

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

FORM 10-K

(Mark One)

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

For the Fiscal Year Ended October 31, 2025

or

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

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, \$0.01 par value	NX	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 (§ 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 definition 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. 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).

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of April 30, 2025, computed by reference to the closing price for the Common Stock on the New York Stock Exchange, Inc. on that date, was \$748,107,510. Such calculation assumes only the registrant's officers and directors at such date were affiliates of the registrant.

At December 3, 2025 there were outstanding 45,674,726 shares of the registrant's Common Stock, \$0.01 par value.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for its 2026 Annual Meeting of Stockholders to be filed with the Commission within 120 days of October 31, 2025 are incorporated herein by reference in Part III of this Annual Report on Form 10-K.

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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*” are “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 (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 volume, sales, operating income and earnings per share, and (3) statements expressing general outlook about future operating results. 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 these forward-looking statements are reasonable. 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. In no particular order, 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, expectations, and realize anticipated synergies with respect to the Tyman business we purchased in August 2024;
- 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 any material weakness that we have identified or 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;
- potential future impairments of goodwill or our long-lived assets; and
- the resolution of litigation and other legal proceedings.

Additional factors that could cause actual results to differ materially are discussed under “*Item 1A. Risk Factors*” included elsewhere in this Annual Report on Form 10-K.

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, United States 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.

PART I

Item 1. *Business.*

Our Company

Quanex was incorporated in Delaware on December 12, 2007, as Quanex Building Products Corporation. We currently manufacture and distribute components for original equipment manufacturers (OEM) in the building products industry, including window, door, solar, refrigeration, custom mixing, building access, and cabinetry markets. Examples of 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 components and products, which include solar panel sealants, trim moldings, vinyl decking, water retention barriers, conservatory roof components, and commercial access solutions. We use cost-effective production processes and engineering expertise to provide our customers with specialized products for their specific applications. We believe these capabilities provide us with unique competitive advantages. We serve a primary customer base in North America and the 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.

Our History

Our predecessor company, Quanex Corporation, was organized in Michigan in 1927 as Michigan Seamless Tube Company, and was later reincorporated in Delaware in 1968. In 1977, Michigan Seamless Tube Company changed its name to Quanex Corporation. On December 12, 2007, Quanex Building Products Corporation was incorporated as a wholly-owned subsidiary in the state of Delaware, in order to facilitate the separation of Quanex Corporation's vehicular products and building products businesses. This separation became effective on April 23, 2008, through a spin-off of the building products business to Quanex Corporation's then-existing shareholders. Immediately following the spin-off, our former parent company, consisting principally of the vehicular products business and all non-building products related corporate accounts, merged with a wholly-owned subsidiary of Gerdau S.A.

Since the spin-off in 2008, we have evolved our business by making investments in organic growth initiatives and taking a disciplined approach to new business and strategic acquisition opportunities, while disposing of non-core businesses. Most recently, on August 1, 2024, we completed our acquisition of Tyman plc, a company incorporated in England and Wales ("Tyman"). This strategic acquisition creates an enlarged group with significant cross-selling opportunities amongst a highly complementary customer base, increases the Company's global reach by adding Tyman's international footprint, enhances scale, optimizes the Company's asset portfolio, and moves Quanex closer to being a comprehensive solutions provider.

As of October 31, 2025, we operated 34 manufacturing facilities located in 18 states in the U.S., 7 facilities in the U.K., 3 facilities in Mexico, 2 facilities in Italy, 1 facility in Germany, and 1 facility in Canada. These facilities feature efficient plant design and flexible manufacturing processes, enabling us to produce a wide variety of custom engineered products and components. We are able to maintain minimal levels of finished goods inventories at most locations because we typically manufacture products upon order to customer specifications. We believe the primary drivers of our operating results are residential remodeling and replacement activity and new home construction in the markets we serve.

Our Industry

Our business is largely based in North America and dependent upon the spending and growth activity levels of our customers which include national and regional residential window, door and cabinet manufacturers and distributors, and commercial construction contractors. Our international presence includes vinyl extruded lineals for large house systems to smaller individual customers, as well as window and door hardware, seals, and extrusions to OEMs, system houses, and distributors. Additionally, we also have insulating glass and window and door hardware businesses in the U.K., Germany and Italy.

We use data related to housing starts and window shipments in the U.S., as published by or derived from third-party sources, to evaluate the fenestration market. We also use data related to cabinet demand in the U.S. to evaluate the residential cabinet market, and commercial building starts to evaluate the commercial access market.

The following table presents calendar-year annual housing starts information as of November 2025 from the National Association of Home Builders (NAHB) (units in thousands):

Period	Single-family Units		Multi-family Units		Manufactured Units		Total Units
	Units	% Change	Units	% Change	Units	% Change	
Annual Data							
2021	1,129	13%	474	20%	106	12%	1,709
2022	1,005	(11)%	547	15%	113	7%	1,665
2023	947	(6)%	473	(14)%	89	(21)%	1,509
2024	1,016	7%	355	(25)%	103	16%	1,474
Annual Data - Forecast							
2025	947	(7)%	410	15%	106	3%	1,463
2026	951	—%	395	(4)%	106	—%	1,452
2027	982	3%	389	(2)%	108	2%	1,479

Ducker Worldwide LLC, a consulting and research firm, indicated in November 2025 that window shipments in the residential remodeling and replacement (R&R) market are expected to decrease approximately 5.2% and 1.9% in the calendar-years ended 2025 and 2026, respectively. Derived from reports published by Ducker, overall window shipments decreased 3.9%, new construction activity decreased 5.3%, and R&R replacement decreased 2.6%, respectively, for the trailing twelve months ended September 30, 2025.

We have noted the following trends which we believe affect our industry:

- the growth in the housing market over the past several years has been predominately in new construction which has outpaced the growth in the residential remodeling and replacement sector;
- programs in the U.S. such as Energy Star have improved customer awareness of the technological advances in window and door energy-efficiency, but the government has been reluctant to enforce stricter energy standards;
- over the past several years, supply chain disruptions and inflationary pressures related to transportation, labor, and raw materials have increased and at times have caused delays in production and higher prices;
- foreign currency rates in the U.K. and other European nations have changed significantly relative to the United States Dollar due in part fluctuations in interest rates, economic indicators, political instability, as well as other international unrest or uncertainties;
- ongoing uncertainty and turmoil related to U.S. and international tariff actions, including potential changes in tariff rates, retaliation by trading partners, and resulting volatility in material costs and supply chain planning;
- commodity prices have fluctuated in recent years, and to the extent we cannot pass this cost to our customers, this impacts the cost of critical materials used in our manufacturing processes such as resin, which affects margins related to our vinyl extrusion products; oil products such as butyl, which affects our insulating glass products; and stainless steel, zinc, aluminum, wood, polypropylene and silicone products used by our other businesses; and
- higher energy efficiency standards in Europe should favorably impact sales of our insulating glass spacer and weather seal products in the short- to mid-term.

Strategy

Our vision is to be the preferred supplier to our customers in each market we serve and exceed expectations of all stakeholders. Our strategy to achieve this vision includes the following:

- focus on profitable growth and explore markets that are synergistic with existing manufacturing capabilities and expand our market share with our customers and collaborative partnerships by providing: (1) a quality product; (2) a high level of customer service; (3) product choices at different price points; and (4) an expanded product portfolio or enhancements to existing product offerings. These enhancements may include higher thermal efficiency, enhanced functionality, improved weatherability, better appearance and best-in-class quality for our fenestration and cabinet door products;
- realize improved profitability in our manufacturing processes through: (1) ongoing preventive maintenance programs; (2) better utilization of our capacity by focusing on operational efficiencies and reducing scrap; (3) marketing our value added products; and (4) focusing on employee safety;

- offer logistics solutions that provide our customers with just-in-time service which can reduce their processing costs;
- emphasize sustainability by continually looking for ways to reduce our environmental impact and carbon footprint, protect the health and safety of our employees and communities, engage diverse workers and leaders, and remain committed to doing good in our community;
- pursue targeted business acquisitions that allow us to expand our existing footprint, enhance our existing product offerings, acquire complementary technology, enhance our leadership position within the markets we serve, and expand into adjacent markets or service lines; and
- exit unprofitable or non-core service lines or customer relationships.

Our Strengths

We believe our strengths include design expertise, new technology development capability, high quality manufacturing, just-in-time delivery systems, customer service and the ability to generate unique patented products.

Raw Materials and Supplies

We purchase a diverse range of raw materials, which include PVC resin, epoxy resin, butyl, titanium dioxide (TiO₂) desiccant powder, silicone and EPDM rubber compounds, polypropylene, coated and uncoated aluminum sheet, steel, stainless steel, zinc and wood (both hardwood and softwood). These raw materials are generally available from several suppliers at market prices.

Competition

Our products are sold under highly competitive conditions. We believe the primary competitive factors in the markets we serve include price, product quality, delivery performance, and the ability to manufacture to customer specifications. The volume of engineered building products that we sell in the U.S. represents a small percentage of annual domestic consumption. Similarly, our subsidiaries in the U.K. compete against some larger vinyl producers and smaller window manufacturers. The U.K. and International market is highly fragmented and we compete with a large number of other component suppliers. For our wood business, we believe we are the largest supplier to OEMs in the U.S., but we compete with other national and regional businesses, including OEMs who are vertically integrated.

We compete against a range of small and mid-size metal, vinyl and wood products suppliers, wood molding companies, and the in-house operations of customers who have vertically integrated fenestration operations. We also compete against insulating glass (IG) spacer manufacturing firms. IG systems are used in numerous end markets including residential housing, commercial construction, appliances and transportation, but we primarily serve the residential housing market. Competition is largely based on regional presence, custom engineering, product development, quality, service and price. Primary competitors in North America include, but are not limited to, Assa Abloy, FlexScreen, Hoppe, Interlock, Radisson Industries, RiteScreen, Roto, Screenco, ScreenFab, and Vision Hardware. Competitors in the vinyl extrusion business in the U.K. include Epwin, Eurocell, Profine U.K. Extrusions Ltd., Veka, and others. Primary competitors in the wood business in the U.S. include Appalachian Wood, Conestoga, Northern Contours, Olon, and others. Primary competitors in the U.K. and European hardware and seals businesses include Assa Abloy, GU, Hoppe, Maco, Roto, Siegenia, and Tecseal.

Sales, Marketing, and Distribution

We sell our products to customers in various countries. We have sales representatives whose territories essentially cover the U.S., Canada, Europe, and to a lesser extent, the Middle East, Latin and South America, Australia, New Zealand and Asia. Our sales force is tasked with selling and marketing our complete range of components, products and systems to national and regional OEMs through a direct sales force in North America and Europe, supplemented with the use of distributors and independent sales agents.

Customers

Certain of our businesses or product lines are largely dependent on a relatively few large customers. See Note 1, "Nature of Operations, Basis of Presentation and Significant Accounting Policies - Concentration of Credit Risk and Allowance for Credit Losses," of the accompanying financial statements in this Annual Report on Form 10-K for related disclosure.

Sales Backlog

Given the short lead times involved in our business, we have a backlog of approximately \$54.1 million as of October 31, 2025. As the criteria for revenue recognition has not been met with regard to sales backlog, we have not recorded revenue or deferred revenue pursuant to these sales orders. If these sales orders result in a sale, we will record revenue in fiscal 2026 in accordance with our revenue recognition accounting policy.

Seasonal Nature of Business

Our business is impacted by seasonality. We have historically experienced lower sales for our products during the first half of our fiscal year as winter weather reduces homebuilding and home improvement activity. Our operating income tends to decline during this period of lower sales because a higher percentage of our operating expenses are fixed overhead. Our business activity generally increases in the third and fourth quarters of the fiscal year as weather conditions improve, resulting in higher relative volumes compared to the first half of the year. Expenses for labor and other costs are generally semi-variable throughout the year.

Working Capital

We fund operations through a combination of available cash and cash equivalents, cash flow generated from our operations, and borrowings from our revolving credit facility. We extend credit to our domestic customers in the ordinary course of business generally for a term of 30 days, while the terms for our international customers vary from cash advances to 90 days. Inventories of raw materials are carried in quantities deemed necessary to ensure a smooth production process, some of which are governed by consignment agreements with suppliers. We strive to maintain minimal finished goods inventories, while ensuring an adequate supply on hand to service customer needs.

Service Marks, Trademarks, Trade Names, and Patents

Our federally registered trademarks or service marks include QUANEX, QUANEX and design, “Q” design, TRUSEAL TECHNOLOGIES, DURASEAL, DURALITE, SOLARGAIN, ENVIROSEALED WINDOWS, EDGETHERM, EDGETECH, ECOBLEND, SUPER SPACER, TSS, TRUE WARM, E & Design, QUIET EDGE, HEALTH SMART WINDOWS, ENERGY WISE WINDOWS, DESI-ROPE, 360 and design, INTELLICLIP, SUSTAINAVIEW, MIKRON, MIKRONWOOD, MIKRONBLEND, MIKRON BLEND and design, ENERGYCORE, FUSION INSULATED SYSTEM, AIRCELL, SUPERCOAT, SUPERCAP, STYLELOCK, STYLELOCK and design, MIKRON and design, HOMESHIELD, HOMESHIELD and design, STORM SEAL, and TENON. We consider the following marks, design marks and associated trade names to be valuable in the conduct of our business: AMESBURYTRUTH, ASHLAND, BILCO, EDGETECH, ERA, GIESSE, HOMESHIELD, HOWE GREEN, LAWRENCE, MIKRON, REGUITTI, SAFEGAURD, SECUREGAURD, SCHLEGEL, TRUSEAL TECHNOLOGIES, TRUTH HARDWARE, TYMAN, QUANEX, and ZOO. Through Liniar, we hold a number of registered designs, patents and trademarks registered in the U.K., which include: MODLOK, LINIAR, SUPER CUT, ENERGY PLUS & Device, FLAMSTEAD HOLDINGS & Device, HL PLASTICS & Device, VINTAGE WINDOWS & Device, RESURGENCE, FUSE, ELEVATE, SWITCHBOARD and various other trademarks and patents which are pending approval. Generally, our business does not depend on patent protection, but patents obtained with regard to our vinyl extrusion products and processes, fabricated metal components and IG spacer products business remain a valuable competitive advantage over other building products manufacturers. We obtain patent protection for various dyes and other tooling created in connection with the production of customer-specific vinyl profile designs and vinyl extrusions. Our fabricated metal components business obtains patent protection for its thresholds. Our window sealant business unit relies on patents to protect the design of several of its window spacer products. Although we hold numerous patents, the proprietary process technology that has been developed is also considered a source of competitive advantage.

Environmental and Employee Safety Matters

We are subject to extensive laws and regulations concerning worker safety, the discharge of materials into the environment and the remediation of chemical contamination. To satisfy such requirements, we must make capital and other expenditures on an ongoing basis. The cost of worker safety and environmental matters has not had a material adverse effect on our operations or financial condition in the past, and we are not currently aware of any existing conditions that we believe are likely to have a material adverse effect on our operations, financial condition, or cash flows.

Safety and Environmental Policies

For many years, we have maintained compliance policies that are designed to help protect our workforce, to identify and reduce the potential for job-related accidents, and to minimize liabilities and other financial impacts related to worker safety and environmental issues. These policies include extensive employee training and education, as well as internal policies embodied in our Code of Business Conduct and Ethics. We have a Vice President of Environmental, Health and Safety and maintain a company-wide committee, comprising leaders from across the organization, which meets regularly to discuss safety issues and drive safety improvements. We plan to continue to focus on safety in particular as a core strategy to improve our operational efficiency and financial performance.

Remediation

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. At present, we are not involved in any such matters.

Environmental Compliance Costs

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 2026. 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.

Human Capital

Human capital metrics that we consider to be key to our business include employee headcount, temporary workers, health and safety, and turnover. As of October 31, 2025, we had 7,071 full-time employees located throughout our global organization. Generally, the total number of employees of Quanex and its subsidiaries does not significantly fluctuate throughout the year.

Employee turnover rates are monitored monthly at the division and plant levels. Both voluntary and involuntary terminations, including retirements, are used to calculate the turnover rate. Our human capital objectives include attracting, developing, motivating, rewarding, and retaining our existing and new employees. We offer our employees online training courses and on-the-job training on job duties, safety requirements, and leadership skills.

For Investors

We periodically file or furnish documents to the Securities and Exchange Commission (SEC), including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports as required. These reports are also available free of charge from the Investor Relations Section of our website at <http://www.quanex.com>, as soon as reasonably practicable after we file such material or furnish it to the SEC. As permitted by the SEC rules, we post relevant information on our website. However, the information contained on our website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this report.

Item 1A. Risk Factors.

The following risk factors, along with other information contained elsewhere in this Annual Report on Form 10-K and our other public filings with the SEC, should be carefully considered before deciding to invest in our securities. Additional risks and uncertainties that are not currently known to us or that we may view as immaterial could impair our business if such risks were to develop into actual events. Therefore, any of these risks could have a material adverse effect on our financial condition, results of operations and cash flows. This listing of risk factors is not all-inclusive and is not necessarily presented in order of importance.

Industry Risks

Any sustained decline in residential remodeling, replacement activities, or housing starts could have a material adverse effect on our business, financial condition and results of operations.

The primary drivers of our business are residential remodeling, replacement activities and housing starts. The home building and residential construction industry is cyclical and seasonal, and product demand is based on numerous factors such as interest rates, general economic conditions, consumer confidence and other factors beyond our control. Declines in the number of housing starts and remodeling expenditures resulting from such factors could have a material adverse effect on our business, results of operations and financial condition.

If the availability of critical raw materials were to become scarce or if the price of these items were to increase significantly, we might not be able to timely produce products for our customers or maintain our profit levels.

We purchase significant amounts of raw materials, such as butyl, titanium dioxide, vinyl resin, aluminum, steel, silicone, zinc, polypropylene and wood products, from outside sources for use in our manufacturing facilities. Because we do not have long-term contracts for the supply of many of these materials, their availability and price are subject to market fluctuations and other disruptions. In addition, logistical challenges such as port strikes or transportation delays could further impact the supply chain, potentially curtailing our access to key raw materials. Any of these factors could affect our ability to manufacture products for our customers in a timely and cost-effective manner.

Compliance with, or liabilities under, existing or future environmental laws and regulations could significantly increase our costs of doing business.

We are subject to extensive federal, state and local laws and regulations concerning the discharge of materials into the environment and the prevention and/or remediation of chemical contamination. To satisfy such requirements, we must make capital and other expenditures on an ongoing basis. Future expenditures relating to environmental matters will necessarily depend upon whether such regulations and future governmental decisions or interpretations of these regulations apply to us and our facilities. It is likely that we will be subject to increasingly stringent environmental standards, and we will incur additional expenditures to comply with such standards. Furthermore, if we fail to comply with applicable environmental regulations, we could be subject to substantial fines or penalties and to civil and criminal liability.

We may not be able to protect our intellectual property.

We rely on a combination of copyright, patent, trade secrets, confidentiality procedures and contractual commitments to protect our proprietary information. However, these measures can only provide limited protection and unauthorized third parties may try to copy or reverse engineer portions of our products or may otherwise obtain and use our intellectual property. If we cannot protect our proprietary information against unauthorized use, we may not be able to retain a perceived competitive advantage and we may lose sales to the infringing sellers, which may have a material adverse effect on our financial condition, results of operations and cash flows.

We are subject to various existing and contemplated laws, regulations and government initiatives that may materially impact the demand for our products, our profitability or our costs of doing business.

Our business may be materially impacted by various governmental laws, regulations and initiatives that may artificially create, deflate, accelerate, or decelerate consumer demand for our products. For example, when the government issues tax credits designed to encourage increased homebuilding or energy-efficient window purchases, the credits may create a spike in demand that would not otherwise have occurred and our production capabilities may not be able to keep pace, which could materially impact our profitability. Likewise, when such laws, regulations or initiatives expire, our business may experience a material loss in sales volume or an increase in production costs as a result of the decline in consumer demand.

Regional or global barriers to trade or a global trade war could increase the cost of our raw materials and other products in the markets we serve, which could adversely impact the financial results of businesses serving those markets, including Quanex.

The state of relationships between other countries and the United States with respect to trade policies, government relations and tariffs may impact our business. The U.S. government has and continues to make significant changes in U.S. trade policy and has taken certain actions that could negatively impact U.S. trade, including imposing tariffs on certain goods imported into the United States. There is concern that the imposition of tariffs by the United States could result in the adoption of tariffs or retaliatory measures by other countries, leading to a global trade war. Such tariffs or retaliatory measures could

raise the cost and reduce the supply of certain raw materials, such as aluminum and wood, which are critical to our ability to manufacture our products. In the event of a global trade war or regional dispute, local suppliers may choose to allocate their resources to local players in their markets and provide us with less favorable terms. Raw material shortages and price increases could cause distribution delays and increase our costs, which in turn could reduce our competitiveness and impact our ability to do business with certain counterparties.

General geopolitical instability and the responses to it, such as the possibility of sanctions, trade restrictions and changes in tariffs, and the possibility of additional tariffs, non-tariff barriers or other trade restrictions between the United States and other countries where we might in the future manufacture, distribute or sell products, could adversely impact our business. If the cost of our raw materials increases, or if we are unable to procure the necessary raw materials required to manufacture our products, then we could experience a negative impact on our operating results, profitability, customer relationships, and future cash flows.

Company Risks

We may identify new or additional material weakness or weaknesses in our internal control over financial reporting which may, if not remediated, result in material misstatements in our financial statements.

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. It is possible that we may identify vulnerabilities with respect to our internal controls. A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As disclosed in Item 9A, “Controls and Procedures,” our controls and procedures were not effective as a result of a material weakness in internal controls over financial reporting as of October 31, 2024. The material weakness was specifically related to the design and operation of the controls over the preparation and review of the statement of cash flows. Throughout 2025, the Company continued to implement a remediation plan designed to address this material weakness. However, this material weakness continued to exist as of October 31, 2025 and will not be considered remediated until such time as management designs and implements effective controls that operate for a sufficient period of time and concludes through testing, that these controls are effective. If additional material weaknesses or significant deficiencies in our internal control are discovered or occur in the future, our ability to record, process and report financial information accurately, and to prepare financial statements within required time periods, could be adversely affected. If we are unable to maintain effective internal control over financial reporting, our financial statements may contain material misstatements and we could be required to restate our financial results. If our financial statements are not filed on a timely basis or we are required to restate our financial results, we could be in violation of covenants contained in the agreements governing our debt and other borrowings.

Failure to achieve and maintain effective internal controls could have a material adverse effect on our business and on our stock price.

Effective internal controls are necessary for us to effectively monitor our business, prevent fraud or theft, remain in compliance with our credit facility covenants, and provide reliable financial reports, both to the public and to our lenders. If we fail to maintain the adequacy of our internal controls, both in accordance with current standards and as standards are modified over time, we could trigger an event of default under our credit facilities or lose the confidence of the investing community, both of which could result in a material adverse effect on our stock price, limit our ability to borrow funds, or result in the application of unfavorable commercial terms to borrowings then outstanding.

Our business, financial condition, and results of operations could be adversely affected by disruptions in the global economy caused by the continued conflicts in Ukraine and Gaza.

U.S. and global markets are experiencing volatility and disruption related to the escalation of geopolitical tensions and the military conflict currently ongoing in Ukraine and the Gaza Strip. These conflicts could lead to market or operational disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions. 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 supply chain interruptions or other disruptions result in the unavailability of raw materials or an increase to the price of raw materials or other commodities, we could experience a negative impact on our operating results, profitability and future cash flows.

Our business will suffer if we are unable to adequately address potential supplier or customer pricing pressures, both with respect to OEMs that have significant pricing leverage over suppliers, and to large suppliers who have significant pricing leverage over their customers.

Our primary customers are OEMs, who have substantial leverage in setting purchasing and payment terms. In addition, many of our suppliers are large international conglomerates with numerous customers that are much larger than us, which lessens our leverage in pricing and supply negotiations. We attempt to manage this pricing pressure and to preserve our business relationships with suppliers and OEMs by negotiating reasonable price concessions when needed, and by reducing our production costs through various measures, which may include managing our purchase process to control the cost of our raw materials and components, maintaining multiple supply sources where possible, and implementing cost-effective process improvements. However, our efforts in this regard may not be successful and our operating margins could be negatively impacted.

Our revenues could decline or we may lose business if our customers vertically integrate their operations, diversify their supplier base, transfer manufacturing capacity to other regions, or respond to operational challenges in our business.

Certain of our businesses or product lines are largely dependent on a relatively few large customers. Although we believe we have an extensive customer base, if we were to lose one of these large customers or if one such customer were to materially reduce its purchases as a result of vertical integration, supplier diversification, a shift in regional focus, or concerns related to operational challenges, our revenue, general financial condition and results of operations could be adversely affected.

Our goodwill and indefinite-lived intangible assets may become impaired and could result in a charge to income.

We evaluate our goodwill and indefinite-lived intangible assets at least annually to determine whether we must test for impairment. In making this assessment, we must use judgment to make estimates of future operating results and appropriate residual values. Actual future operating results and residual values associated with our operations could differ significantly from these estimates, which may result in an impairment charge in a future period, resulting in a decrease in net income from operations in the year of the impairment, as well as a decline in our recorded net worth. In the third quarter of 2025, we tested goodwill for impairment as a result of the restructuring. The testing of our goodwill resulted in a goodwill impairment of \$302.3 million. Goodwill totaled \$271.3 million at October 31, 2025. The results of goodwill impairment testing are described in the accompanying notes to the audited financial statements, Note 7, “Goodwill and Intangible Assets” of the accompanying financial statements in this Annual Report on Form 10-K.

Our credit facility contains certain operational restrictions, reporting requirements, and financial covenants that limit the aggregate availability of funds.

Our revolving credit facility contains certain financial covenants and other operating and reporting requirements that could present risk to our operating results or limit our ability to access capital for use in the business. For a full discussion of the various covenants and operating requirements imposed by our revolving credit facility and information related to the potential limitations on our ability to access capital, see Item 7, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations-Liquidity and Capital Resources,” included elsewhere in this Annual Report on Form 10-K.

We may not be able to successfully manage or integrate acquisitions, and if we are unable to do so, then our profitability could be adversely affected.

We cannot provide assurance that we will successfully manage or integrate acquisition targets once we have purchased them, including Tyman. If we acquire a business for which we do not fully understand or appreciate the specific business or operational risks, if we overvalue or fail to conduct effective due diligence on an acquisition, or if we fail to effectively and efficiently integrate a business that we acquire, then there could be a material adverse effect on our ability to achieve the projected growth and cash flow goals associated with the new business, which could result in an overall material adverse effect on our long-term profitability or revenue generation.

If our information technology systems fail, or if we experience an interruption in our operations due to an aging information system infrastructure, then our results of operations and financial condition could be materially adversely affected.

The failure of our information technology systems, our inability to successfully maintain, enhance and/or replace our information technology systems when necessary, or a significant compromise of the integrity or security of the data that is generated from our information technology systems, could adversely affect our results of operations and could disrupt business and prevent or severely limit our ability to respond to data requests from our customers, suppliers, auditors, shareholders, employees or government authorities.

We are subject to data security and privacy risks that could negatively affect our results or operations.

In addition to our own sensitive and proprietary business information, we collect transactional and personal information about our customers and employees. Any breach, including ransomware attacks or other cybersecurity breaches, of our or our service providers' network or other vendor systems, may result in the loss of confidential business and financial data, misappropriation of our consumers' or employees' personal information or a disruption of our business. Any of these outcomes could have a material adverse effect on our business or our vendor and customer relationships, and could also result in unwanted media attention, reputational damage, or the imposition of fines, lawsuits, or significant legal or remediation expenses.

Epidemics, pandemics or other disease outbreaks could significantly disrupt our operations or those of our customers or suppliers.

If an epidemic or pandemic disrupts the worldwide economy, or if similar widespread disease outbreaks occur in the future, our business, financial condition and results of operations could be negatively affected to the extent such event harms the economy or region in which we operate.

Our business could be materially and adversely affected by the occurrence of a widespread health epidemic or pandemic or governmental imposition of mandatory or voluntary closures in areas where our manufacturing facilities, suppliers or customers are located, could severely disrupt our operations and result in (a) plant slowdowns or shutdowns, (b) difficulty obtaining necessary supplies, and (c) reduced customer orders and revenues. In addition to this potential direct impact on our facilities and operations, continuing outbreaks could negatively impact our industry and end markets as a whole, or result in a longer-term economic recession. Any of these factors could negatively affect our business, financial condition, cash flows, profitability, and results of operations.

Pandemics have had and may continue to create inefficiencies or interruptions in the supply chain as our suppliers may be forced to close their own plants or prove unable to obtain their own raw materials. If our suppliers are unable to timely meet our supply needs, it could impact our ability to provide our customers with high quality products on a timely basis, which could result in order cancellations, delivery refusals, price concessions, or other negative customer outcomes, any of which could negatively impact our business, revenues, financial condition, results of operations and liquidity. We could also be forced to pay higher prices for the supplies we purchase, which could negatively impact our results of operations and profitability.

Our operations outside the U.S. require us to comply with a number of U.S. and international anti-corruption regulations, violations of which could have a material adverse effect on our consolidated results of operations and consolidated financial condition.

Our international operations require us to comply with a number of U.S. and international regulations, including the Foreign Corrupt Practices Act (FCPA) and the United Kingdom Bribery Act 2010. While we have implemented appropriate training and compliance programs to prevent violations of these anti-bribery regulations, we cannot ensure that our policies, procedures and programs will always protect us from reckless or criminal acts committed by our employees or agents. Allegations of violations of applicable anti-corruption laws, may result in internal, independent, or government investigations, and violations of anti-corruption laws may result in severe criminal or civil sanctions or other liabilities which could have a material adverse effect on our business, consolidated results of operations and financial condition.

We may not have the right personnel in place to achieve our operating goals, and the location of some of our operations may make it difficult to locate or hire highly skilled employees.

We operate in some rural areas and small towns where the competition for labor can be fierce, and where the pool of qualified employees may be very small. If we are unable to obtain or retain skilled workers and adequately trained professionals to conduct our business, we may not be able to manage our business to the necessary high standards. In addition, we may be forced to pay higher wages or offer other benefits that might impact our cost of labor and thereby negatively impact our profitability.

Equipment failures or catastrophic loss at any of our manufacturing facilities could prevent us from producing our products.

An interruption in production capabilities at any of our facilities due to equipment failure, catastrophic loss, or other reasons could result in our inability to manufacture products, which could severely affect delivery times, return or cancellation rates, and future sales, any of which could result in lower sales and earnings or the loss of customers. Although we have a disaster recovery plan in place, we currently have one plant which is the sole source for our insulating glass spacer business in the U.S. If that plant were to experience a catastrophic loss and our disaster recovery plan were to fail, it could have a material adverse effect on our results of operations or financial condition.

Product liability claims and product replacements could harm our reputation, revenue generation and financial condition, or could result in costs related to litigation, warranty claims, or customer accommodations.

We have, on occasion, found flaws and deficiencies in the manufacturing, design, testing or installation of our products, which may result from a product defect, a defect in a component part provided by our suppliers, or as a result of the product being installed incorrectly by our customer or an end user. The failure of products before or after installation could result in litigation or claims by our customers or other users of the products, or in the expenditure of costs related to warranty coverage, claim settlement, litigation, or customer accommodation. In addition, we are currently party to certain legal claims related to a commercial sealant product, and there is no assurance that we will prevail on those claims. We may be required to expend legal fees, expert costs, and other costs associated with defending the claims and/or lawsuits. We may elect to enter into legal settlements or be forced to pay any judgments that result from an adverse court decision. Any such settlements, judgments, fees and/or costs could negatively impact our profitability, results of operations, cash flows and financial condition.

Our insurance coverage may be inapplicable or inadequate to cover certain liabilities, and our insurance policies may exclude coverage for certain matters.

While we maintain a robust insurance program that is reasonably designed to cover our known and unknown risks, there is no assurance that our insurance carriers will voluntarily agree to cover every potential liability, or that our insurance policies include limits high enough to cover all liabilities associated with our business or products. In addition, coverage under our insurance policies may be unavailable in the future for certain products. For example, during a prior renewal of our insurance program, our insurance carriers excluded future coverage of a product line we no longer manufacture or sell. If our insurers refuse to cover claims, in whole or in part, or if we exhaust our available insurance coverage at some point in the future, then we might be forced to expend legal fees and settlement or judgment costs, which could negatively impact our profitability, results of operations, cash flows and financial condition.

Changes in climate and extreme weather events could disrupt our supply chain, decrease customer demand for our products, or damage our manufacturing facilities.

We, along with many of our customers and suppliers, operate manufacturing facilities in areas at risk for extreme weather events such as hurricanes, tornadoes, drought, wildfires, winter storms, or floods. If such an event occurs at a facility belonging to one of our customers, we could see reduced demand for our products. If such an event occurs at a facility belonging to us or one of our suppliers, we may be unable to timely and cost-effectively manufacture products for our customers. These declines in demand or impacts to our ability to manufacture our products could negatively impact our revenues, earnings, cash flow, and other operating results.

Changes in taxation as well as the inherent difficulty in quantifying potential tax effects of business decisions could have a material adverse effect on the results of our operations, financial condition, or cash flows.

We file income tax returns, including tax returns for our subsidiaries, with federal, state, local, and foreign jurisdictions. We consider the United States to be our most significant jurisdiction; however, all tax returns are subject to routine compliance review by the taxing authorities in the jurisdictions in which we file tax returns in the ordinary course of business. We make judgments regarding the utilization of existing deferred tax assets and the potential tax effects of various financial transactions and results of operations to estimate our obligations to taxing authorities. Tax obligations include income, franchise, real estate, sales and use, and employment-related taxes. These judgments include reserves for potential adverse outcomes regarding tax positions that have been taken. Changes in federal, state, or local tax laws, adverse tax audit results, or adverse tax rulings on positions taken could have a material adverse effect on the results of our operations, financial condition, or cash flows.

Risks Associated with Investment in Quanex Securities

Our corporate governance documents and the provisions of Delaware law may delay or preclude a business acquisition or divestiture that stockholders may consider to be favorable, which might result in a decrease in the value of our common shares.

Our certificate of incorporation and bylaws and Delaware law contain provisions that could make it more difficult for a third party to acquire us without the consent of our Board of Directors. These provisions include restrictions on the ability of our stockholders to remove directors and supermajority voting requirements for stockholders to amend our organizational documents and limitations on action by our stockholders by written consent. In addition, our Board of Directors has the right to issue preferred stock without stockholder approval, which could be used to dilute the stock ownership of a potential hostile acquirer. Although we believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics, and thereby provide for an opportunity for us to receive a higher bid by requiring potential acquirers to negotiate with our Board of Directors, these provisions apply even if the offer may be considered beneficial by some stockholders.

We have the ability to issue additional equity securities, which would lead to dilution of our issued and outstanding common stock.

We are authorized to issue, without stockholder approval, 1,000,000 shares of preferred stock, no par value, in one or more series, which may give other stockholders dividend, conversion, voting, and liquidation rights, among other rights, which may be superior to the rights of holders of our common stock. The issuance of additional equity securities or securities convertible into equity securities would result in dilution of existing stockholders' equity interests. Our Board of Directors has no present intention to issue any such preferred shares, but has the right to do so in the future. In addition, we were authorized, by prior stockholder approval, to issue up to 125,000,000 shares of our common stock, \$0.01 par value per share, of which 51,211,469 were issued at October 31, 2025. These authorized shares can be issued, without stockholder approval, as securities convertible into either common stock or preferred stock.

Item 1B. *Unresolved Staff Comments.*

None.

Item 1C. *Cybersecurity.*

The Company's information technology systems, as well as those of the Company's third-party service providers, are subject to cybersecurity threats. Significant cybersecurity threats, including intrusions into, compromises of, or disruptions in the information technology systems of the Company or its third-party service providers could adversely affect the Company's financial condition and results of operations. The Company maintains and updates its information technology systems to mitigate the risk of cybersecurity threats.

The Board of Directors have oversight responsibility for the Company's cybersecurity risks. While the Company's employees play a key role in cybersecurity, the Company's Chief Information Officer, General Counsel and other members of management have shared responsibility for assessing and managing the Company's cybersecurity risks. The Company's management has sufficient knowledge, experience and expertise for assessing and managing the Company's cybersecurity risks. The Board of Directors and Audit Committee receive updates from management regarding cybersecurity risks, cybersecurity threats that could impact the Company and cybersecurity initiatives to enhance the Company's cybersecurity practices. The Audit Committee also receives updates on the results of assessments and audits of the Company's information technology systems and controls.

The Company has information technology security practices to protect its information technology systems and data and to monitor for potential cybersecurity threats. These practices are integrated into the Company's risk management framework and include:

- cybersecurity controls embedded in the Company's information technology systems;
- implementation of changes to address potential threats and vulnerabilities of the Company's information technology systems;
- incident response programs, including proactive simulations, to identify and manage cybersecurity threats, risks or incidents;
- participation in industry forums and collaboration with peers;
- security awareness and data protection training for applicable employees; and
- engaging third party services and tools to periodically assess and/or monitor cybersecurity threat environment and the company's cybersecurity posture.

Additionally, the Company assesses and manages cybersecurity threats associated with its third-party service providers' information technology systems that could compromise the Company's information security or data. Identified cybersecurity threats are communicated to management for review, response, and mitigation as appropriate.

The Company assesses cybersecurity risks and changes in the cyber environment and adjusts its practices as deemed appropriate. To date, we have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. Refer to "*Item 1A. Risk Factors*" included elsewhere in this Annual Report on Form 10-K for additional information on risks related to the Company's business, including cybersecurity risks.

Item 2. Properties.

The following table lists our principal properties by location, general character and use as of October 31, 2025.

Location	Character and Use of Property
<i>Executive Offices</i>	
Houston, Texas*	Executive corporate office
<i>Hardware Solutions</i>	
Rice Lake, Wisconsin	Screens & fenestration products
Sioux Falls, South Dakota*	Hardware products
Budrio, Italy	Hardware products
Owatonna, Minnesota	Hardware products
Wolverhampton, United Kingdom*	Hardware products
Juarez, Mexico*	Hardware products
Monterrey, Mexico*	Hardware products
<i>Extruded Solutions</i>	
Derbyshire, United Kingdom*	Vinyl profiles
Heinsberg, Germany*	Glass spacers
Kent, Washington*	Vinyl profiles
Statesville, NC*	Seals
<i>Custom Solutions</i>	
Cambridge, Ohio*	Mixing solutions
St. Cloud, Minnesota	Wood solutions

* These locations are leased as of October 31, 2025.

In addition to the locations identified above, our Hardware Solutions Segment maintains 27 additional facilities for the manufacture and distribution of engineered window and door hardware, screens, and other fenestration components, our Extruded Solutions Segment maintains 9 additional locations for the production of insulating-glass spacers, vinyl and composite profiles, and sealing solutions used in the fabrication of windows, doors, conservatories, roofs, and related building applications, and our Custom Solutions Segment maintains 16 additional locations to manufacture engineered product solutions across wood, metal, and elastomeric materials.

We believe our operating properties are in good condition and well maintained, and are generally suitable and adequate to carry on our business. In fiscal 2025, on a consolidated basis, our facilities operated at approximately 58% of machine capacity. This capacity utilization is subject to variability by product line, seasonality, location, labor shortages and supply chain interruptions.

Item 3. Legal Proceedings.

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 2000s. Several claims have been resolved and we continue to defend the remaining claims. 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.

We reserve for litigation loss contingencies that are both probable and reasonably estimable. We do not expect that losses resulting from any current legal proceedings will have a material adverse effect on our consolidated financial statements if or when such losses are incurred.

On September 19, 2025, a purported shareholder class action lawsuit against the Company and two of its officers was filed in federal court in the Southern District of Texas, titled Zanol v. Quanex Building Products Corporation et al, Case No. 4:25-cv-04453. The suit alleges certain violations of federal securities laws related to public disclosures made by the Company in 2025 principally related to our window and door operations in Mexico and seeks unspecified damages. While the ultimate outcome of any legal matter cannot be predicted with certainty, the Company strongly believes that this complaint is without merit, intends to vigorously defend itself and its officers against the allegations, and maintains insurance coverage for such matters. At present, the Company cannot reasonably estimate a range of loss, if any, for this action based on its early stage and the information available to the Company, and accordingly, the Company has not accrued any liability associated with this action.

For discussion of environmental issues, see Item 1, “Business - Environmental and Employee Safety Matters,” discussed elsewhere in this Annual Report on Form 10-K.

Item 4. *Mine Safety Disclosures.*

Not Applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock has been listed on the New York Stock Exchange under the ticker symbol NX since April 24, 2008. Electronic copies of our public filings are available on the Securities and Exchange Commission's website (www.sec.gov). There were approximately 2,587 holders of our common stock (excluding individual participants in securities positions listings) on record as of December 3, 2025.

Equity Compensation Plan Information

The following table summarizes certain information regarding equity compensation to our employees, officers and directors under equity compensation plans as of October 31, 2025:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	(b) Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	282,250	\$ 19.38	2,255,404

⁽¹⁾ Column (a) includes securities that may be issued upon future vesting of performance restricted stock units that have been previously granted to key employees and officers. The number of securities reflected in this column includes the maximum number of shares that would be issued pursuant to these performance restricted stock units assuming the performance measures are achieved. The performance measures may not be achieved.

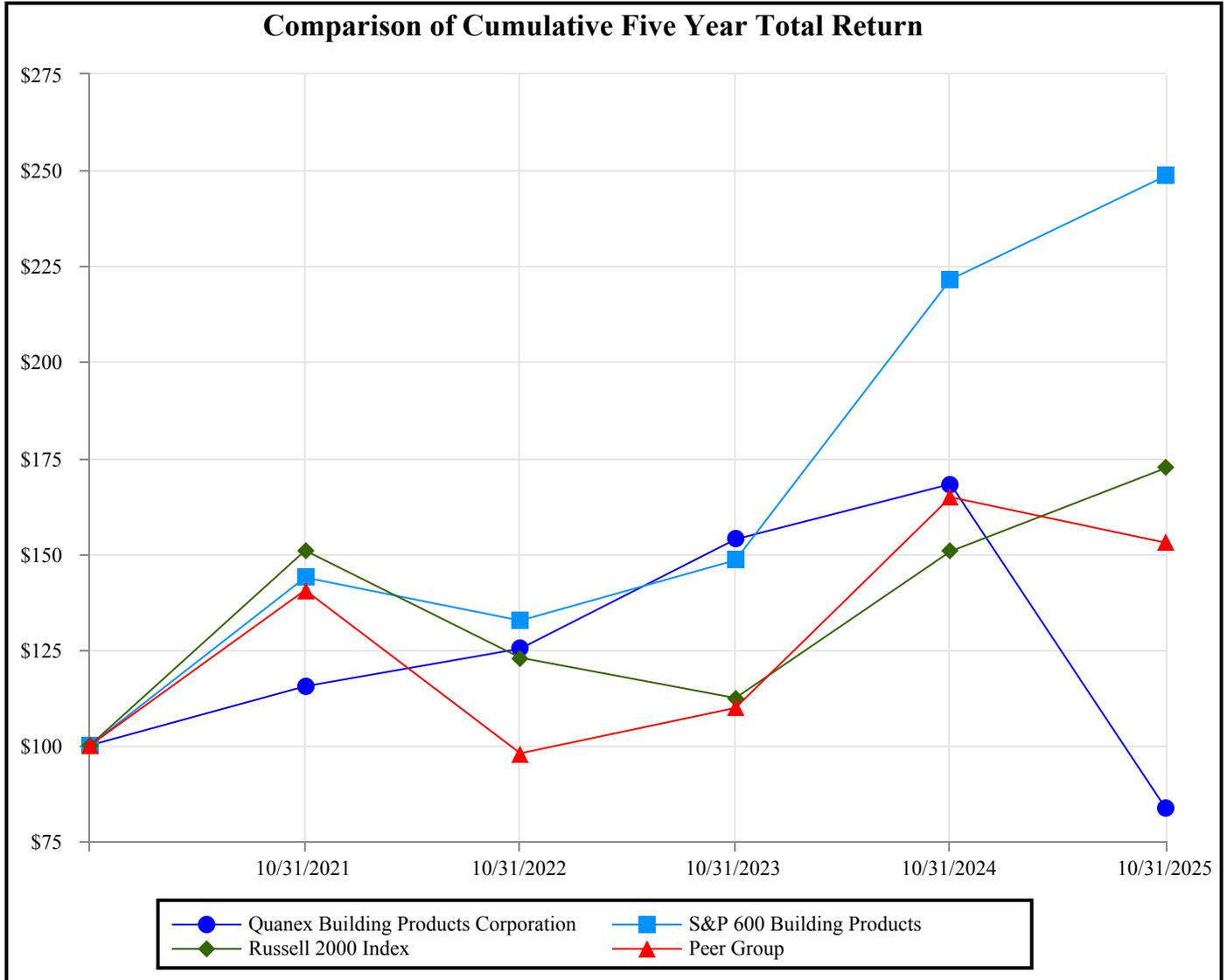
⁽²⁾ The weighted-average exercise price in column (b) does not include the impacts of the performance share awards or any securities that may be issued thereunder. For additional details, see Note 14, “Stock-Based Compensation,” of the accompanying financial statements in this Annual Report on Form 10-K.

Issuer Purchases of Equity Securities

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 new 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 years ended October 31, 2025, 2024, and 2023, we purchased 1,709,119, zero, and 275,000 shares, respectively, at a cost of \$32.4 million, zero, and \$5.6 million, respectively, under these programs. As of October 31, 2025 we had a maximum of \$30.4 million available to purchase shares under this program. This program does not have an expiration date or a limit on the number of shares that may be purchased.

Stock Performance Graph

The following chart represents a comparison of the five year total return of our common stock to the Standard & Poor’s 600 Building Products Industry Index (S&P 600 Building Products), the Russell 2000 Index, and a peer group index selected by us, which includes companies offering similar products and services to ours. The companies in our peer group for the year ended October 31, 2025 are AAOON Inc., American Woodmark Corporation, Apogee Enterprises Inc., Armstrong World Industries, CSW Industrials Inc., Fortune Brands, Gibraltar Industries Inc., Griffon Corporation, Hillenbrand, Inc., Insteel Industries Inc., JELD-WEN Holding, Inc., Kennametal Inc, L.B. Foster Company, Masonite International Corp., MasterBrand, Inc., Mueller Water Products, Inc., Resideo Technologies, Inc., Simpson Manufacturing Co., Inc., and Trex Company, Inc.



INDEXED RETURNS

For the Years Ended

Company Name / Index	10/31/2020	10/31/2021	10/31/2022	10/31/2023	10/31/2024	10/31/2025
Quanex Building Products Corporation	\$ 100.00	\$ 115.38	\$ 125.20	\$ 153.72	\$ 168.13	\$ 83.57
S&P 600 Building Products	\$ 100.00	\$ 143.76	\$ 132.53	\$ 148.27	\$ 221.53	\$ 248.52
Russell 2000 Index	\$ 100.00	\$ 150.80	\$ 122.84	\$ 112.32	\$ 150.59	\$ 172.30
Peer Group	\$ 100.00	\$ 140.46	\$ 97.90	\$ 109.74	\$ 164.72	\$ 152.83

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis contains forward-looking statements based on our current assumptions, expectations, estimates and projections about our business and the homebuilding industry, and therefore, it should be read in conjunction with our consolidated financial statements and related notes thereto, as well as our "Cautionary Note Regarding Forward-Looking Statements" discussed elsewhere within this Annual Report on Form 10-K. Actual results could differ from our expectations due to several factors which include, but are not limited to: the impact of market price and demand for our products, economic and competitive conditions, capital expenditures, new technology, regulatory changes and other uncertainties. For a listing of potential risks and uncertainties which impact our business and industry, see "Item 1A. Risk Factors." Unless otherwise required by law, we undertake no obligation to publicly update any forward-looking statements, even if new information becomes available or other events occur in the future.

Our Business

We are a leading manufacturer and component supplier to original equipment manufacturers (OEMs) in the building products industry, including window, door, solar, refrigeration, custom mixing, building access, and cabinetry markets. The majority of these components can be categorized as window and door components and kitchen and bath cabinet components. Examples of window and door 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 components and products, which include solar panel sealants, trim moldings, vinyl decking, water retention barriers, conservatory roof components, and commercial access solutions. We use cost-effective production processes and engineering expertise to provide our customers with specialized products for their specific applications. We believe these capabilities provide us with unique competitive advantages. We serve a primary customer base in North America and the 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 existing fenestration and cabinet component 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.

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.

In connection with the Tyman acquisition, we re-evaluated our reportable segment presentation during the third quarter of 2025 and adjusted our segment structure to better align our business operations. As a result, we now report three reportable segments: Hardware Solutions, which provides window and door hardware and screens; Extruded Solutions, which supplies insulating glass spacers, vinyl window and door profiles, seals, and weatherstripping; and Custom Solutions, which provides wood, mixing, and building access solutions. We continue to 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 corporate general and administrative costs have been allocated to the reportable business segments, based upon each segment's relative operating activity. The accounting policies of our operating segments are the same as those used to prepare our accompanying consolidated financial statements. Corporate general and administrative expenses allocated during the years ended October 31, 2025, 2024 and 2023 were \$40.3 million, \$27.3 million, and \$23.5 million, respectively.

On November 1, 2022, we entered into an Asset Purchase Agreement with LMI (the "LMI Acquisition") and the equity owners of LMI, Lauren International, Ltd. and Meteor-US-Beteiligungs GMBH whereby we acquired substantially all of the operating assets comprising LMI's polymer mixing and rubber compound production business and also assumed certain liabilities. LMI is included within our Custom Solutions reportable segment. As consideration for the LMI Acquisition, we paid \$91.3 million in cash utilizing funds borrowed under our Credit Facility.

Recent Transactions and Events

We restructured our reportable segments during the third quarter of 2025, which triggered the requirement to assess our goodwill for potential impairment. The testing of our goodwill resulted in a goodwill impairment of \$302.3 million, in significant part driven by the prolonged decline in our stock price through the testing date as a result of weaker consumer confidence and high levels of uncertainty across the industry. Of the goodwill impairment amount recorded in the third quarter, \$44.8 million relates to tax-deductible goodwill, the remaining charge was not deductible for tax purposes and no deferred tax asset was recognized. For additional discussion of our goodwill, see Note 7, “Goodwill and Intangibles.” For additional information and discussion of changes in reporting units and a summary of the change in the carrying amount of goodwill by segment, see Note 17, “Segment Information.”

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. While the tariff situation remains fluid, we generally expect to pass along costs associated with tariffs to our customers through contractual or pricing mechanisms.

U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions, including the ongoing military conflicts in Ukraine and Gaza. Although the length and impact of these ongoing military conflicts remain unpredictable, the conflicts can continue to lead to market or operational disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions.

Geopolitical tensions 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 November 2025, the NAHB forecasted calendar-year housing starts (excluding manufactured units) to be 1.4 million in the 2025, 1.3 million in the 2026, and 1.4 million in the 2027 calendar-years. The November 2025 Ducker forecast indicated that window shipments in the R&R market are expected to decrease approximately 5.2% and 1.9% in the calendar-years ended 2025 and 2026, respectively, and window shipments in the new construction market are expected to decrease 5.0% and 0.8% in the calendar-years ended 2025 and 2026, respectively, resulting in overall window shipment decline of 5.1% in 2025 and 1.4% in 2026. Derived from reports published by Ducker, overall window shipments decreased 3.9%, new construction activity decreased 5.3% and R&R replacement decreased 2.6%, respectively, for the trailing twelve months ended September 30, 2025.

Our Hardware Solutions segment manufactures engineered window and door hardware, screens, and other fenestration components primarily serving the residential and light-commercial building markets. The majority of segment revenue is generated in North America, and as such, domestic housing starts and R&R activity remain the primary demand drivers. Long-term secular trends, including a structural undersupply of U.S. housing, an aging housing stock, and increasing home equity, are expected to support sustained demand for window and door replacement. Internationally, the segment serves a broad customer base of OEMs and distributors across Europe and Asia, where government incentives for energy efficiency and renovation activity are expected to support steady replacement demand over the medium term.

Our Extruded Solutions segment manufactures insulating-glass spacers, vinyl and composite profiles, and sealing solutions used in the fabrication of windows, doors, conservatories, roofs, and related building applications. This segment operates across North America and Europe, and its results are influenced by housing starts, energy-efficiency standards, and renovation activity in those regions. In the U.S., demand for insulating-glass spacers and vinyl profiles is supported by increasing adoption of high-performance window systems that improve thermal performance. In the U.K. and continental Europe, our vinyl business serves window fabricators and distributors with a broad offering of vinyl extrusions, decking, and

roofing systems. The European market continues to benefit from government-sponsored retrofit programs and EU directives targeting energy efficiency and sustainability in existing building stock.

Our Custom Solutions segment delivers a diverse range of engineered product solutions across wood, metal, and elastomeric materials that serve residential, commercial, and industrial end markets. The segment’s portfolio includes interior building components, specialty access systems, and custom-formulated compounds designed for highly technical applications. Demand for these products is driven by overall levels of construction and remodeling activity, as well as broader trends in manufacturing, infrastructure investment, and industrial production. The segment’s ability to offer customized, high-performance solutions tailored to specific customer requirements positions it to participate in both residential and commercial growth cycles, while providing diversification beyond traditional fenestration markets.

Our business is seasonal, as inclement weather during the winter months tends to slow construction and installation activity for exterior building products.

We are impacted by regulation of energy standards. Although the U.S. government has been less aggressively pursuing higher energy efficiency standards in recent years, other countries have implemented higher energy efficiency standards which should bode well for our fenestration-related business in these markets, particularly our warm-edge spacer products, window and door seals and tilt ‘n’ turn micro-ventilation products.

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, and 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.

Comparison of the fiscal years ended October 31, 2025 and 2024

This table sets forth our consolidated results of operations for the twelve-month periods ended October 31, 2025 and 2024.

	For the Years Ended October 31,			
	2025	2024	\$ Change	% Change
	(Dollars in thousands)			
Net sales	\$ 1,837,641	\$ 1,277,862	\$ 559,779	44%
Cost of sales (excluding depreciation and amortization)	1,338,413	972,238	366,175	38%
Selling, general and administrative	277,261	190,470	86,791	46%
Restructuring charges	10,191	—	10,191	—%
Depreciation and amortization	103,444	60,328	43,116	71%
Goodwill impairment charges	302,284	—	302,284	—%
Operating income	(193,952)	54,826	(248,778)	(454)%
Interest expense	(55,812)	(20,593)	(35,219)	(171)%
Other, net	7,171	7,849	(678)	(9)%
Income tax benefit (expense)	(8,213)	(9,023)	810	9%
Net (loss) income	<u>\$ (250,806)</u>	<u>\$ 33,059</u>	<u>\$ (283,865)</u>	(859)%

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

Changes Related to Operating Income by Reportable Segment:

Hardware Solutions

	For the Years Ended October 31,			
	2025	2024	\$ Change	% Change
	(Dollars in thousands)			
Net sales	\$ 841,674	\$ 427,839	\$ 413,835	97%
Cost of sales (excluding depreciation and amortization)	635,481	349,379	286,102	82%
Selling, general and administrative	128,009	51,564	76,445	148%
Restructuring charges	7,936	—	7,936	—%
Depreciation and amortization	51,681	16,580	35,101	212%
Goodwill impairment charges	163,198	—	163,198	—%
Operating (loss) income	<u>\$ (144,631)</u>	<u>\$ 10,316</u>	<u>\$ (154,947)</u>	(1,502)%
Operating (loss) income margin	(17)%	2 %		

Net Sales. Net sales increased \$413.8 million, or 97%, for the twelve months ended October 31, 2025 compared to the same period in 2024. The increase was primarily driven by \$411.5 million of incremental sales from the Tyman acquisition, as well as a \$4.6 million increase attributable to price and raw material index adjustments, and a \$2.5 million favorable impact from foreign currency rate change. These increases were partially offset by a \$4.8 million decrease in volumes, reflecting softer market demand driven by weaker consumer confidence.

Cost of Sales. Cost of sales increased \$286.1 million, or 82%, for the twelve months ended October 31, 2025 compared to the same period in 2024. Cost of sales, including labor, increased primarily due to the inclusion of Tyman’s operations, as well as inflationary increases in raw materials, pricing impacts, and foreign currency movement. These increases were partially offset by lower volumes during the period.

Selling, General and Administrative. Our selling, general and administrative expenses increased by \$76.4 million, or 148%, for the twelve months ended October 31, 2025 compared to the same period in 2024. This increase is primarily due to increases in labor costs and other miscellaneous selling and general administrative costs related to the acquisition of the Tyman business costs year-over-year.

Restructuring Charges. Restructuring charges of \$7.9 million incurred during the year ended October 31, 2025 primarily relate to the restructuring of our operating segments. For additional discussion of the structuring, see the “restructuring” section of Note 1, “Nature of Operations, Basis of Presentation and Significant Accounting Policies”.

Goodwill impairment charges. Goodwill impairment charges of \$163.2 million relate to goodwill impairment incurred during the year ended October 31, 2025. For additional discussion of our goodwill, see Note 7, “Goodwill and Intangibles.” For additional information and discussion of changes in reporting units and a summary of the change in the carrying amount of goodwill by segment, see Note 17, “Segment Information.”

Extruded Solutions

	For the Years Ended October 31,			
	2025	2024	\$ Change	% Change
	(Dollars in thousands)			
Net sales	\$ 646,627	\$ 559,995	\$ 86,632	15%
Cost of sales (excluding depreciation and amortization)	440,141	389,760	50,381	13%
Selling, general and administrative	83,716	58,100	25,616	44%
Restructuring charges	34	—	34	—%
Depreciation and amortization	29,204	25,119	4,085	16%
Goodwill impairment charges	54,934	—	54,934	—%
Operating income	<u>\$ 38,598</u>	<u>\$ 87,016</u>	<u>\$ (48,418)</u>	(56)%
Operating income margin	6 %	16 %		

Net Sales. Net sales increased \$86.6 million, or 15%, when comparing the twelve months ended October 31, 2025 compared to the same period in 2024. The increase was primarily driven by \$115.4 million of incremental sales from the

Tyman acquisition and a \$5.4 million favorable impact from foreign currency rate change. These increases were partially offset by a \$32.5 million decline in volumes, reflecting softer demand in certain end markets, and a \$1.7 million decrease related to price and surcharge activity.

Cost of Sales. The cost of sales increased \$50.4 million, or 13%, for the twelve months ended October 31, 2025 compared to the same period in 2024. Cost of sales increased primarily due to the inclusion of Tyman’s operations and inflationary pressures on raw materials and foreign currency impacts. These increases were partially offset by lower production volumes during the period.

Selling, General and Administrative. Our selling, general and administrative expense increased \$25.6 million, or 44%, for the twelve months ended October 31, 2025 compared to the same period in 2024. The increase is primarily due to increases in labor costs and other miscellaneous selling and general administrative costs related to the acquisition of the Tyman business costs year-over-year.

Goodwill impairment charges. Goodwill impairment charges of \$54.9 million relate to goodwill impairment incurred during the year ended October 31, 2025. For additional discussion of our goodwill, see Note 7, “Goodwill and Intangibles.” For additional information and discussion of changes in reporting units and a summary of the change in the carrying amount of goodwill by segment, see Note 17, “Segment Information.”

Custom Solutions

	For the Years Ended October 31,			
	2025	2024	\$ Change	% Change
	(Dollars in thousands)			
Net sales	\$ 388,210	\$ 309,441	\$ 78,769	25%
Cost of sales (excluding depreciation and amortization)	298,316	252,111	46,205	18%
Selling, general and administrative	48,273	31,068	17,205	55%
Restructuring charges	205	—	205	100%
Depreciation and amortization	21,248	18,348	2,900	16%
Goodwill impairment charges	84,152	—	84,152	—%
Operating (loss) income	<u>\$ (63,984)</u>	<u>\$ 7,914</u>	<u>\$ (71,898)</u>	(908)%
Operating (loss) income margin	(16)%	3 %		

Net Sales. Net sales increased \$78.8 million, or 25%, for the twelve months ended October 31, 2025 compared to the same period in 2024. The increase was primarily attributable to \$74.1 million of incremental sales from the Tyman acquisition, as well as a \$6.9 million increase in pricing and surcharge activity and a \$0.2 million favorable foreign currency rate change. These increases were partially offset by a \$2.4 million decline in volumes driven by softer customer demand.

Cost of Sales. The cost of sales increased \$46.2 million, or 18%, for the twelve months ended October 31, 2025 compared to the same period in 2024, primarily driven by the addition of Tyman’s operations, as well as higher raw material prices and pricing-related cost impacts. These increases were partially offset by reduced volumes in the period.

Selling, General and Administrative. Our selling, general and administrative expense increased \$17.2 million, or 55%, for the twelve months ended October 31, 2025 compared to the same period in 2024. The increase is primarily due to increases in labor costs and other miscellaneous selling and general administrative costs related to the acquisition of the Tyman business costs year-over-year.

Goodwill impairment charges. Goodwill impairment charges of \$84.2 million relate to goodwill impairment incurred during the year ended October 31, 2025. For additional discussion of our goodwill, see Note 7, “Goodwill and Intangibles.” For additional information and discussion of changes in reporting units and a summary of the change in the carrying amount of goodwill by segment, see Note 17, “Segment Information.”

Unallocated Corporate & Other

	For the Years Ended October 31,			
	2025	2024	\$ Change	% Change
(Dollars in thousands)				
Net sales	\$ (38,870)	\$ (19,413)	\$ (19,457)	100%
Cost of sales (excluding depreciation and amortization)	(35,525)	(19,012)	(16,513)	87%
Selling, general and administrative	17,263	49,738	(32,475)	(65)%
Restructuring charges	2,016	—	—	—%
Depreciation and amortization	1,311	281	1,030	367%
Operating loss	<u>\$ (23,935)</u>	<u>\$ (50,420)</u>	<u>\$ 28,501</u>	(57)%

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

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

Selling, General and Administrative. Our selling, general and administrative unallocated expenses decreased \$32.5 million, or 65%, for the twelve months ended October 31, 2025 compared to the same period in 2024. This decrease is primarily attributable to a decrease in transaction and advisory fees and lower compensation expense, including the valuations of our stock-based compensation awards, partially offset by an increase in restructuring costs and medical expenses year-over-year.

Restructuring Charges. Restructuring charges of \$2.0 million incurred during the year ended October 31, 2025 primarily relate to the restructuring of our operating segments. For additional discussion of the structuring, see the “restructuring” section of Note 1, “Nature of Operations, Basis of Presentation and Significant Accounting Policies”.

Changes Related to Non-Operating Items:

Interest Expense. Interest expense increased \$35.2 million, or 171%, for the twelve months ended October 31, 2025 compared to the same period in 2024 primarily as result of an increase in borrowings related to the Tyman acquisition during the year ended October 31, 2025 compared to the prior year period.

Other, net. Other income decreased \$0.7 million for the twelve months ended October 31, 2025 compared to other income in the same period in 2024. The decrease is primarily due to foreign currency derivative gains which occurred in the prior year partially offset by an increase in currency transaction gains in the current year.

Income Taxes. We recorded income tax expense of \$8.2 million on pre-tax loss of \$242.6 million for the twelve months ended October 31, 2025, an effective rate of 3.4%, and income tax expense of \$9.0 million on pre-tax income of \$42.1 million for the twelve months ended October 31, 2024, an effective rate of 21.4%. The October 31, 2025 effective rate is lower than the U.S. federal statutory rate of 21% primarily due to the impact of the goodwill impairment, U.K. patent box benefit, foreign tax credit, and change in the valuation allowance. The effective rate for the twelve months ended October 31, 2024 was impacted due to state and local income tax, non U.S. income inclusion, and nondeductible expenses, offset by the U.K. patent box benefit, foreign tax credit, and change in the valuation allowance.

Comparison of the fiscal years ended October 31, 2024 and 2023

This table sets forth our consolidated results of operations for the twelve-month periods ended October 31, 2024 and 2023.

	For the Years Ended October 31,			
	2024	2023	\$ Change	% Change
	(Dollars in thousands)			
Net sales	\$ 1,277,862	\$ 1,130,583	\$ 147,279	13%
Cost of sales (excluding depreciation and amortization)	972,238	853,059	119,179	14%
Selling, general and administrative	190,470	123,957	66,513	54%
Depreciation and amortization	60,328	42,866	17,462	41%
Operating income	54,826	110,701	(55,875)	(50)%
Interest expense	(20,593)	(8,136)	(12,457)	(153)%
Other, net	7,849	(5,519)	13,368	(242)%
Income tax expense	(9,023)	(14,545)	5,522	38%
Net income	<u>\$ 33,059</u>	<u>\$ 82,501</u>	<u>\$ (49,442)</u>	<u>(60)%</u>

Changes Related to Operating Income by Reportable Segment:

Hardware Solutions

	For the Years Ended October 31,			
	2024	2023	\$ Change	% Change
	(Dollars in thousands)			
Net sales	\$ 427,839	\$ 296,959	\$ 130,880	44%
Cost of sales (excluding depreciation and amortization)	349,379	239,505	109,874	46%
Selling, general and administrative	51,564	21,608	29,956	139%
Depreciation and amortization	16,580	3,968	12,612	318%
Operating income	<u>\$ 10,316</u>	<u>\$ 31,878</u>	<u>\$ (21,562)</u>	<u>(68)%</u>
Operating income margin	2 %	11 %		

Net Sales. Net sales increased \$130.9 million, or 44%, for the twelve months ended October 31, 2024 compared to the same period in 2023, which was primarily driven by an increase of \$148.5 million related to the acquisition of the Tyman business and a \$5.3 million increase in price and raw material indexes, partially offset by a \$22.9 million decrease in volumes mainly due to softer market demand driven by weaker consumer confidence.

Cost of Sales. Cost of sales increased \$109.9 million, or 46%, for the twelve months ended October 31, 2024 compared to the same period in 2023. Cost of sales, including labor, increased primarily due to the acquisition of the Tyman business and pricing and inflation of raw materials during the period partially offset by a decrease in volumes.

Selling, General and Administrative. Our selling, general and administrative expenses increased by \$30.0 million, or 139%, for the twelve months ended October 31, 2024 compared to the same period in 2023. This increase was primarily due to increases in labor costs and other miscellaneous selling, general administrative costs related to the acquisition of the Tyman business costs year-over-year.

Extruded Solutions

	For the Years Ended October 31,			
	2024	2023	\$ Change	% Change
	(Dollars in thousands)			
Net sales	\$ 559,995	\$ 544,585	\$ 15,410	3%
Cost of sales (excluding depreciation and amortization)	389,760	378,791	10,969	3%
Selling, general and administrative	58,100	62,349	(4,249)	(7)%
Depreciation and amortization	25,119	22,351	2,768	12%
Operating income	<u>\$ 87,016</u>	<u>\$ 81,094</u>	<u>\$ 5,922</u>	7%
Operating income margin	16 %	15 %		

Net Sales. Net sales increased \$15.4 million, or 3%, when comparing the twelve months ended October 31, 2024 compared to the same period in 2023, which was primarily driven by an increase of \$38.5 million related to the acquisition of the Tyman business and a \$2.5 million of favorable foreign currency rate change, partially offset by a \$20.0 million decrease in volumes mainly due to softer market demand driven by weaker consumer confidence and a \$6.0 million decrease in price and raw material indexes.

Cost of Sales. The cost of sales increased \$11.0 million, or 3%, for the twelve months ended October 31, 2024 compared to the same period in 2023. Cost of sales increased primarily due to the acquisition of the Tyman business and foreign currency impacts; partially offset by decreases in volumes, pricing and deflation of raw materials during the period.

Selling, General and Administrative. Our selling, general and administrative expense decreased \$4.2 million, or 7%, for the twelve months ended October 31, 2024 compared to the same period in 2023. The decrease was primarily due the gain on disposition of capital assets during the twelve months ended October 31, 2024 partially offset by increases in labor costs and other miscellaneous selling, general and administrative costs related to the acquisition of the Tyman business costs year-over-year.

Custom Solutions

	For the Years Ended October 31,			
	2024	2023	\$ Change	% Change
	(Dollars in thousands)			
Net sales	\$ 309,441	\$ 298,361	\$ 11,080	4%
Cost of sales (excluding depreciation and amortization)	252,111	244,026	8,085	3%
Selling, general and administrative	31,068	24,834	6,234	25%
Depreciation and amortization	18,348	16,277	2,071	13%
Operating income	<u>\$ 7,914</u>	<u>\$ 13,224</u>	<u>\$ (5,310)</u>	(40)%
Operating income margin	3 %	4 %		

Net Sales. Net sales increased \$11.1 million, or 4%, for the twelve months ended October 31, 2024 compared to the same period in 2023, which was primarily driven by an increase of \$25.8 million related to the acquisition of the Tyman business, partially offset by an \$11.2 million decrease in volumes mainly due to softer market demand driven by weaker consumer confidence and a \$3.5 million decrease in price and raw material indexes.

Cost of Sales. The cost of sales increased \$8.1 million, or 3%, for the twelve months ended October 31, 2024 compared to the same period in 2023. Cost of sales increased primarily as a result of the acquisition of the Tyman business, partially offset by a decrease in volumes, and the decrease in pricing and inflation of raw materials during the period.

Selling, General and Administrative. Our selling, general and administrative expense increased \$6.2 million, or 25%, for the twelve months ended October 31, 2024 compared to the same period in 2023. The increase was primarily due to increases in labor costs and other miscellaneous selling, general administrative costs related to the acquisition of the Tyman business costs year-over-year.

Unallocated Corporate & Other

	For the Years Ended October 31,			
	2024	2023	\$ Change	% Change
	(Dollars in thousands)			
Net sales	\$ (19,413)	\$ (9,322)	\$ (10,091)	108%
Cost of sales (excluding depreciation and amortization)	(19,012)	(9,263)	(9,749)	105%
Selling, general and administrative	49,738	15,166	34,572	228%
Depreciation and amortization	281	270	11	4%
Operating loss	<u>\$ (50,420)</u>	<u>\$ (15,495)</u>	<u>\$ (34,925)</u>	225%

Net Sales. Net sales for Unallocated Corporate & Other represents the elimination of inter-segment sales for the twelve months ended October 31, 2024 and 2023.

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

Selling, General and Administrative. Our selling, general and administrative unallocated expenses increased \$34.6 million, or 228%, for the twelve months ended October 31, 2024 compared to the same period in 2023. This increase is primarily attributable to an increase in transaction fees year-over-year.

Changes Related to Non-Operating Items:

Interest Expense. Interest expense increased \$12.5 million, or 153%, for the twelve months ended October 31, 2024 compared to the same period in 2023 primarily as result of an increase in borrowings outstanding during the year ended October 31, 2024 compared to the prior year period.

Other, net. Other income increased \$13.4 million for the twelve months ended October 31, 2024 compared to other loss in the same period in 2023. The increase is primarily due to an increase in foreign currency derivative gains and a decrease in expenses incurred for pension termination in the prior year.

Income Taxes. We recorded income tax expense of \$9.0 million on pre-tax income of \$42.1 million for the twelve months ended October 31, 2024, an effective rate of 21.4%, and income tax expense of \$14.5 million on pre-tax income of \$97.0 million for the twelve months ended October 31, 2023, an effective rate of 15.0%. The October 31, 2024 effective rate is higher than the U.S. federal statutory rate of 21% primarily due to state and local income tax, non U.S. income inclusion, and nondeductible expenses, offset by the U.K. patent box benefit, foreign tax credit, and change in the valuation allowance. The effective rate for the twelve months ended October 31, 2023 was impacted due to the U.K. patent box benefit, tax return to accrual adjustments, and changes in uncertain tax positions, offset by state and local income tax, non U.S. income tax and nondeductible expenses.

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. As of October 31, 2025, we had \$76.0 million of cash and cash equivalents, \$641.3 million outstanding under our credit facilities, \$6.2 million of outstanding letters of credit and \$62.6 million outstanding leases under finance leases and other debt. Of the \$62.6 million outstanding under finance leases and other debt, \$56.4 million relates to real estate leases. We had \$296.3 million available for use under a revolving credit facility at October 31, 2025.

On August 1, 2024, the Amended Credit Agreement increased our borrowing capacity and established a \$475 million revolving credit facility and a \$500 million term loan A facility, each maturing on August 1, 2029. During fiscal 2025, we remained in compliance with all covenants under this agreement. Additional information regarding the Facilities is included in Note 9, "Debt", to the consolidated financial statements.

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 weighted average interest rate of borrowings outstanding for the twelve-month periods ended October 31, 2025 and 2024 was 6.83% and 7.20%, respectively. We were in compliance with our debt covenants as of October 31, 2025. For additional details of the Revolving Credit Facility, see Note 9, “Debt,” included elsewhere within this Annual Report on Form 10-K.

We expect to repatriate excess cash moving forward and use the funds to retire debt or meet current working capital needs. We believe our business model, our current cash reserves and the recent steps we have taken to strengthen our 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 years ended October 31, 2025, 2024, and 2023:

	Year Ended October 31,		
	2025	2024	2023
	(In thousands)		
Cash flows provided by operating activities	\$ 164,897	\$ 88,812	\$ 147,052
Cash flows used for investing activities	\$ (62,008)	\$ (420,594)	\$ (128,439)
Cash flows provided by (used for) financing activities	\$ (127,480)	\$ 385,156	\$ (16,151)

Our cash flow analysis for the fiscal years ended October 31, 2024 and 2023 for the prior year comparative periods can be found in the annual report on Form 10-K for the year ended October 31, 2024.

Operating Activities

Cash provided by operating activities increased \$76.1 million for the year ended October 31, 2025 compared to the year ended October 31, 2024. This increase is attributable to the increase in net income, excluding the impact of non-cash items such as goodwill impairment charges and depreciation and amortization expense, partially offset by unfavorable changes in working capital. Changes in working capital were net favorable, driven by an increase in accounts payable, lower inventory levels, and an increase in income taxes payable. These movements were partially offset by increases in accounts receivable and other current assets, and lower accrued liabilities.

Investing Activities

Cash used for investing activities for the year ended October 31, 2025 decreased by \$358.6 million compared to the year ended October 31, 2024, primarily as a result of the acquisition of Tyman in 2024.

Financing Activities

Cash used for financing activities for the year ended October 31, 2025 was \$127.5 million primarily due to the repayment of long term debt and the purchase of treasury stock shares compared to cash provided by \$385.2 million for the year ended October 31, 2024, primarily as a result of finance opportunities in relation to the acquisition of Tyman in 2024.

Liquidity Requirements

Our strategy for deploying cash is 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 own stock. We maintain cash balances in foreign countries which totaled \$46.9 million and \$44.0 million as of October 31, 2025 and 2024. During the years ended October 31, 2025 and 2024, we repatriated \$55.4 million and \$49.2 million, respectively, of foreign earnings from our international divisions.

We believe that we have sufficient funds and adequate financial resources available to meet our anticipated liquidity needs. We expect to use our cash flow from operations to fund operations for the next twelve months and the foreseeable future. We believe these funds should be adequate to provide for our working capital requirements, capital expenditures, and dividends, while continuing to meet our debt service requirements.

Revolving Credit Facility and Term Loan Facility

We maintain our \$475 million Revolving Credit Facility and \$500 million Term A Facility with Wells Fargo Bank acting as agent, swingline lender and issuing lender. 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 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

The Credit Facility provides for revolving credit commitments for a minimum principal amount of \$10.0 million, up to an aggregate amount of \$310.0 million or 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 Credit Facility.

The Credit Facility 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 Credit Facility also limits 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 to conduct other transactions as further defined in the Credit Facility. 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 pledged as collateral for the Credit Facility.

Issuer Purchases of Equity Securities

During December 2021, our Board of Directors approved a new stock repurchase program that authorized the repurchase of up to \$75.0 million worth of shares of our common stock. During the years ended October 31, 2025, 2024 and 2023, we purchased 1,709,119, zero and 275,000 shares, respectively, at a cost of \$32.4 million, zero and \$5.6 million, respectively, under this program.

Critical Accounting Policies and Estimates

The preparation of our financial statements in accordance with accounting principles generally accepted in the United States of America (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.

We believe the following are the most critical accounting policies used in the preparation of our consolidated financial statements as well as the significant judgments and uncertainties affecting the application of these policies. We consider an estimate to be critical if it is subjective and if changes in the estimate using different assumptions would result in a material impact to our financial position or results of operations.

Business Combinations - Contingencies

We apply the acquisition method of accounting for business combinations in accordance with U.S. GAAP, which requires us to make use of estimates and judgments to allocate the purchase price paid for acquisitions to the fair value of the net assets and liabilities acquired. We use established valuation techniques and engage reputable valuation specialists to assist us with these valuations. However, there is a risk that we may not identify all pre-acquisition contingencies or that our estimates may not reflect the actual results when realized. We use a reasonable measurement period to record any adjustment related to the opening balance sheet (one year or less). After the measurement period, changes to the opening balance sheet can result in the recognition of income or expense as period costs. If our purchase accounting estimates are not correct, or if we do not recognize contingent liabilities within the measurement period, we may incur losses.

Impairment or Disposal of Long-Lived Assets

Property, Plant and Equipment and Intangible Assets with Defined Lives

We make judgments and estimates in conjunction with the carrying value of our long-term assets, including property, plant and equipment, and identifiable intangibles. These judgments may include the basis for capitalization, depreciation and amortization methods and the useful lives of the underlying assets. In accordance with U.S. GAAP, we review the carrying values of these assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. We determine that the carrying amount is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value exceeds the sum of the undiscounted cash flows and after considering alternate uses for the asset, an impairment charge would be recorded in the period in which such review is performed. We measure the impairment loss as the amount by which the carrying amount of the long-lived asset exceeds its fair value. Fair value is determined by reference to quoted market prices in active markets, if available, or by calculating the discounted cash flows associated with the use and eventual disposition of the asset. Therefore, if there are indicators of impairment, we are required to make long-term forecasts of our future revenues and costs related to the assets subject to review. Forecasts require assumptions about demand for our products and future market conditions. Although there may be no indicators of impairment in the current period, unanticipated changes to assumptions or circumstances in future periods could result in an impairment charge in the period of the change.

We monitor relevant circumstances, including industry trends, general economic conditions, and the potential impact that such circumstances might have on the valuation of our identifiable intangibles. Events and changes in circumstances that may cause a triggering event and necessitate such a review include, but are not limited to: a decrease in sales for certain customers, improvements or changes in technology, and/or a decision to phase-out a trademark or trade name. Such events could negatively impact the carrying value of our identifiable intangibles. It is possible that changes in such circumstances or in the numerous variables associated with the judgments, assumptions, and estimates made by us in assessing the appropriate valuation of our identifiable intangibles could require us to further write down a portion of our identifiable intangibles and record related non-cash impairment charges in the future. We apply a variety of techniques to establish the carrying value of our intangible assets, including the relief from royalty and excess current year earnings methods.

As discussed in the “Goodwill” and “Restructuring” sections of our “Nature of Operations and Basis of Presentation” in Note 1, we restructured our reportable segments during the third quarter of 2025, which triggered the requirement to assess our recorded goodwill by reporting unit for potential impairment. The evaluation resulted in an impairment charge primarily associated with the decline in our stock price through the assessment date. Taking into consideration our recent stock price trajectory, we again assessed our remaining recorded goodwill for potential impairment during the fourth quarter of 2025, and concluded that an impairment of goodwill had not occurred. We did not record any impairment charges related to property, plant and equipment or intangible assets with defined lives as a result of either impairment analyses. There were no other indicators of triggering events noted for any period in the years ended October 31, 2025, 2024 and 2023. Therefore, we did not record an impairment charge related to property, plant and equipment or intangible assets with defined lives during the years ended October 31, 2025, 2024, and 2023.

Goodwill

We use the acquisition method to account for business combinations and, to the extent that the purchase price exceeds the fair value of the net assets acquired, we record goodwill. In accordance with U.S. GAAP, we are required to evaluate our goodwill at least annually. We perform our annual goodwill assessment as of August 31, or more frequently if indicators of impairment exist. Qualitative factors that indicate impairment could include, but are not limited to, (i) macroeconomic conditions, (ii) industry and market considerations, (iii) cost factors, (iv) overall financial performance of the reporting unit, and (v) other relevant entity-specific events. The first step in our annual goodwill assessment is to perform the optional qualitative

assessment allowed by ASC Topic 350 “Intangibles - Goodwill and Other” (ASC 350). In our qualitative assessment, we evaluate relevant events or circumstances to determine whether it is more likely than not (i.e., greater than 50%) that the fair value of a reporting unit is less than its carrying amount. If we determine that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, ASC 350 requires us to compare the fair value of such reporting unit to its carrying value including goodwill. To determine the fair value of our reporting units, we use multiple valuation techniques including a discounted cash flow analysis, using the applicable weighted average cost of capital, in combination with a market approach that uses market multiples and a selection of guideline public companies. This test requires us to make assumptions about the future growth of our business and the market in general, as well as other variables such as the level of investment in capital expenditure, growth in working capital requirements and the terminal or residual value of our reporting units beyond the periods of estimated annual cash flows. We use a third-party valuation firm to assist us with this analysis. If the fair value of each reporting unit exceeds its carrying value, no action is required. Otherwise, an impairment loss is recorded to the extent that the carrying amount of the reporting unit including goodwill exceeds the fair value of that reporting unit. We believe the estimates and assumptions used in our impairment assessment are reasonable based on available market information, but variations in any of the assumptions could result in materially different calculations of fair value and determinations of whether or not an impairment is indicated during current or future periods.

In connection with the restructuring of our operating segments during the third quarter of 2025, we reassigned goodwill among certain of our reporting units using a relative fair value approach and performed a quantitative goodwill impairment test on all reporting units to determine if any impairment existed. To estimate the fair value of our reporting units, we first applied the discounted cash flow method under the income approach. While the income approach did not initially indicate an impairment, as required, we then applied the market approach. As a result of the prolonged decline in our stock price through the assessment date, driven by broader macroeconomic conditions, including weaker consumer confidence and high levels of uncertainty across the industry, the resulting fair value attributed to certain reporting units was lower than their carrying value, necessitating the recognition of a non-cash goodwill impairment charge of \$302.3 million, which was recorded in the consolidated statements of income within “Goodwill impairment charges” for the nine months ended July 31, 2025.

At our annual testing date, August 31, 2025, we had seven reporting units with goodwill balances: two reporting units included in our Hardware Solutions operating segment, three reporting units included in our Extruded Solutions operating segment, and two reporting units included in our Custom Solutions operating segment. We performed a qualitative assessment for all reporting units. This review included an analysis of historical goodwill test results, operating results relative to forecast, projected results over the next five years, and other measures and concluded that there were no indicators of potential impairment associated with these reporting units.

At September 30, 2025, taking into consideration the most recent stock price trajectory, we again assessed our goodwill for potential impairment. Changes in certain assumptions could have a significant impact on the impairment tests for goodwill. The most critical assumptions are projected future growth rates, EBITDA margin, terminal growth rate, discount rate selection, peer group determination and market multiples. These assumptions are subject to change as the Company's long-term plans and strategies are updated each year. At September 30, 2025, each reporting unit's fair value exceeded the carrying value of the reporting unit, and as such, there is no goodwill impairment. However, the quantitative analysis of goodwill for one reporting unit indicated that the cushion between its estimated fair value and carrying value was less than 10%. Goodwill associated with the reporting unit at October 31, 2025 is \$12.0 million. The estimated fair value determination requires judgment and is sensitive to changes in the underlying assumptions discussed above. Accordingly, if current cash flow assumptions are not realized or other macroeconomic factors adversely impact other assumptions, it is possible that an impairment charge may be recorded in the future. For additional discussion of the restructuring and goodwill, see the “Restructuring” and “Goodwill” sections of Note 1, “Nature of Operations, Basis of Presentation and Significant Accounting Policies.”

Income Taxes

We operate in various jurisdictions and therefore our income tax expense relates primarily to income taxes in the U.S. and the U.K., as well as local, state and foreign income taxes. We recognize the effect of a change in tax rates in the period of the change. We record the estimated future tax effects of temporary differences between the tax basis of assets and liabilities and the amounts reported in our consolidated balance sheets, as well as net operating losses and tax credit carry forward. We evaluate the carrying value of our net deferred tax assets and determine if our business will generate sufficient future taxable income to realize the net deferred tax assets. We perform this review for recoverability on a jurisdictional basis, whereby we consider both positive and negative evidence related to the likelihood of realization of the deferred tax assets. The weight given to the positive and negative evidence is commensurate with the extent to which the evidence can be objectively verified. We evaluate recoverability based on an estimate of future taxable income using the long-term forecasts we use to evaluate long-lived assets, goodwill and intangible assets for impairment, taking into consideration the future reversal of existing taxable temporary differences and reviewing our current financial operations. The company classifies interest on income tax as income

tax expense and classifies penalties on income tax as other expenses. In the event that our estimates and assumptions indicate we will not generate sufficient future taxable income to realize our deferred tax assets, we will record a valuation allowance, to the extent indicated, to reduce our deferred tax assets to their realizable value.

Annually, we evaluate our tax positions to determine if there have been any changes in uncertain tax positions or if there has been a lapse in the statute of limitations with regard to such positions. As of October 31, 2025 and 2024 our liability for uncertain tax positions was \$0.7 million and zero, respectively. The unrecognized tax benefits for 2025 primarily relate to transfer pricing matters.

We believe we will have sufficient taxable income in the future to fully utilize our deferred tax assets recorded as of October 31, 2025, net of our valuation allowance. There is a risk that our estimates related to the future use of loss carry forwards and our ability to realize our deferred tax assets may not come to fruition, and that the results could materially impact our financial position and results of operations. Our total gross deferred tax assets as of October 31, 2025 and 2024 were \$65.2 million and \$60.3 million, respectively, for which we reserved a valuation allowance of \$4.4 million for each of the corresponding periods, respectively. The deferred tax assets, net of valuation allowance, offset the deferred liability within a jurisdiction.

Inventory

We record inventory at the lower of cost or net realizable value. Inventories are valued using the first-in first-out (FIFO) method. Fixed costs related to excess manufacturing capacity have been expensed in the period, and therefore, are not capitalized into inventory. Inventory quantities are regularly reviewed and provisions for excess or obsolete inventory are recorded primarily based on our forecast of future demand and market conditions. Significant unanticipated changes to our forecasts or changes in the net realizable value of our inventory would require a change in the provision for excess or obsolete inventory. For the years ended October 31, 2025 and 2024, our inventory reserves are approximately 9% and 1% of gross inventory, respectively.

Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments include unconditional purchase obligations which consist of commitments to buy miscellaneous parts, inventory, and expenditures related to capital projects in progress. At October 31, 2025, we had firm purchase commitments of approximately \$8.3 million for the purchase or construction of capital assets. We plan to fund these capital expenditures through cash from operations or borrowings under our revolving credit facility.

Our supplemental benefit plan was terminated in June 2023. As a result, our liability for this plan was distributed in June 2024 in accordance with IRS requirements. As of October 31, 2025, our liability under the deferred compensation plan was approximately \$4.1 million.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, as such term is defined in the rules promulgated by the SEC, that we believe would be material to investors and for which it is reasonably likely to have a current or future effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Effects of Inflation

We have experienced the impact of inflation on our cost of raw materials, labor, freight and overhead, particularly during the years ended October 31, 2025 and 2024. Although we use contractual price indexing along with periodic base price increases to minimize the effect of inflation on our results, we have not been able to fully recover all of the inflationary cost increases. We cannot provide assurance that our results of operations and financial position will not be materially impacted by inflation in the future.

Recent 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.

Recent Accounting Pronouncements Adopted

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. Our adoption of this standard effective for the fiscal year ending October 31, 2025 resulted in increased disclosures in the notes to the financial statements. This guidance was applied retrospectively to all prior periods presented in the financial statements.

Recent Accounting Pronouncements 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.

Item 7A. *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 outstanding 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 October 31, 2025, a hypothetical 1.0% increase or decrease in interest rates could result in approximately \$6.4 million of additional pre-tax charges or credit to our operating results. This sensitivity pertains primarily to our outstanding revolving credit facility borrowings outstanding under the Credit Facility as of October 31, 2025.

Foreign Currency Rate Risk

Our international operations have exposure to foreign currency rate risks, due primarily to fluctuations in the Euro, the British Pound Sterling and the Mexican Peso (“MXN”) exchange rates, to the U.S. Dollar (“USD”). From time to time, we enter into foreign exchange contracts associated with our operations to manage a portion of the foreign currency rate risk and the potential impact to ongoing cash flows. Hedge accounting is not applied to our foreign exchange contracts. As of October 31, 2025, we have outstanding forward foreign exchange contracts to hedge our foreign currency exposures against the MXN to the USD, with a notional principal amount of \$20.0 million. During the year ended October 31, 2025 and 2024, we recognized a net loss of less than \$0.1 million and \$0.3 million, respectively, related to our forward foreign exchange contracts.

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.

For our remaining businesses, contractual price adjustment mechanisms are in place for key commodities including stainless steel and zinc for most large U.S. customers, but not all. For those customers not covered by contractual mechanisms, we have successfully implemented surcharges and general price increases to share the impact of price changes with our customers. Like our other businesses, 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, polypropylene and other inputs.

Certain raw materials and commodities we use to manufacture our products are subject to tariffs. Currently, there is uncertainty on how recently enacted tariffs and potential future tariffs may affect the price of these raw materials and commodities. We are constantly assessing potential supply chain vulnerability and implementing strategies (i.e. surcharges) to mitigate potential tariff impacts. We are also utilizing local supply chains where possible to reduce supply and cost risks. Additionally, we continue to explore alternative supply sources and evaluate shifts in demand. Further discussion of our industry risks is included within our Annual Report on Form 10-K for the fiscal year ended October 31, 2025 and the section entitled “*Item 1A. Risk Factors*” within this Form 10-K.

Item 8. *Financial Statements and Supplementary Data.*

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Quanex Building Products Corporation

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Quanex Building Products Corporation and subsidiaries (the “Company”) as of October 31, 2025 and 2024, the related consolidated statements of (loss) income, comprehensive (loss) income, stockholders' equity, and cash flow for each of the three years in the period ended October 31, 2025, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended October 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of October 31, 2025, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), and our report dated December 12, 2025 expressed an adverse opinion.

Basis for opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Quantitative goodwill impairment assessment of each of the Company’s reporting units

As described in Note 1 to the financial statements, the Company performs its annual goodwill impairment test as of August 31, or more frequently if indicators of impairment exist. In the third quarter of 2025 the Company tested goodwill for impairment due to the restructuring of its reportable segments. Also, during the fourth quarter of 2025, the Company tested goodwill for impairment due to the identified triggering event related to the decline in the Company’s stock price. We identified the estimation of the fair value of the reporting units as a critical audit matter.

The principal consideration for our determination that the estimation of the fair value of the reporting units is a critical audit matter relates to the use of the income approach which is one method management uses to estimate the fair value of the reporting units. Auditing the fair value of the reporting units involved a high degree of auditor judgment, subjectivity and audit effort in evaluating management’s significant assumptions used in the income approach, including future cash flows related to the reporting units and the weighted average cost of capital (WACC). In addition, the audit effort involved the use of valuation specialists to assist in performing these procedures and evaluating the audit evidence obtained.

Our audit procedures related to the estimation of the fair value of the reporting units included the following, among others.

- We tested the effectiveness of controls over goodwill impairment including those over the determination of fair value, including controls relating to management’s development of forecasts of future revenues, earnings, cash flows and WACC.

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- We evaluated the reasonableness of management's forecasts of revenues, earnings and cash flows by comparing the forecasts to historical revenues, earnings and cash flows, current budgets, our understanding of the current business strategy, communications to the Board of Directors, press releases and industry reports.
- We utilized our valuation specialists to evaluate the reasonableness of the WACC used by management, including the testing of underlying source information and developing a range of independent estimates and comparing those to the rate selected by management.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2014.

Houston, Texas

December 12, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Quanex Building Products Corporation

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Quanex Building Products Corporation and subsidiaries (the “Company”) as of October 31, 2025, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). In our opinion, because of the effect of the material weakness described in the following paragraphs on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of October 31, 2025, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

A material weakness is a deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness have been identified and included in management’s assessment.

Management identified a material weakness in internal controls related to the design and operation of controls over the Company’s preparation and review of the statement of cash flows.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements of the Company as of and for the year ended October 31, 2025, and our report dated December 12, 2025 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Houston, Texas
December 12, 2025

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company, including the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Company's internal control system was designed to provide reasonable assurance to management and the Company's Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

All internal control systems, no matter how well designed, have inherent limitations. A system of internal control may become inadequate over time because of changes in conditions, or deterioration in the degree of compliance with the policies or procedures. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2025, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control — Integrated Framework (2013). Based on this assessment, management identified a material weakness in the Company's internal control over financial reporting related to the design and operation of controls over the Company's preparation and review of the statement of cash flows.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. As a result of the identified material weakness, management has concluded that the Company's internal control over financial reporting was not effective as of October 31, 2025. We are actively implementing remedial measures to address the identified material weakness. We expect the remediation of this material weakness to be completed prior to the end of fiscal year 2026.

Grant Thornton LLP, the Company's independent registered public accounting firm, has issued an attestation report on the effectiveness of the Company's internal control over financial reporting.

QUANEX BUILDING PRODUCTS CORPORATION
CONSOLIDATED BALANCE SHEETS
As of October 31, 2025 and 2024

	October 31,	
	2025	2024
	(In thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 76,018	\$ 97,744
Restricted cash	2,100	5,251
Accounts receivable, net of allowance for credit losses of \$2,039 and \$254	205,384	197,689
Inventories	254,122	275,550
Income tax receivable	—	5,937
Prepaid assets	32,387	23,419
Other current assets	3,764	5,678
Total current assets	573,775	611,268
Property, plant and equipment, net of accumulated depreciation of \$414,809 and \$391,851	411,591	402,466
Operating lease right-of-use assets	154,866	126,715
Deferred income tax assets	2,706	3,845
Goodwill	271,346	574,711
Intangible assets, net	549,137	597,909
Other assets	4,812	2,874
Total assets	<u>\$ 1,968,233</u>	<u>\$ 2,319,788</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 131,307	\$ 124,404
Accrued liabilities	95,155	103,623
Income taxes payable	12,076	6,620
Current maturities of long-term debt	27,561	25,745
Current operating lease liabilities	15,446	12,475
Total current liabilities	281,545	272,867
Long-term debt	665,268	737,198
Non-current operating lease liabilities	145,459	117,560
Deferred income taxes	135,993	162,304
Other liabilities	13,789	19,113
Total liabilities	1,242,054	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 51,211,469 and 51,266,501 respectively; outstanding 45,674,726 and 47,252,070, respectively	512	513
Additional paid-in-capital	700,029	701,008
Retained earnings	164,710	430,405
Accumulated other comprehensive loss	(35,439)	(46,428)
Less: Treasury stock at cost, 5,536,743 and 4,014,431 shares, respectively	(103,633)	(74,752)
Total stockholders' equity	726,179	1,010,746
Total liabilities and stockholders' equity	<u>\$ 1,968,233</u>	<u>\$ 2,319,788</u>

See notes to consolidated financial statements.

QUANEX BUILDING PRODUCTS CORPORATION
CONSOLIDATED STATEMENTS OF (LOSS) INCOME
For the Years Ended October 31, 2025, 2024 and 2023

	Year Ended October 31,		
	2025	2024	2023
	(In thousands, except per share amounts)		
Net sales	\$ 1,837,641	\$ 1,277,862	\$ 1,130,583
Cost and expenses:			
Cost of sales (excluding depreciation and amortization)	1,338,413	972,238	853,059
Selling, general and administrative	277,261	190,470	123,957
Restructuring charges	10,191	—	—
Depreciation and amortization	103,444	60,328	42,866
Goodwill impairment charges	302,284	—	—
Operating (loss) income	(193,952)	54,826	110,701
Non-operating (expense) income:			
Interest expense	(55,812)	(20,593)	(8,136)
Other, net	7,171	7,849	(5,519)
(Loss) income before income taxes	(242,593)	42,082	97,046
Income tax expense	(8,213)	(9,023)	(14,545)
Net (loss) income	<u>\$ (250,806)</u>	<u>\$ 33,059</u>	<u>\$ 82,501</u>
Basic (loss) earnings per common share	\$ (5.43)	\$ 0.91	\$ 2.51
Diluted (loss) earnings per common share	\$ (5.43)	\$ 0.90	\$ 2.50
Weighted-average common shares outstanding:			
Basic	46,170	36,416	32,819
Diluted	46,170	36,648	33,026
Cash dividends per share	\$ 0.32	\$ 0.32	\$ 0.32

See notes to consolidated financial statements.

QUANEX BUILDING PRODUCTS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
For the Years Ended October 31, 2025, 2024 and 2023

	Year Ended October 31,		
	2025	2024	2023
	(In thousands)		
Net (loss) income	\$ (250,806)	\$ 33,059	\$ 82,501
Other comprehensive income (loss):			
Foreign currency translation adjustments gain (loss), net of tax	10,989	(8,287)	8,542
Change in pension from net unamortized gain (pretax)	—	—	3,558
Change in pension from net unamortized gain tax expense	—	—	(819)
Total other comprehensive income (loss), net of tax	10,989	(8,287)	11,281
Comprehensive (loss) income	<u>\$ (239,817)</u>	<u>\$ 24,772</u>	<u>\$ 93,782</u>

See notes to consolidated financial statements.

QUANEX BUILDING PRODUCTS CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended October 31, 2025, 2024 and 2023

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
(In thousands, except share amounts)								
Balance at October 31, 2022	37,211,056	\$ 372	\$ 251,947	\$ 337,456	\$ (49,422)	(4,081,806)	\$ (75,518)	\$ 464,835
Net income	—	—	—	82,501	—	—	—	82,501
Foreign currency translation adjustments	—	—	—	—	8,542	—	—	8,542
Change in pension from net unamortized gain (net of tax benefit of \$819)	—	—	—	—	2,739	—	—	2,739
Common dividends (\$0.32 per share)	—	—	—	(10,639)	—	—	—	(10,639)
Treasury shares purchased, at cost	—	—	—	—	—	(275,000)	(5,593)	(5,593)
Expense related to stock-based compensation	—	—	2,521	—	—	—	—	2,521
Stock options exercised	—	—	32	—	—	63,587	1,183	1,215
Restricted stock awards granted	—	—	(1,752)	—	—	94,700	1,752	—
Performance restricted stock unit awards vested	—	—	(605)	—	—	32,680	605	—
Other	(34,098)	—	(567)	—	—	—	—	(567)
Balance at October 31, 2023	37,176,958	\$ 372	\$ 251,576	\$ 409,318	\$ (38,141)	(4,165,839)	\$ (77,571)	\$ 545,554
Net income	—	—	—	33,059	—	—	—	33,059
Foreign currency translation adjustments	—	—	—	—	(8,287)	—	—	(8,287)
Common dividends (\$0.32 per share)	—	—	—	(11,972)	—	—	—	(11,972)
Issuance of common stock, acquisition	14,139,477	142	449,918	—	—	—	—	450,060
Expense related to stock-based compensation	—	—	2,952	—	—	—	—	2,952
Stock options exercised	—	—	28	—	—	29,280	545	573
Restricted stock awards granted	—	—	(1,357)	—	—	72,900	1,357	—
Performance restricted stock unit awards vested	—	—	(917)	—	—	49,228	917	—
Other	(49,934)	(1)	(1,192)	—	—	—	—	(1,193)
Balance at October 31, 2024	51,266,501	\$ 513	\$ 701,008	\$ 430,405	\$ (46,428)	(4,014,431)	\$ (74,752)	\$ 1,010,746
Net loss	—	—	—	(250,806)	—	—	—	(250,806)
Foreign currency translation adjustments	—	—	—	—	10,989	—	—	10,989
Common dividends (\$0.32 per share)	—	—	—	(14,889)	—	—	—	(14,889)
Treasury shares purchased, at cost	—	—	—	—	—	(1,709,119)	(32,360)	(32,360)
Expense related to stock-based compensation	—	—	3,685	—	—	—	—	3,685
Stock options exercised	—	—	41	—	—	9,300	173	214
Restricted stock awards granted	—	—	(2,006)	—	—	107,682	2,006	—
Performance restricted stock unit awards vested	—	—	(1,300)	—	—	69,825	1,300	—
Other	(55,032)	(1)	(1,399)	—	—	—	—	(1,400)
Balance at October 31, 2025	51,211,469	\$ 512	\$ 700,029	\$ 164,710	\$ (35,439)	(5,536,743)	\$ (103,633)	\$ 726,179

See notes to consolidated financial statements.

QUANEX BUILDING PRODUCTS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW
For the Years Ended October 31, 2025, 2024 and 2023

	Year Ended October 31,		
	2025	2024	2023
	(In thousands)		
Operating activities:			
Net (loss) income	\$ (250,806)	\$ 33,059	\$ 82,501
Adjustments to reconcile net (loss) income to cash provided by operating activities:			
Depreciation and amortization	103,444	60,328	42,866
Loss (gain) on disposition of capital assets	613	(5,218)	278
Stock-based compensation	3,685	2,952	2,521
Deferred income tax	(18,535)	(15,336)	5,147
Charge for deferred loan costs and debt discount	—	3,469	—
Goodwill impairment charges	302,284	—	—
Gain on deal contingent foreign exchange forward currency contract	—	(6,512)	—
Noncash restructuring charges	4,561	—	—
Other, net	7,114	4,495	1,529
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(6,878)	973	6,969
Decrease in inventory	23,553	33,484	30,024
(Increase) decrease in other current assets	(3,653)	4,297	(1,880)
Increase (decrease) in accounts payable	3,313	(35,824)	(11,611)
(Decrease) increase in accrued liabilities	(9,657)	6,250	(4,249)
Increase (decrease) in current income taxes payable	11,108	9,139	(9,009)
(Decrease) increase in other long-term liabilities	(4,693)	(7,155)	683
Other, net	(556)	411	1,283
Cash provided by operating activities	164,897	88,812	147,052
Investing activities:			
Acquisitions, net of cash acquired	—	(398,554)	(91,302)
Capital expenditures	(62,642)	(37,086)	(37,390)
Proceeds from disposition of capital assets	634	15,046	253
Cash used for investing activities	(62,008)	(420,594)	(128,439)
Financing activities:			
Borrowings under credit facility	190,000	785,000	102,000
Repayments of credit facility borrowings	(265,000)	(83,750)	(100,000)
Debt issuance costs	—	(13,808)	—
Repayments of other long-term debt	(4,045)	(296,206)	(2,567)
Common stock dividends paid	(14,889)	(11,972)	(10,639)
Issuance of common stock	214	573	1,215
Proceeds from deal contingent foreign exchange forward currency contract	—	6,512	—
Payroll tax paid to settle shares forfeited upon vesting of stock	(1,400)	(1,193)	(567)
Purchase of treasury stock	(32,360)	—	(5,593)
Cash (used for) provided by financing activities	(127,480)	385,156	(16,151)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(286)	(8,853)	919
(Decrease) increase in cash, cash equivalents and restricted cash	(24,877)	44,521	3,381
Cash, cash equivalents and restricted cash at beginning of period	102,995	58,474	55,093
Cash, cash equivalents and restricted cash at end of period	\$ 78,118	\$ 102,995	\$ 58,474

See notes to consolidated financial statements.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Operations, Basis of Presentation and Significant Accounting Policies

Nature of Operations

Quanex Building Products Corporation is a leading manufacturer and component supplier to original equipment manufacturers (OEMs) in the building products industry, including window, door, solar, refrigeration, custom mixing, building access, and cabinetry markets. We have organized our business into three reportable business segments: (1) Hardware Solutions, (2) Extruded Solutions, and (3) Custom Solutions. For additional discussion of our reportable business segments, see Note 17, "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 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

Our consolidated financial statements have been prepared by us in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). We consolidate our wholly-owned subsidiaries and eliminate intercompany sales and transactions. We have no cost or equity investments in companies that are not wholly-owned. Certain reclassifications were made to prior period balances for current period presentation. In our opinion, these audited financial statements contain all adjustments necessary to fairly present our financial position, results of operations and cash flows for the periods presented.

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 ongoing basis, including those related to impairment of long lived assets and goodwill, pension and retirement liabilities, contingencies and income taxes. Changes in facts and circumstances may result in revised estimates and actual results may differ from these estimates.

A summary of our significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

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 reasonably assured.

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 as our contract terms are less than one year.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 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 years ended October 31, 2025, 2024, and 2023 into groupings by segment which we believe depicts 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 17, “Segment Information.”

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Year Ended October 31,		
	2025	2024	2023
	(in thousands)		
Hardware Solutions:			
Window and door hardware	\$ 552,825	\$ 146,187	\$ —
Screens	280,814	279,804	296,959
Other	8,035	1,848	—
	<u>\$ 841,674</u>	<u>\$ 427,839</u>	<u>\$ 296,959</u>
Extruded Solutions:			
Window profiles	\$ 278,399	\$ 255,816	\$ 284,119
Seals and gaskets	80,916	21,321	—
Spacers	199,217	198,475	191,212
Solar	24,080	25,672	21,061
Flashing tape	9,825	18,263	16,271
Window and door hardware	39,726	11,177	—
Other	14,464	29,271	31,922
	<u>\$ 646,627</u>	<u>\$ 559,995</u>	<u>\$ 544,585</u>
Custom Solutions:			
Wood solutions	\$ 200,104	\$ 198,424	\$ 215,445
Access solutions	101,904	25,792	—
Mixing solutions	86,202	85,225	82,916
	<u>\$ 388,210</u>	<u>\$ 309,441</u>	<u>\$ 298,361</u>
Unallocated Corporate & Other:			
Eliminations	\$ (38,870)	\$ (19,413)	\$ (9,322)
	<u>\$ (38,870)</u>	<u>\$ (19,413)</u>	<u>\$ (9,322)</u>
Net sales	<u>\$ 1,837,641</u>	<u>\$ 1,277,862</u>	<u>\$ 1,130,583</u>

Cash, Cash Equivalents and Restricted Cash

Cash equivalents include all highly liquid investments with an original maturity of three months or less. Such securities with an original maturity which exceeds three months are deemed to be short-term investments. Restricted cash is cash held in a foreign subsidiary that is not available for use as a result of exchange control restrictions. We maintain cash, cash equivalents and restricted cash at several financial institutions, which at times may not be federally insured or may exceed federally insured limits. We have not experienced any losses in such accounts and believe we are not exposed to any significant credit risks on such accounts.

Concentration of Credit Risk and Allowance for Credit Losses

Certain of our businesses or product lines are largely dependent on a relatively few large customers. Although we believe we have an extensive customer base, the loss of one of these large customers or if such customers were to incur a prolonged period of decline in business, our financial condition and results of operations could be adversely affected. For the years ended October 31, 2025, 2024 and 2023, one customer provided more than 10% of our consolidated net sales and accounts receivable.

We have established an allowance for credit losses to estimate the risk of loss associated with our accounts receivable balances. Our policy for determining the allowance is based on factors that affect collectability, including: (a) historical trends of write-offs, recoveries and credit losses; (b) the credit quality of our customers; and (c) projected economic and market conditions. We believe our allowance is adequate to absorb any known or probable losses as of October 31, 2025. Different assumptions or changes in economic circumstances could result in changes to the allowance.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Business Combinations

We apply the acquisition method of accounting for business combinations, which requires us to make use of estimates and judgments to allocate the purchase price paid for acquisitions to the fair value of the assets and liabilities acquired. We account for contingent assets and liabilities at fair value on the acquisition date, and record changes to fair value associated with these assets and liabilities as a period cost as incurred. We use established valuation techniques and engage reputable valuation specialists to assist us with these valuations. However, there is a risk that we may not identify all pre-acquisition contingencies or that our estimates may not reflect the actual results when realized. We use a reasonable measurement period to record any adjustment related to the opening balance sheet (generally, less than one year). After the measurement period, changes to the opening balance sheet can result in the recognition of income or expense as period costs. To the extent these items stem from contingencies that existed at the balance sheet date, but are contingent upon the realization of future events, the cost is charged to expense at the time the future event becomes known.

Inventory

We record inventory at the lower of cost or net realizable value. Inventories are valued using the first-in first-out (FIFO) method. Fixed costs related to excess manufacturing capacity are evaluated and expensed in the period, to ensure that inventory is properly capitalized. Inventory quantities are regularly reviewed and write-downs for excess or obsolete inventory are recorded primarily based on our forecast of future demand and our estimates regarding current and future market conditions. Significant unanticipated variances to our forecasts could require a change in the provision for excess or obsolete inventory, resulting in a charge to net income during the period of the change.

Long-Lived Assets

Property, Plant and Equipment and Intangible Assets with Defined Lives

We make judgments and estimates related to the carrying value of property, plant and equipment, intangible assets with defined lives, and long-lived assets, which include determining when to capitalize costs, the depreciation and amortization methods to use and the useful lives of these assets. We evaluate these assets for impairment when there are indicators that the carrying values of these assets might not be recoverable. Such indicators of impairment may include changes in technology, significant market fluctuations, historical losses or loss of a significant customer, or other changes in circumstance that could affect the assets' ability to generate future cash flows. When we evaluate these assets for impairment, we compare the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset to its carrying value. If the carrying value exceeds the sum of the undiscounted cash flows, and there is no alternative use for the asset, we determine that the asset is impaired. To measure the impairment charge, we compare the carrying amount of the long-lived asset to its fair value, as determined by quoted market prices in active markets, if available, or by discounting the projected future cash flows. This calculation of fair value requires us to develop and employ long-term forecasts of future operating results related to these assets. These forecasts are based on assumptions about demand for our products and future market conditions. Future events and unanticipated changes to these assumptions could require a provision for impairment, resulting in a charge to net income during the period of the change.

We monitor relevant circumstances, including industry trends, general economic conditions, and the potential impact that such circumstances might have on the valuation of our identifiable intangible assets with finite lives. Events and changes in circumstance that may cause a triggering event and necessitate such a review include, but are not limited to: a decrease in sales for certain customers, improvements or changes in technology, and/or a decision to discontinue the use of a trademark or trade name, or to allow a patent to lapse. Such events could negatively impact the fair value of our identifiable intangible assets. In such circumstances, we may evaluate the underlying assumptions and estimates made by us in order to assess the appropriate valuation of these identifiable intangible assets and compare to the carrying value of the assets. We may be required to write down these identifiable intangible assets and record a non-cash impairment charge. When we originally value our intangible assets, we use a variety of techniques to establish the carrying value of the assets, including the relief from royalty method, excess current year earnings method and income method.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

As discussed in the “Restructuring” section of our “Nature of Operations and Basis of Presentation and Significant Accounting Policies” in Note 1, we restructured our reportable segments during the third quarter of 2025, which triggered the requirement to assess our goodwill for potential impairment. In addition, during the fourth quarter of 2025, we noted a sustained decline in our stock price, which represented an additional triggering indicator of impairment. We did not record any impairment charges related to property, plant and equipment or intangible assets with defined lives as a result of either impairment analyses. There were no other indicators of triggering events noted for any period in the years ended October 31, 2025, 2024 and 2023. Therefore, we did not record an impairment charge related to property, plant and equipment or intangible assets with defined lives during the years ended October 31, 2025, 2024 and 2023.

Software development costs, including costs incurred to purchase third-party software, are capitalized when we have determined that the technology is capable of meeting our performance requirements, and we have authorized funding for the project. We cease capitalization of software costs when the software is substantially complete and is ready for its intended use. The software is then amortized over its estimated useful life. When events or circumstances indicate the carrying value of internal use software might not be recoverable, we assess the recoverability of these assets by comparing the carrying value of the asset to the undiscounted future cash flows expected to be generated from the asset’s use, consistent with the methodology to test other property, plant and equipment for impairment.

Property, plant and equipment is stated at cost and is depreciated using the straight-line method over the estimated useful lives of the assets. We capitalize betterments which extend the useful lives or significantly improve the operational efficiency of assets. We expense repair and maintenance costs as incurred.

The estimated useful lives of our primary asset categories at October 31, 2025 were as follows:

	<u>Useful Life (in Years)</u>
Land improvements	7 to 25
Buildings	25 to 40
Building improvements	5 to 20
Machinery and equipment	2 to 15

Leasehold improvements are depreciated over the shorter of their estimated useful lives or the term of the lease.

Goodwill

We use the acquisition method to account for business combinations and, to the extent that the purchase price exceeds the fair value of the net assets acquired, we record goodwill. In accordance with U.S. GAAP, we are required to evaluate our goodwill at least annually. We perform our annual goodwill assessment as of August 31, or more frequently if indicators of impairment exist. Qualitative factors that indicate impairment could include, but are not limited to, (i) macroeconomic conditions, (ii) industry and market considerations, (iii) cost factors, (iv) overall financial performance of the reporting unit, and (v) other relevant entity-specific events. The first step in our annual goodwill assessment is to perform the optional qualitative assessment allowed by ASC Topic 350 “Intangibles - Goodwill and Other” (ASC 350). In our qualitative assessment, we evaluate relevant events or circumstances to determine whether it is more likely than not (i.e., greater than 50%) that the fair value of a reporting unit is less than its carrying amount. If we determine that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, ASC 350 requires us to compare the fair value of such reporting unit to its carrying value including goodwill. To determine the fair value of our reporting units, we use multiple valuation techniques including a discounted cash flow analysis, using the applicable weighted average cost of capital, in combination with a market approach that uses market multiples and a selection of guideline public companies. This test requires us to make assumptions about the future growth of our business and the market in general, as well as other variables such as the level of investment in capital expenditure, growth in working capital requirements and the terminal or residual value of our reporting units beyond the periods of estimated annual cash flows. We use a third-party valuation firm to assist us with this analysis. If the fair value of each reporting unit exceeds its carrying value, no action is required. Otherwise, an impairment loss is recorded to the extent that the carrying amount of the reporting unit including goodwill exceeds the fair value of that reporting unit. We believe the estimates and assumptions used in our impairment assessment are reasonable based on available market information, but variations in any of the assumptions could result in materially different calculations of fair value and determinations of whether or not an impairment is indicated during current or future periods.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In the third quarter of 2025, we tested goodwill for impairment as a result of the restructuring of our reportable segments. The testing of our goodwill resulted in a goodwill impairment of \$302.3 million. Of the goodwill impairment amount recorded during the nine months ended July 31, 2025, \$44.8 million relates to tax-deductible goodwill. The remaining charge was not deductible for tax purposes, and no deferred tax asset was recognized.

At our annual testing date, August 31, 2025, we had seven reporting units with goodwill balances: two reporting units included in our Hardware Solutions operating segment, three reporting units included in our Extruded Solutions operating segment, and two reporting units included in our Custom Solutions operating segment. We performed a qualitative assessment of the reporting units in all three reportable segments. This review included an analysis of historical goodwill test results, operating results relative to forecast, projected results over the next five years, and other measures and concluded that there were no indicators of potential impairment associated with these reporting units.

During the fourth quarter of 2025, after reviewing general potential indicators of impairment and noting a triggering event related to the decline in stock price, we performed an interim impairment assessment as of September 30, 2025. Based on the results of this analysis, no additional goodwill impairment was identified.

For additional discussion of the restructuring, see Note 1, “Nature of Operations, Basis of Presentation and Significant Accounting Policies - Restructuring.” For additional discussion of our goodwill, see Note 7, “Goodwill and Intangibles.” 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 17, “Segment Information.”

Restructuring

We accrue one-time severance costs pursuant to an approved plan of restructuring at the communication date, when affected employees have been notified of the potential severance and sufficient information has been provided for the employee to calculate severance benefits, in the event the employee is involuntarily terminated. 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.

During the twelve months ended October 31, 2025, we restructured our reportable segments to integrate the acquisition of Tyman plc with our legacy Quanex operations. This restructuring aligns our business into three reportable segments: Hardware Solutions, Extruded Solutions, and Custom Solutions, which is how our Chief Operating Decision Maker (“CODM”) assesses the performance of our business, makes key operating decisions and allocates resources. Prior period amounts have been recast to conform to the new segment structure. For additional discussion of our acquisition of Tyman plc, see Note 2, “Acquisition.” For additional discussion of our reportable business segments, see Note 17, “Segment Information.”

During the twelve months ended October 31, 2025, we incurred \$10.2 million in restructuring charges including \$6.3 million related to workforce alignment costs, primarily severance and employee-related expenses. As of October 31, 2025, we have paid \$5.6 million in workforce alignment costs, with a remaining accrual of \$0.7 million. Additionally, we recognized \$3.9 million related to the disposal of software which no longer supports our business as restructured. We may incur additional restructuring charges in future periods. The nature and amount of any such charges will depend on further developments in the restructuring process.

Insurance

We manage our exposure to losses for workers’ compensation, group medical, property, casualty and other insurance claims through a combination of self-insurance retentions and insurance coverage with third-party carriers. We record undiscounted liabilities associated with our portion of these exposures, which we estimate by considering various factors such as our historical claims experience, severity factors and estimated claims incurred but not reported, for which we have developed loss development factors, which are estimates as to how claims will develop over time until closed. While we consider a number of factors in preparing the estimates, sensitive assumptions using significant judgment are made in determining the amounts that are accrued in the financial statements. Actual claims could differ significantly from these estimated liabilities, depending on future claims experience. We do not record insurance recoveries until any contingencies relating to the claim have been resolved.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Retirement Plans

We historically sponsored a defined benefit pension plan. To measure our liabilities associated with these plans, we made assumptions related to future events, including expected return on plan assets, and rate of compensation increases. The discount rate reflected the rate at which benefits could be effectively settled on the measurement date. We determined our discount rate using a FTSE Above Median pension discount curve whereby target yields were developed from bonds across a range of maturity points, and a curve was fitted to those targets. Spot rates (zero coupon bond yields) were developed from the curve and used to discount benefit payments associated with each future year. During the year ended October 31, 2023, the defined benefit pension plan was terminated and the pension obligation was settled.

Warranty Obligations

We accrue warranty obligations when we recognize revenue for certain products. Our provision for warranty obligations is based on historical costs incurred for such obligations and is adjusted, where appropriate, based on current conditions and factors. Our ability to estimate our warranty obligations is subject to significant uncertainties, including changes in product design and our overall product sales mix.

Income Taxes

We record the estimated future tax effects of temporary differences between the tax basis of assets and liabilities and the amounts reported in our consolidated balance sheets, as well as net operating losses and tax credit carry forwards. We evaluate the carrying value of the net deferred tax assets and determine whether we will be able to generate sufficient future taxable income to realize our deferred tax assets. We perform this review for recoverability on a jurisdictional basis, whereby we consider both positive and negative evidence related to the likelihood of realization of the deferred tax assets. The weight given to the positive and negative evidence is commensurate with the extent to which the evidence can be objectively verified. Cumulative losses in recent years is a significant piece of negative evidence that is difficult to overcome in determining that a valuation allowance is not needed against deferred tax assets. Thus, it is generally difficult for positive evidence regarding projected future taxable income exclusive of reversing taxable temporary differences to outweigh objective negative evidence of recent financial reporting losses. We believe we will fully realize our deferred tax assets, net of a recorded valuation allowance. We project future taxable income using the same forecasts used to test long-lived assets and intangibles for impairment, scheduling out the future reversal of existing taxable temporary differences and reviewing our most recent financial operations. In the event the estimates and assumptions indicate we will not generate sufficient future taxable income to realize our deferred tax assets, we record a valuation allowance against a portion of our deferred tax assets. The deferred tax assets, net of valuation allowance, offset the deferred liability within a jurisdiction. The Company has elected to account for the tax effects of Global Intangible Low-Taxed Income (GILTI) as a current-period expense in the period the tax is incurred and, accordingly, does not recognize deferred tax assets or liabilities related to GILTI.

We evaluate our ongoing tax positions to determine if it is more-likely-than-not we will be successful in defending such positions if challenged by taxing authorities. To the extent that our tax positions do not meet the more-likely-than-not criteria, we record a liability for uncertain tax positions. As of October 31, 2025, we accrued \$0.7 million of unrecognized tax benefits primarily related to transfer pricing matters.

Derivative Instruments

We have historically used financial and commodity-based derivative contracts to manage our exposure to fluctuations in foreign currency exchange rates and raw material prices. All derivatives are measured at fair value on a recurring basis. We have not designated the derivative instruments we use as cash flow hedges under ASC Topic 815 “Derivatives and Hedging” (ASC 815). Therefore, all gains and losses, both realized and unrealized, are recognized in the consolidated statements of income (loss) in the period of the change as the underlying assets and liabilities are marked-to-market. We do not enter into derivative instruments for speculative or trading purposes. As such, these instruments are considered economic hedges, and are reflected in the operating activities section of the consolidated statements of cash flow.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Foreign Currency Translation

Our consolidated financial statements are presented in our reporting currency, the United States Dollar. Our foreign operations are measured using the local currency as the functional currency. The assets and liabilities of our foreign operations which are denominated in other currencies are translated to United States Dollars using the prevailing exchange rates as of the balance sheet date. Revenues and expenses are translated at the average exchange rates for the applicable period. The resulting translation adjustments are recorded as a component of accumulated other comprehensive loss on the consolidated balance sheets.

We enter into transactions throughout our locations that are denominated in currencies other than the applicable functional currency where they originated. At each balance sheet date, we translate these asset or liability accounts to our functional currency and record unrealized transaction gains or losses. When these assets or liabilities settle, we record realized transaction gains or losses. These realized and unrealized gains or losses are included in the accompanying consolidated statements of (loss) income under the caption, "Other, net."

Stock-Based Compensation

We have issued stock-based compensation in the form of stock options to directors, employees and officers, and non-vested restricted stock awards to certain key employees and officers. We apply the provisions of ASC Topic 718 "Compensation - Stock Compensation" (ASC 718), to determine the fair value of stock option awards on the date of grant using the Black-Scholes valuation model. We recognize the fair value as compensation expense on a straight-line basis over the requisite service period of the award based on awards ultimately expected to vest. Stock options granted to directors vest immediately while the stock options granted to our employees and officers typically vest ratably over a three-year period with service and continued employment as the vesting conditions. For new option grants to retirement-eligible employees, we recognize expense and vest immediately upon grant, consistent with the retirement vesting acceleration provisions of these grants. For employees near retirement age, we amortize such grants over the period from the grant date to the retirement-eligibility date if such period is shorter than the standard vesting schedule. For grants of non-vested restricted stock, we calculate the compensation expense at the grant date as the number of shares granted multiplied by the closing stock price of our common stock on the date of grant. This expense is recognized ratably over the vesting period. Our non-vested restricted stock grants to officers and employees typically cliff vest over a three-year period or a three-year graded vesting schedule with service and continued employment as the only vesting criteria. Our fair value determination of stock-based payment awards on the date of grant using an option-pricing model is affected by our stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, our expected stock price volatility over the term of the awards, actual and projected employee stock option exercise behavior over the expected term, our dividend rate, risk-free rate and expectation with regards to forfeitures. Option-pricing models were developed for use in estimating the value of traded options that have no vesting or hedging restrictions and are fully transferable. Because our employee stock options have certain characteristics that are significantly different from traded options, and because changes in the subjective assumptions can materially affect the estimated value, the valuation models may not provide an accurate measure of the fair value of our employee stock options. Accordingly, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

We have granted other awards which are linked to the performance of our common stock, but will settle in cash rather than the issuance of shares of our common stock. The value of these awards fluctuates with changes in our stock price, with the resulting gains or losses reflected in the period of the change. We have recorded current and non-current liabilities related to these awards reflected in the accompanying consolidated balance sheets at October 31, 2025 and 2024. See Note 14, "Stock-based Compensation."

In addition, we have granted performance share awards which use return on net assets as the vesting condition and the awards settle in cash. We use a Monte Carlo simulation model to value the market condition and our stock price on the date of grant to value the internal performance condition and recognize expense ratably over the vesting period of three years. We estimate that the performance measures will be met and shares will vest at target until the year of settlement (third year of cliff vesting). As of October 31, 2025, we have deemed none of the performance share awards related to the December 2022 grants are probable to vest. Beginning with the December 2024 and March 2025 grant cycles, certain performance share awards include adjusted earnings per share as the primary vesting condition and apply return on net assets ("RONA") as a performance modifier. These awards also settle in cash. The fair value of these awards is measured at grant and remeasured each reporting period based on changes in our stock price and the number of units expected to vest. Compensation cost is recognized over the three-year requisite service period and adjusted for changes in estimated performance outcomes, including the impact of the RONA modifier.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

We have also granted performance restricted stock units which settle in shares upon vesting. These awards cliff vest upon a three-year service period with the absolute performance of our common stock as the vesting criteria. The number of performance restricted stock units 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 use 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. Similar to performance shares, 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 October 31, 2025, we have deemed none of the shares related to the December 2022 grants of performance restricted stock units are probable to vest.

Treasury Stock

We use the cost method to record treasury stock purchases whereby the entire cost of the acquired shares of our common stock is recorded as treasury stock (at cost). When we subsequently reissue these shares, proceeds in excess of cost upon the issuance of treasury shares are credited to additional paid-in-capital, while any deficiency is charged to retained earnings.

Earnings per Share Data

We calculate basic earnings per share based on the weighted average number of our common shares outstanding for the applicable period. We calculate diluted earnings per share based on the weighted average number of our common shares outstanding for the period plus all potentially dilutive securities using the treasury stock method, whereby we assume that all such shares are converted into common shares at the beginning of the period, if deemed to be dilutive. If we incur a loss from continuing operations, the effects of potentially dilutive common stock equivalents (stock options and unvested restricted stock awards) are excluded from the calculation of diluted earnings per share because the effect would be anti-dilutive. Performance shares and performance restricted stock units are excluded from contingent shares for purposes of calculating diluted weighted average shares until the performance measure criteria is probable and shares are likely to be issued.

Supplemental Cash Flow Information

The following table summarizes our supplemental cash flow information for the years ended October 31, 2025, 2024 and 2023 (in thousands):

	Year Ended October 31,		
	2025	2024	2023
Cash paid for interest	\$ 52,630	\$10,910	\$ 5,737
Cash paid for income taxes	23,533	18,291	22,224
Cash received from income tax refunds	6,695	3,502	2,460
<i>Noncash investing and financing activities:</i>			
Increase (decrease) in capitalized expenditures in accounts payable	\$ 1,127	\$ (2,229)	\$ 1,953
Issuance of common stock for acquisition	—	450,060	—

Related Party Transactions

Net sales for the year ended October 31, 2025, 2024, and 2023 included approximately \$2.0 million, \$1.2 million and \$1.2 million of transactions with customers which are related parties with two of our non-employee directors. Purchases for the year ended October 31, 2025, 2024, and 2023 included approximately \$0.1 million, \$0.2 million and zero of transactions with a customer which is a related party with one of our non-employee directors. 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 in fair transactions. 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.

Subsequent Events

We have evaluated events occurring after the balance sheet date for possible disclosure as a subsequent event through the date the consolidated financial statements were issued.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Acquisitions

Tyman 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 will be five years after the acquisition effective date, maturing on August 1, 2029.

The purchase price for the Tyman Acquisition was initially allocated on a preliminary basis as of the acquisition date. Despite basing our initial estimates on the information available on August 1, 2024, further data and evidence obtained during the third quarter of 2025 prompted several measurement period adjustments. These adjustments primarily affected deferred income taxes, fixed assets, inventories, accounts payable, and other assets, resulting in a \$4.1 million reduction in the preliminary goodwill we initially recognized.

The revised allocation of the purchase price, reflecting the fair value of the assets acquired and liabilities assumed, including the identified measurement period adjustments, and the final purchase price allocation is detailed in the table below.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	As of Date of Opening Balance Sheet	Measurement Period Adjustments (In thousands)	Final Purchase Price Allocation
Net assets acquired:			
Accounts receivable	\$ 99,574	\$ —	\$ 99,574
Inventories	211,617	(286)	211,331
Prepaid and other assets	21,516	(1,754)	19,762
Property, plant and equipment	157,981	(130)	157,851
Operating lease right-of-use assets	65,414	—	65,414
Goodwill	385,045	(4,104)	380,941
Intangible assets	539,285	—	539,285
Accounts payable	(66,769)	(595)	(67,364)
Accrued liabilities	(41,958)	—	(41,958)
Long-term debt	(300,684)	—	(300,684)
Operating lease liabilities	(66,228)	—	(66,228)
Deferred income taxes	(145,677)	6,869	(138,808)
Other liabilities	(10,502)	—	(10,502)
Net assets acquired	<u>\$ 848,614</u>	<u>\$ —</u>	<u>\$ 848,614</u>
Consideration:			
Total Consideration, net of cash and cash equivalents	<u>\$ 848,614</u>	<u>\$ —</u>	<u>\$ 848,614</u>

We used recognized valuation techniques to determine the 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’s results are allocated to our Hardware Solutions, Extruded Solutions, and Custom Solutions segments in accordance with the nature of operations. For additional discussion of our reportable business segments, see Note 17, “Segment Information.”

During the fourth quarter of 2025, the Company recorded a \$9.0 million discrete income tax charge related to post measurement period corrections to the deferred tax assets and liabilities established in the acquisition of Tyman. This amount has been recognized through current-period income tax expense. The discrete income tax charge is reflected in the line item “Income tax expense” in the Consolidated Statements of (Loss) Income for the year ended October 31, 2025, and is separately disclosed in the Company’s effective tax rate reconciliation. For additional discussion, see Note 11, “Income Taxes”.

LMI Acquisition

On November 1, 2022, we entered into an Asset Purchase Agreement (the “Purchase Agreement”) with LMI Custom Mixing, LLC (“LMI”) and the equity owners of LMI, Lauren International, Ltd. and Meteor-US-Beteiligungs GMBH. Under the Purchase Agreement, we acquired substantially all of the operating assets comprising LMI’s polymer mixing and rubber compound production business (collectively, the “Purchased Assets”) and also agreed to assume certain liabilities relating to the Purchased Assets (collectively, the “LMI Acquisition”). As consideration for the Purchased Assets, we paid \$91.3 million in cash utilizing funds borrowed under our Credit Facility. Subsequent to the LMI Acquisition, we had approximately \$215 million available for use under the Credit Facility. For the twelve months ended October 31, 2023, our consolidated operating results included net sales of \$75.6 million and operating income of \$8.3 million associated with LMI. In connection with the LMI Acquisition, we amended our existing finance lease with Lauren Real Estate Holding LLC for the purpose of adding an additional lease renewal option and increasing rental space by approximately 60,000 square feet of rental space which was added to the 313,595 square feet of rentable area located in Cambridge, Ohio.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The purchase price has been allocated to the fair value of the assets acquired and liabilities assumed, as indicated in the table below.

	<u>As of Date of Opening Balance Sheet</u> (In thousands)
Net assets acquired:	
Accounts receivable	\$ 7,012
Inventories	5,684
Other assets	790
Property, plant and equipment	35,887
Goodwill	41,393
Intangible assets	19,500
Accounts payable	(4,736)
Accrued liabilities	(507)
Long-term debt (finance leases)	(13,721)
Net assets acquired	<u>\$ 91,302</u>
Consideration:	
Cash, net of cash and cash equivalents acquired	<u>\$ 91,302</u>

We used recognized valuation techniques to determine the fair value of the assets and liabilities, including the 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. The goodwill balance is deductible for tax purposes. LMI is allocated entirely to our Custom Solutions reportable segment.

Pro Forma Results

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

	<u>Year ended October 31,</u>	
	<u>2024</u>	<u>2023</u>
	(In thousands, except per share amounts)	
	(Unaudited)	
Net sales	\$ 1,886,834	\$ 1,954,950
Net income	\$ 66,037	\$ 48,458
Basic earnings per share	\$ 1.40	\$ 1.03
Diluted earnings per share	\$ 1.40	\$ 1.03

We derived the pro forma results for the Tyman and LMI 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.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Accounts Receivable and Allowance for Credit Losses

Accounts receivable consisted of the following as of October 31, 2025 and 2024 (in thousands):

	October 31,	
	2025	2024
Trade receivables	\$ 202,549	\$ 191,981
Other	4,874	5,962
Total	207,423	197,943
Less: Allowance for credit losses	2,039	254
Accounts receivable, net	<u>\$ 205,384</u>	<u>\$ 197,689</u>

Accounts receivable, net as of October 31, 2023 was \$97.3 million.

The changes in our allowance for credit losses were as follows (in thousands):

	Year Ended October 31,		
	2025	2024	2023
Beginning balance as of November 1, 2024, 2023 and 2022	\$ 254	\$ 843	\$ 289
Current period provision for expected credit losses	2,032	137	711
Amounts written off	(255)	(782)	(165)
Recoveries	2	12	—
Foreign currency translation adjustments	6	44	8
Balance as of October 31, 2025, 2024 and 2023	<u>\$ 2,039</u>	<u>\$ 254</u>	<u>\$ 843</u>

4. Inventories

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

	October 31,	
	2025	2024
Raw materials	\$ 85,054	\$ 81,330
Finished goods and work in process	165,711	192,448
Supplies and other	3,357	1,772
Total	<u>\$ 254,122</u>	<u>\$ 275,550</u>

5. Property, Plant and Equipment

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

	October 31,	
	2025	2024
Land and land improvements	\$ 21,725	\$ 99,068
Buildings and building improvements	194,034	186,087
Machinery and equipment	548,623	462,628
Construction in progress	62,018	46,534
Property, plant and equipment, gross	826,400	794,317
Less: Accumulated depreciation	414,809	391,851
Property, plant and equipment, net	<u>\$ 411,591</u>	<u>\$ 402,466</u>

Depreciation expense, including amortization of finance leases, for the years ended October 31, 2025, 2024, and 2023 was \$64.0 million, \$34.9 million and \$27.6 million, respectively. As a result of push-down accounting related to the assets acquired

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

in the Tyman acquisition, we recorded a one-time depreciation charge of \$7.3 million to reflect the application on useful lives on an asset by asset basis thus requiring an adjustment during during the year ended October 31, 2025.

The reported balances of our property, plant and equipment as of October 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 years ended October 31, 2025, 2024, and 2023. See further discussion at Note 1, "Nature of Operations, Basis of Presentation and Significant Accounting Policies - Long-Lived Assets - Property, Plant and Equipment and Intangible Assets with Defined Lives."

6. 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 and twenty years. Original terms for equipment-related leases, primarily manufacturing equipment and vehicles, are generally between one 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 (calculated as the present value of lease payments over the term of the lease) 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 and we determined there have been no triggering events for impairment. 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.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Leases	Classification	October 31,	
		2025	2024
Assets			
Operating lease assets	Operating lease right-of-use assets	\$ 154,866	\$ 126,715
Finance lease assets	Property, plant and equipment (less accumulated depreciation of \$15,680 and \$10,362)	72,275	67,046
Total lease assets		\$ 227,141	\$ 193,761
Liabilities			
Current			
Operating	Current operating lease liabilities	\$ 15,446	\$ 12,475
Finance	Current maturities of long-term debt	4,477	3,688
Noncurrent			
Operating	Noncurrent operating lease liabilities	145,459	117,560
Finance	Long-term debt	56,256	56,988
Total lease liabilities		\$ 221,638	\$ 190,711

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

	Year Ended October 31,	
	2025	2024
Operating lease cost	\$ 23,758	\$ 13,074
Finance lease cost		
Amortization of leased assets	4,970	3,915
Interest on lease liabilities	2,934	2,599
Variable lease costs	3,441	2,450
Total lease cost	\$ 35,103	\$ 22,038

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

	Year Ended October 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Finance leases - financing cash flows	\$ 4,026	\$ 3,068
Finance leases - operating cash flows	2,934	2,599
Operating leases - operating cash flows	21,077	11,731
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	\$ 43,121	\$ 89,796
Finance leases	2,901	8,507

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

	October 31,	
	2025	2024
Weighted average remaining lease term (in years)		
Operating leases	11.2	11.5
Financing leases	15.1	16.3
Weighted average discount rate		
Operating leases	5.64 %	5.31 %
Financing leases	4.92 %	4.84 %

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

	Year ended October 31, 2025	
	Operating Leases	Finance Leases
2026	\$ 23,884	\$ 7,323
2027	21,242	7,173
2028	19,576	6,830
2029	18,314	6,498
2030	16,982	6,146
Thereafter	120,209	51,637
Total lease payments	220,207	85,607
Less: present value discount	59,302	24,874
Total lease liabilities	\$ 160,905	\$ 60,733

7. Goodwill and Intangible Assets

Goodwill

The change in the carrying amount of goodwill for the years ended October 31, 2025 and 2024 was as follows (in thousands):

	Year Ended October 31,	
	2025	2024
Beginning balance as of November 1, 2024 and 2023	\$ 574,711	\$ 182,956
Acquisitions	—	385,045
Measurement period adjustments	(3,989)	—
Goodwill impairment charge	(302,284)	—
Foreign currency translation adjustment	2,908	6,710
Balance as of October 31, 2025 and 2024	\$ 271,346	\$ 574,711

In connection with our restructuring, we reassigned goodwill among certain of our reporting units using a relative fair value approach and performed a quantitative goodwill impairment test on all reporting units to determine if any impairment existed.

To estimate the fair value of our reporting units, we applied both the discounted cash flow method under the income approach and the market approach. The resulting fair value was lower than the carrying value for certain reporting units as a result of the prolonged decline in our stock price through the testing date, driven by weaker consumer confidence and high levels of uncertainty across the industry, necessitating the recognition of a non-cash goodwill impairment charge of \$302.3

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

million, which has been recorded in the consolidated statements of (loss) income within “Goodwill impairment charges” for the year ended October 31, 2025.

As a result of the restructuring in the third quarter of 2025, we had ten reporting units, nine of which comprised our goodwill balance prior to the goodwill impairment during the nine months ended July 31, 2025. These ten reporting units were aggregated into our three reportable segments. After the goodwill impairment, seven of the reporting units comprise the remaining goodwill balance.

At our last annual test date, August 31, 2025, we evaluated the recoverability of goodwill at each of our seven reporting units with goodwill balances and determined that our goodwill was not impaired.

During the fourth quarter of 2025, after reviewing general potential indicators of impairment and noting a triggering event related to the decline in stock price, we performed an interim goodwill impairment assessment as of September 30, 2025. Based on the results of this analysis, no additional goodwill impairment was identified.

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 17, “Segment Information.” For additional discussion of our acquisition of Tyman plc and for further details on the measurement period adjustments, see Note 2, “Acquisitions.”

Identifiable Intangible Assets

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

	October 31, 2025	October 31, 2025		October 31, 2024	
	Remaining Weighted Average Useful Life	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer relationships	16 years	\$ 506,473	\$ 141,462	\$ 512,131	\$ 112,748
Trademarks and trade names	18 years	240,622	59,833	243,434	47,685
Patents and other technology	11 years	26,105	22,768	25,164	22,387
Total		\$ 773,200	\$ 224,063	\$ 780,729	\$ 182,820

We do not estimate a residual value associated with these intangible assets. See additional disclosure at Note 1, "Nature of Operations, Basis of Presentation and Significant Accounting Policies - Restructuring."

The aggregate amortization expense associated with identifiable intangible assets for the years ended October 31, 2025, 2024, and 2023 was \$39.3 million, \$21.6 million and \$12.1 million, respectively. During the year ended October 31, 2025, we recorded a one-time adjustment to amortization expense of \$3.5 million.

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

	Estimated Amortization Expense
2026	\$ 38,873
2027	38,873
2028	33,640
2029	33,623
2030	32,189
Thereafter	371,939
Total	\$ 549,137

As discussed in Note 1, "Nature of Operations, Basis of Presentation and Significant Accounting Policies - Long-Lived Assets," we did not record any impairment charges related to property, plant and equipment or intangible assets as a result of the restructuring in the third quarter of 2025 or the decline in stock price in the fourth quarter of 2025. We did not incur impairment losses related to our identifiable intangible assets during the years ended October 31, 2025, 2024, and 2023.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Accrued Liabilities

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

	October 31,	
	2025	2024
Payroll, payroll taxes and employee benefits	\$ 34,588	\$ 45,642
Accrued insurance and workers compensation	12,331	10,765
Sales allowances	11,677	13,338
Deferred compensation (current portion)	3,310	855
Goods and services	3,541	1,378
Deferred revenue	2,355	3,149
Warranties	887	1,362
Audit, legal, and other professional fees	6,397	4,222
Accrued taxes, other	4,870	5,329
Freight	1,958	2,040
Utilities	1,297	1,760
Other	11,944	13,783
Accrued liabilities	\$ 95,155	\$ 103,623

9. Debt

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

	October 31,	
	2025	2024
Term Loan A Facility	\$ 468,750	\$ 493,750
Revolving Credit Facility	172,500	222,500
Finance lease obligations and other	62,619	60,676
Unamortized deferred financing fees	(11,040)	(13,983)
Total debt	692,829	762,943
Less: Current maturities of long-term debt	27,561	25,745
Long-term debt	\$ 665,268	\$ 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, 2023.

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 will include 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

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 percentages are based on the Consolidated Net Leverage Ratio outlined in the following table:

Pricing Level	Consolidated 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 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 Facilities provide for incremental revolving credit commitments for a minimum principal amount of \$10.0 million, up to an aggregate amount of the greater 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 Credit Agreement.

The Facilities contain 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 the Consolidated Net Leverage Ratio, as defined, must 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 Credit Facility. Some of these limitations, however, do not take effect so long as total leverage 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, were used as collateral for the Credit Agreement.

As of October 31, 2025, we had \$641.3 million of borrowings outstanding under the Facilities (reduced by unamortized debt issuance costs of \$11.0 million), \$6.2 million of outstanding letters of credit and \$62.6 million outstanding primarily under finance leases and other debt. We had \$296.3 million available for use under the Revolving Credit Facility at October 31, 2025. The borrowings outstanding as of October 31, 2025 under the Facilities accrue interest at 6.57% per annum, and our weighted average borrowing rate for borrowings outstanding during the years ended October 31, 2025 and 2024 was 6.83% and 7.20%, respectively. We were in compliance with our debt covenants as of October 31, 2025.

We maintain certain finance lease obligations related to equipment purchases, vehicles, and warehouse space. Refer to Note 6 "Leases" for further information regarding our finance leases.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The table below presents the scheduled maturity dates of our long-term debt outstanding (excluding deferred financing fees of \$11.0 million) at October 31, 2025 (in thousands):

	Facilities	Finance Leases and Other	Aggregate Maturities
2026	\$ 25,000	\$ 8,351	\$ 33,351
2027	25,000	8,031	33,031
2028	25,000	6,830	31,830
2029	566,250	6,498	572,748
2030	—	6,146	6,146
Thereafter	—	51,637	51,637
Total debt payments	641,250	87,493	728,743
Less: present value discount of finance leases	—	24,874	24,874
Total	\$ 641,250	\$ 62,619	\$ 703,869

10. Retirement Plans

We have a number of retirement plans covering substantially all employees. We have provided both defined benefit and defined contribution plans, though we terminated our defined benefit plan in 2023. In general, an employee’s coverage for retirement benefits depends on the location of employment.

Defined Benefit Plan

During the year ended October 31, 2023, we terminated our defined benefit plan and settled the obligation during the three months ended October 31, 2023. Until such time that the termination was complete, the participants received an interest related credit on their respective balance equivalent to the prevailing 30-year Treasury rate. The majority of our pension plan participants had their benefit determined pursuant to the cash balance formula. For the remaining participants, the benefit formula was a traditional formula for retirement benefits, whereby the plan paid benefits to employees using a formula which considered years of service and pensionable compensation. During the year ended October 31, 2023, we contributed \$6.3 million to the plan in connection with the termination and distribution of the obligation.

The net periodic benefit cost for the year ended October 2023, was as follows (in thousands):

	Year Ended October 31, 2023
Service cost	\$ 383
Interest cost	1,558
Expected return on plan assets	(1,465)
Amortization of net loss	42
Settlements	5,431
Net periodic benefit cost	\$ 5,949

Defined Contribution Plan

We also sponsor a defined contribution plan into which we and our employees make contributions. We match 100% of employee deferrals up to 5% of eligible annual compensation for all employees under the plan. We do not offer our common stock as a direct investment option under these plans. For the years ended October 31, 2025, 2024 and 2023, we contributed approximately \$10.4 million, \$7.7 million and \$6.5 million for these plans, respectively.

Other Plans

We have had supplemental benefit plans covering certain executive officers and currently have a non-qualified deferred compensation plan covering members of the Board of Directors and certain key employees. During the year ended October 31, 2024, the supplemental benefit plan was terminated and the benefits associated with this plan were distributed in accordance with Internal Revenue Service regulations. As of October 31, 2025 and 2024 our liability under the deferred compensation plan

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

was approximately \$4.1 million and \$4.7 million, respectively. As of October 31, 2025 and 2024, the current portion of these liabilities was recorded under the caption “Accrued Liabilities,” and the long-term portion was included under the caption “Other Liabilities” in the accompanying balance sheets.

11. Income Taxes

The provision or benefit for income taxes includes U.S. federal income taxes, foreign income taxes and state income taxes. We provide for income taxes on taxable income at the applicable statutory rates. The following table summarizes the components of income tax expense for the years ended October 31, 2025, 2024 and 2023 (in thousands):

	Year Ended October 31,		
	2025	2024	2023
Current			
Federal	\$ 9,396	\$ 12,453	\$ 2,631
State and local	2,950	3,326	1,860
Non-United States	14,402	8,580	4,907
Total current	26,748	24,359	9,398
Deferred			
Federal	(19,091)	(2,371)	4,637
State and local	(2,997)	(154)	1,015
Non-United States	3,553	(12,811)	(505)
Total deferred	(18,535)	(15,336)	5,147
Total income tax expense	\$ 8,213	\$ 9,023	\$ 14,545

For financial reporting purposes, income before income taxes for the years ended October 31, 2025, 2024 and 2023 includes the following components (in thousands):

	Year Ended October 31,		
	2025	2024	2023
Domestic	\$ (221,468)	\$ 34,315	\$ 42,586
Foreign	(21,125)	7,767	54,460
Total (loss) income before income taxes	\$ (242,593)	\$ 42,082	\$ 97,046

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following table reconciles our effective income tax rate to the federal statutory rate for the years ended October 31, 2025, 2024 and 2023:

	Year Ended October 31,		
	2025	2024	2023
United States tax at statutory rate	21.0 %	21.0 %	21.0 %
Goodwill impairment	(22.4)%	— %	— %
Deferred true up	(3.3)%	— %	— %
State and local income taxes net of federal tax benefit	0.5 %	5.9 %	1.8 %
Foreign tax rate differential	(0.7)%	(1.4)%	1.1 %
U.K. patent box benefit	1.8 %	(12.5)%	(5.9)%
Non-deductible transaction costs	— %	8.4 %	— %
U.S. income tax credits	2.3 %	(8.4)%	(4.9)%
Foreign inclusions (including global intangible low-taxed income)	(2.6)%	8.4 %	4.6 %
Permanent differences	(0.7)%	(1.3)%	1.3 %
Tax return to accrual adjustments	0.7 %	3.5 %	(2.3)%
Change in valuation allowance	— %	(3.1)%	— %
Change in uncertain tax position	(0.3)%	0.1 %	(1.1)%
Other	0.3 %	0.8 %	(0.6)%
Effective tax rate	<u>(3.4)%</u>	<u>21.4 %</u>	<u>15.0 %</u>

During the year ended October 31, 2025, the Company recorded a \$9.0 million discrete income tax charge related to post measurement period corrections to the deferred tax assets and liabilities established in the acquisition of Tyman. This amount has been recognized through current-period income tax expense. The discrete income tax charge is reflected in the line item “Income tax expense” in the Consolidated Statements of (Loss) Income for the year ended October 31, 2025, and is separately disclosed in the Company’s effective tax rate reconciliation as “Deferred true up”.

Our earnings from our foreign subsidiaries qualify for Federal Dividend Received Deduction and are not subject to withholding taxes upon remittance to the U.S. However, some of the states do not conform to the Federal Dividend Received Deduction. As a result, we have \$0.7 million of future tax liability related to potential repatriation of unremitted foreign retained earnings. The amount of undistributed foreign earnings and profits from international operations as of the years ended October 31, 2025 and 2024, respectively, was \$66.1 million and \$21.7 million.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act (“OBBBA”). The OBBBA makes permanent key elements of the Tax Cuts and Jobs Act, including 100% bonus depreciation, domestic research cost expensing, and the business interest expense limitation. ASC 740, “Income Taxes”, requires the effects of changes in tax rates and laws on deferred tax balances to be recognized in the period in which the legislation is enacted. We have completed our initial assessment of the OBBBA corporate tax provisions which were enacted on July 4, 2025 and estimated our impact on the consolidated financial statements to be immaterial and primarily resulted in a reclass of our income tax payable and deferred tax liability related to the timing differences arising from accelerated tax depreciation. We continue to monitor the impact of these updates.

The Organization for Economic Co-operation and Development (“OECD”) Inclusive Framework on Base Erosion and Profit Shifting (“BEPS”) developed an agreement on a two-pillar approach to help address the tax challenges arising from the digitalization of the economy. Pillar One applies to large multinational enterprises and re-allocates part of their profit to the countries where they sell their products and provide services. Quanex does not expect to be subject to the Pillar One rules. Pillar Two aims to establish a minimum global tax rate of 15%, assessed through a top-up tax imposed on a country-by-country basis. In 2023, certain jurisdictions in which we operate enacted legislation consistent with the OECD Pillar Two model effective for taxation year beginning on or after January 1, 2024. We have accrued for additional top-up tax in the United Kingdom and United Arab Emirates where our effective tax rate drops below 15%. The Pillar Two legislation has an immaterial impact our 2025 fiscal year effective tax rate. However, further changes to our entity structure or changes in jurisdictions in which we operate could adversely impact analysis.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Significant components of our net deferred tax liabilities and assets were as follows (in thousands):

	October 31,	
	2025	2024
Deferred tax assets:		
Employee benefit obligations	\$ 4,179	\$ 6,830
Accrued liabilities and reserves	2,836	4,132
Pension and other benefit obligations	36	125
Inventory	8,502	2,368
Right of use liability	32,470	31,399
Research and development	5,894	5,810
Loss and tax credit carry forwards	11,311	9,637
Other	—	24
Total gross deferred tax assets	65,228	60,325
Less: Valuation allowance	4,408	4,395
Total deferred tax assets, net of valuation allowance	60,820	55,930
Deferred tax liabilities:		
Property, plant and equipment	39,305	45,554
Goodwill and intangibles	123,596	138,396
Investments in foreign subsidiaries	700	500
Right of use asset	30,193	29,939
Other	313	—
Total deferred tax liabilities	194,107	214,389
Net deferred tax liabilities	\$ 133,287	\$ 158,459

As of October 31, 2025, gross foreign capital loss, gross foreign net operating loss and gross state operating loss carry forwards totaled \$14.2 million, \$10.8 million and \$25.9 million, respectively. The capital loss and the majority of the foreign net operating loss can be carried forward indefinitely. The majority of the state losses begin to expire in 2033. We evaluate tax benefits of operating losses and tax credit carry forwards on an ongoing basis, including a review of historical and projected future operating results, the eligible carry forward period and other circumstances. We have recorded a valuation allowance for the foreign capital loss and certain foreign operating and state net operating losses as of October 31, 2025 and 2024, totaling \$4.4 million and \$4.4 million, respectively. The valuation allowance can be affected in future periods by changes to tax laws, changes to statutory tax rates, and changes in estimates of future taxable income. To fully realize these net deferred tax assets, we will need to generate sufficient future taxable income in the jurisdictions where these tax attributes exist during the periods in which the attributes can be utilized. As of each reporting date, management considers the weight of all evidence, both positive and negative, to determine if a valuation allowance is necessary for each jurisdiction's net deferred tax assets. We place greater weight on historical evidence over future predictions of our ability to utilize net deferred tax assets. We consider future reversals of existing taxable temporary differences, future taxable income exclusive of reversing temporary differences, and taxable income in prior carryback year(s) if carryback is permitted under applicable law.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following table shows the change in the unrecognized income tax benefit associated with uncertain tax positions for the years ended October 31, 2025, 2024 and 2023 (in thousands):

	Unrecognized Income Tax Benefits
Balance at October 31, 2022	\$ 1,361
Reassessment of position	(1,111)
Balance at October 31, 2023	\$ 250
Reversal	(250)
Balance at October 31, 2024	\$ —
Reassessment of position	710
Balance at October 31, 2025	\$ 710

We account for uncertain tax benefits in accordance with guidance in ASC 740, which prescribes the minimum recognition threshold a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. During the year ended October 31, 2025, we accrued \$0.7 million of unrecognized tax benefits primarily related to transfer pricing matters.

We, along with our subsidiaries, file income tax returns in the U.S. and various state and foreign jurisdictions. In certain jurisdictions, the statute of limitations has not yet expired. We generally remain subject to examination of our U.S. income tax returns for 2022 and subsequent years. We generally remain subject to examination of our various state and foreign income tax returns for a period of four to five years from the date the return was filed. The state impact of a reported federal adjustment or change remains subject to examination by various states within the longer of one year or the expiration date of the otherwise applicable statute of limitations. We classify interest on income tax as income tax expenses and classify penalties on income tax as other expenses.

12. Commitments and Contingencies

Purchase Obligations

We are a party to non-cancelable purchase obligations primarily for door hardware, primary and secondary steel and primary and secondary aluminum used in our manufacturing processes, as well as expenditures related to capital projects in progress. We paid \$9.5 million and \$4.5 million pursuant to these arrangements for the years ended October 31, 2025 and 2024, respectively. These obligations total \$8.3 million and \$2.5 million at October 31, 2025 and 2024, respectively, and extend through fiscal 2027. Future amounts paid pursuant to these arrangements will depend, to some extent, on our usage.

Asset Retirement Obligation

We maintain asset retirement obligations associated with leased facilities primarily in the U.K. We have estimated our future cash flows associated with this asset retirement obligation and recorded an asset and corresponding liability. We are depreciating the assets and accreting the liabilities over the terms of the corresponding leases and have included an asset retirement obligation of \$3.0 million in Other Liabilities on the consolidated balance sheet.

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. At present, 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 2026. 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.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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.

On September 19, 2025, a purported shareholder class action lawsuit against the Company and two of its officers was filed in federal court in the Southern District of Texas, titled *Zanol v. Quanex Building Products Corporation et al*, Case No. 4:25-cv-04453. The suit alleges certain violations of federal securities laws related to public disclosures made by the Company in 2025 principally related to our window and door operations in Mexico and seeks unspecified damages. While the ultimate outcome of any legal matter cannot be predicted with certainty, the Company strongly believes that this complaint is without merit, intends to vigorously defend itself and its officers against the allegations, and maintains insurance coverage for such matters. At present, the Company cannot reasonably estimate a range of loss, if any, for this action based on its early stage and the information available to the Company, and accordingly, the Company has not accrued any liability associated with this action.

13. Fair Value Measurements 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 participant assumptions 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.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Carrying amounts reported on the balance sheets 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 changes in interest rate risk. As a result, the fair value of our debt instruments approximates carrying value at October 31, 2025 and 2024 (Level 2 measurement).

As of October 31, 2025, we have outstanding forward foreign exchange contracts to hedge our foreign currency exposures

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

against the Mexican Peso (“MXN”) to U.S. Dollar (“USD”), with a notional principal amount of \$20.0 million. Hedge accounting is not applied to our forward exchange contracts. These contracts have a range of maturities up to February 27, 2026. 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 consolidated statement of (loss) income and consolidated balance sheets, respectively. During the year ended October 31, 2025 and 2024, we recognized a net loss of less than \$0.1 million and \$0.3 million, 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).

During the twelve months ended October 31, 2025, we subscribed to Bonds for the Reconstruction for a Free Argentina (“BOPREAL”) issued by the Argentine Central Bank. The BOPREAL bond subscriptions were denominated in Argentine Pesos (“ARS”) and settled in USD during the twelve months ended October 31, 2025, resulting in total proceeds of the BOPREAL bonds to be approximately \$2.6 million after \$0.1 million deduction of taxes and transaction fees. As of October 31, 2025, we do not have any BOPREAL bond subscriptions outstanding.

Our restricted stock units and performance share awards are marked-to-market on a quarterly basis during a three-year vesting period based on market data. For further information refer to Note 14, “Stock-Based Compensation - Performance Share Awards.”

We performed a fair value assessment corresponding with the purchase of Tyman. Due to the unique nature of this acquisition, this is considered a Level 3 measurement. For further information refer to Note 2, “Acquisitions.”

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

In addition to assets and liabilities that are recorded at fair value on a recurring basis, we record assets and liabilities at fair value on a nonrecurring basis. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges. The result of our third quarter 2025 goodwill impairment quantitative test indicated that the fair value of certain reporting units were less than the carrying value of the respective reporting units, resulting in a goodwill impairment of \$302.3 million. We estimated the fair value utilizing an income approach and market approach valuation techniques, which incorporated significant unobservable Level 3 inputs. For further information, refer to Note 7, “Goodwill and Intangible Assets”.

14. 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 the 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/or 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 or a three year graded vesting schedule with service and continued employment as the only vesting criteria. The recipient of a restricted stock award is entitled to all of the rights of a shareholder, except that the awards are nontransferable during the vesting period and dividends are not paid until vesting. 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.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

A summary of non-vested restricted stock award activity during the years ended October 31, 2025, 2024 and 2023, follows:

	Restricted Stock Awards	Weighted Average Grant Date Fair Value per Share
Non-vested at October 31, 2022	212,100	\$ 20.86
Granted	94,700	23.49
Vested	(54,400)	18.49
Forfeited	(10,100)	22.30
Non-vested at October 31, 2023	242,300	22.36
Granted	72,900	32.15
Vested	(66,600)	22.30
Forfeited	(11,800)	20.68
Non-vested at October 31, 2024	236,800	25.85
Granted	107,682	29.19
Vested	(84,100)	22.95
Forfeited	(2,400)	29.75
Non-vested at October 31, 2025	257,982	\$ 28.15

The total weighted average grant-date fair value of restricted stock awards that vested during the years ended October 31, 2025, 2024 and 2023 was \$1.9 million, \$1.4 million and \$1.0 million, respectively. As of October 31, 2025, total unrecognized compensation cost related to unamortized restricted stock awards totaled \$3.0 million. We expect to recognize this expense over the remaining weighted average period of 1.8 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 as further described below. As a result, stock options were not granted during the years ended October 31, 2025, 2024 and 2023. 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. We used the Black-Scholes pricing model to estimate the grant date fair value. The inputs to this model included expected volatility, expected term, a risk-free rate and expected dividend rate at the time of grant. For employees who were nearing retirement-eligibility, we recognized stock option expense ratably over the shorter of the vesting period or the period from the grant-date to the retirement-eligibility date.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following table summarizes our stock option activity for the years ended October 31, 2025, 2024 and 2023.

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (000s)
Outstanding at October 31, 2022	175,117	\$ 19.39	2.9	\$ 485
Exercised	(63,587)	19.12		
Forfeited/Expired	(4,000)	21.11		
Outstanding at October 31, 2023	107,530	\$ 19.48	2.3	\$ 792
Exercised	(29,280)	19.58		
Outstanding at October 31, 2024	78,250	\$ 19.45	1.5	\$ 752
Exercised	(9,300)	19.97		
Outstanding at October 31, 2025	68,950	19.38	0.6	\$ —
Vested at October 31, 2025	68,950	\$ 19.38	0.6	\$ —
Exercisable at October 31, 2025	68,950	\$ 19.38	0.6	\$ —

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. For the years ended October 31, 2025, 2024 and 2023, the total intrinsic value of our stock options that were exercised totaled \$0.1 million, \$0.4 million and \$0.5 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 vesting 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 years ended October 31, 2025, 2024 and 2023, 28,240, 26,215 and 38,704 restricted stock units, respectively, were granted to non employee directors with corresponding weighted average grant date fair value of \$29.02, \$26.70, and \$20.67, respectively. During the fiscal year ended October 31, 2023, 21,774 restricted stock units, which were awarded to key employees, vested. During the years ended October 31, 2025, 2024 and 2023, we paid \$0.6 million, \$0.6 million and \$0.4 million to settle restricted stock units.

During the year ended October 31, 2024, 166,070 restricted stock units were granted to key employees with a weighted average grant date fair value of \$31.83. These key employee grants vest in accordance with criteria which extend up to three years. During the years ended October 31, 2025 and 2024, 64,293 and 42,933 of these grants vested, respectively, and 2,756 and 1,242 were forfeited, respectively. During the years ended October 31, 2025 and 2024 we paid approximately \$1.4 million and \$1.2 million to settle these grants, respectively.

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 and March 2025 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 shares may ultimately vest.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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	—
March 1, 2025	3,000	\$ 12.48	—

Based on the results of the performance conditions, none of the December 2022 grants are expected to vest. In December 2024, 78,589 shares vested pursuant to the December 2021 grant, which were settled with a cash payment of \$2.4 million. In December 2023, 122,400 shares vested pursuant to the December 2020 grant, which were settled with a cash payment of \$3.4 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 awarded 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 performance restricted stock units 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 utilized 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	—
March 1, 2025	2,200	\$ 18.89	—

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. Based on the results of the vesting criteria, none of the December 2022 grants are expected to vest.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 years ended October 31, 2025, 2024 and 2023 (in thousands):

	Year Ended October 31,		
	2025	2024	2023
Restricted stock awards	\$ 2,388	\$ 1,846	\$ 1,712
Restricted stock units ⁽¹⁾	(592)	2,784	1,686
Performance share awards ⁽¹⁾	(706)	1,599	5,106
Performance restricted stock units	1,297	1,106	809
Total compensation expense	2,387	7,335	9,313
Income tax effect	81	1,570	1,396
Net compensation expense	<u>\$ 2,306</u>	<u>\$ 5,765</u>	<u>\$ 7,917</u>

(1) The change in market value of our common stock will have a positive or negative impact on the compensation expense of our share based liability awards, including restricted stock units and performance share awards.

15. Stockholders' Equity

As of October 31, 2025, our authorized capital stock consists of 125,000,000 shares of common stock, at par value of \$0.01 per share, and 1,000,000 shares of preferred stock, with no par value. As of October 31, 2025 and 2024, we had 51,211,469 and 51,266,501 shares of common stock issued, respectively, and 45,674,726 and 47,252,070 shares of common stock outstanding, respectively. There were no shares of preferred stock issued or outstanding at October 31, 2025 and 2024.

Stock Repurchase Program and Treasury Stock

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 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. During the years ended October 31, 2025 and 2024, we purchased 1,709,119 shares and zero shares, respectively, at a cost of \$32.4 million and zero, respectively, under this program.

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 shares and 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.

For a summary of treasury stock activity for the years ended October 31, 2025, 2024 and 2023, refer to the *Consolidated Statements of Stockholders' Equity* located elsewhere herein.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Other, net

Other income included under the caption “Other, net” on the accompanying consolidated statements of income (loss), consisted of the following (in thousands):

	Year Ended October 31,		
	2025	2024	2023
Foreign currency transaction gains (losses)	\$ 5,015	\$ (677)	\$ (146)
Foreign currency exchange derivative (losses) gains	(36)	6,232	1
Pension service (expense) benefit	(64)	903	(5,566)
Interest income	2,092	1,690	248
Other	164	(299)	(56)
Other income (loss)	\$ 7,171	\$ 7,849	\$ (5,519)

17. Segment Information

In our Annual Report on Form 10-K as of October 31, 2024 and our Quarterly Reports on Form 10-Q as of January 31, 2025 and April 30, 2025, respectively, we presented four reportable business segments: (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.

During the third quarter of 2025, we restructured our reportable segments due to changes in our organizational structure and how our CODM makes key operating decisions, allocates resources and assesses the performance of our business. As a result, we now report in three reportable segments: Hardware Solutions, which provides window and door hardware and screens; Extruded Solutions, which supplies insulating glass spacers, vinyl window and door profiles, seals, and weatherstripping; and Custom Solutions, which provides wood, mixing, and building access solutions. We continue to 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, inter-segment eliminations, and executive incentive compensation and medical expense fluctuations relative to planned costs as determined during annual planning process. Other general and administrative costs associated with the corporate office are allocated to the reportable segments, based upon each segment’s relative operating activity. The accounting policies of our operating segments are the same as those used to prepare the accompanying consolidated financial statements. Corporate general and administrative expenses allocated during the years ended October 31, 2025, 2024 and 2023 were \$40.3 million, \$27.3 million and \$23.5 million, respectively.

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.

Our CODM, the President and Chief Executive Officer, reviews several measures of segment profitability to assess performance and allocate resources. Segment operating income (loss) is the measure of segment profit or loss that is most consistent with GAAP and is used by the CODM to evaluate segment results, allocate resources, and monitor performance against the annual budget and forecasts. The CODM considers forecast-to-actual variances on a monthly basis using the segment operating income (loss) for each segment when making decisions about allocating capital and personnel to the segments. The CODM also uses segment operating income (loss), along with net sales, to assess the performance for each segment by comparing the results of each segment with one another and in the compensation of certain employees.

The Company does not provide segment asset information as such information is not provided to the CODM and accordingly, asset information is not used in assessing segment performance.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Selected segment information for the years ended October 31, 2025, 2024 and 2023 was as follows (in thousands):

	Hardware Solutions	Extruded Solutions	Custom Solutions	Unallocated Corp. & Other	Total
<u>Year Ended October 31, 2025</u>					
Net sales	\$ 841,674	\$ 646,627	\$ 388,210	\$ (38,870)	\$ 1,837,641
Cost of sales (excluding depreciation and amortization)	635,481	440,141	298,316	(35,525)	1,338,413
Selling, general and administrative	128,009	83,716	48,273	17,263	277,261
Restructuring charges	7,936	34	205	2,016	10,191
Depreciation and amortization	51,681	29,204	21,248	1,311	103,444
Goodwill impairment charges	163,198	54,934	84,152	—	302,284
Operating (loss) income	(144,631)	38,598	(63,984)	(23,935)	(193,952)
<u>Year Ended October 31, 2024</u>					
Net sales	\$ 427,839	\$ 559,995	\$ 309,441	\$ (19,413)	\$ 1,277,862
Cost of sales (excluding depreciation and amortization)	349,379	389,760	252,111	(19,012)	972,238
Selling, general and administrative	51,564	58,100	31,068	49,738	190,470
Depreciation and amortization	16,580	25,119	18,348	281	60,328
Operating income (loss)	10,316	87,016	7,914	(50,420)	54,826
<u>Year Ended October 31, 2023</u>					
Net sales	\$ 296,959	\$ 544,585	\$ 298,361	\$ (9,322)	\$ 1,130,583
Cost of sales (excluding depreciation and amortization)	239,505	378,791	244,026	(9,263)	853,059
Selling, general and administrative	21,608	62,349	24,834	15,166	123,957
Depreciation and amortization	3,968	22,351	16,277	270	42,866
Operating income (loss)	31,878	81,094	13,224	(15,495)	110,701

The following tables reconcile our segment presentation, as previously reported in our Annual Report on Form 10-K for the twelve months ended October 31, 2024 and 2023, to the current presentation (in thousands):

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	NA Fenestration	EU Fenestration	NA Cabinet Components	Tyman	Unallocated Corp. & Other	Total
<u>Year Ended October 31, 2024</u>						
Net sales	\$ 650,058	\$ 230,712	\$ 198,424	\$ 203,435	\$ (4,767)	\$1,277,862
Cost of sales (excluding depreciation and amortization)	498,378	144,585	168,414	163,946	(3,085)	972,238
Selling, general and administrative	56,630	31,318	20,727	44,453	37,342	190,470
Depreciation and amortization	20,994	10,420	12,244	16,438	232	60,328
Operating income (loss)	74,056	44,389	(2,961)	(21,402)	(39,256)	54,826

	Hardware Solutions ⁽¹⁾	Extruded Solutions ⁽²⁾	Custom Solutions ⁽³⁾	Unallocated Corp. & Other	Total	
<u>Year Ended October 31, 2024</u>						
Net sales		\$ 427,839	\$ 559,995	\$ 309,441	\$ (19,413)	\$1,277,862
Cost of sales (excluding depreciation and amortization)		349,379	389,760	252,111	(19,012)	972,238
Selling, general and administrative		51,564	58,100	31,068	49,738	190,470
Depreciation and amortization		16,580	25,119	18,348	281	60,328
Operating income (loss)		10,316	87,016	7,914	(50,420)	54,826

	NA Fenestration	EU Fenestration	NA Cabinet Components	Tyman	Unallocated Corp. & Other	Total
<u>Year Ended October 31, 2023</u>						
Net sales	\$ 667,482	\$ 250,774	\$ 215,445	\$ —	\$ (3,118)	\$1,130,583
Cost of sales (excluding depreciation and amortization)	517,805	158,491	178,210	—	(1,447)	853,059
Selling, general and administrative	56,979	32,350	21,074	—	13,554	123,957
Depreciation and amortization	20,539	9,849	12,208	—	270	42,866
Operating income (loss)	72,159	50,084	3,953	—	(15,495)	110,701

	Hardware Solutions ⁽¹⁾	Extruded Solutions ⁽²⁾	Custom Solutions ⁽³⁾	Unallocated Corp. & Other	Total	
<u>Year Ended October 31, 2023</u>						
Net sales		\$ 296,959	\$ 544,585	\$ 298,361	\$ (9,322)	\$1,130,583
Cost of sales (excluding depreciation and amortization)		239,505	378,791	244,026	(9,263)	853,059
Selling, general and administrative		21,608	62,349	24,834	15,166	123,957
Depreciation and amortization		3,968	22,351	16,277	270	42,866
Operating income (loss)		31,878	81,094	13,224	(15,495)	110,701

(1) The Hardware Solutions segment contains a portion of the previously reported NA Fenestration and Tyman segments.

(2) The Extruded Solutions segment contains a portion of the NA Fenestration, EU Fenestration, and Tyman segments.

(3) The Custom Solutions segment contains a portion of the NA Fenestration, NA Cabinet Components, and Tyman segments.

The following table summarizes the change in the carrying amount of goodwill by segment for the years ended October 31, 2025 and 2024 (in thousands):

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Hardware Solutions	Extruded Solutions	Custom Solutions	Unallocated Corp. & Other	Total
Balance as of October 31, 2023	\$ 2,784	\$ 99,632	\$ 80,540	\$ —	\$ 182,956
Tyman acquisition	163,647	140,329	81,069	—	385,045
Foreign currency translation adjustment	3,936	3,672	(898)	—	6,710
Balance as of October 31, 2024	<u>\$ 170,367</u>	<u>\$ 243,633</u>	<u>\$ 160,711</u>	<u>\$ —</u>	<u>\$ 574,711</u>
Measurement period adjustment	6,984	(9,986)	(987)	—	(3,989)
Goodwill impairment charge	(163,198)	(54,934)	(84,152)	—	(302,284)
Foreign currency translation adjustment	448	2,220	240	—	2,908
Balance as of October 31, 2025	<u>\$ 14,601</u>	<u>\$ 180,933</u>	<u>\$ 75,812</u>	<u>\$ —</u>	<u>\$ 271,346</u>

As a result of the impairment test performed during the year ended October 31, 2025, we recognized non-cash goodwill impairment losses totaling \$302.3 million. Of this amount, \$163.2 million pertains to two out of the three reporting units within the Hardware Solutions reportable segment, \$54.9 million relates to one of the four reporting units within Extruded Solutions, and \$84.2 million impacts all three reporting units within the Custom Solutions reportable segment. One of the reporting units within Hardware Solutions and one reporting unit within Custom Solutions were fully impaired, resulting in seven reporting units remaining with goodwill. For further details of Goodwill, see Note 7, “Goodwill and Intangible Assets”, located herewith.

We did not allocate non-operating expense or income tax expense to the reportable segments. The following table reconciles operating income as reported above to net income for the years ended October 31, 2025, 2024 and 2023 (in thousands):

	Year Ended October 31,		
	2025	2024	2023
Operating (loss) income	\$ (193,952)	\$ 54,826	\$ 110,701
Interest expense	(55,812)	(20,593)	(8,136)
Other, net	7,171	7,849	(5,519)
Income tax expense	(8,213)	(9,023)	(14,545)
Net (loss) income	<u>\$ (250,806)</u>	<u>\$ 33,059</u>	<u>\$ 82,501</u>

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Geographic Information

Our manufacturing facilities and all long-lived assets are located primarily in the U.S. and Europe. We attribute our net sales to a geographic region based on the location of the customer. The following tables provide information concerning our net sales for the years ended October 31, 2025, 2024 and 2023, and our long-lived assets as of October 31, 2025 and 2024 (in thousands):

<i>Net sales</i>	Year Ended October 31,		
	2025	2024	2023
United States	\$ 1,248,137	\$ 926,864	\$ 834,525
Europe	450,359	271,182	244,560
Canada	66,026	35,333	25,845
Asia	58,849	24,091	14,298
Other foreign countries	14,270	20,392	11,355
Total net sales	<u>\$ 1,837,641</u>	<u>\$ 1,277,862</u>	<u>\$ 1,130,583</u>

<i>Long-lived assets, net</i>	October 31,	
	2025	2024
United States	\$ 1,003,958	\$ 1,229,157
Europe	355,950	441,129
Other foreign countries	27,032	31,515
Total long-lived assets, net	<u>\$ 1,386,940</u>	<u>\$ 1,701,801</u>

Long-lived assets, net includes: property, plant and equipment, net; goodwill, intangible assets, net, and operating leases.

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. 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 and contingent shares associated with performance share awards, if dilutive.

The computation of basic and diluted earnings per share for the years ended October 31, 2025, 2024 and 2023 follows (in thousands, except per share data):

Year Ended October 31, 2025	Net (Loss) Income	Weighted Average Shares	Per Share
Basic and diluted loss per common share	\$ (250,806)	46,170	\$ (5.43)
Year Ended October 31, 2024			
Basic earnings per common share	\$ 33,059	36,416	\$ 0.91
Effect of dilutive securities:			
Stock options		31	
Restricted stock awards		131	
Performance restricted stock units		70	
Diluted earnings per common share	<u>\$ 33,059</u>	<u>36,648</u>	\$ 0.90
Year Ended October 31, 2023			
Basic earnings per common share	\$ 82,501	32,819	\$ 2.51
Effect of dilutive securities:			
Stock options		33	
Restricted stock awards		124	
Performance restricted stock units		50	
Diluted earnings per common share	<u>\$ 82,501</u>	<u>33,026</u>	\$ 2.50

We do not include equity instruments in our calculation of diluted earnings per share if those instruments would be antidilutive. During the years ended October 31, 2025, 2024 and 2023, we had anti-dilutive restricted stock award equivalents of 23,224, 1,417 and zero, respectively. 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.

19. 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.

Recent Accounting Pronouncements Adopted

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. Our adoption of this standard

QUANEX BUILDING PRODUCTS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

effective for the fiscal year ending October 31, 2025 resulted in increased disclosures in the notes to its financial statements. This guidance was applied retrospectively to all prior periods presented in the financial statements.

Recent 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.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

It is the responsibility of the management of Quanex Building Products Corporation to establish and maintain adequate disclosure controls and procedures. Disclosure controls and procedures are defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Based on their evaluation as of the end of the period covered by this Annual Report on Form 10-K, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were not effective as a result of the material weakness in internal control over financial reporting as described below.

(b) Management's Annual Report on Internal Control Over Financial Reporting

Internal control over financial reporting refers to the process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our Board of Directors, management and other personnel, 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, and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2025. In making this assessment, Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013). Based on that assessment, Management concluded that, as of October 31, 2025, the Company's internal control over financial reporting was not effective, due to the material weakness described below.

As of October 31, 2024, Management identified a material weakness in internal controls, in the design and operation of the controls over the preparation and review of the statement of cash flows. A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. This material weakness continued to exist as of October 31, 2025, and will not be considered remediated until such time as management designs and implements effective controls that operate for a sufficient period of time and concludes through testing, that these controls are effective.

As a result of the unremediated material weakness described above, the Company's management has concluded that, as of October 31, 2025, our internal control over financial reporting was ineffective. The material weakness did not result in any identified misstatements to our consolidated financial statements, and there were no changes to previously released financial results. The Company's independent registered public accounting firm that audited the consolidated financial statements included in this Annual Report also audited the effectiveness of our internal control over financial reporting and has issued an adverse report on the effectiveness of the Company's internal control over financial reporting as of October 31, 2025, as set forth in their report in Item 8.

(c) Remediation

The Company is committed to remediating the above noted material weakness. Actions with respect to the remediation plan include improved procedures and controls related to our quarterly and annual close processes and enhancement of the quarterly and annual close and reporting checklists. The remediation plan is subject to oversight by the Audit Committee of the Board of Directors and the identified material weakness will not be considered remediated until the remediation plan has been fully implemented, the applicable controls operate for a sufficient period of time, and the Company has concluded that controls

are operating effectively. We expect the remediation of this material weakness to be completed prior to the end of fiscal year 2026.

Management’s Annual Report on Internal Control over Financial Reporting

Refer to Management’s Annual Report on Internal Control over Financial Reporting located in “*Part 2, Item 8. Financial Information*” of this Annual Report on Form 10-K.

Auditor’s Report Relating to Effectiveness of Internal Control over Financial Reporting

Refer to the Report of Independent Registered Public Accounting Firm located in “*Part 2, Item 8. Financial Information*” in this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There have been no changes in internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the 1934 Act) during the most recent fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information.

During the three months ended October 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”.

George Wilson our Chairman, President and CEO, adopted a Rule 10b5-1 trading arrangement on June 11, 2024. Under this arrangement, a total of 37,800 shares of our common stock may be sold, subject to certain conditions, before the plan expires on November 30, 2026.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance.*

Pursuant to General Instruction G(3) to Form 10-K, the information on “*Directors, Executive Officers and Corporate Governance*” is incorporated herein by reference from the Registrant's Definitive Proxy Statement relating to the 2026 Annual Meeting of Stockholders of Quanex Building Products Corporation or an amendment to this Form 10-K, which is to be filed with the SEC pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, within 120 days after the close of the fiscal year ended October 31, 2025.

Item 11. *Executive Compensation.*

Pursuant to General Instruction G(3) to Form 10-K, the information on “*Executive Compensation*” is incorporated herein by reference from the Registrant's Definitive Proxy Statement relating to the 2026 Annual Meeting of Stockholders of Quanex Building Products Corporation or an amendment to this Form 10-K, which is to be filed with the SEC pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, within 120 days after the close of the fiscal year ended October 31, 2025.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.*

Pursuant to General Instruction G(3) to Form 10-K, the information on “*Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*” is incorporated herein by reference from the Registrant's Definitive Proxy Statement relating to the 2026 Annual Meeting of Stockholders of Quanex Building Products Corporation or an amendment to this Form 10-K, which is to be filed with the SEC pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, within 120 days after the close of the fiscal year ended October 31, 2025.

Item 13. *Certain Relationships and Related Transactions, and Director Independence.*

Pursuant to General Instruction G(3) to Form 10-K, the information on “*Certain Relationships and Related Transactions, and Director Independence*” is incorporated herein by reference from the Registrant's Definitive Proxy Statement relating to the 2026 Annual Meeting of Stockholders of Quanex Building Products Corporation or an amendment to this Form 10-K, which is to be filed with the SEC pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, within 120 days after the close of the fiscal year ended October 31, 2025.

Item 14. *Principal Accountant Fees and Services.*

Pursuant to General Instruction G(3) to Form 10-K, the information on “*Principal Accountant Fees and Services*” is incorporated herein by reference from the Registrant's Definitive Proxy Statement relating to the 2026 Annual Meeting of Stockholders of Quanex Building Products Corporation or an amendment to this Form 10-K, which is to be filed with the SEC pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, within 120 days after the close of the fiscal year ended October 31, 2025.

PART IV

Item 15. *Exhibits and Financial Statement Schedules.*

1. Financial Statements

The financial statements included in this report are listed in the Index to Financial Statements located elsewhere in this Annual Report on Form 10-K.

2. Financial Statement Schedules

Schedules for which provision is made in the applicable accounting regulations of the SEC are either not required under the related instructions or inapplicable.

3. Exhibits

The exhibits required to be filed pursuant to Item 15(b) of Form 10-K are listed in the Exhibit Index filed herewith, which Exhibit Index is incorporated herein by reference. Certain of our exhibits as denoted with a † between exhibits 10.1 through 10.40 listed in the Exhibit Index filed herewith, are management or compensatory plans or arrangements required to be filed as exhibits to this Annual Report on Form 10-K pursuant to Item 15(b) thereof.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: December 12, 2025

/s/ Scott M. Zuehlke

Scott M. Zuehlke

Senior Vice President - Chief Financial Officer and Treasurer
(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title	Date
<u>/s/ Susan F. Davis</u> Susan F. Davis	Director	December 12, 2025
<u>/s/ Donald R. Maier</u> Donald R. Maier	Director	December 12, 2025
<u>/s/ William E. Waltz</u> William E. Waltz	Director	December 12, 2025
<u>/s/ Jason D. Lippert</u> Jason D. Lippert	Director	December 12, 2025
<u>/s/ Bradley E. Hughes</u> Bradley E. Hughes	Director	December 12, 2025
<u>/s/ Manish H. Shah</u> Manish H. Shah	Director	December 12, 2025
<u>/s/ Amit Singhi</u> Amit Singhi	Director	December 12, 2025
<u>/s/ George L. Wilson</u> George L. Wilson	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	December 12, 2025
<u>/s/ Scott M. Zuehlke</u> Scott M. Zuehlke	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	December 12, 2025
<u>/s/ Gabriela Garcia</u> Gabriela Garcia	Vice President, Chief Accounting Officer (Principal Accounting Officer)	December 12, 2025

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
2.1	<u>Distribution Agreement among Quanex Corporation, Quanex Building Products LLC and Quanex Building Products Corporation (incorporated by reference to Exhibit 10.1 to Quanex Corporation's Current Report on Form 8-K (Reg. No. 001-05725) filed with the Commission on December 24, 2007).</u>
2.2	<u>Agreement and Plan of Merger, dated as of January 31, 2011, by and among Quanex Building Products Corporation, QSB Inc., Lauren Holdco Inc., Lauren International, Inc. and Kevin E. Gray, as agent for the shareholders of Lauren Holdco Inc., filed as Exhibit 2.1 of the Registrant's Current Report on Form 8-K (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on February 2, 2011, and incorporated herein by reference.</u>
2.3	<u>Limited Liability Company Interest Purchase Agreement dated February 7, 2014, by and among Quanex Building Products Corporation, Nichols Aluminum, LLC and Aleris International Inc., filed as Exhibit 2.1 of the Registrant's Current Report on Form 8-K (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on February 10, 2014, and incorporated herein by reference.</u>
2.4	<u>First Amendment to Limited Liability Company Interest Purchase Agreement dated April 1, 2014, by and among Quanex Building Products Corporation, Nichols Aluminum, LLC and Aleris International Inc., 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 April 7, 2014, and incorporated herein by reference.</u>
2.5	<u>Share Purchase Agreement dated June 15, 2015 by and among R.L. Hartshorn and others, and Quanex Building Products Corporation, 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 June 16, 2015, and incorporated herein by reference.</u>
2.6	<u>Agreement and Plan of Merger, dated as of August 30, 2015, by and among Quanex Building Products Corporation, QWMS, Inc., WII Holding, Inc., and Olympus Growth Fund IV, L.P, solely in its capacity as the representative of the stockholders of WII Holding, Inc, 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 August 30, 2015, and incorporated herein by reference.</u>
2.7	<u>Asset Purchase Agreement, dated November 1, 2022, among Quanex IG Systems, Inc., LMI Custom Mixing, LLC, Lauren International, Ltd. and Meteor-US-Beteiligungs GMBH, 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 November 1, 2022 and incorporated herein by reference.</u>
2.8	<u>Rule 2.7 Announcement dated as of April 22, 2024, 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.</u>
2.9	<u>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.</u>
2.10	<u>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.</u>
3.1	<u>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.</u>
3.2	<u>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.</u>
4.1	<u>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 (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on February 14, 2008, and incorporated herein by reference.</u>
4.2	<u>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.</u>

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
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.
†10.1	Quanex Building Products Corporation Amended and Restated 2008 Omnibus Incentive Plan, 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 February 27, 2014, and incorporated herein by reference.
†10.2	Quanex Building Products Corporation Deferred Compensation Plan as amended, filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q (Reg. No. 001-33913) for the quarter ended January 31, 2014, as filed with the Securities and Exchange Commission on March 6, 2014, and incorporated herein by reference.
†10.3	Quanex Building Products Corporation Restoration Plan, filed as Exhibit 10.8 of Amendment No. 4 to the Registrant's Registration Statement on Form 10 (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on March 17, 2008, and incorporated herein by reference.
†10.4	Quanex Building Products Corporation Supplemental Employees Retirement Plan, filed as Exhibit 10.9 of Amendment No. 4 to the Registrant's Registration Statement on Form 10 (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on March 17, 2008, and incorporated herein by reference.
†10.5	Form of Executive Severance Policy applicable to the Registrant and certain of its executive officers, 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 March 2, 2020 and incorporated herein by reference.
†10.6	Form of Indemnity Agreement between the Registrant and each of its independent directors, 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 August 29, 2008, and incorporated herein by reference.
†10.7	Form of Indemnity Agreement between the Registrant and each of its officers, filed as Exhibit 10.2 of the Registrant's Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on August 29, 2008, and incorporated herein by reference.
†10.8	Form of Stock Option Agreement for Employees under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended, 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 April 29, 2014, and incorporated herein by reference.
†10.9	Form of Stock Option Agreement for Section 16 Officers under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended, filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on April 29, 2014, and incorporated herein by reference.
†10.10	Form of Stock Option Agreement for Key Leaders under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended, filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on April 29, 2014, and incorporated herein by reference.
†10.11	Form of Stock Option Agreement for Non-Employee Directors under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended, filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on April 29, 2014, and incorporated herein by reference.
†10.12	Form of Restricted Stock Award Agreement for Section 16 Officers under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended, filed as Exhibit 10.6 to the Registrant's Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on April 29, 2014, and incorporated herein by reference.
†10.13	Form of Restricted Stock Award Agreement for Key Leaders under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended, filed as Exhibit 10.7 to the Registrant's Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on April 29, 2014, and incorporated herein by reference.

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
†10.14	Form of Restricted Stock Unit Award Agreement for Section 16 Officers under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended, filed as Exhibit 10.10 to the Registrant’s Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on April 29, 2014, and incorporated herein by reference.
†10.15	Form of Restricted Stock Unit Award Agreement for Key Leaders under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended, filed as Exhibit 10.11 to the Registrant’s Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on April 29, 2014, and incorporated herein by reference.
†10.16	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended, filed as Exhibit 10.12 to the Registrant’s Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on April 29, 2014, and incorporated herein by reference.
†10.17	Amended Form of Performance Share Award Agreement for Section 16 Officers under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended, filed as Exhibit 10.2 to the Registrant’s Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on December 7, 2015, and incorporated herein by reference.
†10.18	Amended Form of Performance Share Award Agreement for Key Leaders under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended, filed as Exhibit 10.3 to the Registrant’s Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on December 7, 2015, and incorporated herein by reference.
†10.19	Agreement between Quanex Building Products Corporation and Scott Zuehlke, effective November 1, 2019, 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 November 1, 2019, and incorporated herein by reference.
10.20	Lease dated February 9, 2016, between Garner Properties Ltd. and HL Plastics Limited, filed as Exhibit 10.44 to the Registrant’s Annual Report on Form 10-K (Reg. No. 001-33913) for the year ended October 31, 2016, as filed with the Securities and Exchange Commission on December 16, 2016, and incorporated herein by reference.
10.21	Amended and Completely Restated Lease Agreement dated August 25, 2016, between Lauren Real Estate Holding LLC and Quanex IG Systems, Inc., 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 August 26, 2016, and incorporated herein by reference.
†10.22	Amended and Restated Employee Stock Purchase Plan, as amended and restated effective April 1, 2017, filed as Annex A to the Registrant’s Definitive Proxy Statement on Schedule 14A for its 2017 Annual Meeting of Stockholders (Reg. No 001-33919), as filed with the Securities and Exchange Commission on January 31, 2017, and incorporated herein by reference.
†10.23	Agreement between Quanex Building Products Corporation and George Wilson, effective August 1, 2017, filed as Exhibit 10.1 of the Registrant’s Current Report on Form 8-K (Reg. No. 001-33919) as filed with the Securities and Exchange Commission on July 27, 2017, and herein incorporated by reference.
†10.24	Form of Key Leader Stock Settled Performance Restricted Stock Units Award Agreement filed as Exhibit 10.50 to the Registrant’s Annual Report on Form 10-K (Reg. No. 001-33913) for the year ended October 31, 2017, as filed with the Securities and Exchange Commission on December 12, 2017, and incorporated herein by reference.
†10.25	Form of Section 16 Officer Stock Settled Performance Restricted Stock Units Award Agreement filed as Exhibit 10.51 to the Registrant’s Annual Report on Form 10-K (Reg. No. 001-33913) for the year ended October 31, 2017, as filed with the Securities and Exchange Commission on December 12, 2017, and incorporated herein by reference.
10.26	First Amendment to the Amended and Completely Restated Lease Agreement by and among Quanex IG Systems, Inc. and Lauren Real Estate Holding LLC, dated November 1, 2022 as 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 November 1, 2022, and incorporated herein by reference.
†10.27	Agreement between Quanex Building Products Corporation and Paul Cornett, effective November 1, 2019, filed as Exhibit 10.4 to the Registrant’s Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on November 1, 2019, and incorporated herein by reference.

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Exhibit Number	Description of Exhibits
†10.28	Quanex Building Products Corporation 2020 Omnibus Incentive Plan filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K (Reg. No. 001-33913), as filed with the Securities and Exchange Commission on March 2, 2020, and incorporated herein by reference.
†10.29	Form of Restricted Stock Award Agreement for Employees under the Quanex Building Products Corporation 2020 Omnibus Incentive Plan, filed as Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on March 6, 2020, and incorporated herein by reference.
†10.30	Form of Annual Incentive Award Agreement for Employees under the Quanex Building Products Corporation 2020 Omnibus Incentive Plan, filed as Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on June 5, 2020, and incorporated herein by reference.
†10.31	Form of Restricted Stock Award Agreement for Employees under the Quanex Building Products Corporation 2020 Omnibus Incentive Plan, filed as Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on June 5, 2020, and incorporated herein by reference.
†10.32	Form of Restricted Stock Unit Award Agreement for Employees under the Quanex Building Products Corporation 2020 Omnibus Incentive Plan, filed as Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on June 5, 2020, and incorporated herein by reference.
†10.33	Form of Performance Share Award Agreement for Employees under the Quanex Building Products Corporation 2020 Omnibus Incentive Plan, filed as Exhibit 10.4 of the Registrant's Quarterly Report on Form 10-Q (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on June 5, 2020, and incorporated herein by reference.
†10.34	Form of Performance Restricted Stock Unit Award Agreement for Employees under the Quanex Building Products Corporation 2020 Omnibus Incentive Plan, filed as Exhibit 10.5 of the Registrant's Quarterly Report on Form 10-Q (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on June 5, 2020, and incorporated herein by reference.
†10.35	Form of Restricted Stock Unit Award Agreement for independent Directors under the Quanex Building Products Corporation 2020 Omnibus Incentive Plan, filed as Exhibit 10.39 of the Registrant's Annual Report on Form 10-K (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on December 11, 2020, and incorporated herein by reference.
10.36	Lease Relating to Land and Buildings at Denby Hall Business Park, Denby, Ripley, Derbyshire, DE5 8JX, dated as of October 21, 2022, by and among Garner Holdings Limited, Liniar Limited, and Ryfields Close Management Company Limited, 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 October 26, 2022 and incorporated herein by reference.
10.37	First Amendment to the Amended and Completely Restated Lease Agreement by and among Quanex IG Systems, Inc. and Lauren Real Estate Holding LLC, dated November 1, 2022, 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 November 1, 2022 and incorporated herein by reference.
†10.38	Amended Form of Restricted Stock Award Agreement under the Quanex Building Products Corporation 2020 Omnibus Incentive Plan, as amended, 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 December 9, 2022 and incorporated herein by reference.
†10.39	Amendment to Quanex Building Products Corporation Restoration Plan, dated June 1, 2023, as filed as Exhibit 10.1 on Form 10-Q (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on June 2, 2023, and incorporated herein by reference.
†10.40	Amendment to Quanex Building Products Corporation Supplemental Employees Retirement Plan, dated June 1, 2023, as filed as Exhibit 10.2 on Form 10-Q (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on June 2, 2023, and incorporated herein by reference.

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Exhibit Number	Description of Exhibits
†10.41	Agreement between Quanex Building Products Corporation and Gabriela Garcia, effective October 20, 2025, the form of which is 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 October 20, 2025 and incorporated herein by reference.
19	Insider Trading and Treatment of Material Non-Public Information Policy, filed as Exhibit 19 of the Registrant's Registration Statement on Form 10-Q (Reg. No. 001-33913) as filed with the Securities and Exchange Commission on March 11, 2025, and incorporated herein by reference.
*21.1	Subsidiaries of the Registrant.
*23.1	Consent of Grant Thornton LLP.
*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	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Quanex Building Products Corporation Clawback Policy filed as Exhibit 97.1 to the Registrant's Annual Report on Form 10-K (Reg. No. 001-33913) for the year ended October 31, 2023, as filed with the Securities and Exchange Commission on December 15, 2023, and incorporated herein by reference.
*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

† Management Compensation or Incentive Plan

As permitted by Item 601(b)(4)(iii)(A) of Regulation S-K, the Registrant has not filed with this Annual Report on Form 10-K 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.