



Griffon
CORPORATION

Q4 FY24 INVESTOR PRESENTATION

NOVEMBER 2024

GRIFFON OVERVIEW



\$2.6B

Revenue

\$514M

Adj. EBITDA

20%

Adj. EBITDA
Margin

\$1.4B

Net debt

\$3.3B

Market Cap¹

5,300

Employees

Attractive portfolio of iconic, well-respected, and industry leading brands

HOME AND BUILDING PRODUCTS (HBP) is one of North America's largest manufacturers and marketers of garage doors and rolling steel door and grille products sold under the Clopay, Ideal, Holmes, Cornell and Cookson brands

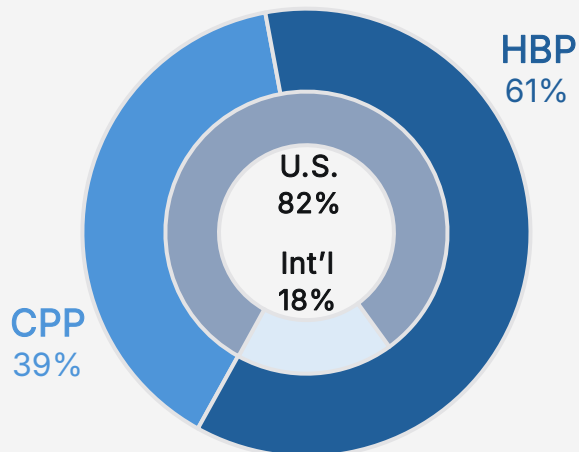
CONSUMER AND PROFESSIONAL PRODUCTS (CPP) is a global provider of residential, industrial, and commercial fans; consumer and professional tools; products that enhance indoor and outdoor lifestyles; and home storage and organization solutions sold through brands including AMES, True Temper, Razor-Back, Jackson, ClosetMaid and Hunter Fan

Well-positioned to capitalize on long-term growth trends in repair and remodeling, commercial construction and housing demographics

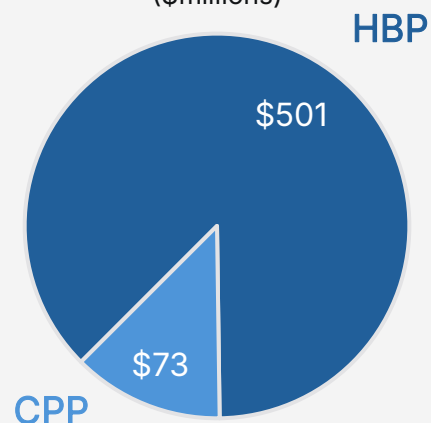
Strong customer relationships built on decades of performance in product innovation, sourcing, manufacturing and distribution

BREAKDOWN BY OPERATING SEGMENT

Revenue



Adjusted EBITDA
(excl. unallocated)
(\$millions)



Compelling opportunity for shareholder value creation supported by operating performance, deleveraging and capital allocation priorities

Note: Financial results for fiscal year 2024 ended 9/30/2024 and metrics as of 9/30/2024. See reconciliation of GAAP to non-GAAP measures in appendix.

1. Closing price of \$69.95/share on 11/11/2024 and 47,821,861 shares outstanding as of 10/31/24.

LEADING BRANDS IN CORE CATEGORIES

Home and Building Products



Residential
Garage Doors



Commercial
Garage Doors



Consumer and Professional Products



Lawn and
Garden



Storage and
Organization



Outdoor
Decor



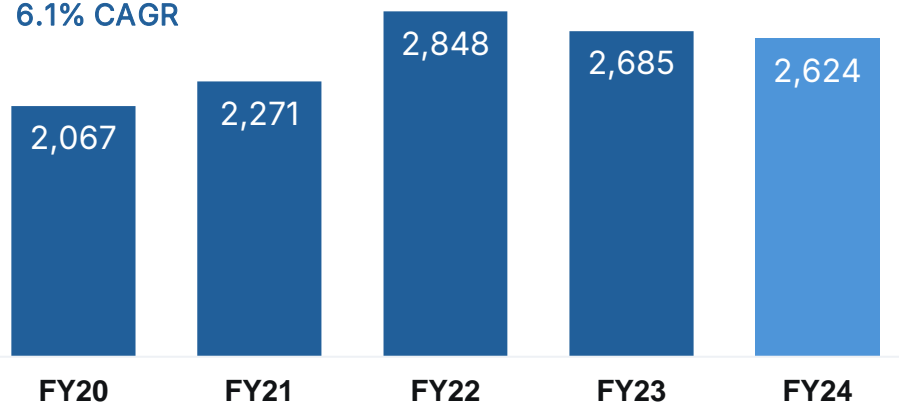
Residential
Commercial and
Industrial Fans



STRONG PERFORMANCE AND VALUE CREATION

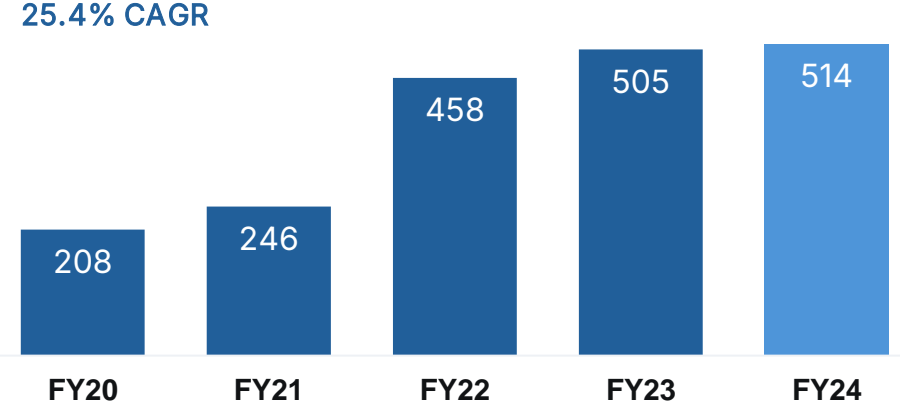
Revenue (\$mm)

6.1% CAGR



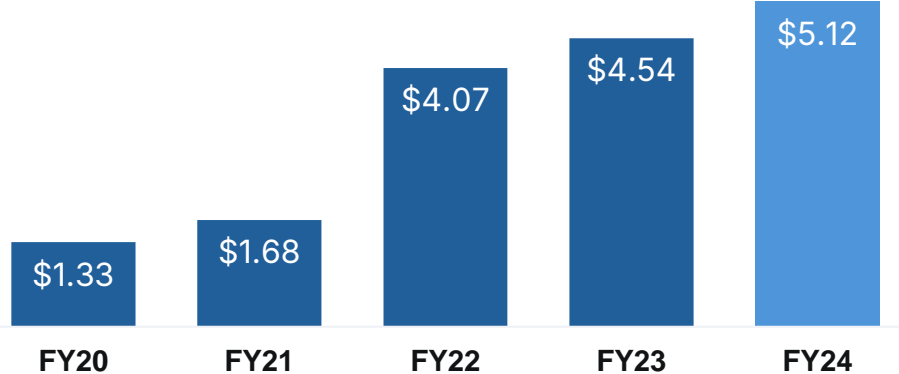
Adjusted EBITDA (\$mm)

25.4% CAGR



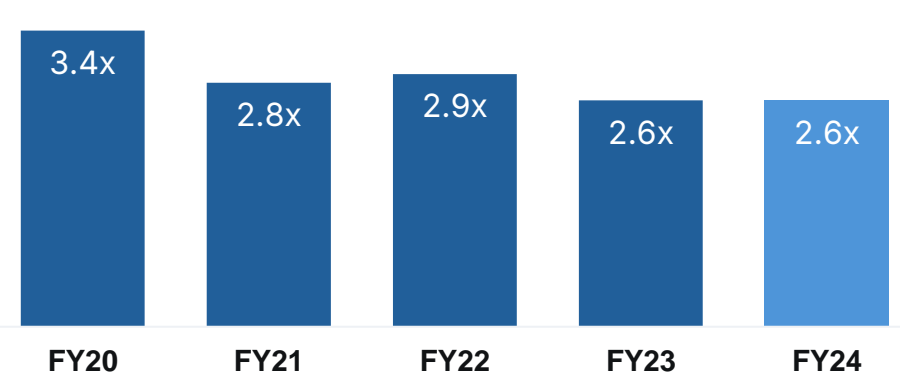
Adjusted EPS from continuing operations

40.1% CAGR



Net debt to EBITDA leverage

~23% Reduction



See reconciliation of GAAP to non-GAAP measures in appendix.

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HOME AND BUILDING PRODUCTS SEGMENT

A leading provider of residential and commercial sectional and rolling steel doors and grille products in North America

\$1.6B

Revenue

\$501M

EBITDA

32%

EBITDA Margin

≈ 2%

Capex to Revenue

3,000

Employees

56

Distribution Centers

4

Manufacturing Centers

3.3M sqft

Manufacturing and Distribution Footprint

49%
Residential Repair & Remodel

43%
Commercial

Revenue by Market

8%
Residential New Construction

95%
United States

Revenue by Geography

5%
International

Note: Financial results for fiscal year 2024 ended 9/30/2024 and metrics as of 9/30/2024. See reconciliation of GAAP to non-GAAP measures in appendix.

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HOME AND BUILDING PRODUCTS

RESILIENT AND SUSTAINABLE MODEL BOLSTERED BY STRONG MARKET TRENDS



Robust portfolio of residential and commercial products



Premium, recognized and specified brands that are market leaders in their categories



Extensive design, manufacturing, and logistics capabilities, with 56 distribution centers in North America



Customer network of 3,000+ professional dealers and leading home centers



Investments in product development, technology and capacity driving innovation and growth

RESIDENTIAL GARAGE DOORS

 Clopay®

 IDEAL Door®
GARAGE DOORS

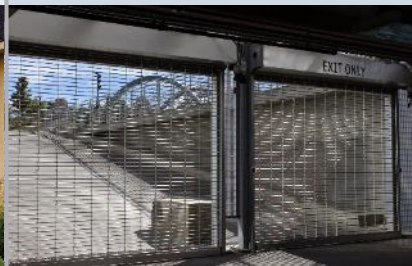
 HOLMES
GARAGE DOOR COMPANY™

COMMERCIAL SECTIONAL AND ROLLING STEEL

 CORNELL
Innovative door solutions.™

 COOKSON
Preferred door solutions.™

 Clopay®



CONSUMER AND PROFESSIONAL PRODUCTS SEGMENT

Residential, industrial, and commercial fans; consumer and professional tools; products that enhance indoor and outdoor lifestyles; and home storage and organization solutions

\$1.0B

Revenue

\$73M

EBITDA

7.0%

EBITDA Margin

< 2%

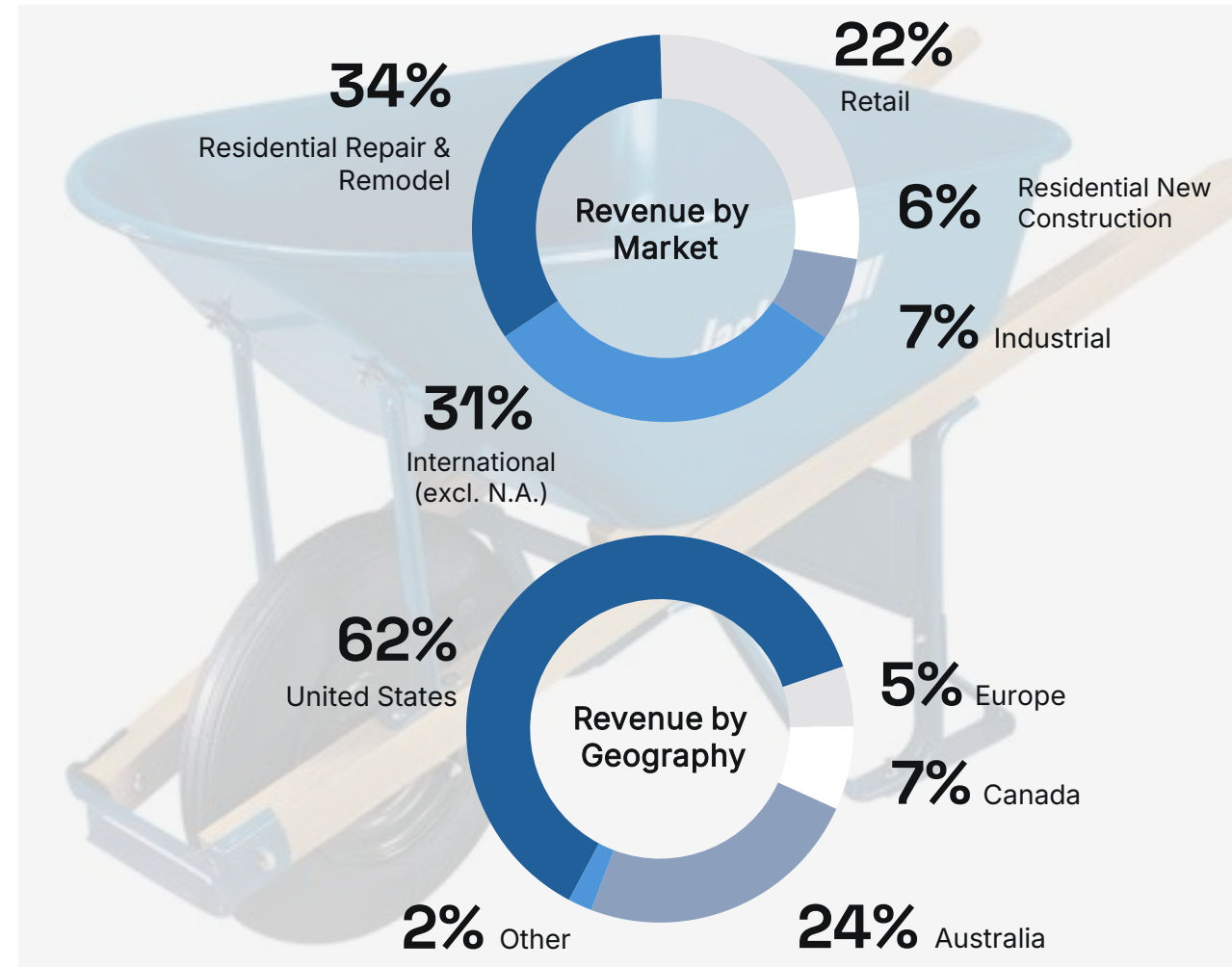
Capex to Revenue

2,300

Employees

3.8M sqft

Global Distribution Footprint



Note: Financial results for fiscal year 2024 ended 9/30/2024 and metrics as of 9/30/2024. See reconciliation of GAAP to non-GAAP measures in appendix.

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CONSUMER AND PROFESSIONAL PRODUCTS

LEADING GLOBAL HOUSEHOLD BRANDS ANCHOR COMPETITIVE ADVANTAGES



Broad, iconic portfolio of market-leading branded products widely recognized and respected by consumers and professionals



Strong, long-term customer relationships and diverse channels to market



New product development driven by technology and innovation



Proven global sourcing and logistics capabilities

LAWN AND GARDEN, OUTDOOR DECOR

RAZORBACK

Jackson
PROFESSIONAL TOOLS

TRUE TEMPER

SINCE 1897
Northcote
— POTTERY —

AMES
EST. 1774

SOUTHERN
PATIO

Garant

Cyclone



STORAGE AND ORGANIZATION

CLOSETMAID

Hills



RESIDENTIAL, COMMERCIAL AND INDUSTRIAL FANS

Hunter
SINCE 1886

CASABLANCA
FAN COMPANY



MACROECONOMIC TRENDS DRIVING PRODUCT DEMAND



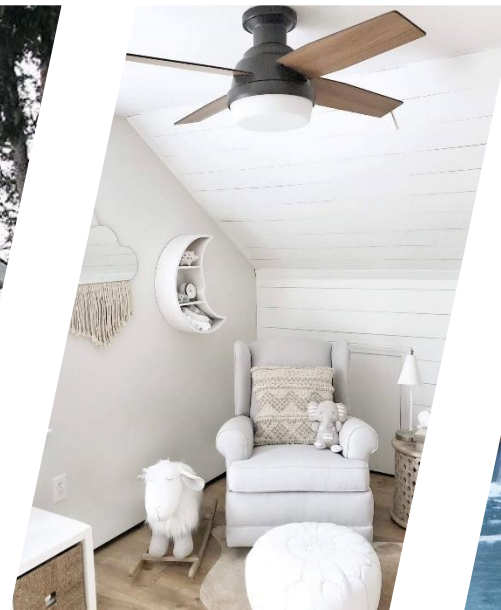
Repair and remodel activity remains elevated (>\$475B annual spend) given the increased demand for housing, limited new stock and aging inventory



Commercial construction demand continues to grow with focus on efficiency, security and resiliency



U.S. housing is under-built and current stock is aging (median age of owner-occupied housing in 2022: 40 years)

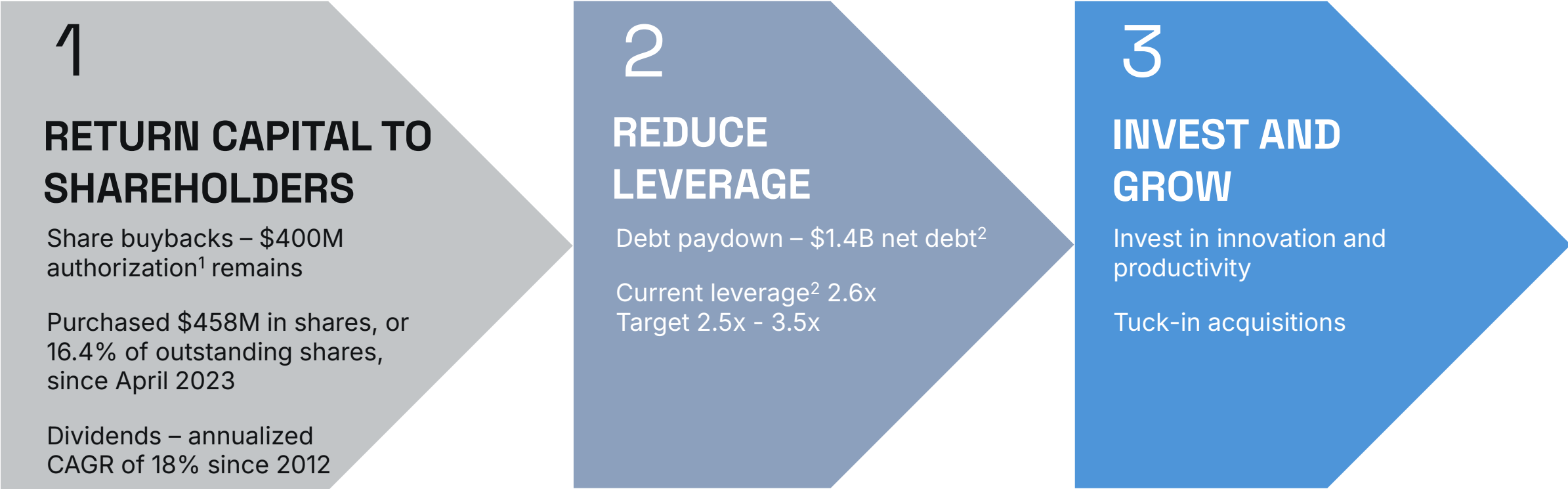


Maturing Millennial and Gen Z populations driving increase in household formation



Outdoor living remains popular driving demand for products used in and around the home

CAPITAL ALLOCATION STRATEGY ENHANCES SHAREHOLDER VALUE



1. As of November 13, 2024

2. See reconciliation of GAAP to non-GAAP measures in appendix for calculations of Net debt and Leverage.

ATTRACTIVE EBITDA MARGIN PROFILE

	FY2024A	FY2025 GUIDANCE	DRIVERS
HOME AND BUILDING PRODUCTS	31.5%	30%+	<ul style="list-style-type: none"> ▪ Resiliency of repair and remodeling activity ▪ Above market growth in residential and commercial ▪ Ongoing technology and productivity initiatives ▪ New product introductions
CONSUMER AND PROFESSIONAL PRODUCTS	7.0%	9%+	<ul style="list-style-type: none"> ▪ Expansion of proven asset-light model across the segment to significantly improve margin and free cash flow profile ▪ Recovery of consumer market demand ▪ Ongoing technology and productivity initiatives

RAZORBACK

UnionTools

CLOSETMAID

DARBY

CASABLANCA
FAN COMPANY

IDEALDoor

HARPER
EST. 1900

Jackson
PROFESSIONAL TOOLS

Supercraft

SOUTHERN
PATIO

NEVER LEAK
AMES

WESTMIX

CORNELL
Innovative door solutions

Preferred door solutions
COOKSON

TRUE TEMPER

Garant

Kelso

Hills

apta
BIOMIMETIC
NATURALLY INSPIRED

KELKAY
NATURALLY CREATIVE

nylex

POPE

Cyclone

AMES
EST. 1774

Clopay

QUATRO
DESIGN

Hunter
SINCE 1888

SINCE 1897
Northcote
POTTERY

LA HACIENDA

WOODSHAW
CRAFTED FOR YOUR OUTDOOR SPACE

SOUTHERN
PATIO
DYNAMIC
DESIGN

tuscan
path

HOLMES
GARAGE DOOR COMPANY
Excellence Since 1920

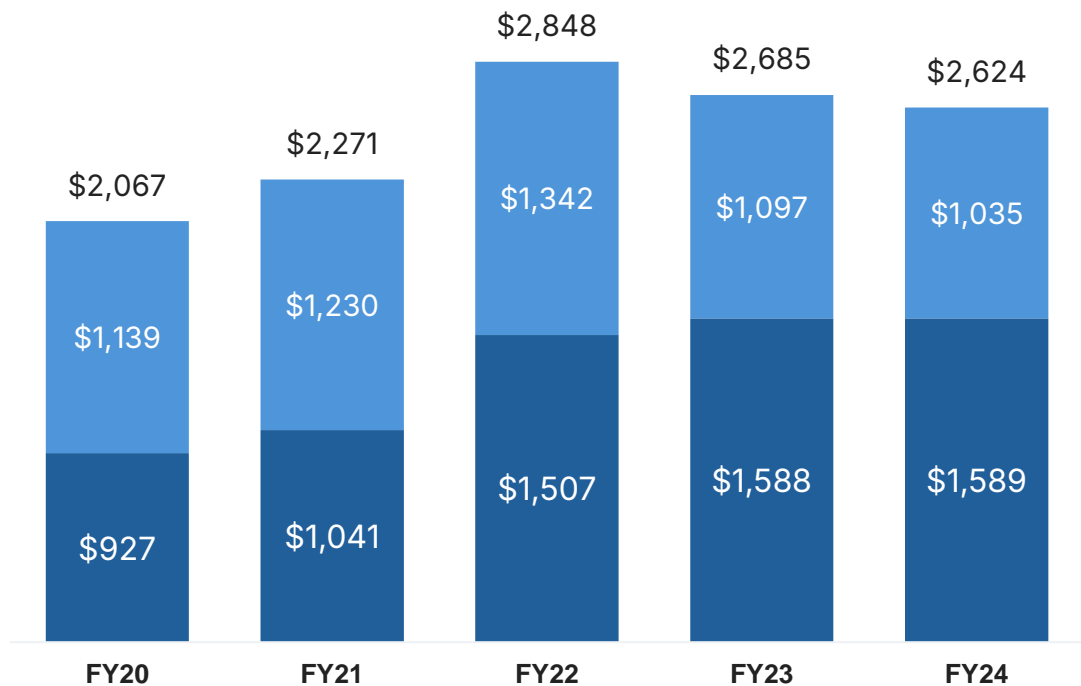


APPENDIX

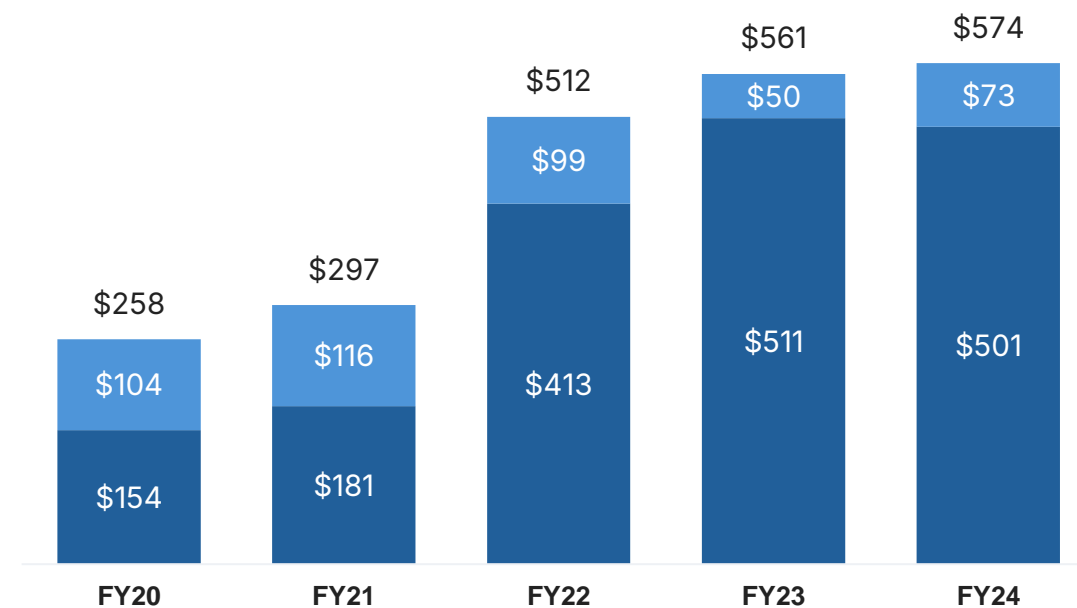


SALES AND EBITDA BY SEGMENT

Revenue (\$mm)



EBITDA before unallocated expenses (\$mm)



■ HBP
■ CPP

GAAP TO NON-GAAP RECONCILIATION

GRIFFON CORPORATION AND SUBSIDIARIES NET DEBT AND LEVERAGE BANK COMPLIANCE (Unaudited)

(\$US in millions)	Multiple of		Multiple of		Multiple of		Multiple of		Multiple of	
	9/30/2020	EBITDA	9/30/2021	EBITDA	9/30/2022	EBITDA	9/30/2023	EBITDA	9/30/2024	EBITDA
Senior Notes due 2028	\$ 1,000.0	3.98 x	\$ 1,000.0	3.46 x	\$ 974.8	1.91 x	\$ 974.8	1.84 x	\$ 974.8	1.80 x
Term Loan B due 2029	-	0.00 x	-	0.00 x	496.0	0.97 x	463.0	0.87 x	457.0	0.85 x
Revolver due 2028	12.9	0.05 x	13.5	0.05 x	97.3	0.19 x	50.4	0.09 x	107.5	0.20 x
Capital lease and other debt	51.5	0.21 x	47.0	0.16 x	27.5	0.05 x	1.6	0.00 x	0.4	0.00 x
Total gross debt	\$ 1,064.4	4.24 x	\$ 1,060.5	3.66 x	\$ 1,595.6	3.13 x	\$ 1,489.8	2.81 x	\$ 1,539.7	2.85 x
Cash and cash equivalents	(218.1)	(0.87x)	(248.7)	(0.86x)	(120.2)	(0.24x)	(102.9)	(0.19x)	(114.4)	(0.21x)
Net debt	\$ 846.3	3.37 x	\$ 811.8	2.81 x	\$ 1,475.4	2.89 x	\$ 1,386.9	2.61 x	\$ 1,425.3	2.64 x
Adjusted TTM EBITDA	\$ 251.1		\$ 289.4		\$ 509.7		\$ 531.0		\$ 540.4	
Adjusted EBITDA (per debt compliance)										
Adjusted EBITDA	\$ 208.2		\$ 246.4		\$ 458.2		\$ 505.3		\$ 513.6	
Discontinued operations adjustments	27.7		22.9		-		-		-	
Acquisition proforma adjustments	(2.4)		-		28.9		-		-	
Stock and ESOP-based compensation	17.6		20.1		22.6		25.7		26.8	
Adjusted EBITDA (per debt compliance)	\$ 251.1		\$ 289.4		\$ 509.7		\$ 531.0		\$ 540.4	

1. Griffon defines adjusted EBITDA as operating results before interest income and expense, income taxes, depreciation and amortization, restructuring charges, debt extinguishment (net), and acquisition related expenses, as well as other items that may affect comparability, as applicable.

GAAP TO NON-GAAP RECONCILIATION

GRIFFON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF GAAP to NON-GAAP MEASURES - CONTINUING OPERATIONS
ADJUSTED EBITDA - BY REPORTABLE SEGMENT (Unaudited)

(US dollars in thousands, except per share data)

	For the Years Ended September 30,				
	2024	2023	2022	2021	2020
REVENUE					
Home and Building Products	\$ 1,588,625	\$ 1,588,505	\$ 1,506,882	\$ 1,041,108	\$ 927,313
Consumer and Professional Products	1,034,895	1,096,678	1,341,606	1,229,518	1,139,233
Total	<u>\$ 2,623,520</u>	<u>\$ 2,685,183</u>	<u>\$ 2,848,488</u>	<u>\$ 2,270,626</u>	<u>\$ 2,066,546</u>
ADJUSTED EBITDA¹					
Home and Building Products	\$ 501,001	\$ 510,876	\$ 412,738	\$ 181,015	\$ 153,631
Consumer and Professional Products	72,632	50,343	99,308	115,673	104,053
Segment adjusted EBITDA	573,633	561,219	512,046	296,688	257,684
Unallocated amounts, excluding depreciation ²	(60,031)	(55,887)	(53,888)	(50,278)	(49,487)
Adjusted EBITDA	513,602	505,332	458,158	246,410	208,197
Net interest expense	(101,652)	(99,351)	(84,164)	(62,735)	(65,795)
Depreciation and amortization	(60,704)	(65,445)	(64,658)	(52,302)	(52,100)
Gain (loss) on sale of buildings	(61)	12,655	-	-	-
Goodwill and intangible asset impairments	-	(109,200)	(517,027)	-	-
Loss from debt extinguishment	(1,700)	(437)	(4,529)	-	(7,925)
Restructuring charges	(41,309)	(92,468)	(16,782)	(21,418)	(13,669)
Acquisition costs	(441)	-	(9,303)	-	(2,960)
Proxy expenses	-	(2,685)	(6,952)	-	-
Special dividend ESOP charges	-	(15,494)	(10,538)	-	-
Strategic review - retention and other	(10,594)	(20,225)	(9,683)	-	-
Fair value step-up of acquired inventory sold	(491)	-	(5,401)	-	-
Acquisition contingent consideration	-	-	-	-	1,733
Income (loss) before taxes from continuing operations	<u>\$ 296,650</u>	<u>\$ 112,682</u>	<u>\$ (270,879)</u>	<u>\$ 109,955</u>	<u>\$ 67,481</u>

1. Griffon defines adjusted EBITDA as operating results before interest income and expense, income taxes, depreciation and amortization, restructuring charges, debt extinguishment (net), and acquisition related expenses, as well as other items that may affect comparability, as applicable.

GAAP TO NON-GAAP RECONCILIATION

GRIFFON CORPORATION AND SUBSIDIARIES

RECONCILIATION OF GAAP to NON-GAAP MEASURES - CONTINUING OPERATIONS

INCOME (LOSS) TO ADJUSTED INCOME (LOSS) and DILUTED EARNINGS (LOSS) PER SHARE TO ADJUSTED EARNINGS PER SHARE (Unaudited)

(In thousands, except per share data)

	For the Years Ended September 30,				
	2024	2023	2022	2021	2020
Income (loss) from continuing operations	\$ 209,897	\$ 77,617	\$ (287,715)	\$ 70,302	\$ 41,444
Adjusting items, net of tax:					
Restructuring charges	41,309	92,468	16,782	21,418	13,669
Debt extinguishment, net	1,700	437	4,529	-	7,925
Acquisition costs	441	-	9,303	-	2,960
Strategic review - retention and other	10,594	20,225	9,683	-	-
Acquisition contingent consideration	-	-	-	-	(1,733)
Special dividend ESOP charges	-	15,494	10,538	-	-
Proxy expenses	-	2,685	6,952	-	-
Fair value step-up of acquired inventory sold	491	-	5,401	-	-
Goodwill and intangible asset impairments	-	109,200	517,027	-	-
(Gain) loss on sale of buildings	61	(12,655)	-	-	-
Tax impact of above items	(13,832)	(57,925)	(76,627)	(5,287)	(5,584)
Discrete and certain other tax provisions (benefits), net	3,586	175	3,913	3,245	966
Adjusted income from continuing operations	<u>\$ 254,247</u>	<u>\$ 247,721</u>	<u>\$ 219,786</u>	<u>\$ 89,678</u>	<u>\$ 59,647</u>
Earnings (loss) per common share from continuing operations	\$ 4.23	\$ 1.42	\$ (5.57)	\$ 1.32	\$ 0.92
Adjusting items, net of tax:					
Anti-dilutive share impact	-	-	0.24	-	-
Restructuring charges	0.62	1.26	0.23	0.30	0.23
Debt extinguishment, net	0.03	0.01	0.06	-	0.14
Acquisition costs	0.01	-	0.15	-	0.05
Strategic review - retention and other	0.16	0.28	0.13	-	-
Acquisition contingent consideration	-	-	-	-	(0.03)
Special dividend ESOP charges	-	0.22	0.15	-	-
Proxy expenses	-	0.04	0.10	-	-
Fair value step-up of acquired inventory sold	0.01	-	0.07	-	-
Goodwill and intangible asset impairments	-	1.49	8.43	-	-
(Gain) loss on sale of buildings	-	(0.18)	-	-	-
Discrete and certain other tax provisions	0.07	-	0.07	0.06	0.02
Adjusted Earnings per common share	<u>\$ 5.12</u>	<u>\$ 4.54</u>	<u>\$ 4.07</u>	<u>\$ 1.68</u>	<u>\$ 1.33</u>

Note: Due to rounding, the sum of earnings per common share and adjusting items, net of tax, may not equal adjusted per common share

DISCLAIMER

“Safe Harbor” Statements under the Private Securities Litigation Reform Act of 1995: All statements related to, among other things, income (loss), earnings, cash flows, revenue, changes in operations, operating improvements, industries in which Griffon Corporation (the “Company” or “Griffon”) operates and the United States and global economies that are not historical are hereby identified as “forward-looking statements”, and may be indicated by words or phrases such as “anticipates,” “supports,” “plans,” “projects,” “expects,” “believes,” “achieves”, “should,” “would,” “could,” “hope,” “forecast,” “management is of the opinion,” “may,” “will,” “estimates,” “intends,” “explores,” “opportunities,” the negative of these expressions, use of the future tense and similar words or phrases. Such forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from those expressed in any forward-looking statements. These risks and uncertainties include, among others: current economic conditions and uncertainties in the housing, credit and capital markets; Griffon’s ability to achieve expected savings and improved operational results from cost control, restructuring, integration and disposal initiatives (including the expanded CPP global outsourcing strategy announced in May 2023); the ability to identify and successfully consummate, and integrate, value-adding acquisition opportunities; increasing competition and pricing pressures in the markets served by Griffon’s operating companies; the ability of Griffon’s operating companies to expand into new geographic and product markets, and to anticipate and meet customer demands for new products and product enhancements and innovations; increases in the cost or lack of availability of raw materials such as steel, resin and wood, components or purchased finished goods, including any potential impact on costs or availability resulting from tariffs; changes in customer demand or loss of a material customer at one of Griffon’s operating companies; the potential impact of seasonal variations and uncertain weather patterns on certain of Griffon’s businesses; political events or military conflicts that could impact the worldwide economy; a downgrade in Griffon’s credit ratings; changes in international economic conditions including inflation, interest rate and currency exchange fluctuations; the reliance by certain of Griffon’s businesses on particular third party suppliers and manufacturers to meet customer demands; the relative mix of products and services offered by Griffon’s businesses, which impacts margins and operating efficiencies; short-term capacity constraints or prolonged excess capacity; unforeseen developments in contingencies, such as litigation, regulatory and environmental matters; Griffon’s ability to adequately protect and maintain the validity of patent and other intellectual property rights; the cyclical nature of the businesses of certain of Griffon’s operating companies; possible terrorist threats and actions and their impact on the global economy; effects of possible IT system failures, data breaches or cyber-attacks; the impact of pandemics, such as COVID-19, on the U.S. and the global economy, including business disruptions, reductions in employment and an increase in business and operating facility failures, specifically among our customers and suppliers; Griffon’s ability to service and refinance its debt; and the impact of recent and future legislative and regulatory changes, including, without limitation, changes in tax laws. Such statements reflect the views of the Company with respect to future events and are subject to these and other risks, as previously disclosed in the Company’s Securities and Exchange Commission filings. Readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements speak only as of the date made. Griffon undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.