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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**March 2, 2017  
(Date of earliest event reported)**

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**QUANEX BUILDING PRODUCTS CORPORATION**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-33913**  
(Commission  
File Number)

**26-1561397**  
(IRS Employer  
Identification No.)

**1800 West Loop South, Suite 1500,  
Houston, Texas**  
(Address of principal executive offices)

**77027**  
(Zip Code)

**Registrant's telephone number, including area code: 713-961-4600**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 2.02. Results of Operations and Financial Condition.

On March 6, 2017, Quanex Building Products Corporation (the “Registrant”) issued a press release announcing its results of operations and financial condition for the fiscal quarter ended January 31, 2017. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

## Item 5.07. Submission of Matters to a Vote of Security Holders

On March 2, 2017, the Company held its Annual Meeting of Stockholders, pursuant to notice and proxy mailed on January 31, 2017, to the Company’s stockholders of record as of January 12, 2017. There were 34,406,433 shares of common stock entitled to vote at the meeting, and a total of 32,986,169 shares were represented at the meeting in person or by proxy.

At the Annual Meeting, two directors were elected for terms expiring at the Company’s 2018 Annual Meeting, with the following tabulation of votes for each nominee:

| <u>Director Nominee</u> | <u>Votes For</u> | <u>Votes Against</u> | <u>Abstain</u> | <u>Broker Non-Votes</u> | <u>Percent of Shares Cast in Favor *</u> |
|-------------------------|------------------|----------------------|----------------|-------------------------|------------------------------------------|
| Susan F. Davis          | 31,784,131       | 169,046              | 9,452          | 1,023,540               | 99.5%                                    |
| Curtis M. Stevens       | 29,374,342       | 2,577,238            | 11,049         | 1,023,540               | 92.0%                                    |

\* Excludes Abstentions and Broker Non-Votes

In addition to the election of directors, stockholders at the Annual Meeting took the following actions:

- Provided an advisory “say on pay” vote approving the Company’s executive compensation programs;
- Approved an Amended and Restated Employee Stock Purchase Plan;
- Ratified the Audit Committee’s appointment of Grant Thornton LLP as the Company’s independent auditor for the fiscal year ending October 31, 2017;
- Provided an advisory vote relating to the frequency of future “say on pay” votes held by the Company.

The tabulation of votes for the first three of these proposals is set forth below:

| <u>Proposal</u>                                 | <u>Votes For</u> | <u>Votes Against</u> | <u>Abstain</u> | <u>Broker Non- Votes</u> | <u>Percent of Shares Cast in Favor *</u> |
|-------------------------------------------------|------------------|----------------------|----------------|--------------------------|------------------------------------------|
| Advisory Vote to Approve Executive Compensation | 31,552,014       | 391,222              | 19,392         | 1,023,540                | 98.8%                                    |
| Approval of Amended and Restated ESPP           | 31,925,017       | 18,257               | 19,354         | 1,023,540                | 99.9%                                    |
| Ratification of Company’s Independent Auditor   | 32,950,482       | 14,722               | 20,964         | 0                        | 100%                                     |

\* Excludes Abstentions and Broker Non-Votes

The tabulation of votes for the proposal related to the frequency of future “say on pay” votes is set forth below:

| <u>Proposal</u>                        | <u>One Year</u> | <u>Two Years</u> | <u>Three Years</u> | <u>Abstain</u> |
|----------------------------------------|-----------------|------------------|--------------------|----------------|
| Frequency of Future “Say on Pay” Votes | 25,197,228      | 85,474           | 6,653,086          | 26,841         |
| <i>Percent of Vote:</i>                | <u>78.8%</u>    | <u>0.3%</u>      | <u>20.8%</u>       | <u>0.1%</u>    |

In light of the results of the advisory vote on the frequency of “say on pay” votes, the Registrant’s Board determined to hold an advisory “say on pay” vote annually. The Registrant’s Compensation Committee will reevaluate this determination after the next stockholder advisory vote on the frequency of “say on pay” votes

**Item 7.01 Regulation FD Disclosure.**

On March 6, 2017, the Registrant issued a press release announcing that the Board had declared a quarterly cash dividend of \$0.04 per share of common stock, payable on March 31, 2017, to Stockholders of record on March 17, 2017. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

\* 99.1 Press Release dated March 6, 2017

\* Filed herewith.

**SIGNATURE**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**QUANEX BUILDING PRODUCTS  
CORPORATION**  
(Registrant)

**March 6, 2017**

(Date)

/s/ KEVIN P. DELANEY

Kevin P. Delaney

*Senior Vice President – General Counsel and  
Secretary*

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**EXHIBIT INDEX**

- \* 99.1 Press Release dated March 6, 2017
- \* Filed herewith.



## Quanex Building Products Announces First Quarter 2017 Results and Provides Full Year 2017 Guidance

**Consolidation of U.S. Vinyl Profiles Business Progressing Well  
Strong Free Cash Flow and Margin Expansion Expected in Second Half of 2017**

HOUSTON, TEXAS – March 6, 2017 - **Quanex Building Products Corporation** (NYSE:NX) (“Quanex” or the “Company”) today announced its results for the quarter ended January 31, 2017.

### First Quarter 2017 Highlights

- Net sales decreased to \$195.1 million compared to \$201.5 million in Q1 2016
- Net loss of \$3.7 million compared to net loss of \$7.2 million in Q1 2016
- Adjusted EBITDA decreased to \$13.0 million versus \$18.4 million in Q1 2016
- Cash provided by operating activities increased to \$2.0 million compared to \$0.8 million in Q1 2016

Bill Griffiths, Chairman, President and Chief Executive Officer, commented, “First quarter results were in line with our expectations given the planned shrinkage in our U.S. vinyl profiles business. Excluding vinyl, revenue in our underlying North American window components businesses was flat year-over-year, which was a good result considering the abnormally strong first quarter last year. Our European business generated double-digit sales growth on a local currency basis compared to the first quarter of 2016, as did our cabinet components business as some customers built inventory in anticipation of price increases or transitioning to other suppliers.

“The consolidation of our U.S. vinyl profiles business is progressing well and will be complete by the end of the second quarter. Negotiations related to the margin dilutive revenue we have identified in our cabinet components business continue with various customers and should also be complete by the end of the second quarter. As such, we are confident that we will see margin expansion in the second half of the year as well as continued cash flow improvement.”

## First Quarter 2017 Results Summary

| (\$ in thousands, except per share data) | Three Months Ended January 31, 2017 |             |                  | Three Months Ended January 31, 2016 |             |                  |
|------------------------------------------|-------------------------------------|-------------|------------------|-------------------------------------|-------------|------------------|
|                                          | Results Before Adjustments          | Adjustments | Adjusted Results | Results Before Adjustments          | Adjustments | Adjusted Results |
| Net sales                                | \$ 195,096                          | \$ —        | \$195,096        | \$ 201,468                          | \$ —        | \$201,468        |
| Cost of sales (1)                        | 154,947                             | (14)        | 154,933          | 159,348                             | (2,481)     | 156,867          |
| Selling, general and administrative (2)  | 27,445                              | (317)       | 27,128           | 31,288                              | (5,090)     | 26,198           |
| Restructuring charges (3)                | 1,139                               | (1,139)     | —                | —                                   | —           | —                |
| EBITDA                                   | 11,565                              | 1,470       | 13,035           | 10,832                              | 7,571       | 18,403           |
| Depreciation and amortization (4)        | 15,406                              | (2,533)     | 12,873           | 12,970                              | —           | 12,970           |
| Operating income                         | (3,841)                             | 4,003       | 162              | (2,138)                             | 7,571       | 5,433            |
| Interest expense                         | (2,160)                             | —           | (2,160)          | (6,491)                             | —           | (6,491)          |
| Other, net (5)                           | 661                                 | (630)       | 31               | (2,361)                             | 2,475       | 114              |
| Income before income taxes               | (5,340)                             | 3,373       | (1,967)          | (10,990)                            | 10,046      | (944)            |
| Income tax benefit (expense) (6)         | 1,614                               | (1,015)     | 599              | 3,741                               | (3,239)     | 502              |
| Net (loss) income (7)                    | \$ (3,726)                          | \$ 2,358    | \$ (1,368)       | \$ (7,249)                          | \$ 6,807    | \$ (442)         |
| Diluted earnings per share               | \$ (0.11)                           |             | \$ (0.04)        | \$ (0.21)                           |             | \$ (0.01)        |

NOTE: See Non-GAAP Terminology Definitions and Disclaimers section for additional information.

- (1) Cost of sales adjustment relates solely to purchase price accounting inventory step-up impact from HL Plastics and Woodcraft acquisitions.
- (2) SG&A adjustments are for acquisition related transaction costs and in 2017, loss on sale of fixed assets related to the closure of the plant in Mexico.
- (3) Restructuring charges relate to the closure of several manufacturing plant facilities.
- (4) D&A adjustments relate to accelerated amortization for restructured PP&E and intangible assets.
- (5) Other, net adjustments relate to foreign currency transaction (gains) losses.
- (6) Effective tax rate reflects impacts of adjustments on a with and without basis.
- (7) Adjusted EPS is calculated using diluted shares outstanding of 34.7 million and 34.3 million, respectively.

Quanex reported net sales of \$195.1 million for the three months ended January 31, 2017, compared to \$201.5 million for the three months ended January 31, 2016. The decrease was mainly attributable to the Company's previously disclosed decision to walk away from less profitable business in an effort to protect margins. (See Sales Analysis table for additional information)

The Company reported a smaller net loss of \$3.7 million during the first quarter, largely due to lower interest expense as a result of Quanex refinancing its debt in July of 2016, compared to a net loss of \$7.2 million in the first quarter of 2016. Adjusted EBITDA decreased to \$13.0 million during the first quarter, compared to \$18.4 million during the first quarter of 2016. The decrease was primarily driven by a \$1.5 million increase in stock-based compensation expense combined with short-term inefficiencies as Quanex transitions away from less profitable business in its U.S. vinyl profiles and cabinet components businesses. (See Non-GAAP Terminology Definitions and Disclaimers section and Selected Segment Data table for additional information)

As of January 31, 2017, Quanex's leverage ratio of Net Debt to LTM Adjusted EBITDA was 2.5x. The Company remains focused on generating Free Cash Flow to pay down debt and anticipates a significant improvement in the leverage ratio by year-end 2017. (See Non-GAAP Terminology Definitions and Disclaimers section for additional information)

### Business Update and Fiscal 2017 Guidance

Quanex continues to evaluate profitability by customer and product line, with a particular focus on its U.S. vinyl profiles and cabinet components businesses. As previously disclosed, the Company initiated the process of reducing volumes manufactured for a large U.S. vinyl profiles customer during the first quarter of 2017 and originally expected the process to be carried out in a phased manner throughout 2017 and into 2018. Based on recent conversations with the customer coupled with the trend established in the first quarter, Quanex now anticipates the process will be complete in 2017 and will not carryover into 2018. As a result, the Company now expects the top line impact to be approximately \$65 million in

2017 instead of the \$50 million that was originally disclosed. In addition, the \$20 million of margin dilutive revenue identified in the cabinet component business is still under negotiation on several fronts and is not likely to be resolved until late in the second quarter of 2017.

Quanex continues to forecast underlying sales growth of 5% to 6% for 2017 offset by the customer actions referenced above and a potential negative foreign currency translation impact, which could be approximately \$15 million to \$20 million for the year based on current exchange rates. The Company expects margin expansion in the second half of 2017, which when combined with the reduction in cash interest expense as a result of refinancing the debt in July of 2016 should further improve its Free Cash Flow profile despite the lower top line.

Based on the information above, Quanex expects to generate net sales of \$880 million to \$900 million and Adjusted EBITDA\* of \$105 million to \$112 million in 2017, which yields year-over-year margin expansion of approximately 30 basis points at the midpoint of guidance.

\*When the Company provides expectations for Adjusted EBITDA on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and corresponding GAAP measures is generally not available without unreasonable effort.

## Recent Events

The stockholders approved each of the following proposals voted on at the Company's annual meeting held on March 2, 2017.

- Election of Directors - Susan F. Davis and Curtis M. Stevens were elected to serve as directors on the Quanex Board of Directors until the Company's Annual Meeting of Stockholders in 2018
- Advisory Vote Approving Named Executive Officer Compensation - the stockholders supported Quanex's executive officer compensation structure
- Advisory (Non-binding) Vote on the Frequency of the Advisory Vote on Executive Compensation - the stockholders voted in favor of holding an advisory vote on executive compensation every year
- Amendment and Restatement of Employee Stock Purchase Plan (ESPP) - the stockholders approved the Company's Amended and Restated ESPP
- Ratification of Appointment of Grant Thornton LLP as Independent Public Accountants - Grant Thornton LLP was ratified as Quanex's independent registered public accounting firm for the fiscal year ending October 31, 2017

Additionally, the Company's Board of Directors declared a quarterly cash dividend of \$0.04 per share on Quanex's common stock, payable March 31, 2017, to shareholders of record on March 17, 2017.

## Conference Call and Webcast Information

The Company has scheduled a conference call for Tuesday, March 7, 2017, at 11:00 a.m. ET (10:00 a.m. CT). To participate in the conference call dial (877) 388-2139 for domestic callers and (541) 797-2983 for international callers, in both cases using the conference passcode 64298542, and ask for the Quanex call a few minutes prior to the start time. A link to the live audio webcast will also be available on the Company's website at <http://www.quanex.com> in the Investors section under Presentations & Events. A telephonic replay of the call will be available approximately two hours after the live broadcast ends and will be accessible through March 14, 2017. To access the replay dial (855) 859-2056 for domestic callers and (404) 537-3406 for international callers, in both cases referencing conference passcode 64298542.



## About Quanex

Quanex Building Products Corporation is an industry-leading manufacturer of components sold to Original Equipment Manufacturers (OEMs) in the building products industry. Quanex designs and produces energy-efficient fenestration products in addition to kitchen and bath cabinet components.

For more information contact Scott Zuehlke, Vice President of Investor Relations & Treasurer, at 713-877-5327 or [scott.zuehlke@quanex.com](mailto:scott.zuehlke@quanex.com).

## Non-GAAP Terminology Definitions and Disclaimers

EBITDA (defined as net income or loss before interest, taxes, depreciation and amortization and other, net) and Adjusted EBITDA (defined as EBITDA further adjusted to exclude purchase price accounting inventory step-ups, transaction costs, loss on the sale of fixed assets related to the plant closure in Mexico and restructuring charges) are non-GAAP financial measures that the Company uses to measure operational performance and assist with financial decision-making. Due to the high variability and difficulty in predicting certain items that affect GAAP net income (such as unusual gains and losses, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions or divestitures and the timing and potential significance of tax considerations), information reconciling these measures to GAAP financial measures is impossible without unreasonable effort. Net Debt is calculated using the sum of current maturities of long-term debt and long-term debt, minus cash and cash equivalents. The leverage ratio of Net Debt to LTM Adjusted EBITDA is a financial measure that Quanex believes is useful to investors and financial analysts in evaluating the Company's leverage. In addition, with certain limited adjustments, this leverage ratio is the basis for a key covenant in Quanex's credit agreement. Free Cash Flow is a non-GAAP measure calculated using cash provided by operating activities less capital expenditures. Adjusted Net (Loss) Income is a non-GAAP financial measure that excludes certain charges and credits because the Company believes that such items are not indicative of its core operating results and trends, and do not provide meaningful comparisons with other reporting periods. Quanex believes that the presented non-GAAP measures provide a consistent basis for comparison between periods, and will assist investors in understanding the Company's financial performance when comparing results to other investment opportunities. The presented non-GAAP measures may not be the same as those used by other companies. Quanex does not intend for this information to be considered in isolation or as a substitute for other measures prepared in accordance with U.S. GAAP.

## Forward Looking Statements

Statements that use the words "estimated," "expect," "could," "should," "believe," "will," "might," or similar words reflecting future expectations or beliefs are forward-looking statements. The forward-looking statements include, but are not limited to, the Company's future operating results, future financial condition, future uses of cash and other expenditures, expenses and tax rates, expectations relating to Quanex's industry, and the Company's future growth, including any guidance discussed in this press release. The statements and guidance set forth in this release are based on current expectations. Actual results or events may differ materially from this release. For a complete discussion of factors that may affect Quanex's future performance, please refer to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2016, under the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors". Any forward-looking statements in this press release are made as of the date hereof, and Quanex undertakes no obligation to update or revise any forward-looking statements to reflect new information or events.

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

(In thousands, except per share data)

(Unaudited)

|                                             | <b>Three Months Ended January 31,</b> |                   |
|---------------------------------------------|---------------------------------------|-------------------|
|                                             | <b>2017</b>                           | <b>2016</b>       |
| Net sales                                   | \$ 195,096                            | \$ 201,468        |
| Cost of sales                               | 154,947                               | 159,348           |
| Selling, general and administrative         | 27,445                                | 31,288            |
| Restructuring charges                       | 1,139                                 | —                 |
| Depreciation and amortization               | 15,406                                | 12,970            |
| Operating loss                              | (3,841)                               | (2,138)           |
| Interest expense                            | (2,160)                               | (6,491)           |
| Other, net                                  | 661                                   | (2,361)           |
| Loss before income taxes                    | (5,340)                               | (10,990)          |
| Income tax benefit                          | 1,614                                 | 3,741             |
| Net loss                                    | <u>\$ (3,726)</u>                     | <u>\$ (7,249)</u> |
| Loss per common share, basic                | \$ (0.11)                             | \$ (0.21)         |
| Loss per common share, diluted              | \$ (0.11)                             | \$ (0.21)         |
| Weighted average common shares outstanding: |                                       |                   |
| Basic                                       | 34,055                                | 33,763            |
| Diluted                                     | 34,055                                | 33,763            |
| Cash dividends per share                    | \$ 0.04                               | \$ 0.04           |

**QUANEX BUILDING PRODUCTS CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands)  
(Unaudited)

| <b>ASSETS</b>                                | <b>January 31, 2017</b> | <b>October 31, 2016</b> |
|----------------------------------------------|-------------------------|-------------------------|
| <b>Current assets:</b>                       |                         |                         |
| Cash and cash equivalents                    | \$ 14,074               | \$ 25,526               |
| Accounts receivable, net                     | 62,754                  | 83,625                  |
| Inventories, net                             | 92,225                  | 84,335                  |
| Prepaid and other current assets             | 7,879                   | 10,488                  |
| Total current assets                         | 176,932                 | 203,974                 |
| Property, plant and equipment, net           | 196,903                 | 198,497                 |
| Goodwill                                     | 218,213                 | 217,035                 |
| Intangible assets, net                       | 150,345                 | 154,180                 |
| Other assets                                 | 7,927                   | 6,667                   |
| Total assets                                 | <u>\$ 750,320</u>       | <u>\$ 780,353</u>       |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                         |                         |
| <b>Current liabilities:</b>                  |                         |                         |
| Accounts payable                             | \$ 41,198               | \$ 47,781               |
| Accrued liabilities                          | 28,944                  | 55,101                  |
| Income taxes payable                         | 1,153                   | 732                     |
| Current maturities of long-term debt         | 17,630                  | 10,520                  |
| Total current liabilities                    | 88,925                  | 114,134                 |
| Long-term debt                               | 254,829                 | 259,011                 |
| Deferred pension and postretirement benefits | 9,004                   | 8,167                   |
| Deferred income taxes                        | 15,567                  | 18,322                  |
| Other liabilities                            | 13,714                  | 12,888                  |
| Total liabilities                            | 382,039                 | 412,522                 |
| <b>Stockholders' equity:</b>                 |                         |                         |
| Common stock                                 | 375                     | 376                     |
| Additional paid-in-capital                   | 254,139                 | 254,540                 |
| Retained earnings                            | 208,617                 | 214,047                 |
| Accumulated other comprehensive loss         | (35,933)                | (38,765)                |
| Treasury stock at cost                       | (58,917)                | (62,367)                |
| Total stockholders' equity                   | 368,281                 | 367,831                 |
| Total liabilities and stockholders' equity   | <u>\$ 750,320</u>       | <u>\$ 780,353</u>       |

**QUANEX BUILDING PRODUCTS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(In thousands)  
(Unaudited)

|                                                                             | <b>Three Months Ended January 31,</b> |                  |
|-----------------------------------------------------------------------------|---------------------------------------|------------------|
|                                                                             | <b>2017</b>                           | <b>2016</b>      |
| <b>Operating activities:</b>                                                |                                       |                  |
| Net loss                                                                    | \$ (3,726)                            | \$ (7,249)       |
| Adjustments to reconcile net loss to cash provided by operating activities: |                                       |                  |
| Depreciation and amortization                                               | 15,406                                | 12,970           |
| Stock-based compensation                                                    | 2,226                                 | 1,527            |
| Deferred income tax                                                         | (3,684)                               | (6,158)          |
| Excess tax benefit from share-based compensation                            | (87)                                  | (1)              |
| Other, net                                                                  | 1,241                                 | 1,012            |
| Changes in assets and liabilities, net of effects from acquisitions:        |                                       |                  |
| Decrease in accounts receivable                                             | 21,143                                | 20,912           |
| Increase in inventory                                                       | (7,622)                               | (4,499)          |
| (Increase) decrease in other current assets                                 | (438)                                 | 1,178            |
| Decrease in accounts payable                                                | (7,232)                               | (8,305)          |
| Decrease in accrued liabilities                                             | (18,928)                              | (11,879)         |
| Increase in income taxes payable                                            | 2,761                                 | 300              |
| Increase in deferred pension and postretirement benefits                    | 837                                   | 684              |
| Increase in other long-term liabilities                                     | 366                                   | 361              |
| Other, net                                                                  | (226)                                 | (74)             |
| Cash provided by operating activities                                       | 2,037                                 | 779              |
| <b>Investing activities:</b>                                                |                                       |                  |
| Acquisitions, net of cash acquired                                          | (8,497)                               | (245,946)        |
| Capital expenditures                                                        | (8,141)                               | (8,652)          |
| Proceeds from disposition of capital assets                                 | 390                                   | 561              |
| Cash used for investing activities                                          | (16,248)                              | (254,037)        |
| <b>Financing activities:</b>                                                |                                       |                  |
| Borrowings under credit facilities                                          | 24,000                                | 332,800          |
| Repayments of credit facility borrowings                                    | (20,875)                              | (68,500)         |
| Debt issuance costs                                                         | —                                     | (8,349)          |
| Repayments of other long-term debt                                          | (429)                                 | (546)            |
| Common stock dividends paid                                                 | (1,372)                               | (1,362)          |
| Issuance of common stock                                                    | 1,383                                 | 2,920            |
| Excess tax benefit from share-based compensation                            | 87                                    | 1                |
| Cash provided by financing activities                                       | 2,794                                 | 256,964          |
| Effect of exchange rate changes on cash and cash equivalents                | (35)                                  | 917              |
| (Decrease) increase in cash and cash equivalents                            | (11,452)                              | 4,623            |
| Cash and cash equivalents at beginning of period                            | 25,526                                | 23,125           |
| Cash and cash equivalents at end of period                                  | <u>\$ 14,074</u>                      | <u>\$ 27,748</u> |

**QUANEX BUILDING PRODUCTS CORPORATION**  
**SELECTED SEGMENT DATA**

(In thousands)  
(Unaudited)

This table provides operating income (loss), EBITDA, and Adjusted EBITDA by reportable segment. Non-operating expense and income tax expense are not allocated to the reportable segments. For a reconciliation of income from continuing operations to operating income (loss), see Non-GAAP Financial Measure Disclosure table.

|                                                    | <u>NA Engineered<br/>Components</u> | <u>EU Engineered<br/>Components</u> | <u>NA Cabinet<br/>Components</u> | <u>Unallocated<br/>Corp &amp; Other</u> | <u>Total</u>     |
|----------------------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|-----------------------------------------|------------------|
| <b>Three months ended January 31, 2017</b>         |                                     |                                     |                                  |                                         |                  |
| Net sales                                          | \$ 111,073                          | \$ 31,569                           | \$ 52,997                        | \$ (543)                                | \$ 195,096       |
| Cost of sales                                      | 86,393                              | 22,538                              | 46,237                           | (221)                                   | 154,947          |
| Restructuring charges                              | 566                                 | —                                   | 573                              | —                                       | 1,139            |
| Operating income (loss)                            | 301                                 | 2,203                               | (1,058)                          | (5,287)                                 | (3,841)          |
| Depreciation and amortization                      | 10,078                              | 2,056                               | 3,135                            | 137                                     | 15,406           |
| EBITDA                                             | 10,379                              | 4,259                               | 2,077                            | (5,150)                                 | 11,565           |
| Transaction related costs                          | —                                   | —                                   | —                                | 60                                      | 60               |
| Mexico restructuring, loss on sale of fixed assets | —                                   | —                                   | 257                              | —                                       | 257              |
| PPA-Inventory Step-up                              | —                                   | 14                                  | —                                | —                                       | 14               |
| Restructuring charges                              | 566                                 | —                                   | 573                              | —                                       | 1,139            |
| Adjusted EBITDA                                    | <u>\$ 10,945</u>                    | <u>\$ 4,273</u>                     | <u>\$ 2,907</u>                  | <u>\$ (5,090)</u>                       | <u>\$ 13,035</u> |
| <i>Adjusted EBITDA Margin %</i>                    | <i>10%</i>                          | <i>14%</i>                          | <i>5%</i>                        |                                         | <i>7%</i>        |
| <b>Three months ended January 31, 2016</b>         |                                     |                                     |                                  |                                         |                  |
| Net sales                                          | \$ 121,048                          | \$ 33,068                           | \$ 48,525                        | \$ (1,173)                              | \$ 201,468       |
| Cost of sales                                      | 93,728                              | 23,647                              | 42,539                           | (566)                                   | 159,348          |
| Operating income (loss)                            | 5,590                               | 1,379                               | (1,257)                          | (7,850)                                 | (2,138)          |
| Depreciation and amortization                      | 7,208                               | 2,458                               | 3,145                            | 159                                     | 12,970           |
| EBITDA                                             | 12,798                              | 3,837                               | 1,888                            | (7,691)                                 | 10,832           |
| Transaction related costs                          | —                                   | —                                   | —                                | 5,090                                   | 5,090            |
| PPA-Inventory Step-up                              | —                                   | 194                                 | 2,287                            | —                                       | 2,481            |
| Adjusted EBITDA                                    | <u>\$ 12,798</u>                    | <u>\$ 4,031</u>                     | <u>\$ 4,175</u>                  | <u>\$ (2,601)</u>                       | <u>\$ 18,403</u> |
| <i>Adjusted EBITDA Margin %</i>                    | <i>11%</i>                          | <i>12%</i>                          | <i>9%</i>                        |                                         | <i>9%</i>        |

**QUANEX BUILDING PRODUCTS CORPORATION**

**SALES ANALYSIS**

(In thousands)

(Unaudited)

|                                                | <b>Sales Bridge for Three Months Ended January 31, 2017</b> |                                     |                                  |                                              |                     |
|------------------------------------------------|-------------------------------------------------------------|-------------------------------------|----------------------------------|----------------------------------------------|---------------------|
|                                                | <u>NA Engineered<br/>Components</u>                         | <u>EU Engineered<br/>Components</u> | <u>NA Cabinet<br/>Components</u> | <u>Unallocated<br/>Corporate &amp; Other</u> | <u>Consolidated</u> |
| Net sales, three months ended January 31, 2016 | \$ 121,048                                                  | \$ 33,068                           | \$ 48,525                        | \$ (1,173)                                   | \$ 201,468          |
| Market volume                                  | 433                                                         | 3,564                               | 5,157                            | 630                                          | 9,784               |
| Eliminated products                            | (10,965)                                                    | —                                   | (1,102)                          | —                                            | (12,067)            |
| Price changes                                  | (11)                                                        | (165)                               | 416                              | —                                            | 240                 |
| Foreign currency impacts                       | —                                                           | (4,898)                             | —                                | —                                            | (4,898)             |
| Mergers & acquisitions                         | —                                                           | —                                   | —                                | —                                            | —                   |
| Raw material pass through adjustments          | 568                                                         | —                                   | 1                                | —                                            | 569                 |
| Net Sales, three months ended January 31, 2017 | <u>\$ 111,073</u>                                           | <u>\$ 31,569</u>                    | <u>\$ 52,997</u>                 | <u>\$ (543)</u>                              | <u>\$ 195,096</u>   |