UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2024

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

For the transition period from to

Commission File Number: 1-06620

GRIFFON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**11-1893410**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

712 Fifth Ave, 18th Floor	**New York**	**New York**	**10019**
(Address of principal executive offices)			(Zip Code)

(212) 957-5000

(Registrant's telephone number, including area code)

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, $0.25 par value	GFF	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer", "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

The number of shares of common stock outstanding at **July 31, 2024** was 49,263,240.

Griffon Corporation and Subsidiaries

Contents

Part I – Financial Information
Item 1 – Financial Statements

GRIFFON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	(Unaudited) June 30, 2024	September 30, 2023
CURRENT ASSETS		
Cash and equivalents	$ 133,452	$ 102,889
Accounts receivable, net of allowances of $11,009 and $11,264	320,385	312,432
Inventories	430,708	507,130
Prepaid and other current assets	65,797	57,139
Assets held for sale	14,747	—
Assets of discontinued operations	1,310	1,001
Total Current Assets	966,399	980,591
PROPERTY, PLANT AND EQUIPMENT, net	274,980	279,218
OPERATING LEASE RIGHT-OF-USE ASSETS	159,865	169,942
GOODWILL	327,864	327,864
INTANGIBLE ASSETS, net	619,867	635,243
OTHER ASSETS	25,115	21,731
ASSETS OF DISCONTINUED OPERATIONS	4,774	4,290
Total Assets	$ 2,378,864	$ 2,418,879
CURRENT LIABILITIES		
Notes payable and current portion of long-term debt	$ 8,138	$ 9,625
Accounts payable	156,564	116,646
Accrued liabilities	185,218	193,098
Current portion of operating lease liabilities	32,572	32,632
Liabilities of discontinued operations	4,216	7,148
Total Current Liabilities	386,708	359,149
LONG-TERM DEBT, net	1,499,211	1,459,904
LONG-TERM OPERATING LEASE LIABILITIES	138,665	147,224
OTHER LIABILITIES	124,969	132,708
LIABILITIES OF DISCONTINUED OPERATIONS	5,801	4,650
Total Liabilities	2,155,354	2,103,635
COMMITMENTS AND CONTINGENCIES - See Note 22		
SHAREHOLDERS' EQUITY		
Total Shareholders' Equity	223,510	315,244
Total Liabilities and Shareholders' Equity	$ 2,378,864	$ 2,418,879

The accompanying notes to condensed consolidated financial statements are an integral part of these statements.

GRIFFON CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
For the Three and Nine Months Ended June 30, 2024 and 2023
(Unaudited)

	COMMON STOCK		CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	TREASURY SHARES		ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	DEFERRED COMPENSATION	TOTAL
(in thousands)	**SHARES**	**PAR VALUE**			**SHARES**	**COST**			
Balance at September 30, 2023	84,746	$ 21,187	$ 662,680	$ 281,516	31,684	$ (577,686)	$ (70,010)	$ (2,443)	$ 315,244
Net income	—	—	—	42,177	—	—	—	—	42,177
Dividend	—	—	—	(7,825)	—	—	—	—	(7,825)
Shares withheld on employee taxes on vested equity awards	—	—	—	—	221	(11,604)	—	—	(11,604)
Amortization of deferred compensation	—	—	—	—	—	—	—	520	520
Common stock acquired including excise taxes	—	—	—	—	1,634	(70,543)	—	—	(70,543)
Equity awards granted, net	—	—	(3,383)	—	(180)	3,383	—	—	—
ESOP allocation of common stock	—	—	1,550	—	—	—	—	—	1,550
Stock-based compensation	—	—	5,028	—	—	—	—	—	5,028
Other comprehensive income, net of tax	—	—	—	—	—	—	10,475	—	10,475
Balance at December 31, 2023	84,746	$ 21,187	$ 665,875	$ 315,868	33,359	$ (656,450)	$ (59,535)	$ (1,923)	$ 285,022
Net income	—	—	—	64,143	—	—	—	—	64,143
Dividend	—	—	—	(7,289)	—	—	—	—	(7,289)
Shares withheld on employee taxes on vested equity awards	—	—	—	—	375	(22,722)	—	—	(22,722)
Amortization of deferred compensation	—	—	—	—	—	—	—	586	586
Common stock acquired including excise taxes	—	—	—	—	1,803	(118,964)	—	—	(118,964)
Equity awards granted, net	—	—	(9,492)	—	(428)	9,492	—	—	—
ESOP allocation of common stock	—	—	2,484	—	—	—	—	—	2,484
Stock-based compensation	—	—	3,849	—	—	—	—	—	3,849
SEC filing fees	—	—	(27)	—	—	—	—	—	(27)
Other comprehensive loss, net of tax	—	—	—	—	—	—	(4,896)	—	(4,896)
Balance at March 31, 2024	84,746	$ 21,187	$ 662,689	$ 372,722	35,109	$ (788,644)	$ (64,431)	$ (1,337)	$ 202,186
Net income	—	—	—	41,086	—	—	—	—	41,086
Dividend	—	—	—	(7,458)	—	—	—	—	(7,458)
Amortization of deferred compensation	—	—	—	—	—	—	—	553	553
Common stock acquired including excise taxes	—	—	—	—	284	(19,294)	—	—	(19,294)
ESOP allocation of common stock including excise taxes	—	—	2,451	—	—	509	—	—	2,960
Stock-based compensation	—	—	4,699	—	—	—	—	—	4,699
Other comprehensive income, net of tax	—	—	—	—	—	—	(1,222)	—	(1,222)
Balance at June 30, 2024	84,746	$ 21,187	$ 669,839	$ 406,350	35,393	$ (807,429)	$ (65,653)	$ (784)	$ 223,510

GRIFFON CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
For the Three and Nine Months Ended June 30, 2024 and 2023
(Unaudited)

	COMMON STOCK		CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	TREASURY SHARES		ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	DEFERRED COMPENSATION	TOTAL
(in thousands)	**SHARES**	**PAR VALUE**			**SHARES**	**COST**			
Balance at September 30, 2022	84,746	$ 21,187	$ 627,982	$ 344,060	27,682	$ (420,116)	$ (82,738)	$ (12,805)	$ 477,570
Net income	—	—	—	48,702	—	—	—	—	48,702
Dividend	—	—	—	(6,145)	—	—	—	—	(6,145)
Shares withheld on employee taxes on vested equity awards	—	—	—	—	345	(12,734)	—	—	(12,734)
Amortization of deferred compensation	—	—	—	—	—	—	—	571	571
Equity awards granted, net	—	—	(7,082)	—	(467)	7,082	—	—	—
ESOP allocation of common stock	—	—	1,127	—	—	—	—	—	1,127
Stock-based compensation	—	—	5,538	—	—	—	—	—	5,538
Other comprehensive income, net of tax	—	—	—	—	—	—	12,219	—	12,219
Balance at December 31, 2022	84,746	$ 21,187	$ 627,565	$ 386,617	27,560	$ (425,768)	$ (70,519)	$ (12,234)	$ 526,848
Net loss	—	—	—	(62,255)	—	—	—	—	(62,255)
Dividend	—	—	—	(5,714)	—	—	—	—	(5,714)
Shares withheld on employee taxes on vested equity awards	—	—	—	—	21	(254)	—	—	(254)
Amortization of deferred compensation	—	—	—	—	—	—	—	570	570
Equity awards granted, net	—	—	(617)	—	(40)	617	—	—	—
ESOP allocation of common stock	—	—	1,207	—	—	—	—	—	1,207
Stock-based compensation	—	—	5,296	—	—	—	—	—	5,296
Other comprehensive income, net of tax	—	—	—	—	—	—	2,613	—	2,613
Balance at March 31, 2023	84,746	$ 21,187	$ 633,451	$ 318,648	27,541	$ (425,405)	$ (67,906)	$ (11,664)	$ 468,311
Net income	—	—	—	49,205	—	—	—	—	49,205
Dividend	—	—	—	(121,461)	—	—	—	—	(121,461)
Amortization of deferred compensation	—	—	—	—	—	—	—	6,630	6,630
Common stock acquired	—	—	—	—	2,542	(86,009)	—	—	(86,009)
ESOP allocation of common stock	—	—	13,609	—	—	—	—	—	13,609
Stock-based compensation	—	—	5,106	—	—	—	—	—	5,106
Other comprehensive income, net of tax	—	—	—	—	—	—	315	—	315
Balance at June 30, 2023	84,746	$ 21,187	$ 652,166	$ 246,392	30,083	$ (511,414)	$ (67,591)	$ (5,034)	$ 335,706

The accompanying notes to condensed consolidated financial statements are an integral part of these statements.

GRIFFON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(in thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2024	2023	2024	2023
Revenue	$ 647,814	$ 683,430	$ 1,963,847	$ 2,043,798
Cost of goods and services	398,665	408,806	1,207,392	1,340,857
Gross profit	249,149	274,624	756,455	702,941
Selling, general and administrative expenses	159,810	172,439	469,830	485,460
Intangible asset impairment	—	—	—	100,000
Total operating expenses	159,810	172,439	469,830	585,460
Income from operations	89,339	102,185	286,625	117,481
Other income (expense)				
Interest expense	(27,024)	(25,641)	(78,472)	(75,168)
Interest income	769	434	1,830	774
Gain (loss) on sale of buildings	(725)	—	(167)	10,852
Loss from debt extinguishment	(1,700)	—	(1,700)	—
Other, net	350	1,475	1,608	2,375
Total other expense, net	(28,330)	(23,732)	(76,901)	(61,167)
Income before taxes	61,009	78,453	209,724	56,314
Provision for income taxes	19,923	29,248	62,318	20,662
Net income	$ 41,086	$ 49,205	$ 147,406	$ 35,652
Basic earnings per common share	$ 0.87	$ 0.94	$ 3.08	$ 0.68
Basic weighted-average shares outstanding	47,034	52,304	47,921	52,640
Diluted earnings per common share	$ 0.84	$ 0.90	$ 2.94	$ 0.65
Diluted weighted-average shares outstanding	48,851	54,602	50,085	55,087
Dividends paid per common share	$ 0.15	$ 2.125	$ 0.45	$ 2.325
Net income	$ 41,086	$ 49,205	$ 147,406	$ 35,652
Other comprehensive income (loss), net of taxes:				
Foreign currency translation adjustments	(827)	2,309	2,212	14,580
Pension and other post retirement plans	532	747	1,595	2,355
Change in cash flow hedges	(927)	(2,741)	550	(1,788)
Total other comprehensive income (loss), net of taxes	(1,222)	315	4,357	15,147
Comprehensive income, net	$ 39,864	$ 49,520	$ 151,763	$ 50,799

The accompanying notes to condensed consolidated financial statements are an integral part of these statements.

GRIFFON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Nine Months Ended June 30,	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 147,406	$ 35,652
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	45,150	50,036
Stock-based compensation	19,726	28,587
Intangible asset impairments	—	100,000
Asset impairment charges - restructuring	22,979	59,118
Provision for losses on accounts receivable	874	689
Amortization of debt discounts and issuance costs	3,169	3,068
Loss from debt extinguishment	1,700	—
Deferred income tax benefit	—	(25,744)
Gain on sale of assets and investments	(1,448)	(10,852)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(6,051)	6,236
Decrease in inventories	55,939	84,190
(Increase) decrease in prepaid and other assets	(3,351)	1,887
Increase (decrease) in accounts payable, accrued liabilities, income taxes payable and operating lease liabilities	19,454	(36,945)
Other changes, net	2,391	13,081
Net cash provided by operating activities	307,938	309,003
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	(47,849)	(20,183)
Payments related to sale of business	—	(2,568)
Proceeds from the sale of property, plant and equipment	13,572	11,840
Net cash used in investing activities	(34,277)	(10,911)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(28,770)	(127,372)
Purchase of shares for treasury	(241,501)	(98,350)
Proceeds from long-term debt	179,500	102,558
Payments of long-term debt	(146,727)	(139,244)
Financing costs	(907)	—
Other, net	(307)	(152)
Net cash used in financing activities	(238,712)	(262,560)

The accompanying notes to condensed consolidated financial statements are an integral part of these statements.

GRIFFON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Nine Months Ended June 30,	
	2024	**2023**
CASH FLOWS FROM DISCONTINUED OPERATIONS:		
Net cash used in operating activities	(3,707)	(2,799)
Net cash used in discontinued operations	(3,707)	(2,799)
Effect of exchange rate changes on cash and equivalents	(679)	(1,127)
NET INCREASE IN CASH AND EQUIVALENTS	30,563	31,606
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	102,889	120,184
CASH AND EQUIVALENTS AT END OF PERIOD	$ 133,452	$ 151,790

The accompanying notes to condensed consolidated financial statements are an integral part of these statements.

GRIFFON CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(US dollars and non US currencies in thousands, except per share data)

(Unaudited)

(Unless otherwise indicated, references to years or year-end refer to Griffon's fiscal period ending September 30)

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

About Griffon Corporation

Griffon Corporation (the "Company", "Griffon", "we" or "us") is a diversified management and holding company that conducts business through wholly-owned subsidiaries. Griffon oversees the operations of its subsidiaries, allocates resources among them and manages their capital structures. Griffon provides direction and assistance to its subsidiaries in connection with acquisition and growth opportunities, as well as in connection with divestitures. In order to further diversify, Griffon also seeks out, evaluates and, when appropriate, will acquire additional businesses that offer potentially attractive returns on capital.

The Company was founded in 1959, is a Delaware corporation headquartered in New York, N.Y. and is listed on the New York Stock Exchange (NYSE:GFF).

Griffon conducts its operations through two reportable segments:

- Home and Building Products ("HBP") conducts its operations through Clopay Corporation ("Clopay"). Founded in 1964, Clopay is the largest manufacturer and marketer of garage doors and rolling steel doors in North America. Residential and commercial sectional garage doors are sold through professional dealers and leading home center retail chains throughout North America under the brands Clopay, Ideal, and Holmes. Rolling steel door and grille products designed for commercial, industrial, institutional, and retail use are sold under the Cornell and Cookson brands.

- Consumer and Professional Products ("CPP") is a leading global provider of branded consumer and professional tools; residential, industrial and commercial fans; home storage and organization products; and products that enhance indoor and outdoor lifestyles. CPP sells products globally through a portfolio of leading brands including AMES, since 1774, Hunter, since 1886, True Temper, and ClosetMaid.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information, and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, these financial statements do not include all the information and footnotes required by US GAAP for complete financial statements. As such, they should be read together with Griffon's Annual Report on Form 10-K for the fiscal year ended September 30, 2023, which provides a more complete explanation of Griffon's accounting policies, financial position, operating results, business, properties and other matters. In the opinion of management, these financial statements reflect all adjustments considered necessary for a fair statement of interim results. Griffon's businesses are seasonal; for this and other reasons, the financial results of the Company for any interim period are not necessarily indicative of the results for the full year.

The Condensed Consolidated Balance Sheet information at September 30, 2023 was derived from the audited financial statements included in Griffon's Annual Report on Form 10-K for the year ended September 30, 2023.

The condensed consolidated financial statements include the accounts of Griffon and all subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation. Certain amounts in prior years may have been reclassified to conform to the current year presentation.

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. These estimates may be adjusted due to changes in economic, industry or customer financial conditions, as well as changes in technology or demand. Significant estimates include expected loss allowances for credit losses and returns, net realizable value of inventories, restructuring reserves, valuation of goodwill and intangible assets, assumptions associated with pension benefit obligations and income or expenses, useful lives associated with depreciation and amortization of intangible and fixed assets, warranty reserves, sales incentive accruals, assumptions associated with stock based compensation valuation, income taxes and tax valuation reserves, environmental reserves, legal reserves, insurance reserves, the valuation of assets and liabilities of discontinued operations and the accompanying disclosures. These estimates are based on management's best knowledge of current events and actions Griffon may undertake in the future. Actual results may ultimately differ from these estimates.

NOTE 2 – FAIR VALUE MEASUREMENTS

The carrying values of cash and equivalents, accounts receivable, accounts and notes payable, and revolving credit and variable interest rate debt approximate fair value due to either the short-term nature of such instruments or the fact that the interest rate of the revolving credit and variable rate debt is based upon current market rates.

Applicable accounting guidance establishes a fair value hierarchy requiring the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. The accounting guidance establishes three levels of inputs that may be used to measure fair value, as follows:

- Level 1 inputs are measured and recorded at fair value based upon quoted prices in active markets for identical assets.
- Level 2 inputs include inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of assets or liabilities.
- Level 3 inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

On June 30, 2024, the fair values of Griffon's 2028 Senior Notes and Term Loan B facility approximated $940,658 and $459,000, respectively. Fair values were based upon quoted market prices (level 1 inputs).

Insurance contracts with values of $4,794 at June 30, 2024 are measured and recorded at fair value based upon quoted prices in active markets for similar assets (level 2 inputs) and are included in Prepaid and other current assets and $634 is included in other assets on the Condensed Consolidated Balance Sheets.

Items Measured at Fair Value on a Recurring Basis

In the normal course of business, Griffon's operations are exposed to the effects of changes in foreign currency exchange rates related to inventory purchases. To manage these risks, Griffon may enter into various derivative contracts such as foreign currency exchange contracts, including forwards and options. As of June 30, 2024, Griffon entered into several such contracts in order to lock into a foreign currency rate for planned settlements of trade liabilities payable in U.S. Dollars.

At June 30, 2024, Griffon had $18,500 of Australian Dollar contracts at a weighted average rate of $1.47 which qualified for hedge accounting (Level 2 inputs). These hedges were all deemed effective as cash flow hedges with gains and losses related to changes in fair value deferred and recorded in Accumulated other comprehensive income (loss) ("AOCI") and Prepaid and other current assets, or Accrued liabilities, until settlement. Upon settlement, gains and losses are recognized in the Consolidated Statements of Operations and Comprehensive Income (Loss) in Cost of goods and services ("COGS"). AOCI included deferred gains of $424 ($297, net of tax) at June 30, 2024. Upon settlement, gains of $501 and $811 were recorded in COGS during the three months and nine months ended June 30, 2024. All contracts expire in 30 to 90 days.

At June 30, 2024, Griffon had $30,000 of Chinese Yuan contracts at a weighted average rate of $7.10 which qualified for hedge accounting (level 2 inputs). These hedges were all deemed effective as cash flow hedges with gains and losses related to changes in fair value deferred and recorded in AOCI and Prepaid and other current assets, or Accrued liabilities, until settlement. Upon settlement, gains and losses are recognized in the Consolidated Statements of Operations and Comprehensive Income (Loss) in COGS. AOCI included deferred losses of $625 ($457, net of tax) at June 30, 2024. Upon settlement, losses of $571 and $1,771 were recorded in COGS during the three months and nine months ended June 30, 2024. All contracts expire in 3 to 274 days.

At June 30, 2024, Griffon had $9,595 of Canadian Dollar contracts at a weighted average rate of $1.36. The contracts, which protect Canadian operations from currency fluctuations for U.S. Dollar based purchases, do not qualify for hedge accounting. For the three and nine months ended June 30, 2024, fair value gains (losses) of $31 and $(34), respectively, were recorded to Other liabilities and to Other income for the outstanding contracts, based on similar contract values (level 2 inputs). Realized gains of $53 and $79 were recorded in Other income during the three months and nine months ended June 30, 2024 for all settled contracts. All contracts expire in 30 to 449 days.

NOTE 3 – REVENUE

The Company recognizes revenue when performance obligations identified under the terms of contracts with its customers are satisfied. A performance obligation is a promise in a contract to transfer a distinct good or service, or a bundle of goods or services, to the customer, and is the unit of accounting. A contract with a customer is an agreement which both parties have approved, that creates enforceable rights and obligations, has commercial substance and with respect to which payment terms are identified and collectability is probable. Once the Company has entered into a contract or purchase order, it is evaluated to identify performance obligations. For each performance obligation, revenue is recognized when control of the promised products is transferred to the customer, or services are satisfied under the contract or purchase order, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services (the transaction price).

The Company’s performance obligations are recognized at a point in time related to the manufacture and sale of a broad range of products and components, and revenue is recognized when title, and risk and rewards of ownership, have transferred to the customer, which is generally upon shipment.

For a complete explanation of Griffon’s revenue accounting policies, this note should be read in conjunction with Griffon’s Annual Report on Form 10-K for the year ended September 30, 2023. See Note 13 - Business Segments for revenue from contracts with customers disaggregated by end markets, segments and geographic location.

NOTE 4 – ACQUISITIONS

Griffon continually evaluates potential acquisitions that strategically fit within its portfolio or expand its portfolio into new product lines or adjacent markets. Operating results of business acquisitions are included in Griffon’s consolidated financial statements from the date of acquisition.

On July 1, 2024, Griffon announced that its subsidiary, The AMES Companies, Inc., ("AMES") acquired substantially all of the assets of Pope, a leading Australian provider of residential watering products for approximately AUD 22,000 (approximately $14,600 USD). This is CPP's seventh acquisition in Australia since 2013, and further expands AMES’s product portfolio in the Australian market. Due to the limited time since the date of the acquisition, the purchase price allocation remains preliminary.

(US dollars and non US currencies in thousands, except per share data)

NOTE 5 – INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out or average cost) or net realizable value.

The following table details the components of inventory:

	At June 30, 2024	At September 30, 2023
Raw materials and supplies	$ 91,620	$ 127,342
Work in process	14,876	12,070
Finished goods	324,212	367,718
Total	$ 430,708	$ 507,130

In connection with the Company's restructuring activities described in Note 17, Restructuring Charges, during the nine months ended June 30, 2024, CPP recorded an impairment charge of $22,979 to adjust inventory to its net realizable value.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

The following table details the components of property, plant and equipment, net:

	At June 30, 2024	At September 30, 2023
Land, building and building improvements	$ 144,934	$ 169,923
Machinery and equipment	466,163	447,972
Leasehold improvements	35,413	33,740
	646,510	651,635
Accumulated depreciation	(371,530)	(372,417)
Total	$ 274,980	$ 279,218

Depreciation and amortization expense for property, plant and equipment was $9,389 and $10,000 for the quarters ended June 30, 2024 and 2023, respectively, and $28,155 and $33,090 for the nine months ended June 30, 2024 and 2023, respectively. Depreciation included in Selling, general and administrative ("SG&A") expenses was $4,124 and $4,404 for the quarters ended June 30, 2024 and 2023, respectively, and $12,218 and $13,289 for the nine months ended June 30, 2024 and 2023, respectively. Remaining components of depreciation, attributable to manufacturing operations, are included in Cost of goods and services.

In connection with the expansion of CPP's global sourcing strategy announced on May 3, 2023, certain owned manufacturing locations which ceased operations have met the criteria to be classified as held for sale as of June 30, 2024. The net book value of these properties as of June 30, 2024 totaled $14,747.

Except as described in Note 17, Restructuring charges, no event or indicator of impairment occurred during the nine months ended June 30, 2024 which would require additional impairment testing of property, plant and equipment.

(US dollars and non US currencies in thousands, except per share data)

NOTE 7 – CREDIT LOSSES

The Company is exposed to credit losses primarily through sales of products and services. Trade receivables are recorded at their stated amount, less allowances for discounts, credit losses and returns. The Company's expected loss allowance methodology for trade receivables is primarily based on the aging method of the accounts receivables balances and the financial condition of its customers. The allowances represent estimated uncollectible receivables associated with potential customer defaults on contractual obligations (usually due to customers' potential insolvency), discounts related to early payment of accounts receivables by customers and estimates for returns. The allowance for credit losses includes amounts for certain customers in which a risk of default has been specifically identified, as well as an amount for customer defaults, based on a formula, when it is determined the risk of some default is probable and estimable, but cannot yet be associated with specific customers. Allowance for discounts and returns are recorded as a reduction of revenue and the provision related to the allowance for credit losses is recorded in SG&A expenses.

The Company also considers current and expected future economic and market conditions when determining any estimate of credit losses. Generally, estimates used to determine the allowance are based on assessment of anticipated payment and all other historical, current and future information that is reasonably available. All accounts receivable amounts are expected to be collected in less than one year.

Based on a review of the Company's policies and procedures across all segments, including the aging of its trade receivables, recent write-off history and other factors related to future macroeconomic conditions, Griffon determined that its method to determine credit losses and the amount of its allowances for bad debts is in accordance with the accounting guidance for credit losses on financial instruments, including trade receivables, in all material respects.

The following table provides a roll-forward of the allowance for doubtful accounts, including provisions for expected credit losses that is deducted from gross accounts receivable to present the net amount expected to be collected:

	Nine months ended June 30,	
	2024	**2023**
Beginning Balance, October 1	$ 11,264	$ 12,137
Provision for expected credit losses	874	2,732
Amounts written off charged against the allowance	(1,155)	(1,916)
Other, primarily foreign currency translation	26	(437)
Ending Balance, June 30	$ 11,009	$ 12,516

(US dollars and non US currencies in thousands, except per share data)

NOTE 8 – GOODWILL AND OTHER INTANGIBLES

Indicators of impairment were not present for any of Griffon's reporting units during the nine months ended June 30, 2024. The following table provides a summary of the carrying value of goodwill by segment as of September 30, 2023 and June 30, 2024, as follows:

Home and Building Products	$ 191,253
Consumer and Professional Products	136,611
Total	$ 327,864

The following table provides the gross carrying value and accumulated amortization for each major class of intangible assets:

	At June 30, 2024			At September 30, 2023	
	Gross Carrying Amount	Accumulated Amortization	Average Life (Years)	Gross Carrying Amount	Accumulated Amortization
Customer relationships & other	$ 447,339	$ 129,841	23	$ 443,164	$ 113,057
Technology and patents	16,890	4,705	13	15,504	3,815
Total amortizable intangible assets	464,229	134,546		458,668	116,872
Trademarks	290,184	—		293,447	—
Total intangible assets	$ 754,413	$ 134,546		$ 752,115	$ 116,872

The gross carrying amount of intangible assets was impacted by $624 related to favorable foreign currency translation.

Amortization expense for intangible assets was $5,858 and $5,669 for the quarters ended June 30, 2024 and 2023, respectively, and $16,995 and $16,946 for the nine months ended June 30, 2024 and 2023, respectively. Amortization expense for the remainder of 2024 and the next five fiscal years and thereafter, based on current intangible balances and classifications, is estimated as follows: remaining in 2024 - $5,179; 2025 - $22,174; 2026 - $22,174; 2027 - $22,174; 2028 - $22,174; 2029 - $21,353; thereafter $214,455.

NOTE 9 – INCOME TAXES

During the quarter ended June 30, 2024, the Company recognized a tax provision of $19,923 on income before taxes of $61,009, compared to a tax provision of $29,248 on income before taxes of $78,453 in the prior year quarter. The current year quarter results included restructuring charges of $18,688 ($13,991, net of tax); strategic review costs - retention and other of $1,870 ($1,390, net of tax); loss on debt extinguishment of $1,700 ($1,292, net of tax); loss on sale of buildings of $725 ($520, net of tax); and discrete and certain other tax provisions, net, that affect comparability of $2,247. The prior year quarter results included strategic review costs - retention and other of $5,812 ($4,378, net of tax); restructuring charges of $3,862 ($2,831, net of tax); special dividend Employee Stock Ownership Plan ("ESOP") charges of $9,042 ($6,936, net of tax); proxy expenses of $568 ($435, net of tax); and discrete and certain other tax provisions, net, that affect comparability of $6,519. Excluding these items, the effective tax rates for the quarters ended June 30, 2024 and 2023 were 27.9% and 28.1%, respectively.

During the nine months ended June 30, 2024, the Company recognized a tax provision of $62,318 on income before taxes of $209,724, compared to a tax provision of $20,662 on income before taxes of $56,314 in the comparable prior year period. The nine month period ended June 30, 2024 included restructuring charges of $33,489 ($24,973, net of tax); strategic review - retention and other of $9,204 ($6,887, net of tax); loss on debt extinguishment of $1,700 ($1,292, net of tax); loss on sale of buildings of $167 ($105, net of tax); and discrete and certain other tax provisions, net, that affect comparability of $2,640. The nine month period ended June 30, 2023 included a gain on the sale of a building of $10,852 ($8,323, net of tax); strategic review costs - retention and other of $20,234 ($15,258, net of tax); restructuring charges of $82,196 ($61,360, net of tax); special dividend ESOP charges of $9,042 ($6,936, net of tax), intangible asset impairment charges of $100,000 ($74,256, net of tax); proxy expenses of $2,685 ($2,059, net of tax); and discrete tax and certain other tax benefits, net, that affect comparability of $2,537. Excluding these items, the effective tax rates for the nine months ended June 30, 2024 and 2023 were 27.9% and 28.9%, respectively.

(US dollars and non US currencies in thousands, except per share data)

NOTE 10 – LONG-TERM DEBT

		At June 30, 2024					At September 30, 2023				
		Outstanding Balance	Original Issuer Premium/(Discount)	Capitalized Fees & Expenses	Balance Sheet	Coupon Interest Rate	Outstanding Balance	Original Issuer Premium/(Discount)	Capitalized Fees & Expenses	Balance Sheet	Coupon Interest Rate
Senior notes due 2028	(a)	$ 974,775	$ 181	(7,405)	$ 967,551	5.75 %	$ 974,775	$ 218	$ (8,920)	$ 966,073	5.75 %
Term Loan B due 2029	(b)	459,000	(633)	(5,733)	452,634	Variable	463,000	(922)	(7,039)	455,039	Variable
Revolver due 2028	(b)	90,000	—	(3,046)	86,954	Variable	50,445	—	(3,606)	46,839	Variable
Non US lines of credit	(d)	—	—	(6)	(6)	Variable	—	—	(3)	(3)	Variable
Other long term debt	(e)	237	—	(21)	216	Variable	1,592	—	(11)	1,581	Variable
Totals		1,524,012	(452)	(16,211)	1,507,349		1,489,812	(704)	(19,579)	1,469,529	
less: Current portion		(8,138)	—	—	(8,138)		(9,625)	—	—	(9,625)	
Long-term debt		$1,515,874	$ (452)	$ (16,211)	$1,499,211		$1,480,187	$ (704)	$ (19,579)	$1,459,904	

		Three Months Ended June 30, 2024					Three Months Ended June 30, 2023				
		Effective Interest Rate	Cash Interest	Amort. Debt (Premium)/Discount	Amort. Debt Issuance Costs & Other Fees	Total Interest Expense	Effective Interest Rate	Cash Interest	Amort. Debt (Premium)/Discount	Amort. Debt Issuance Costs & Other Fees	Total Interest Expense
Senior notes due 2028	(a)	6.0 %	$ 14,013	$ (12)	$ 505	$ 14,506	6.0 %	$ 14,013	$ (12)	$ 505	$ 14,506
Term Loan B due 2029	(b)	8.2 %	9,070	43	331	9,444	7.8 %	9,208	43	351	9,602
Revolver due 2028	(b)	Variable	3,114	—	186	3,300	Variable	905	—	123	1,028
Finance lease - real estate	(c)	n/a	—	—	—	—	5.6 %	168	—	—	168
Non US lines of credit	(d)	Variable	19	—	3	22	Variable	259	—	12	271
Other long term debt	(e)	Variable	61	—	—	61	Variable	104	—	—	104
Capitalized interest			(309)	—	—	(309)		(38)	—	—	(38)
Totals			$ 25,968	$ 31	$ 1,025	$ 27,024		$ 24,619	$ 31	$ 991	$ 25,641

(US dollars and non US currencies in thousands, except per share data)

		Nine Months Ended June 30, 2024					Nine Months Ended June 30, 2023				
		Effective Interest Rate	Cash Interest	Amort. Debt (Premium)/Discount	Amort. Debt Issuance Costs & Other Fees	Total Interest Expense	Effective Interest Rate	Cash Interest	Amort. Debt (Premium)/Discount	Amort. Debt Issuance Costs & Other Fees	Total Interest Expense
Senior notes due 2028	(a)	6.0 %	$ 42,037	$ (36)	$ 1,515	$ 43,516	6.0 %	$ 42,037	$ (36)	$ 1,515	$ 43,516
Term Loan B due 2029	(b)	8.2 %	27,314	128	992	28,434	7.3 %	25,753	129	1,054	26,936
Revolver due 2028	(b)	Variable	6,253	—	559	6,812	Variable	2,922	—	368	3,290
Finance lease - real estate	(c)	n/a	—	—	—	—	5.6 %	520	—	—	520
Non US lines of credit	(d)	Variable	33	—	11	44	Variable	619	—	37	656
Other long term debt	(e)	Variable	478	—	1	479	Variable	298	—	1	299
Capitalized interest			(813)	—	—	(813)		(49)	—	—	(49)
Totals			$ 75,302	$ 92	$ 3,078	$ 78,472		$ 72,100	$ 93	$ 2,975	$ 75,168

(a) During 2020, Griffon issued, at par, $1,000,000 of 5.75% Senior Notes due 2028 (the “2028 Senior Notes”). Proceeds from the 2028 Senior Notes were used to redeem $1,000,000 of 5.25% Senior Notes due 2022. In connection with the issuance and exchange of the 2028 Senior Notes, Griffon capitalized $16,448 of underwriting fees and other expenses incurred, which is being amortized over the term of such notes. During 2022, Griffon purchased $25,225 of 2028 Senior Notes in the open market at a weighted average discount of 91.82% of par, or $23,161. As of June 30, 2024, outstanding 2028 Senior Notes due totaled $974,775; interest is payable semi-annually on March 1 and September 1.

The 2028 Senior Notes are senior unsecured obligations of Griffon guaranteed by certain domestic subsidiaries, and subject to certain covenants, limitations and restrictions. The 2028 Senior Notes were registered under the Securities Act of 1933, as amended (the "Securities Act") via exchange offer. The fair value of the 2028 Senior Notes approximated $940,658 on June 30, 2024 based upon quoted market prices (Level 1 inputs). At June 30, 2024, $7,405 of underwriting fees and other expenses incurred remained to be amortized.

(b) On January 24, 2022, Griffon amended and restated its Credit Agreement (the "Credit Agreement") to provide for a new $800,000 Term Loan B facility, due January 24, 2029, in addition to the revolving credit facility (the "Revolver") provided for under the Credit Agreement. The Term Loan B facility was issued at 99.75% of par value. Since that time, during 2023 and 2022, Griffon prepaid $25,000 and $300,000, respectively, aggregate principal amount of the Term Loan B, which permanently reduced the outstanding balance. In connection with the prepayment of the Term Loan B, Griffon recognized charges of $437 and $6,296 on the prepayment of debt in 2023 and 2022, respectively. The charges were comprised of write-offs of unamortized debt issuance costs of $386 and $5,575 for 2023 and 2022, respectively, and the original issue discount of $51 and $721 for 2023 and 2022, respectively. As of June 30, 2024, the Term Loan B outstanding balance was $459,000.

On June 26, 2024, Griffon further amended its Credit Agreement to favorably reprice the Term Loan B facility. The amendment reduced the margin above SOFR by 0.25%, eliminated the credit spread adjustment and reduced the SOFR floor from 0.50% to 0%. Furthermore, the amendment stipulates that if Griffon prepays all or a portion of the Term Loan B within six months of the amendment date, Griffon will be required to pay a premium equal to 1% of the amount prepaid. In connection with the amendment, Griffon recognized a $1,700 loss on debt extinguishment in the Company's Condensed Consolidated Statements of Operations, primarily consisting of the write-off of unamortized debt issuance costs and original issue discount related to portions of the Term Loan B facility that were repaid and then reborrowed from new lenders. At June 30, 2024, unamortized costs of $5,733 related to existing and new Term Loan B facility lenders will continue to be amortized over the term of the loan.

Prior to the amendment, the Term Loan B bore interest at the Term SOFR rate plus a credit spread adjustment with a floor of 0.50% and a spread of 2.50%. Effective June 26, 2024 the Term Loan B bears interest at the Term SOFR rate plus a spread of 2.25% (7.59% as of June 30, 2024).
The Term Loan B facility continues to require nominal quarterly principal payments of $2,000, potential additional annual principal payments based on a percentage of excess cash flow and certain secured leverage thresholds starting with the fiscal year ended September 30, 2023; and a final balloon payment due at maturity. At September 30, 2023, Griffon's secured leverage remained below the threshold set forth in the Credit Agreement that would, if exceeded, require Griffon to make an additional payment, and therefore no additional annual principal payment was required. Term Loan B borrowings may generally be repaid without penalty but may not be re-borrowed, subject to a prepayment premium of 1.0% in connection with the above repricing transaction within the six months following the closing date of June 26, 2024. The Term Loan B facility is subject to the same affirmative and negative covenants that apply to the Revolver (as described below), but is not subject to any financial maintenance covenants. Term Loan B borrowings are secured by the same collateral that secures borrowings under the Revolver, on an equal and ratable basis. The fair value of the Term Loan B facility approximated $459,000 on June 30, 2024 based upon quoted market prices (Level 1 inputs).

On August 1, 2023, Griffon amended and restated the Credit Agreement to increase the maximum borrowing availability under the Revolver from $400,000 to $500,000 and extend the maturity date of the Revolver from March 22, 2025 to August 1, 2028. In the event the 2028 Senior Notes are not repaid, refinanced, or replaced prior to December 1, 2027, the Revolver will mature on December 1, 2027. The amendment also modified certain other provisions of the Credit Agreement, including increasing the letter of credit sub-facility under the Revolver from $100,000 to $125,000 and increasing the customary accordion feature from a minimum of $375,000 to a minimum of $500,000. The Revolver also includes a multi-currency sub-facility of $200,000.

Borrowings under the Revolver may be repaid and re-borrowed at any time. Interest is payable on borrowings at either a Secured Overnight Financing Rate ("SOFR"), Sterling Overnight Index Average ("SONIA") or base rate benchmark rate, plus an applicable margin, which adjusts based on financial performance. Griffon's SOFR loans accrue interest at Term SOFR plus a credit adjustment spread and a margin of 2.00% (7.44% at June 30, 2024); SONIA loans accrue interest at SONIA Base Rate plus a credit adjustment spread and a margin of 2.00% (7.23% at June 30, 2024); and base rate loans accrue interest at prime rate plus a margin of 1.00% (9.50% at June 30, 2024).

At June 30, 2024 there were $90,000 in outstanding borrowings under the Revolver; outstanding standby letters of credit were $12,935; and $397,065 was available, subject to certain loan covenants, for borrowing at that date.

The Revolver has certain financial maintenance tests including a maximum total leverage ratio, a maximum senior secured leverage ratio and a minimum interest coverage ratio, as well as customary affirmative and negative covenants and events of default. The negative covenants place limits on Griffon's ability to, among other things, incur indebtedness, incur liens, and make restricted payments and investments. Both the Revolver and Term Loan B borrowings under the Credit Agreement are guaranteed by Griffon’s material domestic subsidiaries and are secured, on a first priority basis, by substantially all domestic assets of the Company and the guarantors.

(c) On September 28, 2023, the Company closed on the exercise of its lease purchase option, as permitted under the lease agreement, to acquire ownership of the manufacturing facility located in Ocala, Florida for a cash purchase price of $23,207. The Ocala lease had a maturity date in 2025 and bore interest at a fixed rate of approximately 5.6%. As a result of exercising the purchase option, the Company no longer has any future lease obligations related to this real estate. The remaining lease liability balance relates to finance equipment leases. Refer to Note 21-Leases for further details.

(d) In November 2012, Garant G.P. (“Garant”), a Griffon wholly owned subsidiary, entered into a CAD 15,000 revolving credit facility. Effective in December 2023, the facility was amended to replace the Canadian Dollar Offer Rate with the Canadian Overnight Repo Rate Average ("CORRA"). The facility accrues interest at CORRA or the Canadian Bankers Acceptance Rate plus 1.3% per annum (6.04% using CORRA and 6.02% using the Canadian Bankers Acceptance Rate as of June 30, 2024). The revolving facility matures in December 2024, but is renewable upon mutual agreement with the lender. Garant is required to maintain a certain minimum equity. At June 30, 2024, there were no outstanding borrowings under the revolving credit facility with CAD 15,000 ($10,955 as of June 30, 2024) available.

During 2023, Griffon Australia Holdings Pty Ltd and its Australian subsidiaries (collectively, "Griffon Australia") amended its AUD 15,000 receivable purchase facility to AUD 30,000. The receivable purchase facility was renewed in 2024 and now matures in March 2025, but is renewable upon mutual agreement with the lender. The receivable purchase facility accrues interest at BBSY (Bank Bill Swap Rate) plus 1.25% per annum (5.56% at June 30, 2024). At June 30, 2024, there was no balance outstanding under the receivable purchase facility with AUD 30,000 ($19,965 as of June 30, 2024) available. The receivable purchase facility is secured by substantially all of the assets of Griffon Australia and its subsidiaries. Griffon Australia is required to maintain a certain minimum equity level.

In July 2018, the AMES Companies UK Ltd and its subsidiaries (collectively, "Ames UK") entered into a GBP 14,000 term loan, GBP 4,000 mortgage loan and GBP 5,000 revolver, which matured in July 2023. Prior to maturity, on June 30, 2023, AMES UK paid off and cancelled the GBP 14,000 term loan and GBP 4,000 mortgage loan. The payoff amounts were GBP 7,525 ($9,543) and GBP 2,451 ($3,108), respectively. Upon maturity in July 2023, the GBP 5,000 revolver had no balance and was not renewed.

(e) In February 2024, Griffon repaid in full a loan with the Pennsylvania Industrial Development Authority. The balance in other long-term debt consists primarily of finance leases.

At June 30, 2024, Griffon and its subsidiaries were in compliance with the terms and covenants of all credit and loan agreements.

(US dollars and non US currencies in thousands, except per share data)

NOTE 11 — SHAREHOLDERS' EQUITY AND EQUITY COMPENSATION

During the nine months ended June 30, 2024, the Company paid three quarterly cash dividends of $0.15 per share each. During the nine months ended June 30, 2023, the Company paid three quarterly cash dividends consisting of two cash dividends of $0.10 per share and one cash dividend of $0.125 per share. Additionally, on April 19, 2023, the Board of Directors declared a special cash dividend of $2.00 per share, paid on May 19, 2023, to shareholders of record as of the close of business on May 9, 2023.

The Company currently intends to pay dividends each quarter; however, payment of dividends is determined by the Board of Directors at its discretion based on various factors, and no assurance can be provided as to the payment of future dividends. Dividends paid on shares in the ESOP were used to offset ESOP compensation expense. For all dividends, a dividend payable is established for the holders of restricted shares; such dividends will be released upon vesting of the underlying restricted shares.

On August 6, 2024 the Board of Directors declared a quarterly cash dividend of $0.15 per share, payable on September 19, 2024 to shareholders of record as of the close of business on August 28, 2024.

On January 29, 2016, shareholders approved the Griffon Corporation 2016 Equity Incentive Plan (the "Original Incentive Plan") pursuant to which, among other things, awards of performance shares, performance units, stock options, stock appreciation rights, restricted shares, restricted stock units, deferred shares and other stock-based awards may be granted. On January 31, 2018, shareholders approved Amendment No. 1 to the Original Incentive Plan pursuant to which, among other things, 1,000,000 shares were added to the Original Incentive Plan; on January 30, 2020, shareholders approved Amendment No. 2 to the Original Incentive Plan, pursuant to which 1,700,000 shares were added to the Original Incentive Plan; on February 17, 2022, shareholders approved the Amended and Restated 2016 Equity Incentive Plan (the "Amended Incentive Plan"), which amended and restated the Original Incentive Plan and pursuant to which, among other things, 1,200,000 shares were added to the Original Incentive Plan; and on March 20, 2024, shareholders approved an amendment to add 2,600,000 shares to the Amended Incentive Plan. Options granted under the Amended Incentive Plan may be either "incentive stock options" or nonqualified stock options, generally expire ten years after the date of grant and are granted at an exercise price of not less than 100% of the fair market value at the date of grant. The maximum number of shares of common stock available for award under the Amended Incentive Plan is 8,850,000 (600,000 of which may be issued as incentive stock options), plus (i) any shares that were reserved for issuance under the Original Incentive Plan as of the effective date of the Original Incentive Plan, and (ii) any shares underlying awards outstanding on such date under the 2011 Incentive Plan that were subsequently canceled or forfeited. As of June 30, 2024, there were 2,377,532 shares available for grant.

Compensation expense for restricted stock and restricted stock units is recognized ratably over the required service period based on the fair value of the grant, calculated as the number of shares or units granted multiplied by the stock price on the date of grant, and for performance shares, including performance units, the likelihood of achieving the performance criteria. The Company recognizes forfeitures as they occur. Compensation expense for restricted stock granted to four senior executives is calculated as the maximum number of shares granted, upon achieving certain performance criteria, multiplied by the stock price as valued by a Monte Carlo Simulation Model. Compensation cost related to stock-based awards with graded vesting, generally over a period of three to four years, is recognized using the straight-line attribution method and recorded within SG&A expenses.

The following table summarizes the Company's compensation expense relating to all stock-based incentive plans:

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2024	2023	2024	2023
Restricted stock	$ 4,699	$ 5,106	$ 13,576	$ 15,940
ESOP [1]	2,353	10,146	6,150	12,647
Total stock-based compensation	$ 7,052	$ 15,252	$ 19,726	$ 28,587

(1) During both the quarter and nine months ended June 30, 2023, special dividend ESOP charges included in compensation expense were $9,042.

During the first quarter of 2024, Griffon granted 174,104 shares of restricted stock and restricted stock units ("RSUs"). This includes 166,272 shares of restricted stock and 7,832 RSUs granted to 43 executives and key employees, subject to certain performance conditions, with a vesting period of thirty-six months and a total fair value of $8,225, or a weighted average fair value of $47.24 per share.

During the second quarter of 2024, Griffon granted 403,997 shares of restricted stock and RSUs. This includes 387,222 shares of restricted stock granted to four senior executives with a vesting period of thirty-three months and a two-year post-vesting holding period, subject to the achievement of certain performance conditions relating to required levels of return on invested capital and the relative total shareholder return of Griffon's common stock as compared to a market index. So long as the minimum performance conditions are attained, the amount of shares that can vest will range from a minimum of 64,539 to a maximum of 387,222, with the target number of shares being 129,074. The total fair value of these restricted shares, assuming achievement of the performance conditions at target, is $12,181, or a weighted average fair value of $94.37 per share. This also includes 16,775 shares of restricted stock granted to non-employee directors of Griffon with a vesting period of one-year and a fair value of $1,210, or a weighted average fair value of $72.13 per share. During the third quarter of 2024, there were no shares of restricted stock or RSUs granted. During the nine months ended June 30, 2024, 570,269 shares granted were issued out of treasury stock.

On April 19, 2023, the Company's Board of Directors approved a $200,000 increase to Griffon's share repurchase program to $257,955 from the prior unused Board authorizations of $57,955. Also, on November 15, 2023, Griffon announced that the Board of Directors approved an additional increase of $200,000 to its share repurchase authorization. Under the authorized share repurchase program, the Company may, from time to time, purchase shares of its common stock in the open market, including pursuant to a 10b5-1 plan, pursuant to an accelerated share repurchase program or issuer tender offer, or in privately negotiated transactions. Share repurchases during the quarter and nine months ended June 30, 2024 totaled 283,479 shares and 3,721,357 shares of common stock, respectively, for a total of $19,080 and $206,104, respectively, or an average of $67.31 per share and $55.38 per share, respectively. The share repurchases during the nine months ended June 30, 2024 include the repurchase of 1,500,000 shares of common shares by the Company on February 20, 2024 pursuant to a stock purchase and cooperation agreement executed by the Company and Voss Value Master Fund, L.P., Voss Value-Oriented Special Situations Fund, L.P and four separately managed accounts of which Voss Capital, LLC is the investment manager, in a private transaction. The purchase price per share was $65.50, for an aggregate purchase price of $98,250. As of June 30, 2024, $101,078 remains under these Board authorized repurchase programs.

During the three months ended June 30, 2024, there were no shares withheld to settle employee taxes due upon the vesting of restricted stock. During the nine months ended June 30, 2024, 595,929 shares of common stock with a market value of $34,326, or $57.60 per share, respectively, were withheld to settle employee taxes due upon the vesting of restricted stock, and were added to treasury stock.

During the quarter ended June 30, 2024, accrued excise taxes of $486 were reversed to adjust for a benefit on ESOP contributions, partially offset by $191 accrued for share repurchases, resulting in a net benefit of $295 in the quarter. During the nine months ended June 30, 2024, $1,116, was accrued for excise taxes for share repurchases. As of June 30, 2024, $2,417 was accrued for excise taxes for share repurchases.

NOTE 12 – EARNINGS PER SHARE (EPS)

Basic EPS was calculated by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding during the period. Diluted EPS was calculated by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding plus additional common shares that could be issued in connection with stock-based compensation.

The following table is a reconciliation of the share amounts (in thousands) used in computing earnings per share:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2024	2023	2024	2023
Common shares outstanding	49,354	54,663	49,354	54,663
Unallocated ESOP shares	(107)	(565)	(107)	(565)
Non-vested restricted stock	(2,337)	(3,113)	(2,337)	(3,113)
Impact of weighted average shares	124	1,319	1,011	1,655
Weighted average shares outstanding - basic	47,034	52,304	47,921	52,640
Incremental shares from stock-based compensation	1,817	2,298	2,164	2,447
Weighted average shares outstanding - diluted	48,851	54,602	50,085	55,087

Shares of the ESOP that have been allocated to employee accounts are treated as outstanding in determining earnings per share.

NOTE 13 – BUSINESS SEGMENTS

Griffon reports its operations through two reportable segments, as follows:

- Home and Building Products ("HBP") conducts its operations through Clopay. Founded in 1964, Clopay is the largest manufacturer and marketer of garage doors and rolling steel doors in North America. Residential and commercial sectional garage doors are sold through professional dealers and leading home center retail chains throughout North America under the brands Clopay, Ideal, and Holmes. Rolling steel door and grille products designed for commercial, industrial, institutional, and retail use are sold under the Cornell and Cookson brands.

- Consumer and Professional Products ("CPP") is a leading global provider of branded consumer and professional tools; residential, industrial and commercial fans; home storage and organization products; and products that enhance indoor and outdoor lifestyles. CPP sells products globally through a portfolio of leading brands including AMES, since 1774, Hunter, since 1886, True Temper, and ClosetMaid.

Information on Griffon's reportable segments is as follows:

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
REVENUE	2024	2023	2024	2023
Home and Building Products	$ 394,214	$ 401,142	$ 1,182,067	$ 1,194,374
Consumer and Professional Products	253,600	282,288	781,780	849,424
Total revenue	$ 647,814	$ 683,430	$ 1,963,847	$ 2,043,798

(US dollars and non US currencies in thousands, except per share data)

Disaggregation of Revenue

Revenue from contracts with customers is disaggregated by end markets, segments and geographic location, as it more accurately depicts the nature and amount of the Company's revenue. The following table presents revenue disaggregated by end market and segment:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2024	2023	2024	2023
Residential repair and remodel	$ 190,874	$ 186,554	$ 565,944	$ 562,433
Commercial	170,236	179,054	517,969	524,811
Residential new construction	33,104	35,534	98,154	107,130
Total Home and Building Products	394,214	401,142	1,182,067	1,194,374
Residential repair and remodel	92,312	107,276	265,420	292,385
Retail	49,978	63,560	192,767	229,960
Residential new construction	14,998	12,600	42,679	36,785
Industrial	19,534	22,204	50,683	58,380
International excluding North America	76,778	76,648	230,231	231,914
Total Consumer and Professional Products	253,600	282,288	781,780	849,424
Total Consolidated Revenue	$ 647,814	$ 683,430	$ 1,963,847	$ 2,043,798

(US dollars and non US currencies in thousands, except per share data)

The following table presents revenue disaggregated by geography based on the location of the Company's customer:

	For the Three Months Ended June 30,					
	2024			2023		
	HBP	CPP	Total	HBP	CPP	Total
United States	$ 376,616	$ 162,516	$ 539,132	$ 382,295	$ 195,132	$ 577,427
Europe	3	19,342	19,345	—	19,792	19,792
Canada	14,741	12,998	27,739	16,576	12,955	29,531
Australia	—	52,706	52,706	—	49,548	49,548
All other countries	2,854	6,038	8,892	2,271	4,861	7,132
Consolidated revenue	$ 394,214	$ 253,600	$ 647,814	$ 401,142	$ 282,288	$ 683,430

	For the Nine Months Ended June 30,					
	2024			2023		
	HBP	CPP	Total	HBP	CPP	Total
United States	$ 1,131,570	$ 496,830	$ 1,628,400	$ 1,139,936	$ 561,184	$ 1,701,120
Europe	112	42,940	43,052	16	43,558	43,574
Canada	43,922	50,389	94,311	47,337	57,641	104,978
Australia	—	174,607	174,607	—	172,350	172,350
All other countries	6,463	17,014	23,477	7,085	14,691	21,776
Consolidated revenue	$ 1,182,067	$ 781,780	$ 1,963,847	$ 1,194,374	$ 849,424	$ 2,043,798

Griffon evaluates performance and allocates resources based on segment adjusted EBITDA and adjusted EBITDA, non-GAAP measures, which are defined as income before taxes, excluding interest income and expense, depreciation and amortization, strategic review charges, non-cash impairment charges, restructuring charges, gain/loss from debt extinguishment and acquisition related expenses, as well as other items that may affect comparability, as applicable. Segment adjusted EBITDA also excludes unallocated amounts, mainly corporate overhead. Griffon believes this information is useful to investors for the same reason. The following table provides a reconciliation of segment and adjusted EBITDA to income before taxes:

(US dollars and non US currencies in thousands, except per share data)

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2024	2023	2024	2023
Segment adjusted EBITDA:				
Home and Building Products	$ 118,516	$ 134,330	$ 372,159	$ 390,346
Consumer and Professional Products	22,263	18,265	47,923	36,091
Segment adjusted EBITDA	140,779	152,595	420,082	426,437
Unallocated amounts, excluding depreciation *	(15,285)	(13,982)	(44,006)	(42,388)
Adjusted EBITDA	125,494	138,613	376,076	384,049
Net interest expense	(26,255)	(25,207)	(76,642)	(74,394)
Depreciation and amortization	(15,247)	(15,669)	(45,150)	(50,036)
Loss from debt extinguishment	(1,700)	—	(1,700)	—
Restructuring charges	(18,688)	(3,862)	(33,489)	(82,196)
Gain (loss) on sale of buildings	(725)	—	(167)	10,852
Strategic review - retention and other	(1,870)	(5,812)	(9,204)	(20,234)
Proxy expenses	—	(568)	—	(2,685)
Intangible asset impairment	—	—	—	(100,000)
Special dividend ESOP charges	—	(9,042)	—	(9,042)
Income before taxes	$ 61,009	$ 78,453	$ 209,724	$ 56,314

* Unallocated amounts typically include general corporate expenses not attributable to a reportable segment.

DEPRECIATION and AMORTIZATION	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2024	2023	2024	2023
Segment:				
Home and Building Products	$ 3,883	$ 3,868	$ 11,288	$ 11,525
Consumer and Professional Products	11,225	11,661	33,453	38,091
Total segment depreciation and amortization	15,108	15,529	44,741	49,616
Corporate	139	140	409	420
Total consolidated depreciation and amortization	$ 15,247	$ 15,669	$ 45,150	$ 50,036

	For the Three Months Ended June 30,		For the For the Nine Months Ended June 30,	
	2024	2023	2024	2023
CAPITAL EXPENDITURES				
Segment:				
Home and Building Products	$ 8,533	$ 4,620	$ 31,566	$ 10,293
Consumer and Professional Products	5,944	3,726	16,061	9,858
Total segment	14,477	8,346	47,627	20,151
Corporate	83	—	222	32
Total consolidated capital expenditures	$ 14,560	$ 8,346	$ 47,849	$ 20,183

(US dollars and non US currencies in thousands, except per share data)

ASSETS	At June 30, 2024	At September 30, 2023
Segment assets:		
Home and Building Products	$ 728,213	$ 703,661
Consumer and Professional Products[1]	1,489,435	1,579,588
Total segment assets	2,217,648	2,283,249
Corporate	155,132	130,339
Total assets	2,372,780	2,413,588
Discontinued operations	6,084	5,291
Consolidated total	$ 2,378,864	$ 2,418,879

(1) In connection with the expansion of CPP's global sourcing strategy, certain owned manufacturing locations which ceased operations have met the criteria to be classified as held for sale as of June 30, 2024. The net book value of these properties as of June 30, 2024 totaled $14,747.

NOTE 14 – EMPLOYEE BENEFIT PLANS

Defined benefit pension expense (income) included in Other Income (Expense), net was as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2024	2023	2024	2023
Interest cost	$ 1,889	$ 1,826	$ 5,666	$ 5,477
Expected return on plan assets	(2,543)	(2,553)	(7,629)	(7,660)
Amortization:				
Recognized actuarial loss	688	944	2,066	2,833
Net periodic expense	$ 34	$ 217	$ 103	$ 650

The Hunter Fan Pension Plan (the "Plan") was terminated with an effective date of April 30, 2024. This was communicated to Plan participants in February 2024. The Plan is fully funded and the Company does not anticipate making an additional funding contribution as of the benefit distribution date. The benefit distribution date will be determined once the Company receives approval from certain regulatory agencies.

NOTE 15 – RECENT ACCOUNTING PRONOUNCEMENTS

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures. This standard expands disclosures regarding a public entity’s reportable segments and requires additional information about a reportable segment’s expenses, interim segment profit or loss, and how a public entity’s chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. The standard does not change the definition of operating segments. This standard is effective for the Company beginning with our fiscal year 2025, with early adoption permitted. The Company is currently evaluating the potential changes to its reportable segment disclosures and related impact on its business and financial reporting processes and information technology systems. The Company does not expect the adoption of this standard to have an impact on its financial position, results of operations, or cash flows.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740), Improvements to Income Tax Disclosure. The standard requires significant additional disclosures focused on income taxes paid and the rate reconciliation table. Specifically, the amendments in the standard require the Company to disclose disaggregated: (1) income taxes paid by federal, state, and foreign taxes, (2) pre-tax income between domestic and foreign, and (3) income tax expense by federal, state and foreign tax expense. The standard also requires the Company to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. This standard is effective for the Company beginning with our fiscal year 2026, with retrospective application permitted. The Company is currently evaluating the potential changes to its income tax disclosures and related impact on its financial reporting processes and information technology systems. The Company does not expect the adoption of this standard to have an impact on its financial position, results of operations, or cash flows.

(US dollars and non US currencies in thousands, except per share data)

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements, and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 16 – DISCONTINUED OPERATIONS

At June 30, 2024 and September 30, 2023, Griffon's liabilities for discontinued operations primarily relate to insurance claims, income taxes, product liability, warranty and environmental reserves, and total $10,017 and $11,798, respectively. The following amounts summarize the total assets and liabilities which have been segregated from Griffon's continuing operations, and are reported as assets and liabilities of discontinued operations in the Condensed Consolidated Balance Sheets:

	At June 30, 2024	At September 30, 2023
Assets of discontinued operations:		
Prepaid and other current assets	$ 1,310	$ 1,001
Other long-term assets	4,774	4,290
Total assets of discontinued operations	$ 6,084	$ 5,291
Liabilities of discontinued operations:		
Accrued liabilities, current	$ 4,216	$ 7,148
Other long-term liabilities	5,801	4,650
Total liabilities of discontinued operations	$ 10,017	$ 11,798

There was no reported revenues or costs in the nine months ended June 30, 2024 and 2023 for discontinued operations.

NOTE 17 – RESTRUCTURING CHARGES

In response to changing market conditions, Griffon announced in May 2023 that CPP is expanding its global sourcing strategy to include long handled tools, material handling, and wood storage and organization product lines for the U.S. market.

By transitioning these product lines to an asset-light structure, CPP's operations will be better positioned to serve customers with a more flexible and cost-effective sourcing model that leverages supplier relationships around the world, while improving its competitive positioning in a post-pandemic marketplace.

The global sourcing strategy expansion is expected to be complete by the end of calendar 2024. By that time, CPP expects to have reduced its facility footprint by approximately 1.2 million square feet, or approximately 15% of CPP's square footage, and its headcount by approximately 600. Manufacturing Operations have ceased at all affected sites: Camp Hill and Harrisburg, PA; Fairfield, IA; Grantsville, MD; and four wood mills. The closed locations, which have a total net book value of $14,747, have met the held for sale criteria and have been classified as such on our Condensed Consolidated Balance Sheet as of June 30, 2024.

Implementation of this strategy over the duration of the project will result in charges approximating $130,000, which now includes approximately $46,000 of cash charges for employee retention and severance, operational transition, and facility and lease exit costs, and approximately $84,000 of non-cash charges primarily related to asset write-downs. Capital investment of approximately $5,000 will also be required. These costs exclude cash proceeds from the sale of real estate and equipment, which are expected to largely offset the cash charges, and also exclude inefficiencies due to duplicative labor costs and absorption impacts during transition.

(US dollars and non US currencies in thousands, except per share data)

In the quarter ended June 30, 2024, CPP incurred pre-tax restructuring and related exit costs approximating $18,688, comprised of cash charges totaling $4,191 and non-cash, asset-related charges of $14,497. The cash charges included $709 for one-time termination benefits and other personnel-related costs and $3,482 for facility exit costs. Non-cash charges related to $14,497 recorded to adjust inventory to net realizable value. In the nine months ended June 30, 2024, CPP incurred pre-tax restructuring and related exit costs approximating $33,489, comprised of cash charges totaling $10,510 and non-cash, asset-related charges totaling $22,979. The cash charges included $3,038 for one-time termination benefits and other personnel-related costs and $7,472 for facility exit costs. Non-cash charges related to $22,979 recorded to adjust inventory to net realizable value.

In the quarter and nine months ended June 30, 2023, CPP incurred pre-tax restructuring and related exit costs approximating $3,862 and $82,196, respectively. During the quarter ended June 30, 2023, cash charges totaled $3,862 which included $2,234 for one-time termination benefits and other personnel-related costs and $1,628 for facility exit costs. During the nine months ended June 30, 2023, cash charges totaled $23,078 and non-cash, asset-related charges totaled $59,118; the cash charges included $10,284 for one-time termination benefits and other personnel-related costs and $12,794 for facility exit costs. Non-cash charges included a $22,018 impairment charge related to certain fixed assets at several manufacturing locations and $37,100 to adjust inventory to net realizable value.

A summary of the restructuring and other related charges included in Cost of goods and services and SG&A expenses in the Company's Condensed Consolidated Statements of Operations were as follows:

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2024	2023	2024	2023
Cost of goods and services	$ 15,744	$ 1,777	$ 28,724	$ 76,422
Selling, general and administrative expenses	2,944	2,085	4,765	5,774
Total restructuring charges	$ 18,688	$ 3,862	$ 33,489	$ 82,196

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2024	2023	2024	2023
Personnel related costs	$ 709	$ 2,234	$ 3,038	$ 10,284
Facilities, exit costs and other	3,482	1,628	7,472	12,794
Non-cash facility and other	14,497	—	22,979	59,118
Total	$ 18,688	$ 3,862	$ 33,489	$ 82,196

(US dollars and non US currencies in thousands, except per share data)

The following tables summarizes the accrued liabilities of the Company's restructuring actions for the nine months ended June 30, 2024 and 2023:

	Cash Charges		Non-Cash	
	Personnel related costs	Facilities & Exit Costs	Facility and Other Costs[1]	Total
Accrued liability at September 30, 2023	$ 14,107	$ 5,551	$ —	$ 19,658
Q1 Restructuring charges	1,847	2,071	8,482	12,400
Q1 Cash payments	(7,215)	(3,362)	—	(10,577)
Q1 Non-cash charges	—	—	(8,482)	(8,482)
Accrued liability at December 31, 2023	$ 8,739	$ 4,260	$ —	$ 12,999
Q2 Restructuring charges	482	1,919	—	2,401
Q2 Cash payments	(608)	(1,919)	—	(2,527)
Accrued liability at March 31, 2024	$ 8,613	$ 4,260	$ —	$ 12,873
Q3 Restructuring charges	709	3,482	14,497	18,688
Q3 Cash payments	(2,671)	(4,345)	—	(7,016)
Q3 Non-cash charges	—	—	(14,497)	(14,497)
Accrued liability at June 30, 2024	$ 6,651	$ 3,397	$ —	$ 10,048

(1) Non-cash charges in Facility and Other Costs represent non-cash impairment charges to adjust inventory to net realizable value.

	Cash Charges		Non-Cash	
	Personnel related costs	Facilities & Exit Costs	Facility and Other Costs [2]	Total
Accrued liability at September 30, 2022	$ 386	$ 264	$ —	$ 650
Q1 Cash payments	(74)	(93)	—	(167)
Accrued liability at December 31, 2022	$ 312	$ 171	$ —	$ 483
Q2 Restructuring charges	8,050	11,166	59,118	78,334
Q2 Cash payments	(244)	(1,883)	—	(2,127)
Q2 Non-cash charges	—	—	(59,118)	(59,118)
Accrued liability at March 31, 2023	$ 8,118	$ 9,454	$ —	$ 17,572
Q3 Restructuring charges	2,234	1,628	—	3,862
Q3 Cash payments	(579)	(4,245)	—	(4,824)
Accrued liability at June 30, 2023	$ 9,773	$ 6,837	$ —	$ 16,610

(2) Non-cash charges in Facility and Other Costs represent the non-cash impairment charges related to certain fixed assets at several manufacturing sites and to adjust inventory to net realizable value.

(US dollars and non US currencies in thousands, except per share data)

NOTE 18 – OTHER INCOME (EXPENSE)

For the quarters ended June 30, 2024 and 2023, Other income (expense) of $350 and $1,475, respectively, includes ($120) and $590, respectively, of net currency exchange gains (losses) in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries, net periodic benefit plan expense of $34 and $217, respectively, and net investment income of $10 and $336, respectively. Other income (expense) also includes royalty income of $549 and $438 for the three months ended June 30, 2024 and 2023, respectively.

For the nine months ended June 30, 2024 and 2023, Other income (expense) of $1,608 and $2,375, respectively, includes $72 and $492, respectively, of net currency exchange gains in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries, net periodic benefit plan expense of $103 and $650, respectively, as well as $95 and $444, respectively, of net investment income. Other income (expense) also includes royalty income of $1,649 and $1,463 for the nine months ended June 30, 2024 and 2023, respectively.

NOTE 19 – WARRANTY LIABILITY

HBP and CPP offer warranties against product defects for periods generally ranging from one to ten years, with limited lifetime warranties on certain door and fan models. Typical warranties require HBP and CPP to repair or replace the defective products during the warranty period at no cost to the customer. At the time revenue is recognized, Griffon records a liability for warranty costs, estimated based on historical experience, and periodically assesses its warranty obligations and adjusts the liability as necessary. CPP offers an express limited warranty for a period of ninety days on all products from the date of original purchase unless otherwise stated on the product or packaging from the date of original purchase. Warranty costs expected to be incurred in the next 12 months are classified in accrued liabilities. Warranty costs expected to be incurred beyond one year are classified in other long-term liabilities. The short-term warranty liability was $14,414 as of June 30, 2024 and $20,781 as of September 30, 2023. The long-term warranty liability was $1,239 at both June 30, 2024 and September 30, 2023.

Changes in Griffon's warranty liability for the three and nine months ended June 30, 2024 and 2023 were as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Balance, beginning of period	$ 14,903	$ 21,341	$ 20,781	$ 18,026
Warranties issued and changes in estimated pre-existing warranties	7,716	4,999	17,760	16,079
Actual warranty costs incurred	(6,966)	(3,402)	(22,888)	(11,167)
Balance, end of period	$ 15,653	$ 22,938	$ 15,653	$ 22,938

(US dollars and non US currencies in thousands, except per share data)

NOTE 20 – OTHER COMPREHENSIVE INCOME (LOSS)

The amounts recognized in other comprehensive income (loss) were as follows:

	For the Three Months Ended June 30,					
	2024			2023		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Foreign currency translation adjustments	$ (827)	$ —	$ (827)	$ 2,309	$ —	$ 2,309
Pension and other defined benefit plans	673	(141)	532	943	(196)	747
Cash flow hedges	(1,324)	397	(927)	(3,916)	1,175	(2,741)
Total other comprehensive income (loss)	$ (1,478)	$ 256	$ (1,222)	$ (664)	$ 979	$ 315

	For the Nine Months Ended June 30,					
	2024			2023		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Foreign currency translation adjustments	$ 2,212	$ —	$ 2,212	$ 14,580	$ —	$ 14,580
Pension and other defined benefit plans	2,018	(423)	1,595	2,972	(617)	2,355
Cash flow hedges	786	(236)	550	(2,555)	767	(1,788)
Total other comprehensive income (loss)	$ 5,016	$ (659)	$ 4,357	$ 14,997	$ 150	$ 15,147

The components of Accumulated other comprehensive income (loss) are as follows:

	At June 30, 2024	At September 30, 2023
Foreign currency translation adjustments	$ (46,511)	$ (48,723)
Pension and other defined benefit plans	(19,070)	(20,665)
Cash flow hedges	(72)	(622)
Total	$ (65,653)	$ (70,010)

Amounts reclassified from accumulated other comprehensive income (loss) to income were as follows:

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
Gain (Loss)	2024	2023	2024	2023
Pension amortization	$ (688)	$ (944)	$ (2,066)	$ (2,833)
Cash flow hedges	(69)	641	(960)	1,654
Total gain (loss) before tax	$ (757)	$ (303)	$ (3,026)	$ (1,179)
Tax benefit	159	64	635	248
Net of tax	$ (598)	$ (239)	$ (2,391)	$ (931)

(US dollars and non US currencies in thousands, except per share data)

NOTE 21 — LEASES

The Company recognizes right-of-use ("ROU") assets and lease liabilities on the balance sheet, with the exception of leases with a term of twelve months or less. The Company determines if an arrangement is a lease at inception. The ROU assets and short and long-term liabilities associated with our Operating leases are shown as separate line items on our Condensed Consolidated Balance Sheets. Finance leases are included in property, plant, and equipment, net, other accrued liabilities, and other non-current liabilities. The Company's finance leases are immaterial. ROU assets, along with any other related long-lived assets, are periodically evaluated for impairment.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease payments primarily include rent and insurance costs (lease components). The Company's leases also include non-lease components such as real estate taxes and common-area maintenance costs. The Company elected the practical expedient to account for lease and non-lease components as a single component. In certain of the Company's leases, the non-lease components are variable and in accordance with the standard are therefore excluded from lease payments to determine the ROU asset. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. Our determination of the lease term may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

For operating leases, fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term. For finance leases and impaired operating leases, the ROU asset is depreciated on a straight-line basis over the remaining lease term, along with recognition of interest expense associated with accretion of the lease liability. For leases with a lease term of 12 months or less (a "Short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the Condensed Consolidated Balance Sheets. Variable lease cost for both operating and finance leases, if any, is recognized as incurred. Components of operating lease costs are as follows:

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2024	2023	2024	2023
Fixed	$ 11,555	$ 11,512	$ 34,992	$ 34,179
Variable [(a), (b)]	2,472	2,067	7,382	8,085
Short-term [(b)]	808	2,201	3,470	6,249
Total	$ 14,835	$ 15,780	$ 45,844	$ 48,513

(a) Primarily relates to common-area maintenance and property taxes.

(b) Not recorded on the balance sheet.

Supplemental cash flow information were as follows:

	For the Nine Months Ended June 30,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 34,361	$ 30,163
Financing cash flows from finance leases	239	1,673
Total	$ 34,600	$ 31,836

Supplemental Condensed Consolidated Balance Sheet information related to leases were as follows:

	June 30, 2024	September 30, 2023
Operating Leases:		
Right of use assets:		
Operating right-of-use assets	$ 159,865	$ 169,942
Lease Liabilities:		
Current portion of operating lease liabilities	$ 32,572	$ 32,632
Long-term operating lease liabilities	138,665	147,224
Total operating lease liabilities	$ 171,237	$ 179,856
Finance Leases:		
Property, plant and equipment, net[1]	$ 663	$ 994
Lease Liabilities:		
Notes payable and current portion of long-term debt	$ 138	$ 280
Long-term debt, net	96	184
Total financing lease liabilities	$ 234	$ 464

(1) Finance lease assets are recorded net of accumulated depreciation of $1,466 and $6,769 as of June 30, 2024 and September 30, 2023, respectively.

On September 28, 2023, the Company closed on the exercise of its lease purchase option, as permitted under the lease agreement, to acquire ownership of the manufacturing facility located in Ocala, Florida for a cash purchase price of $23,207. The Ocala lease had a maturity date in 2025 and bore interest at a fixed rate of approximately 5.6%. As a result of exercising the purchase option, the Company no longer has any future lease obligations related to this real estate. The remaining lease liability balance relates to finance equipment leases.

The aggregate future maturities of lease payments for operating leases and finance leases as of June 30, 2024 are as follows (in thousands):

	Operating Leases	Finance Leases
2024(a)	$ 11,001	$ 51
2025	40,196	124
2026	31,067	66
2027	26,275	5
2028	20,969	—
2029	16,353	—
Thereafter	69,103	—
Total lease payments	$ 214,964	$ 246
Less: Imputed Interest	(43,727)	(12)
Present value of lease liabilities	$ 171,237	$ 234

(a) Excluding the nine months ended June 30, 2024.

(US dollars and non US currencies in thousands, except per share data)

Average lease terms and discount rates at June 30, 2024 were as follows:

Weighted-average remaining lease term (years):		
Operating leases	7.4	
Finance Leases	3.0	
Weighted-average discount rate:		
Operating Leases		6.14 %
Finance Leases		6.11 %

NOTE 22 — COMMITMENTS AND CONTINGENCIES

Legal and environmental

Peekskill Site. Lightron Corporation ("Lightron"), a wholly-owned subsidiary of Griffon, once conducted lamp manufacturing and metal finishing operations at a location in the Town of Cortlandt, New York, just outside the city of Peekskill, New York (the "Peekskill Site"). ISC Properties, Inc. ("ISCP"), a wholly-owned subsidiary of Griffon, owned the Peekskill Site for approximately three years. ISCP sold the Peekskill Site in November 1982.

Based upon studies conducted by ISCP and the New York Department of Environmental Conservation, soils and groundwater beneath the Peekskill Site contain chlorinated solvents and metals. Stream sediments downgradient from the Peekskill Site also contain metals. On May 15, 2019 the United States Environmental Protection Agency ("EPA") added the Peekskill Site to the National Priorities List under CERCLA and has since reached agreement with Lightron and ISCP pursuant to which Lightron and ISCP will perform a Remedial Investigation/Feasibility Study ("RI/FS"). Performance of the RI/FS is expected to be completed in 2025.

Lightron has not engaged in any operations for over three decades. ISCP functioned solely as a real estate holding company and has not held any real property for over three decades. Griffon does not acknowledge any responsibility to perform any investigation or remediation at the Peekskill Site. Lightron and ISCP are being defended by an insurance company, subject to a reservation of rights, and this insurer is paying the costs of the RI.

Memphis, TN site. Hunter Fan Company ("Hunter") operated headquarters and a production plant in Memphis, TN for over 50 years (the "Memphis Site"). While Hunter completed certain on-site remediation of PCB-contaminated soils, Hunter did not investigate the extent to which PCBs existed beneath the building itself nor determine whether off-site areas had been impacted. Hunter vacated the site approximately twenty years ago, and the on-site buildings have now been demolished.

The State of Tennessee Department of Environment and Conservation ("TDEC") identified the Memphis site as being potentially contaminated, raising the possibility that site operations could have resulted in soil and groundwater contamination involving volatile organic compounds and metals. In 2021, the TDEC performed a preliminary assessment of the site and recommended to the EPA that it include the site on the National Priorities List established under CERCLA. The TDEC further recommended that the EPA fund an investigation of potential soil gas contamination in receptors near the site. The TDEC has also indicated that it will proceed with this investigation if the EPA does not act.

It is unknown whether the EPA will add the Memphis Site to the National Priorities List, whether a site investigation will reveal contamination and, if there is contamination, the extent of any such contamination. However, given that certain PCB work was not completed in the past and the TDEC's stated intent for the EPA to perform an investigation (and the statement by the TDEC that it will perform the investigation if the EPA will not), liability is probable in this matter. There are other potentially responsible parties for this site, including a former owner of Hunter; Hunter has notified such former owner of this matter.

If the EPA decides to add this site to the National Priorities List, a Remedial Investigation/Feasibility Study ("RI/FS") will be required. Hunter expects that the EPA will ask it to perform this work. If Hunter does not reach an agreement with the EPA to perform this work, the EPA will implement the RI/FS on its own. Should the EPA implement the RI/FS or perform further studies and/or subsequently remediate the site without first reaching an agreement with one or more relevant parties, the EPA would likely seek reimbursement from such parties, including Hunter, for the costs incurred.

General legal

Griffon is subject to various laws and regulations relating to the protection of the environment and is a party to legal proceedings arising in the ordinary course of business. Management believes, based on facts presently known to it, that the resolution of the matters above and such other matters will not have a material adverse effect on Griffon's consolidated financial position, results of operations or cash flows.

(Unless otherwise indicated, US Dollars and non-US currencies are in thousands, except per share data)

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

BUSINESS

Overview

Griffon Corporation (the "Company", "Griffon", "we" or "us") is a diversified management and holding company that conducts business through wholly-owned subsidiaries. The Company was founded in 1959, is a Delaware corporation headquartered in New York, N.Y. and is listed on the New York Stock Exchange (NYSE:GFF).

Business Strategy

We own and operate, and seek to acquire, businesses in multiple industries and geographic markets. Our objective is to maintain leading positions in the markets we serve by providing innovative, branded products with superior quality and industry-leading service. We place emphasis on our iconic and well-respected brands, which helps to differentiate us and our offerings from our competitors and strengthens our relationship with our customers and those who ultimately use our products.

Through operating a diverse portfolio of businesses, we expect to reduce variability caused by external factors such as market cyclicality, seasonality, and weather. We achieve diversity by providing various product offerings and brands through multiple sales and distribution channels and conducting business across multiple countries which we consider our home markets.

Griffon oversees the operations of its subsidiaries, allocates resources among them and manages their capital structures. Griffon provides direction and assistance to its subsidiaries in connection with acquisition and growth opportunities as well as in connection with divestitures. As long-term investors, having substantial experience in a variety of industries, our intent is to continue the growth and strengthening of our existing businesses, and to diversify further through investments in our businesses and through acquisitions.

Since 2017, we have undertaken a series of transformative transactions. We divested our specialty plastics business in 2018 and our defense electronics (Telephonics) business in 2022 to focus on our core markets and improve our free cash flow conversion. In our Home and Building Products ("HBP") segment, we acquired CornellCookson, Inc. ("CornellCookson") in 2018, which has been integrated into Clopay Corporation ("Clopay"), creating a leading North American manufacturer and marketer of residential garage doors and sectional commercial doors, and rolling steel doors and grille products, under brands that include Clopay, Ideal, Cornell and Cookson. In our Consumer and Professional Products ("CPP") segment, we expanded the scope of our brands through the acquisition of Hunter Fan Company ("Hunter") in January 2022 and ClosetMaid, LLC ("ClosetMaid") in 2018.

CPP Global Sourcing Strategy Expansion and Restructuring Charges

In response to changing market conditions, Griffon announced in May 2023 that CPP is expanding its global sourcing strategy to include long handled tools, material handling, and wood storage and organization product lines for the U.S. market.

By transitioning these product lines to an asset-light structure, CPP's operations will be better positioned to serve customers with a more flexible and cost-effective sourcing model that leverages supplier relationships around the world, while improving its competitive positioning in a post-pandemic marketplace. These actions will be essential to CPP achieving 15% EBITDA margins, while enhancing free cash flow through improved working capital and significantly lower capital expenditures.

The global sourcing strategy expansion is expected to be complete by the end of calendar 2024. By that time, CPP expects to reduce its facility footprint by approximately 1.2 million square feet, or approximately 15% of CPP's square footage, and its headcount by approximately 600. Manufacturing operations have ceased at all affected sites: Camp Hill and Harrisburg, PA; Fairfield, IA; Grantsville, MD and four wood mills.

Implementation of this strategy over the duration of the project will result in charges approximating $130,000, which now includes approximately $46,000 of cash charges for employee retention and severance, operational transition, and facility and lease exit costs, and approximately $84,000 of non-cash charges primarily related to asset write-downs. Capital investment of approximately $5,000 will also be required. These costs exclude cash proceeds from the sale of real estate and equipment, which are expected to largely offset the cash charges, and also exclude inefficiencies due to duplicative labor costs and absorption impacts during transition.

Further Information

Griffon posts and makes available, free of charge through its website at *www.griffon.com*, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as well as press releases, as soon as reasonably practicable after such materials are published or filed with or furnished to the Securities and Exchange Commission (the "SEC"). The information found on Griffon's website is not part of this or any other report it files with or furnishes to the SEC.

For information regarding revenue, profit and total assets of each segment, see the Business Segments footnote in the Notes to Consolidated Financial Statements.

Reportable Segments:

Griffon conducts its operations through two reportable segments:

- Home and Building Products ("HBP") conducts its operations through Clopay. Founded in 1964, Clopay is the largest manufacturer and marketer of garage doors and rolling steel doors in North America. Residential and commercial sectional garage doors are sold through professional dealers and leading home center retail chains throughout North America under the brands Clopay, Ideal, and Holmes. Rolling steel door and grille products designed for commercial, industrial, institutional, and retail use are sold under the Cornell and Cookson brands.

- Consumer and Professional Products ("CPP") is a leading global provider of branded consumer and professional tools; residential, industrial and commercial fans; home storage and organization products; and products that enhance indoor and outdoor lifestyles. CPP sells products globally through a portfolio of leading brands including AMES, since 1774, Hunter, since 1886, True Temper, and ClosetMaid.

OVERVIEW

Revenue for the quarter ended June 30, 2024 was $647,814 compared to $683,430 in the prior year quarter, a decrease of $35,616 or 5%, driven by decreased revenue of 2% and 10% at HBP and CPP, respectively. Net income was $41,086 or $0.84 per share, compared to $49,205, or $0.90 per share, in the prior year quarter.

The current year quarter results from operations included the following:

- Restructuring charges of $18,688 ($13,991, net of tax, or $0.29 per share);
- Loss on sale of buildings of $725 ($520, net of tax, or $0.01 per share);
- Loss on debt extinguishment of $1,700 ($1,292, net of tax, or $0.03 per share);
- Strategic review - retention and other of $1,870 ($1,390, net of tax, or $0.03 per share); and
- Discrete and certain other tax provisions, net, of $2,247 or $0.05 per share.

The prior year quarter results from operations included the following:

- Restructuring charges of $3,862 ($2,831, net of tax, or $0.05 per share);
- Strategic review - retention and other of $5,812 ($4,378, net of tax, or $0.08 per share);
- Special dividend Employee Stock Ownership Plan ("ESOP") charges of $9,042 ($6,936, net of tax, or $0.13 per share);
- Proxy expenses of $568 ($435, net of tax, or $0.01 per share); and
- Discrete and certain other tax provisions, net, of $6,519 or $0.12 per share.

Excluding these items from the respective quarterly results, net income would have been $60,526, or $1.24 per share in the three months ended June 30, 2024 compared to $70,304, or $1.29 per share, in the prior year quarter.

Revenue for the nine months ended June 30, 2024 was $1,963,847 compared to $2,043,798 in the prior year period, a decrease of $79,951 or 4% driven by decreased revenue of 1% and 8% at HBP and CPP, respectively. Net income was $147,406 or $2.94 per share, compared to net income of $35,652, or $0.65 per share, in the prior year period.

The current year-to-date results from operations included the following:

- Restructuring charges of $33,489 ($24,973, net of tax, or $0.50 per share);
- Loss on sale of buildings of $167 ($105, net of tax, or $0.00 per share);
- Loss on debt extinguishment of $1,700 ($1,292, net of tax, or $0.03 per share);
- Strategic review - retention and other of $9,204 ($6,887, net of tax, or $0.14 per share); and
- Discrete and certain other tax provisions, net, of $2,640 or $0.05 per share.

The prior year-to-date results from operations included the following:

- Restructuring charges of $82,196 ($61,360, net of tax, or $1.11 per share);
- Gain on the sale of building $10,852 ($8,323, net of tax, or $0.15 per share);
- Intangible asset impairment charges of $100,000 ($74,256, net of tax, or $1.35 per share);
- Special dividend Employee Stock Ownership Plan ("ESOP") charges of $9,042 ($6,936, net of tax, or $0.13 per share);
- Proxy expenses of $2,685 ($2,059, net of tax, or $0.04 per share);
- Strategic review - retention and other of $20,234 ($15,258, net of tax, or $0.28 per share); and
- Discrete and certain other tax benefits, net, of $2,537 or $0.05 per share.

Excluding these items from the respective periods, net income would have been $183,303, or $3.66 per share in the nine months ended June 30, 2024 compared to $184,661, or $3.35 per share, in the prior year period.

Griffon evaluates performance based on adjusted net income and the related adjusted earnings per share, which are non-GAAP measures that exclude restructuring charges, non-cash impairment charges, loss from debt extinguishment, acquisition related expenses and discrete and certain other tax items, as well as other items that may affect comparability, as applicable. Griffon believes this information is useful to investors for the same reason. The following table provides a reconciliation of net income from operations to adjusted net income and earnings per share to adjusted earnings per share:

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2024	2023	2024	2023
	(Unaudited)			
Net income	$ 41,086	$ 49,205	$ 147,406	$ 35,652
Adjusting items:				
Restructuring charges(1)	18,688	3,862	33,489	82,196
Intangible asset impairment	—	—	—	100,000
(Gain) loss on sale of buildings	725	—	167	(10,852)
Loss from debt extinguishment	1,700	—	1,700	—
Special dividend ESOP charges	—	9,042	—	9,042
Strategic review - retention and other	1,870	5,812	9,204	20,234
Proxy expenses	—	568	—	2,685
Tax impact of above items(2)	(5,790)	(4,704)	(11,303)	(51,759)
Discrete and certain other tax provisions (benefits), net(3)	2,247	6,519	2,640	(2,537)
Adjusted net income	$ 60,526	$ 70,304	$ 183,303	$ 184,661
Earnings per common share	$ 0.84	$ 0.90	$ 2.94	$ 0.65
Adjusting items, net of tax:				
Restructuring charges(1)	0.29	0.05	0.50	1.11
Intangible asset impairment	—	—	—	1.35
(Gain) loss on sale of buildings	0.01	—	—	(0.15)
Loss from debt extinguishment	0.03	—	0.03	—
Special dividend ESOP charges	—	0.13	—	0.13
Strategic review - retention and other	0.03	0.08	0.14	0.28
Proxy expenses	—	0.01	—	0.04
Discrete and certain other tax provisions (benefits), net(3)	0.05	0.12	0.05	(0.05)
Adjusted earnings per common share	$ 1.24	$ 1.29	$ 3.66	$ 3.35
Diluted weighted-average shares outstanding (in thousands)	48,851	54,602	50,085	55,087

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

(1) For the three months ended June 30, 2024 and 2023, restructuring charges relate to the CPP global sourcing expansion, of which $15,744 and $1,777, respectively, is included in Cost of goods and services and $2,944 and $2,085, respectively, is included in SG&A in the Company's Condensed Consolidated Statement of Operations. For the nine months ended June 30, 2024 and 2023, restructuring charges relate to the CPP global sourcing expansion, of which $28,724 and $76,422, respectively, are included in Cost of goods and services and $4,765 and $5,774, respectively, are included in SG&A in the Company's Condensed Consolidated Statement of Operations.

(2) The tax impact for the above reconciling adjustments from GAAP to non-GAAP Net income and EPS is determined by comparing the Company's tax provision, including the reconciling adjustments, to the tax provision excluding such adjustments.

(3) Discrete and certain other tax provisions (benefits) primarily relate to the impact of a rate differential between the statutory and annual effective tax rates on items impacting the quarter.

RESULTS OF OPERATIONS

Three and Nine Months ended June 30, 2024 and 2023

Griffon evaluates performance and allocates resources based on each segment adjusted EBITDA, a non-GAAP measure, which is defined as income before taxes, excluding interest income and expense, depreciation and amortization, unallocated amounts (mainly corporate overhead), strategic review charges, non-cash impairment charges, restructuring charges, and acquisition related expenses, as well as other items that may affect comparability, as applicable. Griffon believes this information is useful to investors for the same reason. See table provided in Note 13 - Business Segments for a reconciliation of adjusted EBITDA to income before taxes.

Home and Building Products

	For the Three Months Ended June 30,				For the Nine Months Ended June 30,			
	2024		2023		2024		2023	
Residential	$ 223,978		$ 222,088		$ 664,098		$ 669,563	
Commercial	170,236		179,054		517,969		524,811	
Total Revenue	$ 394,214		$ 401,142		$ 1,182,067		$ 1,194,374	
Adjusted EBITDA	$ 118,516	30.1 %	$ 134,330	33.5 %	$ 372,159	31.5 %	$ 390,346	32.7 %
Depreciation and amortization	$ 3,883		$ 3,868		$ 11,288		$ 11,525	

For the quarter ended June 30, 2024, HBP revenue decreased $6,928 or 2% from the prior year quarter due to unfavorable product mix with increased residential volume being offset by decreased commercial volume.

For the quarter ended June 30, 2024, adjusted EBITDA of $118,516 decreased $15,814 or 12%, compared to $134,330 in the prior year quarter resulting from the decreased revenue noted above and increased material, labor and distribution costs.

For the nine months ended June 30, 2024, revenue decreased $12,307 or 1%, compared to the prior year period, driven by decreased volume of 1% reflecting decreased commercial volume, partially offset by increased residential volume.

For the nine months ended June 30, 2024, adjusted EBITDA of $372,159 decreased $18,187, or 5%, compared to $390,346 in the prior year period resulted from the decreased revenue noted above, as well as increased labor and distribution costs.

For the quarter ended June 30, 2024, segment depreciation and amortization remained consistent with the prior year quarter. For the nine months ended June 30, 2024, segment depreciation and amortization decreased $237 compared to the prior year period due to fully depreciated assets.

Consumer and Professional Products

	For the Three Months Ended June 30,				For the Nine Months Ended June 30,			
	2024		2023		2024		2023	
United States	$ 162,516		$ 195,132		$ 496,830		$ 561,184	
Europe	19,342		19,792		42,940		43,558	
Canada	12,998		12,955		50,389		57,641	
Australia	52,706		49,548		174,607		172,350	
All other countries	6,038		4,861		17,014		14,691	
Total Revenue	$ 253,600		$ 282,288		$ 781,780		$ 849,424	
Adjusted EBITDA	$ 22,263	8.8 %	$ 18,265	6.5 %	47,923	6.1 %	36,091	4.2 %
Depreciation and amortization	$ 11,225		$ 11,661		$ 33,453		$ 38,091	

For the quarter ended June 30, 2024, revenue decreased $28,688, or 10%, compared to the prior year quarter primarily due to decreased volume driven by reduced consumer demand in North America, partially offset by increased volume in Australia.

For the quarter ended June 30, 2024, adjusted EBITDA of $22,263 increased $3,998 or 22% compared to $18,265 in the prior year quarter. The variance to the prior year quarter was primarily due to improved North American production costs and decreased discretionary spending, partially offset by the unfavorable impact of the reduced volume noted above.

For the nine months ended June 30, 2024, revenue decreased $67,644, or 8%, compared to the prior year period primarily due to decreased volume driven by reduced consumer demand in North America and the U.K., partially offset by increased volume in Australia.

For the nine months ended June 30, 2024, adjusted EBITDA of $47,923 increased $11,832 or 33% compared to $36,091 in the prior year period primarily due to improved margins in Australia and reduced U.S. production costs, as well as decreased discretionary spending, partially offset by the unfavorable impact of the reduced volume noted above.

For the quarter and nine months ended June 30, 2024, segment depreciation and amortization decreased $436 and $4,638, respectively, compared to the prior year period, primarily related to fully depreciated assets and the write-down of certain fixed assets at several manufacturing facilities in connection with restructuring activities.

On July 1, 2024 Griffon announced that its subsidiary, The AMES Companies, Inc., ("AMES") expanded the scope of its brand by substantially acquiring all the assets of Pope, a leading Australian provider of residential watering products, from The Toro Company (NYSE:TTC) for approximately AUD 22,000 (approximately $14,600). This is CPP's seventh acquisition in Australia since 2013, and further expands AMES's product portfolio in the Australian market. Pope is expected to contribute approximately $25,000 in revenue in the first twelve months after the acquisition.

CPP Global Sourcing Strategy Expansion and Restructuring Charges

In response to changing market conditions, Griffon announced in May 2023 that CPP is expanding its global sourcing strategy to include long handled tools, material handling, and wood storage and organization product lines for the U.S market.

By transitioning these product lines to an asset-light structure, CPP's operations will be better positioned to serve customers with a more flexible and cost-effective sourcing model that leverages supplier relationships around the world, while improving its competitive positioning in a post-pandemic marketplace. These actions will be essential to CPP achieving 15% EBITDA margins, while enhancing free cash flow through improved working capital and significantly lower capital expenditures.

The global sourcing strategy expansion is expected to be complete by the end of calendar 2024. By that time, CPP expects to have reduced its U.S. facility footprint by approximately 1.2 million square feet, or 15% of CPP's square footage, and its headcount by approximately 600. Manufacturing operations have ceased at all affected sites: Camp Hill and Harrisburg, PA; Fairfield, IA; Grantsville, MD; and four wood mills.

Implementation of this strategy over the duration of the project will result in charges approximating $130,000, which now includes approximately $46,000 of cash charges for employee retention and severance, operational transition, and facility and lease exit costs, and approximately $84,000 of non-cash charges primarily related to asset write-downs. Capital investment of approximately $5,000 will also be required. These costs exclude cash proceeds from the sale of real estate and equipment, which are expected to largely offset the cash charges, and also exclude inefficiencies due to duplicative labor costs and absorption impacts during transition.

In the nine months ended June 30, 2024, CPP incurred pre-tax restructuring charges of $33,489 consisting of cash charges of $10,510 and non-cash, asset related charges of $22,979 to adjust inventory to net realizable value. The cash charges included $3,038 for one-time termination benefits and other personnel-related costs and $7,472 for facility exit and other related costs. Since inception, cash charges totaled $44,046 and non-cash, asset-related charges totaled $81,911; the cash charges included $19,810 for one-time termination benefits and other personnel-related costs and $24,236 for facility exit and other related costs. Non-cash charges of $81,911 included $22,018 of impairment charges related to certain fixed assets at several manufacturing locations and $59,893 to adjust inventory to net realizable value. Capital investments of $2,400 mainly consists of expansion of the manufacturing capacity in Ocala, Florida and tooling and molds at offshore vendors required to support the global sourcing strategy.

	Cash Charges		Non-Cash Charges		
	Personnel related costs	Facilities, exit costs and other	Facilities, inventory and other	Total	Capital Investments
Anticipated Charges	$ 20,000	$ 26,000	$ 84,000	$ 130,000	$ 5,000
Total 2023 restructuring charges	(16,772)	(16,764)	(58,932)	(92,468)	—
Q1 FY2024 Activity	(1,847)	(2,071)	(8,482)	(12,400)	—
Q2 FY2024 Activity	(482)	(1,919)	—	(2,401)	$ —
Q3 FY2024 Activity	$ (709)	$ (3,482)	(14,497)	(18,688)	(2,400)
Total 2024 restructuring charges	(3,038)	(7,472)	(22,979)	(33,489)	(2,400)
Total cumulative charges	(19,810)	(24,236)	(81,911)	(125,957)	(2,400)
Estimate to Complete	$ 190	$ 1,764	$ 2,089	$ 4,043	$ 2,600
Facility and equipment sales to date (gain / cash proceeds)	$ —	$ —	$ 1,805	$ 1,805	$ 13,002

Unallocated

For the quarter ended June 30, 2024, unallocated amounts, excluding depreciation, consisted primarily of corporate overhead costs totaling $15,285 compared to $13,982 in the prior year quarter; for the nine months ended June 30, 2024, unallocated amounts totaled $44,006 compared to $42,388 in the prior year period. The increase in both the current quarter and nine month periods, compared to their respective comparable prior year periods, primarily relates to increases in Employee Stock Ownership Plan (ESOP) expenses driven by the increase in Griffon's share price, partially offset by a decrease in other compensation related expenses.

Strategic review

During the three months ended June 30, 2024 and 2023, we incurred strategic review expenses of $1,870 ($1,390, net of tax) and $5,812 ($4,378, net of tax), respectively, and during the nine months ended June 30, 2024 and 2023, we incurred strategic review expenses of $9,204 ($6,887, net of tax) and $20,234 ($15,258, net of tax), respectively, primarily for retention payments and other associated costs related to the strategic review process that concluded in April 2023.

Proxy expenses

During the three and nine months ended June 30, 2024, we did not incur any non-recurring proxy expenses. During the three and nine months ended June 30, 2023, non-recurring proxy expenses of $568 ($435, net of tax) and $2,685 ($2,059, net of tax), respectively, were recorded in SG&A in our Condensed Consolidated Statements of Operations, and related to a settlement entered into with a shareholder that had submitted a slate of director nominees.

Segment Depreciation and Amortization

For the three months ended June 30, 2024, segment depreciation and amortization of $15,108 decreased $421 compared to $15,529 in the prior year quarter, and for the nine months ended June 30, 2024, segment depreciation and amortization of $44,741 decreased $4,875 compared to $49,616 in the prior year period. The decrease in both the three and nine months ended June 30, 2024 primarily relates to fully depreciated assets and the write-down of certain fixed assets at several manufacturing facilities in connection with CPP's restructuring activities.

Other Income (Expense)

For the quarters ended June 30, 2024 and 2023, Other income (expense) of $350 and $1,475, respectively, includes $(120) and $590, respectively, of net currency exchange gains (losses) in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries, net periodic benefit plan expense of $34 and $217, respectively, and net investment income of $10 and $336, respectively. Other income (expense) also includes royalty income of $549 and $438 for the three months ended June 30, 2024 and 2023, respectively.

For the nine months ended June 30, 2024 and 2023, Other income (expense) of $1,608 and $2,375, respectively, includes $72 and $492, respectively, of net currency exchange gains in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries, net periodic benefit plan expense of $103 and $650, respectively, as well as $95 and $444, respectively, of net investment income. Other income (expense) also includes royalty income of $1,649 and $1,463 for the nine months ended June 30, 2024 and 2023, respectively.

Provision for income taxes

During the quarter ended June 30, 2024, the Company recognized a tax provision of $19,923 on income before taxes of $61,009, compared to a tax provision of $29,248 on income before taxes of $78,453 in the prior year quarter. The current year quarter results included restructuring charges of $18,688 ($13,991, net of tax); strategic review costs - retention and other of $1,870 ($1,390, net of tax); loss on debt extinguishment of $1,700 ($1,292, net of tax); loss on sale of buildings of $725 ($520, net of tax); and discrete and certain other tax provisions, net, that affect comparability of $2,247. The prior year quarter results included strategic review - retention and other of $5,812 ($4,378, net of tax); restructuring charges of $3,862 ($2,831, net of tax); special dividend ESOP charges of $9,042 ($6,936, net of tax); proxy expenses of $568 ($435, net of tax); and discrete and certain other tax provisions, net, that affect comparability of $6,519. Excluding these items, the effective tax rates for the quarters ended June 30, 2024 and 2023 were 27.9% and 28.1%, respectively.

During the nine months ended June 30, 2024, the Company recognized a tax provision of $62,318 on income before taxes of $209,724, compared to a tax provision of $20,662 on income before taxes of $56,314 in the comparable prior year period. The nine month period ended June 30, 2024 included restructuring charges of $33,489 ($24,973, net of tax); strategic review - retention and other of $9,204 ($6,887, net of tax); loss on debt extinguishment of $1,700 ($1,292, net of tax); loss on sale of buildings of $167 ($105, net of tax); and discrete and certain other tax provisions, net, that affect comparability of $2,640. The nine month period ended June 30, 2023 included restructuring charges of $82,196 ($61,360, net of tax); special dividend ESOP charges of $9,042 ($6,936, net of tax); strategic review - retention and other of $20,234 ($15,258, net of tax); gain on the sale of a building of $10,852 ($8,323, net of tax); intangible asset impairment charges of $100,000 ($74,256, net of tax); proxy expenses of $2,685 ($2,059, net of tax); and discrete tax and certain other tax benefits, net, that affect comparability of $2,537. Excluding these items, the effective tax rates for the nine months ended June 30, 2024 and 2023 were 27.9% and 28.9%, respectively.

Stock-based compensation

For the quarters ended June 30, 2024 and 2023, stock based compensation expense, which includes expense for both restricted stock grants and the ESOP, totaled $7,052 and $15,252, respectively. For the nine months ended June 30, 2024 and 2023, stock based compensation expense totaled $19,726 and $28,587, respectively. The prior year three and nine months included incremental ESOP expense due to the effects of a special dividend of $9,042. Excluding the impact of the prior year special dividend, the increase in stock compensation expense is primarily due to the increase in Griffon's share price and the related impact on ESOP expense.

Comprehensive income (loss)

For the quarter ended June 30, 2024, total other comprehensive loss, net of taxes, of $1,222 included a $927 loss on cash flow hedges and a loss of $827 from foreign currency translation adjustments primarily due to the weakening of the Euro and Canadian Dollar, all in comparison to the U.S. Dollar; partially offset by a $532 benefit from pension amortization.

For the quarter ended June 30, 2023, total other comprehensive income, net of taxes, of $315 included a gain of $2,309 from foreign currency translation adjustments primarily due to the strengthening of the Euro, British Pound and Canadian Dollar, all in comparison to the U.S. Dollar; a $747 benefit from pension amortization; and a $2,741 loss on cash flow hedges.

For the nine months ended June 30, 2024, total other comprehensive income, net of taxes, of $4,357 included a gain of $2,212 from foreign currency translation adjustments primarily due to the strengthening of the Euro, British Pound and Australian Dollar partially offset by the weakening of the Canadian Dollar, all in comparison to the US Dollar; a $1,595 benefit from pension amortization; and a $550 gain on cash flow hedges.

For the nine months ended June 30, 2023, total other comprehensive income, net of taxes, of $15,147 included a gain of $14,580 from foreign currency translation adjustments primarily due to the strengthening of the Euro, Canadian and Australian Dollars and British Pound, all in comparison to the US Dollar; a $2,355 benefit from pension amortization of actuarial losses; and a $1,788 loss on cash flow hedges.

DISCONTINUED OPERATIONS

At June 30, 2024 and September 30, 2023, Griffon’s liabilities for discontinued operations primarily relate to insurance claims, income taxes, product liability, warranty and environmental reserves totaling $10,017 and $11,798, respectively. Griffon's assets for discontinued operations primarily relate to insurance claims. There was no reported revenues or costs in the three and nine months ended June 30, 2024 and 2023 for discontinued operations.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Management assesses Griffon's liquidity in terms of its ability to generate cash to fund its operating, investing and financing activities. Significant factors affecting liquidity include cash flows from operating activities, capital expenditures, acquisitions, dispositions, bank lines of credit and the ability to attract long-term capital under satisfactory terms. Griffon believes it has sufficient liquidity available to invest in existing businesses and strategic acquisitions while managing its capital structure on both a short-term and long-term basis.

As of June 30, 2024, the amount of cash, cash equivalents and marketable securities held by foreign subsidiaries was $84,900. Funds held outside the U.S. may be subject to foreign withholding taxes if repatriated to the U.S. Funds held outside the U.S. are typically used for foreign operating needs or reinvested to fund expansion of existing non-U.S. businesses. The Company has accrued a deferred tax liability for withholding taxes on previously taxed earnings and profit (PTEP) which are not considered permanently reinvested.

Griffon's primary sources of liquidity are cash flows generated from operations, cash on hand and our secured $500,000 revolving credit facility ("Revolver"), which matures in August 2028. During the nine months ended June 30, 2024, the Company generated $307,938 of net cash from operating activities and, as of June 30, 2024, the Company had $397,065 available, subject to certain loan covenants, for borrowing under the Revolver. The Company had cash and cash equivalents of $133,452 at June 30, 2024.

The following table is derived from the Condensed Consolidated Statements of Cash Flows:

Cash Flows from Operations	**For the Nine Months Ended June 30,**	
	2024	**2023**
Net Cash Flows Provided by (Used In):		
Operating activities	$ 307,938	$ 309,003
Investing activities	(34,277)	(10,911)
Financing activities	(238,712)	(262,560)

Cash flows provided by operating activities for the nine months ended June 30, 2024 was $307,938 compared to $309,003 in the prior year period, due to increased cash generated from operations, primarily at HBP, and a net decrease in net working capital, primarily driven by decreases in inventory and increases in accounts payable and accrued liabilities.

Cash flows used in investing activities is primarily comprised of capital expenditures and proceeds from the sale of businesses, investments and property, plant and equipment. During the nine months ended June 30, 2024, cash flows used in investing activities was $34,277 compared to $10,911 in the prior year period. Cash flows used in investing activities in the current period primarily consisted of capital expenditures of $47,849, partially offset by proceeds totaling $13,572 primarily from the sale of buildings and equipment mainly associated with CPP's restructuring activities. In the prior year period, cash flows used in investing activities consisted primarily of capital expenditures of $20,183 and a working capital adjustment payment of $2,568 related to the sale of Telephonics, partially offset by proceeds totaling $11,840, primarily from the sale of a building.

During the nine months ended June 30, 2024, cash used in financing activities totaled $238,712 compared to $262,560 in the prior year period. Cash flows used in financing activities in the current period consisted of the purchase of shares of common stock in connection with the board authorized share repurchase program and the purchase of common stock withheld to satisfy tax obligations in connection with the vesting of restricted stock totaling $241,501 and the payment of dividends of $28,770, partially offset by net proceeds of long-term debt of $32,773, primarily related to the Revolver. Cash flows used in financing activities in the prior year period consisted primarily of net repayments of long-term debt of $36,686, primarily related to the Revolver and payoff of AMES UK loans, the purchase of treasury shares in connection with the Board authorized share repurchase program and to satisfy tax obligations in connection with the vesting of restricted stock of $98,350, and the payment of dividends of $127,372.

During the nine months ended June 30, 2024, 595,929 shares, with a market value of $34,326, or $57.60 per share, were withheld to settle employee taxes due upon the vesting of restricted stock, and were added to treasury stock.

During the nine months ended June 30, 2024, the Board of Directors approved and paid three quarterly cash dividends of $0.15 per share. The Company currently intends to pay dividends each quarter; however, payment of dividends is determined by the

Board of Directors at its discretion based on various factors, and no assurance can be provided as to the payment of future dividends.

During 2023, the Board of Directors approved two quarterly cash dividends of $0.10 per share and two quarterly cash dividends of $0.125 per share, totaling $0.45. Additionally, on April 19, 2023, the Board of Directors declared a special cash dividend of $2.00 per share, paid on May 19, 2023, to shareholders of record as of the close of business on May 9, 2023.

On August 6, 2024 the Board of Directors declared a quarterly cash dividend of $0.15 per share, payable on September 19, 2024 to shareholders of record as of the close of business on August 28, 2024.

On April 19, 2023, the Company's Board of Directors approved a $200,000 increase to Griffon's share repurchase program to $257,955 from the prior unused board authorizations from August 3, 2016 and August 1, 2018 of $57,955. Also, on November 15, 2023, Griffon announced that the Board of Directors approved an additional increase of $200,000 to its share repurchase authorization. Share repurchases during the nine months ended June 30, 2024, totaled 3,721,357 shares of common stock, for a total of $206,104, or an average of $55.38 per share. This includes the repurchase of 1,500,000 shares repurchased by the Company on February 20, 2024 pursuant to a stock purchase and cooperation agreement executed by the Company and Voss Value Master Fund, L.P., Voss Value-Oriented Special Situations Fund, L.P and four separately managed accounts of which Voss Capital, LLC is the investment manager, in a private transaction. The purchase price per share was $65.50, for an aggregate purchase price of $98,250. As of June 30, 2024, $101,078 remained under these Board authorized repurchase programs. During the nine months ended and as of June 30, 2024, $1,116 and $2,417, respectively, were accrued for excise taxes for share repurchases.

During the nine months ended June 30, 2024 and 2023, cash used in discontinued operations from operating activities was $3,707 and $2,799, respectively, primarily related to the settling of certain liabilities and environmental costs.

Cash and Equivalents and Debt	**June 30, 2024**	**September 30, 2023**
Cash and equivalents	$ 133,452	$ 102,889
Notes payables and current portion of long-term debt	8,138	9,625
Long-term debt, net of current maturities	1,499,211	1,459,904
Debt discount/premium and issuance costs	16,663	20,283
Total debt	1,524,012	1,489,812
Debt, net of cash and equivalents	$ 1,390,560	$ 1,386,923

During 2020, Griffon issued, at par, $1,000,000 of 5.75% Senior Notes due 2028 (the “2028 Senior Notes”). Proceeds from the 2028 Senior Notes were used to redeem $1,000,000 of 5.25% Senior Notes due 2022. In connection with the issuance and exchange of the 2028 Senior Notes, Griffon capitalized $16,448 of underwriting fees and other expenses incurred, which is being amortized over the term of such notes. During 2022, Griffon purchased $25,225 of 2028 Senior Notes in the open market at a weighted average discount of 91.82% of par, or $23,161. As of June 30, 2024, outstanding 2028 Senior Notes due totaled $974,775; interest is payable semi-annually on March 1 and September 1.

The 2028 Senior Notes are senior unsecured obligations of Griffon guaranteed by certain domestic subsidiaries, and subject to certain covenants, limitations and restrictions. The 2028 Senior Notes were registered under the Securities Act of 1933, as amended (the "Securities Act") via exchange offer. The fair value of the 2028 Senior Notes approximated $940,658 on June 30, 2024 based upon quoted market prices (Level 1 inputs). At June 30, 2024, $7,405 of underwriting fees and other expenses incurred remained to be amortized.

On January 24, 2022, Griffon amended and restated its Credit Agreement (the "Credit Agreement") to provide for a new $800,000 Term Loan B facility, due January 24, 2029, in addition to the Revolver (the "Revolver"). The Term Loan B was issued at 99.75% of par value. Since that time, during 2023 and 2022, Griffon prepaid $25,000 and $300,000, respectively, aggregate principal amount of the Term Loan B, which permanently reduced the outstanding balance. In connection with the prepayment of the Term Loan B, Griffon recognized charges of $437 and $6,296 on the prepayment of debt in 2023 and 2022, respectively. The charges were comprised of write-offs of underwriting fees and other expenses of $386 and $5,575 for 2023 and 2022, respectively, and the original issue discount of $51 and $721 for 2023 and 2022, respectively. As of June 30, 2024, the Term Loan B outstanding balance was $459,000.

On June 26, 2024, Griffon further amended its Credit Agreement to favorably reprice the Term Loan B facility. The amendment reduced the margin above SOFR by 0.25%, eliminated the credit spread adjustment and reduced the SOFR floor from 0.50% to

0%. Furthermore, the amendment stipulates that if Griffon prepays all or a portion of the Term Loan B within six months of the amendment date, Griffon will be required to pay a premium equal to 1% of the amount prepaid. In connection with the amendment Griffon recognized a $1,700 loss on debt extinguishment in the Company's Condensed Consolidated Statements of Operations, primarily consisting of the write-off of unamortized debt issuance costs and original issue discount related to portions of the Term Loan B that were repaid and then reborrowed from new lenders. At June 30, 2024, unamortized costs of $5,733 related to existing and new Term Loan B facility lenders will continue to be amortized over the term of the loan.

Prior to the amendment, the Term Loan B bore interest at the Term SOFR rate plus a credit spread adjustment with a floor of 0.50% and a spread of 2.50%. Effective June 26, 2024 the Term Loan B bears interest at the Term SOFR rate plus a spread of 2.25% (7.59% as of June 30, 2024).

The Term Loan B facility continues to require nominal quarterly principal payments of $2,000, potential additional annual principal payments based on a percentage of excess cash flow and certain secured leverage thresholds starting with the fiscal year ended September 30, 2023; and a final balloon payment due at maturity. At September 30, 2023, Griffon's secured leverage remained below the threshold set forth in the Credit Agreement that would, if exceeded, require Griffon to make an additional payment, and therefore no additional annual principal payment was required. Term Loan B borrowings may generally be repaid without penalty but may not be re-borrowed, subject to a prepayment premium of 1.0% in connection with the above repricing transaction within the six months following the closing date of June 26, 2024. The Term Loan B facility is subject to the same affirmative and negative covenants that apply to the Revolver (as described below), but is not subject to any financial maintenance covenants. Term Loan B borrowings are secured by the same collateral that secures borrowings under the Revolver, on an equal and ratable basis. The fair value of the Term Loan B facility approximated $459,000 on June 30, 2024 based upon quoted market prices (Level 1 inputs).

On August 1, 2023, Griffon amended and restated its Credit Agreement (the "Credit Agreement") to increase the maximum borrowing availability under the Revolver from $400,000 to $500,000 and extend the maturity date of the Revolver from March 22, 2025 to August 1, 2028. In the event the 2028 Senior Notes are not repaid, refinanced, or replaced prior to December 1, 2027, the Revolver will mature on December 1, 2027. The amendment also modified certain other provisions of the Credit Agreement, including increasing the letter of credit sub-facility under the Revolver from $100,000 to $125,000 and increasing the customary accordion feature from a minimum of $375,000 to a minimum of $500,000. The Revolver also includes a multi-currency sub-facility of $200,000.

Borrowings under the Revolver may be repaid and re-borrowed at any time. Interest is payable on borrowings at either a Secured Overnight Financing Rate ("SOFR"), Sterling Overnight Index Average ("SONIA") or base rate benchmark rate, plus an applicable margin, which adjusts based on financial performance. Griffon's SOFR loans accrue interest at Term SOFR plus a credit adjustment spread and a margin of 2.00% (7.44% at June 30, 2024); SONIA loans accrue interest at SONIA Base Rate plus a credit adjustment spread and a margin of 2.00% (7.23% at June 30, 2024); and base rate loans accrue interest at prime rate plus a margin of 1.00% (9.50% at June 30, 2024).

At June 30, 2024, there were $90,000 in outstanding borrowings under the Revolver; outstanding standby letters of credit were $12,935; and $397,065 was available, subject to certain loan covenants, for borrowing at that date.

The Revolver has certain financial maintenance tests including a maximum total leverage ratio, a maximum senior secured leverage ratio and a minimum interest coverage ratio, as well as customary affirmative and negative covenants and events of default. The negative covenants place limits on Griffon's ability to, among other things, incur indebtedness, incur liens, and make restricted payments and investments. Both the Revolver and Term Loan B borrowings under the Credit Agreement are guaranteed by Griffon’s material domestic subsidiaries and are secured, on a first priority basis, by substantially all domestic assets of the Company and the guarantors.

On September 28, 2023, the Company closed on the exercise of its lease purchase option, as permitted under the lease agreement, to acquire ownership of the manufacturing facility located in Ocala, Florida for a cash purchase price of $23,207. The Ocala lease had a maturity date in 2025 and bore interest at a fixed rate of approximately 5.6%. As a result of exercising the purchase option, the Company no longer has any future lease obligations related to this real estate. The remaining lease liability balance relates to finance equipment leases. Refer to Note 21-Leases for further details.

In November 2012, Garant G.P. (“Garant”), a Griffon wholly owned subsidiary, entered into a CAD 15,000 revolving credit facility. Effective in December 2023, the facility was amended to replace the Canadian Dollar Offer Rate with the Canadian Overnight Repo Rate Average ("CORRA"). The facility accrues interest at CORRA or the Canadian Bankers Acceptance Rate plus 1.3% per annum (6.04% using CORRA and 6.02% using the Canadian Bankers Acceptance Rate as of June 30, 2024). The revolving facility matures in December 2024, but is renewable upon mutual agreement with the lender. Garant is required to maintain a certain minimum equity. At June 30, 2024, there were no outstanding borrowings under the revolving credit facility with CAD 15,000 ($10,955 as of June 30, 2024) available.

During 2023, Griffon Australia Holdings Pty Ltd and its Australian subsidiaries (collectively, "Griffon Australia") amended its AUD 15,000 receivable purchase facility to AUD 30,000. The receivable purchase facility was renewed in 2024 and now matures in March 2025, but is renewable upon mutual agreement with the lender. The receivable purchase facility accrues interest at BBSY (Bank Bill Swap Rate) plus 1.25% per annum (5.56% at June 30, 2024). At June 30, 2024, there was no balance outstanding under the receivable purchase facility with AUD 30,000 ($19,965 as of June 30, 2024) available. The receivable purchase facility is secured by substantially all of the assets of Griffon Australia and its subsidiaries. Griffon Australia is required to maintain a certain minimum equity level.

In July 2018, the AMES Companies UK Ltd and its subsidiaries (collectively, "Ames UK") entered into a GBP 14,000 term loan, GBP 4,000 mortgage loan and GBP 5,000 revolver, which matured in July 2023. Prior to maturity, on June 30, 2023, AMES UK paid off and cancelled the GBP 14,000 term loan and GBP 4,000 mortgage loan. The payoff amounts were GBP 7,525 ($9,543) and GBP 2,451 ($3,108), respectively. Upon maturity in July 2023, the GBP 5,000 revolver had no balance and was not renewed.

In February 2024, Griffon repaid in full a loan with the Pennsylvania Industrial Development Authority. The balance in other long-term debt consists primarily of finance leases.

At June 30, 2024, Griffon and its subsidiaries were in compliance with the terms and covenants of all credit and loan agreements. Net debt to EBITDA (Leverage ratio), a non-GAAP measure, is a key financial measure that is used by management to assess the borrowing capacity of the Company. The Company has defined its net debt to EBITDA leverage ratio as net debt (total principal debt outstanding net of cash and equivalents) divided by the sum of trailing twelve-month (“TTM”) adjusted EBITDA (as defined above) and TTM stock-based compensation expense. Net Debt to EBITDA, as calculated in accordance with the definition in the Credit Agreement, was 2.7x at June 30, 2024.

Capital Resource Requirements

On May 3, 2023, in response to changing market conditions, Griffon announced that its CPP segment will expand its global sourcing strategy to include long handled tools, material handling, and wood storage and organization product lines for the U.S. market. By transitioning these product lines to an asset-light structure, CPP’s operations will be better positioned to serve customers with a more flexible and cost-effective sourcing model that leverages supplier relationships around the world, while improving its competitive positioning in a post-pandemic marketplace. These actions will be essential to CPP achieving 15% EBITDA margins, while enhancing free cash flow through improved working capital and significantly lower capital expenditures. For additional information, see CPP reportable segments disclosure in Note 13 - Business Segments.

Griffon's debt requirements include principal on our outstanding debt, most notably our Senior Notes totaling $974,775 payable in 2028 and related annual interest payments of approximately $56,050, a Term Loan B facility maturing in 2029 with an outstanding balance of $459,000 on June 30, 2024 and Revolver maturing in 2028 with an outstanding balance of $90,000. The Term Loan B accrues interest at the Term SOFR plus a current spread of 2.25% (7.59% as of June 30, 2024). Additionally, the Term Loan B facility requires quarterly payments of $2,000 and a balloon payment due at maturity. For the Revolver, interest is payable on borrowings at either a SOFR, SONIA or base rate benchmark rate, plus an applicable margin, which adjusts based on financial performance. Griffon's SOFR loans accrue interest at Term SOFR plus a credit spread adjustment and a margin of 2.00% (7.44% at June 30, 2024); SONIA loans accrue interest at SONIA Base Rate plus a credit spread adjustment and a margin of 2.00% (7.23% at June 30, 2024); and base rate loans accrue interest at prime rate plus a margin of 1.00% (9.50% at June 30, 2024).

Customers

A small number of customers account for, and are expected to continue to account for, a substantial portion of Griffon’s consolidated revenue. For the nine months ended June 30, 2024, our largest customer, The Home Depot, represented 11% of Griffon’s consolidated revenue, 15% of CPP's revenue and 8% of HBP’s revenue.

No other customer exceeded 10% of consolidated revenue. Future operating results will continue to depend substantially on the success of Griffon’s largest customers and our ongoing relationships with them. Orders from these customers are subject to change and may fluctuate materially. The loss of all or a portion of the volume from any one of these customers could have a material adverse impact on Griffon’s liquidity and results of operations.

SUPPLEMENTAL GUARANTOR FINANCIAL INFORMATION

Griffon's Senior Notes are fully and unconditionally guaranteed, jointly and severally by Clopay Corporation, The AMES Companies, Inc., Clopay AMES Holding Corp., ClosetMaid LLC, AMES Hunter Holdings Corporation, Hunter Fan Company, CornellCookson, LLC and Cornell Real Estate Holdings, LLC, all of which are indirectly 100% owned by Griffon. In accordance with Rule 3-10 of Regulation S-X promulgated under the Securities Act, presented below are summarized financial information of the Parent (Griffon) subsidiaries and the Guarantor subsidiaries as of June 30, 2024 and September 30, 2023 and for the nine months ended June 30, 2024 and for the year ended September 30, 2023. All intercompany balances and transactions between subsidiaries under Parent and subsidiaries under the Guarantor have been eliminated. The information presented below excludes eliminations necessary to arrive at the information on a consolidated basis. The summarized information excludes financial information of the non-Guarantors, including earnings from and investments in these entities. The financial information may not necessarily be indicative of the results of operations or financial position of the guarantor companies or non-guarantor companies had they operated as independent entities. The guarantor companies and the non-guarantor companies include the consolidated financial results of their wholly-owned subsidiaries accounted for under the equity method.

The indentures relating to the Senior Notes (the "Indentures") contain terms providing that, under certain limited circumstances, a guarantor will be released from its obligations to guarantee the Senior Notes. These circumstances include (i) a sale of at least a majority of the stock, or all or substantially all the assets, of the subsidiary guarantor as permitted by the Indentures; (ii) a public equity offering of a subsidiary guarantor that qualifies as a "Minority Business" as defined in the Indentures (generally, a business the EBITDA of which constitutes less than 50% of the segment adjusted EBITDA of the Company for the most recently ended four fiscal quarters), and that meets certain other specified conditions as set forth in the Indentures; (iii) the designation of a guarantor as an "unrestricted subsidiary" as defined in the Indentures, in compliance with the terms of the Indentures; (iv) Griffon exercising its right to defease the Senior Notes, or to otherwise discharge its obligations under the Indentures, in each case in accordance with the terms of the Indentures; and (v) upon obtaining the requisite consent of the holders of the Senior Notes.

Summarized Statements of Operations and Comprehensive Income (Loss)

	For the Nine Months Ended June 30, 2024		For the Year Ended September 30, 2023	
	Parent Company	**Guarantor Companies**	**Parent Company**	**Guarantor Companies**
Net sales	$ —	$ 1,618,223	$ —	$ 2,190,636
Gross profit	$ —	$ 649,187	$ —	$ 800,477
Income (loss) from operations	$ (19,258)	$ 296,168	$ (42,948)	$ 228,346
Equity in earnings of Guarantor subsidiaries	$ 196,592	$ —	$ 149,981	$ —
Net income (loss)	$ (46,874)	$ 196,592	$ (85,770)	$ 149,981

Summarized Balance Sheet Information

	As of June 30, 2024		As of September 30, 2023	
	Parent Company	**Guarantor Companies**	**Parent Company**	**Guarantor Companies**
Current assets	$ 53,277	$ 662,768	$ 51,701	$ 707,929
Non-current assets	13,514	1,288,421	13,954	1,317,575
Total assets	$ 66,791	$ 1,951,189	$ 65,655	$ 2,025,504
Current liabilities	$ 82,815	$ 232,295	$ 76,460	$ 226,532
Long-term debt	1,499,142	55	1,459,952	—
Other liabilities	21,149	228,444	(9,994)	271,985
Total liabilities	$ 1,603,106	$ 460,794	$ 1,526,418	$ 498,517

CRITICAL ACCOUNTING POLICIES

The preparation of Griffon's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires the use of estimates, assumptions, judgments and subjective interpretations of accounting principles that have an impact on assets, liabilities, revenue and expenses. These estimates can also affect supplemental information contained in public disclosures of Griffon, including information regarding contingencies, risk and its financial condition. These estimates, assumptions and judgments are evaluated on an ongoing basis and based on historical experience, current conditions and various other assumptions, and form the basis for estimating the carrying values of assets and liabilities, as well as identifying and assessing the accounting treatment for commitments and contingencies. Actual results may materially differ from these estimates. There have been no changes in Griffon's critical accounting policies from September 30, 2023.

Griffon's significant accounting policies and procedures are explained in the Management Discussion and Analysis section in the Annual Report on Form 10-K for the year ended September 30, 2023. In the selection of the critical accounting policies, the objective is to properly reflect the financial position and results of operations for each reporting period in a consistent manner that can be understood by the reader of the financial statements. Griffon considers an estimate to be critical if it is subjective and if changes in the estimate using different assumptions would result in a material impact on the financial position or results of operations of Griffon.

RECENT ACCOUNTING PRONOUNCEMENTS

The FASB issues, from time to time, new financial accounting standards, staff positions and emerging issues task force consensus. See the Notes to Condensed Consolidated Financial Statements for a discussion of these matters.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, especially "Management's Discussion and Analysis", contains certain "forward-looking statements" within the meaning of the Securities Act, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate 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. Statements in this Form 10-Q 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; 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. Additional important factors that could cause the statements made in this Quarterly Report on Form 10-Q or the actual results of operations or financial condition of Griffon to differ are discussed under the caption “Item 1A. Risk Factors” and “Special Notes Regarding Forward-Looking Statements” in Griffon’s Annual Report on Form 10-K for the year ended September 30, 2023. 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.

Item 3 - Quantitative and Qualitative Disclosures About Market Risk

Griffon’s business activities necessitate the management of various financial and market risks, including those related to changes in interest rates, foreign currency rates and commodity prices.

Interest Rates

Griffon’s exposure to market risk for changes in interest rates relates primarily to variable interest rate debt and investments in cash and equivalents.

Griffon's amended and restated Credit Agreement references a benchmark rate with SONIA or SOFR. In addition, certain other of Griffon’s credit facilities have BBSY (Bank Bill Swap Rate) and CORRA (Canadian Overnight Repo Rate Average) (based variable interest rate. Due to the current and expected level of borrowings under these facilities, a 100 basis point change in SONIA, SOFR, BBSY, or CORRA would not have a material impact on Griffon’s results of operations or liquidity.

Foreign Exchange

Griffon conducts business in various non-US countries, primarily in Canada, Australia, the United Kingdom, Ireland, New Zealand and China; therefore, changes in the value of the currencies of these countries affect Griffon's financial position and cash flows when translated into US Dollars. Griffon has generally accepted the exposure to exchange rate movements relative to its non-US operations. Griffon may, from time to time, hedge its currency risk exposures. A change of 10% or less in the value of all applicable foreign currencies would not have a material effect on Griffon’s financial position and cash flows.

Item 4 - Controls and Procedures

Management's Quarterly Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of Griffon’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), Griffon’s disclosure controls and procedures, as defined by Exchange Act Rule 13a-15(e) and 15d-15(e), were evaluated as of the end of the period covered by this report. Based on that evaluation, Griffon’s CEO and CFO concluded that Griffon’s disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in the Griffon’s internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) that occurred during the three months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, Griffon’s internal control over financial reporting.

Limitations on the Effectiveness of Controls

Griffon believes that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all controls issues and instances of fraud, if any, within a company have been detected. Griffon’s disclosure controls and procedures, as defined by Exchange Act Rule 13a-15(e) and 15d-15(e), are designed to provide reasonable assurance of achieving their objectives.

PART II - OTHER INFORMATION

Item 1 Legal Proceedings

None

Item 1A Risk Factors

In addition to the other information set forth in this report, carefully consider the factors in Item 1A to Part I in Griffon's Annual Report on Form 10-K for the year ended September 30, 2023, which could materially affect Griffon's business, financial condition or future results. The risks described in Griffon's Annual Report on Form 10-K are not the only risks facing Griffon. Additional risks and uncertainties not currently known to Griffon or that Griffon currently deems to be immaterial also may materially adversely affect Griffon's business, financial condition and/or operating results.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

(c) **ISSUER PURCHASES OF EQUITY SECURITIES**

Period	(a) Total Number of Shares (or Units) Purchased [1]		(b) Average Price Paid Per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs [1]	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs [1]
April 1 - 30, 2024	83,499	[2]	$68.03	83,499	
May 1 - 31, 2024	104,980	[2]	$68.08	104,980	
June 1 - 30, 2024	95,000	[2]	$65.82	95,000	
Total	283,479			283,479	$ 101,078

1. On April 19, 2023, the Company's Board of Directors approved a $200,000 increase to its share repurchase program to $257,955 from the prior unused authorization of $57,955. On November 15, 2023, Griffon announced that the Board of Directors approved an additional increase of $200,000 to its share repurchase authorization. Under the share repurchase program, the Company may, from time to time, purchase shares of its common stock in the open market, including pursuant to a 10b5-1 plan, pursuant to an accelerated share repurchase program or issuer tender offer, or in privately negotiated transactions. As of June 30, 2024, $101,078 remained available for the purchase of common stock under board authorized programs. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Liquidity."

2. Shares purchased by the Company in open market purchases pursuant to a stock buyback plan authorized by the Company's Board of Directors.

Item 3 Defaults Upon Senior Securities

None

Item 4 Mine Safety Disclosures

None

Item 5 Other Information

Rule 10b5-1 Trading Plans

During the quarter ended June 30, 2024, the following trading plans were adopted by the executive officers listed below. Each such plan is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), as amended.

Executive	Date of Adoption of Plan	Aggregate Number of Shares of Common Stock to be sold pursuant to Trading Arrangement	Period of Plan
Ronald J. Kramer, Chief Executive Officer and Chairman of the Board	May 20, 2024	400,000	August 19, 2024 – February 19, 2025
Robert F. Mehmel, President and Chief Operating Officer	June 5, 2024	100,000	September 9, 2024 – February 28, 2025
Brian G. Harris, Senior Vice President and Chief Financial Officer	June 5, 2024	37,924	September 4, 2024 – February 28, 2025
Seth L. Kaplan, Senior Vice President, General Counsel and Secretary	June 5, 2024	47,940	September 9, 2024 – February 28, 2025

Item 6	**Exhibits**
10.1	Second Amendment to Fifth Amended and Restated Credit Agreement, dated as of January 24, 2022, by and among Griffon Corporation, Bank of America, N.A., as administrative agent, and the several banks and other financial institutions or entities from time to time parties thereto, dated June 26, 2024 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed June 26, 2024 (Commission File No. 1-06620)).
31.1	Certification pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Document
101.DEF	XBRL Taxonomy Extension Definitions Document
101.LAB	XBRL Taxonomy Extension Labels Document
101.PRE	XBRL Taxonomy Extension Presentations Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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

GRIFFON CORPORATION

/s/ Brian G. Harris
Brian G. Harris
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ W. Christopher Durborow
W. Christopher Durborow
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Date: August 7, 2024

Exhibit 31.1

CERTIFICATION

I, Ronald J. Kramer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Griffon Corporation;

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

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

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

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

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

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

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

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

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

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

Date: August 7, 2024

/s/ Ronald J. Kramer
Ronald J. Kramer
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Brian G. Harris, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Griffon Corporation;

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

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

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

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

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

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

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

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

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

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

Date: August 7, 2024

/s/ Brian G. Harris
Brian G. Harris
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald J. Kramer, Chief Executive Officer of Griffon Corporation, hereby certify that the Form 10-Q of Griffon Corporation for the period ended June 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Griffon Corporation.

/s/ Ronald J. Kramer
Name: Ronald J. Kramer
Date: August 7, 2024

I, Brian G. Harris, Senior Vice President and Chief Financial Officer of Griffon Corporation, hereby certify that the Form 10-Q of Griffon Corporation for the period ended June 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Griffon Corporation.

/s/ Brian G. Harris
Name: Brian G. Harris
Date: August 7, 2024

A signed original of this written statement required by Section 906 has been provided to Griffon Corporation and will be retained by Griffon Corporation and furnished to the Securities and Exchange Commission or its staff upon request.