

REFINITIV

# DELTA REPORT

## 10-Q

JELD - JELD-WEN HOLDING, INC.  
10-Q - JUNE 29, 2024 COMPARED TO 10-Q - MARCH 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	858
CHANGES	304
DELETIONS	205
ADDITIONS	349

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 **March 30, 2024****June 29, 2024**  
or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 001-38000

**JELD-WEN Holding, Inc.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

93-1273278  
(I.R.S. Employer  
Identification No.)

2645 Silver Crescent Drive  
Charlotte, North Carolina 28273  
(Address of principal executive offices, zip code)  
  
(704) 378-5700  
(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 (par value \$0.01 per share)	JELD	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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 registrant had **85,986,368** **84,542,636** shares of Common Stock, par value \$0.01 per share, outstanding as of **May 3, 2024** **August 2, 2024**.

**JELD-WEN HOLDING, Inc.**  
- Table of Contents -

	<u>Page No.</u>
<b><u>Part I - Financial Information</u></b>	
Item 1. Unaudited Financial Statements	
Consolidated Statements of Operations	8
Consolidated Statements of Comprehensive Income (Loss)	9
Consolidated Balance Sheets	10
Consolidated Statements of Equity	11
Consolidated Statements of Cash Flows	12 13
Notes to Unaudited Consolidated Financial Statements	13 14
Note 1. Description of Company and Summary of Significant Accounting Policies	13 14
Note 2. Discontinued Operations	14 15
Note 3. Accounts Receivable	15 16
Note 4. Inventories	15 16
Note 5. Property and Equipment, Net	16 17
Note 6. Goodwill	16 17
Note 7. Intangible Assets, Net	16 18
Note 8. Accrued Expenses and Other Current Liabilities	17 19
Note 9. Warranty Liability	17 19
Note 10. Long-Term Debt	18 20
Note 11. Income Taxes	20 21
Note 12. Segment Information	20 22
Note 13. Capital Stock	23 27
Note 14. Earnings Per Share	24 27
Note 15. Stock Compensation	25 28
Note 16. Restructuring and Asset-Related Charges	25 28
Note 17. Held for Sale	27 32
Note 18. Other <b>Income, (Income) Expense</b> , Net	27 33
Note 19. Derivative Financial Instruments	27 33
Note 20. Fair Value of Financial Instruments	29 34
Note 21. Commitments and Contingencies	29 35
Note 22. Supplemental Cash Flow Information	34 40

Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	36 41
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	44 52
Item 4.	Controls and Procedures	44 52

**Part II - Other Information**

Item 1.	Legal Proceedings	45 53
Item 1A.	Risk Factors	45 53
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	53
Item 5.	Other Information	45 53
Item 6.	Exhibits	45 54
	Signature	46 55

[Back to top](#)

**Glossary of Terms**

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below:

Form 10-K	Annual Report on Form 10-K for the fiscal year ended December 31, 2023
ABL Facility	Our \$500 million asset-based loan revolving credit facility, dated as of October 15, 2014 and as amended from time to time, with JWI (as hereinafter defined) and JELD-WEN of Canada, Ltd., as borrowers, the guarantors party thereto, a syndicate of lenders, and Wells Fargo Bank, N.A., as administrative agent
Adjusted EBITDA from continuing operations	A supplemental non-GAAP financial measure of operating performance not based on a standardized methodology prescribed by GAAP that we define as Adjusted EBITDA from continuing operations as income (loss) from continuing operations, net of tax, adjusted for the following items: income tax expense (benefit); depreciation and amortization; interest expense, net; and certain special items consisting of non-recurring net legal and professional expenses and settlements; goodwill impairment; restructuring and asset-related charges; M&A related costs; net (gain) loss on sale of property and equipment; loss on extinguishment and refinancing of debt; share-based compensation expense; pension settlement charges; non-cash foreign exchange transaction/translation (gain) loss; and other special items.
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
AUD	Australian Dollar
CAP	Cleanup Action Plan
CARES Act	Coronavirus Aid, Relief, and Economic Security Act enacted on March 27, 2020
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Charter	Amended and Restated Certificate of Incorporation of JELD-WEN Holding, Inc.
CMI	JWI d/b/a CraftMaster Manufacturing, Inc.
COA	Consent Order and Agreement
CODM	Chief Operating Decision Maker, which is our Chief Executive Officer
Common Stock	The 900,000,000 shares of common stock, par value \$0.01 per share, authorized under our Charter
Core Revenues	Net revenue excluding the impact of foreign exchange, divestitures, and acquisitions completed in the last twelve months
Corporate Credit Facilities	Collectively, our ABL Facility and our Term Loan Facility
COVID-19	A novel strain of the 2019-nCov coronavirus
Credit Facilities	Collectively, our Corporate Credit Facilities and other acquired term loans and revolving credit facilities
DKK	Danish Kroner
ERC	Employee Retention Credit
ERP	Enterprise Resource Planning
EU	European Union
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
GAAP	Generally Accepted Accounting Principles in the United States
GILTI	Global Intangible Low-Taxed Income
JELD-WEN	JELD-WEN Holding, Inc., together with its consolidated subsidiaries where the context requires
JWI	JELD-WEN, Inc., a Delaware corporation
LIBOR	London Interbank Offered Rate
M&A	Mergers and acquisitions
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
NAV	Net asset value
NOL	Net operating loss
PaDEP	Pennsylvania Department of Environmental Protection

[Back to top](#)

PaDEP	Pennsylvania Department of Environmental Protection
PLP	Potential Liability Party
Preferred Stock	90,000,000 shares of Preferred Stock, par value \$0.01 per share, authorized under our Charter
PSU	Performance Stock Unit
R&R	Repair and Remodel
RSU	Restricted Stock Unit
SEC	U.S. Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Senior Notes	\$800.0 million of unsecured notes issued in December 2017 in a private placement in two tranches: \$400.0 million bearing interest at 4.625% and maturing in December 2025 (\$200.0 of which were redeemed in August 2023) and \$400.0 million bearing interest at 4.875% and maturing in December 2027.
Senior Secured Notes	\$250.0 million of senior secured notes issued in May 2020 in a private placement bearing interest at 6.25% and redeemed in August 2023.
SOFR	Secured Overnight Financing Rate
SG&A	Selling, general, and administrative expenses
Tax Act	Tax Cuts and Jobs Act
Term Loan Facility	Our term loan facility, dated as of October 15, 2014, and as amended from time to time with JWI, as borrower, the guarantors party thereto, a syndicate of lenders, and Bank of America, N.A., as administrative agent
U.K.	United Kingdom of Great Britain and Northern Ireland
U.S.	United States of America
VPI	JWI d/b/a VPI Quality Windows, Inc.
WADOE	Washington State Department of Ecology
Working Capital	Accounts receivable plus inventory less accounts payable

[Back to top](#)

#### CERTAIN TRADEMARKS, TRADE NAMES, AND SERVICE MARKS

This report includes trademarks, trade names, and service marks owned by us. Our U.S. window and door trademarks include JELD-WEN®, AuraLast®, MiraTEC®, Extra®, LaCANTINA®, MMI Door®, Karona®, ImpactGard®, JW®, Aurora®, IWP®, True BLU®, ABST™, Sitaline®, National Door®, Low-Friction Glider®, Hydrolock®, VPI™, AURALINE®, FINISHIELD®, MILLENNIUM®, TRUFIT®, EPICVUE®, and EVELIN®. Our trademarks are either registered or have been used as common law trademarks by us. The trademarks we use outside the U.S. include the Swedoor®, Dooria®, DANA®, Mattiovi™, Zargag®, Alupan®, Domoferm®, Kellpax®, and HSE™ marks in Europe. ENERGY STAR® is a registered trademark of the U.S. Environmental Protection Agency. This report contains additional trademarks, trade names, and service marks of others, which are, to our knowledge, the property of their respective owners. Solely for convenience, trademarks, trade names, and service marks referred to in this report appear without the ®, ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, trade names, and service marks. We do not intend our use of other parties' trademarks, trade names, or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

[Back to top](#)

## PART I - FINANCIAL INFORMATION

### FORWARD-LOOKING STATEMENTS

In addition to historical information, this Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the federal Securities Act and Section 21E of the Exchange Act, which are subject to the "safe harbor" created by those sections. All statements, other than statements of historical facts, included in this Form 10-Q are forward-looking statements. Forward-looking statements are generally identified by our use of forward-looking terminology, including the terms "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "seek," or "should," and, in each case, their negative or other various or comparable terminology. In particular, statements about the markets in which we operate, including growth of our various markets, and our expectations, beliefs, plans, strategies, objectives, prospects, assumptions, or future events or performance under Item 7 - *Management's Discussion and Analysis of Financial Condition and Results of Operations* and Item 1- *Business* are forward-looking statements. In addition, statements regarding the potential outcome and impact of pending litigation are forward-looking statements.

We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates, and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors, including those discussed under the headings Item 1A- *Risk Factors* in our Form 10-K and Item 1A – *Risk Factors* and Item 2- *Management's Discussion and Analysis of Financial Condition and Results of Operations* in this Form 10-Q may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Some of the factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include:

- negative trends in overall business, financial market and economic conditions, and/or activity levels in our end markets;
- increases in interest rates and reduced availability of financing for the purchase of new homes and home construction and improvements;
- our highly competitive business environment;
- failure to timely identify or effectively respond to consumer needs, expectations, or trends;
- failure to successfully implement our strategic **and transformation journey** initiatives, including our productivity, cost reduction and global footprint rationalization initiatives;
- disruptions in our operations due to natural disasters, public health issues, such as COVID-19, and armed conflicts, including the ongoing conflict between Russia and Ukraine and instabilities in the Middle East;
- economic and geopolitical uncertainty and risks that arise from operating a multinational business;
- **changes to tariff, trade or investment policies or laws;**
- acquisitions, divestitures, or investments in other businesses that may not be successful;
- adverse outcome of pending or future litigation;
- declines in our relationships with and/or consolidation of our key customers;
- fluctuations in the prices of raw materials used to manufacture our products;
- delays or interruptions in the delivery of raw materials or finished goods;
- failure to retain and recruit executives, managers, and employees;
- seasonal business with varying revenue and profit;
- changes in weather patterns and related extreme weather conditions;
- exchange rate fluctuations;
- manufacturing realignments and cost savings programs resulting in a decrease in short-term earnings;
- security breaches and other cybersecurity incidents;
- increases in labor costs, potential labor disputes, and work stoppages at our facilities;
- changes in building codes that could increase the cost of our products or lower the demand for our windows and doors;
- compliance costs and liabilities under environmental, health, and safety laws and regulations;

[Back to top](#)

- lack of transparency, threat of fraud, public sector corruption, and other forms of criminal activity involving government officials;
- product liability claims, product recalls, or warranty claims;
- inability to protect our intellectual property;
- pension plan obligations;
- availability and cost of credit;
- our current level of indebtedness and the effect of restrictive covenants under our existing or future indebtedness including our Credit Facilities, Senior Secured Notes, and Senior Notes; and
- other risks and uncertainties, including those listed under Item 1A- *Risk Factors* in our Form 10-K and Item 1A- *Risk Factors* in this Form 10-Q.

Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statement in this Form 10-Q speaks only as of the date of this Form 10-Q. We do not undertake any obligation to update any of the forward-looking statements, except as required by law. We do not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

The forward-looking statements contained in this Form 10-Q are not guarantees of future performance and our actual results of operations, financial condition, and liquidity, and the development of the industry in which we operate, may differ materially from the forward-looking statements contained herein. In addition, even if our results of operations, financial condition, and liquidity, and events in the industry in which we operate, are consistent with the forward-looking statements contained in this Form 10-Q, they may not be predictive of results or developments in future periods.

Unless the context requires otherwise, references in this Form 10-Q to "we," "us," "our," "the Company," or "JELD-WEN" mean JELD-WEN Holding, Inc., together with our consolidated subsidiaries where the context requires, including our wholly owned subsidiary JWI.

[Back to top](#)

## Item 1 - Financial Statements

**JELD-WEN HOLDING, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

Three Months Ended

Three Months Ended

Three Months Ended

Six Months Ended

(amounts in thousands, except share and per share data)

(amounts in thousands, except share and per share data)

(amounts in thousands, except share and per share data)

Net revenues
Net revenues
Net revenues
Cost of sales
Cost of sales
Cost of sales
Gross margin
Gross margin
Gross margin
Selling, general and administrative
Selling, general and administrative
Selling, general and administrative
Restructuring and asset-related charges <a href="#">(Note 16)</a>
Restructuring and asset-related charges <a href="#">(Note 16)</a>
Restructuring and asset-related charges <a href="#">(Note 16)</a>
Operating (loss) income
Operating (loss) income
Operating (loss) income
Operating income (loss)
Operating income (loss)
Operating income (loss)
Interest expense, net
Interest expense, net
Interest expense, net
Loss on extinguishment and refinancing of debt <a href="#">(Note 10)</a>
Loss on extinguishment and refinancing of debt <a href="#">(Note 10)</a>
Loss on extinguishment and refinancing of debt <a href="#">(Note 10)</a>
Other income, net <a href="#">(Note 18)</a>
Other (income) expense, net <a href="#">(Note 18)</a>
Other income, net <a href="#">(Note 18)</a>
Other (income) expense, net <a href="#">(Note 18)</a>
Other income, net <a href="#">(Note 18)</a>
Other (income) expense, net <a href="#">(Note 18)</a>
(Loss) income from continuing operations before taxes
(Loss) income from continuing operations before taxes
(Loss) income from continuing operations before taxes
Income tax (benefit) expense <a href="#">(Note 11)</a>
Income tax (benefit) expense <a href="#">(Note 11)</a>
Income tax (benefit) expense <a href="#">(Note 11)</a>
Income tax expense <a href="#">(Note 11)</a>
Income tax expense <a href="#">(Note 11)</a>



Income tax expense [\(Note 11\)](#)

(Loss) income from continuing operations, net of tax

(Loss) income from continuing operations, net of tax

(Loss) income from continuing operations, net of tax

Income from discontinued operations, net of tax [\(Note 2\)](#)  
Income from discontinued operations, net of tax [\(Note 2\)](#)  
Income from discontinued operations, net of tax [\(Note 2\)](#)

Net (loss) income

Net (loss) income

Net (loss) income

Weighted average common shares outstanding [\(Note 14\)](#):

Weighted average common shares outstanding [\(Note 14\)](#):

Weighted average common shares outstanding [\(Note 14\)](#):

Basic  
Basic  
Basic  
Diluted  
Diluted  
Diluted

Net (loss) income per share from continuing operations  
Net (loss) income per share from continuing operations  
Net (loss) income per share from continuing operations

Basic  
Basic  
Basic  
Diluted  
Diluted  
Diluted

Net income per share from discontinued operations

Net income per share from discontinued operations

Net income per share from discontinued operations

Basic  
Basic  
Basic  
Diluted  
Diluted  
Diluted

Net (loss) income per share  
Net (loss) income per share  
Net (loss) income per share

Basic  
Basic  
Basic  
Diluted  
Diluted  
Diluted

Net income per share may not sum due to rounding.

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements.

[Back to top](#)

**JELD-WEN HOLDING, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(unaudited)**

**Three Months Ended**   **Six Months Ended**

<u>(amounts in thousands)</u>	
<u>(amounts in thousands)</u>	
<u>(amounts in thousands)</u>	
Net (loss) income	
Net (loss) income	
Net (loss) income	
Other comprehensive (loss) income, net of tax:	
Other comprehensive (loss) income, net of tax:	
Other comprehensive (loss) income, net of tax:	
Foreign currency translation adjustments, net of tax expense of \$1,147 and \$580, respectively	
Foreign currency translation adjustments, net of tax expense of \$1,147 and \$580, respectively	
Foreign currency translation adjustments, net of tax expense of \$1,147 and \$580, respectively	
Interest rate hedge adjustments, net of tax expense (benefit) of \$85 and \$(1,049), respectively	
Interest rate hedge adjustments, net of tax expense (benefit) of \$85 and \$(1,049), respectively	
Interest rate hedge adjustments, net of tax expense (benefit) of \$85 and \$(1,049), respectively	
Defined benefit pension plans, net of tax expense of \$2 and \$23, respectively	
Defined benefit pension plans, net of tax expense of \$2 and \$23, respectively	
Defined benefit pension plans, net of tax expense of \$2 and \$23, respectively	
Total other comprehensive (loss) income, net of tax	
Total other comprehensive (loss) income, net of tax	
Total other comprehensive (loss) income, net of tax	
Foreign currency translation adjustments, net of tax expense of \$58, \$572, \$1,205 and \$1,153, respectively	
Foreign currency translation adjustments, net of tax expense of \$58, \$572, \$1,205 and \$1,153, respectively	
Foreign currency translation adjustments, net of tax expense of \$58, \$572, \$1,205 and \$1,153, respectively	
Net investment hedge adjustments, net of tax expense of \$854 during the three and six months ended July 1, 2023.	
Net investment hedge adjustments, net of tax expense of \$854 during the three and six months ended July 1, 2023.	
Net investment hedge adjustments, net of tax expense of \$854 during the three and six months ended July 1, 2023.	
Interest rate hedge adjustments, net of tax expense (benefit) of \$25, \$(774), \$110, and \$(1,824), respectively	
Interest rate hedge adjustments, net of tax expense (benefit) of \$25, \$(774), \$110, and \$(1,824), respectively	
Interest rate hedge adjustments, net of tax expense (benefit) of \$25, \$(774), \$110, and \$(1,824), respectively	
Defined benefit pension plans, net of tax expense of \$7, \$13, \$9 and \$36, respectively	
Defined benefit pension plans, net of tax expense of \$7, \$13, \$9 and \$36, respectively	
Defined benefit pension plans, net of tax expense of \$7, \$13, \$9 and \$36, respectively	
Total other comprehensive (loss), net of tax	
Total other comprehensive (loss), net of tax	
Total other comprehensive (loss), net of tax	
Comprehensive (loss) income	
Comprehensive (loss) income	
Comprehensive (loss) income	

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements.

[Back to top](#)

**JELD-WEN HOLDING, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(unaudited)**

	(amounts in thousands, except share and per share data)	March 30, 2024	December 31, 2023	(amounts in thousands, except share and per share data)	June 29, 2024	December 31, 2023
<b>ASSETS</b>						
Current assets						
Current assets						
Current assets						
Cash and cash equivalents						
Cash and cash equivalents						
Cash and cash equivalents						
Restricted cash						
Accounts receivable, net ( <a href="#">Note 3</a> )						
Inventories ( <a href="#">Note 4</a> )						
Other current assets						
Assets held for sale ( <a href="#">Note 17</a> )						
Total current assets						
Total current assets						
Total current assets						
Property and equipment, net ( <a href="#">Note 5</a> )						
Deferred tax assets						
Goodwill ( <a href="#">Note 6</a> )						
Intangible assets, net ( <a href="#">Note 7</a> )						
Operating lease assets, net						
Other assets						
Total assets						
Total assets						
Total assets						
<b>LIABILITIES AND EQUITY</b>						
Current liabilities						
Current liabilities						
Current liabilities						
Accounts payable						
Accounts payable						
Accounts payable						
Accrued payroll and benefits						
Accrued expenses and other current liabilities ( <a href="#">Note 8</a> )						
Current maturities of long-term debt ( <a href="#">Note 10</a> )						
Liabilities held for sale ( <a href="#">Note 17</a> )						
Total current liabilities						
Total current liabilities						
Total current liabilities						
Long-term debt ( <a href="#">Note 10</a> )						
Unfunded pension liability						
Operating lease liability						
Deferred credits and other liabilities						
Deferred tax liabilities						
Total liabilities						
Total liabilities						
Total liabilities						

Commitments and contingencies ( <a href="#">Note 21</a> )	Commitments and contingencies ( <a href="#">Note 21</a> )	Commitments and contingencies ( <a href="#">Note 21</a> )
Shareholders' equity		
Shareholders' equity		
Shareholders' equity		
Preferred Stock, par value \$0.01 per share, 90,000,000 shares authorized; no shares issued and outstanding		
Preferred Stock, par value \$0.01 per share, 90,000,000 shares authorized; no shares issued and outstanding		
Preferred Stock, par value \$0.01 per share, 90,000,000 shares authorized; no shares issued and outstanding		
Common Stock: 900,000,000 shares authorized, par value \$0.01 per share, 85,901,543 and 85,309,220 shares issued and outstanding as of March 30, 2024 and December 31, 2023, respectively.		
Common Stock: 900,000,000 shares authorized, par value \$0.01 per share, 84,511,647 and 85,309,220 shares issued and outstanding as of June 29, 2024 and December 31, 2023, respectively.		
Additional paid-in capital		
Retained earnings		
Accumulated other comprehensive loss		
Total shareholders' equity		
Total liabilities and shareholders' equity		

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements.

[Back to top](#)

**JELD-WEN HOLDING, INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(unaudited)

	Three Months Ended			
	June 29, 2024		July 1, 2023	
	Shares	Amount	Shares	Amount
(amounts in thousands, except share and per share amounts)				
<b>Preferred stock, \$0.01 par value per share</b>	—	\$ —	—	\$ —
<b>Common stock, \$0.01 par value per share</b>				
Balance at beginning of period	85,901,543	\$ 859	84,916,876	\$ 849
Shares issued for exercise/vesting of share-based compensation awards	233,168	2	188,206	1
Shares repurchased	(1,600,000)	(16)	—	—
Shares surrendered for tax obligations for employee share-based transactions	(23,064)	—	(56,145)	—
Balance at period end	84,511,647	\$ 845	85,048,937	\$ 850
<b>Additional paid-in capital</b>				
Balance at beginning of period		\$ 759,513		\$ 739,447
Shares issued for exercise/vesting of share-based compensation awards		479		135
Shares surrendered for tax obligations for employee share-based transactions		(463)		(869)
Amortization of share-based compensation		5,074		5,302
Balance at period end		764,603		744,015
<b>Employee stock notes</b>				
Balance at beginning of period		(673)		(673)
Net issuances, payments and accrued interest on notes		—		—
Balance at period end		(673)		(673)
Balance at period end		\$ 763,930		\$ 743,342
<b>Retained earnings</b>				
Balance at beginning of period		\$ 165,201		\$ 145,620
Shares repurchased		(24,264)		—
Net income		(18,491)		38,281

Balance at period end	\$ 122,446	\$ 183,901
<b>Accumulated other comprehensive income (loss)</b>		
Balance at beginning of period	\$ (113,350)	\$ (137,484)
Foreign currency adjustments	(3,944)	(8,494)
Unrealized gain on net investment hedges	—	2,511
Unrealized gain (loss) on interest rate hedges	74	(2,276)
Net actuarial pension gain	24	34
Balance at period end	\$ (117,196)	\$ (145,709)
Total shareholders' equity at period end	\$ 770,025	\$ 782,384

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements.

[Back to top](#)

JELD-WEN HOLDING, INC.  
CONSOLIDATED STATEMENTS OF EQUITY  
(unaudited)

	Three Months Ended
	Three Months Ended
	Three Months Ended
	March 30, 2024
	Six Months Ended
	Six Months Ended
	Six Months Ended
	June 29, 2024

(amounts in thousands, except share and per share amounts)

(amounts in thousands, except share and per share amounts)

(amounts in thousands, except share and per share amounts)

Preferred stock, \$0.01 par value per share
Preferred stock, \$0.01 par value per share
Preferred stock, \$0.01 par value per share
Common stock, \$0.01 par value per share
Common stock, \$0.01 par value per share
Common stock, \$0.01 par value per share
Balance at beginning of period
Balance at beginning of period
Balance at beginning of period
Shares issued for exercise/vesting of share-based compensation awards
Shares issued for exercise/vesting of share-based compensation awards
Shares issued for exercise/vesting of share-based compensation awards
Shares repurchased
Shares repurchased
Shares repurchased
Shares surrendered for tax obligations for employee share-based transactions
Shares surrendered for tax obligations for employee share-based transactions
Shares surrendered for tax obligations for employee share-based transactions
Balance at period end
Balance at period end
Balance at period end
Additional paid-in capital
Additional paid-in capital
Additional paid-in capital
Balance at beginning of period

Balance at beginning of period
Balance at beginning of period
Shares issued for exercise/vesting of share-based compensation awards
Shares issued for exercise/vesting of share-based compensation awards
Shares issued for exercise/vesting of share-based compensation awards
Shares surrendered for tax obligations for employee share-based transactions
Shares surrendered for tax obligations for employee share-based transactions
Shares surrendered for tax obligations for employee share-based transactions
Amortization of share-based compensation
Amortization of share-based compensation
Amortization of share-based compensation
Balance at period end
Balance at period end
Balance at period end
<b>Employee stock notes</b>
<b>Employee stock notes</b>
<b>Employee stock notes</b>
Balance at beginning of period
Balance at beginning of period
Balance at beginning of period
Net issuances, payments and accrued interest on notes
Net issuances, payments and accrued interest on notes
Net issuances, payments and accrued interest on notes
Balance at period end
Balance at period end
Balance at period end
Balance at period end
Balance at period end
Balance at period end
<b>Retained earnings</b>
<b>Retained earnings</b>
<b>Retained earnings</b>
Balance at beginning of period
Balance at beginning of period
Balance at beginning of period
Shares repurchased
Shares repurchased
Shares repurchased
Net (loss) income
Net (loss) income
Net (loss) income
Balance at period end
Balance at period end
Balance at period end
<b>Accumulated other comprehensive income (loss)</b>
<b>Accumulated other comprehensive income (loss)</b>
<b>Accumulated other comprehensive income (loss)</b>
Balance at beginning of period
Balance at beginning of period
Balance at beginning of period
Foreign currency adjustments
Foreign currency adjustments
Foreign currency adjustments
Unrealized gain on net investment hedges
Unrealized gain on net investment hedges
Unrealized gain on net investment hedges
Unrealized gain (loss) on interest rate hedges

Unrealized gain (loss) on interest rate hedges
Unrealized gain (loss) on interest rate hedges
Net actuarial pension gain
Net actuarial pension gain
Net actuarial pension gain
Balance at period end
Balance at period end
Balance at period end
Total shareholders' equity at period end
Total shareholders' equity at period end
Total shareholders' equity at period end

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements

[Back to top](#)

**JELD-WEN HOLDING, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited)**

	Three Months Ended
	Six Months Ended
	Three Months Ended
	Six Months Ended
	Three Months Ended
	Six Months Ended
(amounts in thousands)	
(amounts in thousands)	
(amounts in thousands)	
OPERATING ACTIVITIES	
OPERATING ACTIVITIES	
OPERATING ACTIVITIES	
Net income	
Net income	
Net income	
Net (loss) income	
Net (loss) income	
Net (loss) income	
Adjustments to reconcile net income to cash provided by (used in) operating activities:	
Adjustments to reconcile net income to cash provided by (used in) operating activities:	
Adjustments to reconcile net income to cash provided by (used in) operating activities:	
Depreciation and amortization	
Depreciation and amortization	
Depreciation and amortization	
Deferred income taxes	
Deferred income taxes	
Deferred income taxes	
Net gain on disposition of assets	
Net gain on disposition of assets	
Net gain on disposition of assets	
Net (gain) loss on disposition of assets	
Net (gain) loss on disposition of assets	
Net (gain) loss on disposition of assets	
Adjustment to carrying value of assets	

Adjustment to carrying value of assets
Adjustment to carrying value of assets
Amortization of deferred financing costs
Amortization of deferred financing costs
Amortization of deferred financing costs
Loss on extinguishment and refinancing of debt
Loss on extinguishment and refinancing of debt
Loss on extinguishment and refinancing of debt
Loss on foreign currency translation adjustment related to the substantial liquidation of a foreign subsidiary
Loss on foreign currency translation adjustment related to the substantial liquidation of a foreign subsidiary
Loss on foreign currency translation adjustment related to the substantial liquidation of a foreign subsidiary
Stock-based compensation
Stock-based compensation
Stock-based compensation
Amortization of U.S. pension expense
Amortization of U.S. pension expense
Amortization of U.S. pension expense
Recovery of cost from receipts on impaired notes
Recovery of cost from receipts on impaired notes
Recovery of cost from receipts on impaired notes
Other items, net
Other items, net
Other items, net
Net change in operating assets and liabilities:
Net change in operating assets and liabilities:
Net change in operating assets and liabilities:
Accounts receivable
Accounts receivable
Accounts receivable
Inventories
Inventories
Inventories
Other assets
Other assets
Other assets
Accounts payable and accrued expenses
Accounts payable and accrued expenses
Accounts payable and accrued expenses
Change in short-term and long-term tax liabilities
Change in short-term and long-term tax liabilities
Change in short-term and long-term tax liabilities
Net cash used in operating activities
Net cash used in operating activities
Net cash used in operating activities
Net cash provided by operating activities
Net cash provided by operating activities
Net cash provided by operating activities
INVESTING ACTIVITIES
INVESTING ACTIVITIES
INVESTING ACTIVITIES
Purchases of property and equipment



Purchases of property and equipment
Purchases of property and equipment
Proceeds from sale of property and equipment
Proceeds from sale of property and equipment
Proceeds from sale of property and equipment
Purchase of intangible assets
Purchase of intangible assets
Purchase of intangible assets
Recovery of cost from receipts on impaired notes
Recovery of cost from receipts on impaired notes
Recovery of cost from receipts on impaired notes
Cash received for notes receivable
Cash received for notes receivable
Cash received for notes receivable
Cash received from insurance proceeds
Cash received from insurance proceeds
Cash received from insurance proceeds
Change in securities for deferred compensation plan
Change in securities for deferred compensation plan
Change in securities for deferred compensation plan
Net cash used in investing activities
Net cash used in investing activities
Net cash used in investing activities
<b>FINANCING ACTIVITIES</b>
<b>FINANCING ACTIVITIES</b>
<b>FINANCING ACTIVITIES</b>
Change in long-term debt and payments of debt extinguishment costs
Change in long-term debt and payments of debt extinguishment costs
Change in long-term debt and payments of debt extinguishment costs
Common stock issued for exercise of options
Common stock issued for exercise of options
Common stock issued for exercise of options
Common stock repurchased
Common stock repurchased
Common stock repurchased
Payments to tax authorities for employee share-based compensation
Payments to tax authorities for employee share-based compensation
Payments to tax authorities for employee share-based compensation
Payments related to the sale of JW Australia
Payments related to the sale of JW Australia
Payments related to the sale of JW Australia
Net cash used in financing activities
Net cash used in financing activities
Net cash used in financing activities
Effect of foreign currency exchange rates on cash
Effect of foreign currency exchange rates on cash
Effect of foreign currency exchange rates on cash
Net (decrease) in cash and cash equivalents
Net (decrease) in cash and cash equivalents
Net (decrease) in cash and cash equivalents
Cash, cash equivalents and restricted cash, beginning
Cash, cash equivalents and restricted cash, beginning

Cash, cash equivalents and restricted cash, beginning

Cash, cash equivalents and restricted cash, ending

Cash, cash equivalents and restricted cash, ending

Cash, cash equivalents and restricted cash, ending

For further information see Note 22 - Supplemental Cash Flow.

For further information see Note 22 - Supplemental Cash Flow.

For further information see Note 22 - Supplemental Cash Flow.

The accompanying notes are an integral part of these unaudited Consolidated Financial Statements.

[Back to top](#)

## JELD-WEN HOLDING, INC.

### NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

#### Note 1. Description of Company and Summary of Significant Accounting Policies

**Nature of Business** – JELD-WEN Holding, Inc., along with its subsidiaries, is a vertically integrated global manufacturer and distributor of windows, doors, and other building products that derives substantially all its revenues from the sale of its door and window products. Unless otherwise specified or the context otherwise requires, all references in these notes to “JELD-WEN,” “we,” “us,” “our,” or the “Company” are to JELD-WEN Holding, Inc. and its subsidiaries.

Our continuing operations include facilities located in the U.S., Canada, and Europe. Our products are marketed primarily under the JELD-WEN brand name in the U.S. and Canada and under JELD-WEN and a variety of acquired brand names in Europe.

Our revenues are affected by the level of new housing starts, residential and non-residential building construction, and repair and remodeling activity in each of our markets. Our sales typically follow seasonal new construction and repair and remodeling industry patterns. The peak season for home construction and remodeling in many of our markets generally corresponds with the second and third calendar quarters, and therefore, sales volume is typically higher during those quarters. Our first and fourth quarter sales volumes are generally lower due to reduced repair and remodeling activity and reduced activity in the building and construction industry as a result of colder and more inclement weather in certain areas of our geographic end markets.

**Basis of Presentation** – The accompanying unaudited consolidated financial statements as of **March 30, 2024** **June 29, 2024** and for the three **and six** months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, respectively, have been prepared in accordance with GAAP for interim financial information and pursuant to the rules and regulations of the SEC. In the opinion of management, the unaudited consolidated financial statements have been prepared on the same basis as the audited financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of the Company's financial position for the periods presented. The results for the three **and six** months ended **March 30, 2024** **June 29, 2024** are not necessarily indicative of the results to be expected for the year ending December 31, 2024, or any other period. The accompanying consolidated balance sheet as of December 31, 2023 was derived from audited financial statements included in our Annual Report on Form 10-K. The accompanying consolidated financial statements do not include all of the information and footnotes required by GAAP for annual financial statements. Accordingly, they should be read in conjunction with the audited financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

On April 17, 2023, we entered into a Share Sale Agreement with Aristotle Holding III Pty Limited, a subsidiary of Platinum Equity Advisors, LLC, to sell our Australasia business (“JW Australia”). On July 2, 2023, we completed the sale. The net assets and operations of the disposal group met the criteria to be classified as “discontinued operations” and are reported as such in all periods presented unless otherwise noted. The consolidated statements of cash flows include cash flows from discontinued operations through the divestiture date of July 2, 2023. See Note 2 - *Discontinued Operations* for further information.

All U.S. dollar and other currency amounts, except per share amounts, are presented in thousands unless otherwise noted.

**Fiscal Year** – We operate on a fiscal calendar year, and each interim quarter is comprised of two 4-week periods and one 5-week period, with each week ending on a Saturday. Our fiscal year always begins on January 1 and ends on December 31. As a result, our first and fourth quarters may have more or fewer days included than a traditional 91-day fiscal quarter.

**Use of Estimates** – The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates, assumptions, and allocations that affect amounts reported in the consolidated financial statements and related notes. Significant items that are subject to such estimates and assumptions include, but are not limited to, long-lived assets including goodwill and other intangible assets, employee benefit obligations, income tax uncertainties, contingent assets and liabilities, provisions for bad debt, inventory, warranty liabilities, legal claims, valuation of derivatives, environmental remediation, and claims relating to self-insurance. Actual results could differ due to the uncertainty inherent in the nature of these estimates.

**CARES Act** – In March 2020, the United States government enacted the CARES Act to provide certain relief as a result of the COVID-19 pandemic. The CARES Act provided for tax relief, along with other stimulus measures, including a provision for an ERC designed to encourage businesses to retain employees during the COVID-19 pandemic. We recorded a receivable for an ERC from the U.S. government of \$6.1 million in other income, net in the fourth quarter of 2023. The balance is included in other current assets in the accompanying consolidated balance sheets as of **March 30, 2024** **June 29, 2024** and December 31, 2023, respectively.

[Back to top](#)

**Recent Accounting Standards Not Yet Adopted** – In November 2023, the FASB issued ASU 2023-07, *Improvements to Reportable Segment Disclosures*. ASU 2023-07 requires disclosure of significant segment expenses that are regularly provided to the CODM and included within the segment measure of profit or loss, an amount and description of its composition for other segment items to reconcile to segment profit or loss, and the title and position of the entity's CODM. ASU 2023-07 will be applied retrospectively and is effective for annual reporting periods in fiscal years beginning after December 15, 2023, and interim reporting periods in fiscal years beginning after December 31, 2024. We do not expect the guidance to have an impact on our financial positions and results of operations. We are currently evaluating the impact of this guidance on the Company's disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 expands disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. The guidance is effective for annual periods beginning after December 15, 2024, with early adoption permitted, and should be applied either prospectively or retrospectively. We have not elected to early adopt this standard. We do not expect the guidance to have an impact on our financial positions and results of operations. We are currently evaluating the impact of this guidance on the Company's disclosures.

We have considered the applicability and impact of all ASUs. We have assessed ASUs not listed above and have determined that they were either not applicable or were not expected to have a material impact on our financial statements.

## Note 2. Discontinued Operations

On April 17, 2023, we entered into a Share Sale Agreement with Aristotle Holding III Pty Limited, a subsidiary of Platinum Equity Advisors, LLC, to sell our Australasia business ("JW Australia"), for a purchase price of approximately AUD \$688 million. On July 2, 2023, we completed the sale, receiving net cash proceeds of approximately \$446 million, including \$3.3 million of cash received from the settlement of certain forward contracts.

We have classified the results of operations for the JW Australia reportable segment, together with certain costs related to the sale, as discontinued operations within the consolidated statements of operations for all periods presented.

Subsequent to the completion of the sale, we entered into an agreement to provide certain transition services to JW Australia, including providing information technology post-closing services, purchases under a supply agreement, and reimbursement for certain costs to upgrade specific IT systems up to a capped amount. As of **March 30, 2024** **June 29, 2024**, we had a liability of **\$5.1** **\$4.5** million relating to these matters, which was included in accrued expenses and other current liabilities in our consolidated balance sheet. As of December 31, 2023, our liability relating to these matters was \$8.2 million, of which \$6.1 million was included in accrued expenses and other current liabilities, and the remaining was included in deferred credits and other liabilities in the accompanying consolidated balance sheet.

Components of amounts reflected in the consolidated statements of operations related to discontinued operations **for are presented in the three months ended April 1, 2023 were table**, as follows:

(amounts in thousands)	Three Months Ended	
	April 1, 2023	
Net revenues	\$	145,670
Cost of sales		105,389
Gross margin		40,281
Selling, general and administrative		32,745
Restructuring and asset-related charges		—
Operating income		7,536
Interest income, net		(271)
Other income, net		(1,386)
Income from discontinued operations before taxes		9,193
Income tax expense		2,524
Income from discontinued operations, net of tax	\$	6,669

(amounts in thousands)	Three Months Ended		Six Months Ended	
	July 1, 2023		July 1, 2023	
Net revenues	\$	156,206	\$	301,876
Cost of sales		106,186		211,575
Gross margin		50,020		90,301
Selling, general and administrative		28,732		61,477
Restructuring and asset-related charges		—		—
Operating income		21,288		28,824
Interest income, net		(414)		(685)
Other income, net		(871)		(2,257)
Income from discontinued operations before taxes		22,573		31,766
Income tax expense		6,794		9,318

Income from discontinued operations, net of tax	\$	15,779	\$	22,448
---	----	--------	----	--------

The cash flows related to discontinued operations have not been segregated and are included in the consolidated statements of cash flows through the divestiture date of July 2, 2023. The following table presents cash flow and non-cash information related to discontinued operations:

[Back to top](#)

(amounts in thousands)	Three Months Ended	
	April July 1, 2023	
Depreciation and amortization	\$	4,447 5,196
Capital expenditures		3,579 6,229
Share-based incentive compensation		259 812
Provision for bad debt		4,138 5,062

### Note 3. Accounts Receivable

We sell our manufactured products to a large number of customers, primarily in the residential housing construction and remodel sectors, broadly dispersed across many domestic and foreign geographic regions. We assess the credit risk relating to our accounts receivable based on quantitative and qualitative factors, including historical credit collections within each region where we have operations. We perform ongoing credit evaluations of our customers to minimize credit risk. We do not usually require collateral for accounts receivable, but do require advance payment, guarantees, a security interest in the products sold to a customer, and/or letters of credit in certain situations. Customer accounts receivable converted to notes receivable are collateralized by inventory or other collateral.

At March 30, 2024 June 29, 2024 and December 31, 2023, we had an allowance for credit losses of \$10.1 million \$9.8 million and \$11.3 million, respectively. The decrease in the allowance for credit losses in the three six months ended March 30, 2024 June 29, 2024 was primarily due to decreased sales and an improved portfolio of aged receivables. receivables in our North America segment.

### Note 4. Inventories

Inventories are stated at the lower of cost or net realizable value. Finished goods and work-in-process inventories include material, labor, and manufacturing overhead costs.

(amounts in thousands)	(amounts in thousands)	March 30, 2024	December 31, 2023	(amounts in thousands)	June 29, 2024	December 31, 2023
Raw materials						
Work in process						
Finished goods						
Inventory valuation reserves						
Total inventories						

To conform with current period presentation, certain amounts in prior period information have been reclassified.

[Back to top](#)

### Note 5. Property and Equipment, Net

(amounts in thousands)	(amounts in thousands)	March 30, 2024	December 31, 2023	(amounts in thousands)	June 29, 2024	December 31, 2023
Property and equipment						
Accumulated depreciation						
Total property and equipment, net						

We recorded accelerated depreciation of our plant and equipment of \$2.2 \$5.8 million during the three and six months ended April 1, 2023 June 29, 2024, and \$1.1 million and \$3.2 million during the three and six months ended July 1, 2023, respectively, within restructuring and asset-related charges in the accompanying consolidated statements of operations. For more information, refer to Note 16 - Restructuring and Asset-Related Charges. Additionally, we recorded accelerated depreciation of \$9.1 million in the three and six months ended July 1, 2023 from reviews of North America equipment capacity optimization. These charges were recorded within cost of sales in the accompanying consolidated statements of operations.

The effect on our carrying value of property and equipment due to currency translations for foreign property and equipment, net, was a decrease of \$5.9 million \$7.2 million as of March 30, 2024 June 29, 2024 compared to December 31, 2023, respectively.

Depreciation expense was recorded as follows:

Three Months Ended  
Three Months Ended

(amounts in thousands)

(amounts in thousands)

(amounts in thousands)

Cost of sales
Cost of sales
Cost of sales
Selling, general and administrative
Selling, general and administrative
Selling, general and administrative
Total depreciation expense
Total depreciation expense
Total depreciation expense

**Note 6. Goodwill**

The following table summarizes the changes in goodwill by reportable segment:

(amounts in thousands)

(amounts in thousands)

	North America	Europe	Total Reportable Segments	North America	Europe	Total Reportable Segments
(amounts in thousands)						
Gross carrying amount at December 31, 2023						
Gross carrying amount at December 31, 2023						
Gross carrying amount at December 31, 2023						
Foreign currency translation						
Foreign currency translation						
Foreign currency translation						
Gross carrying amount at March 30, 2024						
Gross carrying amount at June 29, 2024						
Accumulated impairment losses at December 31, 2023						
Accumulated impairment losses at December 31, 2023						
Accumulated impairment losses at December 31, 2023						
Foreign currency translation						
Accumulated impairment losses at March 30, 2024						
Accumulated impairment losses at June 29, 2024						
Balance, net of impairment at March 30, 2024						
Balance, net of impairment at March 30, 2024						
Balance, net of impairment at March 30, 2024						
Balance, net of impairment at June 29, 2024						
Balance, net of impairment at June 29, 2024						
Balance, net of impairment at June 29, 2024						

[Back to top](#)**Note 7. Intangible Assets, Net**

The cost and accumulated amortization values of our intangible assets were as follows:

		March 30, 2024				June 29, 2024		
(amounts in thousands)	(amounts in thousands)	Cost	Accumulated Amortization	Net Book Value	(amounts in thousands)	Cost	Accumulated Amortization	Net Book Value
Customer relationships and agreements								
Software								
Trademarks and trade names								

Patents, licenses and rights

Total amortizable intangibles

[Back to top](#)

(amounts in thousands)	December 31, 2023		
	Cost	Accumulated Amortization	Net Book Value
Customer relationships and agreements	\$ 123,713	\$ (84,281)	\$ 39,432
Software	113,429	(58,424)	55,005
Trademarks and trade names	32,148	(10,802)	21,346
Patents, licenses and rights	12,666	(4,539)	8,127
Total amortizable intangibles	\$ 281,956	\$ (158,046)	\$ 123,910

We recorded accelerated amortization of \$14.1 million during the **three** **six** months ended **March 30, 2024** **June 29, 2024** for an ERP that we are no longer utilizing after we completed our related obligations under the JW Australia Transition Services Agreement during the first quarter of 2024. The expense was recorded within SG&A expense in the accompanying consolidated statements of operations.

The effect on our carrying value of intangible assets due to currency translations for foreign intangible assets was a decrease of **\$0.6 million** **\$0.7 million** as of **March 30, 2024** **June 29, 2024** compared to December 31, 2023.

Amortization expense was recorded as follows:

Three Months Ended

Three Months Ended

Three Months Ended

(amounts in thousands)

(amounts in thousands)

(amounts in thousands)

Amortization expense

Amortization expense

Amortization expense

[Back to top](#)

#### Note 8. Accrued Expenses and Other Current Liabilities

(amounts in thousands)	(amounts in thousands)	March 30, 2024	December 31, 2023	(amounts in thousands)	June 29, 2024	December 31, 2023
Accrued sales and advertising rebates						
Current portion of operating lease liability						
Non-income related taxes						
Current portion of warranty liability (Note 9)						
Accrued freight						
Current portion of accrued claim costs relating to self-insurance programs						
Accrued expenses						
Current portion of accrued claim costs relating to self-insurance programs						
Current portion of restructuring accrual (Note 16)						
Current portion of uncertain tax positions (Note 11)						
Legal claims provision (Note 21)						
Deferred revenue and customer deposits						
Accrued income taxes payable						
Accrued interest payable						

Legal claims provision (Note 21)

Deferred revenue and customer deposits

Current portion of derivative liability (Note 19)

Total accrued expenses and other current liabilities

The legal claims provision relates primarily to contingencies associated with the ongoing legal matters disclosed in Note 21 - Commitments and Contingencies.

The accrued sales and advertising rebates, accrued interest payable, accrued freight, and non-income related taxes can fluctuate significantly period-over-period due to timing of payments.

#### Note 9. Warranty Liability

Warranty terms range from one year to lifetime on certain window and door components. Warranties are normally limited to servicing or replacing defective components for the original customer. Product defects arising within six months of sale are classified as manufacturing defects and are not included in the current period expense below. Some warranties are transferable to subsequent owners and are either limited to 10 years from the date of manufacture or require pro rata

[Back to top](#)

payments from the customer. Estimated warranty costs based on historical experience are recorded as a provision at the time of sale. The provision is adjusted periodically to reflect actual experience.

An analysis of our warranty liability is as follows:

(amounts in thousands)

(amounts in thousands)

(amounts in thousands)

Balance as of January 1

Balance as of January 1

Balance as of January 1

Current period charges

Current period charges

Current period charges

Experience adjustments

Experience adjustments

Experience adjustments

Payments

Payments

Payments

Currency translation

Currency translation

Currency translation

Balance at period end

Balance at period end

Balance at period end

Current portion

Current portion

Current portion

Long-term portion

Long-term portion

Long-term portion

The most significant component of our warranty liability was in the North America segment. As of March 30, 2024 June 29, 2024, the warranty liability in the North America segment totaled \$46.3 million, \$46.7 million, after discounting future estimated cash flows at rates between 0.53% and 4.06% 4.23%. Without discounting, the liability would have increased by approximately \$3.8 million, \$3.5 million.

[Back to top](#)

#### Note 10. Long-Term Debt

Our long-term debt, net of original issue discount and unamortized debt issuance costs, consisted of the following:

	March 30, 2024			
	June 29, 2024	March 30, 2024	December 31, 2023	
(amounts in thousands)			June 29, 2024	December 31, 2023
Senior Notes				
Senior Notes				
Senior Notes				
Term Loan Facility				
Term Loan Facility				
Term Loan Facility				
Finance leases and other financing arrangements				
Finance leases and other financing arrangements				
Finance leases and other financing arrangements				
Mortgage notes				
Total Debt				
Unamortized debt issuance costs and original issue discounts				
Current maturities of long-term debt				

Long-term debt

(1) Term Loan B, mortgage notes and certain finance leases and other financing arrangements are subject to variable interest rates.

Summaries of our significant changes to outstanding debt agreements as of March 30, 2024 June 29, 2024 are as follows:

Senior Secured Notes and Senior Notes

In December 2017, we issued \$800.0 million of unsecured Senior Notes in two tranches: \$400.0 million bearing interest at 4.63% and maturing in December 2025 (“4.63% Senior Notes”), and \$400.0 million bearing interest at 4.88% and maturing in December 2027 in a private placement for resale to qualified institutional buyers pursuant to Rule 144A under the Securities Act.

In May 2020, we issued \$250.0 million of Senior Secured Notes bearing interest at 6.25% and maturing in May 2025 (“6.25% Senior Secured Notes”) in a private placement for resale to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The proceeds were net of fees and expenses associated with debt issuance, including an underwriting fee of 1.25%. Interest is payable semiannually, in arrears, each May and November.

On August 3, 2023, we redeemed all \$250.0 million of our 6.25% Senior Secured Notes and \$200.0 million of our 4.63% Senior Notes. The Company recognized a pre-tax loss of \$6.5 million on the redemption in the third quarter of 2023, consisting of \$3.9 million in call premium and \$2.6 million in accelerated amortization of debt issuance costs.

Term Loan Facility

U.S. Facility - Initially executed in October 2014, we amended the Term Loan Facility in July 2021 to, among other things, extend the maturity date from December 2024 to July 2028 and provide additional covenant flexibility. Pursuant to the amendment, certain existing and new lenders advanced \$550.0 million of replacement term loans, the proceeds of which were used to prepay in full the amount outstanding under the previously existing term loans. The replacement term loans

Back to top

originally bore interest at LIBOR (subject to a floor of 0.00%) plus a margin of 2.00% to 2.25% depending on JWJ's corporate credit ratings. In addition, the amendment also modified certain other terms and provisions of the Term Loan Facility, and adds language to address the replacement of LIBOR with a SOFR basis upon the June 30, 2023 cessation of the publication of LIBOR. Voluntary prepayments of the replacement term loans are permitted at any time, in certain minimum principal amounts, but were subject to a 1.00% premium during the first six months. The amendment requires 0.25% of the initial principal to be repaid quarterly until maturity.

In June 2023, we amended the Term Loan Facility to replace LIBOR with a Term SOFR based rate as the successor benchmark rate and made certain other technical amendments and related conforming changes. All other material terms and conditions were unchanged.

In January 2024, we amended the Term Loan Facility to lower the applicable margin for replacement term loans, remove certain provisions no longer relevant to the parties, and make certain other technical amendments and related conforming changes. Pursuant to the amendment, replacement term loans bear interest at SOFR plus a margin of 1.75% to 2.00% depending on JWJ's corporate credit ratings, compared to a margin of 2.00% to 2.25% under the previous amendment. All other material terms and conditions of the Term Loan Agreement were unchanged. As a result of this amendment, we recognized debt extinguishment and refinancing costs of \$1.4 million, \$1.4 million, which included \$0.8 million \$0.8 million of unamortized debt issuance costs and original discount fees.

As of March 30, 2024 June 29, 2024, the outstanding principal balance, net of original issue discount, was \$534.2 million \$532.9 million.

Back to top

In May 2020, we entered into interest rate swap agreements with a weighted average fixed rate of 0.395% paid against one-month LIBOR floored at 0.00% with outstanding notional amounts aggregating to \$370.0 million \$370.0 million corresponding to that amount of the debt outstanding under our Term Loan Facility. In June 2023, the interest rate swap agreements were amended to convert to a SOFR basis on June 30, 2023, resulting in a weighted average fixed rate of 0.317% paid against



one-month USD-SOFR CME Term floored at (0.10)%. The interest rate swap agreements were designated as cash flow hedges of a portion of the interest obligations on our Term Loan Facility borrowings and matured in December 2023. See Note 19 - *Derivative Financial Instruments* for additional information on our derivative assets and liabilities.

In February 2024, we entered into interest rate collar agreements with a cap rate of 4.50% paid against one-month USD-SOFR CME Term floored at 3.982% and 3.895% with outstanding notional amounts aggregating to \$100.0 million corresponding to that amount of the debt outstanding under our Term Loan Facility. The interest rate collar agreements were designated as cash flow hedges of a portion of the interest obligations on our Term Loan Facility borrowings and mature in February 2026. See Note 19 - *Derivative Financial Instruments* for additional information on our derivative assets and liabilities.

#### **Revolving Credit Facility**

**ABL Facility** - Initially executed in 2014, extensions of credit under our ABL Facility are limited by a borrowing base calculated based on specified percentages of the value of eligible accounts receivable and inventory, subject to certain reserves and other adjustments. We pay a fee of 0.25% on the unused portion of the commitments. The ABL Facility has a minimum fixed charge coverage ratio that we are obligated to comply with under certain circumstances. The ABL Facility has various non-financial covenants, including restrictions on liens, indebtedness, dividends, customary representations and warranties, and customary events of defaults and remedies.

In July 2021, we amended the ABL Facility to, among other things, extend the maturity date from December 2022 to July 2026, increase the aggregate commitment to \$500.0 million, provide additional covenant flexibility, conform certain terms and provisions to the Term Loan Facility, and amend the interest rate grid applicable to the loans thereunder by adding language to address the replacement of LIBOR with a SOFR basis upon the June 30, 2023 cessation of the publication of LIBOR. Pursuant to the amendment, the amount allocated to U.S. borrowers was increased to \$465.0 million. The amount allocated to Canadian borrowers was maintained at \$35.0 million. Borrowings under the ABL Facility bore, at the borrower's option, interest at either a base rate plus a margin of 0.25% to 0.50% depending on excess availability or LIBOR (subject to a floor of 0.00%) plus a margin of 1.25% to 1.50% depending on excess availability. All other material terms and conditions were unchanged.

In June 2023, we amended the ABL Facility to replace LIBOR with a Term SOFR based rate as the successor benchmark rate and made certain other technical amendments and related conforming changes. All other material terms and conditions were unchanged.

As of **March 30, 2024** **June 29, 2024**, we had no outstanding borrowings, **\$7.7 million** **\$2.8 million** in letters of credit and **\$425.6 million** **\$478.8 million** available under the ABL Facility.

**Mortgage Notes** - In December 2007, we entered into thirty-year mortgage notes secured by land and buildings in Denmark with principal payments which began in 2018. As of **March 30, 2024** **June 29, 2024**, we had DKK **146.6 million** **144.6 million** (**\$21.2** **20.7** million) outstanding under these notes.

[Back to top](#)

**Finance leases and other financing arrangements** - In addition to finance leases, we include insurance premium financing arrangements and loans secured by equipment in this category. As of **March 30, 2024** **June 29, 2024**, we had **\$69.8 million** **\$65.2 million** outstanding in this category, with maturities ranging from 2024 to 2031.

As of **March 30, 2024** **June 29, 2024**, we were in compliance with the terms of all of our Credit Facilities and the indentures governing the Senior Notes.

#### **Note 11. Income Taxes**

The effective income tax rate for continuing operations **was 11.0% was (107.1)% and 29.2% (15.3)%** for the three **and six** months ended **March 30, 2024** **June 29, 2024**, respectively, and **April 1, 2023** **32.3% and 31.5%** for the three and six months ended **July 1, 2023**, respectively. In accordance with ASC 740-270, we recorded an income tax **benefit of \$3.4 million and income tax** expense of **\$9.6 million and \$6.1 million** **\$3.5 million** from continuing operations in the three **and six** months ended **March 30, 2024** **June 29, 2024**, respectively, and **April 1, 2023** an income tax expense of **\$10.8 million and \$14.2 million** from continuing operations in the three and six months ended **July 1, 2023**, respectively. We applied our estimated annual effective tax rate to year-to-date income for includable entities during the respective periods. **Our estimated annual effective tax rate for both years includes the impact of the tax on GILTI.** Entities that are currently generating losses and for which there is a full valuation allowance are excluded from the worldwide effective tax rate calculation and are calculated separately.

The impact of significant discrete items is separately recognized in the quarter in which they occur. The tax expense for discrete items included in the tax provision for continuing operations for the three months ended **March 30, 2024** **June 29, 2024** was **\$2.6 million** **\$9.4**

[Back to top](#)

**million**, compared to a tax expense of **\$1.0 million** **\$1.5 million** for the three months ended **April 1, 2023** **July 1, 2023**. The discrete tax expense amounts for the three months ended **March 30, 2024** **June 29, 2024** comprised primarily of **\$7.7 million** of tax expense due to changes in uncertain tax positions relating primarily to a **net \$2.0** historical income tax audit and **\$2.2 million** attributable to an increase in the valuation allowance recorded against our U.S. state tax attributes due to changes in estimated forecasted earnings. The discrete tax expense amounts for the three months ended **July 1, 2023** comprised primarily of a **\$1.5 million** of tax expense attributable to an increase in the valuation allowance recorded against our state U.S. state tax attributes due to changes in estimated forecasted earnings.

The tax expense for discrete items included in the tax provision for continuing operations for the six months ended **June 29, 2024** was **\$12.1 million**, compared to a tax expense of **\$2.6 million** for the six months ended **July 1, 2023**. The discrete tax expense amounts for the six months ended **June 29, 2024** comprised primarily of **\$9.7 million** of tax expense due to changes in uncertain tax positions ("UTPs") from ongoing audits and a **\$0.4 million** **\$2.3 million** attributable to an increase **to** in the valuation allowance. **allowance** recorded against our tax attributes due to changes in estimated forecasted earnings. The discrete tax expense amounts for the **three** six months ended **April 1, 2023** **July 1, 2023** comprised **primarily** **primarily** of **\$1.2** **\$1.5 million** of tax expense attributable to **share-based compensation, partially offset by \$0.2 million** an increase in the valuation allowance recorded against our U.S. state tax attributes due to changes in estimated forecasted earnings and **\$1.2 million** of tax benefit expense attributable to **uncertain tax positions taken in the previous years.**

## share-based compensation.

Under ASC 740-10, we provide for uncertain tax positions and the related interest expense by adjusting unrecognized tax benefits and accrued interest accordingly. We recognize potential interest and penalties related to unrecognized tax benefits in income tax expense. As of **March 30, 2024** **June 29, 2024** and December 31, 2023, we had a liability for unrecognized tax benefits without regard to accrued interest of **\$37.2 million** **\$45.3 million** and \$38.9 million, respectively. As of **March 30, 2024** **June 29, 2024**, **\$12.4 million** **\$10.6** of our liability for unrecognized tax benefits without regard to accrued interest was included in accrued expenses and other current liabilities in the accompanying consolidated balance sheet.

The U.S. Congress, the Organization for Economic Co-operation and Development ("OECD"), the EU and other government agencies in jurisdictions in which we and our affiliates do business have maintained a focus on the taxation of multinational companies. During 2023, the OECD issued administrative guidance for the Pillar Two Global Anti-Base Erosion rules ("Pillar Two"), which generally imposes a 15% global minimum tax on multinational companies. Many Pillar Two rules are effective for fiscal years beginning on January 1, 2024, with other aspects to be effective from 2025. We regularly monitor developments in our jurisdictions and consider the impact of the tax-related proposals as they arise. We do not expect the minimum tax to have a material impact on our financial statements.

As of **March 30, 2024** **June 29, 2024**, the Company maintained a partial indefinite reinvestment assertion on its post- 2017 undistributed foreign earnings.

## Note 12. Segment Information

We report our segment information in the same way management internally organizes the business to assess performance and make decisions regarding allocation of resources in accordance with ASC 280-10 - *Segment Reporting*. Management reviews net revenues and Adjusted EBITDA from continuing operations to evaluate segment performance and allocate resources. We define Adjusted EBITDA from continuing operations as income (loss) from continuing operations, net of tax, adjusted for the following items: income tax expense (benefit); depreciation and amortization; interest expense, net; and certain special items consisting of non-recurring net legal and professional expenses and settlements; restructuring and asset-related **charges; charges**; M&A related costs; net (gain) loss on sale of property and equipment; loss on extinguishment and refinancing of debt; share-based compensation expense; non-cash foreign exchange transaction/translation (gain) loss; and other special items. **We use Adjusted EBITDA from continuing operations because we believe this measure assists investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. This non-GAAP financial measure should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with GAAP.**

We have two reportable segments, organized and managed principally in geographic regions: North America and Europe. We report all other business activities in Corporate and unallocated costs. Factors considered in determining the two reportable segments include the nature of business activities, the management structure accountable directly to the CODM, the discrete financial information regularly reviewed by the CODM, and information presented to the Board of Directors and investors. No operating segments have been aggregated for our presentation of reportable segments.

[Back to top](#)

The following tables set forth certain information relating to our segments' operations:

(amounts in thousands)

(amounts in thousands)

	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	Total Consolidated	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	Total Consolidated
(amounts in thousands)										
Three Months Ended March 30, 2024										
Three Months Ended June 29, 2024										
Total net revenues										
Total net revenues										
Total net revenues										
Intersegment net revenues										
Net revenues from external customers										
Three Months Ended April 1, 2023										
Three Months Ended July 1, 2023										
Three Months Ended April 1, 2023										
Three Months Ended July 1, 2023										
Three Months Ended April 1, 2023										
Three Months Ended July 1, 2023										
Total net revenues										
Total net revenues										
Total net revenues										
Intersegment net revenues										

					Corporate and Unallocated Costs	Total Consolidated
(amounts in thousands)	North America	Europe	Total Operating Segments			
<b>Six Months Ended June 29, 2024</b>						
Total net revenues	\$ 1,390,653	\$ 556,879	\$ 1,947,532	\$ —	\$ 1,947,532	
Intersegment net revenues	(60)	(2,330)	(2,390)	—	(2,390)	
Net revenues from external customers	\$ 1,390,593	\$ 554,549	\$ 1,945,142	\$ —	\$ 1,945,142	
<b>Six Months Ended July 1, 2023</b>						
Total net revenues	\$ 1,585,306	\$ 622,183	\$ 2,207,489	\$ —	\$ 2,207,489	
Intersegment net revenues	(161)	(1,039)	(1,200)	—	(1,200)	
Net revenues from external customers	\$ 1,585,145	\$ 621,144	\$ 2,206,289	\$ —	\$ 2,206,289	

	Three Months Ended June 29, 2024				
					Total Consolidated
(amounts in thousands)	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	
Income (loss) from continuing operations, net of tax	\$ 30,717	\$ (5,025)	\$ 25,692	\$ (44,183)	\$ (18,491)
Income tax expense (benefit)	12,913	10,300	23,213	(13,650)	9,563
Depreciation and amortization	18,900	7,563	26,463	1,786	28,249
Interest expense, net	616	587	1,203	15,361	16,564
Special items:					
Net legal and professional expenses and settlements	922	1,119	2,041	18,305	20,346
Restructuring and asset-related charges	9,227	6,669	15,896	551	16,447
M&A related costs	(42)	—	(42)	5,095	5,053
Net gain on sale of property and equipment	287	(159)	128	(18)	110
Share-based compensation expense	1,043	101	1,144	3,930	5,074
Non-cash foreign exchange transaction/translation loss (gain)	228	(2,353)	(2,125)	933	(1,192)
Other special items	826	1,620	2,446	670	3,116
Adjusted EBITDA from continuing operations	\$ 75,637	\$ 20,422	\$ 96,059	\$ (11,220)	\$ 84,839

[Back to top](#)

	Three Months Ended July 1, 2023				
					Total Consolidated
(amounts in thousands)	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	
Income (loss) from continuing operations, net of tax	\$ 51,269	\$ 10,656	\$ 61,925	\$ (39,423)	\$ 22,502
Income tax expense (benefit)	21,127	3,080	24,207	(13,456)	10,751
Depreciation and amortization <sup>(1)</sup>	27,699	7,499	35,198	3,016	38,214
Interest expense, net	750	417	1,167	19,687	20,854
Special items:					
Net legal and professional expenses and settlements	2	2,386	2,388	1,998	4,386
Restructuring and asset-related charges	5,658	515	6,173	639	6,812
M&A related costs	321	—	321	948	1,269
Net loss (gain) on sale of property and equipment	360	(192)	168	—	168
Share-based compensation expense	1,492	484	1,976	2,773	4,749
Non-cash foreign exchange transaction/translation (gain) loss	(114)	557	443	4	447
Other special items	254	(1,540)	(1,286)	5	(1,281)

Adjusted EBITDA from continuing operations	\$ 108,818	\$ 23,862	\$ 132,680	\$ (23,809)	\$ 108,871
--	------------	-----------	------------	-------------	------------

(amounts in thousands)	Three Months Ended March 30, 2024				
	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	Total Consolidated
Income (loss) from continuing operations, net of tax	\$ 16,285	\$ 22	\$ 16,307	\$ (44,037)	\$ (27,730)
Income tax expense (benefit)	7,432	2,858	10,290	(13,721)	(3,431)
Depreciation and amortization <sup>(1)</sup>	17,991	7,493	25,484	15,945	41,429
Interest expense, net	702	344	1,046	14,646	15,692
Special items:					
Net legal and professional expenses and settlements	795	253	1,048	16,142	17,190
Restructuring and asset-related charges	13,898	3,956	17,854	205	18,059
M&A related costs	42	—	42	1,083	1,125
Net gain on sale of property and equipment	(2,838)	(27)	(2,865)	—	(2,865)
Loss on extinguishment and refinancing of debt	—	—	—	1,449	1,449
Share-based compensation expense	1,218	547	1,765	3,294	5,059
Non-cash foreign exchange transaction/translation loss (gain)	34	(943)	(909)	(637)	(1,546)
Other special items	5,639	—	5,639	(1,362)	4,277
Adjusted EBITDA from continuing operations	\$ 61,198	\$ 14,503	\$ 75,701	\$ (6,993)	\$ 68,708

(1) North America depreciation and amortization expense in the three months ended July 1, 2023 includes accelerated depreciation of \$9.1 million from reviews of equipment capacity optimization.

To conform with current period presentation, certain amounts in prior period information have been reclassified.

(amounts in thousands)	Six Months Ended June 29, 2024				
	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	Total Consolidated
Income (loss) from continuing operations, net of tax	\$ 47,002	\$ (5,003)	\$ 41,999	\$ (88,220)	\$ (46,221)
Income tax expense (benefit)	20,345	13,158	33,503	(27,371)	6,132
Depreciation and amortization <sup>(1)</sup>	36,891	15,056	51,947	17,731	69,678
Interest expense, net	1,318	931	2,249	30,007	32,256
Special items:					
Net legal and professional expenses and settlements	1,717	1,372	3,089	34,447	37,536
Restructuring and asset-related charges	23,125	10,625	33,750	756	34,506
M&A related costs	—	—	—	6,178	6,178
Net gain on sale of property and equipment	(2,551)	(186)	(2,737)	(18)	(2,755)
Loss on extinguishment and refinancing of debt	—	—	—	1,449	1,449
Share-based compensation expense	2,261	648	2,909	7,224	10,133
Non-cash foreign exchange transaction/translation loss (gain)	262	(3,296)	(3,034)	296	(2,738)
Other special items	6,465	1,620	8,085	(692)	7,393
Adjusted EBITDA from continuing operations	\$ 136,835	\$ 34,925	\$ 171,760	\$ (18,213)	\$ 153,547

(1) Corporate and unallocated depreciation and amortization expense includes software accelerated amortization of \$14.1 million for an ERP that we are no longer utilizing after we completed our related obligations under the JW Australia Transition Services Agreement during the first quarter of 2024.

(amounts in thousands)	Three Months Ended April 1, 2023				
	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	Total Consolidated
Income (loss) from continuing operations, net of tax	\$ 35,249	\$ 7,299	\$ 42,548	\$ (34,083)	\$ 8,465
Income tax expense (benefit)	14,533	1,415	15,948	(12,460)	3,488
Depreciation and amortization	17,798	7,433	25,231	3,112	28,343
Interest expense, net	2,834	128	2,962	18,530	21,492

Special items:					
Net legal and professional expenses and settlements	—	70	70	1,752	1,822
Restructuring and asset-related charges	7,812	1,267	9,079	187	9,266
M&A related costs	246	—	246	2,454	2,700
Net loss (gain) on sale of property and equipment	24	(105)	(81)	—	(81)
Share-based compensation expense	960	499	1,459	2,665	4,124
Non-cash foreign exchange transaction/translation (gain) loss	(185)	(1,708)	(1,893)	278	(1,615)
Other special items	(73)	1,339	1,266	47	1,313
Adjusted EBITDA from continuing operations	\$ 79,198	\$ 17,637	\$ 96,835	\$ (17,518)	\$ 79,317

[Back to top](#)

(amounts in thousands)	Six Months Ended July 1, 2023				
	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	Total Consolidated
Income (loss) from continuing operations, net of tax	\$ 86,518	\$ 17,955	\$ 104,473	\$ (73,506)	\$ 30,967
Income tax expense (benefit)	35,660	4,495	40,155	(25,916)	14,239
Depreciation and amortization <sup>(1)</sup>	45,497	14,932	60,429	6,128	66,557
Interest expense, net	3,584	545	4,129	38,217	42,346
Special items:					
Net legal and professional expenses and settlements	2	2,456	2,458	3,750	6,208
Restructuring and asset-related charges	13,470	1,782	15,252	826	16,078
M&A related costs	567	—	567	3,402	3,969
Net loss (gain) on sale of property and equipment	384	(297)	87	—	87
Share-based compensation expense	2,452	983	3,435	5,438	8,873
Non-cash foreign exchange transaction/translation (gain) loss	(299)	(1,151)	(1,450)	282	(1,168)
Other special items	181	(201)	(20)	52	32
Adjusted EBITDA from continuing operations	\$ 188,016	\$ 41,499	\$ 229,515	\$ (41,327)	\$ 188,188

(1) North America depreciation and amortization expense in the six months ended July 1, 2023 includes accelerated depreciation of \$9.1 million from reviews of equipment capacity optimization.

To conform with current period presentation, certain amounts in prior period information have been reclassified.

[Back to top](#)

Reconciliations of income from continuing operations, net of tax to Adjusted EBITDA from continuing operations are as follows:

Three Months Ended  
Three Months Ended  
Three Months Ended

(amounts in thousands)

(amounts in thousands)

(amounts in thousands)

(Loss) income from continuing operations, net of tax
(Loss) income from continuing operations, net of tax
(Loss) income from continuing operations, net of tax
Income tax (benefit) expense
Income tax (benefit) expense
Income tax (benefit) expense
Income tax expense
Income tax expense

Income tax expense
Depreciation and amortization <sup>(1)</sup>
Depreciation and amortization <sup>(1)</sup>
Depreciation and amortization <sup>(1)</sup>
Interest expense, net
Interest expense, net
Interest expense, net
Special items:
Special items:
Special items:
Net legal and professional expenses and settlements <sup>(2)</sup>
Net legal and professional expenses and settlements <sup>(2)</sup>
Net legal and professional expenses and settlements <sup>(2)</sup>
Restructuring and asset-related charges <sup>(3) (4)</sup>
Restructuring and asset-related charges <sup>(3) (4)</sup>
Restructuring and asset-related charges <sup>(3) (4)</sup>
M&A related costs <sup>(4) (5)</sup>
M&A related costs <sup>(4) (5)</sup>
M&A related costs <sup>(4) (5)</sup>
Net gain on sale of property and equipment <sup>(5)</sup>
Net gain on sale of property and equipment <sup>(5)</sup>
Net gain on sale of property and equipment <sup>(5)</sup>
Net loss (gain) on sale of property and equipment <sup>(6)</sup>
Net loss (gain) on sale of property and equipment <sup>(6)</sup>
Net loss (gain) on sale of property and equipment <sup>(6)</sup>
Loss on extinguishment and refinancing of debt <sup>(6) (7)</sup>
Loss on extinguishment and refinancing of debt <sup>(6) (7)</sup>
Loss on extinguishment and refinancing of debt <sup>(6) (7)</sup>
Share-based compensation expense <sup>(7) (8)</sup>
Share-based compensation expense <sup>(7) (8)</sup>
Share-based compensation expense <sup>(7) (8)</sup>
Non-cash foreign exchange transaction/translation gain <sup>(8)</sup>
Non-cash foreign exchange transaction/translation (gain) loss <sup>(9)</sup>
Non-cash foreign exchange transaction/translation gain <sup>(8)</sup>
Non-cash foreign exchange transaction/translation (gain) loss <sup>(9)</sup>
Non-cash foreign exchange transaction/translation gain <sup>(8)</sup>
Other special items <sup>(9)</sup>
Other special items <sup>(9)</sup>
Other special items <sup>(9)</sup>
Non-cash foreign exchange transaction/translation (gain) loss <sup>(9)</sup>
Other special items <sup>(10)</sup>
Other special items <sup>(10)</sup>
Other special items <sup>(10)</sup>

Adjusted EBITDA from continuing operations

Adjusted EBITDA from continuing operations

Adjusted EBITDA from continuing operations

- Depreciation and amortization expense in the **three** six months ended **March 30, 2024** **June 29, 2024** includes accelerated amortization of \$14.1 million in Corporate and unallocated costs for an ERP that we are no longer utilizing after we completed our related obligations under the JW Australia Transition Services Agreement during the first quarter of 2024. **Depreciation and amortization expense in the three and six months ended July 1, 2023 includes accelerated depreciation of \$9.1 million in North America from reviews of equipment capacity optimization.**
- Net legal and professional expenses and settlements include **strategic non-recurring transformation journey** expenses of \$18.2 million and \$34.6 million in the three and six months **ended June 29, 2024, respectively, and \$3.5 million and \$4.9 million in the three and six months ended July 1, 2023, respectively.** These expenses primarily relate to the engagement

of one transformation consultant for a period spanning third quarter of 2023 through the fourth quarter of 2024, for which are primarily third-party advisory fees, we incurred \$13.8 million and \$28.4 million in the three and six months ended June 29, 2024, respectively, and \$0.4 million in the three and six months ended July 1, 2023. Additionally, net legal and professional expenses and settlements include amounts relating to litigation of \$16.4 historic legal matters of \$1.5 million and \$2.6 million in the three and six months ended June 29, 2024, respectively, and of \$1.1 million and \$1.4 million and in the three and six months ended March 30, 2024 and April 1, 2023 July 1, 2023, respectively. The residual amounts primarily relate to litigation.

- (3) Represents severance, accelerated depreciation and amortization, equipment relocation and other expenses directly incurred as a result of restructuring events. The restructuring charges primarily relate to charges incurred to change the operating structure, eliminate certain roles, and close certain manufacturing facilities in our North America and Europe segments.
- (4) For the three and six months ended June 29, 2024, \$6.4 million of product and inventory-related charges related to announced facility closures were detrimental to Adjusted EBITDA.
- (5) M&A related costs consists primarily of legal and professional expenses related to the potential disposition of Towanda.
- (5) (6) Net gain on sale of property and equipment, primarily in Chile, in the three six months ended March 30, 2024 June 29, 2024.
- (6) (7) Loss on extinguishment and refinancing of debt of \$1.4 million associated with an amendment of our Term Loan Facility.
- (7) (8) Represents non-cash equity-based compensation expense related to the issuance of share-based awards.
- (8) (9) Non-cash foreign exchange transaction/translation gain primarily associated with fair value adjustments of foreign currency derivatives and revaluation of balances denominated in foreign currencies.
- (9) (10) Other special items not core to ongoing business activity include: (i) in the three months ended March 30, 2024 include June 29, 2024, a one-time realized foreign currency loss of \$1.6 million in our Europe segment related to a cash repatriation event; (ii) in the three months ended July 1, 2023, (\$2.8) million in compensation and non-income taxes associated with exercises of legacy equity awards in our Europe segment; (iii) in the six months ended June 29, 2024, a loss of \$4.3 million of cumulative foreign currency translation adjustments related to the substantial liquidation of a foreign subsidiary in Chile in our North America segment, a one-time realized foreign currency loss of \$1.6 million in our Europe segment related to a cash repatriation event, and (\$1.5) million of cash received on an impaired note in Corporate and unallocated costs.

To conform with current period presentation, certain amounts in prior period information have been reclassified.

[Back to top](#)

**Note 13. Capital Stock**

*Preferred Stock* - Our Board of Directors is authorized to issue Preferred Stock from time to time in one or more series and with such rights, privileges, and preferences as the Board of Directors shall from time to time determine. We have not issued any shares of Preferred Stock.

*Common Stock* - Common Stock includes the basis of shares outstanding plus amounts recorded as additional paid-in capital. Shares outstanding exclude the shares issued to the Employee Benefit Trust that are considered similar to treasury shares and total 193,941 shares at both March 30, 2024 June 29, 2024 and December 31, 2023 with a total original issuance value of \$12.4 million. \$12.4 million.

[Back to top](#)

We record share repurchases on their trade date and reduce shareholders' equity and increase accounts payable. Repurchased shares are retired, and the excess of the repurchase price over the par value of the shares is charged to retained earnings.

On July 27, 2021, our Board of Directors increased our previous repurchase authorization to a total of \$400.0 million with no expiration date.

On July 28, 2022, our Board of Directors authorized a new share repurchase program, replacing decreased our previous share repurchase authorization with an of \$400.0 million to a total aggregate value of \$200.0 million and with no expiration date. As of March 30, 2024 June 29, 2024, there have been no share repurchases \$175.7 million was remaining under this the repurchase program.

During the three and six months ended June 29, 2024, we repurchased 1,600,000 shares of our Common Stock at an average price of \$15.18. We did not repurchase shares of our Common Stock during the three and six months ended July 1, 2023.

**Note 14. Earnings Per Share**

The basic and diluted income per share calculations were determined based on the following share data:

		Three Months Ended
		Three Months Ended
		Three Months Ended
		March 30, 2024
		March 30, 2024
		March 30, 2024
		June 29, 2024

	June 29, 2024
	June 29, 2024
Weighted average outstanding shares of Common Stock basic	
Weighted average outstanding shares of Common Stock basic	
Weighted average outstanding shares of Common Stock basic	
Restricted stock units, performance share units and options to purchase Common Stock	
Restricted stock units, performance share units and options to purchase Common Stock	
Restricted stock units, performance share units and options to purchase Common Stock	
Weighted average outstanding shares of Common Stock diluted	
Weighted average outstanding shares of Common Stock diluted	
Weighted average outstanding shares of Common Stock diluted	

For the three and six months ended March 30, 2024 June 29, 2024, we had net losses from operations. As a result, no potentially dilutive securities were included in the denominator for computing diluted loss per share as their inclusion would have been antidilutive.

The following table provides the securities that could potentially dilute basic earnings per share in the future but were not included in the computation of diluted income per share as their inclusion would be anti-dilutive:

	Three Months Ended
	Three Months Ended
	Three Months Ended
	March 30, 2024
	March 30, 2024
	March 30, 2024
	June 29, 2024
	June 29, 2024
	June 29, 2024
Common Stock options	
Common Stock options	
Common Stock options	
Restricted stock units	
Restricted stock units	
Restricted stock units	
Common Stock options	
Common Stock options	
Common Stock options	
Performance share units	
Performance share units	
Performance share units	

[Back to top](#)

**Note 15. Stock Compensation**

The activity under our incentive plans for the periods presented are reflected in the following tables:

	Three Months Ended	
	March 30, 2024	April 1, 2023
	June 29, 2024	July 1, 2023
	Shares	Shares
	Shares	Shares
	Weighted Average Exercise Price Per Share	Weighted Average Exercise Price Per Share
	Shares	Shares
	Weighted Average Exercise Price Per Share	Weighted Average Exercise Price Per Share
	Shares	Shares
	Weighted Average Exercise Price Per Share	Weighted Average Exercise Price Per Share
	Shares	Shares
	Weighted Average Exercise Price Per Share	Weighted Average Exercise Price Per Share
Options granted		



Options  
exercised  
Options  
cancelled

Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares
	Weighted Average Grant Date Fair Value		Weighted Average Grant Date Fair Value		Weighted Average Grant Date Fair Value		Weighted Average Grant Date Fair Value		Weighted Average Grant Date Fair Value
RSUs granted									
PSUs granted									
PSUs granted									
PSUs granted									
PSUs granted									

	Six Months Ended			
	June 29, 2024		July 1, 2023	
	Weighted Average Exercise Price Per		Weighted Average Exercise Price Per	
	Shares	Share	Shares	Share
Options granted	365,412	\$ 18.52	262,809	\$ 13.28
Options exercised	191,908	\$ 13.02	19,715	\$ 9.83
Options cancelled	74,471	\$ 17.67	77,890	\$ 21.77
	Weighted Average Grant Date Fair		Weighted Average Grant Date Fair	
	Shares	Value	Shares	Value
RSUs granted	936,088	\$ 18.60	1,490,329	\$ 13.26
PSUs granted	417,347	\$ 22.60	307,273	\$ 17.38

Stock-based compensation expense was \$5.1 million \$5.0 million and \$4.1 million \$10.1 million for the three and six months ended March 30, 2024 June 29, 2024 and April 1, 2023 \$4.8 million and \$8.9 million for the three and six months ended July 1, 2023, respectively. The increase in the stock-based compensation expense during the three months ended March 30, 2024 as compared to the respective prior year period was primarily related to an overall reduction in management turnover and the offering of PSUs to an extended level of management in 2024. As of March 30, 2024 June 29, 2024, we had \$31.2 million \$26.7 million of total unrecognized compensation expense related to non-vested share-based compensation arrangements. This cost is expected to be recognized over the remaining weighted-average vesting period of 1.87 1.69 years.

#### Note 16. Restructuring and Asset-Related Charges

We engage in restructuring activities focused on improving productivity and operating margins. Restructuring costs primarily relate to costs associated with workforce reductions, plant consolidations and closures, and changes to the management structure to align with our operations. Other restructuring associated costs primarily consist of equipment relocation and facility restoration costs. Asset-related charges consist of accelerated depreciation and amortization of assets due to changes in asset useful lives.

The following table summarizes the restructuring and asset-related charges for the periods indicated:

	North America		Europe		Corporate and Unallocated Costs	Total Consolidated
(amounts in thousands)						
Three Months Ended March 30, 2024						
Restructuring severance and employee-related charges	\$	8,889	\$	3,398	\$ 205	\$ 12,492
Other restructuring associated costs		2,090		558	—	2,648

Asset-related charges	2,919	—	—	2,919
Other restructuring associated costs and asset-related charges	5,009	558	—	5,567
Total restructuring and asset-related charges	\$ 13,898	\$ 3,956	\$ 205	\$ 18,059
<b>Three Months Ended April 1, 2023</b>				
Restructuring severance and employee-related charges	\$ 3,056	\$ 1,087	\$ 187	\$ 4,330
Other restructuring associated costs	2,585	—	—	2,585
Asset-related charges	2,171	180	—	2,351
Other restructuring associated costs and asset-related charges	4,756	180	—	4,936
Total restructuring and asset-related charges	\$ 7,812	\$ 1,267	\$ 187	\$ 9,266

[Back to top](#)

	North		Corporate and Unallocated Costs	Total Consolidated
(amounts in thousands)	America	Europe		
<b>Three Months Ended June 29, 2024</b>				
Restructuring severance and employee-related charges	\$ 2,062	\$ 3,877	\$ 355	\$ 6,294
Other restructuring associated costs	2,018	1,861	—	3,879
Asset-related charges	5,147	931	196	6,274
Other restructuring associated costs and asset-related charges	7,165	2,792	196	10,153
Total restructuring and asset-related charges	\$ 9,227	\$ 6,669	\$ 551	\$ 16,447
<b>Three Months Ended July 1, 2023</b>				
Restructuring severance and employee-related charges	\$ 286	\$ 1,706	\$ 639	\$ 2,631
Other restructuring associated costs (income)	4,306	(1,191)	—	3,115
Asset-related charges	1,066	—	—	1,066
Other restructuring associated costs and asset-related charges (income)	5,372	(1,191)	—	4,181
Total restructuring and asset-related charges, net	\$ 5,658	\$ 515	\$ 639	\$ 6,812

	North		Corporate and Unallocated Costs	Total Consolidated
(amounts in thousands)	America	Europe		
<b>Six Months Ended June 29, 2024</b>				
Restructuring severance and employee-related charges	\$ 10,951	\$ 7,275	\$ 560	\$ 18,786
Other restructuring associated costs	4,108	2,419	—	6,527
Asset-related charges	8,066	931	196	9,193
Other restructuring associated costs and asset-related charges	12,174	3,350	196	15,720
Total restructuring and asset-related charges	\$ 23,125	\$ 10,625	\$ 756	\$ 34,506
<b>Six Months Ended July 1, 2023</b>				
Restructuring severance and employee-related charges	\$ 3,342	\$ 2,793	\$ 826	\$ 6,961
Other restructuring associated costs (income)	6,891	(1,191)	—	5,700
Asset-related charges	3,237	180	—	3,417
Other restructuring associated costs and asset-related charges (income)	10,128	(1,011)	—	9,117
Total restructuring and asset-related charges	\$ 13,470	\$ 1,782	\$ 826	\$ 16,078

The following is a summary of the restructuring accruals recorded and charges incurred:

(amounts in thousands)

(amounts in thousands)

(amounts in thousands)

Balance as of January 1

Balance as of January 1

Balance as of January 1
Current period charges
Current period charges
Current period charges
Payments
Payments
Payments
Currency translation
Currency translation
Currency translation
Balance at period end
Balance at period end
Balance at period end

Restructuring accruals are expected to be paid within the next 12 months and are included within accrued expenses and other current liabilities in the consolidated balance sheet.

On April 11, 2024, we announced plans to close two manufacturing facilities, located in Vista, California and Hawkins, Wisconsin in a continuing effort to simplify our footprint and drive operational efficiencies. As of June 29, 2024 the remaining restructuring accrual for these plans is \$8.6 million and the remaining cash outlay is expected to be \$22.4 million. We expect to incur pre-tax restructuring expenses and other closure costs substantially complete the facility closures by the first quarter of approximately \$45.0 million, primarily consisting of \$15.1 million in asset-related charges, \$11.4 million in restructuring severance and employee-related charges and \$8.3 million in equipment relocation and facility restoration charges. If unsold, we would expect to incur approximately \$10.2 million in inventory and other product-related charges which would be detrimental to Adjusted EBITDA, 2025. After completion of the site closures, we expect to realize annual pre-tax income improvements of at least \$11 million. During \$11.0 million.

[Back to top](#)

#### Costs and cash outlays associated with the plans:

North America: Vista, California and Hawkins, Wisconsin		Costs in the Three Months Ended		Costs in the Six Months Ended	
(amounts in thousands)		Total Estimated Costs	Cumulative Costs to-date	June 29, 2024	June 29, 2024
Restructuring severance and employee-related charges <sup>(1)</sup>	\$	11,500	\$ 10,546	\$ 1,726	\$ 10,546
Other restructuring associated costs <sup>(1)</sup>		7,600	1,355	1,355	1,355
Product-related cash charges <sup>(2)</sup>		5,000	2,649	2,649	2,649
Total cash charges		24,100	14,550	5,730	14,550
Asset-related charges <sup>(1)</sup>		9,300	3,215	3,215	3,215
Inventory and other product-related non-cash charges <sup>(3)</sup>		4,400	3,706	3,706	3,706
Total non-cash charges		13,700	6,921	6,921	6,921
Total costs	\$	37,800	\$ 21,471	\$ 12,651	\$ 21,471
Total cash outlays	\$	28,100	\$ 5,679	\$ 5,679	\$ 5,679

- (1) The charges incurred in the three and six months ended March 30, 2024, we recorded approximately \$8.8 million June 29, 2024 were included in restructuring severance and employee-related asset-related charges in connection with the announced closures. We expect accompanying Consolidated Statement of Operations.
- (2) The product-related cash charges incurred in the three and six months ended June 29, 2024 were detrimental to incur a total pre-tax cash outlay Net Sales in the accompanying Consolidated Statement of approximately \$29.0 million by Operations.
- (3) The inventory and other product-related non-cash charges in the end three and six months ended June 29, 2024 were included in Cost of 2024 Sales in connection with the announced actions, none accompanying Consolidated Statement of which has been incurred as of March 30, 2024, Operations.

During 2023, we announced plans to transform our European operations by changing the operating structure, eliminating certain roles and rationalizing our manufacturing footprint. We plan to close two manufacturing facilities and transfer production to other facilities within Europe. During the second quarter of 2024, we announced additional plans, increasing the total estimated costs by approximately \$8.2 million to \$27.5 million, after identifying additional opportunities to optimize our European operating structure. As of June 29, 2024 the remaining restructuring accrual for these plans is \$3.2 million and the remaining cash outlay is expected to be \$15.8 million. We expect to incur pre-tax restructuring expenses and other closure costs of approximately \$19.3 million for the approved actions, consisting of \$11.5 million in restructuring severance and employee-related charges, \$4.4 million in equipment relocation and facility restoration costs, and \$3.4 million in capital expenditures. Through March 30, 2024, we recorded approximately \$8.6 million of restructuring expenses and other closure costs in connection with substantially complete these actions.

consisting of \$6.5 million in restructuring severance and employee-related charges, \$1.2 million in capital expenditures and \$0.9 million in equipment relocation and facility restoration costs. We recorded approximately \$5.1 million of restructuring expenses and other closure costs in the three months ended March 30, 2024, consisting primarily of \$3.5 million in restructuring severance and employee-related charges and \$1.3 million in capital expenditures. We expect to incur a total pre-tax cash outlay of approximately \$19.3 million initiatives by the end of 2024 in connection 2024.

Costs and cash outlays associated with the announced actions, plans:

Europe	Total Estimated	Cumulative	Costs in the Three	Costs in the Six
(amounts in thousands)	Costs	Costs to-date	Months Ended	Months Ended
			June 29, 2024	June 29, 2024
Restructuring severance and employee-related charges <sup>(1)</sup>	\$ 19,200	\$ 10,289	\$ 3,825	\$ 7,207
Other restructuring associated costs <sup>(1)</sup>	4,400	2,740	1,830	2,316
Total cash charges	23,600	13,029	5,655	9,523
Asset-related non-cash charges <sup>(1)</sup>	600	573	573	573
Capital expenditures	3,300	1,264	—	1,264
Total costs	\$ 27,500	\$ 14,866	\$ 6,228	\$ 11,360
Total cash outlays	\$ 26,900	\$ 11,058	\$ 4,864	\$ 8,943

- (1) The charges incurred in the three and six months ended June 29, 2024 were included in restructuring and asset-related charges in the accompanying Consolidated Statement of which, \$6.2 million of cash outlay has been incurred as of March 30, 2024. Operations.

In the third quarter of 2023, we announced plans to close two manufacturing facilities, located in Tijuana, Mexico and Vista, California as part of our footprint rationalization activities. As of June 29, 2024, the remaining restructuring accrual for these plans is \$0.8 million and the remaining cash outlay is expected to be \$1.4 million. We expect to incur pre-tax substantially complete the facility closures by the end of 2024.

Costs and cash outlays associated with the plans:

[Back to top](#)

North America: Tijuana, Mexico and Vista, California	Total Estimated	Cumulative	Costs in the Three	Costs in the Six
(amounts in thousands)	Costs	Costs to-date	Months Ended	Months Ended
			June 29, 2024	June 29, 2024
Restructuring severance and employee-related charges <sup>(1)</sup>	\$ 7,900	\$ 7,502	\$ 13	\$ (311)
Other restructuring associated costs <sup>(1)</sup>	2,700	2,545	322	1,944
Total cash charges	10,600	10,047	335	1,633
Asset-related charges <sup>(1)</sup>	6,600	6,628	—	2,919
Inventory and other product-related non-cash charges <sup>(2)</sup>	1,500	1,466	—	—
Total non-cash charges	8,100	8,094	—	2,919
Total costs	\$ 18,700	\$ 18,141	\$ 335	\$ 4,552
Total cash outlays	\$ 10,600	\$ 9,187	\$ 471	\$ 2,560

- (1) The related charges incurred in the three and six months ended June 29, 2024 were included in restructuring expenses and asset-related charges in the accompanying Consolidated Statement of Operations.
- (2) The inventory and other closure costs of approximately \$18.8 million, primarily consisting of \$7.9 million in restructuring severance and employee-related product-related non-cash charges \$6.6 million in asset-related charges and \$2.2 million in equipment relocation and facility restoration costs. Through March 30, 2024, we recorded approximately \$16.3 million of restructuring expenses and other closure costs in connection with the announced closures, consisting of \$7.5 million in restructuring severance and employee-related charges, \$6.6 million in asset-related charges and \$2.2 million in equipment relocation and facility restoration costs. Additionally, we recorded \$1.5 million in other non-cash inventory charges in incurred during 2023 were included in Cost of Sales which were detrimental to Adjusted EBITDA. We recorded approximately \$4.2 million of restructuring expenses and other closure costs in the three months ended March 30, 2024, consisting primarily Consolidated Statement of \$2.9 million of asset-related charges and \$1.2 million of equipment relocation costs. We expect to incur a total pre-tax cash outlay of approximately \$11.0 million by the end of 2024 in connection with the announced closures, of which, \$8.7 million of cash outlay has been incurred as of March 30, 2024. Operations.

In the first quarter of 2023, we announced to employees a restructuring plan to close a manufacturing facility in Atlanta, Georgia. We completed the plant closure during 2023, with total pre-tax restructuring expenses and other closure costs of approximately \$17.7 million, including \$1.1 million of capital expenditures, and total cash outlays of approximately \$12.9 million. The primary expenses incurred were accelerated depreciation and amortization, equipment relocation costs, and restructuring severance and employee-related charges.

[Back to top](#)

**Note 17. Held for Sale**

As of **March 30, 2024** **June 29, 2024** and December 31, 2023, the assets and liabilities associated with the court-ordered divestiture of the Company's Towanda, PA operations ("Towanda") as described further in Note 21 - *Commitments and Contingencies*, qualify as held for sale. Since the Company will continue manufacturing door skins for its internal needs, the divestiture decision did not represent a strategic shift thereby precluding the divestiture as qualifying as a discontinued operation.

In addition to the Towanda net assets, we own assets in St. Kitts and Mexico, which are also classified as held for sale in the accompanying consolidated balance sheet as of June 29, 2024. St. Kitts and Mexico collectively had assets held for sale of \$4.8 million and liabilities held for sale of \$0.2 million at June 29, 2024. As of **March 30, 2024** **December 31, 2023**, the assets and liabilities classified as held for sale are those of Towanda.

As of **June 29, 2024** and December 31, 2023, the related assets and liabilities included within the summary below were expected to be disposed of within the next twelve months and are included in assets held for sale and liabilities held for sale in the accompanying consolidated balance sheets.

(amounts in thousands)	(amounts in thousands)	March 30, 2024	December 31, 2023	(amounts in thousands)	June 29, 2024	December 31, 2023
<b>Assets</b>						
Inventories						
Inventories						
Accounts receivable, net						
Accounts receivable, net						
Accounts receivable, net						
Inventories						
Other current assets						
Property and equipment, net						
Intangible assets, net						
Goodwill						
Operating lease assets, net						
<b>Assets held for sale</b>						
<b>Liabilities</b>						
<b>Liabilities</b>						
<b>Liabilities</b>						
Accrued payroll and benefits						
Accounts payable						
Accrued payroll and benefits						
Accounts payable						
Accounts payable						
Accrued payroll and benefits						
Accrued expenses and other current liabilities						
Operating lease liability						
Operating lease liability						
Operating lease liability						
<b>Liabilities held for sale</b>						

[Back to top](#)

**Note 18. Other **Income, (Income) Expense, Net****

The table below summarizes the amounts included in other income, net in the accompanying consolidated statements of operations:

	Three Months Ended
	Three Months Ended
	Three Months Ended
(amounts in thousands)	
(amounts in thousands)	
(amounts in thousands)	

JW Australia Transition Services Agreement cost recovery
JW Australia Transition Services Agreement cost recovery
JW Australia Transition Services Agreement cost recovery
Cash received on impaired notes
Cash received on impaired notes
Cash received on impaired notes
Foreign currency losses (gains), net
Foreign currency losses (gains), net
Foreign currency losses (gains), net
Pension expense
Pension expense
Pension expense
Cash received on investment in real estate
Cash received on investment in real estate
Cash received on investment in real estate
Recovery of cost from receipts on impaired notes
Recovery of cost from receipts on impaired notes
Recovery of cost from receipts on impaired notes
Governmental assistance
Governmental assistance
Governmental assistance
Income from refund of deposits for China antidumping and countervailing duties <sup>(1)</sup>
Income from refund of deposits for China antidumping and countervailing duties <sup>(1)</sup>
Income from refund of deposits for China antidumping and countervailing duties <sup>(1)</sup>
Insurance reimbursement
Insurance reimbursement
Insurance reimbursement
Other items, net
Other items, net
Insurance reimbursement
Insurance reimbursement
Foreign currency gains, net
Foreign currency gains, net
Foreign currency gains, net
Governmental assistance
Governmental assistance
Governmental assistance
Pension expense
Pension expense
Pension expense
Other items, net
Other items, net
Other items, net
Total other income, net
Total other income, net
Total other income, net

(1) Represents the refund of deposits for antidumping and countervailing duties on wood mouldings and millwork products purchased from China from 2020 to 2022.

#### Note 19. Derivative Financial Instruments

**Foreign currency derivatives** – As a multinational corporation, we are exposed to the impact of foreign currency fluctuations. To the extent borrowings, sales, purchases, or other transactions are not executed in the local currency of the operating unit, we are exposed to foreign currency risk. In most of the countries in which we operate, the

exposure to foreign currency movements is limited because the operating revenues and expenses of our business units are substantially denominated in the local currency. To mitigate the exposure, we may enter into a variety of foreign currency derivative

[Back to top](#)

contracts. To manage the effect of exchange fluctuations on forecasted sales, purchases, acquisitions, capital expenditures, and certain intercompany transactions that are denominated in foreign currencies, we have foreign currency derivative contracts with a total notional amount of \$61.6 million \$70.9 million as of March 30, 2024 June 29, 2024. We have foreign currency derivative contracts, with a total notional amount of \$138.0 \$83.9 million, to manage the risks of foreign currency gains and losses on intercompany loans and interest. We also are subject to currency translation risk associated with converting our foreign operations' financial statements into U.S. dollars. To mitigate the impact to the consolidated earnings of the Company from the effect of the translation of certain subsidiaries' local currency results into U.S. dollars, we have foreign currency derivative contracts with a total notional amount of \$12.9 million as of March 30, 2024. We do not use derivative financial instruments for trading or speculative purposes. As With the exception of March 30, 2024 the AUD/USD forward contracts entered into on April 18, 2023 described below, as of June 29, 2024, we have not elected hedge accounting for any foreign currency derivative contracts. We record mark-to-market changes in the values of these derivatives in other income, net. We recorded mark-to-market losses of \$0.2 million and gains of \$1.7 million and \$1.0 million \$1.5 million relating to foreign currency derivatives in the three and six months ended March 30, 2024 June 29, 2024, respectively. We recorded mark-to-market losses of \$0.9 million and April 1, 2023 mark-to-market gains of \$0.1 million in the three and six months ended July 1, 2023, respectively.

On April 18, 2023 we entered into forward contracts to sell a total of AUD 420.0 million and receive USD at exchange rates ranging from 0.6751 USD to 0.6759 USD to 1.0 AUD to mitigate the impact of the Australian dollar currency fluctuations on our net investment in JELD-WEN Australia Pty. Ltd. We designated the forward contracts as net investment hedges. No portion of these contracts were deemed ineffective during the three months ended July 1, 2023. The contracts matured during the three months ended September 30, 2023 and the gain, net of forward points, was included in the gain on the sale of JW Australia.

**Interest rate derivatives** – We are exposed to interest rate risk in connection with our variable rate long-term debt. In May 2020, we entered into interest rate swap agreements with notional amounts aggregating to \$370.0 million \$370.0 million to manage this risk. The interest rate swap agreements matured in December 2023. Initially, the agreements had a weighted average fixed rate of 0.395% swapped against one-month USD LIBOR floored at 0.00%. In June 2023, we amended the agreements to replace LIBOR with a Term SOFR based rate. The amended agreements had a weighted average fixed rate of 0.317% swapped against one-month USD-SOFR CME Term floored at (0.10)%. All other terms and conditions were unchanged. We designated the interest rate swap agreements as cash flow hedges and they effectively fixed the interest rate on a corresponding portion of the aggregate debt outstanding under our Term Loan Facility.

In February 2024, we entered into interest rate collar agreements with a cap rate of 4.50% paid against one-month USD-SOFR CME Term floored at 3.982% and 3.895% with outstanding notional amounts aggregating to \$100.0 million

[Back to top](#)

corresponding to that amount of the debt outstanding under our Term Loan Facility. The interest rate collar agreements were designated as cash flow hedges of a portion of the interest obligations on our Term Loan Facility borrowings and mature in February 2026.

No portion of these interest rate contracts were deemed ineffective during the three and six months ended March 30, 2024 June 29, 2024. In other comprehensive income, we recorded pre-tax mark-to-market gains of \$0.3 million and \$0.7 million during the three and six months ended June 29, 2024, respectively. We recorded pre-tax mark-to-market gains of \$0.4 million, \$1.3 million and losses of \$0.3 million \$1.0 million during the three and six months ended March 30, 2024 and April 1, 2023 July 1, 2023, respectively, in other comprehensive income. respectively. We reclassified gains of \$0.1 million \$0.2 million and \$3.8 million \$0.3 million previously recorded in other comprehensive income to interest income during the three and six months ended March 30, 2024 June 29, 2024, respectively, and April 1, 2023 gains to interest income of \$4.3 million and \$8.1 million during the three and six months ended July 1, 2023, respectively.

As of June 29, 2024, approximately \$0.4 million in gains is expected to be reclassified to interest income over the next 12 months.

**Other derivative instruments** – From time to time, we enter into other types of derivative instruments immaterial to the consolidated financial statements. Unless otherwise disclosed, these instruments are not designated as hedging instruments and mark-to-market adjustments are recorded in the statement of operations each period.

The fair values of derivative instruments held are as follows:

		Derivative assets						
	(amounts in thousands)	Balance Sheet Location	March 30, 2024	December 31, 2023	(amounts in thousands)	Balance Sheet Location	June 29, 2024	December 31, 2023
(amounts in thousands)								
Derivatives designated as hedging instruments:								
Interest rate contracts								
Interest rate contracts								
Interest rate contracts								
Derivatives not designated as hedging instruments:								
Derivatives not designated as hedging instruments:								
Derivatives not designated as hedging instruments:								
Foreign currency forward contracts								

Foreign currency forward contracts

Foreign currency forward contracts

Other derivative instruments

Other derivative instruments

Other derivative instruments

(amounts in thousands)	Derivative liabilities		
	Balance Sheet Location	March 30, 2024	December 31, 2023
Derivatives designated as hedging instruments:			
Interest rate contracts	Deferred credits and other liabilities	\$ 138	\$ —
Derivatives not designated as hedging instruments:			
Foreign currency forward contracts	Accrued expenses and other current liabilities	\$ 1,816	\$ 2,975
Other derivative instruments	Accrued expenses and other current liabilities	\$ 16	21

[Back to top](#)

(amounts in thousands)	Derivative liabilities		
	Balance Sheet Location	June 29, 2024	December 31, 2023
Derivatives designated as hedging instruments:			
Interest rate contracts	Deferred credits and other liabilities	\$ 37	\$ —
Derivatives not designated as hedging instruments:			
Foreign currency forward contracts	Accrued expenses and other current liabilities	\$ 733	\$ 2,975
Other derivative instruments	Accrued expenses and other current liabilities	\$ —	21

**Note 20. Fair Value of Financial Instruments**

We record financial assets and liabilities at fair value based on FASB guidance related to fair value measurements. The guidance requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Three levels of inputs may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

[Back to top](#)

The recorded carrying amounts and fair values of these instruments were as follows:

	March 30, 2024
	March 30, 2024
	March 30, 2024
	June 29, 2024
	June 29, 2024
	June 29, 2024

(amounts in thousands)
Assets:
Assets:
Assets:
Cash equivalents
Cash equivalents
Cash equivalents
Derivative assets, recorded in other current assets
Derivative assets, recorded in other current assets



Derivative assets, recorded in other current assets

Deferred compensation plan assets, recorded in other assets

Deferred compensation plan assets, recorded in other assets

Deferred compensation plan assets, recorded in other assets

**Liabilities:**

**Liabilities:**

**Liabilities:**

Debt, recorded in long-term debt and current maturities of long-term debt

Debt, recorded in long-term debt and current maturities of long-term debt

Debt, recorded in long-term debt and current maturities of long-term debt

Derivative liabilities, recorded in accrued expenses and other current liabilities

Derivative liabilities, recorded in accrued expenses and other current liabilities

Derivative liabilities, recorded in accrued expenses and other current liabilities

Derivative liabilities, recorded in deferred credits and other liabilities

Derivative liabilities, recorded in deferred credits and other liabilities

Derivative liabilities, recorded in deferred credits and other liabilities

(amounts in thousands)	December 31, 2023				
	Carrying Amount	Total Fair Value	Level 1	Level 2	Level 3
<b>Assets:</b>					
Cash equivalents	\$ 71,139	\$ 71,139	\$ 71,139	\$ —	\$ —
Derivative assets, recorded in other current assets	1,224	1,224	—	1,224	—
Deferred compensation plan assets, recorded in other assets	2,098	2,098	—	2,098	—
<b>Liabilities:</b>					
Debt, recorded in long-term debt and current maturities of long-term debt	\$ 1,232,780	\$ 1,209,961	\$ —	\$ 1,209,961	\$ —
Derivative liabilities, recorded in accrued expenses and other current assets	2,996	2,996	—	2,996	—

Derivative assets and liabilities reported in level 2 primarily include: (1) as of **March 30, 2024** **June 29, 2024**, foreign currency derivative contracts and interest rate collar agreements; (2) as of December 31, 2023, foreign currency derivative contracts. See Note 19 - *Derivative Financial Instruments* for additional information about our derivative assets and liabilities.

Deferred compensation plan assets reported in level 2 consist of mutual funds.

There are no material non-financial assets or liabilities as of **March 30, 2024** **June 29, 2024** or December 31, 2023.

**Note 21. Commitments and Contingencies**

**Litigation** – We are involved in various legal proceedings, claims, and government audits arising in the ordinary course of business. We record our best estimate of a loss when the loss is considered probable and the amount of such loss can be reasonably estimated. When a loss is probable and there is a range of estimated loss with no best estimate within the range, we record the minimum estimated liability related to the lawsuit or claim. As additional information becomes available, we

[Back to top](#)

reassess the potential liability and revise our accruals, if necessary. Because of uncertainties related to the resolution of lawsuits and claims, the ultimate outcome may differ materially from our estimates.

Other than the matters described below, there were no proceedings or litigation matters involving the Company or its property as of **March 30, 2024** **June 29, 2024** that we believe would have a material adverse effect on our consolidated financial position or cash flows, although they could have a material adverse effect on our operating results for a particular reporting period.

*Steves & Sons, Inc. v JELD-WEN, Inc.* – We sell molded door skins to certain customers pursuant to long-term contracts, and these customers in turn use the molded door skins to manufacture interior doors and compete directly against us in the marketplace. We gave notice of termination of one of these contracts and, on June 29, 2016, the counterparty to the agreement, Steves & Sons, Inc. (“Steves”) filed a claim against JWI in the U.S. District Court for the Eastern District of Virginia, Richmond Division (the “Eastern District of Virginia”). The complaint alleged that our acquisition of CMI, a competitor in the molded door skins market, together with subsequent price increases and other alleged acts and omissions, violated antitrust laws, and constituted a breach of contract and breach of warranty. Specifically, the complaint alleged that

[Back to top](#)

our acquisition of CMI substantially lessened competition in the molded door skins market. The complaint sought declaratory relief, ordinary and treble damages, and injunctive relief, including divestiture of certain assets acquired in the CMI acquisition.

In February 2018, a jury in the Eastern District of Virginia returned a verdict that was unfavorable to JWI with respect to Steves' claims that our acquisition of CMI violated Section 7 of the Clayton Act, and found that JWI breached the supply agreement between the parties (the "Original Action"). The verdict awarded Steves \$12.2 million for past damages under both the Clayton Act and breach of contract claims and \$46.5 million in future lost profits under the Clayton Act claim.

During the course of the proceedings in the Eastern District of Virginia, we discovered certain facts that led us to conclude that Steves, its principals, and certain former employees of the Company had misappropriated Company trade secrets, violated the terms of various agreements between the Company and those parties, and violated other laws. On May 11, 2018, a jury in the Eastern District of Virginia returned a verdict on our trade secrets claims against Steves and awarded damages in the amount of \$1.2 million. The presiding judge entered a judgment in our favor for those damages, and the entire amount has been paid by Steves. On August 16, 2019, the presiding judge granted Steves' request for an injunction, prohibiting us from pursuing certain claims against individual defendants pending in Bexar County, Texas (the "Steves Texas Trade Secret Theft Action"). On September 11, 2019, JELD-WEN filed a notice of appeal of the Eastern District of Virginia's injunction to the Fourth Circuit Court of Appeals (the "Fourth Circuit").

On March 13, 2019, the presiding judge entered an Amended Final Judgment Order in the Original Action, awarding \$36.5 million in past damages under the Clayton Act (representing a trebling of the jury's verdict) and granted divestiture of certain assets acquired in the CMI acquisition, subject to appeal. The judgment also conditionally awarded damages in the event the judgment was overturned on appeal. Specifically, the court awarded \$139.4 million as future antitrust damages in the event the divestiture order was overturned on appeal and \$9.9 million as past contract damages in the event both the divestiture and antitrust claims were overturned on appeal.

On April 12, 2019, Steves filed a petition requesting an award of its fees and a bill of costs, seeking \$28.4 million in attorneys' fees and \$1.7 million in costs in connection with the Original Action. On November 19, 2019, the presiding judge entered an order for further relief awarding Steves an additional \$7.1 million in damages for pricing differences from the date of the underlying jury verdict through May 31, 2019 (the "Pricing Action"). We also appealed that ruling. On April 14, 2020, Steves filed a motion for further supplemental relief for pricing differences from the date of the prior order and going forward through the end of the parties' current supply agreement (the "Future Pricing Action"). We opposed that request for further relief.

JELD-WEN filed a supersedeas bond and notice of appeal of the judgment, which was heard by the Fourth Circuit on May 29, 2020. On February 18, 2021, the Fourth Circuit issued its decision on appeal in the Original Action, affirming the Amended Final Judgment Order in part and vacating and remanding in part. The Fourth Circuit vacated the Eastern District of Virginia's alternative \$139.4 million lost-profits award, holding that award was premature because Steves has not suffered the purported injury on which its claim for future lost profits rests. The Fourth Circuit also vacated the Eastern District of Virginia's judgment for Sam Steves, Edward Steves, and John Pierce on JELD-WEN's trade secrets claims. The Fourth Circuit affirmed the Eastern District of Virginia's finding of antitrust injury and its award of \$36.5 million in past antitrust damages. It also affirmed the Eastern District of Virginia's divestiture order, while clarifying that JELD-WEN retains the right to challenge the terms of any divestiture, including whether a sale to any particular buyer will serve the public interest, and made clear that the Eastern District of Virginia may need to revisit its divestiture order if the special master who has been appointed by the presiding judge cannot locate a satisfactory buyer. JELD-WEN then filed a motion for rehearing en banc with the Fourth Circuit that was denied on March 22, 2021.

On May 1, 2024, JWI filed a motion to modify the Amended Final Judgment (the "Motion") with the Eastern District of Virginia to vacate all court orders requiring divestiture of the Company's Towanda operations and certain related assets. In light of changed industry and market factors and conditions, the Company believes that the divestiture of Towanda is no

[Back to top](#)

longer warranted and is asking the court for relief from that ruling. **The divestiture process is ongoing while the court is reviewing the Motion, and the special master is continuing to oversee the process which includes multiple proposals with varying structures.** We made estimates related to the divestiture in the preparation of our financial statements; however, there can be no assurance that the Motion will be granted and that the divestiture requirement will be vacated. There can also be no guarantee that the divestiture will be consummated if the divestiture requirement is not ultimately vacated.

During the pendency of the Original Action, on February 14, 2020, Steves filed a complaint and motion for preliminary injunction in the Eastern District of Virginia alleging that we breached the long-term supply agreement between the parties, including, among other claims, by incorrectly calculating the allocation of door skins owed to Steves (the "Allocation Action"). Steves sought an additional allotment of door skins and damages for violation of antitrust laws, tortious interference, and breach of contract. On April 10, 2020, the presiding judge granted Steves' motion for preliminary injunction, and the parties settled the issues underlying the preliminary injunction on April 30, 2020 and the Company

[Back to top](#)

reserved the right to appeal the ruling in the Fourth Circuit. The Company believed all the claims lacked merit and moved to dismiss the antitrust and tortious interference claims.

On June 2, 2020, we entered into a settlement agreement with Steves to resolve the Pricing Action, the Future Pricing Action, and the Allocation Action. As a result of the settlement, Steves filed a notice of satisfaction of judgment in the Pricing Action, withdrew its Future Pricing Action with prejudice, and filed a stipulated dismissal with prejudice in the Allocation Action. The Company also withdrew its appeal of the Pricing Action. The parties agreed to bear their own respective attorneys' fees and costs in these actions. In partial consideration of the settlement, JWI and Steves entered into an amended supply agreement satisfactory to both parties that, by its terms, ended on September 10, 2021. This settlement had no effect on the Original Action between the parties except to agree that certain specific terms of the Amended Final Judgment Order in the Original Action would apply to the amended supply agreement during the pendency of the appeal of the Original Action. On April 2, 2021, JWI and Steves filed a stipulation regarding the amended supply agreement in the Original Action, stating that regardless of whether the case remains on appeal as of September 10, 2021, and absent further order of the court, the amended supply agreement would be extended until the divestiture of Towanda and certain related assets is complete and Steves' new supply agreement with the company that acquires Towanda is in effect.

We continue to believe the claims in the settled actions lacked merit and made no admission of liability in these matters.

On October 7, 2021, we entered into a settlement agreement with Steves to resolve the following: (i) Steves' past and any future claims for attorneys' fees, expenses, and costs in connection with the Original Action, except that Steves and JWI each reserved the right to seek attorneys' fees arising out of any challenge of the divestiture process or the final divestiture order; (ii) the Steves Texas Trade Secret Theft Action and the related Fourth Circuit appeal of the Eastern District of Virginia's injunction in the Original Action; (iii) the past damages award in the Original Action; and (iv) any and all claims and counterclaims, known or unknown, that were asserted or could have been asserted against each other from the beginning of time through the date of the settlement agreement. As a result of the settlement, the parties filed a stipulated notice of satisfaction of the past antitrust damages judgment and a stipulated notice of settlement of Steves' claim for attorneys' fees, expenses, and costs against JWI in the Original Action, and Steves filed a notice of withdrawal of its motion for attorneys' fees and expenses and bill of costs in the Original Action. The Company also filed a notice of dismissal with prejudice and agreed to take no judgment in the Steves Texas Trade Secret Theft Action, and the parties filed a joint agreement for dismissal of the injunction appeal in the Fourth Circuit. On November 3, 2021, we paid \$66.4 million to Steves under the settlement agreement.

*In re JELD-WEN Holding, Inc. Derivative Litigation* – On February 2, 2021, Jason Aldridge, on behalf of the Company, filed a derivative action in the U.S. District Court for the District of Delaware against certain current and former executives and directors of the Company, alleging that the individual defendants breached their fiduciary duties by allowing the wrongful acts alleged in the Steves and Cambridge actions, as well as violations of Section 14(a) and 20(a) of the Exchange Act, unjust enrichment, and waste of corporate assets among other allegations (the "Aldridge Action"). The lawsuit sought compensatory damages, equitable relief, and an award of attorneys' fees and costs. The plaintiff filed an amended complaint on May 10, 2021.

On June 21, 2021, prior to a response from the Company in the Aldridge Action, Shieta Black and the Board of Trustees of the City of Miami General Employees' & Sanitation Employees' Retirement Trust, on behalf of the Company, filed a derivative action in the U.S. District Court for the District of Delaware against certain current and former executives and directors of the Company and Onex Corporation ("Onex"), alleging that the defendants breached their fiduciary duties by allowing the wrongful acts alleged in the Steves and Cambridge actions, as well as insider trading, and unjust enrichment among other allegations (the "Black Action"). The lawsuit sought compensatory damages, corporate governance reforms, restitution, equitable relief, and an award of attorneys' fees and costs. The court granted the Black and Aldridge plaintiffs in motion to consolidate the lawsuits on July 16, 2021.

On June 20, 2022, the parties entered into a settlement agreement of the consolidated matters, which was approved by the Court on approval of the December 20, 2022, and the cases were dismissed with prejudice. In January 2023, the Company,

[Back to top](#)

as putative plaintiff, received approximately \$10.5 million after attorneys' fees and costs were deducted as part of the settlement.

*Canadian Antitrust Litigation* – On May 15, 2020, Développement Émeraude Inc., on behalf of itself and others similarly situated, filed a putative class action lawsuit against the Company and Masonite in the Superior Court of the Province of Quebec, Canada, which was served on us on September 18, 2020 ("the Quebec Action"). The putative class consists of any person in Canada who, since October 2012, purchased one or more interior molded doors from the Company or Masonite. The suit alleges an illegal conspiracy between the Company and Masonite to agree on prices, the distribution of market shares and/or the production levels of interior molded doors and that the plaintiffs suffered damages in that they were charged and paid higher prices for interior molded doors than they would have had to pay but for the alleged anti-competitive conduct. The plaintiffs are seeking compensatory and punitive damages, attorneys' fees and costs. On September 9, 2020, Kate O'Leary Swinkels, on behalf of herself and others similarly situated, filed a putative class action against the Company and Masonite in the Federal Court of Canada, which was served on us on September 29, 2020 (the "Federal

[Back to top](#)

"Federal Court Action"). The Federal Court Action makes substantially similar allegations to the Quebec Action and the putative class is represented by the same counsel. In February 2021, the plaintiff in the Federal Court Action issued a proposed Amended Statement of Claim that replaced the named plaintiff, Kate O'Leary Swinkels, with David Regan. The plaintiff has sought a stay of the Quebec Action while the Federal Court Action proceeds. On July 14, 2023, the Company entered into an agreement in principle with class counsel to resolve both actions for an immaterial amount, which the Company recorded in the second quarter of 2023. The proposed settlement remains subject to formal settlement documentation and court approval. The Company continues to believe the plaintiffs' claims lack merit and denies any liability or wrongdoing for the claims made against the Company.

We have evaluated the claims against us and recorded provisions based on management's judgment about the probable outcome of the litigation and have included our estimates in accrued expenses in the accompanying balance sheets. See Note 8 - *Accrued Expenses and Other Current Liabilities*. While we expect a favorable resolution to these matters, the dispute resolution process could be lengthy, and if the plaintiffs were to prevail completely or substantially in the respective matters described above, such an outcome could have a material adverse effect on our operating results, consolidated financial position, or cash flows.

**Self-Insured Risk** – We self-insure substantially all of our domestic business liability risks including general liability, product liability, warranty, personal injury, auto liability, workers' compensation, and employee medical benefits. Excess insurance policies from independent insurance companies generally cover exposures between \$5.0 million \$5.0 million and \$200.0 million \$200.0 million for domestic product liability risk and exposures between \$3.0 million \$3.0 million and \$200.0 million \$200.0 million for auto, general liability, personal injury, and workers' compensation. We estimate our provision for self-insured losses based upon an evaluation of current claim exposure and historical loss experience. Actual self-insurance losses may vary significantly from these estimates. At March 30, 2024 June 29, 2024 and December 31, 2023, our accrued liability for self-insured risks was \$87.3 million \$88.8 million and \$89.2 million, respectively.

**Indemnifications** – At March 30, 2024 June 29, 2024, we had commitments related to certain representations made in contracts for sale of businesses or property, including the divestiture of JW Australia. Our indemnity obligations under the relevant agreements may be limited in terms of time, amount or scope. These representations primarily relate to past actions such as responsibility for transfer taxes if they should be claimed, and the adequacy of recorded liabilities, warranty matters, employment benefit plans, income tax matters, or environmental exposures. As it relates to certain income tax related liabilities, the relevant agreements may not provide any cap for such liabilities, and the period in which we would be liable would lapse upon expiration of the statute of limitation for assessment of the underlying taxes. Because of the conditional nature of these obligations and the unique facts and circumstances involved in each particular agreement, we are unable to reasonably

estimate the potential maximum exposure associated with these items. We are not aware of any material amounts claimed or expected to be claimed under these indemnities.

From time to time and in limited geographic areas, we have entered into agreements for the sale of our products to certain customers that provide additional indemnifications for liabilities arising from construction or product defects. We cannot estimate the potential magnitude of such exposures, but to the extent specific liabilities have been identified related to product sales, liabilities have been provided in the warranty accrual in the accompanying consolidated balance sheets.

**Other Financing Arrangements** – At times we are required to provide letters of credit, surety bonds, or guarantees to meet various performance, legal, warranty, environmental, workers compensation, licensing, utility, and governmental requirements. Stand-by letters of credit are provided to certain customers and counterparties in the ordinary course of business as credit support for contractual performance guarantees, advanced payments received from customers, and future funding commitments. The stated values of these letters of credit agreements, surety bonds, and guarantees were ~~\$67.5~~ ~~\$72.2~~ million at ~~March 30, 2024~~ ~~June 29, 2024~~ and \$68.7 million at December 31, 2023, respectively.

**Environmental Contingencies** – We periodically incur environmental liabilities associated with remediating our current and former manufacturing sites as well as penalties for not complying with environmental rules and regulations. We record a liability for remediation costs when it is probable that we will be responsible for such costs and the costs can be

[Back to top](#)

reasonably estimated. These environmental liabilities are estimated based on current available facts and current laws and regulations. Accordingly, it is likely that adjustments to the estimated liabilities will be necessary as additional information becomes available. Short-term environmental liabilities and settlements are recorded in accrued expenses and other current liabilities in the accompanying consolidated balance sheets and totaled ~~\$0.1 million~~ ~~\$0.0 million~~ and \$0.5 million at ~~March 30, 2024~~ ~~June 29, 2024~~ and December 31, 2023, respectively. Long-term environmental liabilities are recorded in deferred credits and other liabilities in the accompanying consolidated balance sheets and totaled \$11.5 million at ~~March 30, 2024~~ ~~June 29, 2024~~ and December 31, 2023, respectively.

*Everett, Washington WADOE Action* – In 2007, we were identified by the WADOE as a PLP with respect to our former manufacturing site in Everett, Washington. In 2008, we entered into an Agreed Order with the WADOE to assess historic environmental contamination and remediation feasibility at the site. As part of the order, we agreed to develop a CAP, arising from the feasibility assessment. In December 2020, we submitted to the WADOE a draft feasibility assessment with an array of remedial alternatives, which we considered substantially complete. During 2021, several comment rounds were

[Back to top](#)

completed as well as the identification of the Port of Everett and W&W Everett Investment LLC as additional PLPs, with respect to this matter with each PLP being jointly and severally liable for the cleanup costs. The WADOE received the final feasibility assessment on December 31, 2021, containing various remedial alternatives with its preferred remedial alternatives totaling \$23.4 million. Based on this study, we have determined our range of possible outcomes to be \$11.8 million to \$33.4 million. On March 1, 2022, we delivered a draft CAP consistent with the preferred alternatives which was approved by WADOE in August 2023. The existing Agreed Order of 2008 was also modified with WADOE in July 2023 to support the development of the associated CAP investigation, sampling and design components. We have made provisions within our financial statements within the range of possible outcomes; however, the contents and cost of the final CAP and allocation of the responsibility between the identified PLPs could vary materially from our estimates.

*Towanda, Pennsylvania Consent Order* – In December 2020, we entered into a COA with the PaDEP to remove a pile of wood fiber waste from our site in Towanda, Pennsylvania, which we acquired in connection with our acquisition of CMI in 2012, by using it as fuel for a boiler at that site. The COA replaced a 2018 Consent Decree between the Company and PaDEP. Under the COA, we are required to achieve certain periodic removal objectives and ultimately remove the entire pile by August 31, 2025. As of March 30, 2024 and December 31, 2023 there was \$1.4 million, respectively in bonds posted in connection with these obligations. If we are unable to remove this pile by August 31, 2025, then the bonds will be forfeited, and we may be subject to penalties by PaDEP. We currently anticipate meeting all applicable removal deadlines; however, if our operations should change, additional alternatives would be evaluated to meet the prescribed removal timeline.

[Back to top](#)

**Note 22. Supplemental Cash Flow Information**

	Three Months Ended
	Three Months Ended
	Three Months Ended
	Six Months Ended
	Six Months Ended
	Six Months Ended

(amounts in thousands)

Cash Operating Activities:
Cash Operating Activities:

**Cash Operating Activities:**

Operating leases

Operating leases

Operating leases

Interest payments on financing lease obligations

Interest payments on financing lease obligations

Interest payments on financing lease obligations

Cash paid for amounts included in the measurement of lease liabilities

Cash paid for amounts included in the measurement of lease liabilities

Cash paid for amounts included in the measurement of lease liabilities

**Cash Investing Activities:****Cash Investing Activities:****Cash Investing Activities:**

Purchases of securities for deferred compensation plan

Purchases of securities for deferred compensation plan

Purchases of securities for deferred compensation plan

Sale of securities for deferred compensation plan

Sale of securities for deferred compensation plan

Sale of securities for deferred compensation plan

Change in securities for deferred compensation plan

Change in securities for deferred compensation plan

Change in securities for deferred compensation plan

Cash received on notes receivable

Cash received on notes receivable

Cash received on notes receivable

Change in notes receivable

Change in notes receivable

Change in notes receivable

**Non-cash Investing Activities:****Non-cash Investing Activities:****Non-cash Investing Activities:**

Property, equipment, and intangibles purchased in accounts payable

Property, equipment, and intangibles purchased in accounts payable

Property, equipment, and intangibles purchased in accounts payable

Property, equipment, and intangibles purchased with debt

Property, equipment, and intangibles purchased with debt

Property, equipment, and intangibles purchased with debt

Customer accounts receivable converted to notes receivable

Customer accounts receivable converted to notes receivable

Customer accounts receivable converted to notes receivable

**Cash Financing Activities:****Cash Financing Activities:****Cash Financing Activities:**

Borrowings on long-term debt

Borrowings on long-term debt

Borrowings on long-term debt

Payments of long-term debt

Payments of long-term debt

Payments of long-term debt

Payments of debt issuance and extinguishment costs, including underwriting fees

Payments of debt issuance and extinguishment costs, including underwriting fees

Payments of debt issuance and extinguishment costs, including underwriting fees

Change in long-term debt and payments of debt extinguishment costs  
Change in long-term debt and payments of debt extinguishment costs  
Change in long-term debt and payments of debt extinguishment costs  
Cash paid for amounts included in the measurement of finance lease liabilities  
Cash paid for amounts included in the measurement of finance lease liabilities  
Cash paid for amounts included in the measurement of finance lease liabilities

**Non-cash Financing Activities:**

**Non-cash Financing Activities:**

**Non-cash Financing Activities:**

Shares surrendered for tax obligations for employee share-based transactions in accrued liabilities  
Shares surrendered for tax obligations for employee share-based transactions in accrued liabilities  
Shares surrendered for tax obligations for employee share-based transactions in accrued liabilities

Accounts payable converted to installment notes

Accounts payable converted to installment notes

Accounts payable converted to installment notes

**Other Supplemental Cash Flow Information:**

**Other Supplemental Cash Flow Information:**

**Other Supplemental Cash Flow Information:**

Cash taxes paid, net of refunds

Cash taxes paid, net of refunds

Cash taxes paid, net of refunds

Cash interest paid

Cash interest paid

Cash interest paid

[Back to top](#)

**Note 23. Subsequent Events**

On May 1, 2024, JELD-WEN, Inc., a wholly owned subsidiary of JELD-WEN Holding, Inc. (the "Company"), filed a motion to modify the Amended Final Judgment (the "Motion") with the U.S. District Court for the Eastern District of Virginia, Richmond Division (the "Court") to vacate all court orders requiring divestiture of the Company's Towanda operations and certain related assets. In light of changed industry and market factors and conditions, the Company believes that the divestiture of Towanda is no longer warranted and is asking the Court for relief from that ruling. There is no assurance that the Motion will be granted and the divestiture requirement will be vacated. There can also be no guarantee that the divestiture will be consummated if the divestiture requirement is not ultimately vacated.

[Back to top](#)

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

This MD&A contains forward-looking statements that involve risks and uncertainties. Please see the "Forward-Looking Statements" section above for a discussion of the uncertainties, risks and assumptions associated with these statements. This discussion should be read in conjunction with our unaudited financial statements and related notes thereto and the other disclosures contained elsewhere in this Form 10-Q, and our audited financial statements and related notes and MD&A included in our Form 10-K. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those listed under Item 1A – *Risk Factors* in our Form 10-K and Form 10-Q, and included elsewhere in this Form 10-Q.

This MD&A is a supplement to our unaudited financial statements and notes thereto included elsewhere in this Form 10-Q and is provided to enhance your understanding of our results of operations and financial condition. Our discussion of results of operations is presented in millions throughout the MD&A and due to rounding may not sum or calculate precisely to the totals and percentages provided in the tables. Our MD&A is organized as follows:

- Overview. This section provides a general description of our Company and reportable segments.
- Consolidated Results of Operations and Operating Results by Business Segment. This section provides our analysis and outlook for the significant line items on our consolidated statements of operations, as well as other information that we deem meaningful to an understanding of our results of operations on both a consolidated basis and a business segment basis.
- Liquidity and Capital Resources. This section contains an overview of our financing arrangements and provides an analysis of trends and uncertainties affecting liquidity, cash requirements for our business, and sources and uses of our cash.
- Critical Accounting Policies and Estimates. This section discusses the accounting policies that we consider important to the evaluation and reporting of our financial condition and results of operations, and whose application requires significant judgments or a complex estimation process.

**Company Overview**

We are a leading global designer, manufacturer, and distributor of high-performance interior and exterior doors, windows, and related building products, serving the new construction and R&R sectors.

Our continuing operations include manufacturing and distribution facilities in 15 countries, located in North America and Europe. For many product lines, our manufacturing processes are vertically integrated, enhancing our range of capabilities, our ability to innovate, and our quality control as well as providing supply chain, transportation, and working capital savings.

## Business Segments

Our business is organized in geographic regions to ensure integration across operations serving common end markets and customers. We have two reportable segments in our continuing operations: North America and Europe. Financial information related to our business segments can be found in Note 12 - *Segment Information* of our financial statements included elsewhere in this Form 10-Q.

## Results of Operations

The tables in this section summarize key components of our results of operations for the periods indicated, both in U.S. dollars and as a percentage of our net revenues. Certain percentages presented in this section have been rounded to the nearest whole number. Accordingly, totals may not equal the sum of the line items in the tables below.

We present several financial metrics in "Core" terms, such as Core Revenue, which excludes the impact of foreign exchange, acquisitions and divestitures completed in the last twelve months. We believe Core Revenue assists management, investors, and analysts in understanding the organic performance of the operations.

36 41

[Back to top](#)

### Comparison of the Three Months Ended March 30, 2024 June 29, 2024 to the Three Months Ended April 1, 2023 July 1, 2023

Three Months Ended																
March 30, 2024								April 1, 2023								
June 29, 2024								July 1, 2023								
(amounts in thousands)	(amounts in thousands)			% of Net Revenues			% of Net Revenues			(amounts in thousands)			% of Net Revenue:			
Net revenues	Net revenues	\$959,126	100.0	100.0	%	\$	1,080,522	100.0	100.0	%	Net revenues	\$	986,016	100.0	100.0	%
Cost of sales	Cost of sales	786,546	82.0	82.0	%		888,735	82.3	82.3	%	Cost of sales		795,971	80.7	80.7	%
Gross margin	Gross margin	172,580	18.0	18.0	%		191,787	17.7	17.7	%	Gross margin		190,045	19.3	19.3	%
Selling, general and administrative	Selling, general and administrative	182,804	19.1	19.1	%		152,763	14.1	14.1	%	Selling, general and administrative		168,450	17.1	17.1	%
Restructuring and asset-related charges																
Restructuring and asset-related charges																
Restructuring and asset-related charges		18,059	1.9	1.9	%		9,266	0.9	0.9	%	16,447		1.7	1.7	%	
Operating (loss) income		(28,283)	(2.9)	%		29,758		2.8	%							
Operating income		5,148	0.5	%		56,266		5.0	%							
Interest expense, net	Interest expense, net	15,692	1.6	1.6	%		21,492	2.0	2.0	%	Interest expense, net		16,564	1.7	1.7	%
Loss on extinguishment and refinancing of debt		1,449	0.2	%		—		—	%							
Other income, net		(14,263)	(1.5)	%		(3,687)		(0.3)	%							
Other (income) expense, net																
Other (income) expense, net																
Other (income) expense, net		(2,488)	(0.3)	%		2,159		0.2	%							
(Loss) income from continuing operations before taxes	(Loss) income from continuing operations before taxes	(31,161)	(3.2)	(3.2)	%		11,953	1.1	1.1	%	(Loss) income from continuing operations before taxes		(8,928)	(0.9)	(0.9)	%



Income tax (benefit) expense	(3,431)	(0.4)	%	3,488	0.3	%							
Income tax expense	9,563	1.0	%	10,751	1.0	%							
(Loss) income from continuing operations, net of tax	(27,730)	(2.9)	(2.9)	%	8,465	0.8	0.8	%	(Loss) income from continuing operations, net of tax	(18,491)	(1.9)	(1.9)	%
Income from discontinued operations, net of tax													
Income from discontinued operations, net of tax													
Income from discontinued operations, net of tax	—	—	—	%	6,669	0.6	0.6	%	—	—	—	%	
Net (loss) income	\$ (27,730)	(2.9)	(2.9)	%	\$ 15,134	1.4	1.4	%	Net (loss) income	\$ (18,491)	(1.9)	(1.9)	%

#### Consolidated Results

**Net Revenues** – Net revenues decreased \$121.4 million \$139.8 million, or 11.2% 12.4%, to \$959.1 million \$986.0 million in the three months ended March 30, 2024 June 29, 2024 from \$1,080.5 million \$1,125.8 million in the three months ended April 1, 2023 July 1, 2023. The decrease in net revenues was primarily driven by a decrease in Core Revenues of 12% partially offset by a favorable impact from foreign exchange of 1%. Core Revenues decreased due to a 12% decline in volume/mix.

**Gross Margin** – Gross margin decreased \$19.2 million \$35.5 million, or 10.0% 15.7%, to \$172.6 million \$190.0 million in the three months ended March 30, 2024 June 29, 2024 from \$191.8 million \$225.6 million in the three months ended April 1, 2023 July 1, 2023. Gross margin as a percentage of net revenues was 18.0% 19.3% in the three months ended March 30, 2024 June 29, 2024 and 17.7% 20.0% in the three months ended April 1, 2023 July 1, 2023. The slight increase decrease in gross margin percentage was due primarily to improved a decremental impact of volume/mix, partially offset by an increase in productivity.

**SG&A Expense** – SG&A expense increased \$30.0 million \$6.0 million, or 19.7% 3.7%, to \$182.8 million \$168.5 million in the three months ended March 30, 2024 June 29, 2024 from \$152.8 million \$162.5 million in the three months ended April 1, 2023 July 1, 2023. SG&A expense as a percentage of net revenues increased to 19.1% in the three ended March 30, 2024 from 14.1% 17.1% in the three months ended April 1, 2023 June 29, 2024 from 14.4% in the three months ended July 1, 2023. The increase in SG&A expense was primarily due to accelerated amortization of an ERP system that we are no longer utilizing upon completion of our related obligations under the JW Australia Transition Services Agreement during the first quarter of 2024, and increased professional fees, including third party advisor fees for strategic non-recurring transformation initiatives, journey expenses, and increased labor cost driven by an increase in inflation, partially offset by decreased performance-based variable compensation expense.

**Restructuring and Asset-Related Charges** – Restructuring and asset-related charges increased \$8.8 million \$9.6 million, or 94.9% 141.4% to \$18.1 million \$16.4 million in the three months ended March 30, 2024 June 29, 2024 from \$9.3 million \$6.8 million in the three months ended April 1, 2023 July 1, 2023. The increase in restructuring charges was primarily due to an increase in charges incurred to transform the operating structure of our Europe segment and to close certain manufacturing facilities in our North America segment. For more information, refer to Note 16 - Restructuring and Asset-Related Charges of our consolidated financial statements included in this Form 10-Q.

**Interest Expense, Net** – Interest expense, net, decreased \$5.8 million \$4.3 million, or 27.0% 20.6%, to \$15.7 million \$16.6 million in the three months ended March 30, 2024 June 29, 2024 from \$21.5 million \$20.9 million in the three months ended April 1, 2023 July 1, 2023. The decrease was primarily due to lower long-term debt balances resulting from the redemption of our Senior Secured Notes and partial redemption of our Senior Notes in the third quarter of 2023, and an increase in interest income due to higher cash equivalents balances, partially offset by a decrease in interest income from interest rate derivatives.

**Other Income, Net** – Other income, net increased \$4.6 million, or 215.2%, to \$2.5 million in the three months ended June 29, 2024 from \$2.2 million of other expense, net in the three months ended July 1, 2023. Other income, net in the three months ended June 29, 2024 primarily consisted of recovery of the JW Australia transition services costs incurred of \$2.4 million. Other expense, net in the three months ended July 1, 2023 primarily consisted of pension expense of \$1.7 million.

42

[Back to top](#)

**Income Taxes** – Income tax expense was \$9.6 million in the three months ended June 29, 2024 compared to \$10.8 million in the three months ended July 1, 2023. The effective tax rate in the three months ended June 29, 2024 was (107.1)%. The effective tax rate for the three months ended June 29, 2024 was primarily driven by \$7.7 million of tax expense on uncertain tax positions relating primarily to a historical income tax audit and \$2.2 million of valuation expense recorded against our U.S. state tax attributes, as well as losses for jurisdictions for which there is a full valuation allowance in the quarter. The effective tax rate in the three months ended July 1, 2023 was 32.3%. The effective tax rate for the three months ended July 1, 2023 was primarily driven by \$1.5 million of tax expense attributable to valuation allowance expense recorded against our tax attributes.

For more information, refer to Note 11- Income Taxes of our consolidated financial statements included in this Form 10-Q.

#### Comparison of the Six Months Ended June 29, 2024 to the Six Months Ended July 1, 2023

Six Months Ended



	June 29, 2024		July 1, 2023	
		% of Net Revenues		% of Net Revenues
(amounts in thousands)				
Net revenues	\$ 1,945,142	100.0 %	\$ 2,206,289	100.0 %
Cost of sales	1,582,517	81.4 %	1,788,947	81.1 %
Gross margin	362,625	18.6 %	417,342	18.9 %
Selling, general and administrative	351,254	18.1 %	315,240	14.3 %
Restructuring and asset-related charges	34,506	1.8 %	16,078	0.7 %
Operating (loss) income	(23,135)	(1.2)%	86,024	3.9 %
Interest expense, net	32,256	1.7 %	42,346	1.9 %
Loss on extinguishment and refinancing of debt	1,449	0.1 %	—	— %
Other income, net	(16,751)	(0.9)%	(1,528)	(0.1)%
(Loss) income from continuing operations before taxes	(40,089)	(2.1)%	45,206	2.0 %
Income tax expense	6,132	0.3 %	14,239	0.6 %
(Loss) income from continuing operations, net of tax	(46,221)	(2.4)%	30,967	1.4 %
Income from discontinued operations, net of tax	—	— %	22,448	1.0 %
Net (loss) income	\$ (46,221)	(2.4)%	\$ 53,415	2.4 %

### Consolidated Results

**Net Revenues** – Net revenues decreased \$261.1 million, or 11.8%, to \$1,945.1 million in the six months ended June 29, 2024 from \$2,206.3 million in the six months ended July 1, 2023. The decrease in net revenues was primarily driven by a decrease in Core Revenues of 12%. Core Revenues decreased due to a 12% decline in volume/mix.

**Gross Margin** – Gross margin decreased \$54.7 million, or 13.1%, to \$362.6 million in the six months ended June 29, 2024 from \$417.3 million in the six months ended July 1, 2023. Gross margin as a percentage of net revenues was 18.6% in the six months ended June 29, 2024 and 18.9% in the six months ended July 1, 2023. The slight decrease in gross margin percentage was due to a decremental impact of volume/mix, partially offset by an increase in productivity.

**SG&A Expense** – SG&A expense increased \$36.0 million, or 11.4%, to \$351.3 million in the six months ended June 29, 2024 from \$315.2 million in the six months ended July 1, 2023. SG&A expense as a percentage of net revenues increased to 18.1% in six months ended June 29, 2024 from 14.3% in the six months ended July 1, 2023. The increase in SG&A expense was primarily due to increased professional fees, including non-recurring transformation journey expenses, increased labor cost driven by an increase in inflation, and accelerated amortization of an ERP system that we are no longer utilizing upon completion of our related obligations under the JW Australia Transition Services Agreement during the first quarter of 2024, partially offset by decreased performance-based variable compensation expense.

43

[Back to top](#)

**Restructuring and Asset-Related Charges** – Restructuring and asset-related charges increased \$18.4 million, or 114.6% to \$34.5 million in the six months ended June 29, 2024 from \$16.1 million in the six months ended July 1, 2023. The increase in restructuring charges was primarily due to an increase in charges incurred to close certain manufacturing facilities in our North America segment and to transform the operating structure of our Europe segment. For more information, refer to Note 16 - *Restructuring and Asset-Related Charges* of our consolidated financial statements included in this Form 10-Q.

**Interest Expense, Net** – Interest expense, net, decreased \$10.1 million, or 23.8%, to \$32.3 million in the six months ended June 29, 2024 from \$42.3 million in the six months ended July 1, 2023. The decrease was primarily due to lower long-term debt balances resulting from the redemption of our Senior Secured Notes and partial redemption of our Senior Notes in the third quarter of 2023, and an increase in interest income due to higher cash equivalents balances, partially offset by a decrease in interest income from interest rate derivatives.

**Loss on Extinguishment and Refinancing of Debt** – The \$1.4 million \$1.4 million loss on extinguishment of debt is related to the amendment of our Term Loan Facility during the three six months ended March 30, 2024 June 29, 2024. Refer to Note 10 - *Long-Term Debt* of our consolidated financial statements included in this Form 10-Q.

**Other Income, Net** – Other income, net increased \$10.6 million \$15.2 million, or 286.8% 996.3%, to \$14.3 million \$16.8 million in the three six months ended March 30, 2024 June 29, 2024 from \$3.7 million \$1.5 million in the three six months ended April 1, 2023 July 1, 2023. Other income, net in the three six months ended March 30, 2024 June 29, 2024 primarily consisted of recovery of the JW Australia transition services costs incurred of \$4.1 million, cash received on impaired notes

37

[Back to top](#)

of \$3.5 million, \$6.5 million, income from the refund of deposits of China antidumping and countervailing duties of \$2.9 million, cash received on investment in real estate of \$2.5 million, recovery of cost from receipts on impaired notes of \$1.4 million, and insurance reimbursements of \$1.7 million and foreign currency gains, partially offset by pension expense of \$1.5 million \$1.0 million. Other income, net in the three six months ended April 1, 2023 July 1, 2023 primarily consisted of foreign currency gains of \$1.9 million \$2.1 million, cash received recovery of cost from receipts on impaired notes of \$1.4 million \$1.7 million, and insurance reimbursements of \$1.2 million, partially offset by pension expense of \$1.7 million \$3.4 million.

Income Taxes – Income tax benefit expense was \$3.4 million \$6.1 million in the three six months ended March 30, 2024 June 29, 2024 compared to an income tax expense of \$3.5 million \$14.2 million in the three six months ended April 1, 2023 July 1, 2023. The effective tax rate in the three six months ended March 30, 2024 June 29, 2024 was 11.0% compared to 29.2% in the three months ended April 1, 2023 (15.3)%. The effective tax rate for the three six months ended March 30, 2024 June 29, 2024 was primarily driven by \$2.0 million \$9.7 million of tax expense on uncertain tax positions from ongoing audits and \$2.3 million of valuation expense recorded against our tax attributes, as well as losses for jurisdictions for which there is a full full valuation allowance in the quarter. The effective tax rate in the six months ended July 1, 2023 was 31.5%. The effective tax rate for the three six months ended April 1, 2023 July 1, 2023 was primarily driven by \$1.2 \$1.5 million of tax expense attributable to valuation allowance expense recorded against our tax attributes and \$1.2 million of tax expense attributable to share-based compensation, partially offset by \$0.2 million of tax benefit attributable to uncertain tax positions taken in the previous years.

The U.S. Congress, the Organization for Economic Co-operation and Development (“OECD”), the EU and other government agencies in jurisdictions in which we and our affiliates do business have maintained a focus on the taxation of multinational companies. During 2023, the OECD issued administrative guidance for the Pillar Two Global Anti-Base Erosion rules (“Pillar Two”), which generally imposes a 15% global minimum tax on multinational companies. Many Pillar Two rules are effective for fiscal years beginning on January 1, 2024, with other aspects to be effective from 2025. We regularly monitor developments in our jurisdictions and consider the impact of the tax-related proposals as they arise. We do not expect the minimum tax to have a material impact to our financial statements. compensation.

For more information, refer to Note 11 - Income Taxes of our consolidated financial statements included in this Form 10-Q.

Segment Results

We report our segment information in the same way management internally organizes the business in assessing performance and making decisions regarding allocation of resources in accordance with ASC 280-10 - Segment Reporting. We define Adjusted EBITDA from continuing operations as income (loss) from continuing operations, net of tax, adjusted for the following items: income tax expense (benefit); depreciation and amortization; interest expense, net; and certain special items consisting of non-recurring net legal and professional expenses and settlements; restructuring and asset-related charges; charges; M&A related costs; net (gain) loss on sale of property and equipment; loss on extinguishment and refinancing of debt; share-based compensation expense; non-cash foreign exchange transaction/translation (gain) loss; and other special items. We use Adjusted EBITDA from continuing operations because we believe this measure assists investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. This non-GAAP financial measure should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with GAAP.

We have two reportable segments, organized and managed principally in geographic regions: North America and Europe. We report all other business activities in Corporate and unallocated costs.

Reconciliations of net income to Adjusted EBITDA from continuing operations for our segments' operations are as follows:

38 44

[Back to top](#)

		Three Months Ended March 30, 2024											
		Three Months Ended March 30, 2024											
		Three Months Ended March 30, 2024											
		Three Months Ended June 29, 2024											
		Three Months Ended June 29, 2024											
		Three Months Ended June 29, 2024											
(amounts in thousands)	(amounts in thousands)	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	Total Consolidated	(amounts in thousands)	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	Total Consolidated	
Income (loss) from continuing operations, net of tax													
Income tax expense (benefit)													
Depreciation and amortization <sup>(1)</sup>													

Interest expense, net

Special items:<sup>(2)</sup> (1)

Net legal and professional  
expenses and settlements

Net legal and professional  
expenses and settlements

Net legal and professional  
expenses and settlements

Restructuring and asset-related  
charges

Restructuring and asset-related  
charges

Restructuring and asset-related  
charges

M&A related costs

Net loss (gain) on  
sale of property and  
equipment

M&A related costs

M&A related costs

M&A related costs

Net gain on sale of  
property and  
equipment

Loss on  
extinguishment and  
refinancing of debt

Share-based compensation  
expense

Share-based compensation  
expense

Share-based  
compensation  
expense

Non-cash foreign exchange  
transaction/translation loss (gain)

Non-cash foreign exchange  
transaction/translation loss (gain)

Non-cash foreign exchange  
transaction/translation loss (gain)

Other special items

Adjusted EBITDA from  
continuing operations

(1) For a discussion of the Special items listed above, refer to Note 12 - Segment Information of our consolidated financial statements included in this Form 10-Q.

[Back to top](#)

(amounts in thousands)	Three Months Ended July 1, 2023				
	North America	Europe	Total Operating Segments	Corporate and Unallocated	
				Costs	Total Consolidated
Income (loss) from continuing operations, net of tax	\$ 51,269	\$ 10,656	\$ 61,925	\$ (39,423)	\$ 22,502

Income tax expense (benefit)	21,127	3,080	24,207	(13,456)	10,751
Depreciation and amortization <sup>(1)</sup>	27,699	7,499	35,198	3,016	38,214
Interest expense, net	750	417	1,167	19,687	20,854
Special items: <sup>(2)</sup>					
Net legal and professional expenses and settlements	2	2,386	2,388	1,998	4,386
Restructuring and asset-related charges	5,658	515	6,173	639	6,812
M&A related costs	321	—	321	948	1,269
Net loss (gain) on sale of property and equipment	360	(192)	168	—	168
Share-based compensation expense	1,492	484	1,976	2,773	4,749
Non-cash foreign exchange transaction/translation (gain) loss	(114)	557	443	4	447
Other special items	254	(1,540)	(1,286)	5	(1,281)
Adjusted EBITDA from continuing operations	\$ 108,818	\$ 23,862	\$ 132,680	\$ (23,809)	\$ 108,871

(1) North America depreciation and amortization expense in the three months ended July 1, 2023 includes accelerated depreciation of \$9.1 million from reviews of equipment capacity optimization.

(2) For a discussion of the Special items listed above, refer to Note 12 - *Segment Information* of our financial statements included in this Form 10-Q.

To conform with current period presentation, certain amounts in prior period information have been reclassified.

Six Months Ended June 29, 2024					
(amounts in thousands)			Total Operating Segments	Corporate and Unallocated	Total Consolidated
	North America	Europe		Costs	
Income (loss) from continuing operations, net of tax	\$ 47,002	\$ (5,003)	\$ 41,999	\$ (88,220)	\$ (46,221)
Income tax expense (benefit)	20,345	13,158	33,503	(27,371)	6,132
Depreciation and amortization <sup>(1)</sup>	36,891	15,056	51,947	17,731	69,678
Interest expense, net	1,318	931	2,249	30,007	32,256
Special items: <sup>(2)</sup>					
Net legal and professional expenses and settlements	1,717	1,372	3,089	34,447	37,536
Restructuring and asset-related charges	23,125	10,625	33,750	756	34,506
M&A related costs	—	—	—	6,178	6,178
Net gain on sale of property and equipment	(2,551)	(186)	(2,737)	(18)	(2,755)
Loss on extinguishment and refinancing of debt			—	1,449	1,449
Share-based compensation expense	2,261	648	2,909	7,224	10,133
Non-cash foreign exchange transaction/translation loss (gain)	262	(3,296)	(3,034)	296	(2,738)
Other special items	6,465	1,620	8,085	(692)	7,393
Adjusted EBITDA from continuing operations	\$ 136,835	\$ 34,925	\$ 171,760	\$ (18,213)	\$ 153,547

(1) Corporate and unallocated depreciation and amortization expense includes software accelerated amortization of \$14.1 million for an ERP that we are no longer utilizing after we completed our related obligations under the JW Australia Transition Services Agreement during the first quarter of 2024.

(2) For a discussion of the Special items listed above, refer to Note 12 - *Segment Information* of our consolidated financial statements included in this Form 10-Q.

39 46

[Back to top](#)

Three Months Ended April 1, 2023
Three Months Ended April 1, 2023
Three Months Ended April 1, 2023
Six Months Ended July 1, 2023
Six Months Ended July 1, 2023
Six Months Ended July 1, 2023

	(amounts in thousands)	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	Total Consolidated	(amounts in thousands)	North America	Europe	Total Operating Segments	Corporate and Unallocated Costs	Total Consolidated
(amounts in thousands)												
Income (loss) from continuing operations, net of tax												
Income tax expense (benefit)												
Depreciation and amortization (1)												
Interest expense, net												
Special items: (1) (2)												
Net legal and professional expenses and settlements												
Net legal and professional expenses and settlements												
Net legal and professional expenses and settlements												
Restructuring and asset-related charges												
Restructuring and asset-related charges												
Restructuring and asset-related charges												
M&A related costs												
M&A related costs												
M&A related costs												
Net loss (gain) on sale of property and equipment												
Share-based compensation expense												
Non-cash foreign exchange transaction/translation (gain) loss												
Other special items												
Adjusted EBITDA from continuing operations												

(1) North America depreciation and amortization expense in the six months ended July 1, 2023 includes accelerated depreciation of \$9.1 million from reviews of equipment capacity optimization.

(2) For a discussion of the Special items listed above, refer to Note 12 - Segment Information of our financial statements included in this Form 10-Q.

To conform with current period presentation, certain amounts in prior period information have been reclassified.

40 47

[Back to top](#)

Comparison of the Three Months Ended March 30, 2024 June 29, 2024 to the Three Months Ended April 1, 2023 July 1, 2023

	(amounts in thousands)	(amounts in thousands)	Three Months Ended	(amounts in thousands)
	(amounts in thousands)	(amounts in thousands)	March 30, 2024	April 1, 2023
(amounts in thousands)				
Net revenues from external customers				

Net revenues from external customers									
Net revenues from external customers			Net revenues from external customers						
North America	North America	\$	679,994	\$	768,033	(11.5)	(11.5)	%	
North America									
North America									
Europe	Europe		279,132	312,489	312,489	(10.7)	(10.7)	%	
Europe									
Europe									
Total Consolidated									
Total Consolidated									
Total Consolidated			\$	959,126	\$	\$1,080,522	(11.2)	(11.2)	%
Percentage of total consolidated net revenues									
Percentage of total consolidated net revenues									
Percentage of total consolidated net revenues									
North America									
North America									
North America									
Europe									
Europe									
Europe									
Total Consolidated									
Total Consolidated									
Total Consolidated									
Adjusted EBITDA from continuing operations <sup>(1)</sup>									
Adjusted EBITDA from continuing operations <sup>(1)</sup>									
Adjusted EBITDA from continuing operations <sup>(1)</sup>									
North America									
North America									
North America			\$	61,198	\$	79,198	(22.7)	(22.7)	%
Europe	Europe		14,503	17,637	17,637	(17.8)	(17.8)	%	
Europe									
Europe									
Corporate and unallocated costs									
Corporate and unallocated costs									
Corporate and unallocated costs			(6,993)	(17,518)	(17,518)	(60.1)	(60.1)	%	
Total Consolidated	Total Consolidated	\$	68,708	\$	79,317	(13.4)	(13.4)	%	
Total Consolidated									
Total Consolidated									
Adjusted EBITDA from continuing operations as a percentage of segment net revenues									
Adjusted EBITDA from continuing operations as a percentage of segment net revenues									
Adjusted EBITDA from continuing operations as a percentage of segment net revenues									
North America									
North America									
North America									
Europe									
Europe									
Europe									
Total Consolidated									
Total Consolidated									
Total Consolidated									

- (1) Adjusted EBITDA from continuing operations is a financial measure that is not calculated in accordance with GAAP. For a discussion of our presentation of Adjusted EBITDA from continuing operations, see Note 12 - *Segment Information* of our financial statements included in this Form 10-Q.

#### North America

Net revenues in North America decreased \$88.0 million \$106.5 million, or 11.5% 13.0%, to \$680.0 million \$710.6 million in the three months ended March 30, 2024 June 29, 2024 from \$768.0 million \$817.1 million in the three months ended April 1, 2023 July 1, 2023. The decrease was primarily due to a decrease in Core Revenues of 12% 13%. Core Revenues decreased due to an 11% a 13% unfavorable volume/mix driven by weakened market demand and 1% unfavorable price realization. demand.

Adjusted EBITDA from continuing operations in North America decreased \$18.0 million \$33.2 million to \$61.2 million \$75.6 million, or 22.7% 30.5%, in the three months ended March 30, 2024 June 29, 2024 from \$79.2 million \$108.8 million in the three months ended April 1, 2023 July 1, 2023. The decrease was primarily due to unfavorable volume volume/mix and price/cost, partially offset by improved productivity.

#### Europe

Net revenues in Europe decreased \$33.4 million \$33.2 million, or 10.7% 10.8%, to \$279.1 million \$275.4 million in the three months ended March 30, 2024 June 29, 2024 from \$312.5 million \$308.7 million in the three months ended April 1, 2023 July 1, 2023. The decrease was primarily due to a decrease in Core Revenues of 12% 10% and an adverse foreign exchange impact of 1%. Core Revenues decreased due to unfavorable volume/mix of 14% 12% primarily due to market softness across the region, partially offset by a 2% benefit from price realization.

Adjusted EBITDA from continuing operations in Europe decreased \$3.1 million \$3.4 million, or 17.8% 14.4%, to \$14.5 million \$20.4 million in the three months ended March 30, 2024 June 29, 2024 from \$17.6 million \$23.9 million in the three months ended April 1, 2023 July 1, 2023. The decrease was primarily due to unfavorable volume/mix, partially offset by favorable productivity and positive price/cost.

#### Corporate and unallocated costs

Corporate and unallocated costs decreased by \$10.5 million \$12.6 million, or 60.1% 52.9%, to \$7.0 million \$11.2 million in the three months ended March 30, 2024 June 29, 2024, from \$17.5 million \$23.8 million in the three months ended April 1, 2023 July 1, 2023. The decrease in cost was primarily due to decrease in performance-based variable compensation expense, reduction in non-strategic professional fees and corporate function expense savings and insurance reimbursements received during the three months three months ended April 1, 2023 June 29, 2024.

#### Comparison of the Six Months Ended June 29, 2024 to the Six Months Ended July 1, 2023

41 48

[Back to top](#)

(amounts in thousands)	Six Months Ended		% Variance
	June 29, 2024	July 1, 2023	
<b>Net revenues from external customers</b>			
North America	\$ 1,390,593	\$ 1,585,145	(12.3)%
Europe	554,549	621,144	(10.7)%
Total Consolidated	\$ 1,945,142	\$ 2,206,289	(11.8)%
<b>Percentage of total consolidated net revenues</b>			
North America	71.5 %	71.8 %	
Europe	28.5 %	28.2 %	
Total Consolidated	100.0 %	100.0 %	
<b>Adjusted EBITDA from continuing operations <sup>(1)</sup></b>			
North America	\$ 136,835	\$ 188,016	(27.2)%
Europe	34,925	41,499	(15.8)%
Corporate and unallocated costs	(18,213)	(41,327)	(55.9)%
Total Consolidated	\$ 153,547	\$ 188,188	(18.4)%
<b>Adjusted EBITDA from continuing operations as a percentage of segment net revenues</b>			
North America	9.8 %	11.9 %	
Europe	6.3 %	6.7 %	
Total Consolidated	7.9 %	8.5 %	

- (1) Adjusted EBITDA from continuing operations is a financial measure that is not calculated in accordance with GAAP. For a discussion of our presentation of Adjusted EBITDA from continuing operations, see Note 12 - *Segment Information* of our financial statements included in this Form 10-Q.

#### North America

Net revenues in North America decreased \$194.6 million, or 12.3%, to \$1,390.6 million in the six months ended June 29, 2024 from \$1,585.1 million in the six months ended July 1, 2023. The decrease was primarily due to a decrease in Core Revenues of 12%. Core Revenues decreased due to an 12% unfavorable volume/mix driven by weakened

market demand.

Adjusted EBITDA from continuing operations in North America decreased \$51.2 million to \$136.8 million, or 27.2%, in the six months ended June 29, 2024 from \$188.0 million in the six months ended July 1, 2023. The decrease was primarily due to unfavorable volume mix and price/cost, partially offset by improved productivity.

#### Europe

Net revenues in Europe decreased \$66.6 million, or 10.7%, to \$554.5 million in the six months ended June 29, 2024 from \$621.1 million in the six months ended July 1, 2023. The decrease was primarily due to a decrease in Core Revenues of 11%. Core Revenues decreased due to unfavorable volume/mix of 13% primarily due to market softness across the region, partially offset by a 2% benefit from price realization.

Adjusted EBITDA from continuing operations in Europe decreased \$6.6 million, or 15.8%, to \$34.9 million in the six months ended June 29, 2024 from \$41.5 million in the six months ended July 1, 2023. The decrease was primarily due to unfavorable volume/mix, partially offset by favorable productivity and positive price/cost.

#### Corporate and unallocated costs

Corporate and unallocated costs decreased by \$23.1 million, or 55.9%, to \$18.2 million in the six months ended June 29, 2024, from \$41.3 million in the six months ended July 1, 2023. The decrease in cost was primarily due to a decrease in performance-based variable compensation expense, reduction in non-strategic professional fees, insurance reimbursements received during the six months ended June 29, 2024, and corporate function expense savings.

49

---

[Back to top](#)

## Liquidity and Capital Resources

### Overview

We have historically funded our operations through a combination of cash from operations, draws on our revolving credit facilities, and the issuance of non-revolving debt such as our Term Loan Facility and our Senior Notes. We place a strong emphasis on cash flow generation, which includes an operating discipline focused on working capital management. Working capital fluctuates throughout the year and is impacted by inflation, the seasonality of our sales, customer payment patterns, supply availability, and the translation of the balance sheets of our foreign operations into the U.S. dollar. Typically, working capital increases at the end of the first quarter and beginning of the second quarter in conjunction with, and in preparation for, the peak season for home construction and remodeling in our North America and Europe segments, and decreases starting in the fourth quarter as inventory levels and accounts receivable decline. Inventories fluctuate for raw materials that have long delivery lead times, as we work through prior shipments and take delivery of new orders.

As of March 30, 2024 June 29, 2024, we had total liquidity (a non-GAAP measure) of \$660.1 million \$691.6 million, consisting of \$234.5 million \$212.8 million in unrestricted cash, \$425.6 million \$478.8 million available for borrowing under the ABL Facility, compared to total liquidity of \$750.6 million \$750.6 million as of December 31, 2023. The decrease in total liquidity was primarily due to lower cash balances at March 30, 2024 June 29, 2024 compared to December 31, 2023.

As of March 30, 2024 June 29, 2024, our cash balances, including \$0.8 million of restricted cash, consisted of \$39.5 million \$74.9 million in the U.S. and \$195.7 million \$138.7 million in non-U.S. subsidiaries. During the fiscal year ended December 31, 2023, we repatriated \$21.8 million from non-U.S. subsidiaries. We utilized cash repatriated from non-U.S. subsidiaries to repay a portion of the outstanding ABL Facility during the year ended December 31, 2023.

Based on our current and forecasted level of operations and seasonality of our business, we believe that cash provided by operations and other sources of liquidity, including cash, cash equivalents, and availability under our revolving credit facilities, will provide adequate liquidity for ongoing operations, planned capital expenditures and other investments, and debt service requirements for at least the next twelve months.

We may, from time to time, refinance, reprice, extend, retire, or otherwise modify our outstanding debt to lower our interest payments, reduce our debt, or otherwise improve our financial position. These actions may include repricing amendments, extensions, and/or opportunistic refinancing of debt. The amount of debt that may be refinanced, repriced, extended, retired, or otherwise modified, if any, will depend on market conditions, trading levels of our debt, our cash position, compliance with debt covenants, and other considerations.

We may, from time to time, seek to retire or purchase our outstanding debt through cash purchases and/or exchanges for equity or debt, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will be on such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Based on hypothetical variable rate debt that would have resulted from drawing each revolving credit facility up to the full commitment amount, a 100 basis point decrease in interest rates would have reduced our interest expense by \$2.4 million \$9.8 million in the three months ended March 30, 2024 June 29, 2024. A 100 basis point increase in interest rates would have increased our interest expense by \$2.4 million \$9.8 million in the same period. In certain instances, the impact of a hypothetical decrease would have been partially mitigated by interest rate floors that apply to certain of our debt agreements.

### Borrowings and Refinancings

In June 2023, we amended the Term Loan Facility to replace LIBOR with a Term SOFR based rate as the successor benchmark rate and made certain other technical amendments and related conforming changes. All other material terms and conditions were unchanged.

In August 2023, we redeemed all \$250.0 million of our 6.25% Senior Secured Notes and \$200.0 million of our 4.63% Senior Notes. The Company recognized a pre-tax loss of \$6.5 million on the redemption in year ended December 31, 2023, consisting of \$3.9 million in call premium and \$2.6 million in accelerated amortization of debt issuance costs.

In January 2024, we amended the Term Loan Facility to lower the applicable margin for replacement term loans, remove certain provisions no longer relevant to the parties, and make certain other technical amendments and related conforming changes. Pursuant to the amendment, replacement term loans bear interest at SOFR plus a margin of 1.75%



to 2.00% depending on JWI's corporate credit ratings, compared to a margin of 2.00% to 2.25% under the previous amendment. All other material terms and conditions of the Term Loan Agreement were unchanged.

[Back to top](#)

As of **March 30, 2024** **June 29, 2024**, we were in compliance with the terms of all of our Credit Facilities and the indentures governing the Senior Notes.

[Back to top](#)

Our results have been and will continue to be impacted by substantial changes in our net interest expense throughout the periods presented and into the future. See Note 10 - *Long-Term Debt* of our consolidated financial statements for additional details.

Cash Flows <sup>(1)</sup>

The following table summarizes the changes to our cash flows for the periods presented:

	Three Months Ended
	Three Months Ended
	Three Months Ended
	Six Months Ended
	Six Months Ended
	Six Months Ended

(amounts in thousands)

Cash provided by (used in):

Cash provided by (used in):

Cash provided by (used in):

Operating activities
Operating activities
Operating activities
Investing activities
Investing activities
Investing activities
Financing activities
Financing activities
Financing activities
Effect of changes in exchange rates on cash and cash equivalents
Effect of changes in exchange rates on cash and cash equivalents
Effect of changes in exchange rates on cash and cash equivalents
Net change in cash and cash equivalents
Net change in cash and cash equivalents
Net change in cash and cash equivalents

(1) Cash flow information for the **three** **six** months ended **April 1, 2023** **July 1, 2023** is inclusive of cash flows from JW Australia as discontinued operations through the divestiture date of July 2, 2023.

Cash Flow from Operations

Net cash **used in** **provided by** operating activities **increased** **\$10.3 million** **decreased** **\$113.0 million** to **\$11.0 million** **\$40.4 million** in the **three** **six** months ended **March 30, 2024** **June 29, 2024**, compared to **\$0.7 million** **\$153.4 million** in the **three** **six** months ended **April 1, 2023** **July 1, 2023**. The **increase in** **decreased** operating cash **used by** operating **activities** flow was primarily due to decreased earnings of **\$42.9 million** **\$99.6 million** and an unfavorable impact from accrued expenses of **\$28.6** **\$37.9 million**, due primarily to higher payments of performance-based variable compensation, partially offset by a **\$62.7 million** **\$22.4 million** improvement in net cash provided by our working capital accounts. The impact of Accounts receivable, net of **\$82.6 million** **\$73.7 million** was favorable in the **three** **six** months ended **March 30, 2024** **June 29, 2024**, compared to the **three** **six** months ended **April 1, 2023** **July 1, 2023**, which was primarily due to decreased sales and slightly improved collections. **Cash flow used by Inventory was** **\$45.6 million** **The** **\$12.9 million** favorable impact from accounts payable is primarily due to improved payment terms with suppliers. The \$64.2 million unfavorable impact of inventory is primarily due to the prior year benefit from intentional, one-time reductions not being repeated in the current year, as the current year began with a more normalized inventory level as compared to the **three** **months**

ended April 1, 2023, while cash flow provided by Accounts payable was \$25.6 million favorable compared to the three months ended April 1, 2023. The changes in Inventory and Accounts payable were primarily due to increased inventory purchases made during the three months ended March 30, 2024, in anticipation of expected growth in the remaining months of 2024. prior year.

#### Cash Flow from Investing Activities

Net cash used in investing activities increased \$11.5 million \$27.4 million to \$30.5 million \$69.6 million in the three six months ended March 30, 2024 June 29, 2024 compared to \$19.0 million \$42.2 million in the three six months ended April 1, 2023 July 1, 2023, primarily driven by a \$11.1 million \$27.2 million increase in capital expenditures.

#### Cash Flow from Financing Activities

Net cash used in financing activities increased \$6.7 million decreased \$31.0 million to \$6.8 million \$39.8 million in the three six months ended March 30, 2024 June 29, 2024 compared to \$0.1 million \$70.8 million in the three six months ended April 1, 2023 July 1, 2023, primarily due to a decrease in net debt payments and payments of debt extinguishment costs of \$7.7 million \$15.8 million in the three six months ended March 30, 2024 June 29, 2024 compared to net debt borrowings payments of \$0.3 million \$70.3 million in the three six months ended April 1, 2023 July 1, 2023. This decrease is partially offset by the repurchases of common stock of \$24.3 million in the six months ended June 29, 2024.

#### Critical Accounting Policies and Estimates

Our MD&A is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which may differ from these estimates.

Our significant accounting policies are described in Note 1 - *Summary of Significant Accounting Policies* to the consolidated financial statements presented in our Form 10-K. Our critical accounting policies and estimates are described in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Form 10-K. Our significant and critical accounting policies have not changed significantly since our Form 10-K was filed.

43 51

---

[Back to top](#)

#### Holding Company Status

We are a holding company that conducts all of our operations through subsidiaries, and we rely on dividends or advances from our subsidiaries to fund the holding company. The majority of our operating income is derived from JW1, our main operating subsidiary. The ability of our subsidiaries to pay dividends to us is subject to applicable local law and may be limited due to the terms of other contractual arrangements, including our Credit Facilities and Senior Notes.

The amount of our consolidated net assets that were available to be distributed under our Credit Facilities as of March 30, 2024 June 29, 2024 was \$895.6 million \$910.5 million.

#### Item 3 - Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various types of market risks, including the effects of adverse fluctuations in foreign currency exchange rates, changes in interest rates, and movements in commodity prices for products we use in our manufacturing. To reduce our exposure to these risks, we maintain risk management controls and policies to monitor these risks and take appropriate actions to attempt to mitigate such forms of market risk. Our market risks have not changed significantly from those disclosed in the Form 10-K.

#### Item 4 - Controls and Procedures

##### Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), which are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, including this Report, are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. These disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by the Company under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer ("CEO") and principal financial officer ("CFO"), as appropriate to allow timely decisions regarding required disclosure.

The Company's management, including the Company's CEO and CFO, conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Report and, based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of March 30, 2024 June 29, 2024.

##### Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Company's most recently completed quarter ended March 30, 2024 June 29, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

44 52

---

[Back to top](#)

## PART II - OTHER INFORMATION

### Item 1 - Legal Proceedings

Information relating to this item is included within Note 21 - *Commitments and Contingencies* of our unaudited financial statements included elsewhere in this Form 10-Q.

### Item 1A - Risk Factors

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K included in Part I Item 1A - *Risk Factors* for the year ended December 31, 2023.

### Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds

#### (c) Issuer Purchases of Securities

A summary of our repurchases of Common Stock during the second quarter of 2024 is as follows (in thousands, except share and per share amounts):

Period	(a)	(b)	(c)	(d)
	Total Number of Shares (or Units) Purchased	Average Price Paid Per Share (or Unit) <sup>1</sup>	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under The Plans or Programs <sup>2</sup>
May 26, 2024 - June 29, 2024	205,080	\$15.25	205,080	\$175,720
April 28, 2024 - May 25, 2024	1,394,920	\$15.16	1,394,920	\$178,847
March 31, 2024 - April 27, 2024	—	\$—	—	\$200,000
Total	1,600,000	\$15.18	1,600,000	

<sup>1</sup> Average price paid per share includes costs associated with the repurchases.

<sup>2</sup> On July 28, 2022, our Board of Directors authorized a new share repurchase program, replacing our previous share repurchase authorization, with an aggregate value of \$200.0 million and no expiration date.

### Item 5 - Other Information

(c) During the three months ended **March 30, 2024** **June 29, 2024**, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

53

[Back to top](#)

### Item 6 - Exhibits

Exhibit No.	Exhibit Description	Form	File No.	Exhibit	Filing Date
3.1	<a href="#">Second Amended and Restated Certificate of Incorporation of JELD-WEN Holding, Inc.</a>	8-K	<a href="#">001-38000</a>	3.1	May 4, 2022
3.2	<a href="#">Fourth Amended and Restated Bylaws of JELD-WEN Holding, Inc.</a>	8-K	<a href="#">001-38000</a>	3.1	February 9, 2024
31.1*	<a href="#">Certification of Principal Executive Officer Pursuant to Rule 13a-14(a).</a>				
31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Rule 13a-14(a).</a>				
32.1*	<a href="#">Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350.</a>				
101.INS*	XBRL Instance Document-the instance document does not appear in this Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.				

101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover page Interactive Data file (formatted as Inline XBRL and contained in Exhibit 101).
*	Filed herewith

45 54

[Back to top](#)

## SIGNATURE

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.

**JELD-WEN HOLDING, INC.**

(Registrant)

By: /s/ Julie Albrecht Samantha L. Stoddard

Julie Albrecht Samantha L. Stoddard

Executive Vice President and Chief Financial Officer

Date: May 7, 2024 August 6, 2024

46 55

**Exhibit 31.1**

## CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William J. Christensen, certify that:

- I have reviewed this Quarterly Report on Form 10-Q for the fiscal period ended March 30, 2024 June 29, 2024 of JELD-WEN Holding, Inc.;
- 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;
- 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;
- The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - 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;
  - 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;
  - 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
  - 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
- The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - 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
  - 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: May 7, 2024 August 6, 2024

/s/ William J. Christensen  
William J. Christensen  
Chief Executive Officer  
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Julie Albrecht, Samantha L. Stoddard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal period ended March 30, 2024 June 29, 2024 of JELD-WEN Holding, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024 August 6, 2024

/s/ Julie Albrecht Samantha L. Stoddard  
Julie Albrecht Samantha L. Stoddard  
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

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

Pursuant to 18 U.S.C. §1350, we, the undersigned officers of JELD-WEN Holding, Inc. (the "Company"), do hereby certify that the Company's Quarterly Report on Form 10-Q for the fiscal period ended **March 30, 2024** **June 29, 2024** (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **May 7, 2024** **August 6, 2024**

/s/ William J. Christensen

William J. Christensen  
Chief Executive Officer  
(Principal Executive Officer)

/s/ Julie Albrecht Samantha L. Stoddard

**Julie Albrecht** **Samantha L. Stoddard**  
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.

#### DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.