# 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 29, 2026**

**OR**

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

**Commission file number 001-41545**

# MasterBrand, Inc.

(Exact name of registrant as specified in its charter)

| **Delaware** | **88-3479920** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **3300 Enterprise Parkway, Suite 300<br>Beachwood, Ohio** | **44122** |
| (Address of principal executive offices) | (Zip Code) |

**877-622-4782**
(Registrant's telephone number, including area code)

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

| **Common Stock, par value $0.01 per share** | **MBC** | **New York Stock Exchange** |
|---|---|---|
| (Title of each class) | (Trading Symbol) | (Name of each exchange on which registered) |

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

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

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

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

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

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

The registrant had outstanding 127,984,590 shares of common stock as of May 4, 2026.

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## Part I - FINANCIAL INFORMATION

### Item 1. FINANCIAL STATEMENTS (Unaudited)

**MasterBrand, Inc.**
**CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) INCOME**
(Unaudited)

| *(U.S. Dollars presented in millions, except per share amounts)* | 13 Weeks Ended March 29, 2026 | 13 Weeks Ended March 30, 2025 |
|---|---|---|
| **NET SALES** | $ 618.0 | $ 660.3 |
| Cost of products sold | 461.4 | 458.1 |
| **GROSS PROFIT** | 156.6 | 202.2 |
| Selling, general and administrative expenses | 155.9 | 154.0 |
| Amortization of intangible assets | 6.4 | 6.4 |
| Restructuring charges | 12.8 | 4.7 |
| **OPERATING (LOSS) INCOME** | (18.5) | 37.1 |
| Interest expense | 18.4 | 19.4 |
| Other (income) expense, net | (0.8) | 0.4 |
| **(LOSS) INCOME BEFORE TAXES** | (36.1) | 17.3 |
| Income tax (benefit) expense | (20.7) | 4.0 |
| **NET (LOSS) INCOME** | $ (15.4) | $ 13.3 |
| Average Number of Shares of Common Stock Outstanding | | |
| Basic | 127.5 | 127.5 |
| Diluted | 127.5 | 130.7 |
| (Loss) Earnings Per Common Share | | |
| Basic | $ (0.12) | $ 0.10 |
| Diluted | $ (0.12) | $ 0.10 |

See notes to unaudited condensed consolidated financial statements

**MasterBrand, Inc.**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**
(Unaudited)

| *(U.S. Dollars presented in millions)* | 13 Weeks Ended March 29, 2026 | 13 Weeks Ended March 30, 2025 |
|---|---|---|
| **NET (LOSS) INCOME** | $ (15.4) | $ 13.3 |
| **Other comprehensive (loss) income, before tax:** | | |
| **Foreign currency translation adjustments** | (3.2) | 1.2 |
| **Unrealized (losses) gains on derivatives:** | | |
| Unrealized holding gains arising during period | 0.7 | 1.0 |
| Less: reclassification adjustment for (gains) losses included in net income | (3.8) | 2.9 |
| **Unrealized (losses) gains on derivatives** | (3.1) | 3.9 |
| **Defined benefit plans:** | | |
| Pension settlement gain | — | 5.6 |
| Amortization of net actuarial loss | — | 0.2 |
| **Defined benefit plans** | — | 5.8 |
| Other comprehensive (loss) income, before tax | (6.3) | 10.9 |
| Income tax expense related to items of other comprehensive income | — | (1.4) |
| **Other comprehensive (loss) income, net of tax** | (6.3) | 9.5 |
| **COMPREHENSIVE (LOSS) INCOME** | $ (21.7) | $ 22.8 |

See notes to unaudited condensed consolidated financial statements

**MasterBrand, Inc.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
(Unaudited)

| *(U.S. Dollars presented in millions)* | March 29, 2026 | December 28, 2025 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash and cash equivalents | $ 138.4 | $ 183.3 |
| Accounts receivable, net | 217.7 | 150.4 |
| Inventories | 271.7 | 269.1 |
| Other current assets | 107.1 | 93.1 |
| **TOTAL CURRENT ASSETS** | 734.9 | 695.9 |
| Property, plant and equipment, net of accumulated depreciation | 494.0 | 503.1 |
| Operating lease right-of-use assets, net of accumulated amortization | 182.7 | 189.1 |
| Goodwill | 1,127.1 | 1,127.5 |
| Other intangible assets, net of accumulated amortization | 540.8 | 547.7 |
| Other assets | 37.2 | 37.1 |
| **TOTAL ASSETS** | $ 3,116.7 | $ 3,100.4 |
| **LIABILITIES AND EQUITY** | | |
| Current liabilities | | |
| Accounts payable | $ 175.1 | $ 203.7 |
| Current operating lease liabilities | 24.3 | 24.3 |
| Other current liabilities | 154.5 | 187.7 |
| **TOTAL CURRENT LIABILITIES** | 353.9 | 415.7 |
| Long-term debt | 1,084.9 | 974.5 |
| Deferred income taxes | 166.4 | 171.6 |
| Other postretirement plan liabilities | 3.8 | 3.9 |
| Operating lease liabilities | 171.1 | 175.2 |
| Other non-current liabilities | 16.1 | 14.9 |
| **TOTAL LIABILITIES** | 1,796.2 | 1,755.8 |
| Contingencies and Accrued Losses (Note 14) | | |
| Equity | | |
| Common stock (par value $0.01 per share; authorized 750.0 million shares; 133.9 million issued and 128.0 million outstanding as of March 29, 2026; 132.6 million issued and 127.2 million outstanding as of December 28, 2025) | 1.3 | 1.3 |
| Paid-in capital | 60.1 | 55.8 |
| Treasury stock, at cost | (77.1) | (70.4) |
| Accumulated other comprehensive (loss) income | (5.5) | 0.8 |
| Retained earnings | 1,341.7 | 1,357.1 |
| **TOTAL EQUITY** | 1,320.5 | 1,344.6 |
| **TOTAL LIABILITIES AND EQUITY** | $ 3,116.7 | $ 3,100.4 |

See notes to unaudited condensed consolidated financial statements

**MasterBrand, Inc.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
(Unaudited)

| *(U.S. Dollars presented in millions)* | 13 Weeks Ended March 29, 2026 | 13 Weeks Ended March 30, 2025 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Net (loss) income | $ (15.4) | $ 13.3 |
| Adjustments to reconcile net (loss) income to net cash used in operating activities: | | |
| Depreciation | 16.3 | 16.4 |
| Amortization of intangibles | 6.4 | 6.4 |
| Restructuring charges, net of cash payments | 5.8 | 3.1 |
| Amortization of finance fees | 0.7 | 0.7 |
| Stock-based compensation | 4.3 | 5.1 |
| Recognition of pension settlement charge | — | 0.3 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (67.6) | (30.0) |
| Inventories | (2.8) | (12.2) |
| Other current assets | (17.2) | 5.9 |
| Accounts payable | (24.6) | (0.1) |
| Accrued expenses and other current liabilities | (39.4) | (38.0) |
| Other items | 0.5 | (2.3) |
| **NET CASH USED IN OPERATING ACTIVITIES** | (133.0) | (31.4) |
| **INVESTING ACTIVITIES** | | |
| Capital expenditures[(a)] | (13.2) | (9.8) |
| Proceeds from the disposition of assets | 0.2 | — |
| **NET CASH USED IN INVESTING ACTIVITIES** | (13.0) | (9.8) |
| **FINANCING ACTIVITIES** | | |
| Proceeds from revolving credit facility borrowings | 150.0 | 95.0 |
| Repayment of revolving credit facility borrowings | (40.0) | (45.0) |
| Payment of financing fees | (1.0) | — |
| Repurchase of common stock | — | (11.4) |
| Payments of employee taxes withheld from share-based awards | (6.7) | (4.5) |
| Other items | (0.7) | (0.6) |
| **NET CASH PROVIDED BY FINANCING ACTIVITIES** | 101.6 | 33.5 |
| Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash | (1.1) | 0.2 |
| **NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH** | $ (45.5) | $ (7.5) |
| Cash, cash equivalents, and restricted cash at beginning of period | $ 183.9 | $ 121.6 |
| Cash, cash equivalents, and restricted cash at end of period | $ 138.4 | $ 114.1 |
| Cash and cash equivalents | $ 138.4 | $ 113.5 |
| Restricted cash included in other assets | — | 0.6 |
| Total cash, cash equivalents and restricted cash | $ 138.4 | $ 114.1 |

(a) Capital expenditures of $5.3 million and $4.6 million that have not been paid as of March 29, 2026 and March 30, 2025, respectively, were excluded from the condensed consolidated statements of cash flows.

See notes to unaudited condensed consolidated financial statements

**MasterBrand, Inc.**
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**
(Unaudited)

| *(U.S. Dollars and shares presented in millions)* | Common Stock Shares | Common Stock Amount | Paid-in Capital | Treasury stock, at cost | Accumulated Other Comprehensive (Loss) Income | Retained Earnings | Total Equity |
|---|---|---|---|---|---|---|---|
| Balance at December 29, 2024 | 127.6 | $ 1.3 | $ 39.7 | $ (44.0) | $ (32.7) | $ 1,330.4 | $ 1,294.7 |
| Comprehensive income: | | | | | | | |
| Net income | — | — | — | — | — | 13.3 | 13.3 |
| Other comprehensive income | — | — | — | — | 9.5 | — | 9.5 |
| Stock-based compensation | 0.4 | — | 5.1 | (4.5) | — | — | 0.6 |
| Stock repurchase program | (0.8) | — | — | (11.4) | — | — | (11.4) |
| Balance at March 30, 2025 | 127.2 | $ 1.3 | $ 44.8 | $ (59.9) | $ (23.2) | $ 1,343.7 | $ 1,306.7 |
| | | | | | | | |
| Balance at December 28, 2025 | 127.2 | $ 1.3 | $ 55.8 | $ (70.4) | $ 0.8 | $ 1,357.1 | $ 1,344.6 |
| Comprehensive income: | | | | | | | |
| Net loss | — | — | — | — | — | (15.4) | (15.4) |
| Other comprehensive loss | — | — | — | — | (6.3) | — | (6.3) |
| Stock-based compensation | 0.8 | — | 4.3 | (6.7) | — | — | (2.4) |
| Balance at March 29, 2026 | 128.0 | $ 1.3 | $ 60.1 | $ (77.1) | $ (5.5) | $ 1,341.7 | $ 1,320.5 |

See notes to unaudited condensed consolidated financial statements

**MasterBrand, Inc.**
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

## 1. Basis of Presentation and Principles of Consolidation

**Background** MasterBrand, Inc. is the largest manufacturer of residential cabinets in North America with a portfolio of leading residential cabinetry products for the kitchen, bathroom and other parts of the home. References to "MasterBrand," "the Company," "we," "our" and "us" refer to MasterBrand, Inc. and its consolidated subsidiaries, unless the context otherwise requires.

**Basis of Presentation** Our consolidated financial statements are based on a 52- or 53-week fiscal year ending on the last Sunday in December in each calendar year. Our fiscal 2026 and 2025 consist of 52 weeks ending on December 27, 2026 and December 28, 2025, respectively.

The condensed consolidated balance sheet as of March 29, 2026, as well as the related condensed consolidated statements of income, comprehensive income, cash flows and equity for the thirteen weeks ended March 29, 2026 and the thirteen weeks ended March 30, 2025 are unaudited. The presentation of these financial statements requires us to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates. In the opinion of management, all adjustments, consisting of normal, recurring accruals, considered necessary for a fair statement of the financial statements have been included. Interim results may not be indicative of results for a full year.

The condensed consolidated financial statements and notes are presented pursuant to the rules and regulations of the Securities and Exchange Commission and do not contain certain information included in our audited consolidated financial statements and notes. The 2025 condensed consolidated balance sheet was derived from our audited consolidated financial statements, but does not include all disclosures required by United States Generally Accepted Accounting Principles ("GAAP"). These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in our Annual Report on Form 10-K for the fiscal year ended December 28, 2025.

**Tariffs**

On February 20, 2026, the Supreme Court of the United States (the "Supreme Court") issued a decision in Learning Resources, Inc. v. Trump and Trump v. V.O.S. Selections, Inc., two appeals concerning tariffs President Trump imposed under the International Emergency Economic Powers Act ("IEEPA"). The Supreme Court held that the IEEPA does not give the President authority to impose tariffs. The Supreme Court thus affirmed a lower court decision that invalidated two sets of IEEPA tariffs: one set of tariffs on imports from Canada, Mexico, and the People's Republic of China based on declared emergencies concerning illicit drugs, and another set of tariffs on most other U.S. imports based on a declared emergency concerning the U.S. trade deficit. The Supreme Court ruling did not specifically address refunds.

On March 4, 2026, the Court of International Trade ("CIT") ordered the Trump administration (the "Administration") to begin refunding all tariffs imposed under the IEEPA. The Company paid approximately $11.7 million in IEEPA tariffs prior to the Supreme Court decision. No further tariffs under the IEEPA were paid subsequent to the Supreme Court decision. However, the prospective benefit of the elimination of the IEEPA tariffs was approximately offset by the immediate implementation of new tariffs under Section 122 of the Trade Act of 1974. The Company intends to maintain all legal and administrative rights to potential recovery of IEEPA tariffs paid. We are accounting for any such recoveries under the GAAP gain contingency model. No receivable has been recognized as of March 29, 2026 due to uncertainty regarding the realizability of the refund process and administrative approval.

**2. Recently Issued Accounting Standards**

Accounting Standards Issued and Adopted

*Measurement of Credit Losses for Accounts Receivable and Contract Assets*

In July 2025, the FASB issued Accounting Standards Update ("ASU") 2025-05, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets" ("ASU 2025-05"). The amendments in ASU 2025-05 provide a practical expedient that allows entities to assume current economic conditions as of the balance sheet date will remain unchanged throughout the reasonable and supportable forecast period when estimating expected credit losses for eligible financial assets, including trade receivables and contract assets. ASU 2025-05 is effective for fiscal periods beginning after December 15, 2025, including interim periods within those fiscal years. The adoption of ASU 2025-05 did not have a material impact on our consolidated financial position, results of operations or cash flows.

Accounting Standards Issued, But Not Yet Adopted

*Disaggregation of Income Statement Expenses*

In November 2024, the FASB issued ASU 2024-03 to require more detailed information about specified categories of expenses (purchases of inventory, employee compensation, depreciation, amortization and depletion) included in certain expense captions presented on the face of the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of adopting this guidance on the condensed consolidated financial statements.

*Targeted Improvements to the Accounting for Internal-Use Software*

In September 2025, the FASB issued ASU 2025-06, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software" ("ASU 2025-06"). The amendments in ASU 2025-06 clarify and refine the criteria for capitalizing costs related to internal-use software. Under the new guidance, capitalization is permitted when both of the following conditions are met: (i) management has authorized and committed to funding the software project, and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. ASU 2025-06 is effective for fiscal periods beginning after December 15, 2027, and interim periods thereafter. The Company is currently evaluating the impact of adopting this guidance on the condensed consolidated financial statements.

*Narrow-Scope Improvements*

In December 2025, the FASB issued ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements," to clarify and reorganize GAAP interim reporting guidance to improve navigability, applicability, and consistency without changing the fundamental nature or volume of required interim disclosures. This amendment clarifies when ASC 270 is applicable, establishes a disclosure principle requiring disclosure of material events or changes occurring since the most recent annual reporting period, and consolidates into ASC Topic 270 a comprehensive list of interim disclosures required by other Codification Topics. The amendment also clarifies the form and content of interim financial statements, including guidance for condensed interim reporting. The amendment is effective for the Company for interim periods in 2028, with early adoption permitted. The Company is currently evaluating the impact of adopting this guidance on the condensed consolidated financial statements.

Other new accounting pronouncements issued but not effective until after March 29, 2026 did not and are not expected to have a material impact on our financial position, results of operations or cash flows.

**3. Acquisition of American Woodmark**

**American Woodmark**

On August 6, 2025, we announced the execution of a definitive agreement whereby the Company will combine with American Woodmark Corporation ("American Woodmark"), a Virginia corporation, in an all-stock transaction. The Company, Maple Merger Sub, Inc. ("Merger Sub"), a Virginia corporation and direct, wholly owned subsidiary of the Company, and American Woodmark entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which, and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, Merger Sub will merge with and into American Woodmark, with American Woodmark surviving the merger and continuing as a wholly owned subsidiary of the Company (the "Merger").

Subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each equity interest of American Woodmark issued and outstanding immediately prior to the Effective Time will be automatically converted into the right to receive a number of shares of the Company's common stock equal to 5.15 shares, which collectively will represent approximately 37 percent of the fully diluted shares outstanding of the combined company immediately prior to the execution and delivery of the Merger Agreement.

The closing of the Merger, which is expected to occur in the second calendar quarter of 2026, is subject to the receipt of clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the satisfaction or waiver of other customary closing conditions. As previously disclosed, on November 7, 2025, the Company and American Woodmark each received a Request for Additional Information and Documentary Material (the "Second Request") from the U.S. Federal Trade Commission (the "FTC") in connection with the Merger. The Company and American Woodmark continue to work cooperatively with the FTC to obtain regulatory clearance for the Merger as expeditiously as possible. Both companies received the necessary shareholder approval at their respective special meetings of shareholders held on October 30, 2025.

The Merger Agreement contains certain termination rights for each of the Company and American Woodmark. Upon termination of the Merger Agreement under specified circumstances, the Company may be required to pay American Woodmark a termination fee of $30.0 million or a regulatory termination fee of $35.0 million. In addition, upon termination under specified circumstances, American Woodmark may be required to pay the Company a termination fee of $25.0 million.

The Company amended its 2024 Credit Agreement on November 3, 2025 to obtain $375.0 million of delayed draw term loan commitments that will be used to repay and terminate American Woodmark's existing indebtedness, the funding of which is dependent on the closing of the Merger. See Note 10, "Debt," for further discussion of our original credit agreement.

**4. Revenue from Contracts with Customers**

Our principal performance obligations are the sale of high quality stock, semi-custom and premium cabinetry, as well as vanities, for the kitchen, bath and other parts of the home (collectively, "goods" or "products"). We recognize revenue for the sale of goods based on our assessment of when control transfers to our customers, which generally occurs upon shipment or delivery of the products. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods to our customers. Payment terms on our product sales normally range from 30 to 90 days. Taxes assessed by a governmental authority that we collect are excluded from revenue. The expected costs associated with our contractual warranties are recognized as expense when the products are sold. See Note 14, "Contingencies and Accrued Losses," for further discussion.

We record estimates to reduce revenue for customer programs and incentives, which are considered variable consideration, and include price discounts, volume-based incentives, promotions and cooperative advertising when revenue is recognized in order to determine the amount of consideration the Company will ultimately be entitled to receive. These estimates are based on historical and projected experience for each type of customer. In addition, for certain customer program incentives, we receive an identifiable benefit (goods or services) in exchange for the consideration given and record the associated expenditure in selling, general and administrative expenses. We account for shipping and handling costs that occur after the customer has obtained control of a product as a fulfillment activity (i.e., as an expense) rather than as a promised service (i.e., as a revenue element). These costs are classified within selling, general and administrative expenses.

Settlement of our outstanding accounts receivable balances normally occurs within 30 to 90 days of the original sale transaction date. Obligations arise for us from customer rights to return our goods, including among others, product obsolescence, stock rotations, trade-in agreements for newer products and upon termination of a customer contract. We estimate future product returns at the time of sale based on historical experience and record a corresponding refund obligation, which amounted to $2.2 million and $2.1 million as of March 29, 2026 and December 28, 2025, respectively. Refund obligations are classified within other current liabilities in our condensed consolidated balance sheets. Return assets related to the refund obligation are measured at the carrying amount of the goods at the time of sale, less any expected costs to recover the goods and any expected reduction in value.

The Company disaggregates revenue from contracts with customers into (i) major sales distribution channels and (ii) total sales to customers by shipping location, as these categories depict the nature, amount, timing and uncertainty of revenues and cash flows that are affected by economic factors. The following table disaggregates our consolidated revenue by major sales distribution channels and by shipping location for the thirteen weeks ended March 29, 2026 and March 30, 2025.

| | 13 Weeks Ended | |
|---|---|---|
| *(U.S. Dollars presented in millions)* | **March 29, 2026** | **March 30, 2025** |
| **Net Sales by Channel** | | |
| Dealers[(a)] | $ 327.8 | $ 353.1 |
| Retailers[(b)] | 216.5 | 223.5 |
| Builders[(c)] | 73.7 | 83.7 |
| Net sales | $ 618.0 | $ 660.3 |
| **Net Sales by Shipping Location** | | |
| United States | $ 592.0 | $ 635.0 |
| Canada | 21.5 | 21.9 |
| Mexico | 4.5 | 3.4 |
| Net sales | $ 618.0 | $ 660.3 |

(a) Represents sales to dealers whose end customers include builders, professional trades and home remodelers, inclusive of sales through our dealers' respective internet website portals.

(b) Represents sales to "Do-It-Yourself" retailers, including our two largest customers: 1) Lowe's and 2) The Home Depot, inclusive of sales through their respective internet website portals.

(c) Represents sales directly to builders.

**Practical Expedients**

Incremental costs of obtaining a contract include only those costs the Company incurs that would not have been incurred if the contract had not been obtained. These costs are required to be recognized as assets and amortized over the period that the related goods or services transfer to the customer. As a practical expedient, we expense as incurred costs to obtain a contract when the expected amortization period is one year or less. These costs are recorded within selling, general and administrative expenses in the accompanying condensed consolidated statements of income.

**Allowance for Credit Losses**

Our primary allowance for credit losses is the allowance for doubtful accounts. The allowance for doubtful accounts reduces the trade accounts receivable balance to the estimated net realizable value that is expected to be collected. The allowance is based on assessments of current creditworthiness of customers, historical collection experience, the aging of receivables and other currently available evidence. Trade accounts receivable balances are written-off against the allowance if a final determination of uncollectibility is made. All provisions for allowances for doubtful collection of accounts are included in selling, general and administrative expenses.

The following table summarizes the activity for the thirteen weeks ended March 29, 2026 and March 30, 2025:

| | 13 Weeks Ended | |
|---|---|---|
| *(U.S. Dollars presented in millions)* | **March 29, 2026** | **March 30, 2025** |
| Beginning balance | $ 17.4 | $ 3.0 |
| Bad debt provision | 0.4 | 0.2 |
| Uncollectible accounts written off, net of recoveries | (0.1) | (2.1) |
| Ending balance | $ 17.7 | $ 1.1 |

The Company increased the allowance for doubtful accounts by $17.1 million as a result of the Company's assessment of the collectability of a specific customer's receivable balance as of December 28, 2025. The charge, which related entirely to sales recognized in 2025, was based upon the Company's assessment of the customer's specific facts and circumstances, including its financial outlook and liquidity.

**5. (Loss) Earnings Per Share**

The following table sets forth the reconciliation of the numerator and the denominator of basic (loss) earnings per share and diluted (loss) earnings per share for the thirteen weeks ended March 29, 2026 and March 30, 2025:

| | 13 Weeks Ended | |
|---|---|---|
| *(U.S. Dollars presented in millions, except per share amounts)* | **March 29, 2026** | **March 30, 2025** |
| Numerator: | | |
| Numerator for basic and diluted (loss) earnings per share - Net (loss) income | $ (15.4) | $ 13.3 |
| Denominator: | | |
| Denominator for basic (loss) earnings per share - weighted average shares outstanding | 127.5 | 127.5 |
| Effect of dilutive securities - stock-based awards | — | 3.2 |
| Denominator for diluted (loss) earnings per share - weighted average shares outstanding | 127.5 | 130.7 |
| (Loss) earnings per share: | | |
| Basic | $ (0.12) | $ 0.10 |
| Diluted | $ (0.12) | $ 0.10 |

Due to the net loss during the thirteen weeks ended March 29, 2026, all potential common shares were anti-dilutive and have been excluded from the calculation of diluted loss per share.

**6. Balance Sheet Information**

Supplemental information on our condensed consolidated balance sheets is as follows:

| *(U.S. Dollars presented in millions)* | March 29, 2026 | December 28, 2025 |
|---|---|---|
| Inventories: | | |
| Raw materials and supplies | $ 184.4 | $ 193.1 |
| Work in process | 24.9 | 24.6 |
| Finished products | 62.4 | 51.4 |
| Total inventories | $ 271.7 | $ 269.1 |
| Property, plant and equipment: | | |
| Land and improvements | $ 42.0 | $ 41.8 |
| Buildings and improvements to leaseholds | 388.0 | 388.8 |
| Machinery and equipment | 696.7 | 684.7 |
| Construction in progress | 33.1 | 44.0 |
| Property, plant and equipment, gross | 1,159.8 | 1,159.3 |
| Less: accumulated depreciation | 665.8 | 656.2 |
| Property, plant and equipment, net of accumulated depreciation | $ 494.0 | $ 503.1 |
| Other current liabilities: | | |
| Accrued salaries, wages and other compensation | $ 36.7 | $ 63.3 |
| Accrued income and other taxes | 12.9 | 15.3 |
| Interest payable | 11.0 | 23.0 |
| Accrued restructuring | 8.2 | 2.4 |
| Accrued product warranties | 7.4 | 7.3 |
| Other accrued expenses | 78.3 | 76.4 |
| Total other current liabilities | $ 154.5 | $ 187.7 |

**7. Goodwill and Identifiable Intangible Assets**

We had goodwill of $1,127.1 million and $1,127.5 million as of March 29, 2026 and December 28, 2025, respectively. The change in the net carrying amount of goodwill was as follows:

| *(U.S. Dollars presented in millions)* | Total Goodwill |
|---|---|
| Balance at December 28, 2025 | $ 1,127.5 |
| 2026 translation adjustments | (0.4) |
| Balance at March 29, 2026 | $ 1,127.1 |

The gross carrying value and accumulated amortization by class of intangible assets as of March 29, 2026 and December 28, 2025 were as follows:

| | March 29, 2026 | | | December 28, 2025 | | |
|---|---|---|---|---|---|---|
| *(U.S. Dollars presented in millions)* | Gross Carrying Amounts | Accumulated Amortization | Net Book Value | Gross Carrying Amounts | Accumulated Amortization | Net Book Value |
| Indefinite-lived tradenames | $ 267.5 | $ — | $ 267.5 | $ 268.1 | $ — | $ 268.1 |
| Amortizable intangible assets | | | | | | |
| Tradenames | 10.2 | (10.2) | — | 10.3 | (10.3) | — |
| Customer and contractual relationships | 536.5 | (263.2) | 273.3 | 536.8 | (257.2) | 279.6 |
| Patents/proprietary technology | 11.0 | (11.0) | — | 11.0 | (11.0) | — |
| Total | 557.7 | (284.4) | 273.3 | 558.1 | (278.5) | 279.6 |
| Total identifiable intangibles | $ 825.2 | $ (284.4) | $ 540.8 | $ 826.2 | $ (278.5) | $ 547.7 |

There were no impairments of goodwill or indefinite-lived assets for the thirteen weeks ended March 29, 2026. The Company tests goodwill and indefinite-lived intangibles for impairment annually in the fourth quarter or more frequently if events or changes in circumstances indicate the asset might be impaired. During the quarter ended March 29, 2026, the Company's market capitalization declined and, at times, was below the carrying value of its net assets. Management evaluated whether this decline, together with other macroeconomic, industry and company-specific factors, constituted a triggering event requiring an interim goodwill impairment test. After considering the short-term and temporary nature of the stock price decline, the Company's forecasted operating performance and cash flows from operations, and the implied control premium when comparing market capitalization to an internal valuation, management concluded that it is not more likely than not that the fair value of its reporting unit is less than its carrying amount. Accordingly, no impairment assessment was conducted in the thirteen weeks ended March 29, 2026. However, it is possible that future changes in the macroeconomic environment, or other company-specific factors, may constitute a triggering event and require the Company to perform an impairment analysis in the future to determine if the fair value of the Company's reporting units is less than its carrying amount.

**8. Financial Instruments**

We do not enter into financial instruments for trading or speculative purposes. We principally use financial instruments to reduce the impact of changes in foreign currency exchange rates. The principal derivative financial instruments we enter into on a routine basis are foreign exchange contracts. Derivative financial instruments are recorded at fair value. The counterparties to derivative contracts are major financial institutions. We are subject to credit risk on these contracts equal to the fair value of these instruments. Management currently believes that the risk of incurring material losses is unlikely and that the losses, if any, would be immaterial to the Company.

We account for derivative instruments as follows:

- *Derivative instruments that are designated as cash flow hedges* - The changes in the fair value of the derivative instrument are reported in other comprehensive income and are recognized in the condensed consolidated statements of income when the hedged item affects earnings. In all periods presented, the recognized gain or loss on the derivative instrument, as well as the offsetting gain or loss on the hedged item, are recognized in cost of products sold on the condensed consolidated statements of income.
- *Derivative instruments that are designated as fair value hedges* - The gain or loss on the derivative instrument, as well as the offsetting gain or loss on the hedged item, are recognized in other expense, net on the condensed consolidated statements of income.
- *Derivative instruments that are designated as net investment hedges* - The changes in fair value of the derivative instrument are recognized in the condensed consolidated statements of income when realized upon sale or upon complete or substantially complete liquidation of the investment in the foreign entity.

As of and for the thirteen weeks ended March 29, 2026 and March 30, 2025, we have only entered into foreign currency forward contracts, some of which have been designated as fair value hedges and some of which have been designated as cash flow hedges. We may enter into foreign currency forward contracts to protect against foreign exchange risks associated with certain existing assets and liabilities, forecasted future cash flows and net investments in foreign subsidiaries. Foreign exchange contracts related to forecasted future cash flows correspond to the periods of the forecasted transactions, which generally do not exceed 12 to 15 months subsequent to the latest balance sheet date.

Our primary foreign currency hedge contracts pertain to the Mexican peso and the Canadian dollar. The gross U.S. dollar equivalent notional amount of all foreign currency derivative hedges outstanding at March 29, 2026, was $52.4 million, representing a net settlement asset of $2.6 million. Based on foreign exchange rates as of March 29, 2026, we estimate that the $1.8 million of net derivative gains associated with cash flow hedges and included in accumulated other comprehensive (loss) income as of March 29, 2026, will be reclassified to earnings within the next twelve months.

The fair values of foreign exchange derivative instruments on the condensed consolidated balance sheets as of March 29, 2026 and December 28, 2025 were:

| *(U.S. Dollars presented in millions)* | **Location** | **March 29, 2026** | **December 28, 2025** |
|---|---|---|---|
| Assets: | | | |
| Foreign exchange contracts | Other current assets | $ 2.7 | $ 6.1 |
| | Total assets | $ 2.7 | $ 6.1 |
| Liabilities: | | | |
| Foreign exchange contracts | Other current liabilities | $ 0.1 | $ — |
| | Total liabilities | $ 0.1 | $ — |

The effects of cash flow hedging financial instruments included within the condensed consolidated statements of comprehensive (loss) income for the thirteen weeks ended March 29, 2026 and March 30, 2025 are presented in the table below. When the hedged item affects earnings, amounts are reclassed out of accumulated other comprehensive (loss) income and recognized as a component of cost of products sold.

| (U.S. Dollars presented in millions) | Amount Recognized in Statement of Comprehensive (Loss) Income for Cash Flow Hedging Relationships | |
|---|---|---|
| | 13 Weeks Ended | |
| | March 29, 2026 | March 30, 2025 |
| Foreign exchange contracts: | | |
| Unrealized holding gains arising during period | $ 0.7 | $ 1.0 |
| Less: reclassification adjustment for (gains) losses included in net income | (3.8) | 2.9 |
| Unrealized (losses) gains on derivatives | $ (3.1) | $ 3.9 |

The effects of fair value hedging financial instruments included in other (income) expense, net on the condensed consolidated statements of income for the thirteen weeks ended March 29, 2026 and March 30, 2025 were:

| (U.S. Dollars presented in millions) | Amount Recognized in Earnings on Fair Value Hedging Relationships | |
|---|---|---|
| | 13 Weeks Ended | |
| | March 29, 2026 | March 30, 2025 |
| Foreign exchange contracts: | | |
| Hedged items | $ 0.1 | $ (0.2) |
| Net gains (losses) recognized in earnings | $ 0.1 | $ (0.2) |

**9. Fair Value Measurements**

ASC 820, *Fair Value Measurements and Disclosures,* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs, the highest priority, are quoted prices in active markets for identical assets or liabilities. Level 2 inputs reflect other than quoted prices included in Level 1 that are either observable directly or through corroboration with observable market data. Level 3 inputs are unobservable inputs due to little or no market activity for the asset or liability, such as internally-developed valuation models.

We do not have any assets or liabilities measured at fair value on a recurring basis that are Level 3, except for certain assumptions in estimating the fair value of indefinite-lived tradenames, as discussed in Note 3, "Acquisitions," and Note 9, "Goodwill and Identifiable Intangible Assets," in our Annual Report on Form 10-K for the fiscal year ended December 28, 2025.

Assets and liabilities measured at fair value on a recurring basis as of March 29, 2026 and December 28, 2025 were as follows:

| (U.S. Dollars presented in millions) | Fair Value | |
|---|---|---|
| | March 29, 2026 | December 28, 2025 |
| Assets: | | |
| Derivative asset financial instruments (Level 2) | $ 2.7 | $ 6.1 |
| Deferred compensation program assets (Level 2) | 12.0 | 10.2 |
| Total assets | $ 14.7 | $ 16.3 |
| Liabilities: | | |
| Derivative liability financial instruments (Level 2) | $ 0.1 | $ — |

The principal derivative financial instruments we enter into on a routine basis are foreign exchange contracts. Derivative financial instruments are recorded at fair value.

The estimated fair value of the Company's debt, including current maturities, is based on Level 2 inputs, being market quotes or values for similar instruments, and interest rates currently available to the Company for the issuance of debt with similar terms and remaining maturities, at a discount rate for the remaining principal payments. As of March 29, 2026, the fair value of total debt was $1,072.5 million compared to the carrying value of $1,095.0 million, excluding deferred financing costs. As of December 28, 2025, the fair value of total debt was $1,009.1 million compared to the carrying value of $985.0 million, excluding deferred financing costs.

**10. Debt**

The following table provides a summary of the Company's debt as of March 29, 2026 and December 28, 2025, including the carrying value of the debt less debt issuance costs:

| *(U.S. Dollars presented in millions)* | March 29, 2026 Long-term | December 28, 2025 Long-term |
|---|---|---|
| Revolving credit facility due June 2029 | $ 395.0 | $ 285.0 |
| 7.00% Senior Notes due 2032 | 700.0 | 700.0 |
| | 1,095.0 | 985.0 |
| Less: Unamortized debt issuance costs | (10.1) | (10.5) |
| Total | $ 1,084.9 | $ 974.5 |

*2024 Refinancing Transaction*

On June 27, 2024, the Company completed a private offering (the "Offering") of $700.0 million aggregate principal amount of 7.00 percent Senior Notes due 2032 (the "Senior Notes") and entered into an amended and restated credit agreement (the "2024 Credit Agreement"), which amended and restated the Company's 2022 credit agreement. The Company used the funds from the refinancing transaction, and cash on-hand, to: (1) refinance the 2022 credit agreement (including repaying all amounts outstanding under the existing term loan, inclusive of accrued and unpaid interest), (2) fund the acquisition of Dura Investment Holdings LLC, the parent company of Supreme Cabinetry Brands, Inc. ("Supreme") on July 10, 2024, and (3) pay all fees and expenses related to the foregoing transactions.

The Senior Notes were issued under the Indenture dated as of June 27, 2024 (the "Indenture") at par. The Senior Notes are the Company's unsecured and unsubordinated debt obligations and are guaranteed, on a senior unsecured basis, by each of the Company's existing and future subsidiaries that are borrowers under or guarantors of the 2024 Credit Agreement. The Senior Notes will mature on July 15, 2032. Interest on the Senior Notes accrues at a rate of 7.00 percent per annum and is payable semi-annually in arrears on January 15 and July 15, beginning on January 15, 2025.

The Senior Notes had an outstanding balance of $700.0 million as of March 29, 2026. As of March 29, 2026, prepaid debt issuance costs related to the Senior Notes were $10.1 million and are being amortized over the term of the debt. These costs are included in long-term debt in our condensed consolidated balance sheets.

The 2024 Credit Agreement provides for a 5-year, $750.0 million revolving credit facility. The revolving credit facility is not subject to amortization and will mature in June 2029. The 2024 Credit Agreement is secured by certain assets as well as the guarantee of certain of our subsidiaries. Interest rates under the revolving credit facility are variable based on the SOFR, or, at the Company's option, at a base reference rate equal to the highest of (i) the federal funds rate plus 0.50 percent, (ii) the rate of interest last quoted by JPMorgan Chase Bank, N.A., as administrative agent as its "prime rate" and (iii) the one-month SOFR rate plus 1.00 percent (the "Base Rate"), plus, as applicable, a margin ranging from 1.625 percent to 2.25 percent per annum for SOFR-based loans and ranging from 0.625 percent to 1.25 percent per annum for Base Rate-based loans, in each case, depending on the Company's net leverage ratio. The Company also pays customary agency fees and a commitment fee based on the daily unused portion of the revolving credit facility ranging from 0.20 percent to 0.30 percent per annum, depending on its net leverage ratio.

The 2024 Credit Agreement contains a financial covenant that does not permit the Company to allow its net leverage ratio to exceed, in the case of any fiscal quarter ending on or following March 30, 2025, 3.25 to 1.00 or, if the Company consummates any material acquisition, then the Company's net leverage ratio shall not exceed 3.75 to 1.00 for the applicable fiscal quarter in which such acquisition is consummated and the three consecutive fiscal quarters thereafter. The Company is also required to maintain a minimum interest coverage ratio of 3.00 to 1.00. The 2024 Credit Agreement also contains customary events of default. The occurrence of an event of default could result in the termination of commitments under the revolving credit facility, the acceleration of all outstanding amounts thereunder and the requirement to cash collateralize outstanding letters of credit.

The Company amended its 2024 Credit Agreement on March 26, 2026 (the "Second Amendment"), which (i) added a new category of pricing in respect of the margin over the base reference rate as to loans thereunder and (ii) changed the threshold for the net leverage ratio financial covenant and minimum interest coverage ratio financial covenant in the 2024 Credit Agreement until (but excluding) the earlier of (A) January 1, 2027 and (B) the date that MasterBrand's Merger with American Woodmark becomes effective. Under the Second Amendment, the new financial covenant does not permit the Company to allow its net leverage ratio to exceed, (i) 3.75 to 1.00 for the fiscal quarter ending on or about March 31, 2026, (ii) 4.00 to 1.00 for the fiscal quarters ending on or about June 30, 2026 and September 30, 2026 and (iii) 3.75 to 1.00 for the fiscal quarter ending on or about December 31, 2026. The Second Amendment also changed the required minimum interest coverage ratio to 2.75 to 1.00 until the earlier of January 1, 2027 or the effective date of the Merger with American Woodmark. As of March 29, 2026, prepaid debt issuance costs related to the Second Amendment, which are amortized over the term of the debt, totaled $1.0 million which has been included in other assets in our condensed consolidated balance sheet.

The Company was in compliance with all of its debt covenants as of March 29, 2026 and December 28, 2025.

*2025 Refinancing Transaction*

The Company previously amended its 2024 Credit Agreement on November 3, 2025 (the "First Amendment") to obtain $375.0 million of delayed draw term loan commitments that will be used to repay and terminate American Woodmark's existing indebtedness, the funding of which is dependent on the closing of the Merger. The interest rate of the delayed draw term loans is a variable rate based on SOFR, plus a margin depending on the Company's net leverage ratio. The delayed draw term loans will have a maturity coterminous with the revolving credit facility under the 2024 Credit Agreement in June 2029, and there were no material changes to the covenants in place under the 2024 Credit Agreement as a result of this amendment. As of March 29, 2026, prepaid debt issuance costs related to the First Amendment, which are amortized over the term of the debt, totaled $2.0 million, of which $0.5 million has been included in other current assets, and $1.5 million has been included in other assets in our condensed consolidated balance sheet.

The revolving credit facility had an outstanding balance of $395.0 million as of March 29, 2026 and had $332.3 million of availability. Availability under the $750.0 million revolving credit facility is reduced by the outstanding balance under the revolving credit facility and outstanding letters of credit. As of March 29, 2026, prepaid debt issuance costs related to the 2024 Credit Agreement were $3.3 million and are being amortized over the term of the debt. At March 29, 2026, these costs are included in other assets in our condensed consolidated balance sheet.

Interest paid on debt was $29.8 million for the thirteen weeks ended March 29, 2026, and $33.4 million for the thirteen weeks ended March 30, 2025.

**11. Restructuring Charges**

For the thirteen weeks ended March 29, 2026, we recognized restructuring charges of $12.8 million. For the thirteen weeks ended March 30, 2025, we recognized restructuring charges of $4.7 million. The restructuring charges for the thirteen weeks ended March 29, 2026 were primarily related to the implementation of a voluntary and involuntary separation program that reduced overall headcount, primarily in our corporate functions. Restructuring charges for the period ended March 30, 2025 were largely related to severance costs and other associate-related costs in order to better align our workforce with our forecasted demand within our manufacturing footprint.

**Reconciliation of Restructuring Liability**

| *(U.S. Dollars presented in millions)* | Balance at December 28, 2025 | Provision[b] | Cash Expenditures[a][b] | Non-cash Writeoffs | Balance at March 29, 2026 |
|---|---|---|---|---|---|
| Workforce reduction costs | $ 2.5 | $ 11.0 | $ (5.4) | $ — | $ 8.1 |
| Other | (0.1) | 1.8 | (1.6) | — | 0.1 |
| | $ 2.4 | $ 12.8 | $ (7.0) | $ — | $ 8.2 |

| *(U.S. Dollars presented in millions)* | Balance at December 29, 2024 | Provision | Cash Expenditures[a] | Non-cash Writeoffs | Balance at March 30, 2025 |
|---|---|---|---|---|---|
| Workforce reduction costs | $ 4.8 | $ 3.9 | $ (1.0) | $ — | $ 7.7 |
| Other | 0.1 | 0.8 | (0.6) | (0.3) | — |
| | $ 4.9 | $ 4.7 | $ (1.6) | $ (0.3) | $ 7.7 |

(a) Cash expenditures primarily related to severance charges.

(b) During the thirteen weeks ended March 29, 2026, the Company implemented a voluntary and involuntary separation program to reduce overall headcount, primarily in our corporate functions. As a result of the workforce reduction, the Company recorded $8.1 million of one-time termination benefit costs for employees who voluntarily and involuntarily terminated their employment with the Company during the quarter, of which $1.1 million was paid out during the thirteen weeks ended March 29, 2026.

**12. Income Taxes**

The effective income tax rates for the thirteen weeks ended March 29, 2026 and March 30, 2025, were 57.3 percent and 23.1 percent, respectively. The net increase in effective tax rate between the periods is primarily due to unfavorable changes in pre-tax income relative to permanent tax adjustments, nondeductible acquisition-related transaction costs, foreign taxes, deferred tax adjustments due to foreign tax election and foreign exclusions, partially offset by lower state and local income taxes and a reduction in valuation allowance.

The difference between our effective income tax rate for the thirteen weeks ended March 29, 2026, and the U.S. statutory rate of 21.0 percent is primarily due to the unfavorable impact of nondeductible compensation, deferred tax adjustments due to foreign tax elections, nondeductible acquisition-related transaction costs and foreign taxes, partially offset by favorable adjustments for foreign exclusions and tax credits.

**13. Pension and Other Postretirement Plans**

We had a defined benefit pension plan in the United States covering many of the Company's associates that was frozen to new participants, with benefit accruals frozen for active participants on or before December 31, 2016. In addition, the Company provides postretirement health care and life insurance benefits to certain retirees.

On February 18, 2025, the Company completed the purchase of group annuity contracts with an insurance company, in which the liability, plan administration and payout of benefits were irrevocably transferred. In June 2025, the insurance company began paying plan benefits to eligible plan participants through the group annuity contracts.

As a result of the termination of the defined benefit pension plan, the Company recognized a surplus in plan assets of $7.2 million. The Company used the surplus to satisfy other Company obligations for qualified replacement plans. As of December 28, 2025, there were no remaining surplus funds held within the defined benefit pension plan and the plan is closed.

## 14. Contingencies and Accrued Losses

### Product Warranties

We generally record warranty expense related to contractual warranty terms at the time of sale. We may also provide customer concessions for claims made outside of the contractual warranty terms and those expenses are recorded in the period in which the concession is made. We offer our customers various warranty terms based on the type of product that is sold. Warranty expense is determined based on historic claim experience and the nature of the product category. The following table summarizes activity related to our product warranty liability for the thirteen weeks ended March 29, 2026 and March 30, 2025.

| | 13 Weeks Ended | |
|---|---|---|
| *(U.S. Dollars presented in millions)* | **March 29, 2026** | **March 30, 2025** |
| Reserve balance at the beginning of the period | $ 7.3 | $ 9.3 |
| Provision for warranties issued | 6.8 | 5.9 |
| Settlements made (in cash or in kind) | (6.7) | (6.4) |
| Reserve balance at the end of the period | $ 7.4 | $ 8.8 |

### Litigation

The Company is a defendant in lawsuits that are ordinary routine litigation matters incidental to our business and operations. In addition, other matters, including tax assessments, audits, claims and governmental investigations and proceedings covering a wide range of matters are pending against us. It is not possible to predict the outcome of the pending actions, and, as with any such matters, it is possible that these actions could be decided unfavorably to the Company. The Company believes that there are meritorious defenses to these actions and that these actions will not have a material adverse effect upon the Company's results of operations, cash flows or financial condition, and where appropriate, these actions are being vigorously contested. Accordingly, the Company believes the likelihood of material loss is remote. However, such matters are subject to inherent uncertainties and unfavorable rulings or other events could occur. The Company regularly undergoes tax audits in various jurisdictions in which our products are sold or manufactured. In the future, costs related to such audits or an unfavorable outcome could have a material impact on our condensed consolidated results of operations, cash flows and financial condition.

Following an audit for the 2018 tax year, the Mexican tax administration service, the Servicio de Administración Tributaria, (the "SAT"), issued a tax assessment in the amount of 944.8 million Mexican pesos (approximately $52.1 million U.S. dollars as of March 29, 2026) to our subsidiary, Woodcrafters Home Products, S. de R.L. de C.V., for allegedly failing to make certain tax payments and to export timely certain merchandise. The Company disputed these findings, and the SAT annulled their decision on January 11, 2024. In order to prevent the 2018 tax year from further audit by the SAT, the Company has filed an action to declare this annulment final in the specialized court of trade and customs in Monterrey, Nuevo Leon, Sala Especializada en Materia de Comercio Exterior y Auxiliar – Noreste, Tribunal Federal de Justicia Administrativa. We reserved an immaterial amount related to the 2018 tax year audit as our best estimate of our probable liability as of March 29, 2026 and December 28, 2025. While we cannot predict with certainty the outcome of any future review relating to the 2018 tax year or other open tax years, based on currently known information, we believe our risk of additional loss is remote and not estimable.

### Environmental

We reserve for remediation activities to clean up potential environmental liabilities as required by federal and state laws based on our best estimate of undiscounted future costs, excluding possible insurance recoveries or recoveries from other third parties. There were no material environmental accruals as of March 29, 2026 and December 28, 2025.

**15. Accumulated Other Comprehensive (Loss) Income**

Total accumulated other comprehensive (loss) income consists of net (loss) income and other changes in business equity from transactions and other events from sources other than shareholders. It includes currency translation gains and losses, realized gains and losses from derivative instruments designated as cash flow hedges, and defined benefit plan adjustments. The after-tax components of and changes in accumulated other comprehensive (loss) income for the thirteen weeks ended March 29, 2026 and March 30, 2025 were as follows:

| *(U.S. Dollars presented in millions)* | Foreign Currency Adjustments | Derivative Hedging Gain (Loss) | Pension and Other Postretirement Plans Adjustments | Accumulated Other Comprehensive Income (Loss) |
|---|---|---|---|---|
| Balance at December 28, 2025 | $ (4.4) | $ 4.9 | $ 0.3 | $ 0.8 |
| Amounts classified into accumulated other comprehensive (loss) income | (3.2) | 0.7 | — | (2.5) |
| Amounts reclassified into earnings | — | (3.8) | — | (3.8) |
| Net current period other comprehensive loss | (3.2) | (3.1) | — | (6.3) |
| Balance at March 29, 2026 | $ (7.6) | $ 1.8 | $ 0.3 | $ (5.5) |
| | | | | |
| Balance at December 29, 2024 | $ (23.6) | $ (5.0) | $ (4.1) | $ (32.7) |
| Amounts classified into accumulated other comprehensive income | 1.2 | 1.0 | 4.2 | 6.4 |
| Amounts reclassified into earnings | — | 2.9 | 0.2 | 3.1 |
| Net current period other comprehensive income | 1.2 | 3.9 | 4.4 | 9.5 |
| Balance at March 30, 2025 | $ (22.4) | $ (1.1) | $ 0.3 | $ (23.2) |

**16. Stock Repurchase Programs**

On May 9, 2023, we announced our Board of Directors' authorization of a stock repurchase program ("2023 Share Repurchase Authorization") under which we could repurchase up to $50.0 million of our common stock over a twenty-four month period, which expired on April 23, 2025. On March 13, 2025, our Board of Directors authorized an additional stock repurchase program ("2025 Share Repurchase Authorization") under which we may repurchase up to $50.0 million of our common stock over a thirty-six month period expiring on March 13, 2028. This stock repurchase program is in addition to the 2023 Share Repurchase Authorization.

Both stock repurchase programs allow the Company to repurchase shares at management's discretion for general corporate purposes. As a result of the authorization of both plans, we may repurchase shares from time to time through open market purchases, privately-negotiated transactions, block trades or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Securities Exchange Act of 1934, as amended.

The timing and amount of our purchases will depend upon prevailing market conditions, our available capital resources, our financial and operational performance, alternative uses of capital and other factors. We may limit or terminate the 2025 Share Repurchase Authorization at any time.

During the thirteen weeks ended March 29, 2026, we did not repurchase any shares of our common stock. During the thirteen weeks ended March 30, 2025, we repurchased 838,984 shares of our common stock under the 2023 Share Repurchase Authorization. The shares were repurchased at a cost of approximately $11.4 million, or an average of $13.60 per share.

As of March 29, 2026, $47.4 million remained authorized for the purchase under the 2025 Share Repurchase Authorization.

**17. Segment Information**

The Company has one operating and reportable segment that is organized based on the nature of products the Company sells, its production and distribution mode, the internal management structure and information that is regularly provided to the chief operating decision maker ("CODM") for the purpose of assessing performance and allocating resources.

The Company is the largest manufacturer of residential cabinets in North America with a portfolio of leading residential cabinetry products for the kitchen, bathroom and other parts of the home. Our production and distribution modes were determined to be a single reportable segment, as discrete financial information by sale distribution channel and by customer shipping location is limited to sale-related metrics, as disclosed in Note 4, "Revenue from Contracts with Customers."

Our chief executive officer is our CODM. The CODM uses net (loss) income predominantly in the annual budget and forecasting process. The CODM considers budget-to-actual variances from net (loss) income on a monthly basis when making decisions about allocating capital resources to the reportable segment. The CODM also uses net (loss) income for evaluating the performance of the reportable segment and in determining the compensation of certain employees.

The following summarizes the significant and other operating expenses reviewed by the CODM:

| | 13 Weeks Ended | |
|---|---|---|
| *(U.S. Dollars presented in millions)* | **March 29, 2026** | **March 30, 2025** |
| Net sales | $ 618.0 | $ 660.3 |
| Less: | | |
| Raw materials | 232.2 | 232.7 |
| Production labor and overhead | 229.2 | 225.4 |
| Non-production associate-related costs | 54.1 | 55.1 |
| Distribution costs | 39.0 | 36.7 |
| Commissions | 13.3 | 12.8 |
| Amortization of intangibles | 6.4 | 6.4 |
| Other segment items[(a)] | 62.3 | 54.1 |
| Interest expense | 18.4 | 19.4 |
| Other (income) expense, net | (0.8) | 0.4 |
| Income tax (benefit) expense | (20.7) | 4.0 |
| Net (loss) income | $ (15.4) | $ 13.3 |

(a) Other segment items include outside service costs, acquisition-related costs, restructuring charges and other expenses.

The measure of segment assets is reported on the balance sheet as total consolidated assets. The CODM does not review segment assets at a different asset level or category.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Forward-Looking Statements

Certain statements contained in this Quarterly Report on Form 10-Q, other than purely historical information, including, but not limited to, estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are forward-looking statements. Statements preceded by, followed by or that otherwise include the word "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans," "may increase," "may fluctuate," and similar expressions or future or conditional verbs such as "will," "should," "would," "may," and "could" are generally forward-looking in nature and not historical facts. 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 and expectations of our management. Although we believe that these statements are based on reasonable assumptions, they are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those indicated in such statements. These factors include those listed under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 28, 2025 within Part I, Item 1A.

The forward-looking statements included in this document are made as of the date of this Quarterly Report on Form 10-Q and, except pursuant to any obligations to disclose material information under the federal securities laws, 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 Quarterly Report on Form 10-Q.

Some of the important factors that could cause our actual results to differ materially from those projected in any such forward-looking statements include:

- Our ability to develop and expand our business;
- Our ability to develop new products or respond to changing consumer preferences and purchasing practices;
- Our anticipated financial resources and capital spending;
- Our ability to manage costs;
- Our ability to effectively manage manufacturing operations and capacity, or an inability to maintain the quality of our products;
- The impact of our dependence on third parties to source raw materials and our ability to obtain raw materials in a timely manner or fluctuations in raw material costs;
- Our ability to accurately price our products;
- Our projections of future performance, including future revenues, capital expenditures, gross margins, and cash flows;
- The effects of competition;
- Costs of complying with evolving tax and other regulatory requirements and the effect of actual or alleged violations of tax, environmental or other laws;
- The effect of climate change and unpredictable seasonal and weather factors;
- Conditions in the housing market in the United States, Canada and Mexico;
- The expected strength of our existing customers and consumers and any loss or reduction in business from one or more of our key customers or increased buying power of large customers;
- Information systems interruptions or intrusions or the unauthorized release of confidential information concerning customers, employees, or other third parties;
- Worldwide economic, geopolitical and business conditions and risks associated with doing business on a global basis, including risks associated with uncertain trade environments, changes to U.S. tariff policy and retaliatory tariffs imposed by other countries;
- The effects of a public health crisis or other unexpected event;
- Changes in the anticipated timing for closing the combination of MasterBrand with American Woodmark (the "Transaction");
- Delays in obtaining, adverse conditions contained in, or the inability to obtain necessary regulatory approvals or complete regulatory reviews required to complete the Transaction;
- The outcome of any legal proceedings that may be instituted against MasterBrand or American Woodmark following the announcement of the Transaction;
- The inability to complete the Transaction;

- The inability to recognize, or delays in obtaining, anticipated benefits of the Transaction, including synergies, which may be affected by, among other things, competition, the ability of the combined company to integrate operations in a successful manner and in the expected time period, grow and manage growth profitably, maintain relationships with customers and suppliers and retain key employees;
- The impact of our current and any additional future debt obligations on our business, current and future operations, profitability and our ability to meet other obligations;
- Business disruption during the pendency of or following the Transaction;
- Diversion of management time on Transaction-related issues;
- The reaction of customers and other persons to the Transaction; and
- Other statements contained in this Quarterly Report on Form 10-Q regarding items that are not historical facts or that involve predictions.

**Introduction**

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is a supplement to the accompanying condensed consolidated financial statements of MasterBrand and its consolidated subsidiaries and provides additional information on our business, recent developments, financial condition, liquidity and capital resources, cash flows and results of operations.

**Overview**

Founded over 70 years ago, we are the largest manufacturer of residential cabinets in North America. Our superior product quality, innovative design and service excellence drives a compelling value proposition. We have insight into the fashion and features consumers desire, which we use to tailor our product lines across price points. Our volume leadership allows us to achieve an advantaged cost structure and service platform by standardizing product platforms and components to the greatest extent possible—resulting in an improved facility footprint and an efficient supply chain. Further, our decades of experience have informed how we use global geographies to optimize procurement and manufacturing costs. Finally, with the most extensive dealer network throughout the United States and Canada, we have an advantaged distribution model that cannot be easily replicated. We expect to further extend our competitive advantages by using technology and data to enhance the consumer's experience from visualization to ordering to delivery and installation.

On August 6, 2025, we announced the execution of a definitive agreement whereby the Company will combine with American Woodmark in an all-stock transaction. Merger Sub, a direct wholly owned subsidiary of the Company, will merge with and into American Woodmark, with American Woodmark surviving the merger and continuing as a wholly owned subsidiary of the Company. The closing of the Merger, which is expected to occur in the second calendar quarter of 2026, is subject to the receipt of clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the satisfaction or waiver of other customary closing conditions. Both companies received the necessary shareholder approval at their respective special meetings of shareholders held on October 30, 2025.

In February 2026, we announced plans to implement $30 million of planned cost reductions. The cost reductions, which are primarily in selling, general and administrative expenses, began in the first quarter of 2026, with full realization expected by the end of fiscal 2026. As part of these cost reductions, during the thirteen weeks ended March 29, 2026, the Company implemented a voluntary and involuntary separation program to reduce overall headcount, primarily in our corporate functions. As a result of the workforce reduction, the Company recorded $8.1 million of one-time termination benefit costs for employees who voluntarily and involuntarily terminated their employment with the Company during the quarter.

**Recent Developments**

*Tariffs*

The Company continues to actively monitor recent trade policy and tariff announcements, including the Section 232 tariffs on timber, lumber, and derivative wood products (including kitchen cabinets, vanities and related wood products), effective October 14, 2025. As a result of the Section 232 proceedings, a 10 percent tariff applies to softwood lumber and timber imports, and a 25 percent tariff applies to kitchen cabinets and vanities, although the tariff on cabinets and vanities may increase after January 1, 2027. Increased restrictions on global trade, including an increase in U.S. tariffs and any retaliatory responses thereto, have resulted in and could further result in, among other things, increased input costs, supply chain disruptions, decreased consumer demand and volatility in foreign exchange rates and financial markets. We continue to analyze the impact of these actions and

adjust our mitigation strategy, including pricing, productivity and repositioning our supply chain to offset the impact of the tariff exposure as trade policy evolves. The uncertain and evolving market dynamics and global trade environment could have a material adverse effect on the Company's business, financial condition, and results of operations.

On February 20, 2026, the Supreme Court issued a decision in Learning Resources, Inc. v. Trump and Trump v. V.O.S. Selections, Inc., two appeals concerning tariffs President Trump imposed under the IEEPA. The Supreme Court held that the IEEPA does not give the President authority to impose tariffs. The Supreme Court thus affirmed a lower court decision that invalidated two sets of IEEPA tariffs: one set of tariffs on imports from Canada, Mexico, and the People's Republic of China based on declared emergencies concerning illicit drugs, and another set of tariffs on most other U.S. imports based on a declared emergency concerning the U.S. trade deficit. The Supreme Court ruling did not specifically address refunds.

On March 4, 2026, the CIT ordered the Administration to begin refunding all tariffs imposed under the IEEPA. The Company paid approximately $11.7 million in IEEPA tariffs prior to the Supreme Court decision. No further tariffs under the IEEPA were paid subsequent to the Supreme Court decision. However, the prospective benefit of the elimination of the IEEPA tariffs was approximately offset by the immediate implementation of new tariffs under Section 122 of the Trade Act of 1974. The Company intends to maintain all legal and administrative rights to potential recovery of IEEPA tariffs paid. We are accounting for any such recoveries under the GAAP gain contingency model. No receivable has been recognized as of March 29, 2026 due to uncertainty regarding the realizability of the refund process and administrative approval.

*OBBBA*

On July 4, 2025, the "One Big Beautiful Bill Act" ("OBBBA") was enacted into U.S. law. The OBBBA includes changes to several corporate tax provisions, including tax deductions for qualified research expenditures, U.S. international tax provisions, changes to business interest expense limitations and bonus depreciation. The OBBBA legislation does not materially impact our 2025 or 2026 annual effective tax rates but reduced 2025 cash taxes paid.

*Pillar Two*

In 2024, certain jurisdictions in which we operate enacted, or announced their intention to enact, legislation consistent with one or more Organization for Economic Co-operation and Development Global Anti-Base Erosion Model Rules ("Pillar Two"). The model rules include qualified domestic minimum top-up taxes, income inclusion rules, and undertaxed profit rules all aimed at ensuring that multinationals pay a minimum effective corporate tax rate of 15 percent in each jurisdiction in which they operate, with some rules effective in 2024, 2025 and 2026. The Pillar Two legislation was enacted in certain jurisdictions in which we operate and unfavorably impacts our annual effective tax rate. Further changes to our entity structure, enacted local legislation, or changes in jurisdictions in which we operate could also impact our effective tax rate in fiscal 2026.

**Basis of Presentation**

Our consolidated financial statements are based on a 52- or 53-week fiscal year ending on the last Sunday in December in each calendar year and have been principally derived from the consolidated financial statements of our Company and its consolidated subsidiaries using the historical results of operations, and historical basis of assets and liabilities. Our condensed consolidated financial statements have been prepared in accordance with GAAP.

Unless the context otherwise requires, references to years and quarters contained in this Quarterly Report on Form 10-Q pertain to our fiscal years and fiscal quarters. Additionally, unless the context otherwise requires, references in this Quarterly Report on Form 10-Q to: (1) "2026," or "fiscal 2026" refers to our 2026 fiscal year that is a 52-week period that will end on December 27, 2026; and (2) "2025," or "fiscal 2025" refers to our 2025 fiscal year that was a 52-week period that ended on December 28, 2025. Furthermore, unless the context otherwise requires, references in this Quarterly Report on Form 10-Q to: (1) "the first quarter of 2026" refers to the thirteen week period that ended on March 29, 2026; and (2) "the first quarter of 2025" refers to the thirteen week period that ended on March 30, 2025.

**Results of Operations**

The following discussion of condensed consolidated results of operations refers to the thirteen weeks ended March 29, 2026 compared to the thirteen weeks ended March 30, 2025.

***Thirteen Weeks Ended March 29, 2026 Compared to the Thirteen Weeks Ended March 30, 2025***

| | Thirteen Weeks Ended | | | |
|---|---|---|---|---|
| *(U.S. Dollars presented in millions)* | March 29, 2026 | $ change | % change | March 30, 2025 |
| **NET SALES** | $ 618.0 | $ (42.3) | (6.4) % | $ 660.3 |
| Cost of products sold | 461.4 | 3.3 | 0.7 % | 458.1 |
| **GROSS PROFIT** | 156.6 | (45.6) | (22.6) % | 202.2 |
| Selling, general and administrative expenses | 155.9 | 1.9 | 1.2 % | 154.0 |
| Amortization of intangible assets | 6.4 | — | — % | 6.4 |
| Restructuring charges | 12.8 | 8.1 | n/m[1] | 4.7 |
| **OPERATING (LOSS) INCOME** | (18.5) | (55.6) | n/m[1] | 37.1 |
| Interest expense | 18.4 | (1.0) | (5.2) % | 19.4 |
| Other (income) expense, net | (0.8) | (1.2) | n/m[1] | 0.4 |
| **(LOSS) INCOME BEFORE TAXES** | (36.1) | (53.4) | n/m[1] | 17.3 |
| Income tax (benefit) expense | (20.7) | (24.7) | n/m[1] | 4.0 |
| **NET (LOSS) INCOME** | $ (15.4) | $ (28.7) | n/m[1] | $ 13.3 |

[1] Not meaningful.

***Net sales***

Net sales were $618.0 million for the thirteen weeks ended March 29, 2026 compared to $660.3 million for the thirteen weeks ended March 30, 2025, a decline of $42.3 million, or 6.4 percent. The lower net sales from the thirteen weeks ended March 30, 2025 was driven primarily by lower sales unit volume of $42.0 million and the unfavorable combined net impact of price and mix on our overall average selling price of $1.1 million. Overall end market demand was weaker in the first quarter of 2026 compared to the first quarter of 2025 in the repair and remodel and single-family new construction markets. Foreign currency impact was favorable by $0.8 million during the thirteen weeks ended March 29, 2026 as compared to the thirteen weeks ended March 30, 2025.

Compared to the thirteen weeks ended March 30, 2025, net sales to dealers, whose end customers include builders, professional trades and home remodelers, declined $25.3 million, or 7.2 percent, net sales to retailers, including through their respective retail internet website portals, declined $7.0 million, or 3.1 percent, and net sales directly to builders declined $10.0 million, or 11.9 percent.

***Cost of products sold***

Cost of products sold increased by $3.3 million, or 0.7 percent, to $461.4 million (74.7 percent of net sales) in the thirteen weeks ended March 29, 2026 as compared to $458.1 million (69.4 percent of net sales) in the thirteen weeks ended March 30, 2025. The increase in cost of products sold was driven primarily by the combined net impact of costs and mix of $31.9 million, partially offset by lower sales unit volume of $28.6 million. In the first quarter of 2026, realized savings from various cost reduction actions were more than offset by higher manufacturing costs, including unfavorable fixed cost leverage.

***Selling, general and administrative expenses***

Selling, general and administrative expenses increased by $1.9 million, or 1.2 percent, to $155.9 million (25.2 percent of net sales) in the thirteen weeks ended March 29, 2026 compared to $154.0 million (23.3 percent of net sales) in the thirteen weeks ended March 30, 2025. The increase in the thirteen weeks ended March 29, 2026 is primarily due to increased acquisition-related costs ($4.0 million) and distribution costs ($2.5 million). These increases were partially offset by lower commission costs ($1.3 million), as a result of the decrease in sales unit volume, advertising costs ($0.9 million), professional fees ($0.9 million) and cost savings initiatives ($0.4 million).

***Restructuring charges***

Restructuring charges were $12.8 million in the thirteen weeks ended March 29, 2026, as compared to restructuring charges of $4.7 million in the thirteen weeks ended March 30, 2025. The increase in the thirteen weeks ended March 29, 2026 is primarily due to the implementation of a voluntary and involuntary separation program to reduce overall headcount, primarily in our corporate functions. As a result of the workforce reduction, the Company recorded $8.1 million of one-time termination benefit costs for employees who voluntarily and involuntarily terminated their employment with the Company during the quarter.

***Interest expense***

Interest expense was $18.4 million in the thirteen weeks ended March 29, 2026 as compared to $19.4 million in the thirteen weeks ended March 30, 2025. The decrease in interest expense for the thirteen weeks ended March 29, 2026 is due to the lower average outstanding debt balance as compared to the thirteen weeks ended March 30, 2025.

***Other (income) expense, net***

Other income, net was $0.8 million in the thirteen weeks ended March 29, 2026, an increase of $1.2 million as compared to other expense, net of $0.4 million in the thirteen weeks ended March 30, 2025. This increase was primarily due to higher transactional foreign currency gains in the first quarter of 2026, as compared to the first quarter of 2025, due to fluctuations in exchange rates.

***Income taxes***

Our condensed consolidated income before taxes, income tax expense, and effective tax rate for the thirteen week periods ended March 29, 2026 and March 30, 2025 were as follows:

| | Thirteen Weeks Ended | |
|---|---|---|
| *(U.S. Dollars presented in millions)* | **March 29, 2026** | **March 30, 2025** |
| (Loss) income before taxes | $ (36.1) | $ 17.3 |
| Income tax (benefit) expense | (20.7) | 4.0 |
| Effective tax rate | 57.3 % | 23.1 % |

The effective income tax rates for the thirteen weeks ended March 29, 2026 and March 30, 2025, were 57.3 percent and 23.1 percent, respectively. The net increase in effective tax rate between the periods is primarily due to unfavorable changes in pre-tax income relative to permanent tax adjustments, nondeductible acquisition-related transaction costs, foreign taxes, deferred tax adjustments due to foreign tax election and foreign exclusions, partially offset by lower state and local income taxes and a reduction in valuation allowance.

The difference between our effective income tax rate for the thirteen weeks ended March 29, 2026, and the U.S. statutory rate of 21.0 percent is primarily due to the unfavorable impact of nondeductible compensation, deferred tax adjustments due to foreign tax elections, nondeductible acquisition-related transaction costs and foreign taxes, partially offset by favorable adjustments for foreign exclusions and tax credits.

The difference between our effective income tax rate for the thirteen weeks ended March 30, 2025, and the U.S. statutory rate of 21.0 percent is primarily due to the unfavorable impact of net changes in state and local income taxes, nondeductible compensation, foreign income taxed at higher rates, an increase in the valuation allowance and foreign income inclusions net of foreign tax credits. These were partially offset by benefits for return-to-provision adjustments, the stock compensation windfall benefit for shares which vested, tax credits, and foreign exclusions.

**LIQUIDITY AND CAPITAL RESOURCES**

Our operating income is generated by our subsidiaries. There are generally no restrictions on the ability of our subsidiaries to pay dividends or make other distributions to MasterBrand, other than the fact our subsidiaries have financial obligations that must be satisfied before funding us and such dividends are subject to applicable local law and may be limited due to terms of other contractual arrangements, including our indebtedness. We periodically review our portfolio of brands, manufacturing and supply chain footprint, and evaluate potential strategic transactions to increase shareholder value. However, we cannot predict whether or when we may enter into acquisitions, joint ventures or dispositions, or what impact any such transactions could have on our results of operations, cash flows or financial condition. Our cash flows from operations, borrowing availability and overall liquidity are subject to certain risks and uncertainties, including those described in the section entitled "Risk Factors" within Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 28, 2025.

On November 18, 2022, we entered into a 5-year, $1.25 billion credit agreement, consisting of a $750.0 million term loan and a $500.0 million revolving credit facility. On June 27, 2024, the Company refinanced this debt by completing the Offering of $700.0 million aggregate principal amount of Senior Notes and entered into the 2024 Credit Agreement. The Company used the funds from the refinancing transaction, and cash on-hand, to: (1) refinance the 2022 credit agreement (including repaying all amounts outstanding under the existing term loan, inclusive of accrued and unpaid interest), (2) fund the acquisition of Supreme on July 10, 2024, and (3) to pay all fees and expenses related to the foregoing transactions. In July 2024, upon closing, we funded the acquisition with a combination of cash on hand and $430.0 million of proceeds from the revolving credit facility provided for by the 2024 Credit Agreement.

The Senior Notes will mature on July 15, 2032. Interest on the Senior Notes accrues at a rate of 7.00 percent per annum and is payable semi-annually in arrears on January 15 and July 15, beginning on January 15, 2025.

The revolving credit facility under the 2024 Credit Agreement is not subject to amortization and will mature in June 2029. The 2024 Credit Agreement is secured by certain assets as well as the guarantee of certain of our subsidiaries.

Interest rates on the revolving credit facility are variable based on the SOFR, or, at the Company's option, at a base reference rate equal to the highest of (i) the federal funds rate plus 0.50 percent, (ii) the rate of interest last quoted by the Administrative Agent (as defined in the 2024 Credit Agreement) as its "prime rate" and (iii) the one-month SOFR rate plus 1.00 percent (the "Base Rate"), plus, as applicable, a margin ranging from 1.625 percent to 2.25 percent per annum for SOFR-based loans and ranging from 0.625 percent to 1.25 percent per annum for Base Rate-based loans, in each case, depending on the Company's net leverage ratio. The Company will also pay customary agency fees and a commitment fee based on the daily unused portion of the revolving credit facility ranging from 0.20 percent to 0.30 percent per annum, depending on its net leverage ratio.

The 2024 Credit Agreement contains a financial covenant that does not permit the Company to allow its net leverage ratio to exceed, in the case of any fiscal quarter ending on or following March 30, 2025, 3.25 to 1.00 or, if the Company consummates any material acquisition, then the Company's net leverage ratio shall not exceed 3.75 to 1.00 for the applicable fiscal quarter in which such acquisition is consummated and the three consecutive fiscal quarters thereafter. The Company is also required to maintain a minimum interest coverage ratio of 3.00 to 1.00. The 2024 Credit Agreement also contains customary events of default. The occurrence of an event of default could result in the termination of commitments under the revolving credit facility, the acceleration of all outstanding amounts thereunder and the requirement to cash collateralize outstanding letters of credit.

The Company entered into the Second Amendment of its 2024 Credit Agreement on March 26, 2026, which (i) added a new category of pricing in respect of the margin over the base reference rate as to loans thereunder and (ii) changed the threshold for the net leverage ratio financial covenant and minimum interest coverage ratio financial covenant in the 2024 Credit Agreement until (but excluding) the earlier of (A) January 1, 2027 and (B) the date that MasterBrand's Merger with American Woodmark becomes effective. Under the Second Amendment, the new financial covenant does not permit the Company to allow its net leverage ratio to exceed, (i) 3.75 to 1.00 for the fiscal quarter ending on or about March 31, 2026, (ii) 4.00 to 1.00 for the fiscal quarters ending on or about June 30, 2026 and September 30, 2026 and (iii) 3.75 to 1.00 for the fiscal quarter ending on or about December 31, 2026. The Second Amendment also changed the required minimum interest coverage ratio to 2.75 to 1.00 until the earlier of January 1, 2027 or the effective date of the Merger with American Woodmark. The Company was in compliance with all of its debt covenants as of March 29, 2026.

The Company previously amended its 2024 Credit Agreement on November 3, 2025 to obtain $375.0 million of delayed draw term loan commitments that will be used to repay and terminate American Woodmark's existing indebtedness, the funding of which is dependent on the closing of the Merger. The interest rate of the delayed draw term loans is a variable rate based on the SOFR, plus, a margin depending on the Company's net leverage ratio. The delayed draw term loans will have a maturity coterminous with the revolving credit facility under the 2024 Credit Agreement in June 2029, and the amendment did not result in any material changes to the covenants in place under the 2024 Credit Agreement.

As of March 29, 2026, we had $1,084.9 million outstanding in third-party borrowings, net of deferred financing fees.

***Cash Flows***

Below is a summary of cash flows for the thirteen weeks ended March 29, 2026 and March 30, 2025.

| | Thirteen Weeks Ended | |
|---|---|---|
| *(U.S. Dollars presented in millions)* | **March 29, 2026** | **March 30, 2025** |
| Net cash used in operating activities | $ (133.0) | $ (31.4) |
| Net cash used in investing activities | (13.0) | (9.8) |
| Net cash provided by financing activities | 101.6 | 33.5 |
| Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash | (1.1) | 0.2 |
| Net decrease in cash, cash equivalents and restricted cash | $ (45.5) | $ (7.5) |

Net cash used in operating activities was $133.0 million in the first quarter of 2026 as compared to $31.4 million in the first quarter of 2025. Net loss decreased operating cash flow by $15.4 million in the first quarter of 2026, compared to net income of $13.3 million in the first quarter of 2025. In the first quarter of 2026, accounts receivable increased $67.6 million from the seasonally lower fiscal 2025 ending balance, compared to an increase of $30.0 million in the first quarter of 2025. Improved timing of cash collections resulted in a lower than typical accounts receivable balance at December 28, 2025 that contributed to the higher seasonal growth in the first quarter of 2026. In the first quarter of 2026, inventory increased $2.8 million, as compared to an increase in inventory of $12.2 million in the first quarter of 2025. There was minimal change in inventory in the first quarter of 2026. In the first quarter of 2026, accounts payable decreased $24.6 million compared to a decrease of $0.1 million in the first quarter of 2025. The reduced favorability in accounts payable in the first quarter of 2026 was due to minimal change in inventory. Other current assets negatively impacted cash by $17.2 million in the first quarter of 2026, primarily due to an increase in our federal income tax receivable of $13.2 million due to the current period loss before taxes, as compared to a decrease of $5.9 million in the first quarter of 2025.

Net cash used in investing activities was $13.0 million in the first quarter of 2026, compared to $9.8 million in the first quarter of 2025. The year-over-year increase is due to increased capital expenditures as compared to the prior year.

Net cash provided by financing activities was $101.6 million in the thirteen weeks ended March 29, 2026 as compared to net cash provided by financing activities of $33.5 million in the thirteen weeks ended March 30, 2025. The thirteen weeks ended March 29, 2026 included net borrowings on our revolving credit facility of $110.0 million, while the thirteen weeks ended March 30, 2025 included net borrowings on our revolving credit facility of $50.0 million. The higher net borrowings was driven by the increased cash used in operating activities in the first quarter of 2026. The thirteen weeks ended March 30, 2025 also includes $11.4 million of stock repurchases made under the $50.0 million stock repurchase programs.

We believe that our cash and cash equivalent balances, along with available cash from operating cash flows and credit facilities, will be adequate to fund our typical needs, including working capital requirements and projected capital expenditures, as well as the closing of the Merger. We also believe we have access to additional funds from capital markets to fund strategic initiatives.

**RECENTLY ISSUED ACCOUNTING STANDARDS**

As discussed in Note 2, "Recently Issued Accounting Standards," of our unaudited condensed consolidated financial statements, there are no recently issued accounting pronouncements that we have adopted and which have had a material effect on our results of operations, cash flows or financial condition.

**CRITICAL ACCOUNTING ESTIMATES**

The condensed consolidated financial statements are prepared in accordance with GAAP, which requires us to make certain estimates and assumptions that affect reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. Our critical accounting estimates requiring significant judgement that could materially impact our results of operations, financial position and cash flows are described in Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2025. Since the date of the Company's most recent Annual Report, there have been no material changes in our critical accounting estimates or assumptions.

## Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the information provided in the section entitled "Quantitative and Qualitative Disclosures about Market Risk" in Part II, Item 7A of our Annual Report on Form 10-K for the fiscal year ended December 28, 2025.

## Item 4. CONTROLS AND PROCEDURES

(a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES.

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of March 29, 2026 (the "Evaluation Date"), have concluded that as of the Evaluation Date our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports we file or submit under the Exchange Act (1) is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and (2) is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

(b) CHANGES IN INTERNAL CONTROL.

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended March 29, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## Part II - OTHER INFORMATION

### Item 1. LEGAL PROCEEDINGS

We are defendants in lawsuits that are ordinary routine litigation matters incidental to our business and operations. In addition, other matters, including tax assessments, audits, claims and governmental investigations and proceedings covering a wide range of matters are pending against us. It is not possible to predict the outcome of the pending actions, and, as with any such matters, it is possible that these actions could be decided unfavorably to us. We believe that there are meritorious defenses to these actions and that these actions will not have a material adverse effect on our results of operations, cash flows or financial condition, and, where appropriate, these actions are being vigorously contested. Accordingly, we believe the likelihood of material loss is remote. However, such matters are subject to inherent uncertainties and unfavorable rulings or other events could occur. The Company regularly undergoes tax audits in various jurisdictions in which our products are sold or manufactured. In the future, such costs or an unfavorable outcome could have a material impact on our consolidated results of operations, cash flows and financial condition. Based on available information to date and subject to below, we do not consider any such action, assessment, claim, investigation or proceeding to be material, within the meaning of that term as used in "Item 103 of Regulation S-K" and the instructions thereto.

Following an audit for the 2018 tax year, the Mexican tax administration service, the Servicio de Administración Tributaria, (the "SAT"), issued a tax assessment in the amount of 944.8 million Mexican pesos (approximately $52.1 million U.S. dollars as of March 29, 2026) to our subsidiary, Woodcrafters Home Products, S. de R.L. de C.V., for allegedly failing to make certain tax payments and to export timely certain merchandise. The Company disputed these findings, and the SAT annulled their decision on January 11, 2024. In order to prevent the 2018 tax year from further audit by the SAT, the Company has filed an action to declare this annulment final in the specialized court of trade and customs in Monterrey, Nuevo Leon, Sala Especializada en Materia de Comercio Exterior y Auxiliar – Noreste, Tribunal Federal de Justicia Administrativa. We reserved an immaterial amount related to the 2018 tax year audit as our best estimate of our probable liability as of March 29, 2026 and December 28, 2025. While we cannot predict with certainty the outcome of any future review relating to the 2018 tax year or other open tax years, based on currently known information, we believe our risk of additional loss is remote and not estimable.

For additional information regarding our legal proceedings, refer to Note 14, "Contingencies and Accrued Losses," included in this Quarterly Report on 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 for the fiscal year ended December 28, 2025 in the section entitled "Risk Factors" within Part I, Item 1A, other than those noted below:

**We have undertaken, and may in the future undertake, restructuring activities that could result in disruptions or otherwise adversely affect our business.**

We have in the past and may in the future undertake internal restructuring activities in an effort to better align our resources with our business strategy. For example, in the first quarter of 2026, we implemented a voluntary and involuntary separation program with an associated reduction in workforce. These types of restructuring and cost reduction activities are complex and may result in unintended consequences and costs, such as unforeseen delays in the implementation of our strategic initiatives, business and operational disruptions, loss of institutional knowledge and expertise, attrition beyond our intended reduction-in-force, or a negative impact on employee morale and productivity or our ability to attract highly-skilled employees. We may not achieve or sustain the anticipated benefits, including any anticipated savings, of these restructuring or cost-reduction activities. Further, restructuring efforts are inherently risky, and we may not be able to predict the cost and timing of such actions accurately or properly estimate their impact.

**Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**Item 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**Item 4. MINE SAFETY DISCLOSURES**

None.

**Item 5. OTHER INFORMATION**

**Rule 10b5-1 Trading Plans**

During the fiscal quarter ended March 29, 2026, none of the Company's directors or executive officers adopted, modified or terminated any "Rule 10b5-1 trading arrangement or "non-Rule 10b5-1 trading arrangement" as defined under Item 408 of Regulation S-K.

**Item 6. EXHIBITS**

| Exhibit Number | Description | Incorporated by reference herein | |
|---|---|---|---|
| | | Form | Date |
| 3.1 | Corrected and Amended and Restated Certificate of Incorporation of MasterBrand, Inc., effective August 7, 2023 | Current Report on Form 10-Q (File No. 001-41545) | August 9, 2023 |
| 3.2 | Amended and Restated Bylaws of MasterBrand, Inc., effective June 4, 2025 | Current Report on Form 8-K (File No. 001-41545) | June 4, 2025 |
| 10.1 | Second Amendment to Amended and Restated Credit Agreement, dated as of March 26, 2026, among MasterBrand, Inc., a Delaware corporation, each other loan party, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent. | Current Report on Form 8-K (File No. 001-41545) | March 26, 2026 |
| 31.1* | Certification of principal executive officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 | | |
| 31.2* | Certification of principal financial officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 | | |
| 32.1* | Certification of principal executive officer, as required by Section 906 of the Sarbanes-Oxley Act of 2002 | | |
| 32.2* | Certification of principal financial officer, as required by Section 906 of the Sarbanes-Oxley Act of 2002 | | |
| 101* | The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 2026 formatted in Inline eXtensible Business Reporting Language (iXBRL): (i) the Cover Page, (ii) the Condensed Consolidated Statements of (Loss) Income, (iii) the Condensed Consolidated Statements of Comprehensive (Loss) Income, (iv) the Condensed Consolidated Balance Sheets, (v) the Condensed Consolidated Statements of Cash Flows, (vi) the Condensed Consolidated Statements of Equity, and (vii) the Notes to the Condensed Consolidated Financial Statements | | |
| 104* | Cover Page Interactive Data File (embedded within the iXBRL document) | | |

* Filed or furnished herewith.

## SIGNATURES

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

Date: May 6, 2026

**MasterBrand, Inc.**
(Registrant)

By: /s/ R. David Banyard, Jr.
Name: R. David Banyard, Jr.
Title: President and Chief Executive Officer

By: /s/ Andrea H. Simon
Name: Andrea H. Simon
Title: Executive Vice President and Chief Financial Officer