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DELTA REPORT

10-Q

GFF - GRIFFON CORP

10-Q - DECEMBER 31, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1576
CHANGES	322
DELETIONS	545
ADDITIONS	709

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2024 December 31, 2024

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

For the transition period from to

Commission File Number: 1-06620

GRIFFON CORPORATION

(Exact name of registrant as specified in its charter)

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

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

(212) 957-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.25 par value	GFF	New York Stock Exchange

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer", "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

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

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

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

The number of shares of common stock outstanding at **July 31, 2024** **January 31, 2025** was 49,263,240. 47,530,099.

Griffon Corporation and Subsidiaries

Contents

Part I – Financial Information
Item 1 – Financial Statements

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

(Unaudited)

	June 30, 2024	September 30, 2023	December 31, 2024	September 30, 2024
CURRENT ASSETS	**CURRENT ASSETS**		**CURRENT ASSETS**	
Cash and equivalents				
Accounts receivable, net of allowances of $11,009 and $11,264				
Accounts receivable, net of allowances of $11,766 and $10,986				
Inventories				
Inventories				
Inventories				
Prepaid and other current assets				
Assets held for sale				

Assets of discontinued operations			
Total Current Assets			
PROPERTY, PLANT AND EQUIPMENT, net			
OPERATING LEASE RIGHT-OF-USE ASSETS			
GOODWILL			
INTANGIBLE ASSETS, net			
OTHER ASSETS			
ASSETS OF DISCONTINUED OPERATIONS			
Total Assets			
CURRENT LIABILITIES			
CURRENT LIABILITIES			
CURRENT LIABILITIES			
Notes payable and current portion of long-term debt			
Accounts payable			
Accrued liabilities			
Current portion of operating lease liabilities			
Liabilities of discontinued operations			
Liabilities of discontinued operations			
Liabilities of discontinued operations			
Total Current Liabilities			
LONG-TERM DEBT, net			
LONG-TERM OPERATING LEASE LIABILITIES			
OTHER LIABILITIES			
LIABILITIES OF DISCONTINUED OPERATIONS			
Total Liabilities			
COMMITMENTS AND CONTINGENCIES - See Note 22	**COMMITMENTS AND CONTINGENCIES - See Note 22**		**COMMITMENTS AND CONTINGENCIES - See Note 22**
SHAREHOLDERS' EQUITY	**SHAREHOLDERS' EQUITY**		**SHAREHOLDERS' EQUITY**
Total Shareholders' Equity			
Total Liabilities and Shareholders' Equity			

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

GRIFFON CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
For the Three and Nine Months Ended June 30, 2024 December 31, 2024 and 2023
(Unaudited)

	COMMON STOCK									
(in thousands)										
(in thousands)										
(in thousands)	SHARES	PAR VALUE	SHARES	COST	TOTAL	SHARES	PAR VALUE	SHARES	COST	TOTAL
Balance at September 30, 2023										
Net income										
Dividend										
Dividend										
Dividend										
Shares withheld on employee taxes on vested equity awards										
Amortization of deferred compensation										
Common stock acquired including excise taxes										
Common stock acquired including excise taxes										

Common stock acquired including excise taxes
Equity awards granted, net
ESOP allocation of common stock
ESOP allocation of common stock
ESOP allocation of common stock
Stock-based compensation
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Balance at December 31, 2023
Net income
Dividend
Dividend
Dividend
Shares withheld on employee taxes on vested equity awards
Amortization of deferred compensation
Common stock acquired including excise taxes
Common stock acquired including excise taxes
Common stock acquired including excise taxes
Equity awards granted, net
ESOP allocation of common stock
ESOP allocation of common stock
ESOP allocation of common stock
Stock-based compensation
SEC filing fees
SEC filing fees
SEC filing fees
Other comprehensive loss, net of tax
Balance at March 31, 2024
Net income
Dividend
Dividend
Dividend
Amortization of deferred compensation
Amortization of deferred compensation
Amortization of deferred compensation
Common stock acquired including excise taxes
Common stock acquired including excise taxes
Common stock acquired including excise taxes
ESOP allocation of common stock including excise taxes
ESOP allocation of common stock including excise taxes
Balance at September 30, 2024
Balance at September 30, 2024
Balance at September 30, 2024
Net income
Dividend
Shares withheld on employee taxes on vested equity awards
Amortization of deferred compensation
Common stock acquired including excise taxes
Equity awards granted, net
ESOP allocation of common stock including excise taxes

Stock-based compensation
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Balance at June 30, 2024
Balance at December 31, 2024

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

(in thousands)
(in thousands)
(in thousands)
Balance at September 30, 2022
Balance at September 30, 2022
Balance at September 30, 2022
Balance at September 30, 2023
Balance at September 30, 2023
Balance at September 30, 2023
Net income
Net income
Net income
Dividend
Dividend
Dividend
Shares withheld on employee taxes on vested equity awards
Shares withheld on employee taxes on vested equity awards
Shares withheld on employee taxes on vested equity awards
Amortization of deferred compensation
Amortization of deferred compensation
Amortization of deferred compensation
Common stock acquired including excise taxes
Common stock acquired including excise taxes
Common stock acquired including excise taxes
Equity awards granted, net
Equity awards granted, net
Equity awards granted, net
ESOP allocation of common stock
ESOP allocation of common stock
ESOP allocation of common stock
Stock-based compensation
Stock-based compensation
Stock-based compensation
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Balance at December 31, 2022
Balance at December 31, 2022

Balance at December 31, 2022
Net loss
Net loss
Net loss
Dividend
Dividend
Dividend
Shares withheld on employee taxes on vested equity awards
Shares withheld on employee taxes on vested equity awards
Shares withheld on employee taxes on vested equity awards
Amortization of deferred compensation
Amortization of deferred compensation
Amortization of deferred compensation
Equity awards granted, net
Equity awards granted, net
Equity awards granted, net
ESOP allocation of common stock
ESOP allocation of common stock
ESOP allocation of common stock
Stock-based compensation
Stock-based compensation
Stock-based compensation
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Balance at March 31, 2023
Balance at March 31, 2023
Balance at March 31, 2023
Net income
Net income
Net income
Dividend
Dividend
Dividend
Amortization of deferred compensation
Amortization of deferred compensation
Amortization of deferred compensation
Common stock acquired
Common stock acquired
Common stock acquired
ESOP allocation of common stock
ESOP allocation of common stock
ESOP allocation of common stock
Stock-based compensation
Stock-based compensation
Stock-based compensation
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Other comprehensive income, net of tax
Balance at June 30, 2023
Balance at June 30, 2023

Balance at June 30, 2023
Balance at December 31, 2023
Balance at December 31, 2023
Balance at December 31, 2023

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

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

	Three Months Ended June 30,		Nine Months Ended June 30,		Three Months Ended December 31,	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Revenue						
Cost of goods and services						
Gross profit						
Selling, general and administrative expenses						
Selling, general and administrative expenses						
Selling, general and administrative expenses						
Intangible asset impairment						
Total operating expenses						
Income from operations						
Income from operations						
Income from operations						
Other income (expense)						
Other income (expense)						
Other income (expense)						
Interest expense						
Interest income						
Gain (loss) on sale of buildings						
Loss from debt extinguishment						
Gain on sale of real estate						
Other, net						
Other, net						
Other, net						
Total other expense, net						
Income before taxes						
Income before taxes						
Income before taxes						
Provision for income taxes						
Net income						
Net income						
Net income						
Basic earnings per common share						
Basic earnings per common share						
Basic earnings per common share						
Basic weighted-average shares outstanding						
Basic weighted-average shares outstanding						

Basic weighted-average shares outstanding				
Diluted earnings per common share				
Diluted earnings per common share				
Diluted earnings per common share				
Diluted weighted-average shares outstanding				
Diluted weighted-average shares outstanding				
Diluted weighted-average shares outstanding				
Dividends paid per common share				
Dividends paid per common share				
Dividends paid per common share				
Net income				
Net income				
Net income				
Other comprehensive income (loss), net of taxes:	Other comprehensive income (loss), net of taxes:		Other comprehensive income (loss), net of taxes:	
Foreign currency translation adjustments				
Pension and other post retirement plans				
Change in cash flow hedges				
Total other comprehensive income (loss), net of taxes				
Total other comprehensive income (loss), net of taxes				
Total other comprehensive income (loss), net of taxes				
Comprehensive income, net				

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

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

		Nine Months Ended June 30,		Three Months Ended December 31,		
		2024	2023		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:	CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income						
Adjustments to reconcile net income to net cash provided by operating activities:						
Adjustments to reconcile net income to net cash provided by operating activities:						
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and amortization						
Depreciation and amortization						
Depreciation and amortization						
Stock-based compensation						
Intangible asset impairments						
Asset impairment charges - restructuring						
Asset impairment charges - restructuring						
Asset impairment charges - restructuring						
Provision for losses on accounts receivable						
Amortization of debt discounts and issuance costs						
Loss from debt extinguishment						
Deferred income tax benefit						
Deferred income tax benefit						

Deferred income tax benefit
Gain on sale of assets and investments
Loss (gain) on sale of assets and investments
Loss (gain) on sale of assets and investments
Loss (gain) on sale of assets and investments
Gain on sale of real estate

Change in assets and liabilities:

Change in assets and liabilities:

Change in assets and liabilities:
Change in assets and liabilities:
(Increase) decrease in accounts receivable
Decrease in inventories
(Increase) decrease in prepaid and other assets
Increase (decrease) in accounts payable, accrued liabilities, income taxes payable and operating lease liabilities
Decrease in accounts receivable
(Increase) decrease in inventories
Increase in prepaid and other assets
Increase in accounts payable, accrued liabilities, income taxes payable and operating lease liabilities
Other changes, net
Net cash provided by operating activities
CASH FLOWS FROM INVESTING ACTIVITIES:
CASH FLOWS FROM INVESTING ACTIVITIES:

CASH FLOWS FROM INVESTING ACTIVITIES:

CASH FLOWS FROM INVESTING ACTIVITIES:
Acquisition of property, plant and equipment
Payments related to sale of business
Payments related to sale of business
Payments related to sale of business
Proceeds from the sale of property, plant and equipment
Proceeds from the sale of property, plant and equipment
Proceeds from the sale of property, plant and equipment
Net cash used in investing activities
Net cash used in investing activities
Net cash used in investing activities
CASH FLOWS FROM FINANCING ACTIVITIES:
CASH FLOWS FROM FINANCING ACTIVITIES:

CASH FLOWS FROM FINANCING ACTIVITIES:

CASH FLOWS FROM FINANCING ACTIVITIES:
Dividends paid
Dividends paid
Dividends paid
Purchase of shares for treasury
Proceeds from long-term debt
Payments of long-term debt
Financing costs
Financing costs
Financing costs
Other, net
Other, net
Other, net

Net cash used in financing activities	
CASH FLOWS FROM DISCONTINUED OPERATIONS:	
Net cash used in operating activities	
Net cash used in discontinued operations	
Net cash used in discontinued operations	
Net cash used in discontinued operations	
Effect of exchange rate changes on cash and equivalents	
NET INCREASE IN CASH AND EQUIVALENTS	
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	
CASH AND EQUIVALENTS AT END OF PERIOD	
Supplemental Disclosure of Non-Cash Flow Information:	
Capital expenditures in accounts payable	
Capital expenditures in accounts payable	
Capital expenditures in accounts payable	

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

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

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

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

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

(Unaudited)

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

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

About Griffon Corporation

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

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

Griffon conducts its operations through two reportable segments:

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

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

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information, and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, these financial statements do not include all the information and footnotes required by US GAAP for complete financial statements. As such, they should be read together with Griffon's Annual Report on Form 10-K for the fiscal year ended September 30, 2023 September 30, 2024, which provides a more complete explanation of Griffon's accounting policies, financial position, operating results, business, properties and other matters. In the opinion of management, these financial statements reflect all adjustments considered necessary for a fair statement of interim results. Griffon's businesses are seasonal; for this and other reasons, the financial results of the Company for any interim period are not necessarily indicative of the results for the full year.

The Condensed Consolidated Balance Sheet information at September 30, 2023 September 30, 2024 was derived from the audited financial statements included in Griffon's Annual Report on Form 10-K for the year ended September 30, 2023 September 30, 2024.

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

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. These estimates may be adjusted due to changes in economic, industry or customer financial conditions, as well as changes in technology or demand. Significant estimates include expected loss allowances for credit losses and returns, net realizable value of inventories, restructuring reserves, valuation of goodwill and intangible assets, assumptions associated with pension benefit obligations and income or

expenses, useful lives associated with depreciation and amortization of intangible and fixed assets, warranty reserves, sales incentive accruals, assumptions associated with stock based compensation valuation, income taxes and tax valuation reserves, environmental reserves, legal reserves, insurance reserves, the valuation of assets and liabilities of discontinued operations and the accompanying disclosures. These estimates are based on management's best knowledge of current events and actions Griffon may undertake in the future. Actual results may ultimately differ from these estimates.

NOTE 2 – FAIR VALUE MEASUREMENTS

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

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

- Level 1 inputs are measured and recorded at fair value based upon quoted prices in active markets for identical assets.

- Level 2 inputs include inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of assets or liabilities.

- Level 3 inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

On June 30, 2024 December 31, 2024, the fair values of Griffon's 2028 Senior Notes and Term Loan B facility approximated $940,658 $950,406 and $459,000, $457,275, respectively. Fair values were based upon quoted market prices (level 1 inputs).

Insurance contracts with values of $4,794 $4,858 at June 30, 2024 December 31, 2024 are measured and recorded at fair value based upon quoted prices in active markets for similar assets (level 2 inputs) and are included in Prepaid and other current assets and $634 is included in other assets on the Condensed Consolidated Balance Sheets.

Items Measured at Fair Value on a Recurring Basis

In the normal course of business, Griffon's operations are exposed to the effects of changes in foreign currency exchange rates related to inventory purchases. To manage these risks, Griffon may enter into various derivative contracts such as foreign currency exchange contracts, including forwards and options. As of June 30, 2024 December 31, 2024, Griffon entered into several such contracts in order to lock into a foreign currency rate for planned settlements of trade liabilities payable in U.S. Dollars.

At June 30, 2024 December 31, 2024, Griffon had $18,500 $43,500 of Australian Dollar contracts at a weighted average rate of $1.47 which qualified for hedge accounting (Level 2 inputs). These hedges were all deemed effective as cash flow hedges with gains and losses related to changes in fair value deferred and recorded in Accumulated other comprehensive income (loss) ("AOCI") and Prepaid and other current assets, or Accrued liabilities, until settlement. Upon settlement, gains and losses are recognized in the Consolidated Statements of Operations and Comprehensive Income (Loss) in Cost of goods and services ("COGS"). AOCI included deferred gains of $424 $3,844 ($297, 2,690, net of tax) at June 30, 2024 December 31, 2024. Upon settlement, gains of $501 and $811 $955 were recorded in COGS during the three months and nine months ended June 30, 2024 December 31, 2024. All contracts expire in 30 to 90 150 days.

At June 30, 2024 December 31, 2024, Griffon had $30,000 $33,500 of Chinese Yuan contracts at a weighted average rate of $7.10 $7.08 which qualified for hedge accounting (level 2 inputs). These hedges were all deemed effective as cash flow hedges with gains and losses related to changes in fair value deferred and recorded in AOCI and Prepaid and other current assets, or Accrued liabilities, until

settlement. Upon settlement, gains and losses are recognized in the Consolidated Statements of Operations and Comprehensive Income (Loss) in COGS. AOCI included deferred losses of $625 $1,043 ($457, 762, net of tax) at June 30, 2024 December 31, 2024. Upon settlement, losses of $571 and $1,771 $220 were recorded in COGS during the three months and nine months ended June 30, 2024 December 31, 2024. All contracts expire in 3 to 274 304 days.

At June 30, 2024 December 31, 2024, Griffon had $9,595 $10,335 of Canadian Dollar contracts at a weighted average rate of $1.36. $1.35. The contracts, which protect Canadian operations from currency fluctuations for U.S. Dollar based purchases, do not qualify for hedge accounting. For the three and nine months ended June 30, 2024 December 31, 2024, fair value gains (losses) of $31 and $(34), respectively, $242 were recorded to Other liabilities and to Other income for the outstanding contracts, based on similar contract values (level 2 inputs). Realized gains of $53 and $79 $46 were recorded in Other income during the three months and nine months ended June 30, 2024 December 31, 2024 for all settled contracts. All contracts expire in 30 to 449 269 days.

NOTE 3 – REVENUE

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

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

For a complete explanation of Griffon's revenue accounting policies, this note should be read in conjunction with Griffon's Annual Report on Form 10-K for the year ended September 30, 2023 September 30, 2024. See Note 13 - Business Reportable Segments for revenue from contracts with customers disaggregated by end markets, segments and geographic location.

NOTE 4 – ACQUISITIONS

Griffon continually evaluates potential acquisitions that either strategically fit within its portfolio or expand its portfolio into new product lines or adjacent markets. Operating Griffon has completed a number of acquisitions that have been accounted for as business combinations, in which assets acquired and liabilities assumed are recorded at fair value as of the date of acquisition and have resulted in the recognition of goodwill. The operating results of business acquisitions are included in Griffon's consolidated financial statements from the date of acquisition.

On July 1, 2024, Griffon announced that its subsidiary, The AMES Companies, Inc., ("AMES") acquired expanded the scope of its Australian operations by acquiring substantially all of the assets of Pope, a leading Australian provider of residential watering products, from the Toro Company (NYSE:TTC) for a purchase price of approximately AUD 22,000 21,800 (approximately $14,600 USD). This is CPP's seventh acquisition $14,500) in Australia since 2013, cash. The purchase price was preliminarily allocated to inventory of AUD 16,581 (approximately $11,051), goodwill of AUD 2,225 (approximately $1,483) and further expands AMES's product portfolio in the Australian market. Due acquired intangibles, net of deferred taxes, of AUD 2,940 (approximately $1,960), which was assigned to the limited time since the date of the acquisition, the purchase price allocation remains preliminary. CPP segment, and is not deductible for income tax purposes.

NOTE 5 – INVENTORIES

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

The following table details the components of inventory:

	At June 30, 2024	At September 30, 2023
	At December 31, 2024	**At September 30, 2024**
Raw materials and supplies		
Work in process		
Finished goods		
Total		

In connection with the Company's restructuring activities described in Note 17, Restructuring Charges, during the nine three months ended June 30, 2024 December 31, 2023, CPP recorded an inventory impairment charge charges of $22,979 $8,482 to adjust inventory to its net realizable value. There were no impairment charges recorded during the three months ended December 31, 2024.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

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

		At June 30, 2024	At September 30, 2023
		At December 31, 2024	**At September 30, 2024**
Land, building and building improvements			
Machinery and equipment			
Leasehold improvements			
	646,510		
	666,519		
Accumulated depreciation			
Total			

Depreciation and amortization expense for property, plant and equipment was $9,389 $9,850 and $10,000 $9,267 for the quarters ended June 30, 2024 and 2023, respectively, and $28,155 and $33,090 for the nine months ended June 30, 2024 December 31, 2024 and 2023, respectively. Depreciation and amortization included in Selling, general and administrative ("SG&A") expenses was $4,124 $4,334 and $4,404 $3,999 for the quarters ended June 30, 2024 and 2023, respectively, and $12,218 and $13,289 for the nine months ended June 30, 2024 December 31, 2024 and 2023, respectively. Remaining components of depreciation and amortization, attributable to manufacturing operations, are included in Cost of goods and services.

In connection with the expansion of CPP's global sourcing strategy announced on May 3, 2023, certain owned manufacturing locations which ceased operations have met the criteria to be classified as held for sale as of June 30, 2024 December 31, 2024. The net book value of these properties as of June 30, 2024 December 31, 2024 and September 30, 2024 totaled $14,747. $5,559 and $14,532, respectively.

Except as described in Note 17, Restructuring charges,

During the three months ended December 31, 2024, no event or indicator of impairment occurred during the nine months ended June 30, 2024 which would require additional impairment testing of property, plant and equipment.

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NOTE 7 – CREDIT LOSSES

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

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

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

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

		Nine months ended June 30,		Three months ended December 31,	
	2024	2024	2023	2024	2023
Beginning Balance, October 1					
Provision for expected credit losses					
Provision for expected credit losses					
Provision for expected credit losses					
Amounts written off charged against the allowance					
Other, primarily foreign currency translation					
Ending Balance, June 30					
Ending Balance, December 31					

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NOTE 8 – GOODWILL AND OTHER INTANGIBLES

Indicators of impairment were not present for any of Griffon's reporting units during the nine three months ended June 30, 2024. December 31, 2024 and 2023, respectively. The following table provides a summary of the carrying value of goodwill by segment as of September 30, 2023 December 31, 2024 and June 30, 2024 September 30, 2024, as follows:

Home and Building Products	$	191,253
Consumer and Professional Products		136,611 138,140
Total	$	327,864 329,393

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

	At June 30, 2024			At September 30, 2023	At December 31, 2024			At September 30, 2024		
	Gross Carrying Amount	Accumulated Amortization	Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Average Life (Years)	Gross Carrying Amount	Accumulated Amortization
Customer relationships & other										
Technology and patents										
Total amortizable intangible assets										
Trademarks										

Total intangible assets

The gross carrying amount of intangible assets was impacted by $624 $5,920 related to favorable unfavorable foreign currency translation.

Amortization expense for intangible assets was $5,858 $5,764 and $5,669 $5,556 for the quarters ended June 30, 2024 and 2023, respectively, and $16,995 and $16,946 for the nine months ended June 30, 2024 December 31, 2024 and 2023, respectively. Amortization expense for the remainder of 2024 2025 and the next five fiscal years and thereafter, based on current intangible balances and classifications, is estimated as follows: remaining in 2024 - $5,179; 2025 - $22,174; $16,944; 2026 - $22,174; $22,107; 2027 - $22,174; $22,107; 2028 - $22,174; $22,107; 2029 - $21,353; $22,107; 2030 - $22,107; thereafter $214,455. $191,726.

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NOTE 9 – INCOME TAXES

During the quarter ended June 30, 2024 December 31, 2024, the Company recognized a tax provision of $19,923 $26,569 on income before taxes of $61,009, $97,420, compared to a tax provision of $29,248 $17,965 on income before taxes of $78,453 $60,142 in the prior year quarter. The current year quarter results included restructuring charges of $18,688 ($13,991, net of tax); strategic review costs - retention and other of $1,870 $1,651 ($1,390, 1,215, net of tax); loss gain on debt extinguishment sale of $1,700 real estate of $7,974 ($1,292, 5,943, net of tax); loss and discrete and certain other tax benefits, net, that affect comparability of $250. The prior year quarter results included strategic review costs - retention and other of $4,658 ($3,500, net of tax); restructuring charges of $12,400 ($9,213, net of tax); gain on sale of buildings real estate of $725 $547 ($520, 406 net of tax); and discrete and certain other tax provisions, net, that affect comparability of $2,247. The prior year quarter results included strategic review costs - retention and other of $5,812 ($4,378, net of tax); restructuring charges of $3,862 ($2,831, net of tax); special dividend Employee Stock Ownership Plan ("ESOP") charges of $9,042 ($6,936, net of tax); proxy expenses of $568 ($435, net of tax); and discrete and certain other tax provisions, net, that affect comparability of $6,519. $783. Excluding these items, the effective tax rates for the quarters ended June 30, 2024 December 31, 2024 and 2023 were 27.9% 27.7% and 28.1% 27.9%, respectively.

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

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NOTE 10 – LONG-TERM DEBT

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

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

Debt at December 31, 2024 and September 30, 2024 consisted of the following:

		At December 31, 2024					At September 30, 2024				
		Outstanding Balance	Original Issuer Premium/(Discount)	Capitalized Fees & Expenses	Balance Sheet	Coupon Interest Rate	Outstanding Balance	Original Issuer Premium/(Discount)	Capitalized Fees & Expenses	Balance Sheet	Coupon Interest Rate
Senior notes due 2028	(a)	$ 974,775	$ 157	(6,395)	$ 968,537	5.75 %	$ 974,775	$ 169	$ (6,900)	$ 968,044	5.75 %
Term Loan B due 2029	(b)	455,000	(565)	(5,107)	449,328	Variable	457,000	(599)	(5,420)	450,981	Variable
Revolver due 2028	(b)	59,500	—	(2,673)	56,827	Variable	107,500	—	(2,859)	104,641	Variable
Non US lines of credit	(c)	—	—	(21)	(21)	Variable	—	—	(2)	(2)	Variable
Other long term debt	(d)	361	—	—	361	Variable	410	—	(22)	388	Variable
Totals		1,489,636	(408)	(14,196)	1,475,032		1,539,685	(430)	(15,203)	1,524,052	
less: Current portion		(8,143)	—	—	(8,143)		(8,155)	—	—	(8,155)	
Long-term debt		$ 1,481,493	$ (408)	$ (14,196)	$ 1,466,889		$ 1,531,530	$ (430)	$ (15,203)	$ 1,515,897	

Interest expense for the three months ended December 31, 2024 and 2023 consists of the following:

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	Nine Months Ended June 30, 2024				Nine Months Ended June 30, 2023			Three Months Ended December 31, 2024				Three Months Ended December 31, 2023					
	Effective Interest Rate	Cash Interest	Amort. Debt (Premium)/Discount	Amort. Debt Issuance Costs & Other Fees	Total Interest Expense	Effective Interest Rate	Cash Interest	Amort. Debt (Premium)/Discount	Amort. Debt Issuance Costs & Other Fees	Total Interest Expense	Effective Interest Rate	Cash Interest	Amort. Debt (Premium)/Discount	Amort. Debt Issuance Costs & Other Fees	Total Interest Expense	Effective Interest Rate	Ca Inte
Senior notes due 2028																	
Term Loan B due 2029																	
Revolver due 2028																	
Finance lease - real estate																	

Non US lines of credit
Other long term debt
Other long term debt
Other long term debt
Capitalized interest
Totals

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(a) During 2020, Griffon issued, at par, $1,000,000 of 5.75% Senior Notes due 2028 (the “2028 Senior Notes”). Proceeds from the 2028 Senior Notes were used to redeem $1,000,000 of 5.25% Senior Notes due in 2022. In connection with the issuance and exchange of the 2028 Senior Notes, Griffon capitalized $16,448 of underwriting fees and other expenses incurred, which is being amortized over the term of such notes. During 2022, Griffon purchased $25,225 of 2028 Senior Notes in the open market at a weighted average discount of 91.82% of par, or $23,161. As of June 30, 2024 December 31, 2024, outstanding 2028 Senior Notes due totaled $974,775; interest is payable semi-annually on March 1 and September 1.

The 2028 Senior Notes are senior unsecured obligations of Griffon guaranteed by certain domestic subsidiaries, and subject to certain covenants, limitations and restrictions. The 2028 Senior Notes were registered under the Securities Act of 1933, as amended (the "Securities Act") via an exchange offer. The fair value of the 2028 Senior Notes approximated $940,658 $950,406 on June 30, 2024 December 31, 2024 based upon quoted market prices (Level 1 inputs). At June 30, 2024 December 31, 2024, $7,405 $6,395 of underwriting fees and other expenses incurred remained to be amortized.

(b) On January 24, 2022, Griffon amended and restated its Credit Agreement (the "Credit Agreement") to provide for a new $800,000 Term Loan B facility, due January 24, 2029, in addition to the revolving credit facility (the "Revolver") provided for under the Credit Agreement. The Term Loan B facility was issued at 99.75% of par value. Since that time, during 2023 and 2022, Griffon prepaid $25,000 and $300,000, respectively, aggregate principal amount of the Term Loan B, which permanently reduced the outstanding balance. In connection with the prepayment of the Term Loan B, Griffon recognized charges of $437 and $6,296 on the prepayment of debt in 2023 and 2022, respectively. The charges were comprised of write-offs of unamortized debt issuance costs of $386 and $5,575 for 2023 and 2022, respectively, and the original issue discount of $51 and $721 for 2023 and 2022, respectively. As of June 30, 2024 December 31, 2024, the Term Loan B outstanding balance was $459,000. $455,000.

On June 26, 2024, Griffon further amended its Credit Agreement to favorably reprice the Term Loan B facility. The amendment reduced the margin above SOFR Secured Overnight Financing Rate ("SOFR") by 0.25%, eliminated the credit spread adjustment and reduced the SOFR floor from 0.50% to 0%. Furthermore, the amendment stipulates that if Griffon prepays all or a portion of the Term Loan B within six months of the amendment date, Griffon will be required to pay a premium equal to 1% of the amount prepaid. In connection with the amendment, Griffon recognized a $1,700 loss on debt extinguishment in the Company's Condensed Consolidated Statements of Operations, primarily consisting of the write-off of unamortized debt issuance costs and original issue discount related to portions of the Term Loan B facility that were repaid and then reborrowed from new lenders. At June 30, 2024 December 31, 2024, unamortized costs of $5,733 $5,107 related to existing and new Term Loan B facility lenders will continue to be amortized over the term of the loan.

Prior to the amendment, the Term Loan B bore interest at the Term SOFR rate plus a credit spread adjustment with a floor of 0.50% and a spread of 2.50%. Effective June 26, 2024 the The Term Loan B bears interest at the Term SOFR rate plus a spread of 2.25% (7.59% (6.58% as of June 30, 2024 December 31, 2024).
The Term Loan B facility continues to require nominal quarterly principal payments of $2,000, potential additional annual principal payments based on a percentage of excess cash flow and certain secured leverage thresholds starting with the fiscal year ended September 30, 2023; and a final balloon payment due at maturity. At September 30, 2023, Griffon's secured leverage remained below the threshold set forth in the Credit Agreement that would, if exceeded, require Griffon to make an additional payment, and therefore no additional annual principal payment was required. Term Loan B borrowings may generally be repaid without penalty but penalty. Once repaid, Term Loan B borrowings may not be re-borrowed, subject to a prepayment premium of 1.0% in connection with the above repricing transaction within the six months following the closing date of June 26, 2024. reborrowed. The Term Loan B facility is subject to the same affirmative and negative covenants that apply to the Revolver (as described below), but is not subject to any financial maintenance covenants. Term Loan B borrowings are secured by the same collateral that secures borrowings under the Revolver, on an equal and ratable basis. The fair value of the Term Loan B facility approximated $459,000 $457,275 on June 30, 2024 December 31, 2024 based upon quoted market prices (Level 1 inputs).

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

Borrowings under the Revolver may be repaid and re-borrowed at any time. Interest is payable on borrowings at either a Secured Overnight Financing Rate ("SOFR"), SOFR, Sterling Overnight Index Average ("SONIA") or base rate benchmark rate, plus an applicable margin, which adjusts based on financial performance. Griffon's SOFR loans accrue interest at Term SOFR plus a credit adjustment spread and a margin of 2.00% (7.44% (6.43% at June 30, 2024 December 31, 2024); SONIA loans accrue interest at SONIA Base Rate plus a credit adjustment spread and a margin of 2.00% (7.23% (6.73% at June 30, 2024 December 31, 2024); and base rate loans accrue interest at prime rate plus a margin of 1.00% (9.50% (8.50% at June 30, 2024 December 31, 2024).

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At June 30, 2024 December 31, 2024, under the Credit Agreement, there were $90,000 $59,500 in outstanding borrowings under on the Revolver; outstanding standby letters of credit were $12,935; $12,990; and $397,065 $427,510 was available, subject to certain loan covenants, for borrowing at that date.

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

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

(d) In November 2012, Garant G.P. ("Garant"), a Griffon wholly owned subsidiary, entered into a CAD 15,000 revolving credit facility. Effective in December 2023, the facility was amended to replace the Canadian Dollar Offer Rate ("CDOR") with the Canadian Overnight Repo Rate Average ("CORRA"). The facility accrues interest at CORRA or the Canadian Bankers Acceptance Rate plus 1.3% per annum (6.04% using CORRA and 6.02% using the Canadian Bankers Acceptance Rate (4.60% as of June 30, 2024 December 31, 2024). The revolving facility matures matured in December 2024, but is renewable upon mutual agreement with the lender. 2024. In January 2025, Garant entered into a new CAD 20,000 revolving credit facility. The facility accrues interest at CORRA plus a credit adjustment spread and margin of 1.2%. Garant is required to maintain a certain minimum equity. At June 30, 2024, there were no outstanding borrowings under the revolving credit facility with CAD 15,000 ($10,955 as of June 30, 2024) available.

During 2023, Griffon Australia Holdings Pty Ltd and its Australian subsidiaries (collectively, "Griffon Australia") amended its AUD 15,000 receivable purchase facility to AUD 30,000. The receivable purchase facility was renewed in 2024 and now matures in March 2025, but is renewable upon mutual agreement with the lender. The receivable purchase facility accrues interest at BBSY (Bank Bank Bill Swap Rate) Rate plus 1.25% per annum (5.56% (5.57% at June 30, 2024 December 31, 2024). At June 30, 2024 December 31, 2024, there was no balance outstanding under the receivable purchase facility with AUD 30,000 ($19,965 18,645 as of June 30, 2024 December 31, 2024) available. The receivable purchase facility is secured by substantially all of the assets of Griffon Australia and its subsidiaries. Griffon Australia is required to maintain a certain minimum equity level.

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

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

At June 30, 2024 December 31, 2024, Griffon and its subsidiaries were in compliance with the terms and covenants of all its credit and loan agreements.

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NOTE 11 — SHAREHOLDERS' EQUITY AND EQUITY COMPENSATION

During the nine three months ended June 30, 2024 December 31, 2024, the Company paid three a quarterly cash dividend of $0.18 per share. During fiscal year 2024, the Company paid four quarterly cash dividends of $0.15 per share each. During the nine months ended June 30, 2023, the Company paid three quarterly cash dividends consisting of two cash dividends of $0.10 per share and one cash dividend of $0.125 per share. Additionally, on April 19, 2023, the Board of Directors declared a special cash dividend of $2.00 per share, paid on May 19, 2023, to shareholders of record as of the close of business on May 9, 2023.

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

The ESOP was frozen as of September 30, 2024; this means that, for plan years after this date, no additional employees will become participants under the ESOP and no new voluntary contributions will be made to the ESOP. Prior to this date, the Company's U.S. employees who were not members of a collective bargaining agreement and met certain eligibility requirements became participants in the ESOP. During the three months ended December 31, 2024 the final loan payment was made by the ESOP to the Company and compensation expense for the period was fully offset by dividends paid. As of December 31, 2024 there were 4,166,038 shares of common stock in the ESOP, all of which were allocated to participant accounts.

On August 6, 2024 February 4, 2025, the Board of Directors declared a quarterly cash dividend of $0.15 $0.18 per share, payable on September 19, 2024 March 18, 2025 to shareholders of record as of the close of business on August 28, 2024 February 25, 2025.

On January 29, 2016, shareholders approved the Griffon Corporation 2016 Equity Incentive Plan (the "Original Incentive Plan") pursuant to which, among other things, awards of performance shares, performance units, stock options, stock appreciation rights, restricted shares, restricted stock units, deferred shares and other stock-based awards may be granted. On January 31, 2018, shareholders approved Amendment No. 1 to the Original Incentive Plan pursuant to which, among other things, 1,000,000 shares were added to the Original Incentive Plan; on January 30, 2020, shareholders approved Amendment No. 2 to the Original Incentive Plan, pursuant to which 1,700,000 shares were added to the Original Incentive Plan; on February 17, 2022, shareholders approved the Amended and Restated 2016 Equity Incentive Plan (the "Amended Incentive Plan"), which amended and restated the Original Incentive Plan and pursuant to which, among other things, 1,200,000 shares were added to the Original Incentive Plan; and on March 20, 2024, shareholders approved an amendment to add 2,600,000 shares to the Amended Incentive Plan. Options granted under the Amended Incentive Plan may be either "incentive stock options" or nonqualified stock options, generally expire ten years after the date of grant and are granted at an exercise price of not less than 100% of the fair market value at the date of grant. The maximum number of shares of common stock available for award under the Amended Incentive Plan is 8,850,000 (600,000 of which may be issued as incentive stock options), plus (i) any shares that were reserved for issuance under the Original Incentive Plan as of the effective date of the Original Incentive Plan, and (ii) any shares underlying awards outstanding on such date under the 2011 Incentive Plan that were subsequently canceled or forfeited. As of June 30, 2024 December 31, 2024, there were 2,377,532 1,893,099 shares available for grant.

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

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

			For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	For the Three Months Ended December 31,					
	For the Three Months Ended December 31,					
	For the Three Months Ended December 31,					
	2024					
	2024					
	2024		2024	2023	2024	2023
Restricted stock						
ESOP (1)						
Restricted stock						
Restricted stock						
ESOP1						
ESOP1						

ESOP[1]
Total stock-based compensation
Total stock-based compensation
Total stock-based compensation

(1) 1. During both the quarter and nine months ended June 30, 2023, special dividend December 31, 2024 the final loan payment was made by the ESOP charges included in to the Company and compensation expense were $9,042. for the period was fully offset by dividends paid.

During the first quarter of 2024, 2025, Griffon granted 174,104 142,911 shares of restricted stock and restricted stock units ("RSUs"). This includes 166,272 shares of restricted stock and 7,832 RSUs granted to 43 executives and key employees, subject to certain

performance conditions, with a vesting period of thirty-six months and a total fair value of $8,225, $9,735, or a weighted average fair value of $47.24 $68.12 per share.

During the second first quarter of 2024, 2025, Griffon also granted 403,997 436,947 shares of restricted stock and RSUs. This includes387,222 shares of restricted stock granted to four senior executives with a vesting period of thirty-three thirty-six months and a two-year post-vesting holding period, subject to the achievement of certain performance conditions relating to required levels of return on invested capital and the relative total shareholder return of Griffon's common stock as compared to a market index. So long as the minimum performance conditions are attained, the amount of shares that can vest will range from a minimum of 64,539 72,827 to a maximum of 387,222, 436,947, with the target number of shares being 129,074. 145,649. The total estimated fair value of these restricted shares, assuming achievement of the performance conditions at target, is$12,181, $12,372, or a weighted average fair value of$94.37 $84.95 per share. This also includes 16,775 shares of restricted stock granted to non-employee directors of Griffon with a vesting period of one-year and a fair value of $1,210, or a weighted average fair value of $72.13 per share. During the third quarter of 2024, there were no shares of restricted stock or RSUs granted. During the nine months ended June 30, 2024, 570,269 shares granted were issued out of treasury stock.

On April 19, 2023, the Company's Board of Directors approved a $200,000 increase to Griffon's share repurchase program to $257,955 from the prior unused Board authorizations of $57,955. Also, on November 15, 2023 November 13, 2024, Griffon announced that the Board of Directors approved an additional increase of $200,000 $400,000 to its share repurchase authorization. Under the authorized share repurchase program, the Company may, from time to time, purchase shares of its common stock in the open market, including pursuant to a 10b5-1 plan, pursuant to an accelerated share repurchase program or issuer tender offer, or in privately negotiated transactions. Share repurchases during the quarter and nine months ended June 30, 2024 December 31, 2024 totaled 283,479 shares and 3,721,357 610,172 shares of common stock, respectively, for a total of $19,080 and $206,104, respectively, $42,344, or an average of $67.31 $69.40 per share and $55.38 per share, respectively. The share repurchases during the nine months ended June 30, 2024 include the repurchase of 1,500,000 shares of common shares by the Company on February 20, 2024 pursuant to a stock purchase and cooperation agreement executed by the Company and Voss Value Master Fund, L.P., Voss Value-Oriented Special Situations Fund, L.P and four separately managed accounts of which Voss Capital, LLC is the investment manager, in a private transaction. The purchase price per share was $65.50, for an aggregate purchase price of $98,250. share. As of June 30, 2024 December 31, 2024, $101,078 $390,348 remains available under these Griffon's Board authorized repurchase programs.

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

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

program.

During the quarter ended December 31, 2024, 64,249 shares, with a market value of $5,417, or $84.31 per share, were withheld to settle employee taxes due upon the vesting of restricted stock, and were added to treasury stock.

During the quarter ended December 31, 2024, $413 was accrued for excise taxes for share repurchases, which was partially offset by the reversal of $74 of excise taxes to adjust for a benefit related to employee vesting and a $104 net benefit on ESOP contributions. As of December 31, 2024, $2,220 was accrued for excise taxes for share repurchases.

NOTE 12 – EARNINGS PER SHARE (EPS)

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

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

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

	Three Months Ended December 31,	
	2024	**2023**
Common shares outstanding	48,122	51,386
Unallocated ESOP shares	—	(154)
Non-vested restricted stock	(2,677)	(2,783)
Impact of weighted average shares	93	335
Weighted average shares outstanding - basic	45,538	48,784
Incremental shares from stock-based compensation	2,003	2,683
Weighted average shares outstanding - diluted	47,541	51,467

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

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NOTE 13 – BUSINESS REPORTABLE SEGMENTS

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

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

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

Information on Griffon's reportable segments is as follows:

		For the Three Months Ended June 30,		**For the Nine Months Ended June 30,**	
REVENUE	**REVENUE**	**2024**	**2023**	**2024**	**2023**
REVENUE					
REVENUE					
Home and Building Products					

Home and Building Products
Home and Building Products
Consumer and Professional Products
Consumer and Professional Products
Consumer and Professional Products
Total revenue
Total revenue
Total revenue

Disaggregation of Revenue

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

	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended June 30,
	Three Months Ended December 31,
	Three Months Ended December 31,
	Three Months Ended December 31,
	2024
	2024
	2024
Residential repair and remodel	
Residential repair and remodel	
Residential repair and remodel	
Commercial	
Commercial	
Commercial	
Residential new construction	
Residential new construction	
Residential new construction	
Total Home and Building Products	
Total Home and Building Products	
Total Home and Building Products	
Residential repair and remodel	
Residential repair and remodel	
Residential repair and remodel	
Retail	
Retail	
Retail	
Residential new construction	
Residential new construction	
Residential new construction	
Industrial	
Industrial	
Industrial	

International excluding North America
International excluding North America
International excluding North America
Total Consumer and Professional Products
Total Consumer and Professional Products
Total Consumer and Professional Products
Total Consolidated Revenue
Total Consolidated Revenue
Total Consolidated Revenue

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

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

For the Nine Months Ended June 30,
For the Nine Months Ended June 30,
For the Nine Months Ended June 30,
For the Three Months Ended December 31,
For the Three Months Ended December 31,
For the Three Months Ended December 31,

	2024			2024			2023			2024			2023
	HBP	HBP	CPP	Total	HBP	CPP	Total	HBP	CPP	Total	HBP	CPP	Total
United States													
Europe													
Canada													
Australia													
All other countries													
Consolidated revenue													

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

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Segment adjusted EBITDA:
Segment adjusted EBITDA:
Segment adjusted EBITDA:
Home and Building Products
Home and Building Products
Home and Building Products
Consumer and Professional Products
Consumer and Professional Products
Consumer and Professional Products
Segment adjusted EBITDA
Segment adjusted EBITDA
Segment adjusted EBITDA
Unallocated amounts, excluding depreciation *
Unallocated amounts, excluding depreciation *
Unallocated amounts, excluding depreciation *
Adjusted EBITDA
Adjusted EBITDA
Adjusted EBITDA
Net interest expense
Net interest expense
Net interest expense
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Loss from debt extinguishment
Loss from debt extinguishment
Restructuring charges
Loss from debt extinguishment
Restructuring charges
Restructuring charges
Restructuring charges
Gain (loss) on sale of buildings
Gain (loss) on sale of buildings
Gain (loss) on sale of buildings
Gain on sale of real estate
Gain on sale of real estate
Gain on sale of real estate
Strategic review - retention and other
Strategic review - retention and other
Strategic review - retention and other
Proxy expenses
Proxy expenses
Proxy expenses
Intangible asset impairment
Intangible asset impairment
Intangible asset impairment
Special dividend ESOP charges
Special dividend ESOP charges
Special dividend ESOP charges
Income before taxes
Income before taxes

Income before taxes

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

	For the Three Months Ended June 30,
	For the Three Months Ended June 30,
	For the Three Months Ended June 30,
	For the Three Months Ended December 31,
	For the Three Months Ended December 31,
	For the Three Months Ended December 31,
DEPRECIATION and AMORTIZATION	
DEPRECIATION and AMORTIZATION	
DEPRECIATION and AMORTIZATION	
Segment:	
Segment:	
Segment:	
Home and Building Products	
Home and Building Products	
Home and Building Products	
Consumer and Professional Products	
Consumer and Professional Products	
Consumer and Professional Products	
Total segment depreciation and amortization	
Total segment depreciation and amortization	
Total segment depreciation and amortization	
Corporate	
Corporate	
Corporate	
Total consolidated depreciation and amortization	
Total consolidated depreciation and amortization	
Total consolidated depreciation and amortization	

	For the Three Months Ended June 30,
	For the Three Months Ended December 31,
	For the Three Months Ended June 30,
	For the Three Months Ended December 31,
	For the Three Months Ended June 30,
	For the Three Months Ended December 31,
	2024
	2024
	2024
CAPITAL EXPENDITURES	
CAPITAL EXPENDITURES	
CAPITAL EXPENDITURES	
Segment:	
Segment:	
Segment:	
Home and Building Products	
Home and Building Products	
Home and Building Products	
Consumer and Professional Products	
Consumer and Professional Products	
Consumer and Professional Products	
Total segment	

Total segment

Total segment

Corporate

Corporate

Corporate

Total consolidated capital expenditures

Total consolidated capital expenditures

Total consolidated capital expenditures

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ASSETS	ASSETS	At June 30, 2024	At September 30, 2023	ASSETS	At December 31, 2024	At September 30, 2024
Segment assets:	Segment assets:			Segment assets:		
Home and Building Products						
Consumer and Professional Products(1)						
Total segment assets						
Total segment assets						
Total segment assets						
Corporate						
Total assets						
Discontinued operations						
Discontinued operations						
Discontinued operations						
Consolidated total						

____

(1) In connection with the expansion of CPP's global sourcing strategy, certain owned manufacturing locations which ceased operations have met the criteria to be classified as held for sale as of June 30, 2024 December 31, 2024. The net book value of these properties as of June 30, 2024 December 31, 2024 and September 30, 2024 totaled $14,747.

$5,559 and $14,532, respectively.

NOTE 14 – EMPLOYEE BENEFIT PLANS

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

		Three Months Ended June 30,		Nine Months Ended June 30,	
		2024	2023	2024	2023
Interest cost					
Interest cost					
Interest cost					
Expected return on plan assets					
Expected return on plan assets					
Expected return on plan assets					
Amortization:					
Amortization:					
Amortization:	Amortization:				
Recognized actuarial loss					
Recognized actuarial loss					
Recognized actuarial loss					
Net periodic expense					

Net periodic expense
Net periodic expense
Recognized actuarial loss
Net periodic (benefit) expense
Net periodic (benefit) expense
Net periodic (benefit) expense

The Hunter Fan Pension Plan (the "Plan") was terminated with an effective date of April 30, 2024. This was communicated to Plan participants in February 2024. The At the time of termination, the Plan is was fully funded and the Company does did not anticipate making an additional funding contribution contributions as of the benefit distribution date. The benefit distribution date will be determined once dates. During the quarter ended December 31, 2024 the Plan paid lump sum payments in the amount of $4,830 to those participants that elected a lump sum distribution. On January 23, 2025 the Company receives approval from certain regulatory agencies. selected an insurance company to hold the annuity and provide pension benefits to the plan participants currently receiving benefit payments and those that elected to continue their future benefit with an annuity provider. This decision included a transfer of plan assets valued at $10,895. The termination process is expected to be complete in 2025.

NOTE 15 – RECENT ACCOUNTING PRONOUNCEMENTS

Issued but not yet effective accounting pronouncements

In November October 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-06, Disclosure Improvements: Amendments - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. The FASB issued the standard to introduce changes to US GAAP that originate in either SEC Regulation S-X or S-K, which are rules about the form and content of financial reports. The provisions of the standard are contingent when the SEC removes the related disclosure provisions from Regulation S-X and S-K. The company does not expect the provisions of the standard to have a material impact on the Company's financial statements and related disclosures.

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

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740), Improvements to Income Tax Disclosure. The standard requires significant additional disclosures focused on income taxes paid and the rate reconciliation table. Specifically, the amendments in the standard require the Company to disclose disaggregated: (1) income taxes paid by federal, state, and foreign, taxes, (2) continuing operations pre-tax income between domestic and foreign, and (3) continuing operations income tax expense by federal, state and

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foreign tax expense. foreign. The standard also requires the Company to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. This standard is effective for the Company beginning with our fiscal year 2026, with retrospective application permitted. The Company is currently evaluating the potential changes to its income tax disclosures and related impact on its financial reporting processes and information technology systems. The Company does not expect the adoption of this standard to have an a material impact on its financial position, results of operations, or cash flows.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses. This guidance requires disclosures regarding specific information about certain costs and expenses, including but not limited to, inventory purchases, employee compensation, depreciation, amortization and selling expenses. The guidance is effective for the Company beginning with the Company's fiscal year 2027 and interim reporting periods beginning with our 2028 fiscal year. Implementation of this standard may be applied prospectively or retrospectively. The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements, and does not believe that there are any other new accounting pronouncements that have been issued that might expect the adoption of this standard to have a material impact on its the Company's financial position or results of operations. statements and related disclosures.

NOTE 16 – DISCONTINUED OPERATIONS

At June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024, Griffon's liabilities for discontinued operations primarily relate to insurance claims, income taxes, product liability, warranty and environmental reserves, and total $10,017 $7,604 and $11,798, $7,768, respectively. The following amounts summarize the total assets and liabilities which have been segregated from Griffon's continuing operations, and are reported as assets and liabilities of discontinued operations in the Condensed Consolidated Balance Sheets:

	At June 30, 2024	At September 30, 2023
	At December 31, 2024	**At September 30, 2024**
Assets of discontinued operations:		
Prepaid and other current assets		
Prepaid and other current assets		
Prepaid and other current assets		
Other long-term assets		
Total assets of discontinued operations		
Liabilities of discontinued operations:		
Liabilities of discontinued operations:		
Liabilities of discontinued operations:		
Accrued liabilities, current		
Other long-term liabilities		
Total liabilities of discontinued operations		

There was no reported revenues or costs in the nine three months ended June 30, 2024 December 31, 2024 and 2023 for discontinued operations.

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NOTE 17 – RESTRUCTURING CHARGES

In response to changing market conditions, Griffon announced in May 2023 that CPP is was expanding its global sourcing strategy to include long handled tools, material handling, and wood storage and organization product lines for the U.S. market. This initiative was successfully completed as of September 30, 2024, ahead of the previously announced date of December 31, 2024.

By transitioning these product lines to an asset-light structure, CPP's As a result of this global sourcing expansion initiative, manufacturing operations will be better positioned to serve customers with a more flexible have concluded at four manufacturing sites and cost-effective sourcing model that leverages supplier relationships around the world, while improving its competitive positioning four wood mills, resulting in a post-pandemic marketplace.

The global sourcing strategy expansion is expected to be complete by the end of calendar 2024. By that time, CPP expects to have reduced its total facility footprint by reduction of approximately 1.2 million square feet, or approximately 15% of CPP's square footage, and its a headcount by reduction of approximately 600. Manufacturing Operations have ceased at all affected sites: Camp Hill and Harrisburg, PA; Fairfield, IA; Grantsville, MD; and four wood mills. The closed locations which have a total net book value of $14,747, have met the held for sale criteria and have been classified as such on our Condensed Consolidated Balance Sheet Sheets as of June 30, 2024 December 31, 2024 and September 30, 2024. The net book value of these properties as of December 31, 2024 and September 30, 2024 totaled $5,559 and $14,532, respectively.

The adoption of an asset-light business model for these U.S. products has positioned CPP to better serve customers with a more flexible and cost-effective sourcing model that leverages supplier relationships around the world, and improved its competitive positioning.

Implementation of this strategy over the duration of the project will result resulted in charges approximating $130,000, of $133,777, which now includes approximately $46,000 included $51,082 of cash charges for employee retention and severance, operational transition, and facility and lease exit costs, and approximately $84,000 $82,695 of non-cash charges primarily related to asset write-downs. Capital investment In addition, there were $2,678 of approximately $5,000 will also be required. These costs exclude capital investments to effectuate the project. This excludes cash proceeds from the sale of real estate and equipment, which are expected at the conclusion of the project as of September 30, 2024 totaled $13,271, and excludes future proceeds from the sale of remaining real estate and equipment designated as held for sale on the condensed consolidated balance sheets. During the quarter ended December 31, 2024, cash proceeds related to largely offset the cash charges, sale of the remaining real estate and also exclude inefficiencies due to duplicative labor costs and absorption impacts during transition.

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equipment held for sale totaled $17,155.

In the quarter ended June 30, 2024 December 31, 2023, CPP incurred pre-tax restructuring and related exit costs approximating $18,688, $12,400, comprised of cash charges totaling $4,191 $3,918 and non-cash, asset-related charges of $14,497. $8,482. The cash charges included $709 $1,847 for one-time termination benefits and other personnel-related costs and $3,482 $2,071 for facility exit costs. Non-cash charges related to $14,497 of $8,482 were recorded to adjust inventory to net realizable value. In the nine months ended June 30, 2024, CPP incurred pre-tax restructuring and related exit costs approximating $33,489, comprised of cash charges totaling $10,510 and non-cash, asset-related charges totaling $22,979. The cash charges included $3,038 for one-time termination benefits and other personnel-related costs and $7,472 for facility exit costs. Non-cash charges related to $22,979 recorded to adjust inventory to net realizable value.

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

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

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

	For the Three Months Ended December 31,
	2023
Cost of goods and services	$ 11,646
Selling, general and administrative expenses	754
Total restructuring charges	$ 12,400

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

	For the Three Months Ended December 31,
	2023
Personnel related costs	$ 1,847
Facilities, exit costs and other	2,071
Non-cash facility and other	8,482
Total	$ 12,400

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The following tables summarizes the accrued liabilities of the Company's restructuring actions for the nine three months ended June 30, 2024 December 31, 2024 and 2023:

	Cash Charges	Non-Cash	

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

	Cash Charges		Non-Cash	
	Personnel related costs	Facilities & Exit Costs	Facility and Other Costs(1)	Total
Accrued liability at September 30, 2024	$ 8,182	$ 4,816	$ —	$ 12,998
Q1 Cash payments	(5,009)	(1,064)	—	(6,073)
Accrued liability at December 31, 2024	$ 3,173	$ 3,752	$ —	$ 6,925

	Cash Charges		Non-Cash	
	Personnel related costs	Facilities & Exit Costs	Facility and Other Costs(1)	Total
Accrued liability at September 30, 2023	$ 14,107	$ 5,551	$ —	$ 19,658
Q1 Restructuring charges	1,847	2,071	8,482	12,400
Q1 Cash payments	(7,215)	(3,362)	—	(10,577)
Q1 Non-cash charges	—		(8,482)	(8,482)
Accrued liability at December 31, 2023	$ 8,739	$ 4,260	$ —	$ 12,999

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

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

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

GRIFFON CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 – OTHER INCOME (EXPENSE)

For the quarters ended June 30, 2024 December 31, 2024 and 2023, Other income (expense) of $350 $1,832 and $1,475, $632, respectively, includes ($120) $440 and $590, respectively, of net currency exchange gains (losses) in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries, net periodic benefit plan expense of $34 and $217, respectively, and net investment income of $10 and $336, respectively. Other income (expense) also includes royalty income of $549 and $438 for the three months ended June 30, 2024 and 2023, respectively.

For the nine months ended June 30, 2024 and 2023, Other income (expense) of $1,608 and $2,375, respectively, includes $72 and $492, $13, respectively, of net currency exchange gains in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries, net periodic benefit plan expense income (expense) of $103 $301 and $650, $(34), respectively, as well as $95 and $444, respectively, of net investment income. income of $70 and $56, respectively. Other income (expense) also includes royalty income of $1,649 $590 and $1,463 $592 for the nine three months ended June 30, 2024 December 31, 2024 and 2023, respectively.

NOTE 19 – WARRANTY LIABILITY

HBP and CPP offer warranties against product defects for periods generally ranging from one to ten years, with limited lifetime warranties on certain door and fan models. Typical warranties require HBP and CPP to repair or replace the defective products during the warranty period at no cost to the customer. At the time revenue is recognized, Griffon records a liability for warranty costs, estimated based on historical experience, and periodically assesses its warranty obligations and adjusts the liability as necessary. CPP offers an express limited warranty for a period of ninety days on all products from the date of original purchase unless otherwise stated on the product or packaging from the date of original purchase. Warranty costs expected to be incurred in the next 12 months are classified in accrued liabilities. Warranty costs expected to be incurred beyond one year are classified in other long-term liabilities. The short-term warranty liability was $14,414 $13,123 as of June 30, 2024 December 31, 2024 and $20,781 $13,050 as of September 30, 2023 September 30, 2024. The long-term warranty liability was $1,239 at both June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024.

GRIFFON CORPORATION AND SUBSIDIARIES
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(US dollars and non US currencies in thousands, except per share data)

(Unaudited)

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

Changes in Griffon's warranty liability, included in Accrued liabilities, for the three and nine months ended June 30, 2024 December 31, 2024 and 2023 were as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Balance, beginning of period				
Balance, beginning of period				
Balance, beginning of period				
Warranties issued and changes in estimated pre-existing warranties				
Warranties issued and changes in estimated pre-existing warranties				
Warranties issued and changes in estimated pre-existing warranties				
Actual warranty costs incurred				
Actual warranty costs incurred				
Actual warranty costs incurred				
Balance, end of period				
Balance, end of period				
Balance, end of period				

NOTE 20 – OTHER COMPREHENSIVE INCOME (LOSS)
The amounts recognized in other comprehensive income (loss) were as follows:

	For the Three Months Ended December 31,					
	2024			2023		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Foreign currency translation adjustments	$ (20,018)	$ —	$ (20,018)	$ 10,238	$ —	$ 10,238
Pension and other defined benefit plans	69	(14)	55	673	(141)	532

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

Cash flow hedges	3,234	(970)	2,264	(421)	126	(295)
Total other comprehensive income (loss)	$ (16,715)	$ (984)	$ (17,699)	$ 10,490	$ (15)	$ 10,475

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

	At December 31, 2024	At September 30, 2024
Foreign currency translation adjustments	$ (58,604)	$ (38,586)
Pension and other defined benefit plans	(19,072)	(19,127)
Cash flow hedges	1,953	(311)
Total	$ (75,723)	$ (58,024)

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

	For the Three Months Ended December 31,	
Gain (Loss)	2024	2023
Pension amortization	$ (636)	$ (689)
Cash flow hedges	735	(111)
Total gain (loss) before tax	$ 99	$ (800)
Tax benefit	(21)	168
Net of tax	$ 78	$ (632)

NOTE 20 – OTHER COMPREHENSIVE INCOME (LOSS)

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

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

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

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

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

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

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

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

(Unaudited)

NOTE 21 — LEASES

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

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

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

			For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
		For the Three Months Ended December 31,				
		For the Three Months Ended December 31,				
		For the Three Months Ended December 31,				
	2024					
	2024					
	2024		2024	2023	2024	2023
Fixed						
Fixed						
Fixed						
Variable (a), (b)						
Variable (a), (b)						
Variable (a), (b)						
Short-term (b)						
Short-term (b)						
Short-term (b)						
Total						
Total						
Total						

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

(b) Not recorded on the balance sheet.

Supplemental cash flow information were as follows:

		For the Nine Months Ended June 30,		For the Three Months Ended December 31,	
	2024	2024	2023	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:					
Operating cash flows from operating leases					
Operating cash flows from operating leases					
Operating cash flows from operating leases					
Financing cash flows from finance leases					
Total					

GRIFFON CORPORATION AND SUBSIDIARIES

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

(Unaudited)

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

	June 30, 2024	September 30, 2023
	December 31, 2024	September 30, 2024
Operating Leases:		
Right of use assets:		
Right of use assets:		
Right of use assets:		
Operating right-of-use assets		
Operating right-of-use assets		
Operating right-of-use assets		
Lease Liabilities:		
Lease Liabilities:		
Lease Liabilities:		
Current portion of operating lease liabilities		
Current portion of operating lease liabilities		
Current portion of operating lease liabilities		
Long-term operating lease liabilities		
Total operating lease liabilities		
Finance Leases:		
Finance Leases:		
Finance Leases:		
Property, plant and equipment, net(1)		
Property, plant and equipment, net(1)		
Property, plant and equipment, net(1)		
Lease Liabilities:		
Lease Liabilities:		
Lease Liabilities:		
Notes payable and current portion of long-term debt		
Notes payable and current portion of long-term debt		
Notes payable and current portion of long-term debt		
Long-term debt, net		
Total financing lease liabilities		

(1) Finance lease assets are recorded net of accumulated depreciation of $1,466 $1,287 and $6,769 $1,463 as of June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024, respectively.

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

The aggregate future maturities of lease payments for operating leases and finance leases as of June 30, 2024 December 31, 2024 are as follows (in thousands): follows:

	Operating Leases	Operating Leases	Finance Leases	Operating Leases	Finance Leases
2024(a)					
2025					
2025(a)					
2026					
2027					
2028					
2029					
2030					
Thereafter					
Total lease payments					
Less: Imputed Interest					
Present value of lease liabilities					

(a) Excluding the nine months quarter ended June 30, 2024 December 31, 2024.

Average lease terms and discount rates at June 30, 2024 December 31, 2024 were as follows:

Weighted-average remaining lease term (years):		
Operating leases	7.4 6.97	
Finance Leases	3.0 4.03	
Weighted-average discount rate:		
Operating Leases	6.14	% 6.33%
Finance Leases	6.11	% 6.71%

NOTE 22 — COMMITMENTS AND CONTINGENCIES

Legal and environmental

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

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

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

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

The State of Tennessee Department of Environment and Conservation (“TDEC”) identified the Memphis site as being potentially contaminated, raising the possibility that site operations could have resulted in soil and groundwater contamination involving volatile organic compounds and metals. In 2021, the TDEC performed a preliminary assessment of the site and recommended to the EPA that it include the site on the National Priorities List established under CERCLA. The TDEC further recommended that the EPA fund an investigation of potential soil gas contamination in receptors near the site. The TDEC has also indicated that it will proceed with this investigation if the EPA does not act. Since 2021, there has been no further action by the EPA or TDEC relating to the Memphis site.

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

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

General legal

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

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

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

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

Business Strategy

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

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

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

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

CPP Global Sourcing Strategy Expansion and Restructuring Charges

In response to changing market conditions, On July 1, 2024, Griffon announced that its subsidiary, The AMES Companies, Inc., ("AMES") expanded the scope of its Australian operations by acquiring substantially all the assets of Pope, a leading Australian provider of residential watering products, from The Toro Company (NYSE:TTC) for a purchase price of approximately AUD 21,800 (approximately $14,500) in May 2023 that CPP cash. This is expanding its global sourcing strategy to include long handled tools, material handling, CPP's seventh acquisition in Australia since 2013, and wood storage and organization further expands AMES's product lines for portfolio in the U.S. Australian market.

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

The global sourcing strategy expansion Pope is expected to be complete by contribute approximately $25,000 in revenue in the end of calendar 2024. By that time, CPP expects to reduce its facility footprint by approximately 1.2 million square feet, or approximately 15% of CPP's square footage, and its headcount by approximately 600. Manufacturing operations have ceased at all affected sites: Camp Hill and Harrisburg, PA; Fairfield, IA; Grantsville, MD and four wood mills. first twelve months after this acquisition.

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

Further Information

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

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

Reportable Segments:

Griffon conducts its operations through two reportable segments:

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

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

OVERVIEW

Revenue for the quarter ended June 30, 2024 December 31, 2024 was $647,814 $632,371 compared to $683,430 $643,153 in the prior year quarter, a decrease of $35,616 $10,782 or 5%, driven by decreased 2%. The decrease was primarily due to a 4% decline in revenue of 2% and 10% at HBP and CPP, respectively. while HBP's revenue remained consistent with the prior year. Net income was $41,086 $70,851 or $0.84 $1.49 per share, compared to $49,205, $42,177, or $0.90 $0.82 per share, in the prior year quarter.

The current year quarter results from operations included the following:

– Restructuring charges Gain on sale of $18,688 real estate of $7,974 ($13,991, 5,943, net of tax, or $0.29 per share);
– Loss on sale of buildings of $725 ($520, net of tax, or $0.01 per share);
– Loss on debt extinguishment of $1,700 ($1,292, net of tax, or $0.03 $0.13 per share);
– Strategic review - retention and other of $1,870 $1,651 ($1,390, 1,215, net of tax, or $0.03 per share); and
– Discrete and certain other tax provisions, benefits, net, of $2,247 $250 or $0.05 $0.01 per share.

The prior year quarter results from operations included the following:

– Restructuring charges of $3,862 $12,400 ($2,831, 9,213, net of tax, or $0.05 $0.18 per share);
– Strategic review - retention and other of $5,812 $4,658 ($4,378, 3,500, net of tax, or $0.08 $0.07 per share);
– Special dividend Employee Stock Ownership Plan ("ESOP") charges Gain on sale of $9,042 real estate of $547 ($6,936, net of tax, or $0.13 per share);
– Proxy expenses of $568 ($435, 406, net of tax, or $0.01 per share); and
– Discrete and certain other tax provisions, net, of $6,519 $783 or $0.12 $0.02 per share.

Excluding these items from the respective quarterly results, net income would have been $60,526, $65,873, or $1.24 $1.39 per share in the three months ended June 30, 2024 December 31, 2024 compared to $70,304, $55,267, or $1.29 $1.07 per share, in the prior year quarter.

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

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

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

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

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

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

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

	For the Three Months Ended June 30,
	For the Three Months Ended June 30,
	For the Three Months Ended June 30,
	For the Three Months Ended December 31,
	For the Three Months Ended December 31,
	For the Three Months Ended December 31,
	(Unaudited)
	(Unaudited)
	(Unaudited)
Net income	
Net income	
Net income	
Adjusting items:	
Adjusting items:	
Adjusting items:	
Restructuring charges(1)	
Restructuring charges(1)	

Restructuring charges(1)
Intangible asset impairment
Intangible asset impairment
Intangible asset impairment
(Gain) loss on sale of buildings
(Gain) loss on sale of buildings
(Gain) loss on sale of buildings
Loss from debt extinguishment
Loss from debt extinguishment
Loss from debt extinguishment
Special dividend ESOP charges
Gain on sale of real estate
Special dividend ESOP charges
Gain on sale of real estate
Special dividend ESOP charges
Gain on sale of real estate
Strategic review - retention and other
Strategic review - retention and other
Strategic review - retention and other
Proxy expenses
Proxy expenses
Proxy expenses
Tax impact of above items(2)
Tax impact of above items(2)
Tax impact of above items(2)
Discrete and certain other tax provisions (benefits), net(3)
Discrete and certain other tax provisions (benefits), net(3)
Discrete and certain other tax provisions (benefits), net(3)
Discrete and certain other tax (benefits) provisions, net(3)
Discrete and certain other tax (benefits) provisions, net(3)
Discrete and certain other tax (benefits) provisions, net(3)
Adjusted net income
Adjusted net income
Adjusted net income
Earnings per common share
Earnings per common share
Earnings per common share
Adjusting items, net of tax:
Adjusting items, net of tax:
Adjusting items, net of tax:
Restructuring charges(1)
Restructuring charges(1)
Restructuring charges(1)
Intangible asset impairment
Intangible asset impairment
Intangible asset impairment
(Gain) loss on sale of buildings
(Gain) loss on sale of buildings
(Gain) loss on sale of buildings
Loss from debt extinguishment
Loss from debt extinguishment

Loss from debt extinguishment
Special dividend ESOP charges
Gain on sale of real estate
Special dividend ESOP charges
Gain on sale of real estate
Special dividend ESOP charges
Gain on sale of real estate
Strategic review - retention and other
Strategic review - retention and other
Strategic review - retention and other
Proxy expenses
Proxy expenses
Proxy expenses
Discrete and certain other tax provisions (benefits), net(3)
Discrete and certain other tax provisions (benefits), net(3)
Discrete and certain other tax (benefits) provisions, net(3)
Discrete and certain other tax provisions (benefits), net(3)
Discrete and certain other tax (benefits) provisions, net(3)
Discrete and certain other tax (benefits) provisions, net(3)
Adjusted earnings per common share
Adjusted earnings per common share
Adjusted earnings per common share
Diluted weighted-average shares outstanding (in thousands)
Diluted weighted-average shares outstanding (in thousands)
Diluted weighted-average shares outstanding (in thousands)

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

(1) For the three months ended June 30, 2024 and 2023, December 31, 2023, restructuring charges relate to the CPP global sourcing expansion, of which $15,744 and $1,777, respectively, $11,646, is included in Cost of goods and services and $2,944 and $2,085, respectively, $754 is included in SG&A in the Company's Condensed Consolidated Statement of Operations. For the nine months ended June 30, 2024 and 2023, restructuring charges relate to the CPP global sourcing expansion, of which $28,724 and $76,422, respectively, are included in Cost of goods and services and $4,765 and $5,774, respectively, are included in SG&A in the Company's Condensed Consolidated Statement of Operations.

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

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

RESULTS OF OPERATIONS

Three and Nine Months ended June 30, 2024 December 31, 2024 and 2023

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

Home and Building Products

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2024	2023	2024	2023
Residential				
Residential				
Residential				

Commercial

Commercial

Commercial

Total Revenue

Total Revenue

Total Revenue		$394,214		$		$401,142			$1,182,067			$1,194,374	
Adjusted EBITDA	Adjusted EBITDA	$118,516	30.1	30.1 %	$134,330	33.5	33.5 %	$372,159	31.5	31.5 %	$390,346	32.7	32.7 %
Depreciation and amortization	Depreciation and amortization	$ 3,883		$ 3,868			$11,288			$11,525			

Adjusted EBITDA

Adjusted EBITDA

Depreciation and amortization

Depreciation and amortization

For the quarter ended June 30, 2024 December 31, 2024, HBP revenue decreased $6,928 or 2% from remained consistent with the prior year quarter due to unfavorable product mix with reflecting increased residential volume, being offset by decreased reduced commercial volume.

For the quarter ended June 30, 2024 December 31, 2024, adjusted EBITDA of $118,516 decreased $15,814 $127,042 increased $2,323 or 12% 2%, compared to $134,330 $124,719 in the prior year quarter, resulting from the decreased revenue noted above and increased reduced material labor and distribution costs.

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

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

For the quarter ended June 30, 2024 December 31, 2024, segment depreciation and amortization remained consistent increased $642 compared with the prior year quarter. quarter due to new assets placed in service.

Consumer and Professional Products

	For the Three Months Ended December 31,					
	2024			2023		
United States	$	128,823		$	151,172	
Europe		4,540			5,245	
Canada		16,004			21,028	
Australia		83,131			64,871	
All other countries		4,472			5,046	
Total Revenue	$	236,970		$	247,362	
Adjusted EBITDA	$	18,192	7.7 %	$	5,539	2.2 %
Depreciation and amortization	$	11,218		$	11,057	

For the nine months quarter ended June 30, 2024 December 31, 2024, revenue decreased $10,392, or 4%, compared to the prior year quarter, primarily driven by decreased volume of 8% due to reduced consumer demand in North America and the United Kingdom, partially offset by organic growth in Australia. The Pope acquisition contributed 4%.

For the quarter ended December 31, 2024, adjusted EBITDA of $18,192 increased $12,653 compared to $5,539 in the prior year quarter, primarily due to the benefits from the global sourcing expansion initiative and increased revenue in Australia as noted above.

For the quarter ended December 31, 2024, segment depreciation and amortization decreased $237 increased $161 compared to the prior year period due to fully depreciated assets. new assets placed in service.

Consumer and Professional Products

For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
2024	2023	2024	2023

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

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

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

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

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

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

On July 1, 2024 Griffon announced that its subsidiary, The AMES Companies, Inc., ("AMES") expanded the scope of its brand Australian operations by acquiring substantially acquiring all the assets of Pope, a leading Australian provider of residential watering products, from The Toro Company (NYSE:TTC) for a purchase price of approximately AUD 22,000 21,800 (approximately $14,600). $14,500) in cash. This is CPP's seventh acquisition in Australia since 2013, and further expands AMES's product portfolio in the Australian market. Pope is expected to contribute approximately $25,000 in revenue in the first twelve months after the acquisition.

CPP Global Sourcing Strategy Expansion and Restructuring Charges

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

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

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

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

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

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

Unallocated

For the quarter ended June 30, 2024 December 31, 2024, unallocated amounts, excluding depreciation, consisted primarily of corporate overhead costs totaling $15,285 compared to $13,982 in $14,042, remained consistent with the prior year quarter; for the nine months ended June 30, 2024, unallocated amounts totaled $44,006 compared to $42,388 in the prior year period. The increase in both the current quarter and nine month periods, compared to their respective comparable prior year periods, primarily relates to increases in Employee Stock Ownership Plan (ESOP) expenses driven by the increase in Griffon's share price, partially offset by a decrease in other compensation related expenses. of $13,907.

Strategic review

During the three months ended June 30, 2024 December 31, 2024 and 2023, we incurred strategic review expenses of $1,870 $1,651 ($1,390, 1,215, net of tax) and $5,812 $4,658 ($4,378, net of tax), respectively, and during the nine months ended June 30, 2024 and 2023, we incurred strategic review expenses of $9,204 ($6,887, net of tax) and $20,234 ($15,258, 3,500, net of tax), respectively, primarily for retention payments and other associated costs related to the strategic review process that concluded in April 2023.

Proxy expenses

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

Segment Depreciation and Amortization

For the three months ended June 30, 2024 December 31, 2024, segment depreciation and amortization of $15,108 decreased $421 $15,493 increased $803 compared to $15,529 $14,690 in the prior year quarter, and for quarter; the nine months ended June 30, 2024, segment depreciation and amortization of $44,741 decreased $4,875 compared to $49,616 in the prior year period. The decrease in both the three and nine months ended June 30, 2024 increase primarily relates to fully depreciated new assets and the write-down of certain fixed assets at several manufacturing facilities placed in connection with CPP's restructuring activities. service.

Other Income (Expense)

For the quarters ended June 30, 2024 December 31, 2024 and 2023, Other income (expense) of $350 $1,832 and $1,475, $632, respectively, includes $(120) $440 and $590, respectively, of net currency exchange gains (losses) in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries, net periodic benefit plan expense of $34 and $217, respectively, and net investment income of $10 and $336, respectively. Other income (expense) also includes royalty income of $549 and $438 for the three months ended June 30, 2024 and 2023, respectively.

For the nine months ended June 30, 2024 and 2023, Other income (expense) of $1,608 and $2,375, respectively, includes $72 and $492, $13, respectively, of net currency exchange gains in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries, net periodic benefit plan expense income (expense) of $103 $301 and $650, $(34), respectively, as well as $95 and $444, respectively, of net investment income. income of $70 and $56, respectively. Other income (expense) also includes royalty income of $1,649 $590 and $1,463 $592 for the nine three months ended June 30, 2024 December 31, 2024 and 2023, respectively.

Provision for income taxes

During the quarter ended June 30, 2024 December 31, 2024, the Company recognized a tax provision of $19,923 $26,569 on income before taxes of $61,009, $97,420, compared to a tax provision of $29,248 $17,965 on income before taxes of $78,453 $60,142 in the prior year quarter. The current year quarter results included restructuring charges of $18,688 ($13,991, net of tax); strategic review costs - retention and other of $1,870 $1,651 ($1,390, 1,215, net of tax); loss gain on debt extinguishment sale of $1,700 real estate of $7,974 ($1,292, 5,943, net of tax); loss and discrete and certain other tax benefits, net, that affect comparability of $250. The prior year quarter results included strategic review costs - retention and other of $4,658 ($3,500, net of tax); restructuring charges of $12,400 ($9,213, net of tax); gain on sale of buildings real estate of $725 $547 ($520, 406 net of tax); and discrete and certain other tax provisions, net, that affect comparability of $2,247. The prior year quarter results included strategic review - retention and other of $5,812 ($4,378, net of tax); restructuring charges of $3,862 ($2,831, net of tax); special dividend ESOP charges of $9,042 ($6,936, net of tax); proxy expenses of $568 ($435, net of tax); and discrete and certain other tax provisions, net, that affect comparability of $6,519. $783. Excluding these items, the effective tax rates for the quarters ended June 30, 2024 December 31, 2024 and 2023 were 27.9% 27.7% and 28.1% 27.9%, respectively.

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

Stock-based compensation

For the quarters ended June 30, 2024 December 31, 2024 and 2023, stock based compensation expense, which includes expense for both restricted stock grants and the ESOP, totaled $7,052 $5,378 and $15,252, respectively. For the nine months ended June 30, 2024 and 2023, stock based compensation expense totaled $19,726 and $28,587, $6,417, respectively. The prior year three and nine months included incremental ESOP expense due to the effects of a special dividend of $9,042. Excluding the impact of the prior year special dividend, the increase decrease in stock compensation expense is primarily due to the increase ESOP being frozen as of September 30, 2024 (meaning that, for plan years after this date, no additional employees will become participants under the ESOP and no new voluntary contributions will be made to the ESOP). Additionally, during the three months ended December 31, 2024 the final loan payment was made by the ESOP to the Company and compensation expense for the period was fully offset by dividends paid. As of December 31, 2024 there were 4,166,038 shares of common stock in Griffon's share price and the related impact on ESOP, expense. all of which were allocated to participant accounts.

Comprehensive income (loss)

For the quarter ended June 30, 2024 December 31, 2024, total other comprehensive loss, net of taxes, of $1,222 $17,699 included a $927 loss on cash flow hedges and a loss of $827 $20,018 from foreign currency translation adjustments primarily due to the weakening of the Euro, and Canadian Dollar, all in comparison to the U.S. Dollar; partially offset by a $532 benefit from pension amortization.

For the quarter ended June 30, 2023, total other comprehensive income, net of taxes, of $315 included a gain of $2,309 from foreign currency translation adjustments primarily due to the strengthening of the Euro, British Pound and Australian and Canadian Dollar, all in comparison to the U.S. Dollar; a $747 $2,264 gain on cash flow hedges; and a $55 benefit from pension amortization; and a $2,741 loss on cash flow hedges. amortization.

For the nine months quarter ended June 30, 2024 December 31, 2023, total other comprehensive income, net of taxes, of $4,357 $10,475 included a gain of $2,212 $10,238 from foreign currency translation adjustments primarily due to the strengthening of the Euro, British Pound and Australian Dollar partially offset by the weakening of the and Canadian Dollar, all in comparison to the US U.S. Dollar; a $1,595 benefit from pension amortization; and a $550 gain on cash flow hedges.

For the nine months ended June 30, 2023, total other comprehensive income, net of taxes, of $15,147 included a gain of $14,580 from foreign currency translation adjustments primarily due to the strengthening of the Euro, Canadian and Australian Dollars and British Pound, all in comparison to the US Dollar; a $2,355 benefit from pension amortization of actuarial losses; and a $1,788 $295 loss on cash flow hedges. hedges; and a $532 benefit from pension amortization.

DISCONTINUED OPERATIONS

At June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024, Griffon's liabilities for discontinued operations primarily relate to insurance claims, income taxes, product liability, warranty and environmental reserves totaling $10,017 $7,604 and $11,798, $7,768, respectively. Griffon's assets for discontinued operations primarily relate to insurance claims. There was no reported revenues or costs in the three and nine months ended June 30, 2024 December 31, 2024 and 2023 for discontinued operations.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

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

As of June 30, 2024 December 31, 2024, the amount of cash, cash equivalents and marketable securities held by foreign subsidiaries was $84,900. Funds held $65,700. Our intent is to permanently reinvest these funds, except in limited circumstances, outside the U.S. may be subject to , and we do not currently anticipate that we will need funds generated from foreign withholding taxes if repatriated to the U.S. Funds held outside the U.S. are typically used for foreign operating needs or reinvested operations to fund expansion of existing our domestic operations. The Company may repatriate cash from its non-U.S. businesses. subsidiaries if the Company determines that it is beneficial for the company and tax efficient. The Company has accrued a deferred tax liability for withholding taxes on previously taxed earnings and profit (PTEP) which are not considered permanently reinvested. In the event we determine that additional funds from non-U.S. operations are needed to fund operations in the U.S., we will be required to accrue and pay U.S. taxes to repatriate these additional funds.

Griffon's primary sources of liquidity are cash flows generated from operations, cash on hand and our secured $500,000 revolving credit facility ("Revolver"), which matures in August 2028. During the nine three months ended June 30, 2024 December 31, 2024, the Company generated $307,938 $142,922 of net cash from operating activities and, as of June 30, 2024 December 31, 2024, the Company had $397,065 $427,510 available, subject to certain loan covenants, for borrowing under the Revolver. The Company had cash and cash equivalents of $133,452 $151,952 at June 30, 2024 December 31, 2024.

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

Cash Flows from Operations	Cash Flows from Operations		For the Nine Months Ended June 30,	Cash Flows from Operations	For the Three Months Ended December 31,		
	2024		2024		2023	2024	2023
Net Cash Flows Provided by (Used In):	Net Cash Flows Provided by (Used In):				Net Cash Flows Provided by (Used In):		
Operating activities							
Investing activities							
Financing activities							

Cash flows provided by operating activities for the nine three months ended June 30, 2024 December 31, 2024 was $307,938 $142,922, compared to $309,003 $146,058 in the prior year period, due to period. In both the three months ended December 31, 2024 and 2023, cash provided by operating activities reflected increased cash generated primarily from operations primarily at HBP and a net decrease in net working capital, primarily driven by decreases a decrease in inventory accounts receivable, and increases an increase in accounts payable and accrued liabilities.

Cash flows used in investing activities is primarily comprised of capital expenditures and proceeds from the sale of businesses, investments and property, plant and equipment. During the nine three months ended June 30, 2024 December 31, 2024, cash flows used in investing activities was $34,277 $236 compared to $10,911 $13,543 in the prior year period. Cash flows used in investing activities in the current period primarily consisted of capital expenditures of $47,849, $17,456, partially offset by proceeds totaling $13,572 $17,220 primarily from the sale of buildings and equipment mainly associated with CPP's restructuring activities. real estate. In the prior year period, cash flows used in investing activities consisted primarily of capital expenditures of $20,183 and a working capital adjustment payment of $2,568 related to the sale of Telephonics, $14,330, partially offset by proceeds totaling $11,840, primarily $787 from the sale of a building. real estate.

During the nine three months ended June 30, 2024 December 31, 2024, cash used in financing activities totaled $238,712 $108,121 compared to $262,560 $123,947 in the prior year period. Cash flows used in financing activities in the current period consisted of the purchase of shares of common stock in connection with the board authorized share repurchase program and the purchase of common stock withheld to satisfy tax obligations in connection with the vesting of restricted stock totaling $241,501 and $49,083, the payment of dividends of $28,770, partially offset by net proceeds $9,037 and payments of long-term debt of $32,773, $50,000, primarily related to the Revolver. Cash flows used in financing activities in the prior year period consisted primarily of net repayments of long-term debt of $36,686, $32,360, primarily related to the Revolver, and payoff of AMES UK loans, the purchase of treasury shares of common stock in connection with the Board authorized share repurchase program and the purchase of common stock withheld to satisfy tax obligations in connection with the vesting of restricted stock of $98,350, $81,449, and the payment of dividends of $127,372. $9,965.

During the nine three months ended June 30, 2024 December 31, 2024, 595,929 64,249 shares, with a market value of $34,326, $5,417, or $57.60 $84.31 per share, were withheld to settle employee taxes due upon the vesting of restricted stock, and were added to treasury stock.

During the nine three months ended June 30, 2024 December 31, 2024, the Board of Directors approved and paid three a quarterly cash dividend of $0.18 per share. During fiscal 2024, the Board of Directors approved four quarterly cash dividends of each for $0.15 per share. share, totaling $0.60 per share for the year. The Company currently intends to pay dividends each quarter; however, payment of dividends is determined by the

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

During 2023, the Board of Directors approved two quarterly cash dividends of $0.10 per share and two quarterly cash dividends of $0.125 per share, totaling $0.45. Additionally, on April 19, 2023 On February 4, 2025, the Board of Directors declared a special quarterly cash dividend of $2.00 $0.18 per share, paid payable on May 19, 2023, March 18, 2025 to shareholders of record as of the close of business on May 9, 2023 February 25, 2025.

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

On April 19, 2023, the Company's Board of Directors approved a $200,000 increase to Griffon's share repurchase program to $257,955 from the prior unused board authorizations from August 3, 2016 and August 1, 2018 of $57,955. Also, on November 15, 2023 November 13, 2024, Griffon announced that the Board of Directors approved an additional increase of $200,000 $400,000 to its share repurchase authorization. Under the authorized share repurchase program, the Company may, from time to time, purchase shares of its common stock in the open market, including pursuant to a 10b5-1 plan, pursuant to an accelerated share repurchase program or issuer tender offer, or in privately negotiated transactions. Share repurchases during the nine three months ended June 30, 2024, December 31, 2024 totaled 3,721,357 610,172 shares of common stock, for a total of $206,104, $42,344, or an average of $55.38 $69.40 per share. This includes the repurchase of 1,500,000 shares repurchased by the Company on February 20, 2024 pursuant to a stock purchase and cooperation agreement executed by the Company and Voss Value Master Fund, L.P., Voss Value-Oriented Special Situations Fund, L.P and four separately managed accounts of which Voss Capital, LLC is the investment manager, in a private transaction. The purchase price per share was $65.50, for an aggregate purchase price of $98,250. As of June 30, 2024 December 31, 2024, $101,078 $390,348 remained under these the Board authorized repurchase programs. program. During the nine three months ended and as of June 30, 2024 December 31, 2024, $1,116 $413 and $2,417, $2,220, respectively, were accrued for excise taxes for share repurchases.

During the nine three months ended June 30, 2024 December 31, 2024 and 2023, cash used in discontinued operations from operating activities was $3,707 $180 and $2,799, $2,926, respectively, primarily related to the settling of certain liabilities and environmental costs.

Cash and Equivalents and Debt	Cash and Equivalents and Debt	June 30,		September 30,	Cash and Equivalents and Debt	December 31,	September 30,	
	2024		2024			2023		2024
Cash and equivalents								
Notes payables and current portion of long-term debt								
Notes payable and current portion of long-term debt								
Long-term debt, net of current maturities								
Debt discount/premium and issuance costs								
Total debt								
Total gross debt								
Debt, net of cash and equivalents								

During 2020, Griffon issued, at par, $1,000,000 of 5.75% Senior Notes due 2028 (the “2028 Senior Notes”). Proceeds from the 2028 Senior Notes were used to redeem $1,000,000 of 5.25% Senior Notes due in 2022. In connection with the issuance and exchange of the 2028 Senior Notes, Griffon capitalized $16,448 of underwriting fees and other expenses incurred, which is being amortized over the term of such notes. During 2022, Griffon purchased $25,225 of 2028 Senior Notes in the open market at a weighted average discount of 91.82% of par, or $23,161. As of June 30, 2024 December 31, 2024, outstanding 2028 Senior Notes due totaled $974,775; interest is payable semi-annually on March 1 and September 1.

The 2028 Senior Notes are senior unsecured obligations of Griffon guaranteed by certain domestic subsidiaries, and subject to certain covenants, limitations and restrictions. The 2028 Senior Notes were registered under the Securities Act of 1933, as amended (the "Securities Act") via an exchange offer. The fair value of the 2028 Senior Notes approximated $940,658 $950,406 on June 30, 2024 December 31, 2024 based upon quoted market prices (Level 1 inputs). At June 30, 2024 December 31, 2024, $7,405 $6,395 of underwriting fees and other expenses incurred remained to be amortized.

On January 24, 2022, Griffon amended and restated its Credit Agreement (the "Credit Agreement") to provide for a new $800,000 Term Loan B facility, due January 24, 2029, in addition to the Revolver revolving credit facility (the "Revolver"). provided for under the Credit Agreement. The Term Loan B facility was issued at 99.75% of par value. Since that time, during 2023 and 2022, Griffon prepaid $25,000 and $300,000, respectively, aggregate principal amount of the Term Loan B, which permanently reduced the outstanding balance. In connection with the prepayment of the Term Loan B, Griffon recognized charges of $437 and $6,296 on the prepayment of debt in 2023 and 2022, respectively. The charges were comprised of write-offs of underwriting fees and other expenses of $386 and $5,575 for 2023 and 2022, respectively, and the original issue discount of $51 and $721 for 2023 and 2022, respectively. As of June 30, 2024 December 31, 2024, the Term Loan B outstanding balance was $459,000. $455,000.

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

0%. Furthermore, the amendment stipulates that if Griffon prepays all or a portion of the Term Loan B within six months of the amendment date, Griffon will be required to pay a premium equal to 1% of the amount prepaid. In connection with the amendment Griffon recognized a $1,700 loss on debt extinguishment in the Company's Condensed Consolidated Statements of Operations, primarily consisting of the write-off of unamortized debt issuance costs and original issue discount related to portions of the Term Loan B facility that were repaid and then reborrowed from new lenders. At June 30, 2024 December 31, 2024, unamortized costs of $5,733 $5,107 related to existing and new Term Loan B facility lenders will continue to be amortized over the term of the loan.

Prior to the amendment, the Term Loan B bore interest at the Term SOFR rate plus a credit spread adjustment with a floor of 0.50% and a spread of 2.50%. Effective June 26, 2024 the The Term Loan B bears interest at the Term SOFR rate plus a spread of 2.25% (7.59% (6.58% as of June 30, 2024 December 31, 2024).

The Term Loan B facility continues to require nominal quarterly principal payments of $2,000, potential additional annual principal payments based on a percentage of excess cash flow and certain secured leverage thresholds starting with the fiscal year ended September 30, 2023; and a final balloon payment due at maturity. At September 30, 2023, Griffon's secured leverage remained below the threshold set forth in the Credit Agreement that would, if exceeded, require Griffon to make an additional payment, and therefore no additional annual principal payment was required. Term Loan B borrowings may generally be repaid without penalty but penalty. Once repaid, Term Loan B borrowings may not be re-borrowed, subject to a prepayment premium of 1.0% in connection with the above repricing transaction within the six months following the closing date of June 26, 2024. reborrowed. The Term Loan B facility is subject to the same affirmative and negative covenants that apply to the Revolver (as described below), but is not subject to any financial maintenance covenants. Term Loan B borrowings are secured by the same collateral that secures borrowings under the Revolver, on an equal and ratable basis. The fair value of the Term Loan B facility approximated $459,000 $457,275 on June 30, 2024 December 31, 2024 based upon quoted market prices (Level 1 inputs).

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

Borrowings under the Revolver may be repaid and re-borrowed at any time. Interest is payable on borrowings at either a Secured Overnight Financing Rate ("SOFR"), SOFR, Sterling Overnight Index Average ("SONIA") or base rate benchmark rate, plus an applicable margin, which adjusts based on financial performance. Griffon's SOFR loans accrue interest at Term SOFR plus a credit adjustment spread and a margin of 2.00% (7.44% (6.43% at June 30, 2024 December 31, 2024); SONIA loans accrue interest at SONIA Base Rate plus a credit adjustment spread and a margin of 2.00% (7.23% (6.73% at June 30, 2024 December 31, 2024); and base rate loans accrue interest at prime rate plus a margin of 1.00% (9.50% (8.50% at June 30, 2024 December 31, 2024).

At June 30, 2024 December 31, 2024, under the Credit Agreement, there were $90,000 $59,500 in outstanding borrowings under on the Revolver; outstanding standby letters of credit were $12,935; $12,990; and $397,065 $427,510 was available, subject to certain loan covenants, for borrowing at that date.

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

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

In November 2012, Garant G.P. (“Garant”), a Griffon wholly owned subsidiary, entered into a CAD 15,000 revolving credit facility. Effective in December 2023, the facility was amended to replace the Canadian Dollar Offer Rate ("CDOR") with the Canadian Overnight Repo Rate Average ("CORRA"). The facility accrues interest at CORRA or the Canadian Bankers Acceptance Rate plus 1.3% per annum (6.04% using CORRA and 6.02% using the Canadian Bankers Acceptance Rate (4.60% as of June 30, 2024 December 31, 2024). The revolving facility matures matured in December 2024, but is renewable upon mutual agreement with the lender. 2024. In January 2025, Garant entered into a new CAD 20,000 revolving credit facility. The facility accrues interest at CORRA plus a credit adjustment spread and margin of 1.2%. Garant is required to maintain a certain minimum equity. At June 30, 2024, there were no outstanding borrowings under the revolving credit facility with CAD 15,000 ($10,955 as of June 30, 2024) available.

During 2023, Griffon Australia Holdings Pty Ltd and its Australian subsidiaries (collectively, "Griffon Australia") amended its AUD 15,000 receivable purchase facility to AUD 30,000. The receivable purchase facility was renewed in 2024 and now matures in March 2025, but is renewable upon mutual agreement with the lender. The receivable purchase facility accrues interest at BBSY (Bank Bank Bill Swap Rate) Rate plus 1.25% per annum (5.56% (5.57% at June 30, 2024 December 31, 2024). At June 30, 2024 December 31, 2024, there was no balance outstanding under the receivable purchase facility with AUD 30,000 ($19,965 18,645 as of June 30, 2024 December 31, 2024) available. The receivable purchase facility is secured by substantially all of the assets of Griffon Australia and its subsidiaries. Griffon Australia is required to maintain a certain minimum equity level.

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

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

At June 30, 2024 December 31, 2024, Griffon and its subsidiaries were in compliance with the terms and covenants of all its credit and loan agreements. Net debt to EBITDA (Leverage ratio), a non-GAAP measure, is a key financial measure that is used by management to assess the borrowing capacity of the Company. The Company has defined its net debt to EBITDA leverage ratio as net debt (total principal debt outstanding net of cash and equivalents) divided by the sum of trailing twelve-month (“TTM”) adjusted EBITDA (as defined above) and TTM stock-based compensation expense. Net Debt to EBITDA, as calculated in accordance with the definition in the Credit Agreement, was 2.7x 2.4x at June 30, 2024 December 31, 2024.

Capital Resource Requirements

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

Griffon's debt requirements include principal on our outstanding debt, most notably our Senior Notes totaling $974,775 payable in 2028 and related annual interest payments of approximately $56,050, a Term Loan B facility maturing in 2029 with an outstanding balance of $459,000 $455,000 on June 30, 2024 December 31, 2024 and Revolver maturing in 2028 with an outstanding balance of $90,000. $59,500. The Term Loan B accrues interest at the Term SOFR plus a current spread of 2.25% (7.59% (6.58% as of June 30, 2024 December 31, 2024). Additionally, the The Term Loan B facility requires continues to require nominal quarterly principal payments of $2,000, potential additional annual principal payments based on a percentage of excess cash flow and certain secured leverage thresholds, and a balloon payment due at maturity. For the Revolver, interest is payable on borrowings at either a SOFR, SONIA or base rate benchmark rate, plus an applicable margin, which adjusts based on financial performance. Griffon's SOFR loans accrue interest at Term SOFR plus a credit spread adjustment and a margin of 2.00% (7.44% (6.43% at June 30, 2024 December 31, 2024); SONIA loans accrue interest at SONIA Base Rate plus a credit spread adjustment and a margin of 2.00% (7.23% (6.73% at June 30, 2024 December 31, 2024); and base rate loans accrue interest at prime rate plus a margin of 1.00% (9.50% (8.50% at June 30, 2024 December 31, 2024).

Customers

A small number of customers account for, and are expected to continue to account for, a substantial portion of Griffon's consolidated revenue. For the nine three months ended June 30, 2024 December 31, 2024, our largest customer, The Home Depot, represented 11% 10% of Griffon's consolidated revenue, 15% 9% of CPP's HBP's revenue and 8% 12% of HBP's CPP's revenue.

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

SUPPLEMENTAL GUARANTOR FINANCIAL INFORMATION

Griffon's Senior Notes are fully and unconditionally guaranteed, jointly and severally by Clopay Corporation, The AMES Companies, Inc., Clopay AMES Holding Corp., ClosetMaid LLC, AMES Hunter Holdings Corporation, Hunter Fan Company, CornellCookson, LLC and Cornell Real Estate Holdings, LLC, all of which are indirectly 100% owned by Griffon. In accordance with Rule 3-10 of Regulation S-X promulgated under the Securities Act, presented below are summarized financial information of the Parent (Griffon) subsidiaries and the Guarantor subsidiaries as of June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024 and for the nine three months ended June 30, 2024 December 31, 2024 and for the year ended September 30, 2023 September 30, 2024. All intercompany balances and transactions between subsidiaries under Parent and subsidiaries under the Guarantor have been eliminated. The information presented below excludes eliminations necessary to arrive at the information on a consolidated basis. The summarized information excludes financial information of the non-Guarantors, including earnings from and investments in these entities. The financial information may not necessarily be indicative of the results of operations or financial position of the guarantor companies or non-guarantor companies had they operated as independent entities. The guarantor companies and the non-guarantor companies include the consolidated financial results of their wholly-owned subsidiaries accounted for under the equity method.

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

Summarized Statements of Operations and Comprehensive Income (Loss)

		For the Nine Months Ended June 30, 2024		For the Year Ended September 30, 2023					
		For the Three Months Ended December 31, 2024		For the Year Ended September 30, 2024					
	Parent Company	Parent Company	Guarantor Companies	Parent Company	Guarantor Companies	Parent Company	Guarantor Companies	Parent Company	Guarantor Companies
Net sales									

Gross profit
Income (loss) from operations
Equity in earnings of Guarantor subsidiaries
Net income (loss)

Summarized Balance Sheet Information

	As of June 30, 2024
	As of December 31, 2024
	As of June 30, 2024
	As of December 31, 2024
	As of June 30, 2024
	As of December 31, 2024
	Parent Company
	Parent Company
	Parent Company
Current assets	
Current assets	
Current assets	
Non-current assets	
Non-current assets	
Non-current assets	
Total assets	
Total assets	
Total assets	
Current liabilities	
Current liabilities	
Current liabilities	
Long-term debt	
Long-term debt	
Long-term debt	
Other liabilities	
Other liabilities	
Other liabilities	
Total liabilities	
Total liabilities	
Total liabilities	

CRITICAL ACCOUNTING POLICIES

The preparation of Griffon's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires the use of estimates, assumptions, judgments and subjective interpretations of accounting principles that have an impact on assets, liabilities, revenue and expenses. These estimates can also affect supplemental information contained in public disclosures of Griffon, including information regarding contingencies, risk and its financial condition. These estimates, assumptions and judgments are evaluated on an ongoing basis and based on historical experience, current conditions and various other assumptions, and form the basis for estimating the carrying values of assets and liabilities, as well as identifying and assessing the accounting treatment for commitments and contingencies. Actual results may materially differ from these estimates. There have been no changes in Griffon's critical accounting policies from September 30, 2023 September 30, 2024.

Griffon's significant accounting policies and procedures are explained in the Management Discussion and Analysis section in the Annual Report on Form 10-K for the year ended September 30, 2023 September 30, 2024. In the selection of the critical accounting policies, the objective is to properly reflect the financial position and results of operations for each reporting period in a consistent manner that can be understood by the reader of the financial statements. Griffon considers an estimate to be critical if it is subjective and if changes in the estimate using different assumptions would result in a material impact on the financial position or results of operations of Griffon.

RECENT ACCOUNTING PRONOUNCEMENTS

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

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, especially “Management’s Discussion and Analysis”, contains certain “forward-looking statements” within the meaning of the Securities Act, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, income (loss), earnings, cash flows, revenue, changes in operations, operating improvements, the industries in which Griffon Corporation (the “Company” or “Griffon”) operates and the United States and global economies. Statements in this Form 10-Q that are not historical are hereby identified as “forward-looking statements” and may be indicated by words or phrases such as “anticipates,” “supports,” “plans,” “projects,

“projects,” “expects,” “believes,” "achieves", “should,” “would,” “could,” “hope,” “forecast,” “management is of the opinion,” “may,” “will,” “estimates,” “intends,” “explores,” “opportunities,” the negative of these expressions, use of the future tense and similar words or phrases. Such forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from those expressed in any forward-looking statements. These risks and uncertainties include, among others:current economic conditions and uncertainties in the housing, credit and capital markets; Griffon’s ability to achieve expected savings and improved operational results from cost control, restructuring, integration and disposal initiatives (including in particular, the expanded CPP global outsourcing strategy announced in May 2023); the ability to identify and successfully consummate, and integrate, value-adding acquisition opportunities; increasing competition and pricing pressures in the markets served by Griffon’s operating companies; the ability of Griffon’s operating companies to expand into new geographic and product markets, and to anticipate and meet customer demands for new products and product enhancements and innovations; increases in the cost or lack of availability of raw materials such as steel, resin and wood, components or purchased finished goods, including any potential impact on costs or availability resulting from tariffs; changes in customer demand or loss of a material customer at one of Griffon’s operating companies; the potential impact of seasonal variations and uncertain weather patterns on certain of Griffon’s businesses; political events or military conflicts that could impact the worldwide economy; a downgrade in Griffon’s credit ratings; changes in international economic conditions including inflation, interest rate and currency exchange fluctuations; the reliance by certain of Griffon’s businesses on particular third party suppliers and manufacturers to meet customer demands; the relative mix of products and services offered by Griffon’s businesses, which impacts margins and operating efficiencies; short-term capacity constraints or prolonged excess capacity; unforeseen developments in contingencies, such as litigation, regulatory and environmental matters; Griffon’s ability to adequately protect and maintain the validity of patent and other intellectual property rights; the cyclical nature of the businesses of certain of Griffon’s operating companies; possible terrorist threats and actions and their impact on the global economy; effects of possible IT system failures, data breaches or cyber-attacks; the impact of pandemics, such as COVID-19, or some other future pandemic, on the U.S. and the global economy, including business disruptions, reductions in employment and an increase in business and operating facility failures, specifically among our customers and suppliers; Griffon’s ability to service and refinance its debt; and the impact of recent and future legislative and regulatory changes, including, without limitation, changes in tax laws. Additional important factors that could cause the statements made in this Quarterly Report on Form 10-Q or the

actual results of operations or financial condition of Griffon to differ are discussed under the caption “Item 1A. Risk Factors” and “Special Notes Regarding Forward-Looking Statements” in Griffon’s Annual Report on Form 10-K for the year ended September 30, 2023 September 30, 2024. Such statements reflect the views of the Company with respect to future events and are subject to these and other risks, as previously disclosed in the Company's Securities and Exchange Commission filings. Readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements speak only as of the date made. Griffon undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Item 3 - Quantitative and Qualitative Disclosures About Market Risk

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

Interest Rates

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

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

Foreign Exchange

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

Item 4 - Controls and Procedures

Management's Quarterly Evaluation of Disclosure Controls and Procedures

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

Changes in Internal Control Over Financial Reporting

There were no changes in the Griffon's internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) that occurred during the three months ended June 30, 2024 December 31, 2024 that have materially affected, or are reasonably likely to materially affect, Griffon's internal control over financial reporting.

Limitations on the Effectiveness of Controls

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

PART II - OTHER INFORMATION

Item 1 Legal Proceedings

None None.

Item 1A Risk Factors

In addition to the other information set forth in this report, carefully consider the factors in Item 1A to Part I in Griffon's Annual Report on Form 10-K for the year ended September 30, 2023 September 30, 2024, which could materially affect Griffon's business, financial condition or future results. The risks described in Griffon's Annual Report on Form 10-K are not the only risks facing Griffon. Additional risks and uncertainties not currently known to Griffon or that Griffon currently deems to be immaterial also may materially adversely affect Griffon's business, financial condition and/or operating results.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

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

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

Period	(a) Total Number of Shares (or Units) Purchased (1)		(b) Average Price Paid Per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (1)	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs (1)
October 1 - 31, 2024	481,379	(2)	$67.91	481,379	
November 1-30, 2024	94,449	(3)	$81.83	30,200	
December 1-31, 2024	98,593	(2)	$74.44	98,593	
Total	674,421			610,172	$ 390,348

1. On April 19, 2023, the Company's Board of Directors approved a $200,000 increase to its share repurchase program to $257,955 from the prior unused authorization of $57,955. On November 15, 2023 November 13, 2024, Griffon announced that the Board of Directors approved an additional increase of $200,000 $400,000 to its share repurchase program authorization. Under the share repurchase program, the Company may, from time to time, purchase shares of its common stock in the open market, including pursuant to a 10b5-1 plan, pursuant to an accelerated share repurchase program or issuer tender offer, or in privately negotiated transactions. As of June 30, 2024 December 31, 2024, $101,078 $390,348 remained available for the purchase of common stock under board authorized programs. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Liquidity."

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

3. Includes (a) 30,200 shares purchased by the Company in open market purchases pursuant to a stock buyback plan authorized by the Company's Board of Directors; and (b) 64,249 shares acquired by the Company from holders of restricted stock upon vesting of the restricted stock, to satisfy tax-withholding obligations of the holder.

Item 3 Defaults Upon Senior Securities

None None.

Item 4 Mine Safety Disclosures

None None.

Item 5 Other Information

Rule 10b5-1 Trading Plans

During the fiscal quarter ended June 30, 2024 December 31, 2024, the following trading plans were adopted by the none of our directors or executive officers listed below.Each such adopted or terminated any contract, instruction or written plan is intended for the purchase or sale of our securities to satisfy the affirmative defense conditions of Rule 10b5-1(c), as amended. or any "non-Rule 10b5-1 trading arrangement."

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

Item 6	Exhibits
10.110.1*	Second Amendment to Fifth Amended Offer Letter, dated November 13, 2024, between the Company and Restated Credit Agreement, dated as of January 24, 2022, by and among Griffon Corporation, Bank of America, N.A., as administrative agent, and the several banks and other financial institutions or entities from time to time parties thereto, dated June 26, 2024 Brian G. Harris. (incorporated by reference to Exhibit 10.1 10.10 to Current the Registrant's Annual Report on Form 8-K filed June 26, 2024 10-K for the year ended September 30, 2024 (Commission File No. 1-06620)).
19.1**	Insider Trading Policy
31.1	Certification pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Document
101.DEF	XBRL Taxonomy Extension Definitions Document
101.LAB	XBRL Taxonomy Extension Labels Document
101.PRE	XBRL Taxonomy Extension Presentations Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Indicates a management contract or compensatory plan or arrangement.

** Filed Herewith

SIGNATURES

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

GRIFFON CORPORATION

/s/ Brian G. Harris

Brian G. Harris

Senior Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

/s/ W. Christopher Durborow

W. Christopher Durborow

Vice President and Chief Accounting Officer

(Principal Accounting Officer)

Date: August 7, 2024 February 5, 2025

Exhibit 19.1

GRIFFON CORPORATION

POLICY ON INSIDER TRADING

In the course of conducting the business of Griffon Corporation (the "Company"), we may come into possession of material information about the Company or other entities that is not available to the investing public ("material non-public information"). You must maintain the confidentiality of material non-public information and may not use it in connection with the purchase or sale of Griffon Securities (as defined below) or the securities of any other entity to which the information relates. The Company has adopted this Policy on Insider Trading (this “Policy”) in order to ensure compliance with the law and to avoid even the appearance of improper conduct by anyone associated with the Company. We have all worked hard to establish the Company’s reputation for integrity and ethical conduct, and we are all responsible for preserving and enhancing this reputation. There are no exceptions to this Policy, except as specifically noted herein.

Applicability

The restrictions set forth in this Policy apply to all Company officers, directors and employees, including directors, officers and employees of the Company’s subsidiaries, wherever located, and to their spouses, minor children, adult family members sharing the same household and any other person over whom the officer, director or employee exercises substantial influence or control over his, her or its securities trading decisions. This Policy also applies to any trust or other estate in which a director, officer or employee has a substantial beneficial interest or as to which he or she serves as trustee or in a similar fiduciary capacity. The Company may also determine that other persons should be subject to this Policy, such as contractors or consultants who have access to material non-public information.

Each individual is responsible for making sure that he or she complies with this Policy, and that any family member, household member or entity whose transactions are subject to this Policy also complies with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material non-public information rests with that individual, and any action on the part of the Company, Griffon’s General Counsel or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws.

To avoid even the appearance of impropriety, additional restrictions on trading Griffon securities apply to directors, officers and certain designated employees. These policies are set forth in the Company's Addendum to Insider Trading Policy that applies to directors, officers, and certain designated employees of the Company who have access to material non-public information about the Company on a periodic basis. The Company will notify you if you are subject to the Addendum. The Addendum generally prohibits those covered by it from trading in Griffon securities during blackout periods and requires pre-clearance for all transactions in Griffon securities.

Inside Information

Company policy and the laws of the United States and many other countries strictly prohibit any director, officer or employee of the Company, whenever and in whatever capacity employed, from trading Company securities (including equity securities, convertible securities, options, bonds, and derivatives thereof) (“Griffon Securities”) while in possession of “inside information” about the Company. Inside information is any material, non-public information about a company.

If you become aware of any inside information, you may not execute any trade in Griffon securities and you should treat the information as strictly confidential. This prohibition applies to Griffon securities as well as the securities of any other company, including but not limited to customers, suppliers, vendors and distributors of the Company, about which you acquire inside information in the course of your duties for the Company. It also applies to transactions for any Company account, employee account or account over which the employee has investment discretion. You are responsible for reviewing this Policy and ensuring that your actions do not violate it.

Material, Non-Public Information

As noted above, it is illegal and a violation of Company policy to trade securities while aware of material, non-public information.

<u>What is Material Information?</u>

Under Company policy and United States law, information is material if:

- there is a substantial likelihood that a reasonable investor would consider the information important in determining whether to trade in a security; <u>or</u>
- the information, if made public, likely would affect the market price of a company's securities.

Information may be material even if it relates to future, speculative or contingent eventsand even if it is significant only when considered in combination with publicly available information. Material information can be positive or negative.

Depending on the facts and circumstances, information that could be considered material includes, but is not limited to:

- earnings announcements or estimates, or changes to previously released announcements or estimates;
- other unpublished financial results;
- significant dividend increases or decreases;
- write-downs and additions to reserves (i.e., for bad debts);
- expansion or curtailment of operations;
- new products, inventions or discoveries;
- major litigation or government actions;
- significant cybersecurity incidents, such as a data breach, or any other significant disruption in the Company's operations;
- possible acquisitions, divestitures or joint ventures;

- changes in analyst recommendations or debt ratings;
- restructurings and recapitalizations;
- anticipated public offerings of securities;
- extraordinary management developments;
- extraordinary borrowing; and
- liquidity problems.

What is Non-Public Information?

Information is considered to be non-public unless it has been adequately disclosed to the public, which means that the information must be publicly disseminated and sufficient time must have passed for the securities markets to digest the information.
It is important to note that information is not necessarily public merely because it has been discussed in the press, which will sometimes report rumors. You should presume that information is non-public unless you can point to its official release by the Company in at least one of the following ways:

- public filings with securities regulatory authorities;
- issuance of press releases; or
- meetings with members of the press and the public.

You may not attempt to "beat the market" by trading simultaneously with, or shortly after, the official release of material information. Although there is no fixed period for how long it takes the market to absorb information, out of prudence a person aware of material, non-public information should refrain from any trading activity for approximately one full trading day following its official release; shorter or longer waiting periods might be warranted based upon the liquidity of the security and the nature of the information.

Notwithstanding these timing guidelines, it is illegal for you to trade while in possession of material, non-public information, including situations in which you are aware of major developments that have not yet been publicly announced by the issuer.

What Transactions are covered by this Policy?

Trading includes the purchase and sale and, as applicable, the exercise, of any type of Griffon Security.

Twenty-Twenty Hindsight

If securities transactions ever become the subject of scrutiny, they are likely to be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how the transaction may be construed in the bright light of hindsight. If you have any questions or uncertainties about this Policy or a proposed transaction, please ask Griffon's General Counsel.

"Tipping" Material, Non-Public Information Is Prohibited

In addition to trading while in possession of material, non-public information, it is illegal and a violation of this Policy, as well as the Company's Code of Business Conduct and Ethics, to convey such information to another ("tipping") if you know or have reason to believe that the person will misuse such information by trading in securities or passing such information to others who are likely to trade. This applies regardless of whether the "tippee" is related to the insider or is an entity, such as a trust or a corporation, and regardless of whether you receive any monetary benefit from the tippee.

Trading on or conveying material, non-public information may also breach contractual obligations assumed by the Company to or on behalf of Company customers. Apart from contractual remedies (such as damages and injunctions), severe, and possibly irreparable, reputational damage to the Company can result from trading on, tipping or other improper use of material, non-public information.

Avoid Speculation

Those subject to this Policy may not trade in options, warrants, puts and calls or similar instruments on Griffon securities or sell Griffon securities "short." In addition, you may not pledge or hold Griffon securities in margin accounts or engage in hedging or monetization transactions. Investing in Griffon securities provides an opportunity to share in the future growth of the Company; however, this does not mean short-range speculation based on fluctuations in the market. Such activities may put the personal gain of the director, officer or employee in conflict with the best interests of the Company and its shareholders. Anyone may, of course, exercise any options granted to them by the Company and, subject to the restrictions discussed in this Policy and other applicable Company policies, sell shares acquired through exercise of options.

Trading Plans

Notwithstanding the prohibition against insider trading, Rule 10b5-1 of the Securities Exchange Act of 1934 ("Rule 10b5-1") permits employees to trade in Griffon securities, regardless of their awareness of inside information, if the transaction is made pursuant to a pre-arranged written trading plan ("Trading Plan") that was entered into when the employee was not in possession of material, non-public information and complies with the requirements of Rule 10b5-1. An employee who wishes to enter into a Trading Plan must submit the Trading Plan to the Company's General Counsel for approval prior to adoption of the Trading Plan. Trading Plans will be approved at the discretion of the Company. Trading Plans may not be adopted when the employee is in possession of material non-public information about the Company. An employee may amend or replace his or her Trading Plan only during periods when trading is permitted in accordance with this Policy and, once a Trading Plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which securities are to be traded or the date(s) on which securities are to be traded. Trading Plans must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party. Trading Plans must also include a cooling-off period before trading can commence. For directors or officers, this period ends on the later of 90 days after the adoption of the Trading Plan or two business days following the disclosure of the Company's financial results in a periodic report filed with the U.S. Securities and Exchange Commission for the fiscal quarter in which the Trading Plan was adopted (but in any event the required cooling-off period will not be longer than 120 days after adoption of the Trading Plan). For persons other than directors or officers, the cooling off period ends 30 days following the adoption or modification of a Trading Plan. A person may not enter into overlapping Trading Plans (subject to certain exceptions), and may only enter into one single-trade Trading Plan during any 12-month period (again, subject to certain exceptions). Directors and officers must include a representation in their Trading Plan stating that: (i) they are not aware of any material non-public information; and (ii) they are adopting the Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions in Rule 10b-5. All persons entering into a Trading Plan must act in good faith with respect to that Trading Plan.

Reporting Violations/Seeking Advice

You should refer suspected violations of this policy to Griffon's General Counsel. In addition, if you:

- receive material, non-public information that you are not authorized to receive or that you do not legitimately need to know to perform your employment responsibilities, or
- receive confidential information and are unsure if it is within the definition of material, non-public information or whether its release might be contrary to a fiduciary or other duty or obligation,

you should not share it with anyone. To seek advice about what to do under those circumstances, contact Griffon's General Counsel. Consulting your legal colleagues can have the effect of exacerbating the problem. Containment of the information, until the legal implications of possessing it are determined, is critical.

Penalties for Violations of the Insider Trading Policy and Laws

In the United States and many other countries, the personal consequences of illegally trading securities while in possession of material, non-public information can be quite severe. Certain securities laws provide that an individual is subject to possible imprisonment and significant fines. These laws apply to all employees – not just officers and directors. Subject to applicable law, Company employees who violate this Policy may also be subject to discipline by the Company, up to and including termination of employment.

If you are located or engaged in dealings outside the United States, be aware that laws regarding insider trading and similar offenses differ from country to country. Employees must abide by the laws in the country in which the employee is located. However, you are required to comply with this Policy even if local law is less restrictive. If you believe that a local law conflicts with this Policy, you must consult Griffon's General Counsel.

GRIFFON CORPORATION

ADDENDUM TO POLICY ON INSIDER TRADING

INTRODUCTION

This Addendum is in addition to and supplements the Griffon Corporation Policy on Insider Trading (the "Policy on Insider Trading"). This Addendum applies to directors, officers and certain designated employees of Griffon Corporation ("Griffon" or the "Company") and its subsidiaries who have access to material non-public information about the Company. This Addendum does not apply to the Company or its Employee Stock Ownership Plan. The positions of the covered persons subject to this Addendum are listed on attached Schedule A. The Company's Board of Directors or Chief Executive Officer may from time to time designate other positions that are subject to this Addendum; and Schedule A will be amended from time to time as necessary to reflect such changes or the resignation or change of status of any individual.

Please read this Addendum carefully. When you have completed your review, please sign the attached acknowledgment form and return it to Griffon's General Counsel.

Contact Griffon's General Counsel if at any time you have questions about this Addendum or its application to a particular situation.

GENERAL RULES

In general terms, the law and Company policy prohibit:

X Buying or selling Company securities (including equity securities, convertible securities, options, bonds, and derivatives thereof) ("Company Securities"), or in some cases the securities of other companies, while in possession of material non-public information. In order to avoid even the appearance of impropriety, the Company's policy is to require pre-clearance of all transactions in Company Securities by those subject to this Addendum (as described in more detail below), and to prohibit any transactions in Company Securities by those subject to this Addendum during certain designated blackout periods, as detailed below.

X Disclosing material non-public information to outsiders, including family members and others (tipping), who then trade in Company Securities or the securities of another company while in possession of that information.

X Retaining "short-swing profits" earned by directors or certain officers through trading in the Company Securities that are equity securities ("Company Equity Securities"), whether or not in possession of material non-public information. Any such profits, which generally involve a purchase and sale or a sale and purchase (or any number of these transactions) within any period of less than six months, must be disgorged to the Company.

- X The sale of any Company Securities without complying with all the requirements of Rule 144 under the Securities Act of 1933 (the "Securities Act"), if applicable. This Rule, also described in more detail later in this Addendum, has detailed reporting requirements, and strict limitations and requirements regarding:

  - X the number of shares that may be sold during an established period of time;

  - X for certain securities, the length of time for which they must be held before they are sold;

  - X the availability of publicly available information about the Company; and

  - X the manner of sale.

- X Answering questions or providing information about the Company and its affairs to Company outsiders unless you are specifically authorized to do so, or it is a regular part of the duties of your position.

In addition, Company Directors and those officers designated by the Board of Directors as Section 16 Officers ("Section 16 Officers") are required to file a number of forms with the Securities and Exchange Commission (the "SEC") in connection with various events, which include:

- X An initial statement regarding beneficial ownership of Company Equity Securities, usually filed at the time of becoming a Director or Section 16 Officer, regardless of actual ownership of such securities (Form 3).

- X Statements of changes of beneficial ownership of securities of the Company, or derivatives thereof, to be filed within two business days after any such change (Form 4).

- X Annual statement of beneficial ownership of securities, filed within 45 days of the end of the Company's fiscal year with respect to certain securities transactions not earlier reported (Form 5).

Griffon's General Counsel will provide information to its Directors and Section 16 Officers concerning these requirements and the required filings of these Forms, and will offer to facilitate the filing of these forms on behalf of each Director and Section 16 Officer. However, each Section 16 Officer and Director bears legal responsibility for complying with these requirements and should consult with Griffon's General Counsel regarding any question or clarifications.

TRADING WHILE AWARE OF
MATERIAL NON-PUBLIC INFORMATION

You must maintain the confidentiality of material non-public information and may not trade in Company Securities, or the securities or derivatives of any other entity to which the information relates, until the information has been made public. The Policy on Insider Trading describes in detail the prohibition against trading while aware of material non-public information, which you must read and follow.

PRE-CLEARANCE PROCEDURES

Those subject to this Addendum, and their spouses, minor children, adult family members sharing the same household, and any other person the securities trading decisions over which the individual exercises substantial influence or control (collectively, "Family Members"), may not engage in any transaction involving Company Securities (including gifts, loans, contributions to a trust, or any other transfers) without first obtaining pre-clearance of the transaction from Griffon's General Counsel. Notwithstanding the foregoing, pre-clearance is not required for any trades made pursuant to a pre-arranged 10b5-1 Trading Plan adopted in accordance with the requirements of the Policy on Insider Trading or for transactions or trades with the Company, including, without limitation, the withholding of shares by the Company to satisfy tax withholding obligations in connection with the vesting of restricted shares. Each proposed transaction will be evaluated to determine if it raises insider trading concerns or other concerns under federal laws and regulations. Any advice will relate solely to the restraints imposed by law and will not constitute advice regarding the investment aspects of any transaction. Clearance of a transaction is valid only for a 72-hour period. If the transaction order is not placed within that 72-hour period, clearance of the transaction must be requested again. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance. Clearance does not relieve a person of his or her legal obligation to refrain from trading while in possession of material non-public information.

BLACKOUT PERIOD

From time to time, an event may occur that is material to the Company and is known by only a limited group of officers and/or directors. The existence of an event-specific blackout will not be announced. If, however, a person whose trades are subject to pre-clearance requests permission to trade in Company Securities during an event-specific blackout, Griffon's General Counsel will inform the requesting person of the existence of a blackout period, without disclosing the reason for the blackout. Any person made aware of the existence of an event-specific blackout should not disclose the existence of the blackout to any other person.

MARGIN ACCOUNTS AND PLEDGING COMPANY SECURITIES

The Company prohibits those subject to this Addendum from purchasing Company Securities on margin, holding Company Securities in a margin account or pledging Company Securities. Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Likewise, securities pledged to a bank or financial institution may be sold without the customer's consent if the customer fails to repay the obligation secured by the pledge. As a result, such sales may occur at a time when an employee or a director has material, non-public information or is otherwise not permitted to trade in Company Securities.

HEDGING TRANSACTIONS

The Company prohibits those subject to this Addendum from engaging in hedging or monetization transactions with respect to Company Securities, such as zero-cost collars and forward sale contracts, which allow an employee to lock in all or a portion of the value of a security, often in exchange for all or part of the potential for upside appreciation in such security. These transactions allow the employee, director or other individual to continue to own the Company Security, but without the full risks and rewards of ownership. When that occurs, the employee, director or other individual may no longer have the same objectives as the Company's other shareholders; therefore, such transactions are prohibited.

REPORTING AND FORM FILING REQUIREMENTS

Under Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), directors and certain executive officers (the "Section 16 Officers") of the Company must file forms with the SEC when they engage in certain transactions involving Company Equity Securities. In this context, in addition to basic traditional equity interests such as common stock, "Company Equity Securities" also includes any securities that are exchangeable for or convertible into, or that derive their value from, a Company Equity Security. These other securities are known as derivative securities and include options, warrants, convertible securities and stock appreciation rights.

Form 3:*Initial Beneficial Ownership Statement*. A person who becomes a director or Section 16 Officer of the Company must file a Form 3 within ten days of becoming a director or Section 16 Officer, even if the director or Section 16 Officer is not an owner of Company Equity Securities at the time. The Form 3 must disclose the director's or Section 16 Officer's ownership of any Company Equity Securities the director or Section 16 Officer owns immediately prior to assuming office.

Form 4:*Changes of Beneficial Ownership Statement*. As long as a person remains a director or Section 16 Officer, and under certain circumstances for up to six months after a person no longer holds such a position with the Company, a Form 4 must be filed before 10:00 p.m. on the second business day following the day that there is a change in the number of Company Equity Securities held from that previously reported to the SEC. There are exceptions to this requirement for a limited class of employee benefit plan transactions.

Form 5:*Annual Beneficial Ownership Statement*. A Form 5 must be filed with the SEC by any individual who served as a director or Section 16 Officer of the Company during any part of the Company's fiscal year to report: (1) all reportable transactions in Company Equity Securities exempt from the Form 4 filing requirement, or unreported transactions of less than $10,000; (2) all transactions that should have been reported on a Form 4 during the last fiscal year but were not; and (3) with respect to an individual's first Form 5, all transactions which should have been reported but were not for the last two fiscal years.

A Form 5 need not be filed if all transactions otherwise reportable have been previously reported. If required, Form 5 must be filed within 45 days after the end of the Company's fiscal year, which is November 14, or the first business day thereafter.

Any questions concerning whether a particular transaction will require filing one of these Forms, or how or when they should be completed, should be asked of Griffon's General Counsel. *The Company must disclose in its Annual Report on Form 10-K and in its Proxy Statement any delinquent filings of Forms 3, 4 or 5 by directors and Section 16 Officers, and must post on its website, by the end of the business day after filing with the SEC, any Forms 3, 4 and 5 relating to Company Equity Securities.*

Reporting Exemptions for Certain Employee Benefit Plan Transactions

Rule 16b-3 under the Exchange Act provides exemptions for director and Section 16 Officer reporting of certain employee benefit plan events on Forms 4 and 5, including certain routine non-volitional transactions under tax-conditioned thrift, stock purchase and excess benefit plans.

A transaction that results only in a change in the form of a person's beneficial ownership is also exempt from reporting. An exempt "change in the form of beneficial ownership" would include, for example, a distribution of benefit plan securities to an insider participant where the securities were previously attributable to the insider. Exercises or conversions of derivative securities would not, however, be considered mere changes in beneficial ownership and would be reportable.

The vesting of most stock options, restricted stock and stock appreciation rights is also not subject to the Form 4 and Form 5 reporting requirements.

Short-Swing Trading Profits

In order to discourage directors and officers from profiting through short-term trading transactions in Company Equity Securities, Section 16(b) of the Exchange Act requires that any "short-swing profits" be disgorged to the Company. (This is in addition to the Form reporting requirements described above.)

"Short-swing profits" are profits that result from any purchase and sale, or sale and purchase, of Company Equity Securities within a six-month period unless there is an applicable exemption for either transaction. It is important to note that this rule applies to

any matched transactions in Company Equity Securities, not only a purchase and sale or sale and purchase of the same shares, or even of the same class of securities. Furthermore, pursuant to the SEC's rules, the "statutory profit" is determined so as to maximize the amount that the director or Section 16 Officer must disgorge, and this amount may not be offset by any losses realized.

Short-swing Exemptions for Certain Reinvestment and
Employee Benefit Plan Transactions

As indicated, to come within the short-swing rules, a purchase and sale (or sale and purchase) within a six-month period are matched to determine the amount of profit (if any). Rule 16b-3 has carved out a few exceptions to what constitutes a "purchase" for these matching purposes.

Under this Rule certain transactions involving acquisitions of equity securities under employee benefit plans are not counted as "purchases" for short-swing purposes, provided that the benefit plan transaction meets various statutory requirements.

The Griffon Employee Stock Ownership Plan meets these requirements, and therefore an acquisition of equity securities under that plan generally speaking is not a "purchase" for short-swing purposes.

Prohibition Against Short-sales

Directors and Section 16 Officers are prohibited from making "short sales" of Company Equity Securities. A short sale has occurred if the seller: (1) does not own the securities sold at the time of executing the sale transaction; or (2) does own the securities sold, but does not deliver them within 20 days or place them in the mail within 5 days of the sale.

LIMITATIONS AND REQUIREMENTS ON RESALES OF COMPANY SECURITIES

Under the Securities Act, directors and certain officers who are considered to be “affiliates” under Rule 144 who wish to resell their Company securities must comply with the requirements of Rule 144, or risk being required to register the securities under the Securities Act. "Securities" under Rule 144 (unlike under Section 16) are broadly defined to include all securities, not just equity securities. Therefore, the Rule 144 requirements apply not only to common and preferred stock, but also to bonds, debentures and any other form of security. Also, the requirements of Rule 144 apply whether or not the securities to be resold were previously registered under the Securities Act, except for the minimum holding period (which applies only to securities which were not registered under the Securities Act).

The relevant provisions of Rule 144 as they apply to resales by directors and officers are as follows:

1. ***Current public information*.** There must be adequate current public information available regarding the Company. This requirement is satisfied only if the

Company has filed all reports required by the Exchange Act during the twelve months preceding the sale.

2. ***Manner of sale*.** The sale of Company shares by a director or officer must be made in an open market transaction through a broker at the prevailing market price for no more than the usual and customary brokerage commission. Furthermore, the broker may not solicit or arrange for the solicitation of customers to purchase the shares.

3. ***Number of shares which may be sold.*** The amount of securities that a director or officer may sell in a three-month period is limited to the greater of:

    a. one percent of the outstanding shares of the Company, or

    b. the average weekly reported trading volume in the four calendar weeks preceding the transactions.

4. ***Notice of proposed sale*.**If the amount of securities proposed to be sold by a director or officer during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of $50,000, the officer or director must file a notice of sale with the SEC on Form 144 prior to, or concurrently with, the placing of the order to sell securities.

5. ***Holding Periods*.** Any Company Securities acquired directly or indirectly from the Company in a transaction that was not registered with the SEC under the Securities Act (restricted securities) must be held for six months prior to reselling such securities. There is no statutory minimum holding period for securities which were registered under the Securities Act or acquired in an open-market transaction.

In certain situations (*e.g*., securities acquired through stock dividends, splits or conversions), "tacking" is permitted-- that is, the new securities will be deemed to have been acquired at the same time as the original securities.

NOTIFICATION TO BROKERS

In order to facilitate compliance with this Addendum, each director and Section 16 Officer is required to notify each securities broker, asset manager and investment advisor retained by such person, and any other professional advisor or agent that could engage in a securities transaction on behalf of such person, that such person is a director or officer of Griffon and is required to (i) obtain pre-clearance from Griffon’s General Counsel before engaging in any transaction in Company Securities, and (ii) file forms under Section 16(a) of the Exchange Act to report most transactions in Company Equity Securities. Such notification must be in the form of the letter attached as Schedule B, and a copy of each such letter, when sent, should be provided to Griffon’s General Counsel.

POTENTIAL PENALTIES FOR VIOLATIONS OF LAW AND THIS ADDENDUM

The seriousness of securities law violations is reflected in the penalties that may result. A director's resignation may be sought, or an officer or employee will be subject to possible Company disciplinary action up to and including termination of employment. In addition, both the Company itself and individual directors, officers or employees may be subjected to both criminal and civil liability which, for individuals, can include a prison sentence.

QUESTIONS

Because of the technical nature of some aspects of the federal securities laws, you should review this material carefully and contact Griffon's General Counsel prior to engaging in any transaction in Company Securities which might be in conflict with the securities law and this Addendum.

ACKNOWLEDGEMENT

All directors, officers and other employees subject to the procedures set forth in this Addendum must acknowledge their understanding of, and intent to comply with, the Policy on Insider Trading and this Addendum on the form attached to this Addendum.

SCHEDULE A

Griffon Corporation

Board of Directors
Chief Executive Officer
President
Chief Financial Officer
Executive Vice President
Senior Vice President
Vice President
Treasurer
Secretary
Controller
Head of Risk Management function
Head of Tax function
Head of Internal Audit function

Home and Building Products segment (Clopay Corporation)
Chief Executive Officer
President
Chief Operating Officer
Head of Finance function
Treasurer
Controller
Head of Legal function

Consumer and Professional Products segment
President, CPP
Chief Financial Officer, CPP
President, Ames North America

CEO, Ames Australia
President, Hunter Fan Company
Head of Legal function, CPP
Vice President, Finance, The Ames Companies, Inc.
Treasurer, The Ames Companies, Inc.
Controller, The Ames Companies, Inc.

SCHEDULE B

[Name of Director or Section 16 Officer]
[address]
[address]

[date]

[name of broker or other securities professional]
[address]
[address]

Dear [name of contact at broker]_:

Please be advised that I am [a director] [the [insert officer title]] of Griffon Corporation ("Griffon"). Griffon's common stock is listed on, and traded on, the New York Stock Exchange. Griffon has adopted a Policy on Insider Trading (the "Policy"), as well as an Addendum to the Policy (the "Addendum") that supplements the Policy and applies to directors, officers and certain other key employees. Pursuant to the Addendum, I am required to provide this letter to you.

The Addendum requires that, before I (or any of my spouse, minor children, adult family members sharing the same household, or any other person or entity the securities trading decisions over which I exercise substantial influence or control), engage in any transaction involving Griffon securities, I obtain "pre-clearance" regarding such transaction from Griffon's General Counsel. Therefore, I am instructing you that, before you effect any transaction on my behalf (or on behalf of any of the other persons or entities referenced above) in Griffon common stock, or in any other Griffon security, you confirm with Griffon's General Counsel that I have obtained such pre-clearance.

The Addendum also prohibits me from purchasing Griffon securities on margin, holding Griffon securities in a margin account or pledging company securities to secure debt; and prohibits me from engaging in hedging or monetizing transactions, such as zero-cost collars and forward sale contracts. I would appreciate your assistance to ensure that I remain in compliance with these prohibitions contained in the Addendum.

Finally, the Addendum makes it clear that I am required to file certain forms with the Securities and Exchange Commission (generally a "Form 4") when I (or any of the persons or entities referenced above) engage in any transaction involving Griffon common stock, subject to limited exceptions. I have executed a power of attorney authorizing Griffon's General Counsel to file these forms on my behalf. Therefore, anytime you effect such a transaction in Griffon common stock on my behalf (or on behalf of any of the persons or entities referenced above), you are authorized, and directed, to provide the details to Griffon's General Counsel as soon as possible so that the appropriate form can be timely filed on my behalf. Please note that, since a Form 4 is generally required to be filed within two business days after any transaction in Griffon common stock, time is of the essence when providing the details regarding any such transaction.

The name and contact information of Griffon's General Counsel is as set forth below; should this information change, I will promptly notify you.

Seth L. Kaplan
(212) 957-5002 (office)
(203) 918-0959 (mobile)
kaplan@griffon.com

Please let me know if you have any questions.

Very truly yours,

[name of Director or Section 16 Officer]

cc: Seth L. Kaplan, Griffon Corporation (via e-mail)

ACKNOWLEDGMENT FORM

I have received and read the Griffon Corporation Policy on Insider Trading and the Addendum thereto applicable to officers, directors and certain designated employees, and I understand their contents. I agree to comply fully with the policies and procedures contained in the Policy on Insider Trading and the Addendum. I acknowledge that the Policy on Insider Trading and the Addendum are statements of policies and procedures and do not, in any way, constitute an employment contract or an assurance of continued employment.

____

Printed Name

____

Signature

____

Date

Exhibit 31.1

CERTIFICATION

I, Ronald J. Kramer, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 7, 2024 February 5, 2025

/s/ Ronald J. Kramer

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

Exhibit 31.2

CERTIFICATION

I, Brian G. Harris, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 7, 2024 February 5, 2025

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

Exhibit 32

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

I, Ronald J. Kramer, Chief Executive Officer of Griffon Corporation, hereby certify that the Form 10-Q of Griffon Corporation for the period ended June 30, 2024 December 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Griffon Corporation.

/s/ Ronald J. Kramer
Name: Ronald J. Kramer
Date: August 7, 2024 February 5, 2025

I, Brian G. Harris, Senior Executive Vice President and Chief Financial Officer of Griffon Corporation, hereby certify that the Form 10-Q of Griffon Corporation for the period ended June 30, 2024 December 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Griffon Corporation.

/s/ Brian G. Harris
Name: Brian G. Harris
Date: August 7, 2024 February 5, 2025

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

DISCLAIMER

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