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

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 31, 2024

or

☐ **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: 000-14798

American Woodmark Corporation
(Exact name of registrant as specified in its charter)

Virginia	54-1138147
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
561 Shady Elm Road, Winchester, Virginia	22602
(Address of principal executive offices)	(Zip Code)

(540) 665-9100
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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	AMWD	NASDAQ

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the 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 by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of August 26, 2024, 15,497,342 shares of the Registrant's Common Stock were outstanding.

AMERICAN WOODMARK CORPORATION

FORM 10-Q

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN WOODMARK CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)
(Unaudited)

	July 31, 2024	April 30, 2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 89,265	$ 87,398
Customer receivables, net	117,183	117,559
Inventories	177,119	159,101
Income taxes receivable	5,581	14,548
Prepaid expenses and other	26,074	24,104
Total current assets	415,222	402,710
Property, plant and equipment, net	252,366	272,461
Operating lease right-of-use assets	141,751	126,383
Goodwill	767,612	767,612
Promotional displays, net	2,728	3,274
Deferred income taxes	5,128	5,128
Other long-term assets, net	38,616	16,297
TOTAL ASSETS	$ 1,623,423	$ 1,593,865
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 69,627	$ 64,470
Current maturities of long-term debt	2,704	2,722
Short-term lease liability - operating	30,685	27,409
Accrued compensation and related expenses	56,192	61,212
Accrued marketing expenses	18,629	16,437
Other accrued expenses	31,519	23,476
Total current liabilities	209,356	195,726
Long-term debt, less current maturities	372,175	371,761
Deferred income taxes	5,176	5,002
Long-term lease liability - operating	118,665	106,573
Other long-term liabilities	4,212	4,427
Shareholders' equity		
Preferred stock, $1.00 par value; 2,000,000 shares authorized, none issued	—	—
Common stock, no par value; 40,000,000 shares authorized; issued and outstanding shares: at July 31, 2024: 15,428,962; at April 30, 2024: 15,653,463	354,470	359,784
Retained earnings	554,193	543,274
Accumulated other comprehensive income	5,176	7,318
Total shareholders' equity	913,839	910,376
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,623,423	$ 1,593,865

See notes to unaudited condensed consolidated financial statements.

AMERICAN WOODMARK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended July 31,	
	2024	2023
Net sales	$ 459,128	$ 498,255
Cost of sales and distribution	366,262	388,646
Gross Profit	92,866	109,609
Selling and marketing expenses	24,337	24,360
General and administrative expenses	21,502	35,594
Restructuring charges, net	—	(172)
Operating Income	47,027	49,827
Interest expense, net	2,290	2,437
Other expense (income), net	5,240	(1,075)
Income Before Income Taxes	39,497	48,465
Income tax expense	9,864	10,615
Net Income	$ 29,633	$ 37,850
Weighted Average Shares Outstanding		
Basic	15,550,517	16,490,408
Diluted	15,673,570	16,589,481
Net earnings per share		
Basic	$ 1.91	$ 2.30
Diluted	$ 1.89	$ 2.28

See notes to unaudited condensed consolidated financial statements.

AMERICAN WOODMARK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(Unaudited)

	Three Months Ended July 31,	
	2024	2023
Net income	$ 29,633	$ 37,850
Other comprehensive (loss) income, net of tax:		
Change in cash flow hedges (swap), net of taxes (benefit) of $(719) and $311 for the three-months ended July 31, 2024 and 2023, respectively	(2,142)	914
Total Comprehensive Income	$ 27,491	$ 38,764

See notes to unaudited condensed consolidated financial statements.

AMERICAN WOODMARK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)
(Unaudited)

(in thousands, except share data)	COMMON STOCK SHARES	COMMON STOCK AMOUNT	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE (LOSS)/INCOME	TOTAL SHAREHOLDERS' EQUITY
Balance, April 30, 2023	16,635,295	$ 370,259	$ 493,157	$ 10,372	$ 873,788
Net income	—	—	37,850	—	37,850
Other comprehensive income, net of tax	—	—	—	914	914
Stock-based compensation	—	2,247	—	—	2,247
Exercise of stock-based compensation awards, net of amounts withheld for taxes	55,092	(1,830)	—	—	(1,830)
Stock repurchases	(328,295)	(6,565)	(15,715)	—	(22,280)
Employee benefit plan contributions	50,786	3,676	—	—	3,676
Balance, July 31, 2023	16,412,878	$ 367,787	$ 515,292	$ 11,286	$ 894,365
Balance, April 30, 2024	15,653,463	$ 359,784	$ 543,274	$ 7,318	$ 910,376
Net income	—	—	29,633	—	29,633
Other comprehensive loss, net of tax	—	—	—	(2,142)	(2,142)
Stock-based compensation	—	2,941	—	—	2,941
Exercise of stock-based compensation awards, net of amounts withheld for taxes	46,959	(2,730)	—	—	(2,730)
Stock repurchases	(271,460)	(5,525)	(18,714)	—	(24,239)
Balance, July 31, 2024	15,428,962	$ 354,470	$ 554,193	$ 5,176	$ 913,839

See notes to unaudited condensed consolidated financial statements.

AMERICAN WOODMARK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Three Months Ended July 31, 2024	Three Months Ended July 31, 2023
OPERATING ACTIVITIES		
Net income	$ 29,633	$ 37,850
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,802	23,162
Net loss on disposal of property, plant and equipment	58	7
Reduction in the carrying amount of operating lease right-of-use assets	9,190	7,007
Amortization of debt issuance costs	208	212
Change in fair value of foreign exchange forward contracts	5,309	(1,015)
Stock-based compensation expense	2,941	2,247
Deferred income tax expense (benefit)	903	(2,442)
Contributions of employer stock to employee benefit plan	—	3,676
Other non-cash items	663	494
Changes in operating assets and liabilities:		
Customer receivables	596	1,085
Income taxes receivable/payable	8,767	(1,506)
Inventories	(18,954)	22,744
Prepaid expenses and other assets	(10,184)	2,414
Accounts payable	3,019	(2,336)
Accrued compensation and related expenses	(5,032)	(1,953)
Operating lease liabilities	(9,190)	(7,200)
Marketing and other accrued expenses	10,082	2,275
Net cash provided by operating activities	40,811	86,721
INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment	(11,300)	(13,798)
Proceeds from sales of property, plant and equipment	5	4
Investment in promotional displays	(99)	(429)
Net cash used by investing activities	(11,394)	(14,223)
FINANCING ACTIVITIES		
Payments of long-term debt	(781)	(622)
Repurchase of common stock	(24,039)	(22,128)
Withholding of employee taxes related to stock-based compensation	(2,730)	(1,830)
Net cash used by financing activities	(27,550)	(24,580)
Net increase in cash and cash equivalents	1,867	47,918

	Three Months Ended July 31,			
	2024		2023	
Cash and cash equivalents, beginning of period		87,398		41,732
Cash and cash equivalents, end of period	$	89,265	$	89,650
Supplemental cash flow information:				
Non-cash investing and financing activities:				
Property, plant and equipment	$	2,139	$	—
Cash paid during the period for:				
Interest	$	3,795	$	3,839
Income taxes	$	303	$	14,486

See notes to unaudited condensed consolidated financial statements.

Note A--Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended July 31, 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending April 30, 2025 ("fiscal 2025"). The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2024 ("fiscal 2024") filed with the U.S. Securities and Exchange Commission ("SEC").

Goodwill and Intangible Assets: Goodwill represents the excess of purchase price over the net amount of identifiable assets acquired and liabilities assumed in a business combination measured at fair value. The Company does not amortize goodwill but evaluates for impairment annually, or whenever events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company will perform the annual assessment on the first day of the fourth quarter unless an indicator of impairment exists prior to the annual date and the Company determines it is more likely than not that the fair value of the goodwill is below its book value.

In accordance with accounting standards, when evaluating goodwill, an entity has the option first to assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not that goodwill is impaired. If, after such assessment, an entity concludes that it is more likely than not that the asset is not impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the asset using a quantitative impairment test, and if impaired, the associated assets must be written down by the amount that the carrying value exceeds the fair value of the reporting unit. There were no impairment charges related to goodwill for the three-month periods ended July 31, 2024 and 2023.

Intangible assets consist of customer relationship intangibles. The Company amortizes the cost of intangible assets over their estimated useful lives, six years, unless such lives are deemed indefinite. The Company reviews its intangible assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There were no impairment charges related to intangible assets for the three-month period ended July 31, 2023. Customer relationship intangibles were fully amortized as of December 31, 2023.

Derivative Financial Instruments: The Company uses derivatives as part of the normal business operations to manage its exposure to fluctuations in interest rates associated with variable interest rate debt and foreign exchange rates. The Company has established policies and procedures that govern the risk management of these exposures. The primary objective in managing these exposures is to add stability to interest expense, manage the Company's exposure to interest rate movements, and manage the risk from adverse fluctuations in foreign exchange rates.

The Company uses interest rate swap contracts to manage interest rate exposures. The Company records outstanding swap contracts in the condensed consolidated balance sheets at fair value. Changes in the fair value of interest rate swap contracts designated as cash flow hedges are recorded in accumulated other comprehensive income, and subsequently reclassified into earnings in the period the hedged forecasted transaction affects earnings. If a derivative is deemed to be ineffective, the change in fair value of the derivative is recognized directly in earnings.

The Company also manages risks through the use of foreign exchange forward contracts. The Company recognizes its outstanding forward contracts in the condensed consolidated balance sheets at fair value. The Company does not designate the forward contracts as accounting hedges. The changes in the fair value of the forward contracts are recorded in other expense (income), net in the condensed consolidated statements of income.

Note B--New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2023-09 “Improvements to Income Tax Disclosures.” The amendments in this ASU are intended to increase transparency through improvements to income tax disclosures primarily related to the income tax rate reconciliation and income taxes paid information. This standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the disclosure impacts of ASU 2023-09 on its condensed consolidated financial statements and related disclosures; however, it does not expect this update to have an impact on its financial condition or results of operations.

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" to include more detailed information about a reportable segment's expenses. This ASU also requires that a public entity with a single reportable segment, like the Company, provide all of the disclosures required as part of the amendments and all existing disclosures required by Topic 280. The ASU should be applied retrospectively to all prior periods presented in the financial statements and is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact on the related disclosures; however, it does not expect this update to have an impact on its financial condition or results of operations.

Note C--Net Earnings Per Share

The following table sets forth the computation of basic and diluted net earnings per share:

	Three Months Ended July 31,	
(in thousands, except per share amounts)	2024	2023
Numerator used in basic and diluted net earnings per common share:		
Net income	$ 29,633	$ 37,850
Denominator:		
Denominator for basic net earnings per common share - weighted-average shares	15,551	16,490
Effect of dilutive securities:		
Stock options and restricted stock units	123	99
Denominator for diluted net earnings per common share - weighted-average shares and assumed conversions	15,674	16,589
Net earnings per share		
Basic	$ 1.91	$ 2.30
Diluted	$ 1.89	$ 2.28

There were no potentially dilutive securities for the three-month periods ended July 31, 2024 and 2023, which were excluded from the calculation of net earnings per diluted share.

Note D--Stock-Based Compensation

The Company has various stock-based compensation plans. During the three-months ended July 31, 2024, the Board of Directors approved grants of service-based restricted stock units ("RSUs") and performance-based RSUs to key employees. The performance-based RSUs entitle the recipients to receive one share of the Company's common stock per unit granted if applicable performance conditions are met and the recipient remains continuously employed with the Company until the units cliff vest at the end of the three year vesting period. The service-based RSUs granted to key employees entitle the recipients to receive one share of the Company's common stock per unit granted if they remain continuously employed with the Company until the units vest. Service-based RSUs granted to employees vest one-third on each of the first, second and third anniversaries of the grant date. The fair value of the Company's RSU awards is expensed on a straight-line basis over the vesting period of the RSUs to the extent the Company believes it is probable the related performance criteria, if any, will be met.

The following table summarizes the Company's stock-based compensations grants for the three-months ended July 31, 2024:

(in thousands, except per share amounts)	Stock Awards Granted
Service-based RSUs	49,199
Performance-based RSUs	98,391

For the three-month periods ended July 31, 2024 and 2023, stock-based compensation expense was allocated as follows:

	Three Months Ended July 31,	
(in thousands)	2024	2023
Cost of sales and distribution	$ 541	$ 578
Selling and marketing expenses	573	608
General and administrative expenses	1,827	1,061
Stock-based compensation expense	$ 2,941	$ 2,247

Note E--Customer Receivables

The components of customer receivables were:

(in thousands)	July 31, 2024	April 30, 2024
Gross customer receivables	$ 126,236	$ 126,680
Less:		
Allowance for credit losses	(491)	(474)
Allowance for returns and discounts	(8,562)	(8,647)
Net customer receivables	$ 117,183	$ 117,559

Note F--Inventories

The components of inventories were:

(in thousands)	July 31, 2024	April 30, 2024
Raw materials	$ 67,813	$ 61,548
Work-in-process	45,483	44,464
Finished goods	63,823	53,089
Total inventories	$ 177,119	$ 159,101

Note G--Property, Plant and Equipment

The components of property, plant and equipment were:

(in thousands)	July 31, 2024	April 30, 2024
Land	$ 4,475	$ 4,475
Buildings and improvements	134,487	131,663
Buildings and improvements - finance leases	11,164	11,164
Machinery and equipment	389,870	370,940
Machinery and equipment - finance leases	32,204	32,173
Software	31,143	39,252
Construction in progress	38,656	64,057
Total property, plant and equipment	641,999	653,724
Less accumulated amortization and depreciation	(389,633)	(381,263)
Property, plant and equipment, net	$ 252,366	$ 272,461

Amortization and depreciation expense on property, plant and equipment amounted to $ 11.2 million and $9.6 million for the three-months ended July 31, 2024 and 2023, respectively. Accumulated amortization on finance leases included in the above table amounted to $31.4 million and $31.7 million as of July 31, 2024 and April 30, 2024, respectively.

Note H--Intangibles

As of December 31, 2023, customer relationship intangibles were fully amortized. Amortization expense for the three-month period ended July 31, 2023 was $11.4 million.

Note I--Product Warranty

The Company estimates outstanding warranty costs based on the historical relationship between warranty claims and revenues. The warranty accrual is reviewed monthly to verify that it properly reflects the remaining obligation based on the anticipated expenditures over the balance of the obligation period. Adjustments are made when actual warranty claim experience differs from estimates. Warranty claims are generally made within two months of the original shipment date.

The following is a reconciliation of the Company's warranty liability, which is included in other accrued expenses on the unaudited condensed consolidated balance sheets:

	Three Months Ended July 31,	
(in thousands)	2024	2023
Beginning balance at May 1	$ 5,581	$ 8,014
Accrual	4,878	5,108
Settlements	(5,253)	(5,521)
Ending balance at July 31	$ 5,206	$ 7,601

Note J--Fair Value Measurements

The Company utilizes the hierarchy of fair value measurements to classify certain of its assets and liabilities based upon the following definitions:

Level 1- Investments with quoted prices in active markets for identical assets or liabilities. The Company's cash equivalents are invested in money market funds, mutual funds, and certificates of deposit. The Company's mutual fund investment assets represent contributions made and invested on behalf of the Company's former executive officers in a supplementary employee retirement plan.

Level 2- Investments with observable inputs other than Level 1 prices, such as: quoted prices for similar assets or liabilities; quoted prices 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 the assets or liabilities.

Level 3- Investments with unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Company has no Level 3 assets or liabilities measured on a recurring basis.

The Company's financial instruments include cash and equivalents, marketable securities, and other investments; accounts receivable and accounts payable; interest rate swap and foreign exchange forward contracts; and short- and long-term debt. The carrying values of cash and equivalents, accounts receivable and payable, and short-term debt on the condensed consolidated balance sheets approximate their fair value due to the short maturities of these items. The interest rate swap and foreign exchange forward contracts were marked to market and therefore represent fair value. The fair values of these contracts are determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. The following table summarizes the fair value of assets that are recorded in the Company's consolidated financial statements as of July 31, 2024 and April 30, 2024 at fair value on a recurring basis (in thousands):

	Fair Value Measurements		
	As of July 31, 2024		
	Level 1	Level 2	Level 3
ASSETS:			
Mutual funds	$ 189	$ —	$ —
Interest rate swap contracts	—	6,938	—
Total assets at fair value	$ 189	$ 6,938	$ —
LIABILITIES:			
Foreign exchange forward contracts	$ —	$ 6,853	$ —
	As of April 30, 2024		
	Level 1	Level 2	Level 3
ASSETS:			
Mutual funds	$ 178	$ —	$ —
Interest rate swap contracts	—	9,810	—
Total assets at fair value	$ 178	$ 9,810	$ —
LIABILITIES:			
Foreign exchange forward contracts	$ —	$ 1,544	$ —

There were no transfers between Level 1, Level 2, or Level 3 for assets measured at fair value on a recurring basis.

Note K--Loans Payable and Long-Term Debt

On April 22, 2021, the Company amended and restated its prior credit agreement and on January 17, 2023 the Company entered into an amendment of such agreement to transition the applicable interest rate from LIBOR to Secured Overnight Financing Rate ("SOFR"), effective January 31, 2023. The amended and restated credit agreement (the "A&R Credit Agreement") provides for a $500 million revolving loan facility with a $50 million sub-facility for the issuance of letters of credit (the "Revolving Facility") and a $250 million term loan facility (the "Term Loan Facility"). Also on April 22, 2021, the Company borrowed the entire $250 million under the Term Loan Facility and approximately $ 264 million under the Revolving Facility to fund, in part, the repayment in full of the amounts then outstanding under its prior credit agreement and the redemption of $350 million in aggregate principal amount of 4.875% Senior Notes due in 2026. The Company is required to repay the Term Loan Facility in specified quarterly installments, which have been prepaid through April 30, 2025. The Revolving Facility and Term Loan Facility mature on April 22, 2026.

As of July 31, 2024 and April 30, 2024, $ 206.3 million was outstanding on the Term Loan Facility. As of July 31, 2024 and April 30, 2024, $ 163.8 million was outstanding under the Revolving Facility. Outstanding letters of credit under the Revolving Facility were $13.3 million as of July 31, 2024, leaving approximately $322.9 million in available capacity under the Revolving Facility as of July 31, 2024. The outstanding balances noted above approximate fair value as the facilities have a floating interest rate.

Amounts outstanding under the Term Loan Facility and the Revolving Facility bear interest based on a fluctuating rate measured by reference to either, at the Company's option, a base rate plus an applicable margin or SOFR plus 10 basis points plus an applicable margin, with the applicable margin being determined by reference to the Company's then-current "Secured Net Leverage Ratio." The Company also incurs a quarterly commitment fee on the average daily unused portion of the Revolving Facility during the applicable quarter at a rate per annum also determined by reference to the Company's then-current "Secured Net Leverage Ratio." In addition, a letter of credit fee accrues on the face amount of any outstanding letters of credit at a per annum rate equal to the applicable margin on SOFR loans, payable quarterly in arrears. As of July 31, 2024, the applicable margin with respect to base rate loans and SOFR loans was 0.0% and 1.0%, respectively, and the commitment fee was 0.1%.

The A&R Credit Agreement includes certain financial covenants that require the Company to maintain (i) a "Consolidated Interest Coverage Ratio" of no less than 2.00 to 1.00 and (ii) a "Total Net Leverage Ratio" of no greater than 4.00 to 1.00, subject, in each case, to certain limited exceptions.

The A&R Credit Agreement includes certain additional covenants, including negative covenants that restrict the ability of the Company and certain of its subsidiaries to incur additional indebtedness, create additional liens on its assets, make certain investments, dispose of its assets, or engage in a merger or other similar transaction, or engage in transactions with affiliates, subject, in each case, to the various exceptions and conditions described in the A&R Credit Agreement. The negative covenants further restrict the ability of the Company and certain of its subsidiaries to make certain restricted payments, including, in the case of the Company, the payment of dividends and the repurchase of common stock, in certain limited circumstances.

As of July 31, 2024, the Company was in compliance with all covenants included in the A&R Credit Agreement.

The Company's obligations under the A&R Credit Agreement are guaranteed by the Company's domestic subsidiaries, and the obligations of the Company and its domestic subsidiaries under the A&R Credit Agreement and their guarantees, respectively, are secured by a pledge of substantially all of their respective personal property.

Note L--Derivative Financial Instruments

Interest Rate Swap Contracts

The Company enters into interest rate swap contracts to manage variability in the amount of known or expected cash payments related to portions of its variable rate debt. On May 28, 2021, the Company entered into four interest rate swaps with an aggregate notional amount of $200 million to hedge part of the variable rate interest payments under the Term Loan Facility. The interest rate swaps became effective on May 28, 2021 and will terminate on May 30, 2025. The interest rate swaps economically convert a portion of the variable rate debt to fixed rate debt. The Company receives floating interest payments monthly based on one-month SOFR and pays a fixed rate of 0.53% to the counterparty.

The interest rate swaps are designated as cash flow hedges. Changes in fair value are recorded to other comprehensive income. The risk management objective in using interest rate swaps is to add stability to interest expense and to manage the Company's exposure to interest rate movements. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the contract agreements without exchange of the underlying notional amount. Realized gains or losses in connection with required interest payments on interest rate swaps are recorded in earnings, as a component of interest expense, net to offset variability in interest expense associated with the underlying debt's cash flows.

For the three-month periods ended July 31, 2024, unrealized gains (losses), net of deferred taxes, of ($ 0.3) million, were recorded in other comprehensive income, and $1.8 million, of realized gains, net of deferred taxes, were reclassified out of accumulated other comprehensive income (loss) to interest expense, net due to interest received from and payments made to the swap counterparties. For the three-month periods ended July 31, 2023, unrealized gains (losses), net of deferred taxes, of $2.7 million, were recorded in other comprehensive income, and $1.8 million, of realized gains, net of deferred taxes, were reclassified out of accumulated other comprehensive income (loss) to interest expense, net due to interest received from and payments made to the swap counterparties. As of July 31, 2024, the Company anticipates reclassifying approximately $ 5.2 million of net hedging gains from accumulated other comprehensive income into earnings during the next 12 months to offset the variability of the hedged items during this period.

The fair value of the derivative instruments are included in other assets on the condensed consolidated balance sheets.

Foreign Exchange Forward Contracts

At July 31, 2024, the Company held a target accrual redemption forward agreement to purchase Mexican Pesos across 42 defined fixings. These fixings allow for U.S. dollars to be converted into Pesos at a rate of 18.25 Pesos to one U.S. Dollar. Cumulative profit is capped at an aggregate of approximately $1.8 million over the shorter of the life of the contract fixings or the utilization of the cap. If the spot rate is between 18.25 and 19.00 for a defined fixing then the Company purchases at the spot rate and the profit cap is not impacted. As of July 31, 2024, a liability of $6.9 million is recorded in other accrued expenses on the condensed consolidated balance sheet.

Note M--Income Taxes

The effective income tax rates for the three-month period ended July 31, 2024 was 25.0% compared with 21.9% in the comparable period in the prior fiscal year. The effective rates were higher than the 21.0% U.S. statutory rate for all periods presented primarily due to state income taxes. The effective rate for the period ended July 31, 2024 was higher than the comparable prior year period primarily due to lower favorable federal tax credits and stock compensation deductions booked in the prior period.

Note N--Revenue Recognition

The Company disaggregates revenue from contracts with customers into major sales distribution channels as these categories depict the nature, amount, timing, and uncertainty of revenues and cash flows that are affected by economic factors. The following table disaggregates our consolidated revenue by major sales distribution channels for the three-months ended July 31, 2024 and 2023:

	Three Months Ended July 31,	
(in thousands)	2024	2023
Home center retailers	$ 175,653	$ 210,460
Builders	210,115	203,375
Independent dealers and distributors	73,360	84,420
Net Sales	$ 459,128	$ 498,255

Note O--Concentration of Risks

Financial instruments that potentially subject the Company to concentrations of risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents with major financial institutions and such balances may, at times, exceed Federal Deposit Insurance Corporation insurance limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to cash.

Credit is extended to customers based on an evaluation of each customer's financial condition and generally collateral is not required. The Company's customers operate in the new home construction and home remodeling markets.

The Company maintains an allowance for expected credit losses based upon management's evaluation and judgment of potential net loss. The allowance is estimated based upon historical experience, the effects of current developments and economic conditions, and each customer's current and anticipated financial condition. Estimates and assumptions are periodically reviewed and updated. Any resulting adjustments to the allowance are reflected in current operating results.

As of July 31, 2024, the Company's two largest customers, Customers A and B, represented 28.9% and 15.9% of the Company's gross customer receivables, respectively. As of July 31, 2023, Customers A and B represented 31.5% and 23.4% of the Company's gross customer receivables, respectively.

The following table summarizes the percentage of net sales attributable to the Company's two largest customers for the three-months ended July 31, 2024 and 2023:

	Three Months Ended July 31,	
	2024	2023
Customer A	26.7%	28.2%
Customer B	11.5%	14.0%

Note P--Other Information

The Company is involved in suits and claims in the normal course of business, including without limitation product liability and general liability claims, and claims pending before the Equal Employment Opportunity Commission. On at least a quarterly basis, the Company consults with its legal counsel to ascertain the reasonable likelihood that such claims may result in a loss. As required by FASB Accounting Standards Codification Topic 450, "Contingencies," the Company categorizes the various suits and claims into three categories according to their likelihood for resulting in potential loss: those that are probable, those that are reasonably possible, and those that are deemed to be remote. Where losses are deemed to be probable and estimable, accruals are made. Where losses are deemed to be reasonably possible, a range of loss estimates is determined and considered for disclosure. In determining these loss range estimates, the Company considers known values of similar claims and consults with outside counsel.

Except as described below, the Company believes that the aggregate range of loss stemming from the various suits and asserted and unasserted claims that were deemed to be either probable or reasonably possible was not material as of July 31, 2024.

Antidumping and Countervailing Duties Investigation

In February 2020, a conglomeration of domestic manufacturers filed a scope and circumvention petition seeking the imposition of antidumping (“AD”) and countervailing duties (“CVD”) with the United States Department of Commerce (“DOC”) and the United States International Trade Commission (“ITC”) against imports of hardwood plywood assembled in Vietnam using cores sourced from China. In July 2022, the DOC issued a Preliminary Scope Determination and Affirmative Preliminary Determination of Circumvention of the Antidumping and Countervailing Duty Orders (“Preliminary Determination”). In July 2023, the DOC issued a Final Determination of Circumvention of the Antidumping and Countervailing Duty Orders (“Final Determination”).

Included in the Final Determination is a list of Vietnamese suppliers not eligible for certification. AD and CVD cash deposits of 206% are required for imports from the Vietnamese suppliers not eligible for certification. Many of the Vietnamese suppliers appealed their inclusion on the ineligible for certification list in the Preliminary Determination. Because two of the Company’s primary Vietnamese plywood vendors remained on the ineligible for certification list in the Final Determination, the Company recorded a loss on unliquidated customs entries as of Final Determination in July 2023. The loss recorded in the first quarter of fiscal 2024 was $4.9 million, or $3.7 million net of tax. Through the first fiscal quarter of 2025, the Company has remitted deposits of $3.8 million pursuant to the Final Determination. Based on the evidence provided from the Vietnamese suppliers, the specific characteristics of the product imported and other relevant matters, the Company intends to vigorously appeal the Final Determination that it is subject to these duties and disputes the findings of the Final Determination with regards to the Company. In fiscal 2024 the Company filed an administrative review request on the AD/CVD orders and the Company filed a complaint with the Court of International Trade. As of July 31, 2024, both of these proceedings are pending. Our last order was placed with these vendors in June 2022.

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

The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes, both of which are included in Part I, Item 1 of this report. The Company's critical accounting policies are included in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2024.

Forward-Looking Statements

This report contains statements concerning the Company's expectations, plans, objectives, future financial performance, and other statements that are not historical facts. These statements may be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In most cases, the reader can identify forward-looking statements by words such as "anticipate," "estimate," "forecast," "expect," "believe," "should," "could," "would," "plan," "may," "intend," "estimate," "prospect," "goal," "will," "predict," "potential," or other similar words. Forward-looking statements contained in this report, including elsewhere in "Management's Discussion and Analysis of Financial Condition and Results of Operations," are based on current expectations and our actual results may differ materially from those projected in any forward-looking statements. In addition, the Company participates in an industry that is subject to rapidly changing conditions and there are numerous factors that could cause the Company to experience a decline in sales and/or earnings or deterioration in financial condition. Factors that could cause actual results to differ materially from those in forward-looking statements made in this report include but are not limited to:

- the loss of or a reduction in business from one or more of our key customers;
- negative developments in the macro-economic factors that impact our performance such as the U.S. housing market, mortgage interest rates, general economy, unemployment rates, and consumer sentiment and the impact of such developments on our and our customers' business, operations, and access to financing;
- an inability to obtain raw materials in a timely manner or fluctuations in raw material, transportation, and energy costs due to inflation or otherwise;
- a failure to attract and retain certain members of management or other key employees or other negative labor developments, including increases in the cost of labor;
- competition from other manufacturers and the impact of such competition on pricing and promotional levels;
- an inability to develop new products or respond to changing consumer preferences and purchasing practices;
- increased buying power of large customers and the impact on our ability to maintain or raise prices;
- a failure to effectively manage manufacturing operations, alignment, and capacity or an inability to maintain the quality of our products;
- the impairment of goodwill or our long-lived assets;
- information systems interruptions or intrusions or the unauthorized release of confidential information concerning customers, employees, or other third parties;
- the cost of compliance with, or liabilities related to, environmental or other governmental regulations or changes in governmental or industry regulatory standards, especially with respect to health and safety and the environment;
- risks associated with the implementation of our growth, digital transformation, and platform design strategies;
- risks related to sourcing and selling products internationally and doing business globally, including the imposition of tariffs or duties on those products, and increased transportation costs and delays;
- unexpected costs resulting from a failure to maintain acceptable quality standards;
- changes in tax laws or the interpretations of existing tax laws;
- the impact of another pandemic on our business, the global and U.S. economy, and our employees, customers, suppliers, and logistics system;
- the occurrence of significant natural disasters, including earthquakes, fires, floods, hurricanes, or tropical storms;
- the unavailability of adequate capital for our business to grow and compete; and
- limitations on operating our business as a result of covenant restrictions under our indebtedness, and our ability to pay amounts due under our credit facilities and our other indebtedness, and interest rate increases.

Additional information concerning factors that could cause actual results to differ materially from those in forward-looking statements is contained in this report, including elsewhere in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and also in the Company's most recent Annual Report on Form 10-K for the fiscal year ended April 30, 2024, filed with the SEC, including under Item 1A, "Risk Factors," Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Item 7A, "Quantitative and Qualitative Disclosures about Market Risk." While the Company believes that these risks are manageable and will not adversely impact the long-term performance of the Company, these risks could, under certain circumstances, have a material adverse impact on its operating results and financial condition.

Any forward-looking statement that the Company makes in this report speaks only as of the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statements or cautionary factors as a result of new information, future events or otherwise, except as required by law.

Overview

American Woodmark Corporation manufactures and distributes kitchen, bath, and home organization products for the remodeling and new home construction markets. Its products are sold on a national basis directly to home centers and builders and through a network of independent dealers and distributors. As of July 31, 2024, the Company operated 18 manufacturing facilities in the United States and Mexico, eight primary service centers, and one distribution center located throughout the United States.

The three-month period ended July 31, 2024 was the Company's first quarter of its fiscal year that ends on April 30, 2025 ("fiscal 2025").

Financial Overview

The Company was impacted by the following macro-economic trends during the first quarter of fiscal 2025:

- The median price per existing home sold increased during the second calendar quarter of 2024 compared to the same period one year ago by 4.9% according to data provided by the National Association of Realtors, and existing home sales decreased 3.3% during the second calendar quarter of 2024 compared to the same period in the prior year;
- The unemployment rate increased to 4.3% as of July 2024 compared to 3.5% as of July 2023, and 3.9% in April 2024, according to data provided by the U.S. Department of Labor;
- Mortgage interest rates decreased slightly with a thirty-year fixed mortgage rate of approximately 6.7% in July 2024, a decrease of approximately 8 basis points compared to the same period in the prior year, according to Freddie Mac;
- Consumer sentiment as tracked by Thomson Reuters/University of Michigan decreased from 71.6 in July 2023 to 66.4 in July 2024; and
- The inflation rate as of July 2024 was 2.9%, compared to 3.2% in July 2023 and 3.4% in April 2024 according to data provided by the U.S. Department of Labor.

The Company believes there is no single indicator that directly correlates with cabinet remodeling market activity. For this reason, the Company considers other factors in addition to those discussed above as indicators of overall market activity including credit availability, home owner equity, and housing affordability.

The Company earned net income of $29.6 million, or 6.5% of net sales, for the first quarter of fiscal 2025, compared with $37.9 million, or 7.6% of net sales, in the same period of the prior year.

Results of Operations

	Three Months Ended July 31,		
(in thousands)	2024	2023	Percent Change
Net sales	$ 459,128	$ 498,255	(7.9)%
Gross profit	$ 92,866	$ 109,609	(15.3)%
Selling and marketing expenses	$ 24,337	$ 24,360	(0.1)%
General and administrative expenses	$ 21,502	$ 35,594	(39.6)%

Net Sales

Net sales were $459.1 million for the first quarter of fiscal 2025, a decrease of $39.1 million or 7.9% compared to the same period of fiscal 2024. The Company's remodeling sales, which consist of our independent dealer and distributor channel sales and home center retail sales, decreased 15.6% during the first quarter of fiscal 2025 compared to the same prior year period. Our independent dealer and distributor channel decreased 13.1% during the first quarter of fiscal 2025 compared to the comparable prior year period. Our home center channel decreased by 16.5% during the first quarter of fiscal 2025 compared to the same period of fiscal 2024. Demand trends remain under pressure for our made-to-order and stock kitchen business due to lower in-store traffic rates and consumers choosing smaller sized projects.

Builder sales increased 3.3% in the first quarter of fiscal 2025 compared to the same period of fiscal 2024. The Company believes that fluctuations in single-family housing starts and completions are the best indicator of new construction cabinet activity. Assuming a sixty to ninety day lag between housing starts and the installation of cabinetry, single-family housing starts increased 14.2% during the first quarter of fiscal 2025 over the comparable prior year period, according to the U.S. Department of Commerce. In comparison, housing completions increased 3.5% during the first quarter of fiscal 2025 over the comparable prior year period, according to the U.S. Department of Commerce.

Gross Profit

Gross profit margin for the first quarter of fiscal 2025 was 20.2% compared with 22.0% for the same period of fiscal 2024, representing a 180 basis point decrease. Gross profit margin in the first quarter was negatively impacted by lower sales volumes impacting manufacturing leverage in our new facilities in Hamlet, North Carolina and Monterrey, Mexico, with combined price increases in our input costs around logistics, raw materials, and labor, partially offset by our sustained operating efficiencies in the manufacturing platforms, and the non-recurring pre-tax charge of $4.9 million related to the plywood case in the prior fiscal year.

Selling and Marketing Expenses

Selling and marketing expenses remained relatively flat during the first quarter of fiscal 2025 compared to the same period of the prior year. Selling and marketing expenses were 5.3% of net sales in the first quarter of fiscal 2025, compared with 4.9% for the same period of fiscal 2024. The increase in selling and marketing expenses as a percent of net sales during the first quarter of fiscal 2025 was driven primarily by lower net sales, and partially offset by lower incentive costs for employees.

General and Administrative Expenses

General and administrative expenses decreased by $14.1 million or 39.6% during the first quarter of fiscal 2025 compared to the same period of the prior year. General and administrative expenses were 4.7% of net sales in the first quarter of fiscal 2025, compared with 7.1% of net sales in the first quarter of fiscal 2024. The decrease in general and administrative expenses during the first quarter of fiscal 2025 was driven primarily by the absence of amortization of customer intangibles that ended in December 2023 and lower year-over-year incentive and profit sharing costs for employees.

Effective Income Tax Rates

The effective income tax rates for the three-month period ended July 31, 2024 was 25.0% compared with 21.9% in the comparable period in the prior fiscal year. The effective rates were higher than the 21.0% U.S. statutory rate for all periods presented primarily due to state income taxes. The effective rate for the period ended July 31, 2024 was higher than the comparable prior year period primarily due to lower favorable federal tax credits and stock compensation deductions booked in the prior period.

Non-GAAP Financial Measures

We have reported our financial results in accordance with U.S. generally accepted accounting principles (GAAP). In addition, we have discussed our financial results using the non-GAAP measures described below.

A reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is set forth below.

Management believes all these non-GAAP financial measures provide an additional means of analyzing the current period's results against the corresponding prior period's results. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

We use EBITDA, Adjusted EBITDA and Adjusted EBITDA margin in evaluating the performance of our business, and we use each in the preparation of our annual operating budgets and as indicators of business performance and profitability. We believe EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin allow us to readily view operating trends, perform analytical comparisons and identify strategies to improve operating performance. Additionally, Adjusted EBITDA is a key measurement used in our Term Loans to determine interest rates and financial covenant compliance.

We define EBITDA as net income (loss) adjusted to exclude (1) income tax expense (benefit), (2) interest expense, net, (3) depreciation and amortization expense, and (4) amortization of customer relationship intangibles. We define Adjusted EBITDA as EBITDA adjusted to exclude (1) expenses related to the acquisition of RSI Home Products, Inc. ("RSI acquisition") and the subsequent restructuring charges that the Company incurred related to the acquisition, (2) non-recurring restructuring charges, (3) net gain/loss on debt forgiveness, (4) stock-based compensation expense, (5) gain/loss on asset disposals, and (6) change in fair value of foreign exchange forward contracts. We believe Adjusted EBITDA, when presented in conjunction with comparable GAAP measures, is useful for investors because management uses Adjusted EBITDA in evaluating the performance of our business.

We define Adjusted EBITDA margin as Adjusted EBITDA as a percentage of net sales.

Adjusted EPS per diluted share

We use Adjusted EPS per diluted share in evaluating the performance of our business and profitability. Management believes that this measure provides useful information to investors by offering additional ways of viewing the Company's results by providing an indication of performance and profitability excluding the impact of unusual and/or non-cash items. We define Adjusted EPS per diluted share as diluted earnings per share excluding the per share impact of (1) expenses related to the RSI acquisition and the subsequent restructuring charges that the Company incurred related to the RSI acquisition, (2) non-recurring restructuring charges, (3) the amortization of customer relationship intangibles, (4) net gain/loss on debt forgiveness, and (5) the tax benefit of RSI acquisition expenses and subsequent restructuring charges, the net gain on debt forgiveness and modification, and the amortization of customer relationship intangibles. The amortization of intangible assets is driven by the RSI acquisition and will recur in future periods. Management has determined that excluding amortization of intangible assets from our definition of Adjusted EPS per diluted share will better help it evaluate the performance of our business and profitability.

Reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

	Three Months Ended July 31,	
(in thousands)	2024	2023
Net income (GAAP)	$ 29,633	$ 37,850
Add back:		
Income tax expense	9,864	10,615
Interest expense, net	2,290	2,437
Depreciation and amortization expense	12,802	11,745
Amortization of customer relationship intangibles	—	11,417
EBITDA (Non-GAAP)	54,589	74,064
Add back:		
Acquisition and restructuring related expenses (1)	—	20
Non-recurring restructuring charges (2)	—	(172)
Change in fair value of foreign exchange forward contracts (3)	5,309	(1,015)
Stock-based compensation expense	2,941	2,247
Loss on asset disposal	58	7
Adjusted EBITDA (Non-GAAP)	62,897	75,151
Net Sales	$ 459,128	$ 498,255
Net income margin (GAAP)	6.5 %	7.6 %
Adjusted EBITDA margin (Non-GAAP)	13.7 %	15.1 %

(1) Acquisition and restructuring related expenses are comprised of expenses related to the RSI acquisition and the subsequent restructuring charges that the Company incurred related to the acquisition.
(2) Non-recurring restructuring charges are comprised of expenses incurred related to the nationwide reduction-in-force implemented in the third and fourth quarters of fiscal 2023.
(3) In the normal course of business the Company is subject to risk from adverse fluctuations in foreign exchange rates. The Company manages these risks through the use of foreign exchange forward contracts. The changes in the fair value of the forward contracts are recorded in other (income) expense, net in the operating results.

A reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA margin as projected for fiscal 2025 is not provided because we do not forecast net income (loss) as we cannot, without unreasonable effort, estimate or predict with certainty various components of net income (loss).

Adjusted EBITDA

Adjusted EBITDA for the first quarter of fiscal 2025 was $62.9 million or 13.7% of net sales compared to $75.2 million or 15.1% of net sales for the same quarter of the prior fiscal year. The decrease in Adjusted EBITDA for the first three months of fiscal 2025 is primarily due to decreased net income.

Reconciliation of Net Income to Adjusted Net Income

(in thousands, except share data)	Three Months Ended July 31, 2024	Three Months Ended July 31, 2023
Net income (GAAP)	$ 29,633	$ 37,850
Add back:		
Acquisition and restructuring related expenses	—	20
Non-recurring restructuring charges	—	(172)
Amortization of customer relationship intangibles	—	11,417
Tax benefit of add backs	—	(2,940)
Adjusted net income (Non-GAAP)	$ 29,633	$ 46,175
Weighted average diluted shares (GAAP)	15,673,570	16,589,481
EPS per diluted share (GAAP)	$ 1.89	$ 2.28
Adjusted EPS per diluted share (Non-GAAP)	$ 1.89	$ 2.78

Outlook

We expect a low single-digit decline in net sales for fiscal 2025 versus fiscal 2024 as a result of a softer repair and remodel market and a decline in larger ticket remodel purchases across retailers, partially offset by an increase in new construction. Our outlook for Adjusted EBITDA for fiscal 2025 will range from $225 million to $245 million. The change in net sales and Adjusted EBITDA is highly dependent upon overall industry, economic growth trends, material constraints, labor impacts, interest rates and consumer behaviors. Adjusted EBITDA will also be impacted as we continue to ramp up production from our plant expansions in Monterrey, Mexico and Hamlet, North Carolina.

During fiscal 2025, we will continue our investment back into the business by continuing our path for our digital transformation with investments in our cloud-based ERP and CRM platforms and investing in automation. We will be opportunistic in our share repurchasing and lastly, we have our debt position at a leverage ratio we wanted to achieve and will continue to deprioritize paying down debt in fiscal 2025.

Additional risks and uncertainties that could affect the Company's results of operations and financial condition are discussed elsewhere in this report, including under "Forward-Looking Statements," and elsewhere in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and in our Annual Report on Form 10-K for the fiscal year ended April 30, 2024, including under Item 1A. "Risk Factors," Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Item 7A. "Quantitative and Qualitative Disclosures about Market Risk."

Liquidity and Capital Resources

The Company's cash and cash equivalents totaled $89.3 million at July 31, 2024, representing a $1.9 million increase from its April 30, 2024 levels primarily due to $40.8 million cash provided by operations in the first three months of fiscal 2025, partially offset by $11.3 million in payments to acquire property, plant, and equipment, and $24.0 million of stock repurchases. Cash provided by operations in the first three months of fiscal 2024 was $86.7 million. The decrease in the Company's cash from operating activities in the current year was driven primarily by a decrease in net income and depreciation and amortization and cash outflows from inventories, prepaid expenses and other assets, and accrued compensation and related expenses, partially offset by cash inflows from income taxes, accounts payable, and other accrued expenses. At July 31, 2024, total long-term debt (including current maturities) was $374.9 million.

The Company's main source of liquidity is its cash and cash equivalents on hand and generally cash generated from its operating activities. The Company can also borrow amounts under the Revolving Facility.

On April 22, 2021, the Company amended and restated its prior credit agreement and on January 17, 2023 the Company entered into an amendment of such agreement to transition the applicable interest rate from LIBOR to SOFR, effective January 31, 2023. The amended and restated credit agreement (the "A&R Credit Agreement") provides for a $500 million revolving loan facility with a $50 million sub-facility for the issuance of letters of credit (the "Revolving Facility") and a $250 million term loan facility (the "Term Loan Facility"). Also on April 22, 2021, the Company borrowed the entire $250 million under the Term Loan Facility and approximately $264 million under the Revolving Facility to fund, in part, the repayment in full of the amounts then outstanding under its prior credit agreement and the complete redemption of its 4.875% Senior Notes due 2026. The Company is required to repay the Term Loan Facility in specified quarterly installments. The Revolving Facility and Term Loan Facility mature on April 22, 2026. Approximately $322.9 million was available under the Revolving Facility as of July 31, 2024.

The A&R Credit Agreement includes certain financial covenants that require the Company to maintain (i) a "Consolidated Interest Coverage Ratio" of no less than 2.00 to 1.00 and (ii) a "Total Net Leverage Ratio" of no greater than 4.00 to 1.00, subject, in each case, to certain limited exceptions.

The A&R Credit Agreement includes certain additional covenants, including negative covenants that restrict the ability of the Company and certain of its subsidiaries to incur additional indebtedness, create additional liens on its assets, make certain investments, dispose of its assets or engage in a merger or other similar transaction or engage in transactions with affiliates, subject, in each case, to the various exceptions and conditions described in the A&R Credit Agreement. The negative covenants further restrict the ability of the Company and certain of its subsidiaries to make certain restricted payments, including, in the case of the Company, the payment of dividends and the repurchase of common stock, in certain limited circumstances. See Note K — *Loans Payable and Long-Term Debt* for a discussion of interest rates under the A&R Credit Agreement and our compliance with the covenants in the A&R Credit Agreement. We expect to remain in compliance with each of the covenants under the A&R Credit Agreement during the remainder of fiscal 2025.

As of July 31, 2024 and April 30, 2024, the Company had no off-balance sheet arrangements.

The Company's investing activities primarily consist of investment in property, plant and equipment and promotional displays. Net cash used for investing activities was $11.4 million in the first three months of fiscal 2025, compared with $14.2 million in the comparable period of fiscal 2024.

During the first three months of fiscal 2025, net cash used by financing activities was $27.6 million, compared with $24.6 million in the comparable period of the prior fiscal year. The increase in cash used during the first three months of fiscal 2025 was primarily driven by $24.0 million of common stock repurchases, an increase of $1.9 million over prior year.

On November 29, 2023 the Board of Directors authorized a stock repurchase program of up to $125 million of the Company's outstanding common shares. In conjunction with this authorization the Board of Directors cancelled the remaining $22.1 million that had yet to be repurchased under the $100 million existing authorization from May 25, 2021. Repurchases may be made from time to time in the open market, or through privately negotiated transactions or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms the Company deems appropriate and subject to the Company's cash requirements for other purposes, compliance with the covenants under the A&R Credit Agreement, and other factors management deems relevant. The authorization does not obligate the Company to acquire a specific number of shares during any period, and the authorization may be modified, suspended or discontinued at any time at the discretion of the Board. Management generally expects to fund any share repurchases using available cash and cash generated from operations. Repurchased shares will become authorized but unissued common shares. The Company repurchased $24.0 million of its common shares during the first quarter of fiscal 2025. As of July 31, 2024, $65.4 million of funds remained available from the amounts authorized by the Board to repurchase the Company's common stock.

Cash flow from operations combined with accumulated cash and cash equivalents on hand are expected to be more than sufficient to support forecasted working capital requirements, service existing debt obligations and fund capital expenditures for the remainder of fiscal 2025.

Seasonal and Inflationary Factors

Our business has been subject to seasonal influences, with higher sales typically realized in our first and fourth fiscal quarters. General economic forces and changes in our customer mix have reduced seasonal fluctuations in revenue over the past few years. The costs of the Company's products are subject to inflationary pressures and commodity price fluctuations. The Company has generally been able, over time, to recover the effects of inflation and commodity price fluctuations through sales price increases.

Critical Accounting Policies

The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. There have been no significant changes to the Company's critical accounting policies as disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The costs of the Company's products are subject to inflationary pressures and commodity price fluctuations. The Company has generally been able, over time, to recover the effects of inflation and commodity price fluctuations through sales price increases although there may be a lag in the recovery.

The A&R Credit Agreement includes a variable interest rate component. As a result, we are subject to interest rate risk with respect to such floating-rate debt. A 100 basis point increase in the variable interest rate component of our borrowings as of July 31, 2024 would increase our annual interest expense by approximately $2.0 million. See Note K — *Loans Payable and Long-Term Debt* for further discussion.

In May 2021, we entered into interest rate swaps to hedge approximately $200 million of our variable interest rate debt. See Note L — *Derivative Financial Instruments* for further discussion.

The Company enters into foreign exchange forward contracts principally to offset currency fluctuations in transactions denominated in certain foreign currencies, thereby limiting our exposure to risk that would otherwise result from changes in exchange rates. The periods of the foreign exchange forward contracts correspond to the periods of the transactions denominated in foreign currencies.

The Company does not currently use commodity or similar financial instruments to manage its commodity price risks.

Item 4. Controls and Procedures

Senior management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of July 31, 2024. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective.

There has been no change in the Company's internal control over financial reporting that occurred during the quarter ended July 31, 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in various suits and claims in the normal course of business all of which constitute ordinary, routine litigation incidental to the Company's business. The Company is not party to any material litigation that does not constitute ordinary, routine litigation incidental to its business. See Note P — *Other Information* for further discussion of the antidumping and countervailing duties investigation.

Item 1A. Risk Factors

Risk factors that may affect the Company's business, results of operations and financial condition are described in Part I, Item 1A, "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2024 and there have been no material changes from the risk factors disclosed. Additional risks are discussed elsewhere in this report, including in "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the headings "Forward-Looking Statements" and "Outlook."

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table details share repurchases made by the Company during the first quarter of fiscal 2025:

	Share Repurchases			
	Total Number of Shares Purchased (1)	**Average Price Paid Per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Programs**	**Approximate Dollar Value of Shares That May Yet Be Purchased Under the Programs (000) (1)**
May 1 - 31, 2024	112,814	$ 93.17	112,814	$ 78,977
June 1 - 30, 2024	—	$ —	—	$ 78,977
July 1 - 31, 2024	158,646	$ 86.33	158,646	$ 65,437
Quarter ended July 31, 2024	271,460	$ 89.92	271,460	$ 65,437

(1) Under a stock repurchase authorization approved by its Board on November 29, 2023, the Company was authorized to purchase up to $125 million of the Company's common shares. Management funded these share repurchases using available cash and cash generated from operations. Repurchased shares became authorized but unissued common shares. At July 31, 2024, $65.4 million of funds remained from the amounts authorized by the Board to repurchase the Company's common shares. The Company purchased a total of 271,460 common shares, for an aggregate purchase price of $24.0 million, during the first quarter of fiscal 2025 under the authorization pursuant to a repurchase plan intended to comply with the requirements of Rule 10b5-1 and Rule 10b-18 under the Securities Exchange Act of 1934, as amended.

Item 5. Other Information

Rule 10b5-1 Trading Plans

On June 10, 2024, M. Scott Culbreth, the Company’s President, Chief Executive Officer and Director, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) for the sale of up to 14,000 shares of the Company’s common stock beginning October 1, 2024 until September 30, 2025. During the fiscal quarter ended July 31, 2024, none of the Company’s directors or executive officers terminated or modified a "Rule 10b5-1 trading agreement" or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Submission of Matters to a Vote of Security Holders

At the Annual Meeting of Shareholders of American Woodmark Corporation held on August 22, 2024, the holders of 14,370,476 of the 15,587,458 shares of the Company's common stock outstanding voted on one or more matters either in person at the meeting or by duly executed and delivered proxies. The shareholders approved the items outlined in the Company's Proxy Statement that was sent to shareholders and filed with the SEC in accordance with Regulation 14A under the Securities Exchange Act of 1934, as amended.

The following items were approved at the Company's Annual Meeting:

	Votes "FOR"	Votes "WITHHELD"	Broker "NON-VOTES"
1. Election of the Board of Directors:			
Latasha M. Akoma	13,971,079	60,216	339,181

Andrew B. Cogan	13,611,540	419,755	339,181	
M. Scott Culbreth	13,878,501	152,794	339,181	
James G. Davis, Jr.	11,145,885	2,885,410	339,181	
Philip D. Fracassa	14,000,957	30,338	339,181	
Daniel T. Hendrix	13,615,880	415,415	339,181	
David A. Rodriguez	13,415,392	615,903	339,181	
Vance W. Tang	13,271,197	760,098	339,181	
Emily C. Videtto	13,467,681	563,614	339,181	

	Votes "FOR"	Votes "AGAINST"	Votes "ABSTAINED"	Broker "NON-VOTES"
2. Ratification of Selection of Independent Registered Public Accounting Firm	14,257,892	106,166	6,418	—
3. Advisory Vote to Approve Executive Compensation	13,506,700	354,021	170,574	339,181

Item 6. Exhibits

Exhibit Number	Description
3.1	Articles of Incorporation as amended (incorporated by reference to Exhibit 3.1 to the Registrant's Form 10-Q for the quarter ended July 31, 2004; Commission File No. 000-14798).
3.2	Bylaws – as amended effective January 16, 2024 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K as filed on January 22, 2024; Commission File No. 000-14798).
10.1(a)	Form of Grant Letter used in connection with awards of service-based restricted stock units granted under the Company's 2023 Stock Incentive Plan (Filed Herewith).*
10.1(b)	Form of Grant Letter used in connection with awards of performance-based restricted stock units granted under the Company's 2023 Stock Incentive Plan (Filed Herewith).*
10.1(c)	Form of Grant Letter used in connection with awards of cultural-based restricted stock units granted under the Company's 2023 Stock Incentive Plan (Filed Herewith).*
31.1	Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a) of the Exchange Act (Filed Herewith).
31.2	Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a) of the Exchange Act (Filed Herewith).
32.1	Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Filed Herewith).
101	Interactive Data File for the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 2024 formatted in Inline XBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements (Filed Herewith).
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

*Management contract or compensatory plan or arrangement.

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.

AMERICAN WOODMARK CORPORATION
(Registrant)

/s/ Paul Joachimczyk
Paul Joachimczyk
Senior Vice President and Chief Financial Officer

Date: August 27, 2024
Signing on behalf of the registrant and
as principal financial and accounting officer

American Woodmark

%today%

Service-Based RSU Award

%fname% %lname%
%address1%
%city% %state% %zip%

Dear %fname%:

On %grantdate% (the "Award Date"), American Woodmark Corporation (the "Company") granted to you an award of restricted stock units (the "Award"). Your Award is subject to the terms set forth in this letter and in the American Woodmark Corporation 2023 Stock Incentive Plan (the "Plan"). A copy of the Plan will be furnished to you upon your request. Capitalized terms that are not defined in this letter shall have the meaning assigned to them under the Plan.

The terms of your Award are as follows:

I. In consideration of your agreements contained in this letter, the Company hereby grants you %optionsgranted% restricted stock units ("RSUs"). Each RSU represents the right to receive one share of the voting common stock of the Company. Your Award is subject to vesting based on your continued employment through the third anniversary of the Award Date (the "Service-Based RSUs").

II. Your Service-Based RSU Award is subject to the following vesting terms and conditions:

A. 33 and 1/3% of your Service-Based RSUs will vest on each of the first, second and third anniversaries of the Award Date (each a "Vesting Date" and collectively the "Vesting Dates"). In order to vest in the Service-Based RSUs, or any portion thereof, you must be an employee of the Company on the respective Vesting Date and must have maintained continuous employment from the Award Date through such Vesting Date. In the event your employment terminates at any time for any reason other than as provided in Section II.B or Section II.C. below between the Award Date and a Vesting Date, all of your non-vested Service-Based RSUs will be forfeited. For example, if you work continuously through the first Vesting Date, but terminate employment with the Company before the second Vesting Date, subject to the remaining provisions of this Agreement, you will be vested in 33 and 1/3% of the Service-Based RSUs under this Agreement. Subject to the following provisions, all other Service Based RSUs will be forfeited.

B. In the event that, prior to a Vesting Date, your employment with the Company terminates due to your Retirement (including termination without Cause where you have satisfied the Retirement criteria set forth below), death, or Disability, then you will vest in a pro-rated portion of the Service-Based RSUs. The number of vested Service-Based RSUs will be determined by dividing the number of days between the Award Date and your termination date by the number of days between the Award Date and the Vesting Date and multiplying the quotient by the number of Service-Based RSUs.

C. Change of Control . You will vest in 100% of the Service-Based RSUs if, at any time before the Vesting Date, a Change of Control occurs and on or after the date of the

Change of Control, either (i) your employment with the Company or any successor of the Company or parent or other affiliate thereof is involuntarily terminated by the Company (or any such successor or parent or affiliate) without Cause or (ii) you voluntarily terminate your employment with the Company (or any such successor or parent or affiliate) for Good Reason.

D. Certain Definitions . For purposes of applying this Section II, the following terms shall have the following meanings:

- Cause: Your neglect of your duty which is not corrected after 90 days' written notice thereof; your misconduct, malfeasance, fraud or dishonesty which materially and adversely affects the Company or its reputation in the industry; or your conviction of, or plea of *nolo contendere* to, a felony or a crime involving moral turpitude.

- Disability: You become unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Compensation Committee of the Company's Board of Directors in its reasonable discretion.

- Good Reason: The occurrence of any of the following conditions without your written consent: a reduction in your base salary; you are not in good faith considered for an annual cash bonus; you are not in good faith considered for other benefits that are afforded generally by the Company from time to time to its senior personnel; the relocation of your place of your employment to a location further than 50 miles from your current place of employment; or a substantial diminution in your working conditions or management responsibilities, other than on account of Disability.

- Retirement: Your employment with the Company terminates after you have attained both a) at least ten years of employment with the Company, and b) the age of 55.

III. Payment of any vested portion of your Award will be made in shares of the Company's common stock. The timing of such payment will be as follows:

A. For employees who are continuously employed by the Company through a Vesting Date, payment will occur on or as soon as administratively practicable (within 60 days) after the respective Vesting Date.

B. For employees whose employment terminates due to either 1) death or 2) Disability before a Vesting Date, payment will occur on as soon as administratively practicable (within 60 days) after the employee's termination date.

C. For employees whose employment terminates due to 1) Retirement (including involuntary termination without Cause after having satisfied the Retirement criteria set forth above), or 2) involuntary termination without Cause or Good Reason termination on or following the date of a Change of Control, timing of the payment will depend upon whether or not the employee is deemed to be a "specified employee" of the Company as defined by Section 409A(a)(2)(B)(i) of the Internal Revenue Code. If an employee is not a specified employee, then payment will occur as soon as administratively practicable (within 60 days) after the employee's termination date. If an employee qualifies as a specified employee, then payment will occur as soon as administratively practicable (within 60 days) after the date that is six months after the employee's termination date.

IV. You agree, as a condition of receiving the Award to pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, all Applicable Withholding Taxes with respect to the Award. Unless otherwise agreed, the Company will withhold from the Award shares sufficient to cover the minimum statutory amount of all Applicable Withholding Taxes.

V. This Award is not transferable by you except by will or by the laws of descent and distribution.

VI. In the event of changes in the capital structure of the Company, appropriate adjustments will be made according to the Plan.

VII. In consideration of the grant of this Award, you agree that you will comply with such lawful conditions as the Board of Directors or the Compensation Committee may impose on the Award, and will perform such duties as may be assigned from time to time by the Board of Directors or by the executive officers of the Company operating under the authority of the Board; provided, however, that the provisions of this sentence shall not be interpreted as affecting the right of the Company to terminate your employment at any time.

VIII. Until the RSUs are converted into actual shares of the Company's stock, your Award will not convey actual rights normally accruing to shareholders, including but not limited to the right to participate in shareholder votes or the right to receive dividends.

IX. The Award is intended to comply with all applicable requirements of Section 409A of the Internal Revenue Code and the terms hereof shall be interpreted consistent with such intent.

X. If the Company's financial statements are required to be restated at any time prior to the Vesting Date or within a two (2) year period following the Vesting Date as a result of material noncompliance of the Company with federal securities laws, the Committee may, in its discretion, based on the facts and circumstances surrounding the restatement, direct the Company to cancel without payment all or a portion of the RSUs granted to you under this agreement, or if shares with respect to such RSUs have already been issued, to recover all or a portion of the shares from you (or, if you have already sold or disposed of the shares, the value thereof), if the Committee determines that either (i) the RSUs would not have been earned or vested based on the restated financials or (ii) your misconduct contributed to the need for the restatement. Recovery of shares may be pursued in any manner the Committee deems appropriate, including (without limitation) reducing compensation otherwise payable to you or reducing or withholding future incentive awards or salary increases. The Company's right to cancel RSUs or recover issued shares or the value thereof shall be in addition to, and not in lieu of, any other rights or remedies the Company may have. In addition, this Award and any shares of Company common stock issued pursuant hereto shall be subject to any other compensation recoupment or clawback policy that is adopted by, or applicable to, the Company, pursuant to any requirement of law or any exchange listing requirement related to clawback or other recovery of compensation.

<u>This Award is not valid unless electronically accepted.</u>

Your electronic acceptance shall be deemed as your understanding and acceptance to the terms and conditions of this Award.

American Woodmark Corporation

Scott Culbreth
Chief Executive Officer

Agreed to

By: ____________________

Exhibit 10.1(b)

American Woodmark

%today%

Performance-Based PSU Award

%fname% %lname%
%address1%
%city% %state% %zip%

Dear %fname%:

On %grantdate% (the "Award Date"), American Woodmark Corporation (the "Company") granted to you an award of performance stock units (the "Award"). Your Award is subject to the terms set forth in this letter and in the American Woodmark Corporation 2023 Stock Incentive Plan (the "Plan"). A copy of the Plan will be furnished to you upon your request. Capitalized terms that are not defined in this letter shall have the meaning assigned to them under the Plan .

The terms of your Award are as follows:

I. In consideration of your agreements contained in this letter, the Company hereby grants you %optionsgranted% performance stock units (PSUs). Each PSU represents the right to receive one share of the voting common stock of the Company. Your Award is subject to vesting based on your continued employment through the third anniversary of the Award Date and the achievement of certain annual and cumulative performance goals for the Company ' s 2025, 2026 and 2027 fiscal years.

II. Your Award is subject to the following vesting terms and conditions:

A. You are eligible to earn PSUs in four equal tranches based on the Company ' s performance with respect to two annual operating measurements – return on invested capital (ROIC) and adjusted earnings per share (Adjusted EPS) - for each of the Company ' s 2025, 2026 and 2027 fiscal years, and one cumulative performance goal based on ROIC and Adjusted EPS measurements covering the Company's 2025 – 2027 fiscal years on a cumulative basis. For the portion of your Award determined by annual operating measurements, fifty percent will be based upon attainment of the ROIC measurements, and fifty percent will be based upon attainment of the Adjusted EPS measurements. For the portion of your Award determined by the cumulative performance goal, fifty percent will be based upon attainment of the cumulative ROIC measurement, and fifty percent will be based upon attainment of the cumulative Adjusted EPS measurement. The measurements for each year and the cumulative performance goal will have a performance rating - threshold, target or superior. The measurements and performance ratings for fiscal year 2025 and the cumulative performance goal are set forth in Appendix A. The Committee will establish the measurements and performance ratings for fiscal years 2026 and 2027 within 90 days after the start of each year based on the Company ' s annual operating plan for each year.

B. The Company ' s performance with respect to the measurements for each fiscal year will be assessed by the Committee following the end of the applicable fiscal year. The Company's performance with respect to the cumulative performance goal will be assessed by the Committee following the end of the 2027 fiscal year. The Committee will determine the percentage (up to 25%) of the PSUs that have been earned based on the Company's performance for each such year or cumulative period, as applicable. The earned PSUs, if any, will be subject to additional service-based vesting based on your continued employment through the third anniversary of the Award Date (the "Vesting Date") as described in Section II.C. below. Any PSUs that the Committee determines have not been earned for a given fiscal year or cumulative period, as applicable, will be forfeited as of the date of the Committee's determination.

C. Any PSUs that the Committee determines have been earned pursuant to Section II.B above will vest on the Vesting Date. To be eligible to vest in any earned PSUs, you must be an employee of the Company on the Vesting Date and must have maintained continuous employment from the Award Date through the Vesting Date. In the event your employment terminates at any time for any reason other than as provided in Section II.D or Section II.E. below between the Award Date and the Vesting Date, all of your PSUs (whether earned or unearned) will be forfeited.

D. If, on or after the date on which the Committee completes its evaluation described in Section II.B above for a given fiscal year but prior to the Vesting Date, your employment with the Company terminates due to your Retirement (including termination without Cause where you have satisfied the Retirement criteria set forth below), death, or Disability, then you will vest in a pro-rated portion of any earned PSUs for such year. The number of vested PSUs will be determined by dividing the number of days between the Award Date and your termination date by the number of days between the Award Date and the Vesting Date and multiplying the quotient by the number of any earned PSUs for such year. If your employment with the Company terminates for any reason prior to the date on which the Committee completes its evaluation described in Section II.B above with respect to a given fiscal year, then, except as otherwise provided in Section II.E. below, all of your unearned PSUs for such year will be forfeited.

E. <u>Change of Control</u>. You will vest in 100% of the earned amount of any PSUs if, at any time before the Vesting Date, a Change of Control occurs and on or after the date of the Change of Control, either (i) your employment with the Company or any successor of the Company or parent or other affiliate thereof is involuntarily terminated by the Company (or any such successor or parent or affiliate) without Cause or (ii) you voluntarily terminate your employment with the Company (or any such successor or parent or affiliate) for Good Reason. If such a termination occurs before the date on which the Committee has completed its evaluation with respect to a given fiscal year pursuant to Section II.B above, then all of the unearned PSUs for such year shall be deemed to have been earned for purposes hereof.

F. <u>Certain Definitions</u>. For purposes of applying this Section II, the following terms shall have the following meanings:

- Cause: Your neglect of your duty which is not corrected after 90 days' written notice thereof; your misconduct, malfeasance, fraud or dishonesty which materially and adversely affects the Company or its reputation in the industry; or your conviction of, or plea of *nolo contendere* to, a felony or a crime involving moral turpitude.

- Disability: You become unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Compensation Committee of the Company's Board of Directors in its reasonable discretion.

- Good Reason: The occurrence of any of the following conditions without your written consent: a reduction in your base salary; you are not in good faith considered for an annual cash bonus; you are not in good faith considered for other benefits that are afforded generally by the Company from time to time to its senior personnel; the relocation of your place of your employment to a location further than 50 miles from your current place of employment; or a substantial diminution in your working conditions or management responsibilities, other than on account of Disability.

- Retirement: Your employment with the Company terminates after you have attained both a) at least ten years of employment with the Company, and b) the age of 55.

G. Adjustments . The Committee may, in its sole discretion, make adjustments to the measurements and performance ratings for any fiscal year, or may reduce or increase the number of PSUs deemed earned, to reflect any unusual or infrequent event, such as a major merger, acquisition or disposition involving the Company, that substantially impacts the level of difficulty of achieving the stated goals at the time the Award was granted.

III. Payment of any vested portion of your Award will be made in shares of the Company ' s common stock. The timing of such payment will be as follows:

A. For employees who are continuously employed by the Company through the Vesting Date, payment will occur on or as soon as administratively practicable (within 60 days) after the Vesting Date.

B. For employees whose employment terminates due to either 1) death or 2) Disability before the Vesting Date, payment will occur on as soon as administratively practicable (within 60 days) after the employee ' s termination date.

C. For employees whose employment terminates due to 1) Retirement (including involuntary termination without Cause after having satisfied the Retirement criteria set forth above), or 2) involuntary termination without Cause or Good Reason termination on or following the date of a Change of Control, timing of the payment will depend upon whether or not the employee is deemed to be a " specified employee " of the Company as defined by Section 409A(a)(2)(B)(i) of the Internal Revenue Code. If an employee is not a specified employee, then payment will occur as soon as administratively practicable (within 60 days) after the employee ' s termination date. If an employee qualifies as a specified employee, then payment will occur as soon as administratively practicable (within 60 days) after the date that is six months after the employee ' s termination date.

IV. You agree, as a condition of receiving the Award to pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, all Applicable Withholding Taxes with respect to the Award. Unless otherwise agreed, the Company will withhold from the Award shares sufficient to cover the minimum statutory amount of all Applicable Withholding Taxes.

V. This Award is not transferable by you except by will or by the laws of descent and distribution.

VI. In the event of changes in the capital structure of the Company, appropriate adjustments will be made according to the Plan.

VII. In consideration of the grant of this Award, you agree that you will comply with such lawful conditions as the Board of Directors or the Compensation Committee may impose on the Award, and will perform such duties as may be assigned from time to time by the Board of Directors or by the executive officers of the Company operating under the authority of the Board; provided, however, that the provisions of this sentence shall not be interpreted as affecting the right of the Company to terminate your employment at any time.

VIII. Until the PSUs are converted into actual shares of the Company ' s stock, your Award will not convey actual rights normally accruing to shareholders, including but not limited to the right to participate in shareholder votes or the right to receive dividends.

IX. The Award is intended to comply with all applicable requirements of Section 409A of the Internal Revenue Code and the terms hereof shall be interpreted consistent with such intent.

X. If the Company's financial statements are required to be restated at any time prior to the Vesting Date or within a two (2) year period following the Vesting Date as a result of material noncompliance of the Company with federal securities laws, the Committee may, in its discretion, based on the facts and circumstances surrounding the restatement, direct the Company to cancel without payment all or a portion of the PSUs granted to you under this agreement, or if shares with respect to such PSUs have already been issued, to recover all or a portion of the shares from you (or, if you have already sold or disposed of the shares, the value thereof), if the Committee determines that either (i) the PSUs would not have been earned or vested based on the restated financials or (ii) your misconduct contributed to the need for the restatement. Recovery of shares may be pursued in any manner the Committee deems appropriate, including (without limitation) reducing compensation otherwise payable to you or reducing or withholding future incentive awards or salary increases. The Company's right to cancel PSUs or recover issued shares or the value thereof shall be in addition to, and not in lieu of, any other rights or remedies the Company may have. In addition, this Award and any shares of Company common stock issued pursuant hereto shall be subject to any other compensation recoupment or clawback policy that is adopted by, or applicable to, the Company, pursuant to any requirement of law or any exchange listing requirement related to clawback or other recovery of compensation.

<u>This Award is not valid unless electronically accepted.</u>

Your electronic acceptance shall be deemed as your understanding and acceptance to the terms and conditions of this Award.

American Woodmark Corporation

Scott Culbreth
Chief Executive Officer

Agreed to

By: ____________________

Exhibit 10.1(c)

American Woodmark

%today%

Cultural-Based PSU Award

%fname% %lname%
%address1%
%city% %state% %zip%

Dear %fname%:

On %grantdate% (the “Award Date”), American Woodmark Corporation (the “Company”) granted to you an award of performance stock units (the “Award”). Your Award is subject to the terms set forth in this letter and in the American Woodmark Corporation 2023 Stock Incentive Plan (the “Plan”). A copy of the Plan will be furnished to you upon your request. Capitalized terms that are not defined in this letter shall have the meaning assigned to them under the Plan .

The terms of your Award are as follows:

I. In consideration of your agreements contained in this letter, the Company hereby grants you %optionsgranted% performance stock units (PSUs). Each PSU represents the right to receive one share of the voting common stock of the Company. Your Award is subject to vesting based on your continued employment through the third anniversary of the Award Date and the achievement of certain cultural goals for the period ending with the Company’s 2027 fiscal year (the “Cultural-Based PSUs”).

II. Your Cultural-Based PSU Award is subject to the following vesting terms and conditions :

A. You are eligible to earn Cultural-Based PSUs based on the Company’s performance with respect to two cultural measurements for the three-year period ending with the Company’s 2027 fiscal year. Each measurement has a performance rating - threshold, target or superior. The measurements and performance ratings will be determined within 90 days of the date of this letter. The Company’s performance with respect to these measurements will be assessed by the Compensation Committee (the “Committee”) following the end of the Company’s 2027 fiscal year. The Committee will determine the percentage (up to 100%) of the Cultural-Based PSUs that have been earned based on the Company’s performance. Any earned Cultural-Based PSUs will be subject to additional service-based vesting based on your continued employment through the third anniversary of the Award Date (the “Vesting Date”) as described in Section II.B. below. Any Cultural-Based PSUs that the Committee determines have not been earned will be forfeited as of the date of the Committee’s determination.

B. Any Cultural-Based PSUs that the Committee determines have been earned pursuant to Section II.A. above will vest on the Vesting Date. To be eligible to vest in any earned Cultural-Based PSUs, you must be an employee of the Company on the Vesting Date and must have maintained continuous employment from the Award Date through the Vesting Date. In the event your employment terminates at any time for any reason other than as provided in Section II.C. or Section II.D. below between the Award Date and the Vesting Date, all of your Cultural-Based PSUs (whether earned or unearned) will be forfeited.

C. In the event that, prior to the Vesting Date, your employment with the Company terminates due to your Retirement (including termination without Cause where you have satisfied the Retirement criteria set forth below), death, or Disability, then you will vest in a pro-rated portion of the Cultural-Based PSUs. If such termination occurs before the date on which the Committee completes its evaluation described in Section II.A. above, the number of vested Cultural-Based PSUs will be determined by dividing the number of days between the Award Date and your termination date by the number of days between the Award Date and the Vesting Date and multiplying the quotient by the target number of Cultural-Based PSUs. The target number of Cultural-Based PSUs is equal to 60% of the total number of Cultural-Based PSUs granted hereunder. If such termination occurs on or after the date on which the Committee completes its evaluation described in Section II.A. above, the number of vested Cultural-Based PSUs will be determined by dividing the number of days between the Award Date and your termination date by the number of days between the Award Date and the Vesting Date and multiplying the quotient by the number of Cultural-Based PSUs actually earned.

D. <u>Change of Control.</u> You will vest in 100% of the earned amount of any Cultural-Based PSUs if, at any time before the Vesting Date, a Change of Control occurs and on or after the date of the Change of Control, either (i) your employment with the Company or any successor of the Company or parent or other affiliate thereof is involuntarily terminated by the Company (or any such successor or parent or affiliate) without Cause or (ii) you voluntarily terminate your employment with the Company (or any such successor or parent or affiliate) for Good Reason. If such a termination occurs before the date on which the Committee has completed its evaluation pursuant to Section II.A. above, then all of the unearned Cultural-Based PSUs for such year shall be deemed to have been earned for purposes hereof.

E. <u>Certain Definitions.</u> For purposes of applying this Section II, the following terms shall have the following meanings:

- Cause: Your neglect of your duty which is not corrected after 90 days' written notice thereof; your misconduct, malfeasance, fraud or dishonesty which materially and adversely affects the Company or its reputation in the industry; or your conviction of, or plea of *nolo contendere* to, a felony or a crime involving moral turpitude.

- Disability: You become unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as determined by the Compensation Committee of the Company's Board of Directors in its reasonable discretion.

- Good Reason: The occurrence of any of the following conditions without your written consent: a reduction in your base salary; you are not in good faith considered for an annual cash bonus; you are not in good faith considered for other benefits that are afforded generally by the Company from time to time to its senior personnel; the relocation of your place of your employment to a location further than 50 miles from your current place of employment; or a substantial diminution in your working conditions or management responsibilities, other than on account of Disability.

- Retirement: Your employment with the Company terminates after you have attained both a) at least ten years of employment with the Company, and b) the age of 55.

F. <u>Adjustments.</u> The Committee may, in its sole discretion, make adjustments to the measurements and performance ratings or may reduce or increase the number of

Cultural-Based PSUs deemed earned to reflect any unusual or infrequent event, such as a major merger, acquisition or disposition involving the Company, that substantially impacts the level of difficulty of achieving the stated goals at the time the Award was granted.

III. Payment of any vested portion of your Award will be made in shares of the Company's common stock. The timing of such payment will be as follows:

A. For employees who are continuously employed by the Company through the Vesting Date, payment will occur on or as soon as administratively practicable (within 60 days) after the Vesting Date.

B. For employees whose employment terminates due to either 1) death or 2) Disability before the Vesting Date, payment will occur on as soon as administratively practicable (within 60 days) after the employee's termination date.

C. For employees whose employment terminates due to 1) Retirement (including involuntary termination without Cause after having satisfied the Retirement criteria set forth above), or 2) involuntary termination without Cause or Good Reason termination on or following the date of a Change of Control, timing of the payment will depend upon whether or not the employee is deemed to be a "specified employee" of the Company as defined by Section 409A(a)(2)(B)(i) of the Internal Revenue Code. If an employee is not a specified employee, then payment will occur as soon as administratively practicable (within 60 days) after the employee's termination date. If an employee qualifies as a specified employee, then payment will occur as soon as administratively practicable (within 60 days) after the date that is six months after the employee's termination date .

IV. You agree, as a condition of receiving the Award to pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, all Applicable Withholding Taxes with respect to the Award. Unless otherwise agreed, the Company will withhold from the Award shares sufficient to cover the minimum statutory amount of all Applicable Withholding Taxes.

V. This Award is not transferable by you except by will or by the laws of descent and distribution .

VI. In the event of changes in the capital structure of the Company, appropriate adjustments will be made according to the Plan.

VII. In consideration of the grant of this Award, you agree that you will comply with such lawful conditions as the Board of Directors or the Compensation Committee may impose on the Award, and will perform such duties as may be assigned from time to time by the Board of Directors or by the executive officers of the Company operating under the authority of the Board; provided, however, that the provisions of this sentence shall not be interpreted as affecting the right of the Company to terminate your employment at any time .

VIII. Until the PSUs are converted into actual shares of the Company's stock, your Award will not convey actual rights normally accruing to shareholders, including but not limited to the right to participate in shareholder votes or the right to receive dividends .

IX. The Award is intended to comply with all applicable requirements of Section 409A of the Internal Revenue Code and the terms hereof shall be interpreted consistent with such intent .

X. If the Company's financial statements are required to be restated at any time prior to the Vesting Date or within a two (2) year period following the Vesting Date as a result of material noncompliance of the Company with federal securities laws, the Committee may, in its discretion, based on the facts and circumstances surrounding the restatement, direct the Company to cancel without payment all or a portion of the PSUs granted to you under this agreement, or if shares with respect to such PSUs have already been issued, to recover all or a portion of the shares from you (or, if you have already sold or disposed of the shares, the value thereof), if the Committee determines that either (i) the PSUs would not have been earned or vested based on the restated financials or (ii) your misconduct contributed to the need for the restatement. Recovery of shares may be pursued in any manner the Committee deems appropriate, including (without limitation) reducing compensation otherwise payable to you or reducing or withholding future incentive awards or salary increases. The Company's right to cancel PSUs or recover issued shares or the value thereof shall be in addition to, and not in lieu of, any other rights or remedies the Company may have. In addition, this Award and any shares of Company common stock issued pursuant hereto shall be subject to any other compensation recoupment or clawback policy that is adopted by, or applicable to, the Company, pursuant to any requirement of law or any exchange listing requirement related to clawback or other recovery of compensation.

This Award is not valid unless electronically accepted.

Your electronic acceptance shall be deemed as your understanding and acceptance to the terms and conditions of this Award.

American Woodmark Corporation

Scott Culbreth
Chief Executive Officer

Agreed to

By: ____________________

Exhibit 31.1

CERTIFICATION UNDER SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

CERTIFICATION
I, M. Scott Culbreth, certify that:

1. I have reviewed this report on Form 10-Q of American Woodmark 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 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 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.

/s/ M. Scott Culbreth
M. Scott Culbreth
President and Chief Executive Officer
(Principal Executive Officer)
August 27, 2024

Exhibit 31.2

CERTIFICATION UNDER SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

CERTIFICATION

I, Paul Joachimczyk, certify that:

1. I have reviewed this report on Form 10-Q of American Woodmark 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 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 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.

/s/ Paul Joachimczyk
Paul Joachimczyk
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)
Date: August 27, 2024

Exhibit 32.1

CERTIFICATION

The undersigned hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-Q of American Woodmark Corporation (the "Company") for the quarter ended July 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 27, 2024	/s/ M. Scott Culbreth M. Scott Culbreth President and Chief Executive Officer (Principal Executive Officer)
Date: August 27, 2024	/s/ Paul Joachimczyk Paul Joachimczyk Senior Vice President and Chief Financial Officer (Principal Financial Officer)