



# Q1 FY24 Investor Presentation

February 2024



## Griffon Overview

**\$2.7B**

Revenue

**\$513M**

Adj. EBITDA

**19%**

Adj. EBITDA Margin

**\$1.3B**

Net debt

**\$3.0B**

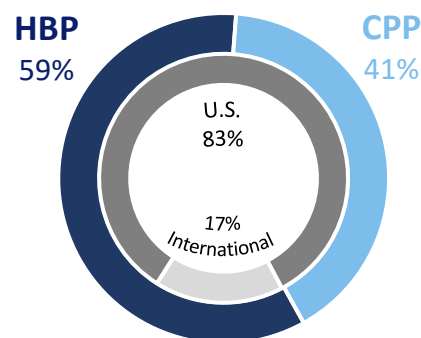
Market Cap <sup>1</sup>

**5,500**

Employees

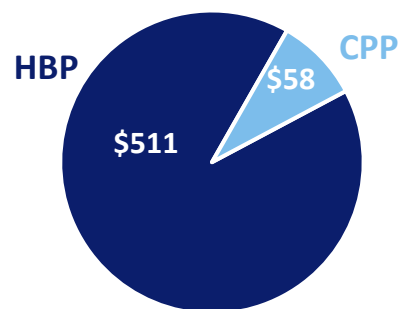
### BREAKDOWN BY OPERATING SEGMENT

#### Revenue



#### Adjusted EBITDA

(excl. unallocated)  
(\$ millions)



### 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 tools, home storage and organization, outdoor lifestyle products, and residential and industrial ceiling fans 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

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

Note: Financial results for trailing twelve months (TTM) period ended 12/31/2023 and as of 12/31/2023. See reconciliation of GAAP to non-GAAP measures in appendix.



1. Closing price of \$59.81/share on 2/5/2024 and 50,964,212 shares outstanding as of 1/31/24.

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## Leading Brands in Core Categories

### HOME AND BUILDING PRODUCTS

**Residential  
Garage Doors**


**Commercial  
Doors**

### CONSUMER AND PROFESSIONAL PRODUCTS

**Lawn and  
Garden**








**Storage and  
Organization**




**Outdoor  
Decor**






**Residential  
Commercial and  
Industrial Fans**






# Portfolio Reshaping Creates New Phase of Growth

Griffon has taken a number of strategic steps over the last several years to strengthen the business, and position it for future growth and increased profitability

2018

2020

2022

2024 & Beyond ▶

Reshapes portfolio and enhances focus on core categories

Establishes runway for growth and further strengthens core

## ACQUISITIONS



## INVESTMENTS

HBP Capacity Expansion: Sectional Door ('16 - '21), Rolling Steel Door ('19 - '21)  
CPP and HBP: Business Intelligence Platforms, Digital Commerce and Distribution ('19 - '23)

## DIVESTITURES

Clopay Plastics (2018)

Systems Engineering Group (2021)  
Telephonics (2022)

Griffon is poised to capitalize on secular market trends, and improve margins and free cash flow generation to enhance shareholder value

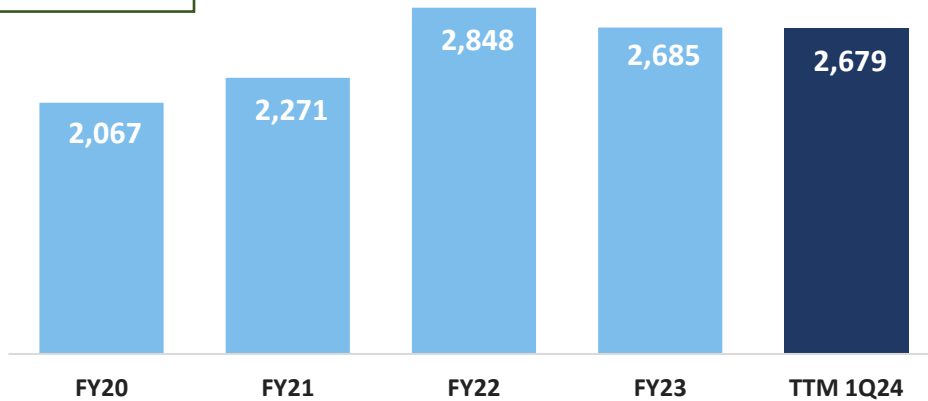
HBP growth driven by increasing market penetration coupled with productivity from ongoing efficiency initiatives

CPP growth driven by the expansion of its proven asset-light model, recovery of consumer market demand and ongoing efficiency initiatives

# Strong Performance and Value Creation

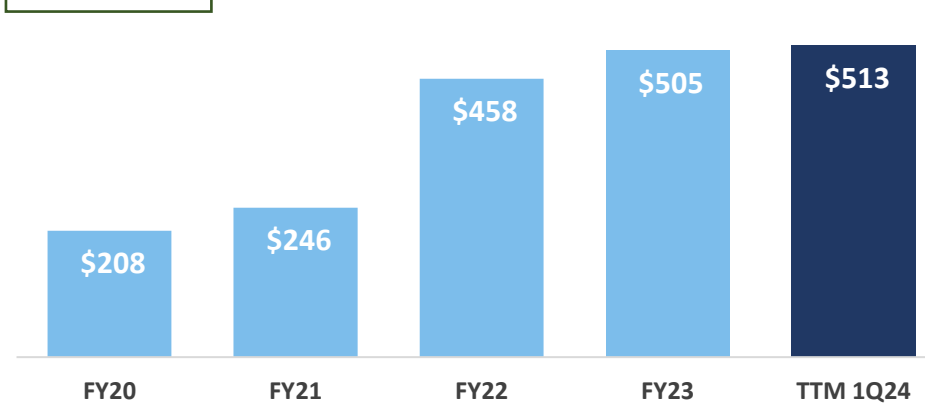
## Revenue (\$mm)

8.3% CAGR



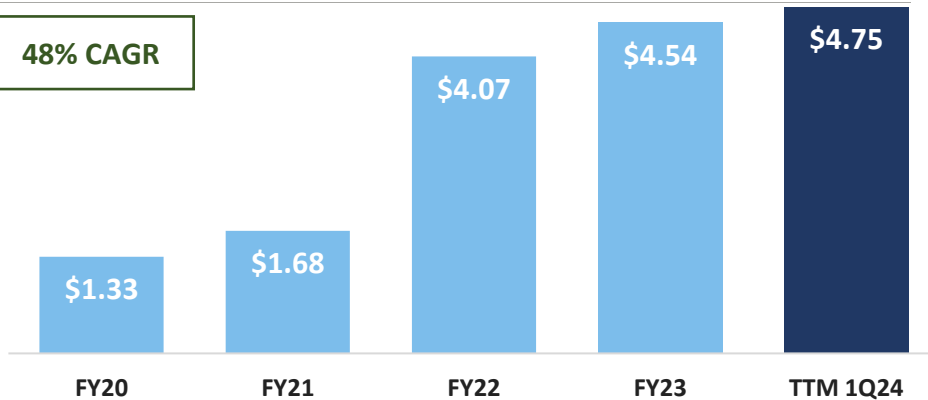
## Adjusted EBITDA (\$mm)

32% CAGR



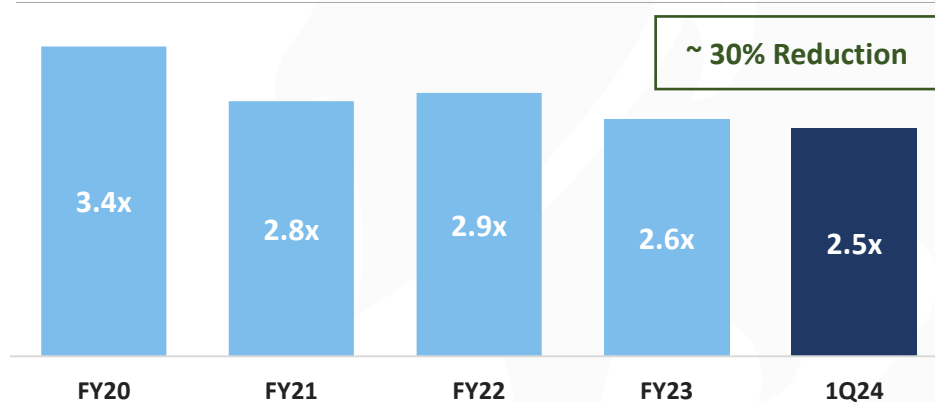
## Adjusted EPS from continuing operations

48% CAGR



## Net debt to EBITDA leverage

~ 30% Reduction



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

## 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

**\$511M**

EBITDA

**32%**

EBITDA Margin

**≈ 2%**

Capex  
to Revenue

**3,000**

Employees

**54**

Distribution  
Centers

**4**

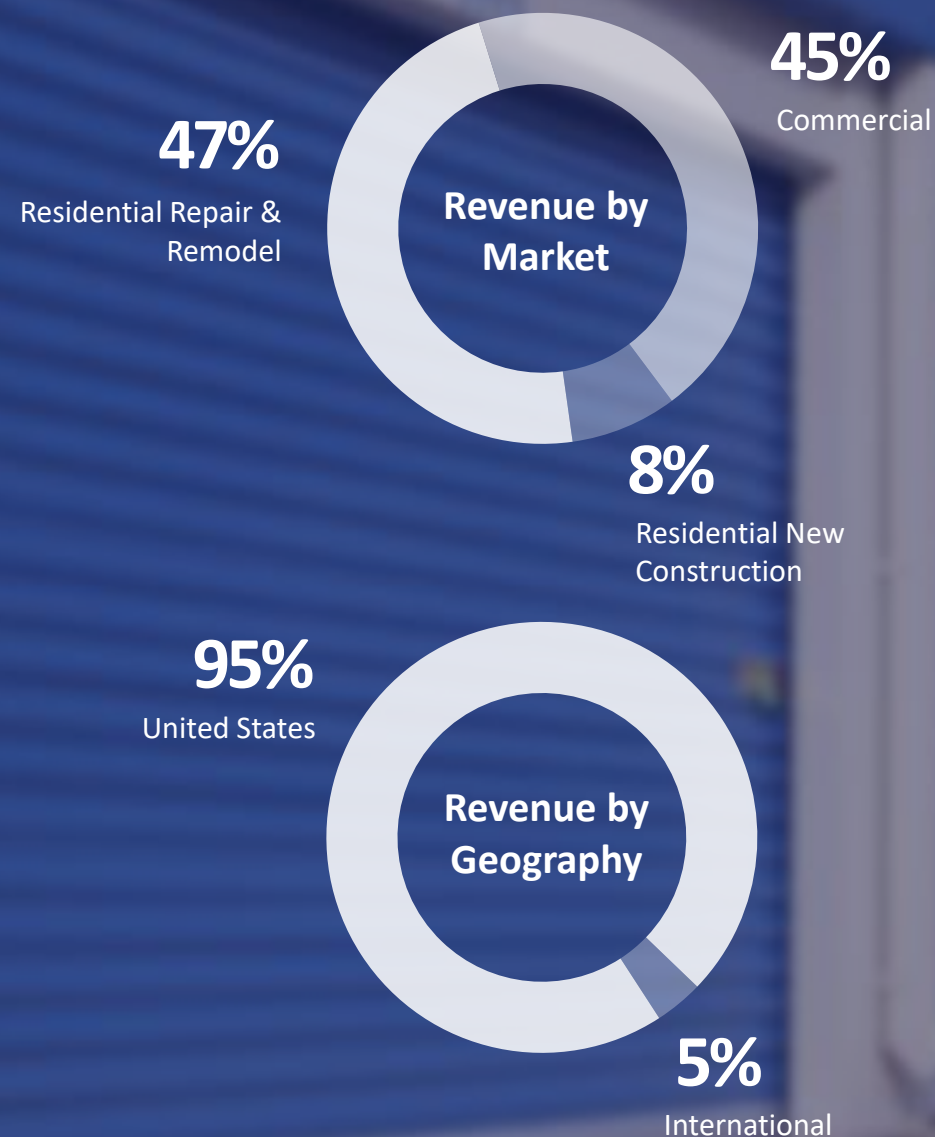
Manufacturing  
Centers

**3M sqft**

Manufacturing and  
Distribution Footprint

Note: Financial results for trailing twelve months (TTM) period ended 12/31/2023 and as of 12/31/2023.  
See reconciliation of GAAP to non-GAAP measures in appendix.

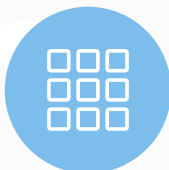
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# HBP - Resilient and Sustainable Model Bolstered by Strong Market Trends



Headquartered in Mason, OH



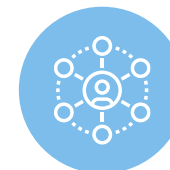
Robust portfolio of residential and commercial products



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



Extensive design, manufacturing, and logistics capabilities, with 54 distribution centers in North America



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

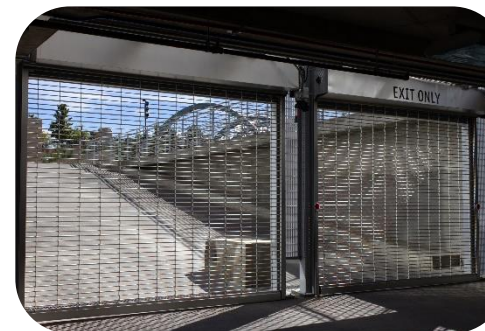


Investments in product development, technology and capacity driving innovation and growth

## RESIDENTIAL GARAGE DOORS



## COMMERCIAL SECTIONAL AND ROLLING STEEL





## Consumer and Professional Products Segment

Consumer and professional tools, ceiling fans, products for home storage and organization, landscaping and enhancing outdoor lifestyles

**\$1.1B**

Revenue

**\$58M**

EBITDA

**5.3%**

EBITDA Margin

**< 2%**

Capex  
to Revenue

**2,500**

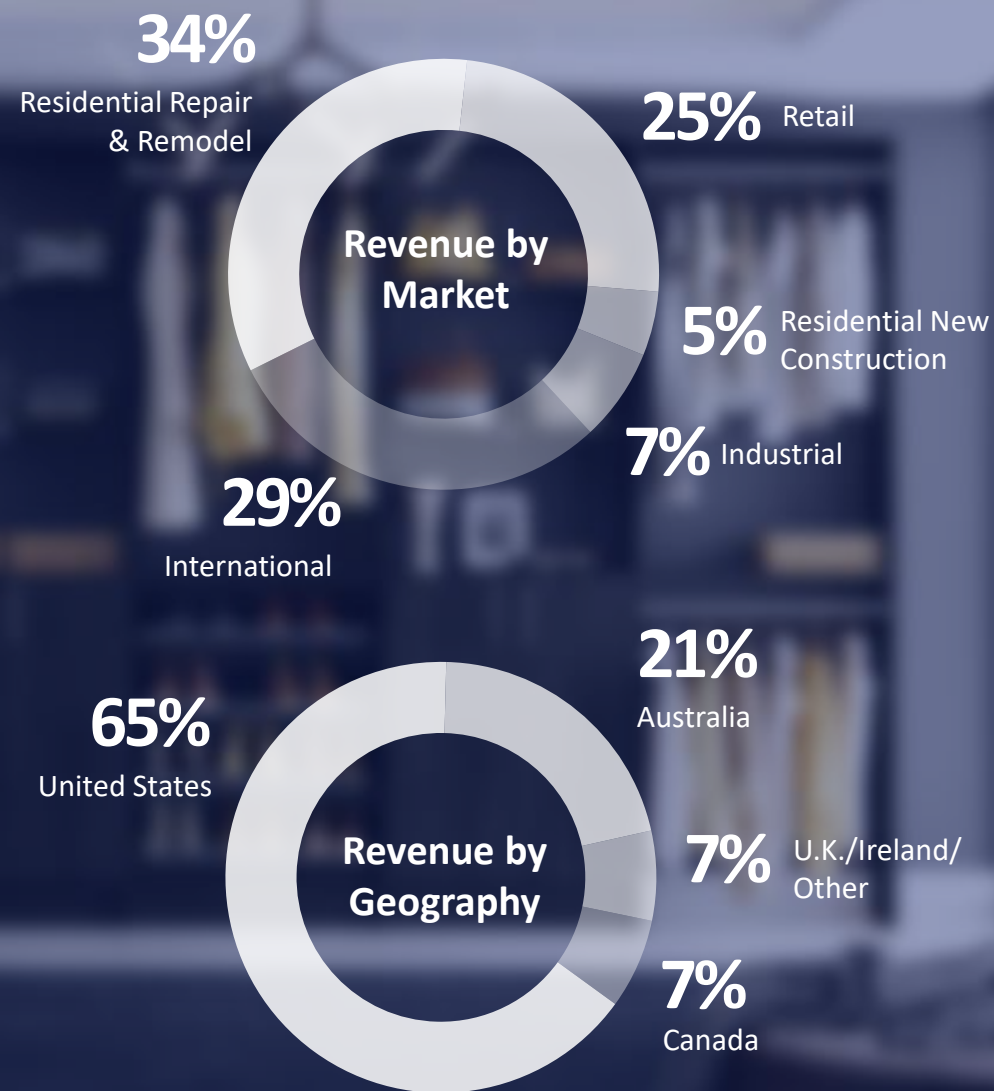
Employees

**4M sqft**

Global Distribution  
Footprint

Note: Financial results for trailing twelve months (TTM) period ended 12/31/2023 and as of 12/31/2023. Capital expenditure shown represents projected long-term average. See reconciliation of GAAP to non-GAAP measures in appendix.

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# CPP - Global Exposure to Leading Household Brands



Headquartered in Orlando, FL

## LAWN AND GARDEN, OUTDOOR DECOR



TRUE TEMPER



RAZORBACK

SINCE 1897  
Northcote  
POTTERY



Broad, iconic portfolio  
of market-leading  
branded products,  
many with 100+ year  
legacy

Widely recognized and  
respected by  
consumers and  
professionals

## STORAGE AND ORGANIZATION

 CLOSETMAID®



Strong, long-term  
customer  
relationships and  
channels –  
home centers, MSH,  
ecommerce, builders,  
and industrial

Extensive design,  
manufacturing, and  
logistics capabilities

## RESIDENTIAL, COMMERCIAL AND INDUSTRIAL FANS

*Hunter*  
SINCE 1886

CASABLANCA®  
FAN COMPANY



# Global Macro Trends Drive Increased Demand for Our Products



**Repair and remodel activity remains elevated** (>\$485B 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 2021: 40 years)

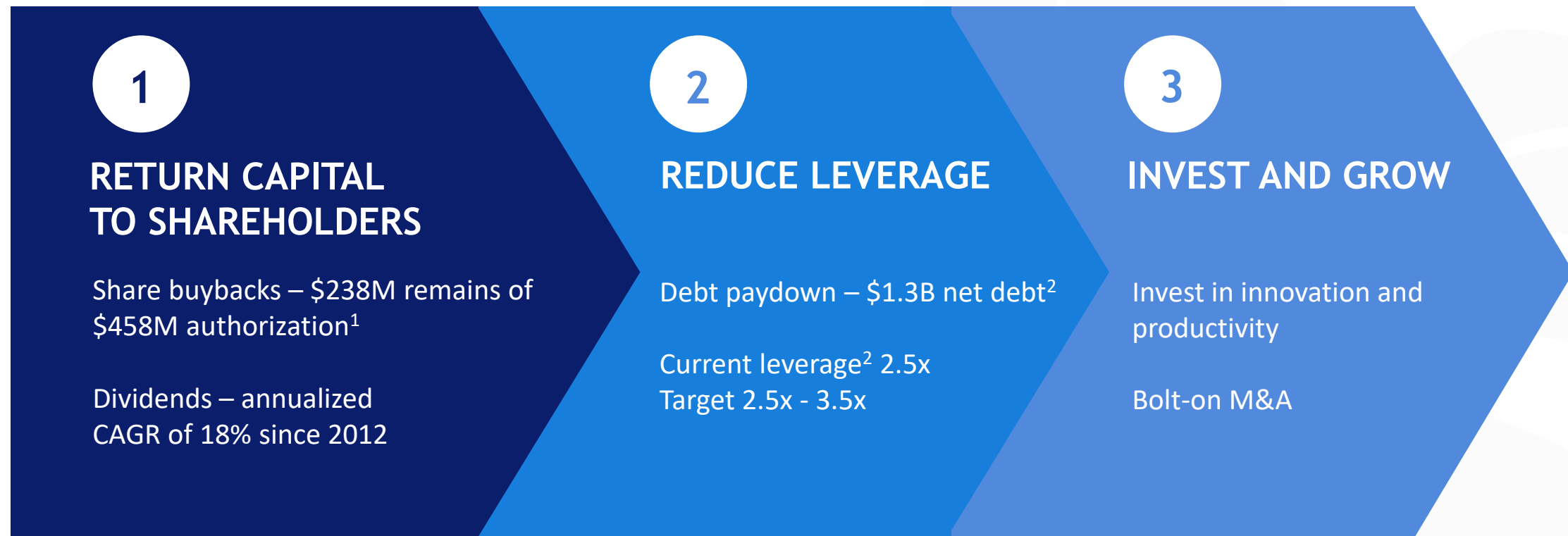


Maturing Millennial and Gen Z populations driving **increase in household formation**



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

# Capital Allocation Strategy Enhances Shareholder Value



1. As of December 31, 2023

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



## Attractive Long-Term Segment EBITDA Margins

	FY2023A	Long-Term Goal	Drivers
Home and Building Products	32.2%	25% - 28%	<ul style="list-style-type: none"> <li>▪ Resiliency of repair and remodeling activity</li> <li>▪ Continued strength in commercial construction</li> <li>▪ Capture of additional commercial market share</li> <li>▪ Ongoing efficiency initiatives</li> </ul>
Consumer and Professional Products	4.6%	15%	<ul style="list-style-type: none"> <li>▪ Expansion of proven asset-light model across the segment to significantly improve margin and free cash flow profile</li> <li>▪ Recovery of consumer market demand and normalized channel inventory levels</li> <li>▪ Ongoing efficiency initiatives</li> </ul>
Total Segments	20.9%	20%+	



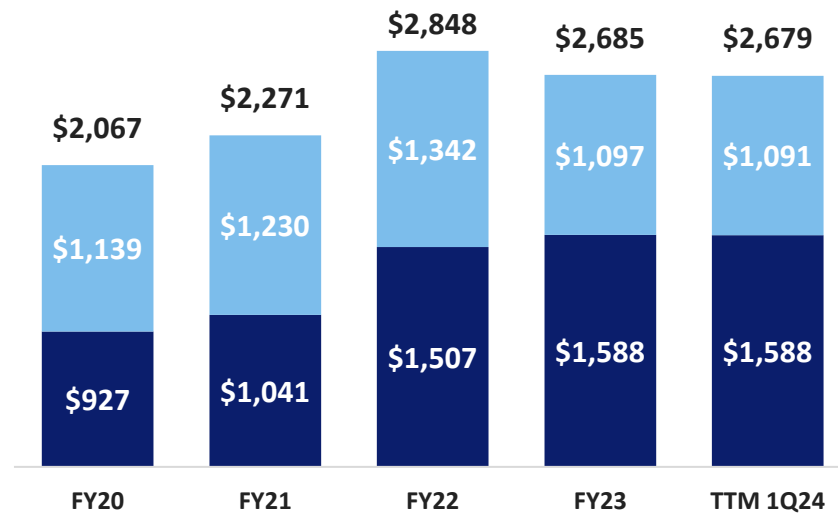
# Appendix

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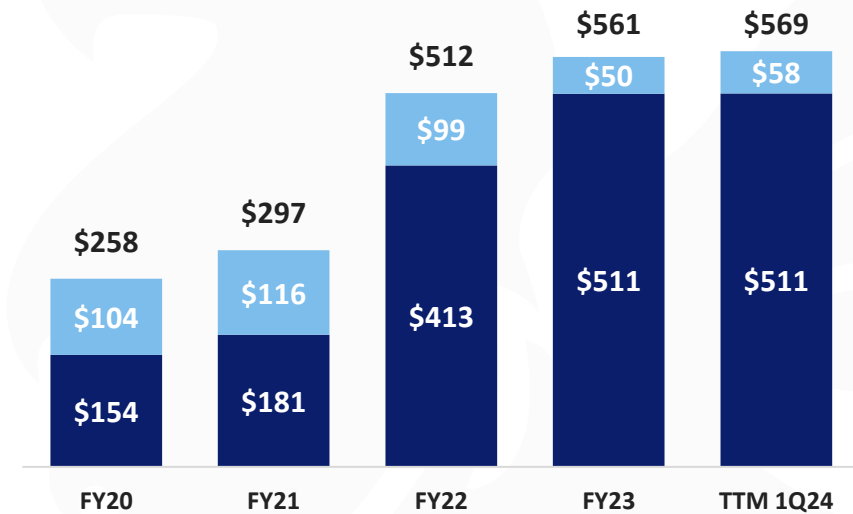


# Sales and EBITDA by Segment

## Revenue (\$mm)



## EBITDA before unallocated expenses (\$mm)



■ HBP

■ CPP

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

# GAAP to Non-GAAP Reconciliation

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

(\$US 000)	Multiple of 9/30/2020 EBITDA		Multiple of 9/30/2021 EBITDA		Multiple of 9/30/2022 EBITDA		Multiple of 9/30/2023 EBITDA		Multiple of 12/31/2023 EBITDA	
\$500mm revolver	\$ 12.9	0.08 x	\$ 13.5	0.06 x	\$ 97.3	0.16 x	\$ 50.4	0.09 x	\$ 21.5	0.04 x
Capital lease and other debt	51.5	0.05 x	47.0	0.06 x	27.5	0.03 x	1.6	0.00 x	1.5	0.00 x
Term loan B	-	0.93 x	-	0.93 x	496.0	0.92 x	463.0	0.87 x	461.0	0.86 x
Senior Notes due 2028	1,000.0	1.83 x	1,000.0	1.84 x	974.8	1.82 x	974.8	1.84 x	974.8	1.81 x
<b>Total gross debt</b>	<b>\$ 1,064.4</b>	<b>2.90 x</b>	<b>\$ 1,060.5</b>	<b>2.88 x</b>	<b>\$ 1,595.6</b>	<b>2.93 x</b>	<b>\$ 1,489.8</b>	<b>2.81 x</b>	<b>\$ 1,458.8</b>	<b>2.71 x</b>
Cash and cash equivalents	(218.1)	(0.23x)	(248.7)	(0.33x)	(120.2)	(0.28x)	(102.9)	(0.19x)	(110.5)	(0.21x)
<b>Net debt</b>	<b>\$ 846.3</b>	<b>2.67 x</b>	<b>\$ 811.8</b>	<b>2.54 x</b>	<b>\$ 1,475.4</b>	<b>2.64 x</b>	<b>\$ 1,386.9</b>	<b>2.61 x</b>	<b>\$ 1,348.3</b>	<b>2.50 x</b>
<b>Adjusted TTM EBITDA</b>	<b>\$ 251.0</b>		<b>\$ 289.4</b>		<b>\$ 509.7</b>		<b>\$ 531.0</b>		<b>\$ 538.4</b>	
<b>Adjusted EBITDA (per debt compliance)</b>										
Adjusted EBITDA	\$ 208.2		\$ 246.4		\$ 458.2		\$ 505.3		\$ 513.1	
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		25.3	
<b>Adjusted EBITDA (per debt compliance)</b>	<b>\$ 251.1</b>		<b>\$ 289.4</b>		<b>\$ 509.7</b>		<b>\$ 531.0</b>		<b>\$ 538.4</b>	

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)**

	For the Years Ended September 30,					For the Three Months Ended December 31,		Trailing Twelve Months Ended December 31,
	2023	2022	2021	2020	2019	2023	2022	2023
<i>(US dollars in thousands, except per share data)</i>								
<b>REVENUE</b>								
Home and Building Products	\$ 1,588,506	\$ 1,506,882	\$ 1,041,108	\$ 927,313	\$ 873,640	\$ 395,791	\$ 396,573	\$ 1,587,724
Consumer and Professional Products	1,096,678	1,341,606	1,229,518	1,139,233	1,000,608	247,362	252,811	1,091,229
Total	<u>\$ 2,685,184</u>	<u>\$ 2,848,488</u>	<u>\$ 2,270,626</u>	<u>\$ 2,066,546</u>	<u>\$ 1,874,248</u>	<u>\$ 643,153</u>	<u>\$ 649,384</u>	<u>\$ 2,678,953</u>
<b>ADJUSTED EBITDA<sup>1</sup></b>								
Home and Building Products	\$ 510,876	\$ 412,738	\$ 181,015	\$ 153,631	\$ 120,161	\$ 124,719	\$ 124,145	\$ 511,450
Consumer and Professional Products	50,343	99,308	115,673	104,053	90,677	5,539	(1,809)	57,691
Total Segments	561,219	512,046	296,688	257,684	210,838	130,258	122,336	569,141
Unallocated amounts <sup>2</sup>	(55,887)	(53,888)	(50,278)	(49,487)	(47,231)	(13,907)	(13,776)	(56,018)
Adjusted EBITDA	505,332	458,158	246,410	208,197	163,607	116,351	108,560	513,123
Net interest expense	(99,351)	(84,164)	(62,735)	(65,795)	(67,513)	(24,875)	(24,544)	(99,682)
Depreciation and amortization	(65,445)	(64,658)	(52,302)	(52,100)	(51,517)	(14,823)	(17,113)	(63,155)
Gain on sale of buildings	12,655	-	-	-	-	547	10,852	2,350
Goodwill and intangible asset impairments	(109,200)	(517,027)	-	-	-	-	-	(109,200)
Debt Extinguishment, net	(437)	(4,529)	-	(7,925)	-	-	-	(437)
Restructuring charges	(92,468)	(16,782)	(21,418)	(13,669)	-	(12,400)	-	(104,868)
Acquisition costs	-	(9,303)	-	(2,960)	-	-	(1,503)	1,503
Proxy expenses	(2,685)	(6,952)	-	-	-	-	-	(2,685)
Special dividend ESOP charges	(15,494)	(10,538)	-	-	-	-	-	(15,494)
Strategic review - retention and other	(20,225)	(9,683)	-	-	-	(4,658)	(8,232)	(16,651)
Fair value step-up of acquired inventory sold	-	(5,401)	-	-	-	-	-	-
Acquisition contingent consideration	-	-	-	1,733	1,646	-	-	-
Income before taxes from continuing operations	<u>\$ 112,682</u>	<u>\$ (270,879)</u>	<u>\$ 109,955</u>	<u>\$ 67,481</u>	<u>\$ 46,223</u>	<u>\$ 60,142</u>	<u>\$ 68,020</u>	<u>\$ 104,804</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; 2. Primarily corporate overhead



# 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)**

<i>(In thousands, except per share data)</i>	For the Years Ended September 30,					For the Three Months Ended December 31,		Trailing Twelve Months Ended December 31,
	2023	2022	2021	2020	2019	2023	2022	2023
Income from continuing operations	\$ 77,617	\$ (287,715)	\$ 70,302	\$ 41,444	\$ 25,470	\$ 42,177	\$ 48,702	\$ 71,092
Adjusting items, net of tax:								
Restructuring charges	92,468	16,782	21,418	13,669	-	12,400	-	104,868
Debt extinguishment, net	437	4,529	-	7,925	-	-	-	437
Acquisition costs	-	9,303	-	2,960	-	-	-	-
Strategic review - retention and other	20,225	9,683	-	-	-	4,658	8,232	16,651
Acquisition contingent consideration	-	-	-	(1,733)	(1,646)	-	-	-
Special dividend ESOP charges	15,494	10,538	-	-	-	-	-	15,494
Proxy expenses	2,685	6,952	-	-	-	-	1,503	1,182
Fair value step-up of acquired inventory sold	-	5,401	-	-	-	-	-	-
Goodwill and intangible asset impairments	109,200	517,027	-	-	-	-	-	109,200
Gain on sale of buildings	(12,655)	-	-	-	-	(547)	(10,852)	(2,350)
Tax impact of above items	(57,925)	(76,627)	(5,287)	(5,584)	313	(4,204)	169	(62,298)
Discrete and certain other tax provisions (benefits)	175	3,913	3,245	966	1,786	783	(333)	1,291
Adjusted income from continuing operations	<u>\$ 247,721</u>	<u>\$ 219,786</u>	<u>\$ 89,678</u>	<u>\$ 59,647</u>	<u>\$ 25,923</u>	<u>\$ 55,267</u>	<u>\$ 47,421</u>	<u>\$ 255,567</u>
Diluted income (loss) per common share from continuing operations	\$ 1.42	\$ (5.57)	\$ 1.32	\$ 0.92	\$ 0.59	\$ 0.82	\$ 0.88	\$ 1.36
Anti-dilutive share impact	-	0.24	-	-	-	-	-	-
Restructuring charges	1.26	0.23	0.30	0.23	-	0.18	-	1.44
Debt extinguishment, net	0.01	0.06	-	0.14	-	-	-	0.01
Acquisition costs	-	0.15	-	0.05	-	-	-	-
Strategic review - retention and other	0.28	0.13	-	-	-	0.07	0.11	0.24
Acquisition contingent consideration	-	-	-	(0.03)	(0.03)	-	-	-
Special dividend ESOP charges	0.22	0.15	-	-	-	-	-	0.22
Proxy expenses	0.04	0.10	-	-	-	-	0.02	0.02
Fair value step-up of acquired inventory sold	-	0.07	-	-	-	-	-	-
Goodwill and intangible asset impairments	1.49	8.43	-	-	-	-	-	1.49
Gain on sale of buildings	(0.18)	-	-	-	-	(0.01)	(0.15)	(0.04)
Discrete and certain other tax provisions (benefits)	-	0.07	0.06	0.02	0.04	0.02	(0.01)	0.03
Adjusted Earnings per share	<u>\$ 4.54</u>	<u>\$ 4.07</u>	<u>\$ 1.68</u>	<u>\$ 1.33</u>	<u>\$ 0.60</u>	<u>\$ 1.07</u>	<u>\$ 0.86</u>	<u>\$ 4.75</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

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"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, the 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, in particular, the expanded CPP global outsourcing strategy announced in May 2023); the ability to identify and successfully consummate, and integrate, value-adding acquisition opportunities (including, in particular, integration of the Hunter Fan acquisition); 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 COVID-19, or some other future pandemic, 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.