,489 | $ 2,319,788 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 108,374 | $ 124,404 |
| Accrued liabilities | 81,302 | 103,623 |
| Income taxes payable | — | 6,620 |
| Current maturities of long-term debt | 25,827 | 25,745 |
| Current operating lease liabilities | 13,275 | 12,475 |
| Total current liabilities | 228,778 | 272,867 |
| Long-term debt | 725,231 | 737,198 |
| Noncurrent operating lease liabilities | 115,517 | 117,560 |
| Deferred income taxes liabilities | 162,846 | 162,304 |
| Other liabilities | 16,001 | 19,113 |
| Total liabilities | 1,248,373 | 1,309,042 |
| Commitments and contingencies | | |
| Stockholders’ equity: | | |
| Preferred stock, no par value, shares authorized 1,000,000; issued and outstanding - none | — | — |
| Common stock, $0.01 par value, shares authorized 125,000,000; issued 51,213,869 and 51,266,501, respectively; outstanding 47,230,263 and 47,252,070, respectively | 512 | 513 |
| Additional paid-in-capital | 697,358 | 701,008 |
| Retained earnings | 411,708 | 430,405 |
| Accumulated other comprehensive loss | (62,379) | (46,428) |
| Less: Treasury stock at cost, 3,983,606 and 4,014,431 shares, respectively | (75,083) | (74,752) |
| Total stockholders’ equity | 972,116 | 1,010,746 |
| Total liabilities and stockholders' equity | $ 2,220,489 | $ 2,319,788 |

The accompanying notes are an integral part of the financial statements.

**QUANEX BUILDING PRODUCTS CORPORATION**
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**
**(Unaudited)**

| | Three Months Ended January 31, | |
|---|---|---|
| | 2025 | 2024 |
| | (In thousands, except per share amounts) | |
| Net sales | $ 400,044 | $ 239,155 |
| Cost and expenses: | | |
| Cost of sales (excluding depreciation and amortization) | 307,728 | 187,723 |
| Selling, general and administrative | 66,650 | 32,363 |
| Restructuring charges | 7,904 | — |
| Depreciation and amortization | 24,740 | 11,152 |
| Operating (loss) income | (6,978) | 7,917 |
| Non-operating (expense) income: | | |
| Interest expense | (14,186) | (1,068) |
| Other, net | 1,229 | 1,042 |
| (Loss) income before income taxes | (19,935) | 7,891 |
| Income tax benefit (expense) | 5,050 | (1,642) |
| Net (loss) income | $ (14,885) | $ 6,249 |
| | | |
| Basic (loss) earnings per common share | $ (0.32) | $ 0.19 |
| | | |
| Diluted (loss) earnings per common share | $ (0.32) | $ 0.19 |
| | | |
| Weighted-average common shares outstanding: | | |
| Basic | 47,015 | 32,825 |
| Diluted | 47,015 | 33,043 |
| | | |
| Cash dividends per share | $ 0.08 | $ 0.08 |

The accompanying notes are an integral part of the financial statements.

**QUANEX BUILDING PRODUCTS CORPORATION**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(Unaudited)**

| | Three Months Ended January 31, | |
|---|---|---|
| | 2025 | 2024 |
| | (In thousands) | |
| Net (loss) income | $ (14,885) | $ 6,249 |
| *Other comprehensive income:* | | |
| Foreign currency translation (loss) gain, net of tax | (15,951) | 6,081 |
| Other comprehensive (loss) income, net of tax | (15,951) | 6,081 |
| Comprehensive (loss) income | $ (30,836) | $ 12,330 |

The accompanying notes are an integral part of the financial statements.

**QUANEX BUILDING PRODUCTS CORPORATION**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**

| | Three Months Ended January 31, | |
|---|---|---|
| | 2025 | 2024 |
| | (In thousands) | |
| **Operating activities:** | | |
| Net (loss) income | $ (14,885) | $ 6,249 |
| Adjustments to reconcile net income to cash provided by operating activities: | | |
| Depreciation and amortization | 24,740 | 11,152 |
| Stock-based compensation | 902 | 583 |
| Deferred income tax | 2,851 | 1,136 |
| Other, net | 6,173 | 1,790 |
| Changes in assets and liabilities: | | |
| Decrease in accounts receivable | 30,330 | 18,147 |
| Increase in inventory | (8,602) | (8,756) |
| Increase in other current assets | (8,985) | (1,680) |
| Decrease in accounts payable | (16,548) | (19,044) |
| Decrease in accrued liabilities | (22,558) | (7,181) |
| (Decrease) increase in income taxes payable | (5,087) | 264 |
| (Decrease) increase in other long-term liabilities | (247) | 852 |
| Other, net | (594) | 342 |
| Cash (used for) provided by operating activities | (12,510) | 3,854 |
| **Investing activities:** | | |
| Capital expenditures | (11,624) | (9,580) |
| Proceeds from disposition of capital assets | 169 | 31 |
| Cash used for investing activities | (11,455) | (9,549) |
| **Financing activities:** | | |
| Borrowings under credit facilities | 45,000 | — |
| Repayments of credit facility borrowings | (56,250) | (5,000) |
| Repayments of other long-term debt | (2,026) | (679) |
| Common stock dividends paid | (3,812) | (2,645) |
| Issuance of common stock | 214 | 400 |
| Payroll tax paid to settle shares forfeited upon vesting of stock | (1,400) | (1,193) |
| Purchase of treasury stock | (3,698) | — |
| Cash used for financing activities | (21,972) | (9,117) |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | (1,590) | 760 |
| Decrease in cash, cash equivalents and restricted cash | (47,527) | (14,052) |
| Cash, cash equivalents and restricted cash at beginning of period | 102,995 | 58,474 |
| Cash, cash equivalents and restricted cash at end of period | $ 55,468 | $ 44,422 |

The accompanying notes are an integral part of the financial statements.

## QUANEX BUILDING PRODUCTS CORPORATION
## CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
## (Unaudited)

| **Three Months Ended January 31, 2025** | Common Stock | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Stock | Total Stockholders' Equity |
|---|---|---|---|---|---|---|
| | (In thousands, no per share amounts shown except in verbiage) | | | | | |
| Balance at October 31, 2024 | $ 513 | $ 701,008 | $ 430,405 | $ (46,428) | $ (74,752) | $ 1,010,746 |
| Net loss | — | — | (14,885) | — | — | (14,885) |
| Foreign currency translation adjustment | — | — | — | (15,951) | — | (15,951) |
| Common dividends ($0.08 per share) | — | — | (3,812) | — | — | (3,812) |
| Purchase of treasury stock | — | — | — | — | (3,698) | (3,698) |
| *Stock-based compensation activity:* | | | | | | |
| Expense related to stock-based compensation | — | 902 | | — | — | 902 |
| Stock options exercised | — | 41 | — | — | 173 | 214 |
| Restricted stock awards granted | — | (1,894) | — | — | 1,894 | — |
| Performance restricted stock units vested | — | (1,300) | — | — | 1,300 | — |
| Other | (1) | (1,399) | — | — | — | (1,400) |
| Balance at January 31, 2025 | $ 512 | $ 697,358 | $ 411,708 | $ (62,379) | $ (75,083) | $ 972,116 |

| **Three Months Ended January 31, 2024** | Common Stock | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Treasury Stock | Total Stockholders' Equity |
|---|---|---|---|---|---|---|
| | (In thousands, no per share amounts shown except in verbiage) | | | | | |
| Balance at October 31, 2023 | $ 372 | $ 251,576 | $ 409,318 | $ (38,141) | $ (77,571) | $ 545,554 |
| Net income | — | — | 6,249 | — | — | 6,249 |
| Foreign currency translation adjustment | — | — | — | 6,081 | — | 6,081 |
| Common dividends ($0.08 per share) | — | — | (2,645) | — | — | (2,645) |
| *Stock-based compensation activity:* | | | | | | |
| Expense related to stock-based compensation | — | 583 | | — | — | 583 |
| Stock options exercised | — | 22 | — | — | 378 | 400 |
| Restricted stock awards granted | — | (1,357) | — | — | 1,357 | — |
| Performance restricted stock units vested | — | (917) | — | — | 917 | — |
| Other | (1) | (1,192) | — | — | — | (1,193) |
| Balance at January 31, 2024 | $ 371 | $ 248,715 | $ 412,922 | $ (32,060) | $ (74,919) | $ 555,029 |

The accompanying notes are an integral part of the financial statements.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**1. Nature of Operations and Basis of Presentation**

Quanex Building Products Corporation is a leading manufacturer and component supplier to original equipment manufacturers (OEMs) in various industries, including window, door, solar, refrigeration, custom mixing, building access, and cabinetry markets. These components can be categorized as window and door (fenestration) components and kitchen and bath cabinet components. Examples of fenestration components include: (1) energy-efficient flexible insulating glass spacers, (2) extruded vinyl profiles, (3) window and door screens, (4) window and door hardware, and (5) precision-formed metal and wood products. We also manufacture cabinet doors and other components for OEMs in the kitchen and bathroom cabinet industry. In addition, we provide certain other non-fenestration components and products, which include custom mixing, solar panel sealants, trim moldings, vinyl decking, water retention barriers, conservatory roof components, and building access solutions. We have organized our business into four reportable business segments: (1) North American Fenestration (NA Fenestration), (2) European Fenestration (EU Fenestration), (3) North American Cabinet Components (NA Cabinet Components), and (4) Tyman, which was acquired on August 1, 2024. For additional discussion of our reportable business segments, see Note 14, "Segment Information." We leverage efficient production and distribution processes and engineering expertise to provide our customers with specialized products for their specific hardware, extrusion, and custom applications. We believe these capabilities enhance our ability to provide value to our customers. We serve a primary customer base in North America and the United Kingdom (U.K.), and also serve customers in international markets through our operating locations in the U.K., Germany, Mexico, Canada, and Italy, as well as through sales and marketing efforts in other countries.

*Unless the context indicates otherwise, references to "Quanex," the "Company," "we," "us," and "our" refer to the consolidated business operations of Quanex Building Products Corporation and its subsidiaries.*

***Basis of Presentation and Principles of Consolidation***

The accompanying interim unaudited condensed consolidated financial statements include the accounts of Quanex Building Products Corporation. All intercompany accounts and transactions have been eliminated in consolidation. These unaudited financial statements have been prepared by us pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) have been condensed or omitted pursuant to such rules and regulations. The condensed consolidated balance sheet as of October 31, 2024 was derived from audited financial information but does not include all disclosures required by U.S. GAAP. The accompanying financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto, included in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024. In our opinion, the accompanying financial statements contain all adjustments (which consist of normal recurring adjustments, except as disclosed herein) necessary to fairly present our financial position, results of operations and cash flows for the interim periods. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year or for any future periods.

***Use of Estimates***

In preparing financial statements, we make informed judgments and estimates that affect the reported amounts of assets and liabilities as of the date of the financial statements and affect the reported amounts of revenues and expenses during the reporting period. We review our estimates on an on-going basis, including those related to impairment of long-lived assets and goodwill, contingencies and income taxes. Changes in facts and circumstances may result in revised estimates and actual results may differ from these estimates.

***Revenue from Contracts with Customers***

*Revenue recognition*

We recognize revenue that reflects the consideration we expect to receive for product sales upon transfer to customers. Revenue for product sales is recognized when control of the promised products is transferred to our customers, and we are entitled to consideration in exchange for such transfer. We account for a contract when a customer provides us with a firm purchase order that identifies the products to be provided, the payment terms for those products, and when collectability of the consideration due is probable.

*Performance obligations*

A performance obligation is a promise to provide the customer with a good or service. Our performance obligations include product sales, with each product included in a customer contract being recognized as a separate performance obligation. For contracts with multiple performance obligations, the standalone selling price of each product is generally readily observable.

Revenue from product sales is recognized at a point in time when the product is transferred to the customer, in accordance with the shipping terms, which is generally upon shipment. We estimate a provision for sales returns and warranty allowances to account for product returns related to general returns and product nonconformance.

We generally expense incremental costs of obtaining a contract when incurred because the amortization period would be less than one year. Additionally, we do not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

*Pricing and sales incentives*

Pricing is established at or prior to the time of sale with our customers and we record sales at the agreed-upon net selling price, reflective of current and prospective discounts.

*Shipping and handling costs*

We account for shipping and handling services as fulfillment services; accordingly, freight revenue is combined with the product deliverable rather than being accounted for as a distinct performance obligation within the terms of the agreement. Shipping and handling costs incurred by us for the delivery of goods to customers are considered a cost to fulfill the contract and are included in cost of sales in the accompanying condensed consolidated statements of income.

*Contract assets and liabilities*

Deferred revenue, which is not significant, is recorded when we have remaining unsatisfied performance obligations for which we have received consideration.

*Disaggregation of revenue*

We manufacture and distribute a diverse portfolio of products for OEMs operating in hardware, extrusion, and custom markets worldwide. Our broad geographic reach exposes us to diverse economic conditions, which can impact demand, currency fluctuations, and supply chain dynamics.

The following table summarizes our product sales for the three months ended January 31, 2025 and 2024, categorized by segment, to depict how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by economic factors. For further details regarding our results by segment, refer to Note 14, “Segment Information.”

| | Three Months Ended January 31, | |
|---|---|---|
| | 2025 | 2024 |
| | (In thousands) | |
| **NA Fenestration:** | | |
| United States - fenestration | $ 100,429 | $ 111,634 |
| International - fenestration | 5,859 | 6,144 |
| United States - non-fenestration | 23,205 | 25,791 |
| International - non-fenestration | 4,840 | 4,426 |
| | $ 134,333 | $ 147,995 |
| **EU Fenestration:** | | |
| International - fenestration | $ 42,056 | $ 41,751 |
| International - non-fenestration | 6,415 | 7,686 |
| | $ 48,471 | $ 49,437 |
| **NA Cabinet Components:** | | |
| United States - fenestration | $ 3,452 | $ 3,675 |
| United States - non-fenestration | 40,063 | 39,179 |
| International - non-fenestration | 295 | 283 |
| | $ 43,810 | $ 43,137 |
| **Tyman:** | | |
| United States - fenestration | $ 105,591 | $ — |
| International - fenestration | 69,282 | — |
| United States - non-fenestration | 785 | — |
| International - non-fenestration | 18 | — |
| | $ 175,676 | $ — |
| **Unallocated Corporate & Other** | | |
| Eliminations | $ (2,246) | $ (1,414) |
| | $ (2,246) | $ (1,414) |
| Net sales | $ 400,044 | $ 239,155 |

***Allowance for Credit Losses***

We have established an allowance for credit losses to estimate the risk of losses, which represents an estimate of expected losses over the remaining contractual life of our receivables. The allowance is determined using two methods. The amounts calculated from each of these methods are combined to determine the total amount reserved. First, a specific reserve is established for individual accounts where information indicates the customers may have an inability to meet financial obligations. Second, a reserve is determined for all customers based on a range of percentages applied to aging categories. These percentages are based on historical collection rates, write-off experience, and forecasts of future economic conditions. Actual write-offs are charged against the allowance when collection efforts have been unsuccessful.

***Related Parties***

Net sales include transactions with a customer which is a related party with one of our non-employee directors for the three months ended January 31, 2025 was $0.5 million and $0.2 million for the comparable prior year period. Purchases from a customer which is a related party with one of our non-employee directors for the three months ended January 31, 2025 was $0.2 million and zero for the comparable prior year period. We performed a review of these transactions, of which no single transaction or series of related transactions exceeded $120,000 in amount, and determined that these transactions were enacted independently of each other. We are not aware of any other related party transactions with any of our current non-employee directors or officers outside of their normal business functions or expected contractual duties.

***Restructuring***

We accrue one-time severance costs pursuant to an approved plan of restructuring at the communication date, when affected employees have been formally notified and the severance arrangement is legally enforceable, with no realistic possibility of withdrawal. In addition, we accrue costs associated with the termination of contractual commitments including leases at the time the lease is terminated pursuant to the lease provisions or in accordance with another agreement with the landlord. Otherwise, we continue to recognize lease expense through the cease-use date. After the cease-use date, we determine if our operating lease payments are at market. We assume sublet of the facility at the market rate. To the extent our lease obligations exceed the fair value rentals, we discount to arrive at the present value and record a liability. If the facility is not sublet, we expense the amount of the assumed sublet in the current period. For other costs directly related to the restructuring effort, such as equipment moving costs, we expense in the period incurred.

In November 2024, we announced a reorganization of our business to integrate the acquisition of Tyman plc with our legacy Quanex operations. For additional discussion of our acquisition of Tyman plc, see Note 2, "Acquisition."

During the three months ended January 31, 2025, we incurred $7.9 million in restructuring charges as a result of the reorganization, including $4.0 million related to workforce alignment costs, primarily severance and employee-related expenses. As of January 31, 2025, we have paid $2.0 million in workforce alignment costs, with a remaining accrual of $2.0 million. Additionally, we recognized $3.9 million related to the disposal of software which no longer supports our reorganized business. As we continue to implement our restructuring plan, we may incur additional restructuring charges in future periods as we assess and finalize our integration efforts. The nature and amount of any such charges will depend on further developments in the reorganization process.

**2. Acquisition**

On August 1, 2024, we completed the acquisition of Tyman plc (the "Tyman Acquisition"), a company incorporated in England and Wales ("Tyman"). The aggregate consideration due pursuant to the Tyman Acquisition at closing comprised 14,139,477 newly issued Quanex common shares ("New Quanex Shares") and cash consideration of approximately $504.1 million (being the Pound Sterling amount of cash consideration of £392.2 million in respect of all of the Tyman Shares converted to U.S. Dollars at an exchange rate of 1.2855). New Quanex Shares issued in connection with the Tyman Acquisition on the New York Stock Exchange took effect on August 2, 2024 and Tyman's shares on the London Stock Exchange were canceled.

On June 12, 2024, in connection with the Tyman Acquisition, the Company, Wells Fargo Bank, National Association ("Wells Fargo Bank", acting as agent, swingline lender and issuing lender, the "Agent"), the other entities therein specified in the capacities therein specified, and the lenders parties thereto, entered into an amendment to the Second Amended and Restated Credit Agreement, dated as of July 6, 2022 (the "Existing Credit Agreement", and the Existing Credit Agreement as so amended, the "Amended Credit Agreement"). The Amended Credit Agreement did not become effective until August 1, 2024 upon the completion of the Tyman Acquisition.

The Amended Credit Agreement (i) increased the senior secured revolving credit facility to an aggregate principal amount of $475 million (the "Revolving Credit Facility") and (ii) provided for a senior secured term loan A facility in an aggregate principal amount of $500 million (the "Term Loan A Facility" and together with the Revolving Credit Facility, the "Facilities"). The Revolving Credit Facility includes alternative currency, letter of credit, and swing-line sub-facilities of $100 million, $30 million, and $15 million, respectively. The maturity date of the Facilities is five years after the acquisition effective date, maturing on August 1, 2029.

As of January 31, 2025, we are still determining the purchase price allocation for the Tyman Acquisition. A preliminary purchase price allocation of the fair value of the assets acquired and liabilities assumed is included in the table below. These estimates are subject to change and will likely result in an increase or decrease in goodwill, particularly with regard to third-party valuations and our estimates of fixed assets, intangible assets, inventory, and deferred income taxes, during the measurement period, which may extend up to one year from the acquisition date.

| | | As of Date of Opening Balance Sheet |
|---|---|---|
| | | (In thousands) |
| Net assets acquired: | | |
| Accounts receivable | $ | 99,574 |
| Inventories | | 211,617 |
| Prepaid and other assets | | 21,516 |
| Property, plant and equipment | | 157,981 |
| Operating lease right-of-use assets | | 65,414 |
| Goodwill | | 385,045 |
| Intangible assets | | 539,285 |
| Accounts payable | | (66,769) |
| Accrued liabilities | | (41,958) |
| Long-term debt | | (300,684) |
| Operating lease liabilities | | (66,228) |
| Deferred income taxes | | (145,677) |
| Other liabilities | | (10,502) |
| Net assets acquired | $ | 848,614 |
| Consideration: | | |
| Total consideration, net of cash and cash equivalents | $ | 848,614 |

We used recognized valuation techniques to determine the preliminary fair value of the assets and liabilities, including the multi period excess earnings method for customer relationships and relief from royalty method for trade names and other technology with a discount rate that reflects the risk of the expected future cash flows. Tyman is allocated entirely to our Tyman reportable operating segment. For additional discussion of our reportable business segments, see Note 14, "Segment Information."

*Pro Forma Results*

We calculated the pro forma impact of the Tyman acquisition and the associated debt financing on our operating results for the three months ended and January 31, 2024. The following pro forma results give effect to these acquisitions, assuming the transaction occurred on November 1, 2023.

| | | Three Months Ended January 31, 2024 |
|---|---|---|
| | | (In thousands, except per share amounts) (Unaudited) |
| Net sales | $ | 426,533 |
| Net income | $ | 14,928 |
| Basic earnings per share | $ | 0.32 |
| Diluted earnings per share | $ | 0.32 |

We derived the pro forma results for the Tyman acquisition based on historical financial information obtained from the sellers and certain management assumptions. Our Tyman pro forma adjustments relate to the impact of preliminary fair value adjustments on the underlying assets and liabilities of Tyman, transaction costs and the financing of the Tyman Acquisition, and the conversion of Tyman's financial information prepared in accordance with IFRS to Quanex accounting policies in accordance with U.S. GAAP.

**3. Inventories**

Inventories consisted of the following at January 31, 2025 and October 31, 2024 (in thousands):

| | January 31, 2025 | October 31, 2024 |
|---|---|---|
| Raw materials | $ 87,322 | $ 81,330 |
| Finished goods and work in process | 191,779 | 192,448 |
| Supplies and other | 1,479 | 1,772 |
| Total | $ 280,580 | $ 275,550 |

Fixed costs related to excess manufacturing capacity, if any, have been expensed in the period they were incurred and, therefore, are not capitalized into inventory.

**4. Leases**

We recognize a right-of-use (ROU) asset and lease liability for each operating and finance lease with a contractual term greater than 12 months at the time of lease inception. We include ROU assets and lease liabilities for leases that exist within other contracts. Leases with an original term of 12 months or less are not recognized on the balance sheet, and the rent expense related to those short-term leases is recognized over the lease term. We do not account for lease and non-lease (e.g., common area maintenance) components of contracts separately for any underlying asset class.

We lease certain manufacturing plants, warehouses, office space, vehicles and equipment under finance and operating leases. Lease commencement occurs on the date we take possession or control of the property or equipment. Original terms for our real estate-related leases are generally between five years and twenty years. Original terms for equipment-related leases, primarily manufacturing equipment and vehicles, are generally between one year and ten years. Some of our leases also include rental escalation clauses. Renewal options are included in the determination of lease payments when management determines the options are reasonably certain of exercise, considering financial performance, strategic importance and/or invested capital.

If readily determinable, the rate implicit in the lease is used to discount lease payments to present value; however, substantially all of our leases do not provide a readily determinable implicit rate. When the implicit rate is not determinable, our estimated incremental borrowing rate is utilized, determined on a collateralized basis, to discount lease payments based on information available at lease commencement.

Total lease costs recorded include fixed operating lease costs and variable lease costs. Most of our real estate leases require we pay certain expenses, such as common area maintenance costs, of which the fixed portion is included in operating lease costs. We recognize operating lease costs on a straight-line basis over the lease term. In addition to the above costs, variable lease costs are recognized when probable and are not included in determining the present value of our lease liability.

The ROU asset is measured at the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date and initial direct costs. For operating leases, ROU assets are reduced over the lease term by the recognized straight-line lease expense less the amount of accretion of the lease liability determined using the effective interest method. For finance leases, ROU assets are amortized on a straight-line basis over the shorter of the useful life of the leased asset or the lease term. Interest expense on each finance lease liability is recognized utilizing the effective interest method. ROU assets are tested for impairment in the same manner as long-lived assets. Additionally, we monitor for events or changes in circumstances that may require a reassessment of one of our leases and determine if a remeasurement is required.

The table below presents the lease-related assets and liabilities recorded on the balance sheet at January 31, 2025 and October 31, 2024 (in thousands):

| Leases | Classification | January 31, 2025 | October 31, 2024 |
|---|---|---|---|
| **Assets** | | | |
| Operating lease assets | Operating lease right-of-use assets | $ 125,002 | $ 126,715 |
| Finance lease assets | Property, plant and equipment (less accumulated depreciation of $11,715 and $10,362) | 67,601 | 67,046 |
| **Total lease assets** | | $ 192,603 | $ 193,761 |
| | | | |
| **Liabilities** | | | |
| Current | | | |
| Operating | Current operating lease liabilities | $ 13,275 | $ 12,475 |
| Finance | Current maturities of long-term debt | 3,771 | 3,688 |
| Noncurrent | | | |
| Operating | Noncurrent operating lease liabilities | 115,517 | 117,560 |
| Finance | Long-term debt | 55,474 | 56,988 |
| **Total lease liabilities** | | $ 188,037 | $ 190,711 |

The table below presents the components of lease costs for the three months ended January 31, 2025 and 2024 (in thousands):

| | Three Months Ended January 31, 2025 | Three Months Ended January 31, 2024 |
|---|---|---|
| Operating lease cost | $ 5,313 | $ 2,435 |
| Finance lease cost | | |
| Amortization of leased assets | 1,173 | 875 |
| Interest on lease liabilities | 718 | 614 |
| Variable lease costs | 743 | 451 |
| **Total lease cost** | $ 7,947 | $ 4,375 |

The table below presents supplemental cash flow information related to leases for the three months ended January 31, 2025 and 2024 (in thousands):

| | Three Months Ended January 31, 2025 | Three Months Ended January 31, 2024 |
|---|---|---|
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Finance leases - financing cash flows | $ 928 | $ 674 |
| Finance leases - operating cash flows | $ 718 | $ 614 |
| Operating leases - operating cash flows | $ 4,848 | $ 2,316 |
| | | |
| Right-of-use assets obtained in exchange for lease liabilities: | | |
| Operating leases | $ 2,814 | $ 932 |
| Finance leases | $ 16 | $ 252 |

The table below presents the weighted-average remaining lease terms and weighted-average discount rates for the Company's leases as of January 31, 2025 and October 31, 2024:

| | January 31, 2025 | October 31, 2024 |
|---|---|---|
| **Weighted-average remaining lease term (in years)** | | |
| Operating leases | 11.2 | 10.7 |
| Financing leases | 16.2 | 18.3 |
| | | |
| **Weighted-average discount rate** | | |
| Operating leases | 5.33 % | 4.18 % |
| Financing leases | 4.85 % | 4.52 % |

The table below presents the maturity of the lease liabilities as of January 31, 2025 (in thousands):

| | Operating Leases | Finance Leases |
|---|---|---|
| 2025 (remaining nine months) | $ 14,740 | $ 4,891 |
| 2026 | 18,845 | 6,443 |
| 2027 | 16,144 | 6,289 |
| 2028 | 14,588 | 6,060 |
| 2029 | 13,903 | 5,743 |
| Thereafter | 93,953 | 55,850 |
| **Total lease payments** | 172,173 | 85,276 |
| Less: present value discount | 43,381 | 26,031 |
| **Total lease liabilities** | $ 128,792 | $ 59,245 |

## 5. Property, Plant and Equipment

Property, plant and equipment consisted of the following as of January 31, 2025 and October 31, 2024 (in thousands):

| | January 31, 2025 | October 31, 2024 |
|---|---|---|
| Land and land improvements | $ 16,096 | $ 99,068 |
| Buildings and building improvements | 194,829 | 186,087 |
| Machinery and equipment | 491,617 | 462,628 |
| Construction in progress | 51,777 | 46,534 |
| Property, plant and equipment, gross | 754,319 | 794,317 |
| Less: Accumulated depreciation | 363,201 | 391,851 |
| Property, plant and equipment, net | $ 391,118 | $ 402,466 |

Depreciation expense for the three months ended January 31, 2025 of $13.9 million and $7.9 million for the comparable prior year period.

The reported balances of our property, plant and equipment as of January 31, 2025 have been updated to incorporate reclassifications of balances between categories of assets and between gross and accumulated depreciation values. These reclassifications are immaterial to the current and prior period financial statements.

If there are indicators of potential impairment, we evaluate our property, plant and equipment for recoverability over the remaining useful lives of the assets. We did not incur impairment losses associated with these assets for the periods ended January 31, 2025 and October 31, 2024.

## 6. Goodwill and Intangible Assets

*Goodwill*

The change in the carrying amount of goodwill for the three months ended January 31, 2025 was as follows (in thousands):

| | Three Months Ended January 31, 2025 |
|---|---|
| Beginning balance as of November 1, 2024 | $ 574,711 |
| Foreign currency translation adjustment | (5,023) |
| Balance as of the end of the period | $ 569,688 |

At our last annual test date, August 31, 2024, we evaluated the recoverability of goodwill at each of our seven reporting units with goodwill balances and determined that our goodwill was not impaired. We evaluated for indicators of impairment for all reporting units during the three months ended January 31, 2025 and determined that there were no triggering events. For additional information and discussion of change in reporting units and a summary of the change in the carrying amount of goodwill by segment, see Note 14, “Segment Information.”

*Identifiable Intangible Assets*

Amortizable intangible assets consisted of the following as of January 31, 2025 and October 31, 2024 (in thousands):

| | January 31, 2025 | | October 31, 2024 | |
|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Customer relationships | $ 507,128 | $ 120,250 | $ 512,131 | $ 112,748 |
| Trademarks and trade names | 241,104 | 50,610 | 243,434 | 47,685 |
| Patents and other technology | 25,139 | 22,430 | 25,164 | 22,387 |
| Total | $ 773,371 | $ 193,290 | $ 780,729 | $ 182,820 |

We had aggregate amortization expense related to intangible assets for the three months ended January 31, 2025 of $10.6 million and $3.2 million for the comparable prior year period.

Estimated remaining amortization expense, assuming current intangible balances and no new acquisitions, for future fiscal years as of January 31, 2025 (in thousands):

| | Estimated Amortization Expense |
|---|---|
| 2025 (remaining nine months) | $ 29,155 |
| 2026 | 38,705 |
| 2027 | 38,705 |
| 2028 | 33,472 |
| 2029 | 33,456 |
| Thereafter | 406,588 |
| Total | $ 580,081 |

**7. Debt and Finance Lease Obligations**

Long-term debt consisted of the following at January 31, 2025 and October 31, 2024 (in thousands):

| | January 31, 2025 | October 31, 2024 |
|---|---|---|
| Term Loan A Facility | 487,500 | 493,750 |
| Revolving Credit Facility | 217,500 | 222,500 |
| Finance lease obligations and other | 59,306 | 60,676 |
| Unamortized deferred financing fees | (13,248) | (13,983) |
| Total debt | $ 751,058 | $ 762,943 |
| Less: Current maturities of long-term debt | 25,827 | 25,745 |
| Long-term debt | $ 725,231 | $ 737,198 |

*Revolving Credit Facility and Term A Facility*

On June 12, 2024, in connection with the Tyman Acquisition, the Company, Wells Fargo Bank, National Association ("Wells Fargo Bank", acting as agent, swingline lender and issuing lender, the "Agent"), the other entities therein specified in the capacities therein specified, and the lenders parties thereto, entered into an amendment to the Second Amended and Restated Credit Agreement, dated as of July 6, 2022 (the "Existing Credit Agreement", and the Existing Credit Agreement as so amended, the "Amended Credit Agreement"). The Amended Credit Agreement did not become effective until August 1, 2024 upon the completion of the Tyman Acquisition. Our previous credit facility is more fully described in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024.

The Amended Credit Agreement (i) increased the senior secured revolving credit facility to an aggregate principal amount of $475 million (the "Revolving Credit Facility") and (ii) provides for a senior secured term loan A facility in an aggregate principal amount of $500 million (the "Term A Facility" and together with the Revolving Credit Facility, the "Facilities"). The

Revolving Credit Facility includes alternative currency, letter of credit, and swing-line sub-facilities of $100 million, $30 million, and $15 million, respectively. We capitalized $13.8 million of deferred financing fees related to the Amended Credit Agreement. The maturity date of the Facilities is five years after the acquisition effective date, maturing on August 1, 2029.

The Term A Facility amortizes on a quarterly basis at 5% per annum of the original principal amount of the Term A Facility, with the remainder due at maturity. The Term A Facility must be prepaid with 100% of the net cash proceeds of the issuance or incurrence of debt and 100% of the net cash proceeds of all asset sales, insurance and condemnation recoveries, and other asset dispositions.

Borrowings under the Facilities bear interest, at our option, at (1) the Base Rate plus an applicable margin or (2) Adjusted Term SOFR plus an applicable margin. The applicable margin will range from 1.0% to 1.75% for Base Rate loans and 2.0% to 2.75% for Adjusted Term SOFR loans. In addition, we are subject to commitment fees for the unused portion of the Revolving Credit Facility.

The applicable margin and commitment fees are outlined in the following table:

| Pricing Level | Consolidated Net Leverage Ratio | Commitment Fee | Term SOFR Loans, Eurocurrency Rate Loans and RFR Loans | Base Rate Loans |
|---|---|---|---|---|
| I | Less than or equal to 1.50 to 1.00 | 0.150% | 2.00% | 1.00% |
| II | Greater than 1.50 to 1.00, but less than or equal to 2.25 to 1.00 | 0.175% | 2.25% | 1.25% |
| III | Greater than 2.25 to 1.00, but less than or equal to 3.00 to 1.00 | 0.200% | 2.50% | 1.50% |
| IV | Greater than 3.00 to 1.00 | 0.250% | 2.75% | 1.75% |

In the event of default, outstanding borrowings would accrue interest at the Default Rate, as defined, whereby the obligations will bear interest at a per annum rate equal to 2% above the total per annum rate otherwise applicable.

The Amended Credit Agreement provides for incremental revolving credit commitments for a minimum principal amount of (1) $310.0 million and (2) 100% of Consolidated EBITDA, subject to the lender's discretion to elect or decline the incremental increase. We can also borrow up to the lesser of $15.0 million or the revolving credit commitment, as defined, under a Swingline feature of the Amended Credit Agreement.

The Amended Credit Agreement contains a: (1) Consolidated Interest Coverage Ratio requirement whereby we must not permit the Consolidated Interest Coverage Ratio, as defined, to be less than 3.00 to 1.00, and (2) Consolidated Net Leverage Ratio requirement, whereby we must not permit the Consolidated Net Leverage Ratio, as defined, to be greater than 3.25 to 1.00.

In addition to maintaining these financial covenants, the Facilities also limit our ability to enter into certain business transactions, such as to incur indebtedness or liens, to acquire businesses or dispose of material assets, make restricted payments, pay dividends (limited to $35.0 million per year) and other transactions as further defined in the Amended Credit Agreement. Some of these limitations, however, do not take effect so long as Consolidated Net Leverage Ratio is less than or equal to 2.75 to 1.00 and available liquidity exceeds $25.0 million. Substantially all of our domestic assets, with the exception of real property, are used as collateral for the Amended Credit Agreement.

As of January 31, 2025, we had $705.0 million borrowings outstanding under the Facilities, unamortized debt issuance costs of $13.2 million, $6.0 million of outstanding letters of credit and $59.3 million outstanding primarily under finance leases and other debt. We had $251.5 million available for use under the Facilities at January 31, 2025. The borrowings outstanding as of January 31, 2025 under the Facilities accrue interest at 6.91% per annum, and our weighted-average borrowing rate for borrowings outstanding during the three months ended January 31, 2025 and 2024 was 6.85% and 6.69%, respectively. We were in compliance with our debt covenants as of January 31, 2025.

**8. Retirement Plans**

We maintain a non-qualified deferred compensation plan covering members of the Board of Directors and certain key employees. As of January 31, 2025 and October 31, 2024, the liability associated with the deferred compensation plan was approximately $4.2 million and $4.7 million, respectively. We record the current portion of liabilities associated with these plans under the caption “Accrued liabilities,” and the long-term portion under the caption “Other liabilities” in the accompanying condensed consolidated balance sheets.

**9. Income Taxes**

To determine our income tax expense or benefit for interim periods, consistent with accounting standards, we apply the estimated annual effective income tax rate to year-to-date results, plus any applicable discrete items, which are recorded in the period in which they occur. Discrete items include, among others, such events as changes in estimates due to the finalization of tax returns, tax audit settlements, expiration of statutes of limitations, tax benefits on equity compensation, and increases or decreases in valuation allowances on deferred tax assets. Our estimated annual effective tax rates from continuing operations for the three months ended January 31, 2025 and 2024 were 25.3% and 20.8%, respectively. The difference between our estimated annual effective income tax rate and the U.S. federal statutory rate of 21% principally results from discrete tax items, U.S. state taxes, a non-U.S. tax rate differential and other permanent differences. The primary discrete items affecting the 2025 effective rate were the benefit of $0.4 million related to the vesting or exercise of equity-based compensation awards. The primary discrete item affecting the 2024 effective rate were the benefit of $0.4 million related to the vesting or exercise of equity-based compensation awards, and a charge of $0.6 million related to the true up of the deferred tax rate.

We evaluate the likelihood of realization of our deferred tax assets by considering both positive and negative evidence. We maintain a valuation allowance for certain state net operating losses which totaled $0.8 million as of January 31, 2025 and October 31, 2024, respectively. We also maintain a valuation allowance for capital losses which totaled $3.3 million as of January 31, 2025 and October 31, 2024, respectively.

**10. Contingencies**

*Remediation and Environmental Compliance Costs*

Under applicable state and federal laws, we may be responsible for, among other things, all or part of the costs required to remove or remediate wastes or hazardous substances at locations we, or our predecessors, have owned or operated. From time to time, we also have been alleged to be liable for all or part of the costs incurred to clean up third-party sites where there might have been an alleged improper disposal of hazardous substances. Currently, we are not involved in any such matters.

From time to time, we incur routine expenses and capital expenditures associated with compliance with existing environmental regulations, including control of air emissions and water discharges, and plant decommissioning costs. We have not incurred any material expenses or capital expenditures related to environmental matters during the past three fiscal years, and do not expect to incur a material amount of such costs in fiscal 2025. While we will continue to have future expenditures related to environmental matters, any such amounts are impossible to reasonably estimate at this time. Based upon our experience to date, we do not believe that our compliance with environmental requirements will have a material adverse effect on our operations, financial condition or cash flows.

*Litigation*

From time to time, we, along with our subsidiaries, are involved in various litigation matters arising in the ordinary course of our business, including those arising from or related to contractual matters, commercial disputes, intellectual property, personal injury, environmental matters, product performance or warranties, product liability, insurance coverage and personnel and employment disputes. We regularly review with legal counsel the status of all ongoing proceedings, and we maintain insurance against these risks to the extent deemed prudent by our management and to the extent such insurance is available. However, there is no assurance that we will prevail in these matters or that our insurers will accept full coverage of these matters, and we could, in the future, incur judgments, enter into settlements of claims, or revise our expectations regarding the outcome or insurability of matters we face, which could materially impact our results of operations.

We have been and are currently party to multiple claims, some of which are in litigation, relating to alleged defects in a commercial sealant product that was manufactured and sold during the 2000's. While we believe that our product was not defective and that we would prevail in these commercial sealant product claims if taken to trial, the timing, ultimate resolution and potential impact of these claims is not currently determinable. Nevertheless, after taking into account all currently available information, including our defenses, the advice of our counsel, and the extent and currently-expected availability of our existing insurance coverage, we believe that the eventual outcome of these commercial sealant claims will not have a material adverse effect on our overall financial condition, results of operations or cash flows, and we have not recorded any accrual with regard to these claims.

**11. Fair Value Measurement of Assets and Liabilities**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market data developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to Level 1 and the lowest priority to Level 3. The three levels of the fair value hierarchy are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates) and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

Carrying amounts reported on the balance sheet for cash, cash equivalents, accounts receivable and accounts payable approximate fair value due to the short-term maturity of these instruments. Our outstanding debt is variable rate debt that re-prices frequently, thereby limiting our exposure to significant change in interest rate risk. As a result, the fair value of our debt instrument approximates carrying value at January 31, 2025, and October 31, 2024 (Level 2 measurement).

As of January 31, 2025, we have outstanding forward foreign exchange contracts to hedge our foreign currency exposures against the U.S. Dollar (“USD”) to Great British Pound (“GBP”), with a notional principal amount of $8.3 million, and foreign currency exposures against the Mexican Peso (“MXN”) to USD, with a notional principal amount of $18.0 million. Hedge accounting is not applied to our forward exchange contracts. These contracts have a range of maturities up to May 19, 2025. Our forward foreign exchange contracts are adjusted to fair value by recording gains and losses to “Other, net,” and we record the related asset or liability to “Other Assets” or “Current Liabilities” in the accompanying condensed consolidated statement of income and condensed consolidated balance sheets, respectively. During the three months ended January 31, 2025 and 2024, we recognized a net gain of $0.1 million and zero, respectively, related to our forward foreign exchange contracts. The value of our forward foreign exchange contracts fluctuates based on exchange rate fluctuations against the USD to GBP, and the MXN to USD (Level 2 measurements).

Our performance share awards are marked-to-market on a quarterly basis during a three-year vesting period based on market data (Level 2 measurement). For further information, refer to Note 11, “Stock-Based Compensation - Performance Share Awards.”

**12. Stock-Based Compensation**

We have established and maintain an Omnibus Incentive Plan (2020 Plan) that provides for the granting of restricted stock awards, stock options, restricted stock units, performance share awards, performance restricted stock units, and other stock-based and cash-based awards. The 2020 Plan is administered by the Compensation and Management Development Committee of the Board of Directors.

The aggregate number of shares of common stock authorized for grant under the 2020 Plan is 3,139,895 as approved by shareholders. Any officer, key employee and/or non-employee director is eligible for awards under the 2020 Plan. We grant restricted stock units to non-employee directors on the first business day of each fiscal year. As approved by the Compensation & Management Development Committee of our Board of Directors annually, we grant a mix of restricted stock awards, performance shares and performance restricted stock units to officers, management and key employees. We also historically granted stock options to certain officers, directors and key employees. Occasionally, we may make additional grants to key employees at other times during the year.

*Restricted Stock Awards*

Restricted stock awards are granted to key employees and officers annually, and typically cliff vest over a three-year period with service and continued employment as the only vesting criteria. The recipient of the restricted stock award is entitled to all of the rights of a shareholder, except that the award is nontransferable during the vesting period and quarterly dividends are not paid until the award vests. The fair value of the restricted stock award is established on the grant date and then expensed over the vesting period resulting in an increase in additional paid-in-capital. Shares are generally issued from treasury stock at the time of grant.

A summary of non-vested restricted stock awards activity during the three months ended January 31, 2025 is presented below:

| | Restricted Stock Awards | Weighted-Average Grant Date Fair Value per Share |
|---|---|---|
| Non-vested at October 31, 2024 | 236,800 | $ 25.85 |
| Granted | 101,700 | 29.75 |
| Vested | (84,100) | 22.95 |
| Non-vested at January 31, 2025 | 254,400 | $ 28.37 |

The total weighted-average grant-date fair value of restricted stock awards that vested during each of the three months ended January 31, 2025 and 2024 was $1.9 million and $1.4 million, respectively. As of January 31, 2025, total unrecognized compensation cost related to unamortized restricted stock awards was $4.8 million. We expect to recognize this expense over the remaining weighted-average vesting period of 2.3 years.

*Stock Options*

Historically, stock options have been awarded to key employees, officers and non-employee directors. In December 2017, the Compensation & Management Development Committee of the Board of Directors approved a change to the long-term incentive award program eliminating the grant of stock options and replacing this award with a grant of performance restricted stock units and performance shares as further described below. As a result, the final stock options were granted during the fiscal year ended October 31, 2017. Stock options typically vested ratably over a three-year period with service and continued employment as the vesting conditions. Our stock options may be exercised up to a maximum of ten years from the date of grant. The fair value of the stock options was determined on the grant date and expensed over the vesting period resulting in an increase in additional paid-in-capital. For employees who were nearing retirement-eligibility, we recognize stock option expense ratably over the shorter of the vesting period or the period from the grant-date to the retirement-eligibility date.

We use a Black-Scholes pricing model to estimate the fair value of stock options. A description of the methodology for the valuation assumptions was disclosed in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024.

The following table summarizes our stock option activity for the three months ended January 31, 2025:

| | Stock Options | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term (in years) | Aggregate Intrinsic Value (000s) |
|---|---|---|---|---|
| Outstanding at October 31, 2024 | 78,250 | $ 19.45 | | |
| Exercised | (9,300) | 19.97 | | |
| Outstanding at January 31, 2025 | 68,950 | $ 19.38 | 1.3 | $ 112 |
| Vested at January 31, 2025 | 68,950 | $ 19.38 | 1.3 | $ 112 |
| Exercisable at January 31, 2025 | 68,950 | $ 19.38 | 1.3 | $ 112 |

Intrinsic value is the amount by which the market price of the common stock on the date of exercise exceeds the exercise price of the stock option. The total intrinsic value of stock options exercised during the three months ended January 31, 2025 and 2024 was $0.1 million and $0.2 million, respectively.

*Restricted Stock Units*

Restricted stock units may be awarded to key employees and officers from time to time, and annually to non-employee directors. The non-employee director restricted stock units vest immediately but are payable only upon the director's cessation of service unless an election is made by the non-employee director to settle and pay the award on an earlier specified date. Restricted stock units awarded to employees and officers typically cliff vest after a three-year period with service and continued employment as the vesting conditions. Restricted stock units are not considered outstanding shares and do not have voting rights, although the holder does receive a cash payment equivalent to the dividend paid, on a one-for-one basis, on our outstanding common shares. Once the criteria is met, each restricted stock unit is payable to the holder in cash based on the market value of one share of our common stock. Accordingly, we record a liability for the restricted stock units on our balance sheet and recognize any changes in the market value during each reporting period as compensation expense.

During the three months ended January 31, 2025 and 2024, non-employee directors received 28,240 and 26,215 restricted stock units, respectively, at a weighted-average grant date fair value of $29.02 per share and $20.67 per share, respectively, which vested immediately. During the three months ended January 31, 2025 and 2024, 39,871 and zero restricted stock units, which were awarded to key employees, vested, respectively. During the three months ended January 31, 2025, we paid $1.0 million and $0.1 million for the comparable prior year to settle vested restricted stock units.

*Performance Share Awards*

We have awarded annual grants of performance shares to key employees and officers. The performance share awards granted in December 2022 and December 2023 vest with return on net assets (RONA) as the vesting condition and pay out 100% in cash, and are accounted for as liability. The performance share awards granted in December 2024 vest with adjusted earnings per share performance as the vesting condition and RONA as a performance modifier and pay out 100% in cash, and are accounted for as a liability.

The expected cash settlement of the performance share award is recorded as a liability and is being marked to market over the three-year term of the award and can fluctuate depending on the number of shares ultimately expected to vest. Depending on the achievement of the performance conditions, 0% to 200% of the December 2022 and December 2023 awarded performance shares may ultimately vest and 0% to 250% of the December 2024 performance share may ultimately vest.

The following table summarizes our performance share grants and the grant date fair value for the performance metrics:

| Grant Date | Shares Awarded | Grant Date Fair Value | Shares Forfeited |
|---|---|---|---|
| December 7, 2022 | 89,300 | $ 23.49 | 4,600 |
| December 7, 2023 | 72,200 | $ 32.15 | — |
| December 4, 2024 | 88,900 | 29.75 | — |

In December 2024, 78,589 shares vested pursuant to the December 2021 grant, which were settled with a cash payment of $2.4 million.

Performance share awards are payable in cash based upon the number of performance shares ultimately earned, and are therefore not considered outstanding shares.

*Performance Restricted Stock Units*

We award performance restricted stock units to key employees and officers. These awards cliff vest upon a three-year service period with the absolute total shareholder return of our common stock over this three-year term as the vesting criteria. The number of shares earned is variable depending on the metric achieved, and the settlement method is 100% in our common stock, with accrued dividends paid in cash at the time of vesting, assuming the shares had been outstanding throughout the performance period.

To value the performance restricted stock units, we used a Monte Carlo simulation model to arrive at a grant-date fair value. This amount will be adjusted for forfeitures and expensed over the three-year term of the award with a credit to additional paid-in-capital. Depending on the achievement of the performance conditions, a minimum of 0% and a maximum of 150% of the awarded performance restricted stock units may vest. Specifically, the awards vest on a continuum with the following Absolute Total Shareholder Return (A-TSR) milestones:

| Vesting Level | Vesting Criteria | Percentage of Award Vested |
|---|---|---|
| Level 1 | A-TSR greater than or equal to 50% | 150% |
| Level 2 | A-TSR less than 50% and greater than or equal to 20% | 100% |
| Level 3 | A-TSR less than 20% and greater than or equal to -20% | 50% |
| Level 4 | A-TSR less than -20% | —% |

The following table summarizes our performance restricted stock unit grants and the grant date fair value for the A-TSR performance metric:

| Grant Date | Shares Awarded | Grant Date Fair Value | Shares Forfeited |
|---|---|---|---|
| December 7, 2022 | 51,500 | $ 23.22 | 3,100 |
| December 7, 2023 | 40,700 | $ 30.35 | — |
| December 4, 2024 | 50,900 | $ 29.75 | — |

During the three months ended January 31, 2025, 69,825 performance restricted stock units vested.

The performance restricted stock units are not considered outstanding shares, do not have voting rights, and are excluded from diluted weighted-average shares used to calculate earnings per share until the performance criteria is probable to result in the issuance of contingent shares. As of January 31, 2025, we have deemed 34,606 shares related to the December 2022 grant of performance restricted stock units as probable to vest.

The following table summarizes amounts expensed as selling, general and administrative expense related to restricted stock awards, stock options, restricted stock units, performance share awards and performance restricted stock units for the three months ended January 31, 2025 and 2024 (in thousands):

| | Three Months Ended January 31, | |
|---|---|---|
| | 2025 | 2024 |
| Restricted stock awards | $ 593 | $ 317 |
| Restricted stock units | (119) | 1,424 |
| Performance share awards | 413 | 569 |
| Performance restricted stock units | 309 | 266 |
| Total compensation expense | $ 1,196 | $ 2,576 |

*Treasury Shares*

We record treasury stock purchases under the cost method whereby the entire cost of the acquired stock is recorded as treasury stock. Shares are generally issued from treasury stock at the time of grant of restricted stock awards, upon the exercise of stock options, and upon the vesting of performance restricted stock units. On the subsequent issuance of treasury shares, we record proceeds in excess of cost as an increase in additional paid in capital. A deficiency of such proceeds relative to costs would be applied to reduce paid-in-capital associated with prior issuances to the extent available, with the remainder recorded as a charge to retained earnings. There were no charges to retained earnings during the three months ended January 31, 2025.

The following table summarizes the treasury stock activity during the three months ended January 31, 2025:

| | Three Months Ended January 31, 2025 |
|---|---|
| Beginning Balance as of November 1, 2024 | 4,014,431 |
| Restricted stock awards granted | (101,700) |
| Performance restricted stock units vested | (69,825) |
| Stock options exercised | (9,300) |
| Treasury stock repurchases | 150,000 |
| Balance at January 31, 2025 | 3,983,606 |

**13. Other, net**

Other, net on the condensed consolidated statements of income consisted of the following for the three months ended January 31, 2025 and 2024 (in thousands):

| | Three Months Ended January 31, | |
|---|---|---|
| | 2025 | 2024 |
| Foreign currency transaction gains (losses) | $ 172 | $ (10) |
| Foreign currency derivative gains | 349 | — |
| Pension service benefit | 11 | 765 |
| Interest income | 618 | 283 |
| Other | 79 | 4 |
| Other, net | $ 1,229 | $ 1,042 |

**14. Segment Information**

We present four reportable segments in accordance with ASC Topic 280-10-50, “Segment Reporting” (ASC 280): (1) NA Fenestration, comprising four operating segments primarily focused on the fenestration market in North America including vinyl profiles, insulating glass spacers, screens, custom compound mixing, and other fenestration components; (2) EU Fenestration, comprising our U.K.-based vinyl extrusion business, manufacturing vinyl profiles and conservatories, and the European insulating glass business manufacturing insulating glass spacers; (3) NA Cabinet Components, comprising our cabinet door and components segment; and (4) Tyman, which was acquired on August 1 2024, comprising a leading international supplier of engineered fenestration components and access solutions to the construction industry. We maintain a grouping called Unallocated Corporate & Other, which includes transaction expenses, stock-based compensation, long-term incentive awards based on the performance of our common stock and other factors, certain severance and legal costs not deemed to be allocable to all segments, depreciation of corporate assets, interest expense, other, net, income taxes and inter-segment eliminations, and executive incentive compensation and medical expense fluctuations relative to planned costs as determined during the annual planning process. Other general and administrative costs associated with the corporate office are allocated to the reportable segments, based upon a relative measure of profitability in order to more accurately reflect each reportable business segment's administrative costs. The accounting policies of our operating segments are the same as those used to prepare the accompanying condensed consolidated financial statements. Corporate general and administrative expense allocated during the three month period ended January 31, 2025 was $7.9 million and $7.3 million for the comparable prior year period.

ASC Topic 280-10-50, “Segment Reporting” (ASC 280) permits aggregation of operating segments based on factors including, but not limited to: (1) similar nature of products serving the building products industry, primarily the fenestration business; (2) similar production processes, although there are some differences in the amount of automation amongst operating plants; (3) similar types or classes of customers, namely the primary OEMs; (4) similar distribution methods for product delivery, although the extent of the use of third-party distributors will vary amongst the businesses; (5) similar regulatory environment; and (6) converging long-term economic similarities.

Segment information for the three months ended January 31, 2025 and 2024, and total assets as of January 31, 2025 and October 31, 2024 are summarized in the following table (in thousands):

| | NA Fenestration | EU Fenestration | NA Cabinet Comp. | Tyman | Unallocated Corp. & Other | Total |
|---|---|---|---|---|---|---|
| **Three Months Ended January 31, 2025** | | | | | | |
| Net sales | $ 134,333 | $ 48,471 | $ 43,810 | $ 175,676 | $ (2,246) | $ 400,044 |
| Depreciation and amortization | 4,779 | 2,610 | 3,009 | 14,263 | 79 | 24,740 |
| Operating income (loss) | 6,854 | 7,303 | (3,882) | (13,665) | (3,588) | (6,978) |
| Capital expenditures | 5,651 | 602 | 417 | 4,088 | 866 | 11,624 |
| **Three Months Ended January 31, 2024** | | | | | | |
| Net sales | $ 147,995 | $ 49,437 | $ 43,137 | $ — | $ (1,414) | $ 239,155 |
| Depreciation and amortization | 5,475 | 2,558 | 3,065 | — | 54 | 11,152 |
| Operating income (loss) | 8,242 | 7,431 | (3,797) | — | (3,959) | 7,917 |
| Capital expenditures | 5,721 | 1,801 | 1,836 | — | 222 | 9,580 |
| **As of January 31, 2025** | | | | | | |
| Total assets | $ 376,388 | $ 218,334 | $ 143,297 | $ 876,475 | $ 605,995 | $ 2,220,489 |
| **As of October 31, 2024** | | | | | | |
| Total assets | $ 373,934 | $ 239,501 | $ 147,907 | $ 1,243,265 | $ 315,181 | $ 2,319,788 |

The following table summarizes the change in the carrying amount of goodwill by reportable business segment for the three months ended January 31, 2025 (in thousands):

| | NA Fenestration | EU Fenestration | NA Cabinet Comp. | Tyman | Unallocated Corp. & Other | Total |
|---|---|---|---|---|---|---|
| **Balance as of October 31, 2024** | $ 80,105 | $ 67,194 | $ 39,147 | $ 388,265 | $ — | $ 574,711 |
| Foreign currency translation adjustment | — | (2,745) | — | (2,278) | — | (5,023) |
| **Balance as of January 31, 2025** | $ 80,105 | $ 64,449 | $ 39,147 | $ 385,987 | $ — | $ 569,688 |

For further details of Goodwill, see Note 5, "Goodwill & Intangible Assets," located herewith.

We did not allocate non-operating loss or income tax benefit to the reportable segments. The following table reconciles operating income as reported above to net income for the three months ended January 31, 2025 and 2024 (in thousands):

| | Three Months Ended January 31, 2025 | Three Months Ended January 31, 2024 |
|---|---|---|
| Operating (loss) income | $ (6,978) | $ 7,917 |
| Interest expense | (14,186) | (1,068) |
| Other, net | 1,229 | 1,042 |
| Income tax benefit (expense) | 5,050 | (1,642) |
| Net (loss) income | $ (14,885) | $ 6,249 |

### 15. Earnings Per Share

We compute basic earnings per share by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings per common and potential common shares include the weighted-average of additional shares associated with the incremental effect of dilutive employee stock options, non-vested restricted stock as determined using the treasury stock method prescribed by U.S. GAAP and contingent shares associated with performance share awards, if dilutive.

Basic and diluted earnings per share for the three months ended January 31, 2025 and 2024 were calculated as follows (in thousands, except per share data):

| | Net (Loss) Income | Weighted-Average Shares | Per Share |
|---|---|---|---|
| **Three Months Ended January 31, 2025** | | | |
| Basic and diluted loss per common share | $ (14,885) | 47,015 | $ (0.32) |
| **Three Months Ended January 31, 2024** | | | |
| Basic earnings per common share | $ 6,249 | 32,825 | $ 0.19 |
| *Effect of dilutive securities:* | | | |
| Stock options | — | 35 | — |
| Restricted stock awards | — | 124 | — |
| Performance restricted stock units | — | 59 | — |
| Diluted earnings per common share | $ 6,249 | 33,043 | $ 0.19 |

We do not include equity instruments in our calculation of diluted earnings per share if those instruments would be anti-dilutive. We had 5,450 and zero of anti-dilutive restricted stock award equivalents for the three months ended January 31, 2025, respectively, and no corresponding equivalents for the comparable prior year period. Such dilution is dependent on the excess of the market price of our stock over the exercise price and other components of the treasury stock method.

### 16. New Accounting Guidance

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standards setting bodies that we adopt as of the specified effective date. We did not adopt any new accounting pronouncements during the three months ended January 31, 2025.

*Accounting Standards Not Yet Adopted*

In November 2024, the FASB issued "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses," which requires expanded disclosures of expense information, including the amounts of inventory purchases, employee compensation, depreciation and amortization within commonly presented expense captions during the period. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date or (2) retrospectively to any or all prior periods presented in the financial statements. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which includes updates to the income tax disclosures related to the rate reconciliation and disaggregation of income taxes paid by jurisdiction. The amendments are effective for fiscal years beginning after December 15, 2024 with early adoption permitted. The amendments should be applied prospectively, however retrospective application is permitted. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

In November 2023, the FASB issued "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 with early adoption is permitted. The guidance is to be applied retrospectively to all prior periods presented in the financial statements. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

*Unless the context indicates otherwise, references to "Quanex," the "Company," "we," "us," and "our" refer to the consolidated business operations of Quanex Building Products Corporation and its subsidiaries.*

**Cautionary Note Regarding Forward-Looking Statements**

Certain of the statements contained in this document and in documents incorporated by reference herein, including those made under the caption *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* include "forward-looking" statements as defined under the Private Securities Litigation Reform Act of 1995. Generally, the words "expect," "believe," "intend," "estimate," "anticipate," "project," "will," and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are statements as to matters that are not historical facts, and include statements about our plans, objectives, expectations and intentions, including (1) all statements which address future operating performance, (2) events or developments that we expect or anticipate will occur in the future, including statements relating to the Tyman Acquisition and statements relating to volume, sales, operating income, and earnings per share, and (3) statements expressing general outlook about future operating results. Forward-looking statements also include any statements relating to future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses, future prospects or business or management strategies, and the expansion and/or growth of the operations of the Company. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our current projections or expectations. As and when made, we believe that the assumptions and expectations reflected in such forward-looking statements are reasonable, provided, that we cannot give any assurance that such expectations will prove to be correct. However, caution should be taken not to place undue reliance on any such forward-looking statements since such statements speak only as of the date when made and there can be no assurance that such forward-looking statements will occur. We are not obligated to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to the following:

- impacts from public health issues on the economy, demand for our products or our operations, including the responses of governmental authorities to contain such public health issues;
- our ability to integrate and implement our plans, forecasts and other expectations with respect to Tyman;
- changes in foreign trade relations and associated tariffs could result in a global trade war;
- changes in market conditions, particularly in the new home construction, and residential remodeling and replacement (R&R) activity markets in the United States, United Kingdom, Germany, Italy and elsewhere;
- changes in non-pass-through raw material costs;
- changes in domestic and international economic conditions;
- changes in availability and prices of raw material including inflationary pressures and supply chain challenges, which could be exacerbated by political or global unrest such as the current military conflicts in Ukraine and Gaza;
- our ability to attract and retain skilled labor;
- changes in purchases by our principal customers;
- fluctuations in foreign currency exchange rates;
- our ability to maintain an effective system of internal controls;
- our ability to successfully implement our internal operating plans and acquisition strategies;
- our ability to successfully implement our plans with respect to information technology (IT) systems and processes;
- our ability to control costs and increase profitability;
- changes in environmental laws and regulations;
- changes in warranty obligations;
- changes in energy costs and the availability of energy;
- changes in tax laws, and interpretations thereof;
- changes in interest rates;
- our ability to service our debt facilities and remain in good standing with our lenders;
- our ability to remediate our material weakness, or any other material weakness that we may identify in the future that could result in material misstatements in our financial statements;
- changes in the availability or applicability of our insurance coverage;
- our ability to maintain good relationships with our suppliers, subcontractors, and key customers; and

- the resolution of litigation and other legal proceedings.

For information on additional factors that could cause actual results to differ materially, please refer to the section entitled *"Item 1A. Risk Factors"* in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024.

**About Third-Party Information**

In this report, we rely on and refer to information regarding industry data obtained from market research, publicly available information, industry publications, U.S. government sources and other third parties. Although we believe this information is reliable, we cannot guarantee the accuracy or completeness of the information and have not independently verified it.

***Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations***

*The following discussion and analysis should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes as of January 31, 2025, and for the three months ended January 31, 2025 and 2024, included elsewhere herein. For additional information pertaining to our business, including risk factors which should be considered before investing in our common stock, refer to our Annual Report on Form 10-K for the fiscal year ended October 31, 2024.*

**Our Business**

We are a leading manufacturer and component supplier to original equipment manufacturers (OEMs) in various industries, including window, door, solar, refrigeration, custom mixing, building access, and cabinetry markets. The majority of these components can be categorized as window and door (fenestration) components and kitchen and bath cabinet components. Examples of fenestration components include energy-efficient flexible insulating glass spacers, extruded vinyl profiles, window and door screens, precision-formed metal and wood products, window and door seals, and window and door hardware. In addition, we provide certain other non-fenestration components and products, which include solar panel sealants, trim moldings, vinyl decking, water retention barriers, conservatory roof components, and building access solutions. For additional discussion of our reportable business segments, see Note 14, "Segment Information." We leverage efficient production and distribution processes and engineering expertise to provide our customers with specialized products for their specific hardware, extrusion, and custom applications. We believe these capabilities enhance our ability to provide value to our customers. We serve a primary customer base in North America and the United Kingdom (U.K.), and also serve customers in international markets through our operating locations in the U.K., Germany, Mexico, Canada and Italy, as well as through sales and marketing efforts in other countries.

We continue to invest in organic growth initiatives and we intend to continue evaluating business acquisitions that allow us to expand our manufacturing and distribution footprint, enhance our product offerings, provide new complementary technology, enhance our leadership position within the markets we serve and expand into new markets or service lines. We have disposed of non-core businesses in the past, and continue to evaluate our business portfolio to ensure that we are investing in markets where we believe there is potential future growth.

We currently have four reportable business segments: (1) North American Fenestration segment ("NA Fenestration"), comprising four operating segments, consisting of vinyl profiles, IG spacers, screens, custom compound mixing and other fenestration components; (2) European Fenestration segment ("EU Fenestration"), comprising our U.K.-based vinyl extrusion business, manufacturing vinyl profiles and conservatories, and the European insulating glass business manufacturing IG spacers; (3) North American Cabinet Components segment ("NA Cabinet Components"), comprising our North American cabinet door and components business and two wood-manufacturing plants, and (4) Tyman, which was acquired on August 1, 2024, comprising a leading international supplier of engineered fenestration components and access solutions to the construction industry. We maintain a grouping called Unallocated Corporate & Other, which includes transaction expenses, stock-based compensation, long-term incentive awards based on the performance of our common stock and other factors, certain severance and legal costs not deemed to be allocable to all segments, depreciation of corporate assets, interest expense, other, net, income taxes and inter-segment eliminations, and executive incentive compensation and medical expense fluctuations relative to planned costs as determined during the annual planning process. Other general and administrative costs associated with the corporate office are allocated to the reportable segments, based upon a relative measure of profitability in order to more accurately reflect each reportable business segment's administrative costs.

*Recent Transactions and Events*

We are monitoring the rapidly evolving tariff and global trade policies and we are working with our suppliers to mitigate potential impacts on our business. The extent and duration of the tariffs and the resulting impact on general economic conditions on our business are uncertain and depend on various factors, such as negotiations between the U.S. and affected countries, the responses of other countries or regions, exemptions that may be granted, availability and cost of alternative sources of supply and demand for our products in affected markets.

On August 1, 2024, we completed the acquisition of Tyman plc, a company incorporated in England and Wales (the "Tyman Acquisition"). The aggregate consideration due pursuant to the Tyman Acquisition at closing comprised of 14,139,477 New Quanex Shares and cash consideration of approximately $504.1 million (being the Pound Sterling amount of cash consideration of £392.2 million in respect of all of the Tyman Shares converted to U.S. Dollars at an exchange rate of 1.2855). New Quanex Shares issued in connection with the Tyman Acquisition on the New York Stock Exchange took effect on August 2, 2024 and Tyman's shares on the London Stock Exchange were canceled.

U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the military conflicts currently ongoing in Ukraine and Gaza. Although the length and impact of these ongoing military conflicts are highly unpredictable, the conflicts could lead to market or operational disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions. Russia, Europe's largest provider of natural gas, has significantly reduced the export of natural gas compared to the beginning of the conflict resulting in the increase in natural gas prices and the potential for natural gas shortages. In addition, one of the suppliers of a vapor barrier used in the production of our insulating glass spacers is located in Israel and may experience a disruption as a result of the ongoing conflict in Gaza. If these trends continues, this would not only negatively impact our European manufacturing facilities, this may also impact our customers and their demand for our products. We continue to monitor these situations and their impact on our business.

The conflicts in Ukraine and Gaza and their impacts on the global economy, including inflation and the price of raw materials, supply chain disruptions, and the volatility in interest rates including home mortgage rates, are unpredictable and there may be developments outside our control requiring us to adjust our operating plan.

*Market Overview and Outlook*

We believe the primary drivers of our operating results continue to be North American residential remodeling and replacement (R&R) and new home construction activity. We believe that housing starts and window shipments are indicators of activity levels in the homebuilding and window industries, and we use this data, as published by or derived from third-party sources, to evaluate the market. We have historically evaluated the market using data from the National Association of Homebuilders (NAHB) with regard to housing starts and R&R activity, and published reports by Ducker Worldwide, LLC (Ducker), a consulting and research firm, with regard to window shipments in the U.S.

In February 2025, the NAHB forecasted calendar-year housing starts to be approximately 1.3 million and 1.4 million in the 2025 and 2026 calendar-years, respectively. In February 2025, the Ducker forecast indicated that total window shipments are expected to decrease 2.5% in calendar-year 2025.

Several commodities in our business are subject to pricing fluctuations, including polyvinyl resin (PVC), titanium dioxide (TiO2), petroleum products, stainless steel, zinc, aluminum and wood. For the majority of our customers and critical suppliers, we have price adjusters in place which effectively share the base pass-through price changes for our primary commodities with our customers commensurate with the market at large. Our long-term exposure to these price fluctuations is somewhat mitigated due to the contractual component of the adjuster program. However, these adjusters are not in place with all customers and for all commodities, and there is a level of exposure to such volatility due to the lag associated with the timing of price updates in accordance with our customer agreements, particularly with regard to hardwoods. In addition, some of these commodities are in high demand, particularly in Europe, which can affect the cost of the raw materials, a portion of which we may not be able to fully recover.

The global economy remains uncertain due to currency devaluations, political unrest, terror threats, global pandemics, and even the political landscape in the U.S. These and other macro-economic factors have impacted the global financial markets, which may have contributed to significant changes in foreign currencies. We continue to monitor our exposure to changes in exchange rates.

**Results of Operations**

***Three Months Ended January 31, 2025 Compared to Three Months Ended January 31, 2024***

| | Three Months Ended January 31, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | Change $ | % Variance |
| | (Dollars in thousands) | | | |
| Net sales | $ 400,044 | $ 239,155 | $ 160,889 | 67 % |
| Cost of sales (excluding depreciation and amortization) | 307,728 | 187,723 | 120,005 | 64 % |
| Selling, general and administrative | 66,650 | 32,363 | 34,287 | 106 % |
| Restructuring charges | 7,904 | — | 7,904 | 100 % |
| Depreciation and amortization | 24,740 | 11,152 | 13,588 | 122 % |
| Operating (loss) income | (6,978) | 7,917 | (14,895) | (188)% |
| Interest expense | (14,186) | (1,068) | (13,118) | 1,228 % |
| Other, net | 1,229 | 1,042 | 187 | 18 % |
| Income tax benefit (expense) | 5,050 | (1,642) | 6,692 | (408)% |
| Net (loss) income | $ (14,885) | $ 6,249 | $ (21,134) | (338)% |

Our period-over-period results by reportable segment follow.

***Changes Related to Operating Income by Reportable Segment:***

*NA Fenestration*

| | Three Months Ended January 31, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | % Variance |
| | (Dollars in thousands) | | | |
| Net sales | $ 134,333 | $ 147,995 | $ (13,662) | (9)% |
| Cost of sales (excluding depreciation and amortization) | 106,567 | 118,368 | (11,801) | (10)% |
| Selling, general and administrative | 16,133 | 15,910 | 223 | 1% |
| Depreciation and amortization | 4,779 | 5,475 | (696) | (13)% |
| Operating income | $ 6,854 | $ 8,242 | $ (1,388) | (17)% |
| Operating income margin | 5 % | 6 % | | |

*Net Sales.* Net sales decreased $13.7 million, or 9%, for the three months ended January 31, 2025 compared to the same period in 2024, which was primarily driven by a $15.3 million decrease in volumes mainly due to softer market demand driven by weaker consumer confidence partially offset by a $1.6 million increase in price and raw material indexes.

*Cost of Sales.* The cost of sales decreased $11.8 million, or 10%, for the three months ended January 31, 2025 as compared to the same period in 2024. Cost of sales, including labor, decreased primarily due to a decrease in volumes partially offset by inflation of raw materials during the period.

*Selling, General and Administrative.* Selling, general and administrative expenses increased $0.2 million, or 1%, for the three months ended January 31, 2025 as compared to the same period in 2024. The increase is primarily due to increases in labor costs partially offset by a decrease in professional fees year-over-year.

*EU Fenestration*

| | Three Months Ended January 31, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | Variance % |
| | (Dollars in thousands) | | | |
| Net sales | $ 48,471 | $ 49,437 | $ (966) | (2)% |
| Cost of sales (excluding depreciation and amortization) | 30,638 | 31,703 | (1,065) | (3)% |
| Selling, general and administrative | 7,920 | 7,745 | 175 | 2% |
| Depreciation and amortization | 2,610 | 2,558 | 52 | 2% |
| Operating income | $ 7,303 | $ 7,431 | $ (128) | (2)% |
| Operating income margin | 15 % | 15 % | | |

*Net Sales.* Net sales decreased $1.0 million, or 2%, comparing the three months ended January 31, 2025 to the same period in 2024, which was primarily driven by a $0.5 million decrease in volumes largely due to softer market demand driven by weaker consumer confidence and $0.9 million of negative foreign currency rate change, partially offset by $0.4 million of base price increases.

*Cost of Sales.* The cost of sales decreased $1.1 million, or 3%, for the three months ended January 31, 2025 compared to the same period in 2024. Cost of sales decreased primarily due to a decrease in volumes and foreign currency impacts, partially offset by inflation in the price of raw materials.

*Selling, General and Administrative.* Selling, general and administrative expense increased $0.2 million, or 2%, for the three months ended January 31, 2025 compared to the same period in 2024. The increase is primarily an increases in labor costs year-over-year.

*NA Cabinet Components*

| | Three Months Ended January 31, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | Variance % |
| | (Dollars in thousands) | | | |
| Net sales | $ 43,810 | $ 43,137 | $ 673 | 2% |
| Cost of sales (excluding depreciation and amortization) | 39,415 | 38,743 | 672 | 2% |
| Selling, general and administrative | 5,268 | 5,126 | 142 | 3% |
| Depreciation and amortization | 3,009 | 3,065 | (56) | (2)% |
| Operating loss | $ (3,882) | $ (3,797) | $ (85) | 2% |
| Operating loss margin | (9)% | (9)% | | |

*Net Sales*. Net sales increased $0.7 million, or 2%, for the three months ended January 31, 2025 compared to the same period in 2024, which was driven by a $2.1 million increase in raw material surcharges partially offset by a $1.4 million decrease in volumes due to softer market demand driven by weaker consumer confidence.

*Cost of Sales*. Cost of sales increased $0.7 million, or 2%, for the three months ended January 31, 2025 compared with the same period in 2024. Cost of sales increased primarily as a result of inflation of raw materials partially offset by lower volumes year-over-year.

*Selling, General and Administrative*. Selling, general and administrative expense increased $0.1 million, or 3%, for the three months ended January 31, 2025 compared to the same period in 2024. This increase is primarily due to a decrease in labor costs and professional fees year-over-year.

*Tyman*

The Tyman reportable segment is comprised solely of the business acquired on August 1, 2024. For additional discussion of our acquisition of Tyman, see Note 2, “Acquisition.” The results for the three months ended January 31, 2025 are summarized in the following table (including the effect of the amortization of the step-up of inventory of approximately $9.0 million and $7.9 million of reorganization charges incurred to support the acquisition during the three months ended January 31, 2025):

| | Three Months Ended January 31, 2025 | |
|---|---|---|
| | (Dollars in thousands) | |
| Net sales | $ | 175,676 |
| Cost of sales (excluding depreciation and amortization) | | 132,796 |
| Selling, general and administrative | | 34,378 |
| Restructuring charges | | 7,904 |
| Depreciation and amortization | | 14,263 |
| Operating loss | $ | (13,665) |
| Operating loss margin | | (8)% |

*Unallocated Corporate & Other*

| | Three Months Ended January 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2025 | | 2024 | | $ Change | | Variance % |
| | (Dollars in thousands) | | | | | | |
| Net sales | $ | (2,246) | $ | (1,414) | $ | (832) | 59% |
| Cost of sales (excluding depreciation and amortization) | | (1,688) | | (1,091) | | (597) | 55% |
| Selling, general and administrative | | 2,951 | | 3,582 | | (631) | (18)% |
| Depreciation and amortization | | 79 | | 54 | | 25 | 46% |
| Operating loss | $ | (3,588) | $ | (3,959) | $ | 371 | (9)% |

*Net Sales*. Net sales for Unallocated Corporate & Other represents the elimination of inter-segment sales for the three months ended January 31, 2025 and 2024.

*Cost of Sales*. Cost of sales for Unallocated Corporate & Other consists of the elimination of inter-segment sales, profit in inventory, and other costs.

*Selling, General and Administrative*. Selling, general and administrative expenses decreased $0.6 million, or 18%, for the three months ended January 31, 2025 compared to the same period in 2024. This decrease is primarily attributable to a lower compensation expense including the valuations of our stock-based compensation awards partially offset by reorganization costs during the three months ended January 31, 2025 as compared to the prior year period.

***Changes related to Non-Operating Items:***

*Interest Expense*. Interest expense increased $13.1 million for the three months ended January 31, 2025 compared to the same period in 2024 primarily as a result of higher borrowings outstanding during the three months ended January 31, 2025 as compared to the prior year period.

*Income Taxes*. We recorded income tax benefit of $5.1 million on pre-tax loss of $19.9 million for the three months ended January 31, 2025, an effective rate of 25.3%, and income tax expense of $1.6 million on a pre-tax income of $7.9 million for the three months ended January 31, 2024, an effective rate of 20.8%. The increase in the effective tax rate year-over-year was primarily driven by a reduction in tax credits and tax deductions.

**Liquidity and Capital Resources**

*Overview*

Historically, our principal sources of funds have been cash on hand, cash flow from operations, and borrowings under our credit facilities.

On June 12, 2024, in connection with the Tyman Acquisition, the Company, Wells Fargo Bank, National Association ("Wells Fargo Bank", acting as agent, swingline lender and issuing lender, the "Agent"), the other entities therein specified in the capacities therein specified, and the lenders parties thereto, entered into an amendment to the Second Amended and Restated Credit Agreement, dated as of July 6, 2022 (the "Existing Credit Agreement", and the Existing Credit Agreement as so amended, the "Amended Credit Agreement"). The Amended Credit Agreement became effective on August 1, 2024 upon the completion of the Tyman Acquisition.

The Amended Credit Agreement (i) increased the senior secured revolving credit facility to an aggregate principal amount of $475 million (the "Revolving Credit Facility") and (ii) provides for a senior secured term loan A facility in an aggregate principal amount of $500 million (the "Term A Facility" and together with the Revolving Credit Facility, the "Facilities"). The Revolving Credit Facility includes alternative currency, letter of credit, and swing-line sub-facilities of $100 million, $30 million, and $15 million, respectively. We capitalized $13.8 million of deferred financing fees related to the Amended Credit Agreement. The maturity date of the Facilities will be five years after the acquisition effective date, maturing on August 1, 2029.

The Term A Facility amortizes on a quarterly basis at 5% per annum of the original principal amount of the Term A Facility, with the remainder due at maturity. The Term A Facility must be prepaid with 100% of the net cash proceeds of the issuance or incurrence of debt and 100% of the net cash proceeds of all asset sales, insurance and condemnation recoveries, and other asset dispositions.

Borrowings under the Facilities bear interest, at our option, at (1) the Base Rate plus an applicable margin or (2) Adjusted Term SOFR plus an applicable margin. The applicable margin will range from 1.0% to 1.75% for Base Rate loans and 2.0 to 2.75% for Adjusted Term SOFR loans. In addition, we are subject to commitment fees for the unused portion of the Revolving Credit Facility.

As of January 31, 2025, we had $50.0 million of cash and equivalents, $705.0 million outstanding under the Facilities $6.0 million of outstanding letters of credit and $59.3 million outstanding under finance leases and other debt. Of the $59.3 million outstanding under finance leases and other debt, $55.1 million relates to real estate leases. We had $251.5 million available for use under the Revolving Credit Agreement at January 31, 2025.

During December 2021, our Board of Directors approved a stock repurchase program that authorized the repurchase of up to $75.0 million worth of shares of our common stock. Repurchases under the program will be made in open market transactions or privately negotiated transactions, subject to market conditions, applicable legal requirements and other relevant factors. During the three months ended January 31, 2025, we purchased 150,000 shares under this program and as of January 31, 2025 we have a maximum of $59.1 million available to purchase shares under this program. The program does not have an expiration date or a limit on the number of shares that may be purchased.

We repatriated $11.5 million and $3.6 million of foreign cash during the three months ended January 31, 2025 and 2024, respectively. We expect to repatriate excess cash moving forward and use the funds to retire debt or meet current working capital needs. In the U.K., we insure against a portion of our credit losses. We believe our business model, our current cash reserves and our strong balance sheet leave us well-positioned to manage our business and remain in compliance with our debt covenants.

*Analysis of Cash Flow*

The following table summarizes our cash flow results for the three months ended January 31, 2025 and 2024:

| | Three Months Ended January 31, 2025 | Three Months Ended January 31, 2024 |
|---|---|---|
| | (Dollars in thousands) | |
| Cash (used for) provided by operating activities | $ (12,510) | $ 3,854 |
| Cash used for investing activities | $ (11,455) | $ (9,549) |
| Cash used for financing activities | $ (21,972) | $ (9,117) |

*Operating Activities*. Cash provided by operating activities decreased $16.4 million for the three months ended January 31, 2025 compared to the same period in 2024. The decrease in operating cash flow is primarily due to a decrease in net income as a result of restructuring charges and amortization of inventory step-up charges related to the acquisition of Tyman, as well as year-over-year and unfavorable changes to net working capital.

*Investing Activities*. Cash used for investing activities increased $1.9 million for the three months ended January 31, 2025 compared to the same period in 2024, primarily as a result of an increase in capital expenditures during the three months ended January 31, 2025 compared to the prior year period.

*Financing Activities*. Cash used for financing activities increased $12.9 million for the three months ended January 31, 2025 compared to the same period in 2024. The change in investing cash flows is primarily as a result of an increase in the repayment of long-term debt and the purchase of treasury shares.

*Liquidity Requirements*

Historically, our strategy for deploying cash has been to invest in organic growth opportunities, develop our infrastructure, and explore strategic acquisitions. Other uses of cash include paying cash dividends to our shareholders and repurchasing our common stock. During the three months ended January 31, 2025 and 2024, we repatriated $11.5 million and $3.6 million, respectively, of foreign earnings from our foreign locations. We maintain cash balances in foreign countries which total $37.3 million as of January 31, 2025.

**Critical Accounting Policies and Estimates**

The preparation of our financial statements in accordance with accounting principles generally accepted in the U.S. (U.S. GAAP) requires us to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. Estimates and assumptions about future events and their effects cannot be perceived with certainty. Estimates may change as new events occur, as more experience is acquired, as additional information becomes available and as our operating environment changes. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, and that we believe provide a basis for making judgments about the carrying value of assets and liabilities that are not readily available through open market quotes. We must use our judgment with regard to uncertainties in order to make these estimates. Actual results could differ from these estimates.

For a description of our critical accounting policies and estimates, see our Annual Report on Form 10-K for the fiscal year ended October 31, 2024. Our critical accounting policies and estimates have not changed materially during the three months ended January 31, 2025.

**New Accounting Pronouncements**

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standards setting bodies that we adopt as of the specified effective date. We did not adopt any new accounting pronouncements during the three months ended January 31, 2025.

*Accounting Standards Not Yet Adopted*

In November 2024, the FASB issued "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses," which requires expanded disclosures of expense information, including the amounts of inventory purchases, employee compensation, depreciation and amortization within commonly presented expense captions during the period. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date or (2) retrospectively to any or all prior periods presented in the financial statements. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which includes updates to the income tax disclosures related to the rate reconciliation and disaggregation of income taxes paid by jurisdiction. The guidance is effective for fiscal years beginning after December 15, 2024 with early adoption permitted. The amendments should be applied prospectively, however retrospective application is permitted. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

In November 2023, the FASB issued "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 with early adoption is permitted. The guidance is to be applied retrospectively to all prior periods presented in the financial statements. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

### *Item 3. Quantitative and Qualitative Disclosures About Market Risk*

The following discussion of our exposure to various market risks contains “forward looking statements” regarding our estimates, assumptions and beliefs concerning our exposure. Although we believe these estimates and assumptions are reasonable in light of information currently available to us, we cannot provide assurance that these estimates will not materially differ from actual results due to the inherent unpredictability of interest rates, foreign currency rates and commodity prices as well as other factors. We do not use derivative financial instruments for speculative or trading purposes.

**Interest Rate Risk**

Our debt bears interest at variable rates and accordingly is sensitive to changes in interest rates. Based upon the balances of the variable rate debt at January 31, 2025, a hypothetical 1.0% increase or decrease in interest rates could result in approximately $7.1 million of additional pretax charges or credit to our net income per year. This sensitivity is impacted by the amount of borrowings under our credit facilities, and amounts outstanding under finance leases.

**Foreign Currency Rate Risk**

Our international operations have exposure to foreign currency rate risks, primarily due to fluctuations in the Euro, the British Pound Sterling, and the Mexican Peso. From time to time, we enter into foreign exchange contracts associated with our operations to manage a portion of the foreign currency rate risk. As of January 31, 2025, we have outstanding forward foreign exchange contracts to hedge our foreign currency exposures against the USD to GBP, with a notional principal amount of $8.3 million, and foreign currency exposures against the MXN to USD, with a notional principal amount of $18.0 million. Hedge accounting is not applied to our foreign exchange contracts. During the three months ended January 31, 2025 and 2024, we recognized a net gain of $0.1 million and zero, respectively, related to our forward foreign exchange contracts. The value of our forward foreign exchange contracts fluctuates based on exchange rate fluctuations against the USD to GBP, and the MXN to USD.

**Commodity Price Risk**

We purchase PVC as the significant raw material consumed in the manufacture of vinyl extrusions. We have resin adjusters in place with a majority of our customers and our resin supplier that is adjusted based upon published indices for lagging resin prices. These adjusters effectively share the base pass-through price changes of PVC with our customers commensurate with the market at large. Our long-term exposure to changes in PVC prices is somewhat mitigated due to the contractual component of the resin adjuster program. However, there is a level of exposure to short-term volatility due to timing lags.

We adjust the pricing of petroleum-based raw materials for the majority of our customers who purchase products using these materials. This is intended to offset the fluctuating cost of products which are highly correlated to the price of oil including butyl and other oil-based raw materials. This program is adjusted monthly based upon the 90-day average published price for Brent crude. The oil-based raw materials that we purchase are subject to similar pricing schemes. As such, our long-term exposure to increases in oil-based raw material prices is significantly reduced under this program.

Similarly, we include a price index provision to insulate against significant fluctuations in the price for various hardwood products used as the primary raw material for kitchen and bathroom cabinet doors. Like our vinyl extrusion business, we are exposed to short-term volatility in wood prices due to a lag in the timing of price updates which generally could extend for up to three months.

In the Tyman business, contractual price adjustment mechanisms in place for key commodities including stainless steel and zinc for many large customers in the U.S. For those customers not covered by these contractual mechanisms, we have successfully implemented surcharges and general price increases to share the impact of price changes with our customers. Like our other commodities, there is exposure to short-term volatility due to a lag in the timing of implementing price increases.

We have begun implementing additional programs for other raw materials to facilitate more accurate pricing and reduce our exposure to changing material costs when necessary; however, these are also subject to timing lags. While we maintain surcharges and other adjusters to manage our exposure to changes in the prices of our critical raw materials, we use several commodities in our business that are not covered by contractual surcharges or adjusters for which pricing can fluctuate, including PVC compound micro ingredients, silicone and other inputs. Further discussion of our industry risks are included within our Annual Report on Form 10-K for the fiscal year ended October 31, 2024.

## *Item 4. Controls and Procedures*

**Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (1934 Act) as of January 31, 2025.

As previously disclosed in our Annual Report on Form 10-K for the year ended October 31, 2024, we identified a material weakness in our internal control over financial reporting in the design and operation of the controls over the preparation and review of the statement of cash flows. Due to this material weakness, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective as of January 31, 2025.

As permitted under the SEC rules, we have elected to exclude Tyman plc from management's assessment of effectiveness of internal controls over financial reporting as of January 31, 2025. Prior to acquisition by us on August 1, 2024, Tyman plc was listed publicly on the London Stock Exchange, reported financial results pursuant to International Financial Reporting Standards and, therefore, had no requirement to comply with the Sarbanes-Oxley Act of 2002.

We are actively engaged in remediation efforts to address the identified material weakness related to the statement of cash flows. These efforts include:

- Implementing enhanced review procedures over the preparation and validation of the statement of cash flows.
- Developing and integrating a structured non-cash transaction checklist to improve accuracy in cash flow classification.
- Enhancing our quarterly and annual close procedures to include additional review controls.
- Providing targeted training to finance personnel involved in the financial close and reporting process.

Notwithstanding the identified material weakness, our management has concluded that the financial statements included in this Form 10-Q fairly present in all material respects the financial position, results of operations and cash flows for the periods presented in conformity with generally accepted accounting principles.

**Changes in Internal Control over Financial Reporting**

During the fiscal quarter ended January 31, 2025, we implemented additional review procedures and developed a structured non-cash transaction checklist for the cash flow statement as part of our remediation efforts. While we believe the identified material weakness will be fully remediated by our efforts, our remediation efforts are on-going and require additional time for us to conclude the material weakness has been remediated.

Additionally, as of January 31, 2025, integration of internal controls at our recently acquired Tyman business is in progress. Consistent with SEC guidance, management has excluded Tyman from its assessment of internal control over financial reporting for the January 31, 2025 reporting period. We expect to complete the integration of Tyman's financial reporting systems and internal control framework during fiscal 2025.

Other than the ongoing remediation efforts and the exclusion of Tyman, there have been no other changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the 1934 Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

# PART II. OTHER INFORMATION

***Item 1A. Risk Factors***

There have been no material changes from the risk factors disclosed in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024 (Part I, Item 1A).

***Item 2. Unregistered Sales of Equity Securities and Use of Proceeds***

**Issuer Purchases of Equity Securities**

During the three months ended January 31, 2025, we repurchased common stock as follows:

| Period | (a) Total Number of Shares Purchased | (b) Average Price Paid per Share | (c) Total Number of Shares Purchased as Part of a Publicly Announced Plans or Programs [(1)] | (d) Maximum US Dollars Remaining that May Yet Be Used to Purchase Shares Under the Plans or Programs [(1)] |
|---|---|---|---|---|
| November 2024 | — | $ — | — | $ 62,806,991 |
| December 2024 | 150,000 | 24.66 | 150,000 | $ 59,108,618 |
| January 2025 | — | — | — | $ 59,108,618 |
| Total | 150,000 | $ 24.66 | 150,000 | |

(1) In December 2021, our Board of Directors approved a stock repurchase program that authorized the repurchase of up to $75.0 million worth of shares of our common stock. Repurchases under the new program are made in open market transactions or privately negotiated transactions, subject to market conditions, applicable legal requirements and other relevant factors. The program does not have an expiration date or a limit on the number of shares that may be purchased.

***Item 5. Other Information***

During the three months ended January 31, 2025, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

***Item 6. Exhibits***

The exhibits required to be furnished pursuant to Item 6 are listed in the Exhibit Index filed herewith, which Exhibit Index is incorporated herein by reference.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

| | |
|---|---|
| | **QUANEX BUILDING PRODUCTS CORPORATION** |
| Date: March 11, 2025 | /s/ Scott M. Zuehlke |
| | Scott M. Zuehlke<br>Senior Vice President - Chief Financial Officer & Treasurer<br>(Principal Financial Officer) |

## EXHIBIT INDEX

| Exhibit Number | Description of Exhibits |
|---|---|
| 2.1 | Rule 2.7 Announcement dated as of April 22, as filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on April 22, 2024, and incorporated herein by reference. |
| 2.2 | Co-operation Agreement dated as of April 22, 2024, as filed as Exhibit 2.2 to the Registrant's Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on April 22, 2024, and incorporated herein by reference. |
| 2.3 | Form of Deed of Irrevocable Undertaking dated as of April 22, 2024, as filed as Exhibit 2.3 to the Registrant's Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on April 22, 2024, and incorporated herein by reference. |
| 3.1 | Restated Certificate of Incorporation of the Registrant dated as of March 4, 2016, filed as Exhibit 3.1 of the Registrant's Current Report on Form 8-K (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on March 7, 2016, and incorporated herein by reference. |
| 3.2 | Fourth Amended and Restated Bylaws of the Registrant dated as of February 27, 2020, filed as Exhibit 3.2 of the Registrant's Quarterly Report on Form 10-Q (Reg. No. 001-33913) for the quarter ended January 31, 2020, and incorporated herein by reference. |
| 4.1 | Form of Registrant's Common Stock certificate, filed as Exhibit 4.1 of Amendment No. 1 to the Registrant's Registration Statement on Form 10-Q (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on February 14, 2008, and incorporated herein by reference. |
| 4.2 | Second Amended and Restated Credit Agreement dated as of July 6, 2022, by and among the Company; the lenders party thereto; and Wells Fargo Bank, National Association, as Agent; filed as Exhibit 10.1 of the Registrant's Current Report on Form 8-K (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on July 6, 2022, and incorporated herein by reference. |
| 4.3 | Amendment No.1 to the Second Amended and Restated Credit Agreement among the Company (acting as borrower), the Company subsidiaries acting as guarantors thereto, Wells Fargo Bank, National Association as agent, swingline lender and issuing lender, and the other parties thereto, dated as of June 12, 2024, filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on June 12, 2024, and incorporated herein by reference. |
| *19 | Insider Trading and Treatment of Material Non-Public Information Policy. |
| *31.1 | Certification by chief executive officer pursuant to Rule 13a-14(a)/15d-14(a). |
| *31.2 | Certification by chief financial officer pursuant to Rule 13a-14(a)/15d-14(a). |
| *32.1 | Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| *101.INS | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| *101.SCH | XBRL Taxonomy Extension Schema Document |
| *101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| *101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| *101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| *101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |

* Filed herewith

As permitted by Item 601(b)(4)(iii)(A) of Regulation S-K, the Registrant has not filed with this Quarterly Report on Form 10-Q certain instruments defining the rights of holders of long-term debt of the Registrant and its subsidiaries because the total amount of securities authorized under any of such instruments does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis. The Registrant agrees to furnish a copy of any such agreements to the Securities and Exchange Commission upon request.

Exhibit 19

# Insider Trading and Treatment of Material Non-Public Information

The purpose of this policy is to provide direction and guidance for the proper treatment of material non- public information and the use of such information in the purchase, sale or other transfer of the stock or other securities of Quanex Building Products Corporation (the "Company").

This policy applies to all transactions in Company securities, including the purchase, sale, or other transfer (including gifts) of common stock and any other securities the Company may issue from time to time, such as preferred stock, options, warrants, convertible debentures and other debt securities, as well as to derivative securities relating to Company stock, whether or not issued by the Company, such as publicly-traded options. This policy also applies to the securities of other companies doing business with the Company, as well as to any publicly traded companies affiliated with the Company.

This policy applies not only to the Company, all officers of the Company and to all members of the Company's Board of Directors, but also to all employees of, consultants to, and other persons associated with, the Company and its subsidiaries who receive or have access to material non-public information regarding the Company.
This policy applies not only to the above group of people but also to members of their immediate families, members of their households, entities controlled by them and any person who receives material, non- public information from any of them.

**Definitions**
<u>Non-Public Information</u>
Non-public information is information developed or obtained inside the Company which has not been publicly disclosed. If Company employees or associates possess such information about activities or events before they become public knowledge, this knowledge is considered non-public and, as such, "insider information," and must be kept confidential.

<u>Materiality</u>
Information is "material" if there is a substantial likelihood that a reasonable investor would consider the information important in deciding whether to buy or sell the securities or whether the information, if disclosed, could be viewed by a reasonable investor as having significantly altered the "total mix" of publicly available information about the issuer of securities.

- *Ask this question:* Is it reasonably possible that the information when disclosed will affect the price for the Company's securities *(or the securities of another company doing business with the Company)*? If your answer is "yes" or "maybe", either refrain from trading or contact the Company's Chief Financial Officer or General Counsel before doing so.

- Some *(but not all)* of the matters which may be material are: earnings forecasts and undisclosed past financial results; the possible acquisition or disposition of a business or formation of a joint venture or other strategic relationship; acquisition or loss of a significant supplier or customer or contract therewith; dividend actions; important product developments; significant financing developments; key personnel changes; major litigation developments; a significant change in the Company's capital structure (debt or equity); the Company's transactions in Company securities; and the status of any labor negotiations. (*These examples do not include all possible matters and are intended as illustrative only*.)

*Revised April 2023*

Complying Transactions and Rule 10b5-1 Plans
In 2000, the Securities and Exchange Commission adopted Rule 10b5-1, which it has subsequently amended, to define when a purchase or sale constitutes trading "on the basis of" material non-public information. The SEC added a specific rule that addresses such insider trading as a specific violation of Rule 10b5-1. This rule defines a purchase or sale as being on the basis of material non-public information if the person was "aware of" the information when making the purchase or sale.

In adopting this approach, the SEC provided certain affirmative defenses to a claim of insider trading if, among other narrowly construed possibilities, the person demonstrates (a) that he/she had adopted a ***written*** plan for trading securities before becoming aware of the information, specifying either amounts, prices and dates for the "trading" plan actions, or a formula or the like for setting such amounts, prices and dates; and (b) that the purchase or sale was pursuant to the plan *(a purchase or sale is not pursuant to a plan, among other reasons, if the person who made the plan altered or deviated from it).*

Officers, directors and designated insiders of the Company are allowed to adopt 10b5-1 plans on their own behalf, subject to the following conditions:

- Any 10b5-1 plan must be adopted or modified in coordination with and adhere to a form approved by (a) the Company's General Counsel and (b) the applicable 10b5-1 plan administrator and such plan must comply with the federal securities laws.

- An officer, director or designated insider may enter into a new 10b5-1 plan, or amend, modify or suspend trading under (collectively, "modify", and any such amendment, modification or suspension, collectively, a "modification") an existing 10b5-1 plan, only at a time when such person (a) in fact holds no material inside information, and (b) is not subject to a Blackout Period, as set forth elsewhere in this Insider Trading Policy. Any adoption or modification of a plan must be pre-cleared with the Chief Financial Officer or General Counsel.

- An officer, director or designated insider may terminate a 10b5-1 plan at any time, regardless of actual knowledge or the existence of a Blackout Period. The officer, director or designated insider, however, must notify the Company's General Counsel in writing prior to any such termination.

- The Rule 10b5-1 plan must provide for a waiting period between the date of signing and the earliest possible trade date under the Rule 10b5-1 plan (a "cooling-off period"). The required cooling-off period for all 10b5-1 plans is the later of (a) ninety (90) days, or (b) two business days following the filing of the Form 10-Q or Form 10-K for the fiscal quarter in which the Plan was adopted.

- When adopting or modifying a 10b5-1 trading plan, the officer, director or designated insider must include written representations certifying that he or she ((i) is not aware of material nonpublic information about the Company or its securities and (ii) is adopting or modifying the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Exchange Act Rule 10b-5-1.

- No officer, director or designated insider may have in place more than one Rule 10b5-1 trading plan for open market purchases or sales of the Company's securities, other than:

    - Contracts with multiple brokers – A series of separate contracts with different broker- dealers or other agents may be treated as a single trading plan if each, when taken as a whole, meets the applicable conditions of and remain collectively subject to Rule 10b5-1.

- ◦ Later-commencing plans – An officer, director or designated insider may maintain separate Rule 10b5-1 plans at the same time so long as trading under the later- commencing Rule 10b5-1 plan is not authorized to begin until after all trades under the earlier-commencing trading plan are completed or expired without execution.

- ◦ Sell-to-cover plans – An officer, director or designated insider may enter into additional Rule 10b5-1 plans that only authorize qualified "sell-to-cover" transactions to satisfy tax withholding obligations at the time an equity award vests and the person does not otherwise exercise control over the timing of such sales..

- In any twelve month period, no officer, director or designated insider may enter into more than one "single trade plan" (one designed to effect the purchase or sale of the total amount of the securities subject to the plan as a single transaction), with the exception of "sell-to-cover" plans as described above. The determination of whether a Rule 10b5-1 plan constitutes a single-trade plan pursuant to the exception provided in Rule 10b5-1 will be made by the General Counsel in his or her sole determination.

- With respect to any 10b5-1 plan, the officer, director or designated insider must act in good faith at all times throughout the duration of such plan.

<u>Blackout Period for Officers, Directors, and Other Designated Insiders</u>
The "Blackout Period" is a period established by the Company during which an officer, director or designated insider may not trade in Company securities. ***At present under Company policy, this period commences 20 days before the end of each fiscal quarter and ends at the close of business on the second business day following the date of the Company's earnings announcement for that quarter.***

The safest period for trading in the Company's securities, assuming the absence of actual awareness of material non-public information, is generally the first ten business days following the end of a Blackout Period. Even during this period, any person with ***actual knowledge*** of material non-public information is prohibited from trading in the Company's securities. In other words, if you possess any material non-public information at any time, you are subject to a personal blackout period until such time as that information either (i) becomes public or (ii) becomes non-material. **If you have any doubt about whether you possess material non-public information, contact the Chief Financial Officer or the General Counsel before trading in any securities.**

Trading Rules and Procedures

<u>If You Possess Material Non-Public Information</u>
Any associate *(employees, directors, and independent agents and consultants acting on behalf of the Company)* aware of any material non-public information relating to the Company that has not been made available to the public shall not trade directly or indirectly in the Company's securities *(unless done so pursuant to a trading program, properly implemented during a previous non-Blackout Period, that meets the requirements of SEC Rule 10b5-1).*

Any associate with knowledge of material information shall not disclose it to anyone else, including spouses, relatives, friends, co-workers or stockbrokers, until the information has been disclosed publicly and the public has had time to react to it.

When there is any doubt as to whether information is *"material,"* associates must consult with the Company's Chief Financial Officer or General Counsel.

These rules can apply not only to the Company's securities, but also to the securities of other companies. Any associate aware of material non-public information concerning a possible significant transaction between the Company and another public company, must not disclose that information to persons outside of the Company, **and** must not trade directly or indirectly in the securities of the other company until such information has been publicly disclosed or ceases to be material.

Blackout Period for Officers, Directors, and Other Designated Insiders
Except for complying transactions, all directors and executive officers and all other officers and employees who receive monthly consolidated financial information must comply with the Blackout Period restrictions. Each person is individually responsible at all times for compliance with the prohibitions against insider trading.

Except for complying transactions, trading in the Company's securities outside a Blackout Period should not be considered an automatic "safe harbor", and all directors, officers, and employees should use careful and conservative judgment before deciding to trade.

From time to time, the Company may recommend that directors, officers, selected employees and others suspend trading because of developments known to the Company and not yet disclosed to the public. In such an event, except for complying transactions, such persons shall not engage in any transactions involving the purchase or sale of the Company's securities **and must not**, in any event, disclose to others the fact of such suspension of trading since that fact alone may have the effect of "tipping" someone to the existence of important developments.

Pre-Clearance of Trades by Officers, Directors and Designated Insiders
Because of their positions, the Company has determined that all officers and directors, and certain designated insiders, should refrain from trading in the Company's securities, even outside of the Blackout Periods, without first undertaking a "pre-clearance" conference. The "pre-clearance" conference requires each such person to confer with the Chief Financial Officer or General Counsel prior to initiating any purchase or sale of the Company's securities in order to analyze whether such trading would be within the guidelines outlined above and those promulgated by the SEC. ***Such a "pre-clearance" conference is required for the Company's Directors, Chief Executive Officer, Senior Vice Presidents, Vice Presidents, Division Presidents and General Managers and all designated insiders.***

***If you are an associate who is required to obtain pre-clearance before buying or selling securities, you should also notify your personal stock broker about the need for pre-clearance.*** This will allow your stock broker to contact the General Counsel as necessary in order to ensure that necessary pre-clearance has been received.

Sale/Cancellation of Shares to Cover Taxes

From time to time, an employee or director may become liable for the payment of taxes in connection with the vesting of equity awards. In any such case, all required tax payments will be covered through the sale or cancellation of an appropriate portion of the awards that have so vested.

Summary
Any Company associate must not trade in Company securities while in possession of material non-public information, except as specifically allowed by this Insider Trading Policy. In addition, any officer, director, or designated insider must not trade during any designated Blackout Period, whether or not they possess material non-public information. Lastly, officers, directors, and other designated insiders must get "pre- clearance" to trade in Company securities from the Company's Chief Financial Officer or

General Counsel when they intend to trade securities outside the Blackout Period or when they intend to adopt or modify a Rule 10b5-1 plan.

**Communicating with Securities Analysts, Investors, and Others outside the Company**
The Securities and Exchange Commission has adopted rules governing *"Selective Disclosure and Insider Trading"* which became effective in 2000. The rules, as amended, are referred to as *Regulation FD* (for *"Fair Disclosure"*). Regulation FD provides, in effect, that if an issuer of public securities, or persons acting on its behalf, discloses material non-public information to securities market professionals and/or holders of the issuer's securities, it may not do so selectively without also making public disclosure of that information.

This section of this Policy documents how the Company will respond to questions and other communications to and from securities analysts and investors (including personal investors).

- *Designated Spokesperson* – To ensure consistent and concise communications to all outside parties, only the Chief Executive Officer, Chief Financial Officer, and General Counsel are designated spokespersons. No unauthorized associate (employees, directors, and independent agents and consultants acting on behalf of the Company) shall disclose material non-public information to any person outside of the Company nor shall any associate trade in Company securities if they possess such information.

- *Material Non-Public Information* – Disclosures to one or a group of analysts or investors are viewed as improperly favoring one or a selected group of recipients. These "selective disclosures" are in violation of this Policy and the Company's Code of Business Conduct and Ethics. ***Company spokespersons shall not disclose material non-public information to analysts and investors without simultaneously disclosing information publicly.***

- *Telephone Inquiries* – ***All telephone inquiries from outside sources identified in this Policy shall be referred to the Chief Executive Officer, the Chief Financial Officer, or the General Counsel.*** In answer to any such inquiry, no material information which has not been publicly disclosed shall be given. If prior disclosure of any item of information is uncertain, that information shall not be disclosed without verification that it has been publicly disclosed.

- *Written Requests* – All written requests shall be referred to and answered by the Chief Executive Officer, the Chief Financial Officer, or the General Counsel, where such requests are for more than copies of previously issued annual or periodic reports or other routine public information. No material information which has not been publicly disclosed shall be given in response to such written requests. Where requests are for routine public information, the Chief Financial Officer should be advised of the name, affiliation, and nature of the request.

- *Inadvertent Disclosures* – In the event that any associate of the Company, including any designated spokesperson, inadvertently discloses any material non-public information to an investor or other outside person, the associate must immediately inform the General Counsel of such disclosure so that appropriate corrective public disclosure may be made. If the associate informs the General Counsel of such inadvertent disclosure within twelve hours of the disclosure, no disciplinary action by the Company will result solely because of the inadvertent disclosure. If circumstances indicate that disciplinary action is otherwise necessary, then appropriate action may be taken.

- *Meetings* – For any face-to-face meeting with any holders of the Company's securities, brokers, dealers, institutional investors, security analysts, or investment advisers, at least one of the following Quanex employees must be present: CEO, CFO, or General Counsel.

**Enforcement**
In addition to legal sanctions, violation of this policy or the failure to exercise reasonable judgment in trading in the Company's securities will also result in disciplinary action, which could include termination of employment with the Company.

**Exhibit 31.1**

**CHIEF EXECUTIVE OFFICER CERTIFICATION**

I, George L. Wilson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Quanex Building Products Corporation (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting [as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)] for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

March 11, 2025

/s/ George L. Wilson

George L. Wilson
Chairman of the Board, President and Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CHIEF FINANCIAL OFFICER CERTIFICATION**

I, Scott M. Zuehlke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Quanex Building Products Corporation (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting [as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)] for the Registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

March 11, 2025

/s/ Scott M. Zuehlke

Scott M. Zuehlke
Senior Vice President - Chief Financial Officer and Treasurer
(Principal Financial Officer)

**Exhibit 32.1**

**Certification Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002**

We hereby certify that the accompanying Quarterly Report on Form 10-Q of Quanex Building Products Corporation for the quarter ended January 31, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Report fairly presents, in all material respects, the financial condition and results of operations of Quanex Building Products Corporation.

March 11, 2025

| /s/ George L. Wilson | /s/ Scott M. Zuehlke |
| --- | --- |
| George L. Wilson<br>*Chairman of the Board, President and Chief Executive Officer*<br>*(Principal Executive Officer)* | Scott M. Zuehlke<br>*Senior Vice President—Chief Financial Officer and Treasurer*<br>*(Principal Financial Officer)* |