



NEWS RELEASE

JELD-WEN Reports First Quarter 2022 Results

5/2/2022

Seventh Consecutive Quarter of Core Revenue Growth, Including Core Revenue Growth in Each Segment

CHARLOTTE, N.C., May 2, 2022 /PRNewswire/ -- JELD-WEN Holding, Inc. (NYSE:JELD) today announced results for the three months ended March 26, 2022, including first quarter net revenue of \$1,171.0 million, net loss of \$0.5 million, adjusted EBITDA of \$80.2 million, cash flow used in operations of \$186.9 million, net loss per share of \$0.01, and adjusted earnings per share (EPS) of \$0.16. Comparability is to the same period in the prior year, unless otherwise noted. References to "core" financial results exclude the impact of foreign exchange and acquisitions completed in the last twelve months.

Highlights

- Net revenue increased 7.2% for the first quarter driven by 10% core revenue growth
- Seven consecutive quarters of core revenue growth, including core revenue growth in each segment
- Realized 12% pricing to mitigate raw material and freight inflation
- Adjusted EBITDA decreased 18.0% for the first quarter to \$80.2 million
- Significant increase in raw material, freight and labor inflation negatively impacted results
- Repurchased 1.8 million shares in the quarter or approximately 2% of total shares outstanding at year-end 2021

"I am proud of our dedicated associates who delivered another solid quarter of core revenue growth across each of our segments," said Gary S. Michel, chair and chief executive officer. "Our improved execution and customer-centric solutions enabled us to capitalize on solid customer demand. Despite our strong core revenue growth, material increases in raw material, freight and labor inflation had a significant impact on our earnings. As we head into the second quarter, we remain laser-focused on driving above market growth through the introduction of innovative and margin accretive new products and services and additional strategic margin expansion opportunities. Given

our strong order books, end market demand and initiatives in progress to drive profitable growth, we remain confident in our ability to deliver our 2022 and long-term financial commitments."

First Quarter 2022 Results

Net revenue for the three months ended March 26, 2022 increased \$78.6 million, or 7.2%, to \$1,171.0 million, compared to \$1,092.4 million for the same period last year. The increase in net revenue was driven by 10% core revenue growth, partially offset by a 3% adverse impact from foreign exchange. Core revenue growth was driven by price realization (+12%), partially offset by lower volume/mix of (2%).

Net loss was \$0.5 million in the first quarter, compared to net income of \$25.5 million in the same period last year, a decrease of \$26.0 million. The decrease in net income was largely from lower gross profit due to raw material, freight and labor inflation. Adjusted net income for the first quarter decreased \$13.7 million, or 49.1%, to \$14.2 million, compared to \$27.9 million in the same period last year.

Net loss per share for the first quarter was \$0.01, compared to earnings per share of \$0.25 for the same quarter last year. Adjusted EPS decreased 40.7% to \$0.16, compared to \$0.27 a year ago.

Adjusted EBITDA decreased \$17.7 million, or 18.0%, to \$80.2 million, compared to the same quarter last year. Adjusted EBITDA margin declined due to higher raw material, freight and labor inflation, partially offset by higher price realization.

On a segment basis for the first quarter of 2022, compared to the same period last year:

- North America - Net revenue increased \$82.7 million, or 12.9%, to \$722.3 million, due to a 13% increase in core revenue. Core revenue increased due to price (+14%), partially offset by lower volume/mix (1%). Adjusted EBITDA margin was 9.3%.
- Europe - Net revenue increased \$2.8 million, or 0.9%, to \$323.3 million, due to an 8% increase in core revenue, partially offset by a 7% adverse impact from foreign exchange. Core revenue increased due to price (+11%), partially offset by lower volume/mix (3%). Adjusted EBITDA margin was 4.5%.
- Australasia - Net revenue decreased \$6.8 million, or 5.2%, to \$125.4 million, due to a 6% adverse impact from foreign exchange, partially offset by a 1% increase in core revenue. Core revenue increased due to price (+6%), partially offset by lower volume/mix (5%). Adjusted EBITDA margin was 8.3%.

Cash Flow and Balance Sheet

Net cash flow used in operations was \$186.9 million in the first quarter 2022, compared to net cash flow used in operations of \$64.9 million during the same period a year ago. The increase in net cash flow used in operations was

due to higher working capital investment and lower net income. Free cash flow used was \$203.2 million in the first quarter 2022, compared to free cash flow used of \$85.9 million during the same period a year ago. The increase in free cash flow used was due to higher net cash flow used in operations, partially offset by lower capital expenditures.

The company repurchased 1,777,266 shares in the first quarter for \$40.2 million.

Total liquidity, including cash and cash equivalents and undrawn committed credit facilities, was \$584.7 million as of March 26, 2022, compared to total liquidity of \$837.8 million as of December 31, 2021.

Conference Call Information

JELD-WEN management will host a conference call on May 2, 2022, at 8 a.m. ET, to discuss the company's financial results. Interested investors and other parties can access the call either via webcast by visiting the Investor Relations section of the company's website at <http://investors.jeld-wen.com>, or by dialing (888) 330-2446 and using ID 1285715. A slide presentation highlighting the company's results will also be available on the Investor Relations section of the company's website.

For those unable to listen to the live event, a webcast replay will be available approximately two hours following completion of the call. To learn more about JELD-WEN, please visit the company's website at <http://investors.jeld-wen.com>.

About JELD-WEN

Headquartered in Charlotte, N.C., JELD-WEN is a leading global manufacturer of high-performance interior and exterior building products, offering one of the broadest selections of windows, interior and exterior doors, and wall systems. JELD-WEN delivers a differentiated customer experience, providing construction professionals with durable, energy-efficient products and labor-saving services that help them maximize productivity and create beautiful, secure spaces for all to enjoy. The JELD-WEN team is driven by innovation and committed to creating safe, sustainable environments for customers, associates, and local communities. The JELD-WEN family of brands includes JELD-WEN® worldwide; LaCantina™ and VPI™ in North America; Swedoor® and DANA® in Europe; and Corinthian®, Stegbar®, and Breezway® in Australia. Visit jeld-wen.com for more information.

Forward-Looking Statements

Certain statements in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements by our CEO and statements regarding our business strategies and ability to execute on our plans, market potential, future financial performance, customer demand, the potential

of our categories, brands and innovations, the impact of our footprint rationalization and modernization program, the impact of acquisitions and divestitures on our business and our ability to maximize value and integrate operations, our pipeline of productivity projects, the estimated impact of tax reform on our results, litigation outcomes, and our expectations, beliefs, plans, objectives, prospects, assumptions, or other future events. Forward-looking statements are generally identified by our use of forward-looking terminology such as "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "plan", "potential", "predict", "seek", or "should", or the negative thereof or other variations thereon or comparable terminology. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is based on the current plans, expectations, assumptions, estimates, and projections of our management. Although we believe that these statements are based on reasonable expectations, assumptions, estimates and projections, they are only predictions and involve known and unknown risks, many of which are beyond our control that could cause actual outcomes and results to be materially different from those indicated in such statements.

The assumptions underlying the guidance provided for 2022 include revenue growth from the acceleration in housing demand in our primary markets; improved product mix; increased pricing; impact from foreign exchange; and margin expansion from volume, pricing, and productivity, partially offset by higher expenses related to material and freight inflation and SG&A. Additionally, the outlook does not include the impact of potential acquisitions or divestitures and assumes no new COVID-19 lockdowns or restrictions, which could unfavorably impact our operations, labor availability, and supply chain continuity.

Risks and uncertainties that could cause actual results to differ materially from such statements include risks associated with the impact of the COVID-19 pandemic on the company and our employees, customers, and suppliers, and other factors, including the factors discussed in our Annual Reports on Form 10-K and our other filings with the Securities and Exchange Commission.

The forward-looking statements included in this release are made as of the date hereof, and except as required by law, we undertake no obligation to update, amend or clarify any forward-looking statements to reflect events, new information or circumstances occurring after the date of this release.

Non-GAAP Financial Information

This press release presents certain "non-GAAP" financial measures. The components of these non-GAAP measures are computed by using amounts that are determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"). A reconciliation of non-GAAP financial measures used in this press release to their nearest comparable GAAP financial measures is included in the tables at the end of this press release. The company provides certain guidance solely on a non-GAAP basis because the company cannot predict certain elements that are included in certain reported GAAP results, including the variables and individual adjustments

necessary for a reconciliation to GAAP. While management is not able to specifically quantify the reconciliation items for forward-looking non-GAAP measures without unreasonable effort, management bases the estimated ranges of non-GAAP measures for future periods on its reasonable estimates of such factors as assumed effective tax rate, assumed interest expense, and other assumptions about capital requirements for future periods. The variability of these items may have a significant impact on our future GAAP results.

We use adjusted EBITDA, adjusted EBITDA margin, adjusted net income, and adjusted EPS because we believe they assist 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. Management believes adjusted EBITDA and adjusted EBITDA margin are helpful in highlighting trends because they exclude the results of decisions that are outside the control of management, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate, and capital investments. We use adjusted EBITDA and adjusted EBITDA margin to measure our financial performance and also to report our results to our board of directors. Further, our executive incentive compensation is based in part on adjusted EBITDA. In addition, we use adjusted EBITDA for purposes of calculating compliance with our debt covenants in certain of our debt facilities. adjusted EBITDA should not be considered as an alternative to net income as a measure of financial performance or to cash flows from operations as a liquidity measure.

We define adjusted EBITDA as net income (loss), adjusted for the following items: loss from discontinued operations, net of tax; equity earnings of non-consolidated entities; income tax (benefit) expense; depreciation and amortization; interest expense, net; impairment and restructuring charges; gain on previously held shares of equity investment; (gain) loss on sale of property and equipment; share-based compensation expense; non-cash foreign exchange transaction/translation (income) loss; other non-cash items; other items; and costs related to debt restructuring and debt refinancing. Adjusted EBITDA margin is defined as adjusted EBITDA divided by net revenues.

We present several financial metrics in "core" terms, which exclude the impact of foreign exchange and acquisitions completed in the last twelve months. We use core adjusted EBITDA, which we define as adjusted EBITDA excluding the impact of foreign exchange and acquisitions completed in the last twelve months. We define core revenue as net revenue excluding the impact of foreign exchange and acquisitions completed in the last twelve months. Our use of core margin is defined as core adjusted EBITDA divided by core revenue. These "core" metrics assist management, investors, and analysts in understanding the organic performance of the operations.

We present free cash flow because we believe it assists investors and analysts in determining the quality of our earnings. We also use free cash flow to measure our financial performance and to report to our board of directors. In addition, our executive incentive compensation is based in part on free cash flow. We define free cash flow as

cash flow from operations less capital expenditures (including purchases of intangible assets). Free cash flow should not be considered as an alternative to cash flows from operations as a liquidity measure. We also present net debt leverage because it is a key financial metric that is used by management to assess the balance sheet risk of the company. We define net debt leverage as net debt (total principal debt outstanding less unrestricted cash) divided by adjusted EBITDA for the last twelve month period.

Adjusted net income represents net income adjusted for certain items as presented in our reconciliation of non-GAAP, including the after-tax impact of i) non-cash foreign currency (gains) losses, ii) impairment and restructuring charges, iii) one-time non-cash gains, and iv) other non-recurring expenses associated with mergers and acquisitions and litigation. Adjusted EPS represents net income per diluted share adjusted to exclude the estimated per share impact of the same specifically identified items used to calculate adjusted net income as described above. Where applicable, such items are tax-effected at our estimated annual adjusted effective tax rate.

Other companies may compute these measures differently. Non-GAAP metrics should not be considered as alternatives to any other measures derived in accordance with GAAP.

Due to rounding, numbers presented throughout this release may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures.

JELD-WEN Holding, Inc.
Consolidated Statements of Operations (Unaudited)
(In millions)

	Three Months Ended		% Variance
	March 26, 2022	March 27, 2021	
Net revenues	\$ 1,171.0	\$ 1,092.4	7.2 %
Cost of sales	967.7	856.4	13.0 %
Gross margin	203.3	235.9	(13.8) %
Selling, general and administrative	193.0	191.6	0.8 %
Impairment and restructuring charges	—	0.9	(99.9) %
Operating income	10.3	43.5	(76.3) %
Interest expense, net	18.4	18.5	(0.5) %
Other (income) expense	(7.3)	(10.8)	(32.3) %
(Loss) income before taxes	(0.7)	35.8	(102.0) %

Income tax (benefit) expense	(0.2)	10.4	(101.8) %
Net (loss) income	<u>\$ (0.5)</u>	<u>\$ 25.5</u>	<u>(102.1) %</u>
Other financial data:			
Adjusted EBITDA (1)	<u>\$ 80.2</u>	<u>\$ 97.9</u>	<u>(18.0) %</u>
Adjusted EBITDA Margin (1)	6.9 %	9.0 %	

(1) Adjusted EBITDA and Adjusted EBITDA margin are financial measures that are not calculated in accordance with GAAP. For a discussion of our presentation of Adjusted EBITDA and Adjusted EBITDA Margin, see above under the heading "Non-GAAP Financial Information."

JELD-WEN Holding, Inc.
Selected Financial Data (Unaudited)
(In millions)

	<u>March 26, 2022</u>	<u>December 31, 2021</u>
Consolidated balance sheet data:		
Cash and cash equivalents	\$ 265.6	\$ 395.6
Accounts receivable, net	708.5	552.0
Inventories	674.6	616.0
Total current assets	1,858.7	1,739.9
Total assets	3,835.8	3,738.7
Accounts payable	406.5	418.8
Total current liabilities	919.4	888.9
Total debt	1,819.4	1,706.3
Total shareholders' equity	811.8	842.2
Consolidated statement of cash flows data:		
	<u>March 26, 2022</u>	<u>March 27, 2021</u>
Net cash flow provided by (used in):		
Operating activities	\$ (186.9)	\$ (64.9)

Investing activities	(9.3)	(18.3)
Financing activities	71.3	(30.5)

JELD-WEN Holding, Inc.
Reconciliation of Non-GAAP Financial Measures (Unaudited)
(In millions)

<u>(amounts in millions)</u>	<u>Three Months Ended</u>	
	<u>March 26,</u> <u>2022</u>	<u>March 27,</u> <u>2021</u>
Net (loss) income	\$ (0.5)	\$ 25.5
Income tax (benefit) expense	(0.2)	10.4
Depreciation and amortization	32.6	34.2
Interest expense, net	18.4	18.5
Impairment and restructuring charges	—	0.9
Loss (gain) on sale of property and equipment	0.1	(0.9)
Share-based compensation expense	9.7	6.9
Non-cash foreign exchange transaction/translation loss (income)	6.2	(11.5)
Other items (1)	14.0	14.0
Adjusted EBITDA	<u>\$ 80.2</u>	<u>\$ 97.9</u>

(1) Other non-recurring items not core to ongoing business activity include: (i) in the three months ended March 26, 2022 (1) \$6.9 in expenses related to fire damage and downtime at one of our facilities, (2) \$5.0 in legal costs and professional expenses, and 3) \$1.9 in compensation and non-income taxes associated with exercises of legacy equity awards; (ii) in the three months ended March 27, 2021 (1) \$13.8 in legal costs and professional expenses relating primarily to litigation.

(amounts in millions, except share and per share data)	Three Months Ended	
	March 26, 2022	March 27, 2021
Net (loss) income	\$ (0.5)	\$ 25.5
Legal costs and professional expenses	5.0	13.8
Non-cash foreign exchange transactions/translation loss (income)	6.2	(11.5)
Impairment and restructuring charges	—	0.9
Facility closure, consolidation, and startup costs	0.3	0.1
Adjusted tax impact(1)	3.2	(0.9)
Adjusted net income	\$ 14.2	\$ 27.9
Diluted net (loss) income per share	\$ (0.01)	\$ 0.25
Legal costs and professional expenses	0.06	0.13
Non-cash foreign exchange transactions/translation loss (income)	0.07	(0.11)
Impairment and restructuring charges	—	0.01
Facility closure, consolidation, and startup costs	—	—
Adjusted tax impact(1)	0.04	(0.01)
Adjusted net income per share	\$ 0.16	\$ 0.27
Diluted shares used in adjusted EPS calculation represent the fully dilutive shares for the three months ended March 26, 2022 and March 27, 2021, respectively.(2)	91,372,991	102,642,440

(1) Except as otherwise noted, adjustments to net income and net income per share are tax-effected at an adjusted tax rate of 25.3% for the three months ended March 26, 2022 and March 27, 2021, respectively.

(2) Dilutive shares for March 26, 2022 includes basic weighted average shares outstanding of 89,802,974 and the dilutive impact of restricted stock units, performance share units, and options to purchase common stock of 1,570,017.

	Three Months Ended	
	March 26, 2022	March 27, 2021
Net cash provided by operating activities	\$ (186.9)	\$ (64.9)
Less capital expenditures	16.4	21.0
Free cash flow (1)	\$ (203.2)	\$ (85.9)

(1) Free cash flow is a financial measure that is not calculated in accordance with GAAP. For a discussion of our presentation of free cash flow, see above under the heading "Non-GAAP Financial Information."

	March 26, 2022	December 31, 2021
	Total debt	\$ 1,819.4
Less cash and cash equivalents	265.6	395.6
Net debt	\$ 1,553.8	\$ 1,310.7
Divided by trailing twelve months adjusted EBITDA	447.4	465.1
Net debt leverage(1)	3.5x	2.8x

(1) Net debt leverage is a financial measure that is not calculated in accordance with GAAP. For a discussion of our presentation of net debt leverage, see above under the heading "Non-GAAP Financial Information."

Segment Results (Unaudited)
(In millions)

	Three Months Ended		% Variance
	March 26, 2022	March 27, 2021	
Net revenues from external customers			
North America	\$ 722.3	\$ 639.6	12.9 %
Europe	323.3	320.5	0.9 %
Australasia	125.4	132.3	(5.2) %
Total Consolidated	\$ 1,171.0	\$ 1,092.4	7.2 %
Adjusted EBITDA (1)			
North America	\$ 67.1	\$ 79.8	(15.9) %
Europe	14.7	28.8	(49.0) %
Australasia	10.4	13.2	(21.4) %
Corporate and unallocated costs	(12.0)	(23.9)	(50.1) %
Total Consolidated	\$ 80.2	\$ 97.9	(18.0) %

(1) Adjusted EBITDA is a financial measure that is not calculated in accordance with GAAP. For a discussion of our presentation of Adjusted EBITDA, see above under the heading "Non-GAAP Financial Information."

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