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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 29, 2024

OR

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

For the transition period from _________ to _________

Commission file number 001-40456

JANUS INTERNATIONAL GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	**86-1476200**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
135 Janus International Blvd. Temple, GA	**30179**
(Address of Principal Executive Offices)	(Zip Code)

(866) 562-2580
(Registrant's telephone number, including area code)

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

Title of Each Class:	Trading Symbol(s)	Name of Each Exchange on Which Registered:
Common Stock, par value $0.0001 per share	**JBI**	**New York Stock Exchange**

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post 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 ☒

As of August 2, 2024, 145,322,228 shares of the Registrant's common stock were outstanding.

JANUS INTERNATIONAL GROUP, INC.
Quarterly Report on Form 10-Q
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this Quarterly Report on Form 10-Q (this “Form 10-Q”) that reflect our current views with respect to future events and financial performance, business strategies, expectations for our business and any other statements of a future or forward-looking nature, constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

These forward-looking statements include, but are not limited to, statements about our financial condition, results of operations, earnings outlook and prospects or regarding our or our management’s expectations, beliefs, intentions or strategies regarding the future, including our expectations regarding our revenues, cost of revenues, operating expenses, other operating results, and other key metrics, and our ability to meet previously announced earnings guidance with respect to the Company and/or its individual segments. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those contemplated in the forward-looking statements, including, without limitation, the risks set forth in Part II, Item 1A, “Risk Factors” in this Form 10-Q and in our other filings with the Securities and Exchange Commission (the “SEC”). We do not assume any obligation to update any forward-looking statements after the date of this Report, except as required by law.

In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements are typically identified by words such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict,” “should,” “would”, and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained in this Form 10-Q are based on our current expectations and beliefs concerning future developments and their potential effects on us. We cannot assure you that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Some factors that could cause actual results to differ include, but are not limited to:

- changes adversely affecting the business in which we are engaged;
- geopolitical risks and changes in applicable laws or regulations;
- the possibility that Janus may be adversely affected by other economic, business, and/or competitive factors;
- operational risk;
- any failure to effectively manage, and receive anticipated returns from, acquisitions, divestitures, investments, joint ventures and other portfolio actions;
- fluctuations in the demand for our products and services;
- the impact of supply chain disruptions and inflation and our ability to recoup rising costs in the rates we charge to our customers;
- the possibility that our long-lived assets and other assets, including inventory, property, plant, and equipment, intangibles, and investments in unconsolidated affiliates may become impaired;
- our ability to maintain the listing of our securities on a national securities exchange;
- the possibility of significant changes in foreign exchange rates and controls;
- litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on Janus’s resources;
- general economic conditions, including the capital and credit markets, and adverse macroeconomic conditions, including unemployment, inflation, rising interest rates, changes in consumer practices due to slower economic growth, and regional or global liquidity constraints;
- the possibility of political instability, war or acts of terrorism in any of the countries where we operate; and
- other risks detailed from time to time in our filings with the SEC, press releases, and other communications, including those set forth under “Risk Factors” included in our 2023 Annual Report on Form 10-K for the year ended December 30, 2023, and in the documents incorporated by reference herein and therein.

All subsequent written and oral forward-looking statements concerning the matters addressed in this Form 10-Q and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Form 10-Q. Except to the extent required by applicable law or regulation we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this Form 10-Q or to reflect the occurrence of unanticipated events.

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements

Janus International Group, Inc.

Condensed Consolidated Balance Sheets

(dollar amounts in millions, except share and per share data - Unaudited)

	June 29, 2024	December 30, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 110.1	$ 171.7
Accounts receivable, less allowance for credit losses of $4.0 and $3.6, at June 29, 2024 and December 30, 2023, respectively	178.8	174.1
Contract assets	32.7	49.7
Inventories	50.8	48.4
Prepaid expenses	8.8	8.4
Other current assets	24.9	10.8
Total current assets	**$ 406.1**	**$ 463.1**
Property, plant and equipment, net	57.6	52.4
Right-of-use assets, net	52.5	50.9
Intangible assets, net	401.2	375.3
Goodwill	384.3	368.6
Deferred tax asset, net	31.1	36.8
Other assets	2.6	2.9
Total assets	**$ 1,335.4**	**$ 1,350.0**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 57.8	$ 59.8
Contract liabilities	25.5	26.7
Current maturities of long-term debt	7.3	7.3
Accrued expenses and other current liabilities	53.5	80.3
Total current liabilities	**$ 144.1**	**$ 174.1**
Long-term debt, net	585.8	607.7
Deferred tax liability, net	1.7	1.7
Other long-term liabilities	47.5	46.9
Total liabilities	**$ 779.1**	**$ 830.4**
STOCKHOLDERS' EQUITY		
Common stock, 825,000,000 shares authorized, $0.0001 par value, 147,194,938 and 146,861,489 shares issued at June 29, 2024 and December 30, 2023, respectively	$ —	$ —
Treasury stock, at cost, 1,886,228 and 34,297 shares as of June 29, 2024 and December 30, 2023, respectively	(26.9)	(0.4)
Additional paid-in capital	294.3	289.0
Accumulated other comprehensive loss	(3.3)	(2.9)
Retained earnings	292.2	233.9
Total stockholders' equity	**$ 556.3**	**$ 519.6**
Total liabilities and stockholders' equity	**$ 1,335.4**	**$ 1,350.0**

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements

Janus International Group, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Income

(dollar amounts in millions, except share and per share data - Unaudited)

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
REVENUES				
Product revenues	$ 205.8	$ 232.8	$ 420.9	$ 448.2
Service revenues	42.6	37.8	82.0	74.3
Total Revenues	**$ 248.4**	**$ 270.6**	**$ 502.9**	**$ 522.5**
Product cost of revenues	115.1	126.3	229.8	250.7
Service cost of revenues	24.3	28.0	53.7	55.6
Cost of Revenues	**$ 139.4**	**$ 154.3**	**$ 283.5**	**$ 306.3**
GROSS PROFIT	**$ 109.0**	**$ 116.3**	**$ 219.4**	**$ 216.2**
OPERATING EXPENSES				
Selling and marketing	17.1	16.7	34.7	31.5
General and administrative	40.3	35.3	77.6	69.4
Operating Expenses	**$ 57.4**	**$ 52.0**	**$ 112.3**	**$ 100.9**
INCOME FROM OPERATIONS	**$ 51.6**	**$ 64.3**	**$ 107.1**	**$ 115.3**
Interest expense, net	(13.0)	(14.8)	(27.3)	(30.8)
Loss on extinguishment and modification of debt	(1.7)	—	(1.7)	—
Other income (expense)	0.2	(0.1)	0.2	(0.1)
INCOME BEFORE TAXES	**$ 37.1**	**$ 49.4**	**$ 78.3**	**$ 84.4**
Provision for Income Taxes	9.5	12.4	20.0	21.4
NET INCOME	**$ 27.6**	**$ 37.0**	**$ 58.3**	**$ 63.0**
Other Comprehensive Income (Loss)	$ 0.2	$ 0.6	$ (0.4)	$ 1.3
COMPREHENSIVE INCOME	**$ 27.8**	**$ 37.6**	**$ 57.9**	**$ 64.3**
Weighted-average shares outstanding, basic and diluted (Note 14)				
Basic	145,857,673	146,765,631	146,230,907	146,734,762
Diluted	146,435,123	146,772,157	146,740,667	146,762,029
Net income per share, basic and diluted (Note 14)				
Basic	$ 0.19	$ 0.25	$ 0.40	$ 0.43
Diluted	$ 0.19	$ 0.25	$ 0.40	$ 0.43

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements

Janus International Group, Inc.

Condensed Consolidated Statements of Changes in Stockholders' Equity

(dollar amounts in millions, except share data - Unaudited)

	Class A Preferred Units (1,000,000 shares authorized par value of .0001)		Common Stock		Treasury Stock		Additional paid-in capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2022	—	$ —	146,703,894	$ —	—	$ —	$ 281.9	$ (4.8)	$ 98.2	$ 375.3
Issuance of restricted units	—	—	58,790	—	—	—	—	—	—	—
Shares withheld for taxes upon vesting of restricted units	—	—	(18,520)	—	18,520	(0.2)	—	—	—	(0.2)
Share-based compensation	—	—	—	—	—	—	1.8	—	—	1.8
Foreign currency translation adjustment	—	—	—	—	—	—	—	0.7	—	0.7
Net income	—	—	—	—	—	—	—	—	26.0	26.0
Balance as of April 1, 2023	—	$ —	146,744,164	$ —	18,520	$ (0.2)	$ 283.7	$ (4.1)	$ 124.2	$ 403.6
Issuance of restricted units	—	—	81,448	—	—	—	—	—	—	—
Shares withheld for taxes upon vesting of restricted units	—	—	(118)	—	118	—	—	—	—	—
Share-based compensation	—	—	—	—	—	—	1.8	—	—	1.8
Foreign currency translation adjustment	—	—	—	—	—	—	—	0.6	—	0.6
Net income	—	—	—	—	—	—	—	—	37.0	37.0
Balance as of July 1, 2023	—	$ —	146,825,494	$ —	18,638	$ (0.2)	$ 285.5	$ (3.5)	$ 161.2	$ 443.0

Janus International Group, Inc.

Condensed Consolidated Statements of Changes in Stockholders' Equity

(dollar amounts in millions, except share data - Unaudited)

	Class A Preferred Units (1,000,000 shares authorized par value of .0001)		Common Stock		Treasury Stock		Additional paid-in capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 30, 2023	**—**	**$ —**	**146,861,489**	**$ —**	**34,297**	**$ (0.4)**	**$ 289.0**	**$ (2.9)**	**$ 233.9**	**$ 519.6**
Repurchase of common shares	—	—	(1,019,889)	—	1,019,889	(15.3)	—	—	—	(15.3)
Issuance of restricted units	—	—	163,309	—	—	—	—	—	—	—
Shares withheld for taxes upon vesting of restricted units	—	—	(57,696)	—	57,696	(0.9)	—	—	—	(0.9)
Share-based compensation	—	—	—	—	—	—	1.9	—	—	1.9
Foreign currency translation adjustment	—	—	—	—	—	—	—	(0.6)	—	(0.6)
Net income	—	—	—	—	—	—	—	—	30.7	30.7
Balance as of March 30, 2024	**—**	**$ —**	**145,947,213**	**$ —**	**1,111,882**	**$ (16.6)**	**$ 290.9**	**$ (3.5)**	**$ 264.6**	**$ 535.4**
Repurchase of common shares	—	—	(753,667)	—	753,667	(10.1)	—	—	—	(10.1)
Issuance of restricted units	—	—	133,774	—	—	—	—	—	—	—
Issuance of common stock on exercise of stock options			2,069	—	—	—	—	—	—	—
Shares withheld for taxes upon vesting of restricted units	—	—	(20,679)	—	20,679	(0.2)	—	—	—	(0.2)
Share-based compensation	—	—	—	—	—	—	3.4	—	—	3.4
Foreign currency translation adjustment	—	—	—	—	—	—	—	0.2	—	0.2
Net income	—	—	—	—	—	—	—	—	27.6	27.6
Balance as of June 29, 2024	**—**	**$ —**	**145,308,710**	**$ —**	**1,886,228**	**$ (26.9)**	**$ 294.3**	**$ (3.3)**	**$ 292.2**	**$ 556.3**

Total shares issued are the aggregate of Common Stock outstanding and Treasury Shares.

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements

Janus International Group, Inc.

Condensed Consolidated Statements of Cash Flows

(dollar amounts in millions - Unaudited)

	Six Months Ended	
	June 29, 2024	**July 1, 2023**
Cash Flows Provided By Operating Activities		
Net Income	$ 58.3	$ 63.0
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation of property, plant and equipment	5.9	4.4
Noncash lease expense	3.6	3.0
Provision for inventory obsolescence	—	(0.8)
Amortization of intangibles	15.5	14.8
Deferred income taxes	5.7	—
Deferred finance fee amortization	1.4	2.2
Provision for losses on accounts receivable	0.5	0.8
Share-based compensation	5.3	3.6
Loss on equity investment	—	0.1
Changes in operating assets and liabilities, excluding effects of acquisition		
Accounts receivable	(2.7)	(0.9)
Contract assets	16.9	(10.8)
Prepaid expenses and other current assets	(13.7)	8.4
Inventories	(2.2)	9.1
Other assets	0.1	2.0
Accounts payable	(2.8)	3.2
Contract liabilities	(1.6)	(2.9)
Accrued expenses and other current liabilities	(27.4)	2.0
Other long-term liabilities	(3.2)	(4.6)
Net Cash Provided By Operating Activities	**$ 59.6**	**$ 96.6**
Cash Flows Used In Investing Activities		
Purchases of property, plant, and equipment	$ (10.3)	$ (9.6)
Cash paid for acquisitions, net of cash acquired	(60.1)	(1.0)
Net Cash Used In Investing Activities	**$ (70.4)**	**$ (10.6)**
Cash Flows Used In Financing Activities		
Principal payments on long-term debt	$ (23.4)	$ (54.0)
Principal payments under finance lease obligations	(1.0)	(0.3)
Payments for deferred financing fees	(0.2)	—
Cash paid for common shares withheld for taxes	(0.9)	—
Repurchase of common shares	(25.2)	—
Net Cash Used In Financing Activities	**$ (50.7)**	**$ (54.3)**
Effect of exchange rate changes on cash	$ (0.1)	$ 0.6
Net (Decrease) Increase in Cash	**$ (61.6)**	**$ 32.3**
Cash, Beginning of Period	**$ 171.7**	**$ 78.4**
Cash, End of Period	**$ 110.1**	**$ 110.7**
Supplemental Cash Flows Information		
Interest paid	$ 39.0	$ 28.4
Income taxes paid	$ 24.3	$ 11.2
Cash paid for operating leases included in operating activities	$ 4.3	$ 4.1
Non-cash Investing and Financing Activities:		
Right-of-use assets obtained in exchange for operating lease obligations	$ 4.2	$ —
Right-of-use assets obtained in exchange for finance lease obligations	$ 1.4	$ 2.1
RSU shares withheld included in accrued employee taxes	$ 0.2	$ 0.2
Excise taxes from common share repurchase included in accrued expenses	$ 0.3	$ —
Capital expenditures in accounts payable	$ 0.6	$ —

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements

1. Nature of Operations

Janus International Group, Inc. is a holding company incorporated in Delaware. References to “Janus,” “Group,” “Company,” “we,” “our” or “us” refer to Janus International Group, Inc. and its consolidated subsidiaries. The Company is a global manufacturer, supplier, and provider of turn-key self-storage, commercial, and industrial building solutions. The Company provides roll up and swing doors, hallway systems, and relocatable storage “MASS” (Moveable Additional Storage Structures) units, among other solutions, and works with its customers throughout every phase of a project by providing solutions including facility planning and design, construction, technology, and the restoration, rebuilding, and replacement (“R3”) of self-storage facilities. Additionally, the Company provides facility and door automation and access control technologies.

The Company is headquartered in Temple, GA with operations in the United States of America (“United States”) (“U.S.”), United Kingdom (“U.K.”), Australia, France, Canada, and Poland. The Company provides products and services through its two operating and reportable segments which are based on the geographic region of its operations: (i) Janus North America and (ii) Janus International. The Janus International segment is comprised of Janus International Europe Holdings Ltd. (U.K.) (“JIE”), whose production and sales are largely in Europe and Australia. The Janus North America segment is comprised of all the other entities including Janus Core together with each of its operating subsidiaries, Betco, Inc. (“BETCO”), Nokē, Inc. (“NOKE”), Asta Industries, Inc. (“ASTA”), Access Control Technologies, LLC (“ACT”), U.S. Door & Building Components, LLC (“U.S. Door”), Janus Door, LLC (“Janus Door”) Steel Door Depot.com, LLC (“Steel Door Depot”), Janus International Canada, Ltd. (“Janus Canada”), and Terminal Door, LLC (“Terminal Door”). The Company’s common stock is currently traded on the New York Stock Exchange under the symbol “JBI”.

The dollar amounts in the notes are shown in millions of dollars and rounded to the nearest million, unless otherwise noted, except for share and per share amounts.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and pursuant to the applicable rules and regulations of the SEC. In the opinion of the Company’s management, the Unaudited Condensed Consolidated Financial Statements include all adjustments necessary for the fair presentation of the Company’s balance sheet as of June 29, 2024, and its results of operations, including its comprehensive income and stockholders’ equity for the three and six month periods ended June 29, 2024 and July 1, 2023. The year-end condensed consolidated balance sheet data was derived from audited financial statements, but may not include all disclosures required by U.S. GAAP. This Quarterly Report on Form 10-Q should be read in conjunction with the Audited Consolidated Financial Statements and notes that are included in the Annual Report on Form 10-K, for the year ended December 30, 2023.

Principles of Consolidation

The Unaudited Condensed Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries. The Company’s joint venture is accounted for under the equity method of accounting. All significant intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications and Adjustments

Certain items have been reclassified in the prior year financial statements to conform to the presentation and classifications used in the current year. These reclassifications had no effect on our previously reported results of operations or retained earnings.

In addition, the Company recorded a $2.5 out of period adjustment as a reduction in service cost of revenues with an offset to accounts payable, to adjust estimated contract costs to actual costs incurred on installation projects which were completed during the years 2017 to 2023.

Use of Estimates in the Consolidated Financial Statements

The preparation of Unaudited Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Items subject to such estimates and assumptions include, but are not limited to, income taxes and the effective tax rates, inventory basis adjustments, the fair value of assets and liabilities related to acquisitions, the recognition and valuation of unit-based compensation arrangements, the useful lives of property and equipment, the commencement date of leases, the incremental borrowing rate used to calculate lease liabilities, estimated progress toward completion for certain revenue contracts, allowance for credit losses, fair values and impairment of intangible assets and goodwill, and assumptions used in the accounting for business combinations.

Fair Value Measurement

The Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. A three-tiered hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value. This hierarchy requires that the Company use observable market data, when available, and minimize the use of unobservable inputs when determining fair value:

- Level 1, observable inputs such as quoted prices in active markets;
- Level 2, inputs other than the quoted prices in active markets that are observable either directly or indirectly;
- Level 3, unobservable inputs in which there is little or no market data, which requires that the Company develop its own assumptions.

The fair value of cash and cash equivalents, accounts receivable less allowance for credit losses, and accounts payable approximate the carrying amounts due to the short-term maturities of these instruments. The fair value of the Company’s debt is estimated using fair value based risk measurements that are indirectly observable, such as credit risk that fall within Level 2 of the Fair Value hierarchy. The Company’s debt approximates its carrying amount as of June 29, 2024 and December 30, 2023 due to its variable interest rate that is tied to the current Secured Overnight Financing Rate (“SOFR”) rate plus an applicable margin (see Notes 8 and 9 to our Unaudited Condensed Consolidated Financial Statements in this Form 10-Q for a further discussion of the Company’s debt). The Company also has investments in U.S. Treasury bills, which are classified as Level 1, short term investments due to the short-term nature of these instruments.

Significant Accounting Policies

The Company’s significant accounting policies have not changed materially from those described in its Annual Report on Form 10-K for the fiscal year ended December 30, 2023.

Cash and Cash Equivalents

Cash and Cash Equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash and have maturities of three months or less from the date of purchase. The Company has short-term, highly liquid investments classified as cash equivalents, which are invested in U.S. Treasury bills. Interest income on U.S. Treasury bills are offset against Interest expense on the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income. Interest income was $0.4 for the three and six month periods ended June 29, 2024.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable primarily arise from the sale of products and services to established customers. Accounts receivable are recorded at the invoiced amount and do not bear interest. Additionally, accounts receivable are stated at estimated net realizable value, net of allowance for credit losses which is based on the Company’s assessment of the collectability of customer accounts.

The Company estimates the allowance for credit losses using the loss-rate method. As the Company determined that its customers at various business units and sales channels share similar risk characteristics, the same loss rate is applied to all accounts receivable. The Company estimates the allowance for credit losses by considering various factors such as historical write-offs, changes in customers’ credit ratings, delinquency, payment history, the age of the accounts receivable balances, and current and expected economic conditions that may affect a customer’s ability to pay. Account balances are charged off against the allowance when it is determined that internal collection efforts should no longer be pursued.

The activity for the allowance for credit losses during the six month periods ended June 29, 2024 and July 1, 2023, is as follows:

Balance at December 30, 2023	$	3.6
Write-offs		(0.1)
Provision for expected credit losses, net		0.5
Balance at June 29, 2024	**$**	**4.0**

Balance at December 31, 2022	$	4.6
Write-offs		—
Provision for expected credit losses, net		0.8
Balance at July 1, 2023	**$**	**5.4**

Product Warranties

The Company records a liability for product warranties at the time of the related sale of goods. The liability is estimated using historical warranty experience, projected claim rates and expected costs per claim. The Company adjusts its liability for specific warranty matters when they become known and the exposure can be estimated. Product failure rates as well as material usage and labor costs incurred in correcting a product failure affect the Company's warranty liabilities. If actual costs differ from estimated costs, the Company must make a revision to the warranty liability. Generally, the Company offers warranties ranging between one and three years for our products with the exception of warranties for roofing at one of our business units, where we offer warranties of up to 10 years.

The activity related to product warranty liabilities recorded in Accrued expenses and other current liabilities during the six month periods ended June 29, 2024 and July 1, 2023, is as follows:

Balance at December 30, 2023	$	2.3
Aggregate changes in the product warranty liability		0.1
Balance at June 29, 2024	**$**	**2.4**

Balance at December 31, 2022	$	0.9
Aggregate changes in the product warranty liability		0.6
Balance at July 1, 2023	**$**	**1.5**

Treasury Stock

We account for treasury stock under the cost method pursuant to the provisions of ASC 505-30, Treasury Stock. Under the cost method, the gross cost of the shares reacquired is charged to a contra equity account, treasury stock. The equity accounts that were originally credited for the original share issuance, common stock and additional paid-in capital, remain intact.

If the treasury shares are ever reissued in the future at a price higher than its cost, the difference will be recorded as a component of additional paid-in capital in our Unaudited Condensed Consolidated Balance Sheets. When treasury stock is re-issued at a price lower than its cost, the difference will be recorded as a component of additional paid-in capital to the extent that there are previously recorded gains to offset the losses. If there are no treasury stock gains in additional paid-in capital, the losses upon re-issuance of treasury stock are recorded as a reduction of retained earnings in our Unaudited Condensed Consolidated Balance Sheets. If treasury stock is reissued in the future, a cost flow assumption will be adopted to compute excesses and deficiencies upon subsequent share re-issuance.

Concentrations of Risk

Financial instruments that are potentially subject to concentration of credit risk consist primarily of cash and accounts receivable. The Company maintains cash in bank deposit accounts that, at times, may exceed the insured limits of the local country. The Company has not experienced any losses in such accounts. The Company sells its products and services mainly in the United States and European regions. The Company performs ongoing evaluations of its customers' financial condition and limits the amount of credit extended when deemed necessary. The Company generally does not require its customers to provide collateral or other security to support accounts receivable. As of June 29, 2024, no customer accounted for more than 10% of the accounts receivable balance or more than 10% of revenues. For the three month period ended June 29, 2024, the Company had one vendor that accounted for 15% of all raw material and finished goods purchases. This vendor provides raw-materials to the Company which can be replaced by alternative vendors should the need arise.

Segments

The Company manages its operations through two operating and reportable segments: Janus North America and Janus International. These segments align the Company's products and service offerings based on the geographic location between North America and International locations, which is consistent with how the Company's Chief Operating Decision Maker ("CODM") reviews and evaluates the Company's operations. The CODM allocates resources and evaluates the financial performance of each operating segment. The Company's segments are strategic businesses that are managed separately because each one develops, manufactures and markets distinct products and services. Refer to Note 16, Segments Information, for further detail.

Recently Adopted Accounting Pronouncements

On January 1, 2023, the Company adopted ASU 2021-08, Business Combinations (Topic 805) Accounting for Contract Assets and Contract Liabilities from Contracts with Customers ("ASU 2021-08"), which amends ASC 805, Business Combinations (Topic 805), to add contract assets and contract liabilities to the list of exceptions to the recognition and measurement principles that apply to business combinations and to require that an acquiring entity recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606, Revenue from Contracts with Customers (Topic 606) ("ASC 606"). Janus will be applying the pronouncement prospectively to business combinations occurring on or after the adoption date.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting and subsequent amendment to the initial guidance, ASU 2021-01, Reference Rate Reform (Topic 848): Scope (collectively, "Topic 848"). Topic 848 provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848. ASU 2022-06 defers the sunset date of Topic 848 from December 31, 2022, to December 31, 2024. Effective April 2, 2023, the Company transitioned its credit agreements from LIBOR to the SOFR. The Company adopted this guidance prospectively on April 2, 2023, and the adoption did not have a material impact on the Consolidated Condensed Financial Statements.

Recently Issued Accounting Pronouncements

On August 23, 2023, the FASB issued ASU 2023-05, Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement, under which an entity that qualifies as either a joint venture or a corporate joint venture as defined in the FASB ASC master glossary is required to apply a new basis of accounting upon the formation of the joint venture. Specifically, the ASU provides that a joint venture or a corporate joint venture (collectively, "joint ventures") must initially measure its assets and liabilities at fair value on the formation date. The amendments are effective for all joint venture formations with a formation date on or after January 1, 2025. Early adoption and retrospective application of the amendments are permitted. The Company does not believe this will have a material impact on the Company's consolidated financial position or results of operations.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which expands disclosures about a public entity's reportable segments and requires more enhanced information about a reportable segment's expenses, interim segment profit or loss, and how a public entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. The update will be effective for annual periods beginning after December 15, 2023. We are assessing the effect of this update on our Consolidated Condensed Financial Statements and believe the adoption of this standard could add material additional segment disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which expands disclosures in a public entity's income tax rate reconciliation table and other disclosures regarding cash taxes paid both in the U.S. and foreign jurisdictions. The update will be effective for annual periods beginning after December 15, 2024. We are assessing the effect of this update on our Consolidated Consolidated Financial Statements and related disclosures.

Although there are several other new accounting pronouncements issued or proposed by the FASB, which have been adopted or will be adopted as applicable, management does not believe any of these accounting pronouncements has had or will have a material impact on the Company's consolidated financial position or results of operations.

3. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using actual costs or standard costs (that approximate actual cost) determined on a first-in, first-out basis or average cost. Labor and overhead costs associated with inventory produced by the Company are capitalized into inventories. The major components of inventories as of June 29, 2024 and December 30, 2023 are as follows:

	June 29, 2024	December 30, 2023
Raw materials	$ 37.0	$ 31.0
Work-in-process	0.4	1.4
Finished goods	13.4	16.0
Inventories	**$ 50.8**	**$ 48.4**

4. Property, Plant, and Equipment

Property, plant, and equipment as of June 29, 2024 and December 30, 2023 are as follows:

	Useful Life	June 29, 2024	December 30, 2023
Land	Indefinite	$ 4.5	$ 4.5
Building	39 years	2.4	2.5
Manufacturing machinery and equipment	3-7 years	48.3	43.5
Leasehold improvements	Over the shorter of the lease term or respective useful life	12.3	11.4
Computer and software	3 years	16.2	14.5
Furniture and fixtures, and vehicles	3-7 years	6.0	4.9
Construction in progress	—	8.5	6.2
		$ 98.2	$ 87.5
Less: accumulated depreciation		(40.6)	(35.1)
		$ 57.6	**$ 52.4**

Depreciation expense included in cost of revenues, was approximately $1.9 and $1.7 for the three month periods ended June 29, 2024 and July 1, 2023, respectively, and $3.8 and $3.3 for the six month periods ended June 29, 2024 and July 1, 2023, respectively. Depreciation expense included in operating expenses was $1.1 and $0.5 for the three month periods ended June 29, 2024 and July 1, 2023, respectively and $2.1 and $1.1 for the six month periods ended June 29, 2024 and July 1, 2023, respectively.

5. Business Combination

Terminal Door Asset Acquisition

On May 17, 2024, the Company, through its wholly owned subsidiary Terminal Door, LLC, acquired 100% of the business operations (the “T.M.C. Acquisition”) of Smith T.M.C., Inc., a Georgia corporation, Jerry O. Smith Company, LLC, a Georgia limited liability company, and J.O.S. Realty, Inc., a Georgia corporation (collectively, the “T.M.C. Sellers”). Pursuant to the asset purchase agreement for such acquisition, Terminal Door acquired substantially all assets of the T.M.C. Sellers related to the business of trucking terminal renovation, construction, remodeling, and maintenance. The Company accounted for this acquisition as a business combination.

For the three months ended June 29, 2024, the Company incurred approximately $0.8 of third-party acquisition costs in connection with the T.M.C. Acquisition. These expenses are included in general and administrative expense in the accompanying Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income.

The Company is continuing its review of the fair value estimates for certain assets acquired in connection with the T.M.C. Acquisition, including intangible assets, and liabilities assumed. The final determination of the purchase price is pending calculations of working capital and other adjustments, and as such, the Company has not yet finalized its allocation of the purchase price.

The following tables summarize the fair value of consideration transferred and the recognized amount of identified assets acquired, and liabilities assumed at the date of acquisition:

Segment		**North America**
Consideration transferred		
Cash paid	$	60.1
Less: estimated net working capital receivable		(0.7)
Total purchase consideration	**$**	**59.4**
Recognized amounts of identifiable assets acquired and liabilities assumed		
Accounts receivable		2.5
Inventory		0.2
Property and equipment		0.4
Identifiable intangible assets		41.5
Recognized amounts of identifiable liabilities assumed		
Accounts payable		(0.4)
Contract liabilities		(0.5)
Total identifiable net assets	**$**	**43.7**
Goodwill		**15.7**
Total net assets acquired	**$**	**59.4**

The Company recognized goodwill related to the T.M.C. Acquisition of $ 15.7. The goodwill recognized in this acquisition was attributable to the acquired assembled workforce, expected synergies and economies of scale, none of which qualify for recognition as a separate intangible asset. The goodwill is expected to be deductible for tax purposes.

The following table sets forth the components of identifiable intangible assets acquired as of the date of the T.M.C. Acquisition, and the related weighted average amortization period:

		Fair Value	**Weighted-Average Amortization Period (years)**
Customer Relationships	$	37.2	15
Tradename		1.6	5
Non-compete Agreement		2.7	5
Identifiable Intangible Assets	**$**	**41.5**	

Results of acquired operations

The results of the acquired operations of Terminal Door have been included in the Unaudited Condensed Consolidated Financial Statements of the Company since the acquisition date of May 17, 2024. For the period from May 17, 2024 through June 29, 2024, Terminal Door had contributed revenues of $4.0 and net income of $0.7.

6. Acquired Intangible Assets and Goodwill

Intangible assets acquired in a business combination are recognized at fair value and amortized over their estimated useful lives. The carrying amount and accumulated amortization of recognized intangible assets at June 29, 2024 and December 30, 2023, are as follows:

			June 29, 2024			December 30, 2023		
	Original Useful Life (years)	Weighted-Average Amortization period (years)	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	10-15	9.8	$ 445.7	$ 168.3	$ 277.4	$ 409.0	$ 154.1	$ 254.9
Tradenames and trademarks	Indefinite	Indefinite	107.5	—	107.5	107.5	—	107.5
Tradename	5	4.9	1.6	—	1.6	—	—	—
Software development	10-15	6.1	20.3	8.3	12.0	20.3	7.5	12.8
Noncompete agreements	3-8	5.1	3.0	0.3	2.7	0.3	0.2	0.1
		9.6	**$ 578.1**	**$ 176.9**	**$ 401.2**	**$ 537.1**	**$ 161.8**	**$ 375.3**

Changes to gross carrying amount of recognized intangible assets due to translation adjustments include a loss of $0.1 and gain of $0.8 for the periods ended June 29, 2024 and December 30, 2023, respectively. The amortization of intangible assets is included in the general and administrative expense on the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income. Amortization expense was approximately $8.0 and 7.4 for the three month periods ended June 29, 2024 and July 1, 2023, and $15.5 and $14.8 for the six month periods ended June 29, 2024 and July 1, 2023.

The changes in the carrying amounts of goodwill for the period ended June 29, 2024 were as follows:

	Janus North America	Janus International	Consolidated
Balance as of December 30, 2023	$ 357.0	$ 11.6	$ 368.6
Terminal Door Asset Acquisition	15.7	—	15.7
Balance as of June 29, 2024	**$ 372.7**	**$ 11.6**	**$ 384.3**

7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities, as of June 29, 2024 and December 30, 2023 are summarized as follows:

	June 29, 2024	December 30, 2023
Customer deposits	$ 20.7	$ 29.6
Employee compensation	14.0	20.2
Interest payable	0.4	13.2
Current operating lease liabilities	6.0	5.4
Sales tax payable	3.5	3.4
Accrued professional fees	0.6	0.7
Product warranties	2.4	2.3
Accrued freight	0.1	0.8
Other liabilities(1)	5.8	4.7
Total	**$ 53.5**	**$ 80.3**

(1) Other liabilities as of June 29, 2024 and December 30, 2023 consists of property tax, credit card and various other accruals.

8. Line of Credit

Amendment No. 3 to the ABL Credit and Guarantee Agreement - On April 10, 2023, the Company entered into Amendment Number Three to ABL Credit and Guarantee Agreement (the "LOC Amendment No. 3") to that certain ABL Credit and Guarantee Agreement, dated as of February 12, 2018 (the "LOC Agreement"). The LOC Amendment No. 3, among other things, (i) replaced the interest rate based on the LIBOR and related LIBOR-based mechanics applicable to borrowings under the LOC Agreement with an interest rate based on the SOFR and related SOFR-based mechanics and (ii) updated certain other provisions of the LOC Agreement to reflect the transition from LIBOR to SOFR. The LOC Amendment provided for a revolving line of credit of $80.0 with interest payments due in arrears. The interest rate on the facility is based on a base rate, unless a SOFR Rate (as defined in the LOC Agreement) option is chosen by the Company.

2023 ABL Credit and Guarantee Agreement - On August 3, 2023, the Company refinanced the revolving credit facility, pursuant to a new ABL Credit and Guarantee Agreement (the "2023 LOC Agreement"). The 2023 LOC Agreement, among other things, (i) increased the previous aggregate commitments from $ 80.0 to $125.0, (ii) updated the manner in which the previous borrowing base under the 2023 LOC Agreement was determined, and (iii) replaced the administrative agent with a new administrative agent. Interest payments with respect to the 2023 LOC Agreement are due in arrears. The maturity date is August 3, 2028.

The interest rate on the facility is based on a base rate, unless an Adjusted Term SOFR Rate (as defined in the 2023 LOC Agreement) option is chosen by the Company. If the Adjusted Term SOFR Rate is elected, the interest computation is equal to the Adjusted Term SOFR Rate, which is subject to a 10 basis points flat credit spread adjustment ("CSA") plus the SOFR Margin (as defined in the 2023 LOC Agreement) of either 1.25%, 1.50%, or 1.75%, based on excess availability (as of June 29, 2024, the SOFR Margin Rate was 1.25%). As of June 29, 2024 and December 30, 2023, the interest rate in effect for the facility was 6.69% and 6.76%, respectively. The line of credit is collateralized by accounts receivable and inventories. The Company accrues an unused commitment fee to the administrative agent at the varying rate of .25% to .38%, based on the unused portion of the maximum commitment, as defined in the 2023 LOC agreement.

The Company incurred $1.3 of debt issuance costs, which were capitalized and are being amortized over the term of the facility that expires on August 3, 2028, using the straight-line method, and are presented as part of other assets within our Unaudited Condensed Consolidated Balance Sheet. The amortization of the deferred loan costs is included in interest expense on the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income.

Amortization of approximately $0.1 was recognized for both the three month periods ended June 29, 2024 and July 1, 2023, and $0.1 was recognized for both the six month periods ended June 29, 2024 and July 1, 2023. The unamortized portion of the fees as of both June 29, 2024 and December 30, 2023, was approximately $1.0 and $1.1, respectively. There were no borrowings outstanding on the line of credit as of June 29, 2024 and December 30, 2023.

As of June 29, 2024 and December 30, 2023, the Company maintained one letter of credit totaling approximately $0.4 on which there were no balances due. The amount available on the line of credit as of both June 29, 2024 and December 30, 2023 was approximately $124.6.

9. Long-Term Debt

Long-term debt consists of the following:

	June 29, 2024	December 30, 2023
Note payable - First Lien	$ 600.0	$ 623.4
Financing leases	3.8	3.4
	$ 603.8	**$ 626.8**
Less: unamortized deferred finance fees	10.7	11.8
Less: current maturities	7.3	7.3
Total long-term debt	**$ 585.8**	**$ 607.7**

Notes Payable - First Lien - As a result of a credit rating upgrade in March 2024, the term agreement allowed the previous applicable margin rate to decrease from 3.25% to 3.00%. On April 18, 2024, the Company made a voluntary prepayment of $21.9 toward the certain First Lien Credit and Guarantee Agreement, dated as of February 12, 2018 (as amended to date, the "First Lien Term Loan"). As a result of the prepayment, the Company expensed an additional $0.4 for pro-ration of the unamortized debt issuance costs that was amortizing over the expected life of the borrowing. The Company used cash on hand to make the voluntary prepayment.

On April 30, 2024, the Company completed a repricing pursuant to Amendment No. 7 (the "Repricing Amendment") to the First Lien Term Loan. The Repricing Amendment reduced the applicable interest rate margins on the $600.0 First Lien Term Loan from 2.00% to 1.50% for the term loans bearing interest at rates based on the base rate, and from 3.00% to 2.50% for the term loans bearing interest at rates based on the secured overnight financing rate. In addition to the change in the applicable margin rate, the Company is no longer subject to a CSA rate of 0.1%. Interest is payable in arrears (with respect to Base Rate loans) or at the end of an interest period selected by the Company (with respect to SOFR loans). The outstanding loan balance is to be repaid on a quarterly basis in an amount equal to 0.25% of the original balance of the amended loan, with the remaining principal due on the maturity date of August 3, 2030. The debt was secured by substantially all of the Company's business assets. There are no prepayment penalties if the Company makes voluntary prepayments on the outstanding principal balance. The interest rate on the First Lien Term Loan as of June 29, 2024, was 7.84%, which is a variable rate based on Adjusted Term SOFR and includes an applicable margin percentage of 2.50%.

The Repricing Amendment was accounted for in accordance with ASC 470-50, "Debt - Modification and Extinguishment." The First Lien Term Loan consists of a syndicate of lenders which were evaluated, for accounting purposes, as individual lenders. Certain lenders exited the Term Loan credit facility, which resulted in extinguishment accounting. There were $599.0 of borrowings held by lenders in the new agreement, that were also held by lenders in the First Lien Term Loan prior to the Repricing Amendment.

As a result, the Company wrote off an immaterial portion of unamortized debt financing costs associated with the First Lien Term Loan prior to the Repricing Agreement, that was deemed extinguished and recognized within "Loss on extinguishment and modification of debt" on the Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income. In conjunction with the Repricing Amendment, the Company incurred $1.7 of costs from third parties that did not qualify for capitalization of deferred finance costs, and were expensed within "Loss on extinguishment and modification of debt" on the Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income.

In conjunction with the Repricing Amendment, the Company incurred $0.2 of additional deferred finance costs, which will be amortized over the remaining term of the modified loan. Amortization of deferred loan costs is included in interest expense on the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income. Amortization of approximately $0.9 and $0.8 was recognized for the three month periods ended June 29, 2024 and July 1, 2023, respectively, and $1.3 and $2.1 was recognized for the six month periods ended June 29, 2024 and July 1, 2023, respectively, as a component of interest expense.

10. Leases

The Company primarily leases certain office and manufacturing facilities, as well as vehicles, copiers, and other equipment. These operating leases generally have an original lease term between 1 year and 20 years, and some include options to extend (generally 5 to 10 years). Lease agreements generally do not include material variable lease payments, residual value guarantees, or restrictive covenants.

The components of right-of-use ("ROU") assets and lease liabilities were as follows:

(in millions)	Balance Sheet Classification	June 29, 2024	December 30, 2023
Assets:			
Operating lease assets	Right-of-use assets, net	$ 48.5	$ 47.6
Finance lease assets	Right-of-use assets, net	4.0	3.3
Total leased assets		$ 52.5	$ 50.9
Liabilities:			
Current:			
Operating	Other accrued expenses	$ 6.0	$ 5.4
Financing	Current maturities of long-term debt	1.3	1.0
Noncurrent:			
Operating	Other long-term liabilities	47.4	46.9
Financing	Long-term debt	2.5	2.4
Total lease liabilities		$ 57.2	$ 55.7

The components of lease expense were as follows:

	Three Months Ended		Six Months Ended	
(in millions)	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Operating lease cost	$ 2.5	$ 2.1	$ 4.9	$ 4.3
Variable lease cost	0.1	0.2	0.3	0.3
Short-term lease cost	0.4	—	0.6	—
Finance lease cost:				
Amortization of right-of-use assets	0.4	0.2	0.6	0.3
Interest on lease liabilities	—	0.1	0.1	0.1
Total lease cost	$ 3.4	$ 2.6	$ 6.5	$ 5.0

Other information related to leases was as follows:

	June 29, 2024	December 30, 2023
Weighted Average Remaining Lease Term (in years)		
Operating Leases	8.36	8.85
Finance Leases	3.20	3.39
Weighted Average Discount Rate		
Operating Leases	7.6%	7.6%
Finance Leases	8.0%	8.4%

As of June 29, 2024, future minimum lease payments under noncancellable operating leases with initial or remaining lease terms in excess of one year were as follows:

(in millions)		
2024	$	4.8
2025		9.7
2026		9.4
2027		8.3
2028		8.2
Thereafter		32.9
Total future lease payments	$	73.3
Less: imputed interest	$	(19.9)
Present value of future lease payments	$	53.4

As of June 29, 2024, future minimum repayments of finance leases were as follows:

(in millions)		
2024	$	0.8
2025		1.5
2026		1.0
2027		0.8
2028		0.2
Thereafter		—
Total future lease payments	$	4.3
Less: imputed interest	$	(0.5)
Present value of future lease payments	$	3.8

11. Income Taxes

The Company is taxed as a Corporation under Subchapter C, for U.S. income tax purposes and similar sections of the state income tax laws. The Company's effective tax rate is based on pre-tax earnings, enacted U.S. statutory tax rates, non-deductible expenses, and certain tax rate differences between U.S. and foreign jurisdictions. The foreign subsidiaries file income tax returns in the United Kingdom, France, Poland, Canada and Australia, as necessary, and are included on the U.S. tax returns as pass-through entities, with the exception of Poland and Canada, which is shown on the U.S. tax return as a corporation and is not taxed in the U.S., The Company accounts for income taxes in accordance with FASB ASC 740, "Income Taxes" ("ASC 740"). The Company determines its provision for income taxes for interim periods using an estimate of its annual effective tax rate on year to date ordinary income and records any changes affecting the estimated annual effective tax rate in the interim period in which the change occurs. The Company's provision for income taxes consists of provisions for federal, state, and foreign income taxes. Deferred tax liabilities and assets attributable to different tax jurisdictions are not offset.

During the three month periods ended June 29, 2024 and July 1, 2023, the Company recorded a total income tax provision of approximately $9.5 and $12.4 on pre-tax income of $37.1 and $49.4 resulting in an effective tax rate of 25.6% and 25.1%, respectively. During the six month periods ended June 29, 2024 and July 1, 2023, the Company recorded a total income tax provision of approximately $20.0 and $21.4 on pre-tax income of $78.3 and $84.4 resulting in an effective tax rate of 25.5% and 25.4%, respectively. For the three and six month periods ended June 29, 2024, effective tax rates were primarily impacted by the change in statutory rate differentials, changes in estimated state income tax and apportionment rates, and permanent differences. For the three and six month periods ended July 1, 2023, effective rates were primarily impacted by statutory rate differentials, changes in estimated tax rates, and permanent differences.

12. Revenue Recognition

The Company accounts for a contract with a customer when both parties have approved the contract and are committed to perform their respective obligations, each party's rights and payment terms can be identified, the contract has commercial substance, and it is probable that the Company will collect substantially all of the consideration to which it is entitled. Revenue is recognized when, or as, performance obligations are satisfied by transferring control of a promised good or service to a customer. The performance obligations typically have an original expected duration of one year or less.

Contract Balances

Contract assets are the rights to consideration in exchange for goods and services that the Company has transferred to a customer. Revenues in excess of billings result from revenues recognized over time. Unbilled receivables result from revenues recognized point in time and represent an unconditional right to payment for earned revenues and result from timing differences between when revenues are earned and billed for. Unbilled receivables are recognized as accounts receivable when they are billed. Contract liabilities result from revenues recognized over time and represent cash received in excess of revenue earned on active projects. Where the Company receives a down-payment from the customer, it is recorded in customer deposits within accrued expenses and other current liabilities until the project becomes active.

Contract balances as of June 29, 2024 were as follows:

Revenues in excess of billings at December 30, 2023	$	17.8
Unbilled receivables at December 30, 2023		31.9
Contract assets at December 30, 2023	$	49.7
Revenues in excess of billings at June 29, 2024	$	22.5
Unbilled receivables at June 29, 2024		10.2
Contract assets at June 29, 2024	$	32.7
Contract liabilities at December 30, 2023	$	26.7
Contract liabilities at June 29, 2024	$	25.5

During the three and six month periods ended June 29, 2024, the Company recognized revenue of approximately $2.2 and $22.4, respectively, related to contract liabilities at December 30, 2023.

The Company derives subscription revenue from continued software support and through the Nokē Smart Entry System, a product which provides mobile access for tenants and remote monitoring and tracking for operators. We determine standalone selling price for recurring software revenue by using the adjusted market assessment approach. The recurring revenue recognized from the Nokē Smart Entry System, included in service revenues, for the three month periods ended June 29, 2024 and July 1, 2023 was $1.1 and $0.8, respectively and $1.7 and $1.2 for the six month periods ended June 29, 2024 and July 1, 2023, respectively.

Disaggregation of Revenue

The principal categories we use to disaggregate revenues are by timing and sales channel of revenue recognition. The following disaggregation of revenues depict the Company's reportable segment revenues by timing and sales channel of revenue recognition for the three and six month periods ended June 29, 2024 and July 1, 2023:

Revenue by Timing of Revenue Recognition

	Three Months Ended		Six Months Ended	
Reportable Segments by Timing of Revenue Recognition	**June 29, 2024**	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Janus North America				
Product revenues transferred at a point in time	$ 168.8	$ 193.4	$ 343.0	$ 363.0
Product revenues transferred over time	26.6	27.7	59.3	60.6
Service revenues transferred over time	35.4	28.6	69.0	56.6
	$ 230.8	$ 249.7	$ 471.3	$ 480.2
Janus International				
Product revenues transferred at a point in time	$ 10.8	$ 12.0	$ 19.8	$ 25.1
Service revenues transferred over time	7.2	9.2	12.9	17.7
	$ 18.0	$ 21.2	$ 32.7	$ 42.8
Eliminations	$ (0.4)	$ (0.3)	$ (1.1)	$ (0.5)
Total Revenue	**$ 248.4**	**$ 270.6**	**$ 502.9**	**$ 522.5**

Revenue by Sales Channel

	Three Months Ended		Six Months Ended	
Reportable Segments by Sales Channel Revenue Recognition	**June 29, 2024**	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Janus North America				
Self Storage-New Construction	$ 95.5	$ 84.7	$ 199.7	$ 149.3
Self Storage-R3	58.7	77.7	127.0	160.1
Commercial and Others	76.6	87.3	144.6	170.8
	$ 230.8	$ 249.7	$ 471.3	$ 480.2
Janus International				
Self Storage-New Construction	$ 15.2	$ 18.5	$ 27.6	$ 37.1
Self Storage-R3	2.8	2.7	5.1	5.7
	$ 18.0	$ 21.2	$ 32.7	$ 42.8
Eliminations	$ (0.4)	$ (0.3)	$ (1.1)	$ (0.5)
Total Revenue	**$ 248.4**	**$ 270.6**	**$ 502.9**	**$ 522.5**

13. Equity Compensation

2021 Omnibus Incentive Plan

The Company maintains its 2021 Omnibus Incentive Plan (the "Plan") under which it grants share-based awards to eligible directors, officers and employees in order to attract, retain and reward such individuals and strengthen the mutuality of interest between such individuals and the Company's stockholders. The Plan allows the Company to issue and grant 15,125,000 shares.

The Company measures compensation expense for share-based awards in accordance with ASC Topic 718, Compensation – Stock Compensation ("ASC 718"). During the six month period ended June 29, 2024, the Company granted share-based awards including restricted stock units ("RSUs") and performance-based restricted stock units ("PSUs") under the Plan. The grant date fair value of RSUs and PSUs is equal to the closing price of the Company's common stock on either: (i) the date of grant; or (ii) the previous trading day, depending on the level of administration required. Forfeitures are recognized as they occur, any unvested RSUs, PSUs or stock options are forfeited upon a "Termination of Service," as defined in the Plan, or as otherwise provided in the applicable award agreement or determined by the Company's Compensation Committee of the Board of Directors. In connection with the equity awards, the share-based compensation expense was $3.4 and $1.8 for the three month periods ended June 29, 2024 and July 1, 2023, respectively, and $5.3 and $3.6 for the six month periods ended June 29, 2024 and July 1, 2023, respectively. The income tax benefit from share-based compensation was $0.5 and $0.3 for the three month periods ended June 29, 2024 and July 1, 2023, respectively and $0.9 and $0.7 for the six month periods ended June 29, 2024 and July 1, 2023, respectively.

Restricted Stock Unit Grants

RSUs are subject to a vesting period between one and four years. RSU activity for the six month period ended June 29, 2024 is as follows:

(dollar amounts in millions, except share and per share data)

	RSUs	Weighted-Average Grant Date Fair Value
Unvested, outstanding at December 30, 2023	944,810	$ 10.6
Granted	1,373,124	14.4
Vested	(297,083)	10.2
Forfeited	(36,198)	12.0
Unvested, outstanding at June 29, 2024	1,984,653	$ 13.3

Share-based compensation expense for RSUs is recognized straight line over the respective vesting period, reduced for actual forfeitures, and included in general and administrative expense in the accompanying Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income. Total compensation expense related to the above awards was approximately $2.5 and $0.9 for the three month periods ended June 29, 2024 and July 1, 2023, respectively, and $3.6 and $1.6 for the six month periods ended June 29, 2024 and July 1, 2023, respectively. As of June 29, 2024, there was an aggregate of $23.6 of unrecognized expense related to the RSUs granted, which the Company expects to amortize over a weighted-average period of 2.2 years.

Performance-based Restricted Stock Unit Grants

PSU awards are based on the satisfaction of the Company's three-year cumulative adjusted EBITDA. The number of PSUs that become earned can range between 0% and 200% of the original target number of PSUs. PSUs are subject to a three-year performance cliff-vesting period.

PSUs activity for the six month period ended June 29, 2024 is as follows:

(dollar amounts in millions, except share and per share data)

	PSUs	Weighted-Average Grant Date Fair Value
Unvested, outstanding at December 30, 2023	482,014	$ 10.0
Granted	232,702	14.8
Vested	—	—
Forfeited	(41,008)	10.4
Unvested, outstanding at June 29, 2024 (1)	673,708	$ 11.6

(1) This number excludes 242,353 performance stock units, which represents the incremental number of units that would be issued based on performance results from previously-granted PSU awards.

Share-based compensation expense for PSUs is recognized straight line over the requisite vesting period, reduced for actual forfeitures, and included in general and administrative expense in the accompanying Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income. Total compensation expense related to the PSUs was approximately $0.7 for both the three month periods ended June 29, 2024 and July 1, 2023, and $1.3 and $1.6 for the six month periods ended June 29, 2024 and July 1, 2023, respectively. As of

June 29, 2024, there was an aggregate of $4.4 of unrecognized expense related to the PSUs granted, which the Company expects to amortize over a weighted-average period of 2.1 years.

The above table represents PSUs assuming 100% of target payout at the time of the grant. The actual payout of the 2022 grants will be in a range of 0% to 200%, depending on performance results for the three-year performance period from January 2, 2022, through December 28, 2024. As of June 29, 2024, the Company deemed the estimate of the PSUs granted in fiscal year ended December 31, 2022 to be issued at 200% of target, and have reflected such estimates within the share-based compensation expense.

The actual payout of the 2023 grants will be in a range of 0% to 200%, depending on performance results for the three-year performance period from January 1, 2023, through December 27, 2025. As of June 29, 2024, the Company deemed the estimate of the PSUs granted in the six month periods ended June 29, 2024 to be issued at 95% of target, and have reflected such estimates within the share-based compensation expense.

The actual payout of the 2024 grants will be in a range of 0% to 200%, depending on performance results for the three-year performance period from January 1, 2024, through December 26, 2026. As of June 29, 2024, the Company deemed the estimate of the PSUs granted in the six month period ended June 29, 2024 to be issued at 90% of target, and have reflected such estimates within the share-based compensation expense.

Stock Options

Stock options are granted by applying a Black-Scholes valuation model to determine the fair value on the grant date. Stock options are subject to a vesting period of either three or four years. Stock option awards typically vest in 33% or 25% annual installments on each annual anniversary of the vesting commencement date for the duration of the vesting period, and expire ten years from the grant date.

The principal assumptions utilized in valuing stock options include, the expected option life, the risk-free interest rate (an estimate based on the yield of United States Treasury zero coupon with a maturity equal to the expected life of the option), the expected stock price volatility using the historical and implied price volatility, and the expected dividend yield.

Stock option activity for the six month period ended June 29, 2024 is as follows:

(dollar amounts in millions, except share and per share data)	Stock Options	Weighted-Average Grant Date Fair Value	Weighted-Average Exercise Price, per share	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Vested not exercised at December 30, 2023	175,175	$ 4.5	$ 9.4	8.3	$ 0.6
Unvested, outstanding at December 30, 2023	544,350	$ 4.5	$ 9.4	8.4	$ 2.0
Granted	—	—	—	—	—
Exercised	(2,069)	—	9.5	—	—
Vested	(113,252)	4.5	—	7.8	0.4
Forfeited	(29,835)	5.1	10.2	8.4	0.1
Unvested, outstanding at June 29, 2024	399,194	$ 4.4	$ 9.3	7.9	$ 1.4
Vested not exercised at June 29, 2024	286,358	$ 4.5	$ 9.4	7.9	$ 0.9

Share-based compensation expense for stock options is recognized straight line over the respective vesting period, reduced for actual forfeitures, and included in general and administrative expense in the accompanying Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income. Total compensation expense related to stock options was approximately $0.2 for both of the three month periods ended June 29, 2024 and July 1, 2023, and $0.4 for both of the six month periods ended June 29, 2024 and July 1, 2023. Total unamortized share-based compensation expense related to the unvested stock options as of June 29, 2024, was approximately $1.4, which the Company expects to amortize over a weighted-average period of 1.8 years.

14. Net Income Per Share

Basic net income per share is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted net income per share is computed based on the weighted average number of common shares outstanding plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. For the six month periods ended June 29, 2024 and July 1, 2023, dilutive potential common shares include stock options and unvested restricted stock units. Dilutive earnings per share ("EPS") excludes all common shares if their effect is anti-dilutive.

The following table sets forth the computation of basic and diluted EPS attributable to common stockholders for the three and six month periods ended June 29, 2024 and July 1, 2023:

(in millions, except share and per share data)	Three Months Ended June 29, 2024	Three Months Ended July 1, 2023	Six Months Ended June 29, 2024	Six Months Ended July 1, 2023
Numerator:				
Net income attributable to common stockholders	$ 27.6	$ 37.0	$ 58.3	$ 63.0
Denominator:				
Weighted average number of shares:				
Basic	145,857,673	146,765,631	146,230,907	146,734,762
Adjustment for dilutive securities	577,450	6,526	509,760	27,267
Diluted	146,435,123	146,772,157	146,740,667	146,762,029
Basic net income per share attributable to common stockholders	$ 0.19	$ 0.25	$ 0.40	$ 0.43
Diluted net income per share attributable to common stockholders	$ 0.19	$ 0.25	$ 0.40	$ 0.43

15. Share Repurchase Program

On February 28, 2024, the Company announced that the Board of Directors authorized a share repurchase program, pursuant to which the Company is authorized to purchase up to $100 million of its common stock. The repurchase authorization does not have an expiration date and may be terminated by the Company's Board of Directors at any time. As of June 29, 2024, $74.9 is remaining under the share repurchase program. There was no repurchase program in place in the three and six month periods ended July 1, 2023.

The Inflation Reduction Act of 2022 imposes a 1% excise tax on share repurchases in excess of issuances, which is effective for Janus for repurchases completed after December 31, 2022. We reflect the excise tax within equity as part of the repurchase of the common stock.

The following table presents the share repurchase activity for the three and six month periods ended June 29, 2024:

(in millions, except share and per share data)	Three Months Ended June 29, 2024	Six Months Ended June 29, 2024
Number of shares repurchased	753,667	1,773,556
Share repurchase cost (including excise taxes)	$ 10.1	$ 25.4

16. Segments Information

The Company operates its business and reports its results through two reportable segments: Janus North America and Janus International, in accordance with ASC Topic 280, Segment Reporting. The Janus International segment is comprised of JIE, with its production and sales located largely in Europe. The Janus North America segment is comprised of all the other entities including Janus Core, BETCO, NOKE, ASTA, DBCI, ACT, Janus Door, U.S. Door, Steel Door Depot, Janus Canada and Terminal Door.

Summarized financial information for the Company's segments is shown in the following tables:

(dollar amounts in tables in millions)	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Revenue				
Janus North America	$ 230.8	$ 249.7	$ 471.3	$ 480.2
Janus International	18.0	21.2	32.7	42.8
Intersegment eliminations	(0.4)	(0.3)	(1.1)	(0.5)
Consolidated Revenue	$ 248.4	$ 270.6	$ 502.9	$ 522.5
Income (Loss) From Operations				
Janus North America	$ 51.0	$ 61.5	$ 107.2	$ 110.2
Janus International	0.6	2.8	(0.1)	5.1
Total Segment Operating Income	$ 51.6	$ 64.3	$ 107.1	$ 115.3
Depreciation Expense				
Janus North America	$ 2.7	$ 2.0	$ 5.3	$ 3.9
Janus International	0.3	0.2	0.6	0.5
Consolidated Depreciation Expense	$ 3.0	$ 2.2	$ 5.9	$ 4.4
Amortization of Intangible Assets				
Janus North America	$ 7.5	$ 7.1	$ 14.6	$ 14.2
Janus International	0.5	0.3	0.9	0.6
Consolidated Amortization Expense	$ 8.0	$ 7.4	$ 15.5	$ 14.8
Purchases of property, plant, and equipment				
Janus North America	$ 3.8	$ 3.2	$ 7.4	$ 8.3
Janus International	1.9	0.3	2.9	1.3
Consolidated purchases of property, plant, and equipment	$ 5.7	$ 3.5	$ 10.3	$ 9.6

	June 29, 2024	December 30, 2023
Property, Plant, and Equipment, Net		
Janus North America	$ 49.3	$ 46.4
Janus International	8.3	6.0
Consolidated Property, Plant, and Equipment, Net	$ 57.6	$ 52.4
Identifiable Assets		
Janus North America	$ 1,315.6	$ 1,328.7
Janus International	69.9	70.0
Intersegment Eliminations	(50.1)	(48.7)
Consolidated Assets	$ 1,335.4	$ 1,350.0

Assets held at foreign locations were approximately $72.9 and $70.5 as of June 29, 2024 and December 30, 2023, respectively. Revenues earned at foreign locations totaled approximately $18.0 and $21.2 for the three month periods ended June 29, 2024 and July 1, 2023, respectively, and $32.7 and $42.8 for the six month periods ended June 29, 2024 and July 1, 2023, respectively.

17. Restructuring

The Company initiated a restructuring plan in 2023 to relocate two of its facilities and align its ongoing corporate strategy. In addition, the Company incurred costs associated with restructuring initiatives intended to improve operating performance, profitability and efficiency of business processes. Restructuring charges can include severance costs, relocations costs, recruiting fees affiliated with hiring new personnel, legal costs, and contract cancellation costs.

The Company records restructuring charges when they are probable and estimable. Restructuring costs are accrued when the Company announces the closure or restructuring event, and the amounts can be reasonably estimated. Restructuring costs are included in general and administrative expenses on the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income.

The Company's restructuring expenses are comprised of the following:

(dollar amounts in tables in millions)	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Severance and termination benefits	$ 0.2	$ 0.1	$ 0.6	$ 0.2
Legal, consulting, and other costs	0.1	0.1	0.1	0.6
Total Restructuring Charges	$ 0.3	$ 0.2	$ 0.7	$ 0.8

The following table summarizes the changes in the Company's accrued restructuring balance, which are included in accrued expenses and other current liabilities in the accompanying Condensed Consolidated Balance Sheets.

Balance at December 31, 2022	$ —
Restructuring charges	0.8
Payments	(0.8)
Balance at July 1, 2023	$ —
Balance at December 30, 2023	$ —
Restructuring charges	0.7
Payments	(0.3)
Balance at June 29, 2024	$ 0.4

18. Commitments and Contingencies

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

General Litigation

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, results of operations and cash flows of the Company.

Self-Insurance

Under the Company's workers' compensation insurance program, coverage is obtained for catastrophic exposures under which the Company retains a portion of certain expected losses. The Company has stop loss workers' compensation insurance for claims in excess of $0.2 as of both June 29, 2024 and December 30, 2023. Provision for losses expected under this program is recorded based upon the Company's estimates of the aggregate liability for claims incurred and totaled approximately $0.3 and $0.5 as of June 29, 2024 and December 30, 2023, respectively. The amount of actual losses incurred could differ materially from the estimates reflected in these Unaudited Condensed Consolidated Financial Statements.

Under the Company's health insurance program, coverage is obtained for catastrophic exposures under which the Company retains a portion of certain expected losses. The Company has stop loss insurance for claims in excess of $0.3 as of both June 29, 2024 and December 30, 2023. Provision for losses expected under this program is recorded based upon the Company's estimates of the aggregate liability for claims incurred and totaled approximately $1.9 and $2.4 as of June 29, 2024 and December 30, 2023, respectively. The amount of actual losses incurred could differ materially from the estimates reflected in these Unaudited Condensed Consolidated Financial Statements.

19. Related Party Transactions

For the three month periods ended June 29, 2024 and July 1, 2023, there were no material related party transactions.

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

JANUS'S MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information which Janus's management believes is relevant to an assessment and understanding of consolidated results of operations and financial condition. You should read the following discussion and analysis of Janus's financial condition and results of operations in conjunction with the Unaudited Condensed Consolidated financial statements and notes thereto contained in this quarterly report on Form 10-Q (the "Form 10-Q") and the consolidated financial statements and notes thereto contained in Janus's annual report on Form 10-K for the year ended December 30, 2023.

Certain information contained in this discussion and analysis or set forth elsewhere in this Form 10-Q, including information with respect to plans and strategy for Janus's business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the section entitled "Risk Factors," Janus's actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Factors that could cause or contribute to such differences include, but are not limited to, capital expenditures, economic and competitive conditions, regulatory changes and other uncertainties, as well as those factors discussed below and elsewhere in this Form 10-Q. We assume no obligation to update any of these forward- looking statements.

Unless otherwise indicated or the context otherwise requires, references in this Janus's Management's Discussion and Analysis of Financial Condition and Results of Operations section to "Janus," "we," "us," "our," and other similar terms refer to Janus International Group Inc. (Parent) and its consolidated subsidiaries.

Percentage amounts included in this Form 10-Q have not in all cases been calculated on the basis of such rounded figures, but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this Form 10-Q may vary from those obtained by performing the same calculations using the figures in our Unaudited Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q. Certain other amounts that appear in this Form 10-Q may not sum due to rounding.

Dollar amounts are shown in millions of dollars, unless otherwise noted, and rounded to the nearest million except for share and per share amounts.

Introduction

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is a supplement to the accompanying Unaudited Condensed Consolidated Financial Statements, and provides additional information on our business, recent developments, financial condition, liquidity and capital resources, cash flows and results of operations. MD&A is organized as follows:

- Business Overview: This section provides a general description of our business, and a discussion of management's general outlook regarding market demand, our competitive position and product innovation, as well as recent developments that we believe are important to understanding our results of operations and financial condition or in understanding anticipated future trends.

- Basis of Presentation: This section provides a discussion of the basis on which our Unaudited Condensed Consolidated Financial Statements were prepared.

- Results of Operations: This section provides an analysis of our unaudited results of operations for the three and six month periods ended June 29, 2024 and July 1, 2023.

- Liquidity and Capital Resources: This section provides a discussion of our financial condition and an analysis of our unaudited cash flows for the three and six month periods ended June 29, 2024 and July 1, 2023. This section also provides a discussion of our contractual obligations, other purchase commitments and customer credit risk that existed at June 29, 2024, as well as a discussion of our ability to fund our future commitments and ongoing operating activities through internal and external sources of capital.

- Critical Accounting Estimates: This section identifies and summarizes those accounting estimates that significantly impact our reported results of operations and financial condition and require significant judgment or estimates on the part of management in their application.

Business Overview

Janus is a global manufacturer and supplier of turn-key self-storage, commercial, and industrial building solutions including: roll up and swing doors, hallway systems, relocatable storage units, and facility and door automation technologies with manufacturing operations in Georgia, Texas, Arizona, Indiana, North Carolina, Poland, United Kingdom, and Australia. The self-storage industry is comprised of institutional and non-institutional facilities. Institutional facilities typically include multi-story, climate controlled facilities located in prime locations owned and/or managed by large Real Estate Investment Trusts ("REITs") or returns-driven operators of scale and are primarily located in the top 50 U.S. metropolitan statistical areas ("MSAs"), whereas the vast majority of non-institutional facilities are single-story, non-climate controlled facilities located outside of city centers owned and/or managed by smaller private operators that are mostly located outside of the top 50 U.S. MSAs. Janus is highly integrated with customers at every phase of a project, including facility planning/design, construction, access control and restore, rebuild, replace (R3) of self-storage facilities.

Our business is operated through two geographic regions that comprise our two reportable segments: Janus North America and Janus International. The Janus International segment is comprised of JIEH, whose production and sales are largely in Europe and Australia. The Janus North America segment is comprised of all the other entities including Janus International Group, LLC (together with each of its operating subsidiaries, "Janus Core"), Betco, Inc. ("BETCO"), Noke, Inc. ("NOKE"), Asta Industries, Inc. ("ASTA"), Access Control Technologies, LLC ("ACT"), U.S. Door & Building Components, LLC ("U.S. Door"), Janus Door, LLC ("Janus Door"), Steel Door Depot.com, LLC ("Steel Door Depot"), Janus International Canada, Ltd. ("Janus Canada"), and Terminal Door, LLC ("Terminal Door").

Furthermore, our business is comprised of three primary sales channels: New Construction-Self-storage, R3-Self-storage (R3), and Commercial and Other. The Commercial and Other category is primarily comprised of roll-up sheet and rolling steel door sales into the commercial marketplace.

New construction consists of engineering and project management work pertaining to the design, building, and logistics of a greenfield new self-storage facility tailored to customer specifications while being compliant with ADA regulations. Any Nokē Smart Entry System revenue associated with a new construction project also rolls up into this sales channel.

The concept of Janus R3 is to remodel self-storage facilities including storage unit doors, hallways, ceilings, offices, optimizing unit mix and utilizing vacant land for movable storage units (JBI MASS relocatable storage units), and adding a more robust security solution to enable customers to (1) charge higher rental rates and (2) compete with modern self-storage facilities and large operators. In addition, the R3 sales channel includes new self-storage capacity being brought online through conversions and expansions. R3 transforms facilities through door replacement, facility upgrades, Nokē Smart Entry Systems, and relocatable storage MASS (Moveable Additional Storage Structure).
Commercial light duty steel roll-up doors are designed for applications that require less frequent and less demanding operations. Janus offers heavy duty commercial grade steel doors (minimized dead-load, or constant weight of the curtain itself) perfect for warehouses, commercial buildings, and terminals, designed with a higher gauge and deeper guides, which combat the heavy scale of use with superior strength and durability. Janus also offers rolling steel doors known for minimal maintenance and easy installation with, but not limited to, the following options for: commercial slat doors, heavy duty service doors, fire doors, fire rated counter shutters, insulated service doors, counter shutters and grilles. Following the T.M.C. Acquisition (hereinafter defined), our business expanded to provide trucking terminal renovation, construction, remodeling, and maintenance services to trucking customers in the Southeast United States.

Executive Overview

Janus's financials reflect the result of the execution of our operational and corporate strategy to penetrate the self-storage, commercial and industrial storage markets, as well as capitalizing on the aging self-storage facilities, while continuing to diversify our products and solutions. Janus is a bespoke provider of products and solutions for our clients.

- Revenues decreased to $248.4 for the three months period ending June 29, 2024 compared to $270.6 for the three months period ending July 1, 2023.

- Net income decreased to $27.6 for the three months period ending June 29, 2024, compared to $37.0 for the three months period ending July 1, 2023.

- Adjusted EBITDA decreased to $64.5 for the three months period ending June 29, 2024 compared to $74.0 for the three months period ending July 1, 2023.

- Cash flows from operations of $59.6 and free cash flow of $49.3 were generated for the six months period ending June 29, 2024 compared to $96.6 cash flows from operations and $87.0 free cash flow for the six months period ending July 1, 2023.

- Common stock worth $10.1 was repurchased in the three months ended June 29, 2024, which was 0.75 million shares as part of our previously announced $100.0 share repurchase program.

- Long-Term Debt to Net Income ratio was 4.6x as of June 29, 2024 and December 30, 2023. Net leverage ratio increased to 1.7x for as of June 29, 2024, up from 1.6x as of December 30, 2023.

Information regarding use of Adjusted EBITDA, Free Cash Flow, and Net Leverage Ratio non-GAAP measures, and a reconciliation to the most comparable GAAP measure, are included in "Non-GAAP Financial Measures."

Business Segment Information

Our business is operated through two geographic regions that comprise our two reportable segments: Janus North America and Janus International.

Janus North America produces and provides various fabricated components such as commercial and self-storage doors, walls, hallway systems, metal roof panels, metal wall panels and building components used primarily by owners or builders of self-storage facilities. Installation services are also provided along with the products. Janus also provides industrial building solutions. Janus North America represents approximately 90% - 95% of the Company's revenue.

The Janus International segment, whose production and sales are largely in Europe and Australia, produces and provides similar products and services as Janus North America, with the exception of the fact that the international segment does not sell into the Commercial sales channel. Janus International represents approximately 5% - 10% of Janus's revenue.

Acquisitions

Our accretive M&A strategy focuses on (i) portfolio diversification into attractive and logical adjacencies, (ii) geographic expansion, and (iii) technological innovation. Inorganic growth, through acquisitions, serves to increase Janus's strategic growth.

On May 17, 2024, the Company, through its wholly owned subsidiary Terminal Door, acquired 100% of the business operations (the "T.M.C. Acquisition") of Smith T.M.C., Inc., a Georgia corporation, Jerry O.Smith Company, LLC, a Georgia limited liability company, and J.O.S. Realty, Inc., a Georgia corporation (collectively, the "T.M.C. Sellers"). Pursuant to the asset purchase agreement for such acquisition, Terminal Door acquired substantially all the assets of the T.M.C. Sellers related to the business of trucking terminal renovation, construction, remodeling, and maintenance for total consideration of $59.4.

Human Capital

Human capital is also one of the main cost drivers of the manufacturing, selling, and administrative processes of Janus. As a result, management believes that headcount reflects Janus's operational status, indicating whether the business is expanding or contracting. We expect a continued rise in our workforce as we expand our operations. As of June 29, 2024, and July 1, 2023, the headcount was 2,386 employees (including 430 temporary employees) and 2,385 employees (including 585 temporary employees), respectively.

Key Performance Measures

Management evaluates the performance of its reportable segments based on the revenue of services and products, gross profit, operating margins, and cash from business operations. We use Adjusted EBITDA, which is a non-GAAP financial metric, as a supplemental measure of our performance in order to provide investors with an improved understanding of underlying performance trends. Please see the section "Non-GAAP Financial Measures" below for further discussion of this financial measure, including the reasons why we use such financial measures and reconciliations of such financial measures to the nearest GAAP financial measures.

The following table sets forth key performance measures for the three and six month periods ended June 29, 2024 and July 1, 2023:

(dollar amounts in tables in millions)	Three Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
Total Revenue	$ 248.4	$ 270.6	$ (22.2)	(8.2)%
Adjusted EBITDA	$ 64.5	$ 74.0	$ (9.5)	(12.8)%
Adjusted EBITDA (% of revenue)	26.0 %	27.3 %		(1.3)%

(dollar amounts in tables in millions)	Six Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
Total Revenue	$ 502.9	$ 522.5	$ (19.6)	(3.8)%
Adjusted EBITDA	$ 130.8	$ 135.2	$ (4.4)	(3.3)%
Adjusted EBITDA (% of revenue)	26.0 %	25.9 %		0.1 %

Total revenue decreased by $22.2 or 8.2% for the three month period ended June 29, 2024 compared to the three month period ended July 1, 2023, and decreased by $19.6 or 3.8% for the six month period ended June 29, 2024 compared to the six month period ended July 1, 2023. The $26.2 organic revenue decline for the three months ended June 29, 2024 is attributed to an approximately 50% decline in volume and an approximately 50% decline in pricing. The organic decline was partially offset by $4.0 in inorganic revenue from the T.M.C. Acquisition.

Adjusted EBITDA decreased by $9.5 or 12.8% for the three month period ended June 29, 2024 compared to the three month period ended July 1, 2023, and decreased by $4.4 or 3.3% for the six month period ended June 29, 2024 compared to the six month period ended July 1, 2023, primarily due to decreased revenue as noted above, yielding a lower margin, and increased operating expenses due to the investment in the Atlanta software center, partially offset by inorganic revenue and EBITDA from the T.M.C. Acquisition.

Adjusted EBITDA as a percentage of revenue decreased 130 bps for the three month period ended June 29, 2024, and was consistent for the six month period ended June 29, 2024. The decrease in Adjusted EBITDA in the three month period ended June 29, 2024, was primarily due to decreased revenue, yielding a decline in margin, coupled with increase in operating expenses from the build out of the Atlanta service center, and a decline in leveraging our fixed costs. . (*See* "*Non-GAAP Financial Measures" section).*

Basis of Presentation

The Unaudited Condensed Consolidated Financial Statements have been derived from the accounts of Janus and its wholly owned subsidiaries. Janus's fiscal year follows a 4-4-5 calendar which divides a year into four quarters of 13 weeks, grouped into two 4-week "months" and one 5-week "month." As a result, some monthly comparisons are not comparable as one month is longer than the other two. The major advantage of a 4-4-5 calendar is that the end date of the period is always the same day of the week, making manufacturing planning easier as every period is the same length. Every fifth or sixth year will require a 53rd week.

We have presented results of operations, including the related discussion and analysis for:

- The thirteen week period ended June 29, 2024 compared to the thirteen week period ended July 1, 2023.

Components of Results of Operations

Product Revenues. Product revenues represent the revenue from the sale of products, including steel roll-up and swing doors, rolling steel doors, steel structures, as well as hallway systems and facility and door automation technologies for commercial and self-storage customers. Product revenue is recognized upon transfer of control to the customer, which generally takes place at the point of destination. Product revenues also include all revenues affiliated with erecting a self storage facility for our customers, which is recognized over-time, over the life of the contract. We expect our product revenue may vary from period to period based on, among other things, the timing and size of orders and delivery of products and the impact of significant transactions. Revenues are monitored and analyzed as a function of sales reporting within the following sales channels; New Construction, R3, and Commercial and Other.

Service Revenues. Service revenues reflect installation services to customers for steel facilities, steel roll-up and swing doors, hallway systems, and relocatable storage units which is recognized over time based on the satisfaction of our performance obligation. Janus is highly integrated with customers at every phase of a project, including facility planning/design, construction, access control and R3 of damaged, or end-of-life products or rebranding of facilities due to market consolidation. Service revenues also include trucking terminal renovation, construction, remodeling, and maintenance services to trucking customers.

Service obligations are primarily short term and completed within a one-year time period. We expect our service revenue to increase as we add new customers and our existing customers continue to add more and more content per square foot.

Product Cost of Revenues. Product costs of revenues includes the manufacturing cost of our steel roll-up and swing doors, rolling steel doors, steel structures, and hallway systems which primarily consists of amounts paid to our third-party contract suppliers and personnel-related costs directly associated with manufacturing operations, depreciation on certain assets, as well as other overhead and indirect costs. Our product cost of revenues includes warranty costs, excess and obsolete inventory charges, shipping costs, cost of spare or replacement parts, and an allocated portion of overhead costs, including depreciation. Product costs of revenues also include all costs affiliated with erecting a self storage facility for our customers. We expect our product cost of revenues to correlate to our product revenues.

Service Cost of Revenues. Cost of services includes third-party installation subcontractor costs directly associated with the installation of our products. We expect our service cost of revenues to correlate to our service revenues.

Selling and Marketing Expense. Selling expenses consist primarily of compensation and benefits of employees engaged in selling activities as well as related travel, advertising, and trade shows/conventions. We expect selling expenses to correlate to overall revenues, with some deviations for strategic investments.

General and Administrative Expense. General and administrative ("G&A") expenses are comprised primarily of expenses relating to back office employee compensation and benefits, travel, meals and entertainment expenses as well as depreciation on certain assets, and amortization. We expect general and administrative expenses to correlate to overall revenues, with some deviations for strategic investments.

Interest Expense, net. Consists of interest expense on short-term and long-term debt and amortization on deferred financing fees (see Note 9 to our Unaudited Condensed Consolidated Financial Statements in this Form 10-Q for additional information), partially offset by interest income earned on U.S. Treasury bills.

Factors Affecting the Results of Operations

Key Factors Affecting the Business and Financial Statements

Janus's management believes our performance and future growth depends on a number of factors that present significant opportunities but also pose risks and challenges.

Factors Affecting Revenues

Janus's revenues from products sold are driven by economic conditions, which impacts new construction of self-storage facilities, R3 of self-storage facilities, and commercial revenue.

Janus periodically modifies sales prices of its products due to changes in costs for raw materials and energy, market conditions, labor and logistics costs and the competitive environment. In certain cases, realized price increases are less than the announced price increases due to project pricing, competitive reactions and changing market conditions.

Janus also offers a wide assortment of products that are differentiated by style, design, and performance attributes. Pricing and margins for products within the assortment vary. In addition, changes in the relative quantity of products purchased at different price points can impact year-to-year comparisons of net sales and operating income.

Service revenue is driven by the product revenue and the increase in value-added services, such as installation and general contracting, project management, and third-party security. Janus differentiates itself through on-time delivery, efficient installation, customer service satisfaction, and a reputation for high quality products.

Factors Affecting Growth Through Acquisitions

Janus's business strategy includes growth through, the acquisition of other companies, which yielded our acceptable internal rate of return. Janus evaluates companies that it believes will strategically fit into its business and growth objectives, including those that will support its overall strategy of portfolio diversification, geographic expansion, and technological innovation, among other areas of focus. While Janus seeks acquisition opportunities that it believes will augment its business and growth objectives, certain factors could prevent acquisition opportunities from materializing, including target-company availability, relative valuation expectations, and certain due diligence considerations, among other factors.

Seasonality

Generally, Janus's sales tend to be the slowest in the first and fourth quarters due to more unfavorable weather conditions, customer business cycles, and the timing of renovation and new construction project launches.

Factors Affecting Operating Costs

Janus's operating expenses are comprised of direct production costs (principally raw materials, labor, and energy), manufacturing overhead costs, freight, costs to purchase sourced products, selling and marketing, and general and administrative expenses.

Janus's largest individual raw material expenditure is steel coils. Fluctuations in the prices of steel coil are generally beyond Janus's control and have a direct impact on the financial results. Janus enters into agreements with large suppliers in order to lock in steel coil prices for part of Janus's production needs. These agreements are renewed annually and partially mitigate the potential impacts of short-term steel coil price fluctuations. These arrangements allow Janus to purchase quantities of product within specified ranges as outlined in the contracts.

Outbound freight costs are driven by Janus's volume of product revenues and are subject to the freight market pricing environment.

Results of Operations - Consolidated

The period to period comparisons of our results of operations have been prepared using the historical periods included in our Unaudited Condensed Consolidated Financial Statements. The following discussion should be read in conjunction with the Unaudited Condensed Consolidated Financial Statements and related notes included elsewhere in this document. The following tables set forth our results of operations for the periods presented in dollars and as a percentage of total revenue.

Results of Operations

For the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023:

(dollar amounts in tables in millions)	Three Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
REVENUES				
Product revenues[1]	$ 205.8	$ 232.8	$ (27.0)	(11.6)%
Service revenues	42.6	37.8	4.8	12.7 %
Total Revenues	$ 248.4	$ 270.6	$ (22.2)	(8.2)%
Product cost of revenues	115.1	126.3	(11.2)	(8.9)%
Service cost of revenues	24.3	28.0	(3.7)	(13.2)%
Cost of Revenues	$ 139.4	$ 154.3	$ (14.9)	(9.7)%
GROSS PROFIT	$ 109.0	$ 116.3	$ (7.3)	(6.3)%
OPERATING EXPENSES				
Selling and marketing	17.1	16.7	0.4	2.4 %
General and administrative	40.3	35.3	5.0	14.2 %
Operating Expenses	$ 57.4	$ 52.0	$ 5.4	10.4 %
INCOME FROM OPERATIONS	$ 51.6	$ 64.3	$ (12.7)	(19.8)%
Interest expense, net	(13.0)	(14.8)	1.8	(12.2)%
Loss on extinguishment and modification of debt	(1.7)	—	(1.7)	— %
Other income (income)	0.2	(0.1)	0.3	100.0 %
INCOME BEFORE TAXES	$ 37.1	$ 49.4	$ (12.3)	(24.9)%
Provision for Income Taxes	9.5	12.4	(2.9)	(23.4)%
NET INCOME	$ 27.6	$ 37.0	$ (9.4)	(25.4)%

(dollar amounts in tables in millions)	Six Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
REVENUES				
Product revenues[1]	$ 420.9	$ 448.2	$ (27.3)	(6.1)%
Service revenues	82.0	74.3	7.7	10.4 %
Total Revenues	$ 502.9	$ 522.5	$ (19.6)	(3.8)%
Product cost of revenues	229.8	250.7	(20.9)	(8.3)%
Service cost of revenues	53.7	55.6	(1.9)	(3.4)%
Cost of Revenues	$ 283.5	$ 306.3	$ (22.8)	(7.4)%
GROSS PROFIT	$ 219.4	$ 216.2	$ 3.2	1.5 %
OPERATING EXPENSES				
Selling and marketing	34.7	31.5	3.2	10.2 %
General and administrative	77.6	69.4	8.2	11.8 %
Operating Expenses	$ 112.3	$ 100.9	$ 11.4	11.3 %
INCOME FROM OPERATIONS	$ 107.1	$ 115.3	$ (8.2)	(7.1)%
Interest expense, net	(27.3)	(30.8)	3.5	(11.4)%
Loss on extinguishment and modification of debt	(1.7)	—	(1.7)	— %
Other income (income)	0.2	(0.1)	0.3	100.0 %
INCOME BEFORE TAXES	$ 78.3	$ 84.4	$ (6.1)	(7.2)%
Provision for Income Taxes	20.0	21.4	(1.4)	(6.5)%
NET INCOME	$ 58.3	$ 63.0	$ (4.7)	(7.5)%

Revenues *(Dollar amounts in tables in millions)*

	Three Months Ended		Variance		Variance Breakdown		
	June 29, 2024	July 1, 2023	$	%	Acquisition Revenue	Organic Growth	Organic Growth %
Product revenues [(1)]	$ 205.8	$ 232.8	$ (27.0)	(11.6) %	$ —	$ (27.0)	(11.6) %
Service revenues	42.6	37.8	4.8	12.7 %	4.0	$ 0.8	2.1 %
Total	**$ 248.4**	**$ 270.6**	**$ (22.2)**	**(8.2)%**	**$ 4.0**	**$ (26.2)**	**(9.7)%**

	Six Months Ended		Variance		Variance Breakdown		
	June 29, 2024	July 1, 2023	$	%	Acquisition Revenue	Organic Growth	Organic Growth %
Product revenues [(1)]	$ 420.9	$ 448.2	$ (27.3)	(6.1) %	$ —	(27.3)	(6.1) %
Service revenues	82.0	74.3	7.7	10.4 %	4.0	3.7	5.0 %
Total	**$ 502.9**	**$ 522.5**	**$ (19.6)**	**(3.8)%**	**$ 4.0**	**$ (23.6)**	**(4.5)%**

(1) Product revenues include product revenues transferred at a point in time and product revenues transferred over time.

Total revenue decreased by $22.2 or 8.2% for the three month period ended June 29, 2024 compared to the three month period ended July 1, 2023, and decreased by $19.6 or 3.8% for the six month period ended June 29, 2024 compared to the six month period ended July 1, 2023. The $26.2 organic revenue decline for the three months ended June 29, 2024 is attributed to an approximately 50% decline in volume and an approximately 50% decline in price. The organic decline was partially offset by $4.0 in inorganic revenue from the T.M.C. Acquisition.

The following table and discussion compares Janus's sales by sales channel:

(dollar amounts in tables in millions)	Three Months Ended				Variance	
Consolidated	June 29, 2024	% of sales	July 1, 2023	% of sales	$	%
New Construction - Self Storage	$ 110.7	44.6 %	$ 103.2	38.1 %	$ 7.5	7.3 %
R3 - Self Storage	61.5	24.8 %	80.4	29.7 %	(18.9)	(23.5) %
Self Storage	172.2	69.4 %	183.6	67.8 %	(11.4)	(6.2) %
Commercial and Other	76.2	30.6 %	87.0	32.2 %	(10.8)	(12.4) %
Total	**$ 248.4**	**100.0 %**	**$ 270.6**	**100.0 %**	**$ (22.2)**	**(8.2)%**

(dollar amounts in tables in millions)	Six Months Ended				Variance	
Consolidated	June 29, 2024	% of sales	July 1, 2023	% of sales	$	%
New Construction - Self Storage	$ 227.3	45.2 %	$ 186.4	35.7 %	$ 40.9	21.9 %
R3 - Self Storage	132.1	26.3 %	165.8	31.7 %	(33.7)	(20.3) %
Self Storage	359.4	71.5 %	352.2	67.4 %	7.2	2.0 %
Commercial and Other	143.5	28.5 %	170.3	32.6 %	(26.8)	(15.7) %
Total	**$ 502.9**	**100.0 %**	**$ 522.5**	**100.0 %**	**$ (19.6)**	**(3.8)%**

New construction sales increased by $7.5 or 7.3% and $40.9 or 21.9% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively. The increase was due to continued elevated occupancy rates as compared to historical long-term averages at existing facilities and continued demand for capacity additions through greenfield sites.

R3 sales decreased by $18.9 or 23.5% and $33.7 or 20.3% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively. The R3 sales decrease was approximately 80% attributed to a decline in facility expansion and retail big-box conversion activity.

Commercial and other sales decreased by $10.8 or 12.4% and $26.8 or 15.7% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, due to a volume decline for rolling sheet doors in the carports and sheds market and market declines in demand affecting the commercial steel roll up door market.

Cost of Revenues and Gross Margin *(dollar amounts in tables in millions)*

	Three Months Ended		Variance		Variance Breakdown		
	June 29, 2024	July 1, 2023	$	%	Acquisition Cost	Organic Growth	Organic Growth %
Product cost of revenues	$ 115.1	$ 126.3	$ (11.2)	(8.9)%	$ —	$ (11.2)	(8.9)%
Service cost of revenues	24.3	28.0	(3.7)	(13.2)%	2.8	$ (6.5)	(23.2)%
Cost of Revenues	**$ 139.4**	**$ 154.3**	**$ (14.9)**	**(9.7)%**	**$ 2.8**	**$ (17.7)**	**(11.5)%**

	Six Months Ended		Variance		Variance Breakdown		
	June 29, 2024	July 1, 2023	$	%	Acquisition Cost	Organic Growth	Organic Growth %
Product cost of revenues	$ 229.8	$ 250.7	$ (20.9)	(8.3)%	$ —	$ (20.9)	(8.3)%
Service cost of revenues	53.7	55.6	(1.9)	(3.4)%	2.8	$ (4.7)	(8.5)%
Cost of Revenues	**$ 283.5**	**$ 306.3**	**$ (22.8)**	**(7.4)%**	**$ 2.8**	**$ (25.6)**	**(8.4)%**

The cost of revenues decreased by $14.9 or 9.7% and $22.8 or 7.4% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively. The decrease in product cost of revenues of $11.2 and $20.9 for the three and six month periods ended June 29, 2024, respectively, is primarily attributable to the decline in revenue volume. The decrease in service cost of revenues of $3.7 and $1.9 for the three and six month periods ended June 29, 2024, respectively, is due to a $2.5 out of period adjustment, offset by the increase in service cost of revenues needed to support the increase in service revenues.

Operating Expenses - Selling and marketing

Selling and marketing expense increased $0.4 or 2.4% and $3.2 or 10.2% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023. The increase for the three and six month periods is due to an increase in outside professional services.

Operating Expenses - General and administrative

General and administrative expenses increased $5.0 or 14.2% and $8.2 or 11.8% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023. The increase for the three and six months is primarily due to additional payroll for the Atlanta software center, normalized run rate of share-based compensation having 3 years of grants included in the expense, and professional services related to M&A activity.

Interest Expense, net

Interest expense decreased $1.8 or 12.2% and $3.5 or 11.4% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively, primarily due to voluntary debt repayments of $21.9 million during the six month period ended June 29, 2024 and $85.3 million during the year ended December 30, 2023 as well as the Repricing Agreement in April 2024, and the investment in U.S. Treasury bills which resulted in interest income of $0.4 for the three and six month periods ended June 29, 2024. (*See "Liquidity and Capital Resources" section).*

Income Taxes

Income tax expense decreased by $2.9 or 23.4% and $1.4 or 6.5% from $12.4 and $21.4 for the three and six month periods ended July 1, 2023, respectively, to $9.5 and $20.0 expense for the three and six month periods ended June 29, 2024, respectively, due to decrease in income before taxes.

Net Income

The $9.4 or 25.4% and $4.7 or 7.5% decrease in net income for three and six month periods ended June 29, 2024 as compared to the three and six month periods ended July 1, 2023, respectively, is largely due to a decrease in revenues and increase in operating expenses partially offset by a decrease in cost of revenues for the three and six month periods ended June 29, 2024.

Segment Results of Operations

We operate in and report financial results for two segments: Janus North America and Janus International with the following sales channels: New Construction, Self-Storage R3, and Commercial and Other.

Segment operating income is the measure of profit and loss that our chief operating decision maker uses to evaluate the financial performance of the business and as the basis for resource allocation, performance reviews and compensation. For these reasons, we believe that segment operating income represents the most relevant measure of Segment profit and loss. Our chief operating decision maker may exclude certain charges or gains, such as corporate charges and other special charges, to arrive at a Segment operating income that is a more meaningful measure of profit and loss upon which to base our operating decisions. We define Segment operating margin as Segment operating income as a percentage of the segment's Net revenues. The segment discussion that follows describes the significant factors contributing to the changes in results for each segment included in Results of Operations.

Results of Operations - Janus North America

For the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023:

(dollar amounts in tables in millions)	Three Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
REVENUES				
Product revenues	$ 195.4	$ 221.1	$ (25.7)	(11.6)%
Service revenues	35.4	28.6	6.8	23.8%
Total revenues	$ 230.8	$ 249.7	$ (18.9)	(7.6)%
Product cost of revenues	107.3	118.8	(11.5)	(9.7)%
Service cost of revenues	19.4	21.5	(2.1)	(9.8)%
Cost of Revenues	$ 126.7	$ 140.3	$ (13.6)	(9.7)%
GROSS PROFIT	$ 104.1	$ 109.4	$ (5.3)	(4.8)%
OPERATING EXPENSES				
Selling and marketing	16.1	16.0	0.1	0.6%
General and administrative	37.0	31.9	5.1	16.0%
Operating Expenses	$ 53.1	$ 47.9	$ 5.2	10.9%
INCOME FROM OPERATIONS	$ 51.0	$ 61.5	$ (10.5)	(17.1)%

(dollar amounts in tables in millions)	Six Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
REVENUES				
Product revenues	$ 402.3	$ 423.5	$ (21.2)	(5.0)%
Service revenues	69.0	56.7	12.3	21.7%
Total revenues	$ 471.3	$ 480.2	$ (8.9)	(1.9)%
Product cost of revenues	216.3	234.9	(18.6)	(7.9)%
Service cost of revenues	43.8	42.5	1.3	3.1%
Cost of Revenues	$ 260.1	$ 277.4	$ (17.3)	(6.2)%
GROSS PROFIT	$ 211.2	$ 202.8	$ 8.4	4.1%
OPERATING EXPENSES				
Selling and marketing	32.7	29.9	2.8	9.4%
General and administrative	71.3	62.7	8.6	13.7%
Operating Expenses	$ 104.0	$ 92.6	$ 11.4	12.3%
INCOME FROM OPERATIONS	$ 107.2	$ 110.2	$ (3.0)	(2.7)%

Revenue

(dollar amounts in tables in millions)	Three Months Ended		Variance		Variance Breakdown		
	June 29, 2024	July 1, 2023	$	%	Acquisition Revenue	Organic Growth	Organic Growth %
Product revenues	$ 195.4	$ 221.1	$ (25.7)	(11.6) %	$ —	$ (25.7)	(11.6) %
Service revenues	35.4	28.6	6.8	23.8 %	4.0	$ 2.8	9.8 %
Total	**$ 230.8**	**$ 249.7**	**$ (18.9)**	**(7.6)%**	**$ 4.0**	**$ (22.9)**	**(9.2)%**

(dollar amounts in tables in millions)	Six Months Ended		Variance		Variance Breakdown		
	June 29, 2024	July 1, 2023	$	%	Acquisition Revenue	Organic Growth	Organic Growth %
Product revenues	$ 402.3	$ 423.5	$ (21.2)	(5.0) %	$ —	$ (21.2)	(5.0) %
Service revenues	69.0	56.7	12.3	21.7 %	4.0	$ 8.3	14.6 %
Total	**$ 471.3**	**$ 480.2**	**$ (8.9)**	**(1.9)%**	**$ 4.0**	**$ (12.9)**	**(2.7)%**

Total revenue decreased by $18.9 or 7.6% and $8.9 or 1.9% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively. The $22.9 organic revenue decline for the three months ended June 29, 2024 is attributed to an approximately 50% decline in volume and an approximately 50% decline in price. The organic decline was partially offset by $4.0 of inorganic revenue from the T.M.C. Acquisition.

The following tables and discussion compares Janus North America sales by sales channel.

(dollar amounts in tables in millions)	Three Months Ended				Variance	
	June 29, 2024	% of Total Sales	July 1, 2023	% of Total Sales	$	%
New Construction - Self Storage	$ 95.5	41.4 %	$ 84.7	33.9 %	$ 10.8	12.8 %
R3 - Self Storage	58.7	25.4 %	77.7	31.1 %	(19.0)	(24.5) %
Self Storage	154.2	66.8 %	162.4	65.0 %	(8.2)	(5.0) %
Commercial and Other	76.6	33.2 %	87.3	35.0 %	(10.7)	(12.3) %
Total	**$ 230.8**	**100.0 %**	**$ 249.7**	**100.0 %**	**$ (18.9)**	**(7.6)%**

(dollar amounts in tables in millions)	Six Months Ended				Variance	
	June 29, 2024	% of Total Sales	July 1, 2023	% of Total Sales	$	%
New Construction - Self Storage	$ 199.7	42.4 %	$ 149.3	31.1 %	$ 50.4	33.8 %
R3 - Self Storage	127.0	26.9 %	160.1	33.3 %	(33.1)	(20.7) %
Self Storage	326.7	69.3 %	309.4	64.4 %	17.3	5.6 %
Commercial and Other	144.6	30.7 %	170.8	35.6 %	(26.2)	(15.3) %
Total	**$ 471.3**	**100.0 %**	**$ 480.2**	**100.0 %**	**$ (8.9)**	**(1.9)%**

New Construction sales increased by $10.8 or 12.8% and $50.4 or 33.8% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively. The increase was due to continued elevated occupancy rates as compared to historical long-term averages at existing facilities and continued demand for capacity additions through greenfield sites.

R3 sales decreased by $19.0 or 24.5% and $33.1 or 20.7% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively. The R3 sales decrease was approximately 80% attributed to a decline in facility expansion and retail big-box conversion activity.

Commercial and Other sales decreased by $10.7 or 12.3% and $26.2 or 15.3% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively, due to a volume decline for rolling sheet doors in the carports and sheds market and market declines in demand affecting the commercial steel roll up door market.

Cost of Revenues

(dollar amounts in tables in millions)	Three Months Ended		Variance		Variance Breakdown		
	June 29, 2024	July 1, 2023	$	%	Acquisition Cost	Organic Growth	Organic Growth %
Product cost of revenues	$ 107.3	$ 118.8	$ (11.5)	(9.7)%	$ —	$ (11.5)	(9.7)%
Service cost of revenues	19.4	21.5	(2.1)	(9.8)%	2.8	(4.9)	(22.8)%
Cost of Revenues	**$ 126.7**	**$ 140.3**	**$ (13.6)**	**(9.7)%**	**$ 2.8**	**$ (16.4)**	**(11.7)%**

(dollar amounts in tables in millions)	Six Months Ended		Variance		Variance Breakdown		
	June 29, 2024	July 1, 2023	$	%	Acquisition Cost	Organic Growth	Organic Growth %
Product cost of revenues	$ 216.3	$ 234.9	$ (18.6)	(7.9)%	$ —	$ (18.6)	(7.9)%
Service cost of revenues	43.8	42.5	(1.3)	(3.1)%	2.8	(4.1)	(9.6)%
Cost of Revenues	**$ 260.1**	**$ 277.4**	**$ (17.3)**	**(6.2)%**	**$ 2.8**	**$ (22.7)**	**(8.2)%**

The $13.6 or 9.7% and $17.3 or 6.2% decrease in cost of revenues for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively, is primarily due to the decrease in product cost of revenues of $11.5 and $18.6 which, in turn, is primarily attributable to the decline in product revenues. The decrease in service cost of revenues of $2.1 and $1.3 for the three and six month periods ended June 29, 2024, respectively, is due to a $2.5 out of period adjustment, offset by the increase in service cost of revenues needed to support the increase in service revenues.

Operating Expenses - Selling and marketing

Selling and marketing expenses increased $0.1 or 0.6% and $2.8 or 9.4% from $16.0 and $29.9 for the three and six month periods ended July 1, 2023 to $16.1 and $32.7 for the three and six month periods ended June 29, 2024, respectively. The increase for the three and six month periods is due to an increase in outside professional services.

Operating Expenses - General and administrative

General and administrative expenses increased $5.1 or 16.0% and $8.6 or 13.7% for the six month period ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively, primarily due to additional payroll for the Atlanta software center, normalized run rate of share-based compensation having three years of grants included in the expense, and professional services related to M&A activity.

Income from Operations

Income from operations decreased by $10.5 or 17.1% and $3.0 or 2.7% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively, primarily due to an decrease in revenue yielding a decline in margin along with an increase in selling and general and administrative expenses.

INTERNATIONAL

Results of Operations - Janus International - For the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023:

(dollar amounts in tables in millions)

	Three Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
REVENUE				
Product revenues	$ 10.8	$ 12.0	$ (1.2)	(10.0)%
Service revenues	7.2	9.2	(2.0)	(21.7)%
Total revenues	$ 18.0	$ 21.2	$ (3.2)	(15.1)%
Product cost of revenues	8.3	7.8	0.5	6.4 %
Service cost of revenues	4.8	6.5	(1.7)	(26.2)%
Cost of Revenues	$ 13.1	$ 14.3	$ (1.2)	(8.4)%
GROSS PROFIT	$ 4.9	$ 6.9	$ (2.0)	(29.0)%
OPERATING EXPENSES				
Selling and marketing	1.1	0.7	0.4	57.1 %
General and administrative	3.2	3.4	(0.2)	(5.9)%
Operating Expenses	$ 4.3	$ 4.1	$ 0.2	4.9 %
INCOME FROM OPERATIONS	$ 0.6	$ 2.8	$ (2.2)	(78.6)%

(dollar amounts in tables in millions)

	Six Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
REVENUE				
Product revenues	$ 19.8	$ 25.2	$ (5.4)	(21.4)%
Service revenues	12.9	17.6	(4.7)	(26.7)%
Total revenues	$ 32.7	$ 42.8	$ (10.1)	(23.6)%
Product cost of revenues	14.6	16.3	(1.7)	(10.4)%
Service cost of revenues	9.9	13.1	(3.2)	(24.4)%
Cost of Revenues	$ 24.5	$ 29.4	$ (4.9)	(16.7)%
GROSS PROFIT	$ 8.2	$ 13.4	$ (5.2)	(38.8)%
OPERATING EXPENSES				
Selling and marketing	2.0	1.6	0.4	25.0 %
General and administrative	6.3	6.7	(0.4)	(6.0)%
Operating Expenses	$ 8.3	$ 8.3	$ —	— %
(LOSS) INCOME FROM OPERATIONS	$ (0.1)	$ 5.1	$ (5.2)	(102.0)%

International Revenue

(dollar amounts in tables in millions)

	Three Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
Product revenues	$ 10.8	$ 12.0	$ (1.2)	(10.0)%
Service revenues	7.2	9.2	(2.0)	(21.7)%
Total	**$ 18.0**	**$ 21.2**	**$ (3.2)**	**(15.1)%**

	Six Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
Product revenues	$ 19.8	$ 25.2	$ (5.4)	(21.4)%
Service revenues	12.9	17.6	(4.7)	(26.7)%
Total	**$ 32.7**	**$ 42.8**	**$ (10.1)**	**(23.6)%**

The $3.2 or 15.1% and $10.1 or 23.6% decrease in revenue for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively, is due to a decline in volume as a result of the U.K. recessionary period.

The following table illustrates the sales by channel for the three and six month periods ended June 29, 2024 and July 1, 2023.

(dollar amounts in tables in millions)	Three Months Ended				Variance	
	June 29, 2024	% of Total Sales	July 1, 2023	% of Total Sales	$	%
New Construction - Self Storage	$ 15.2	84.4 %	$ 18.5	87.3 %	$ (3.3)	(17.8)%
R3 - Self Storage	2.8	15.6 %	2.7	12.7 %	0.1	3.7 %
Total	**$ 18.0**	**100.0 %**	**$ 21.2**	**100.0 %**	**$ (3.2)**	**(15.1)%**

(dollar amounts in tables in millions)	Six Months Ended				Variance	
	June 29, 2024	% of Total Sales	July 1, 2023	% of Total Sales	$	%
New Construction - Self Storage	$ 27.6	84.4 %	$ 37.1	86.7 %	$ (9.5)	(25.6)%
R3 - Self Storage	5.1	15.6 %	5.7	13.3 %	(0.6)	(10.5) %
Total	**$ 32.7**	**100.0 %**	**$ 42.8**	**100.0 %**	**$ (10.1)**	**(23.6)%**

New Construction sales decreased by $3.3 or 17.8% and $9.5 or 25.6% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively. The decrease is due to a decline in volume as a result of the U.K. recessionary period.

R3 sales increased by $0.1 or 3.7% and decreased by $0.6 or 10.5% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively.

International Cost of Revenues

(dollar amounts in tables in millions)	Three Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
Product cost of revenues	$ 8.3	$ 7.8	$ 0.5	6.4 %
Service cost of revenues	4.8	6.5	(1.7)	(26.2)%
Cost of Revenues	$ 13.1	$ 14.3	$ (1.2)	(8.4)%

(dollar amounts in tables in millions)	Six Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
Product cost of revenues	$ 14.6	$ 16.3	$ (1.7)	(10.4)%
Service cost of revenues	9.9	13.1	(3.2)	(24.4)%
Cost of Revenues	$ 24.5	$ 29.4	$ (4.9)	(16.7)%

Cost of revenues decreased by $1.2 or 8.4% and $4.9 or 16.7% for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023, respectively. The decrease in cost of revenues is primarily due to a decrease in sales volume.

(Loss) Income from Operations

Income from operations decreased from $2.8 to $0.6 for the three month period ended June 29, 2024, and from $5.1 income from operations to a $0.1 loss from operations for the three and six month periods ended June 29, 2024 compared to the three and six month periods ended July 1, 2023. The decrease for the period is primarily due to a decrease in sales volume.

Results of Operations - Eliminations

Eliminations include transactions to account for intersegment activity. The eliminations necessary to arrive at consolidated financial information activity for the three and six month periods ended June 29, 2024 and July 1, 2023 are as follows:

Revenues

(dollar amounts in tables in millions)	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
North America Segment revenues before eliminations	$ 230.8	$ 249.7	$ 471.3	$ 480.2
International Segment revenues before eliminations	18.0	21.2	32.7	42.8
Intersegment eliminations	(0.4)	(0.3)	(1.1)	(0.5)
Consolidated total revenues	**$ 248.4**	**$ 270.6**	**$ 502.9**	**$ 522.5**

Cost of Revenues

(dollar amounts in tables in millions)	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
North America Segment cost of revenues before eliminations	$ 126.7	$ 140.3	$ 260.1	$ 277.4
International Segment cost of revenues before eliminations	13.1	14.3	24.5	29.4
Intersegment eliminations	(0.4)	(0.3)	(1.1)	(0.5)
Consolidated total cost of revenues	**$ 139.4**	**$ 154.3**	**$ 283.5**	**$ 306.3**

Liquidity and Capital Resources

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing and financing activities. In doing so, we review and analyze our current cash on hand, borrowing capacity, days sales outstanding, inventory turns, days payable outstanding, capital expenditure forecasts, interest and principal payments on debt and income tax payments.

Our primary sources of liquidity include cash balances on hand, cash flows from operations, debt offerings and borrowing availability under our existing credit facility. We believe our operating cash flows, along with funds available under the line of credit, provide sufficient liquidity to support Janus's short and long-term liquidity and financing needs, which are working capital requirements, capital expenditures, service of indebtedness, and acquisitions.

Financial Policy

Our financial policy seeks to: (i) selectively invest in organic and inorganic growth to enhance our portfolio, including certain strategic capital investments, (ii) maintain appropriate leverage by using free cash flows to repay outstanding borrowings and (iii) repurchases of common stock.

Liquidity Policy

We maintain a strong focus on liquidity and define our liquidity risk tolerance based on sources and uses to maintain a sufficient liquidity position to meet our obligations under both normal and stressed conditions. We manage our liquidity to provide access to sufficient funding to meet our business needs and financial obligations, as well as capital allocation and growth objectives, throughout business cycles.

We have operations in various foreign countries, principally the United Kingdom, France, Australia, and Poland. Therefore, changes in the value of the related currencies affect our financial statements when translated into U.S. dollars.

Debt Profile (dollar amounts in table in millions)

	Principal Amount	Issuance Date	Maturity Date	Interest Rate	Net Carrying Value June 29, 2024	Net Carrying Value December 30, 2023
Notes payable - First Lien	$ 600.0	August 3, 2023[1]	August 3, 2030	7.84%[2]	$ 600.0	$ 623.4
Financing leases					3.8	3.4
Total principal debt					$ 603.8	$ 626.8
Less: unamortized deferred finance fees					10.7	11.8
Less: current portion of long-term debt					7.3	7.3
Long-term debt, net of current portion					**$ 585.8**	**$ 607.7**

(1) Represents the original issuance date for the certain First Lien Credit and Guarantee Agreement, dated as of February 12, 2018 (as amended to date, the "First Lien Term Loan"). Subsequent to the original issuance of the First Lien Term Loan, the Company has amended the First Lien Term Loan on a number of occasions, including most recently on April 30, 2024 when the Company completed a repricing pursuant to the Repricing Amendment described below.

(2) The interest rate on the Repricing Amendment as of June 29, 2024, was 7.84%, which is a variable rate based on Adjusted Term SOFR plus an applicable margin percent of 2.50%.

As of June 29, 2024 and December 30, 2023, the Company maintained one letter of credit totaling approximately $0.4, on which there were no balances due.

First Lien Term Loan - In April 2024, the Company made a voluntary prepayment of $21.9 toward the certain First Lien Term Loan. The Company used cash on hand to make the voluntary prepayment.

On April 30, 2024, the Company completed a repricing pursuant to Amendment No. 7 (the "Repricing Amendment") to that certain First Lien Term Loan. The Repricing Amendment reduced the applicable interest rate margins on the $600.0 First Lien Term Loan from 2.0% to 1.50% for the term loans bearing interest at rates based on the base rate, and from 3.00% to 2.50% for the term loans bearing interest at rates based on the SOFR rate. In addition to the change in the applicable margin rate, the Company is no longer subject to a CSA rate of 0.1%. Interest is payable in arrears (with respect to base rate loans) or at the end of an interest period selected by the Company (with respect to SOFR loans). The outstanding loan balance is to be repaid on a quarterly basis in an amount equal to 0.25% of the original balance of the amended loan, with the remaining principal due on the maturity date of August 3, 2030. The interest rate on the First Lien Term Loan as of June 29, 2024, was 7.84%, which is a variable rate based on Adjusted Term SOFR and includes an applicable margin percentage of 2.50%. In conjunction with the Repricing Amendment, the Company incurred $1.7 of costs from third parties that did not qualify for capitalization of deferred finance costs and were expensed within "Loss on extinguishment and modification of debt" on the Unaudited Condensed Consolidated

Statement of Operations and Comprehensive Income. See Note 9 to our Unaudited Condensed Consolidated Financial Statements in this Form 10-Q for a further discussion.

Revolving Credit Facility - The revolving credit facility bears interest at a floating rate per annum consisting of the SOFR rate plus an applicable margin percent based on excess availability and a 10 basis points flat credit spread adjustment (CSA). There was no outstanding balance on the line of credit as of June 29, 2024. As of June 29, 2024, the interest rate in effect for the facility was 6.69%. The line of credit is secured by accounts receivable and inventories. See Note 8 to our Unaudited Condensed Consolidated Financial Statements in this Form 10-Q for a further discussion.

The LOC Agreement and Amendment No. 6 First Lien contain affirmative and negative covenants, including limitations on, subject to certain exceptions, the incurrence of indebtedness, the incurrence of liens, fundamental changes, dispositions, restricted payments, investments, transactions with affiliates as well as other covenants customary for financings of these types.

The LOC Agreement also includes a financial covenant, applicable only when the excess availability is less than the greater of (i) 10% of the lesser of the aggregate commitments under the line of credit facility and the borrowing base, and (ii) $10.0. In such circumstances, we would be required to maintain a minimum fixed charge coverage ratio for the trailing four quarters equal to at least 1.00 to 1.00; subject to our ability to make an equity cure (no more than twice in any four quarter period and up to five times over the life of the facility). As of June 29, 2024, we were compliant with our covenants under the agreements governing our outstanding indebtedness.

Statement of cash flows

The following table presents a summary of cash flows from operating, investing and financing activities for the following comparative periods. For additional detail, please see the Unaudited Condensed Consolidated Statements of Cash Flows in the Unaudited Condensed Consolidated Financial Statements.

Six month period ended June 29, 2024 compared to the six month period ended July 1, 2023:

			Variance	
(dollar amounts in tables in millions)	June 29, 2024	July 1, 2023	$	%
Net cash provided by operating activities	$ 59.6	$ 96.6	$ (37.0)	(38.3)%
Net cash used in investing activities	(70.4)	(10.6)	(59.8)	564.2 %
Net cash used in financing activities	(50.7)	(54.3)	3.6	(6.6)%
Effect of foreign currency rate changes on cash	(0.1)	0.6	(0.7)	(116.7)%
Net (decrease) increase in cash	**$ (61.6)**	**$ 32.3**	**$ (93.9)**	**(290.7)%**

Net cash provided by operating activities

Net cash provided by operating activities decreased by $37.0 for the six month period ended June 29, 2024 as compared to the six month period ended July 1, 2023. This decrease is due to a $42.1 decrease from the changes in net working capital balances, partially offset by $5.1 of net income adjusted for non-cash items.

Net cash used in investing activities

Net cash used in investing activities increased by $59.8 for the six month period ended June 29, 2024 as compared to the six month period ended July 1, 2023. The increase in cash used was primarily due to an acquisition of a cash transaction which resulted in $60.1 of cash used.

Net cash used in financing activities

Net cash used in financing activities decreased by $3.6 for the period ended June 29, 2024 as compared to the period ended July 1, 2023. This decrease was primarily due to a decrease in debt principal payments of $30.6, from $54.0 payments in the six-month period ending July 1, 2023 compared to a $23.4 payments in the six months period ending June 29, 2024. The decrease in debt pay down was offset by executing on our share repurchase program of $25.2.

Capital allocation strategy

We continually assess our capital allocation strategy, including decisions relating to M&A, dividends, stock repurchases, capital expenditures, and debt pay-downs. The timing, declaration and payment of future dividends, if any, falls within the discretion of Janus's Board of Directors and will depend upon many factors, including, but not limited to, Janus's financial condition and earnings, the capital requirements of the business, restrictions imposed by applicable law, and any other factors the Board of Directors deems relevant from time to time.

Non-GAAP Financial Measures

Janus uses measures of performance that are not required by or presented in accordance with GAAP in the United States. Non-GAAP financial performance measures are used to supplement the financial information presented on a GAAP basis. These non-GAAP financial measures should not be considered in isolation or as a substitute for the relevant GAAP measures and should be read in conjunction with information presented on a GAAP basis. This section also provides a discussion of Adjusted EBITDA, Adjusted Net Income, Free Cash Flow and Debt Leverage Ratio, non-GAAP financial measures that the Company uses to assess liquidity and capital allocation and deployment.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure used by Janus to evaluate its operating performance, generate future operating plans, and make strategic decisions, including those relating to operating expenses and the allocation of internal resources. EBITDA is earnings before interest, taxes, depreciation, and amortization ("EBITDA").

Janus presents Adjusted EBITDA which is a non-GAAP financial performance measure, which excludes from reported GAAP results, the impact of certain items consisting of acquisition events and other non-recurring charges. Janus believes such expenses, charges, and gains are not indicative of normal, ongoing operations, and their inclusion in results makes for more difficult comparisons between years and with peer group companies.

Accordingly, Janus believes these measures provide useful information to investors and others in understanding and evaluating Janus's operating results in the same manner as its management and board of directors. In addition, they provide useful measures for period-to-period comparisons of Janus's business, as they remove the effect of certain non-cash items and certain variable charges. Adjusted EBITDA is defined as net income excluding interest expense, income taxes, depreciation expense, amortization, and other non-operational, non-recurring items.

Adjusted EBITDA should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA rather than net income, which is the nearest GAAP equivalent of Adjusted EBITDA. These limitations include that the non-GAAP financial measures:

- exclude depreciation and amortization, and although these are non-cash expenses, the assets being depreciated may be replaced in the future;
- do not reflect interest expense, or the cash requirements necessary to service interest on debt, which reduces cash available;
- do not reflect the provision for or benefit from income tax that may result in payments that reduce cash available;
- exclude non-recurring items which are unlikely to occur again and have not occurred before (e.g., the extinguishment of debt); and
- may not be comparable to similar non-GAAP financial measures used by other companies, because the expenses and other items that Janus excludes in the calculation of these non-GAAP financial measures may differ from the expenses and other items, if any, that other companies may exclude from these non-GAAP financial measures when they report their operating results.

Because of these limitations, these non-GAAP financial measures should be considered along with other operating and financial performance measures presented in accordance with GAAP.

The following table present a reconciliation of Net Income to Adjusted EBITDA for the periods indicated:

(dollar amounts in tables in millions)	Three Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
Net Income	$ 27.6	$ 37.0	$ (9.4)	(25.4)%
Interest, net	13.0	14.8	(1.8)	(12.2)%
Income taxes	9.5	12.4	(2.9)	(23.4)%
Depreciation	3.0	2.2	0.8	36.4%
Amortization	8.0	7.4	0.6	8.1%
EBITDA*	**$ 61.1**	**$ 73.8**	**$ (12.7)**	**(17.2)%**
Restructuring charges[1]	0.3	0.2	0.1	50.0%
Acquisition expense[2]	1.4	—	1.4	100.0%
Loss on extinguishment and modification of debt[3]	1.7	—	1.7	100.0%
Adjusted EBITDA*	**$ 64.5**	**$ 74.0**	**$ (9.5)**	**(12.8)%**

(dollar amounts in tables in millions)	Six Months Ended		Variance	
	June 29, 2024	July 1, 2023	$	%
Net Income	$ 58.3	$ 63.0	$ (4.7)	(7.5)%
Interest, net	27.3	30.8	(3.5)	(11.4)%
Income taxes	20.0	21.4	(1.4)	(6.5)%
Depreciation	5.9	4.4	1.5	34.1%
Amortization	15.5	14.8	0.7	4.7%
EBITDA*	**$ 127.0**	**$ 134.4**	**$ (7.4)**	**(5.5)%**
Restructuring charges[1]	0.7	0.8	(0.1)	(12.5)%
Acquisition expense[2]	1.4	—	1.4	100.0%
Loss on extinguishment and modification of debt[3]	1.7	—	1.7	100.0%
Adjusted EBITDA*	**$ 130.8**	**$ 135.2**	**$ (4.4)**	**(3.3)%**

(1) Restructuring charges consist of the following: 1) facility relocations, and 2) severance and hiring costs associated with our strategic transformation, including executive leadership team changes, strategic business assessment and transformation projects.

(2) Income or expenses related to various professional fees and legal settlements from acquisition activities.

(3) Adjustment for loss on extinguishment and modification of debt regarding the write off of unamortized fees and third-party fees as a result of the debt modification completed in April 2024.

*Janus uses measures of performance that are not required by or presented in accordance with GAAP in the United States. Non-GAAP financial performance measures are used to supplement the financial information presented on a GAAP basis. These non-GAAP financial measures should not be considered in isolation or as a substitute for the relevant GAAP measures and should be read in conjunction with information presented on a GAAP basis.

Adjusted Net Income

Adjusted Net Income is defined as net income attributable to shareholders, which excludes from reported GAAP results, the impact of certain items consisting of acquisition events and other non-recurring charges. Similar to Adjusted EBITDA, such expenses, charges, and gains are excluded since they are not indicative of Janus's normal, ongoing operations, and their inclusion in results makes for more difficult comparisons between years and with peer group companies.

We use Adjusted Net Income to facilitate a comparison of our operating performance on a consistent basis from period to period that, when viewed in combination with our results prepared in accordance with U.S. GAAP, provides a more complete understanding of factors and trends affecting our business than does U.S. GAAP measures alone. Adjusted net income should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP.

The following table presents a reconciliation of Net Income to Adjusted Net Income for the periods indicated:

(dollar amounts in tables in millions)	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net Income	$ 27.6	$ 37.0	$ 58.3	$ 63.0
Net Income Adjustments(1)	3.4	0.2	3.8	0.8
Tax Effect on Net Income Adjustments(2)	(0.9)	(0.1)	(1.0)	(0.2)
Non-GAAP Adjusted Net Income*	**$ 30.1**	**$ 37.1**	**$ 61.1**	**$ 63.6**

(1) Net Income Adjustments for the three months ended June 29, 2024 include $0.3 restructuring charges, $1.4 acquisition expenses, and $1.7 loss on extinguishment and modification of debt. Net Income adjustments for the six months ended June 29, 2024 include $0.7 restructuring charges, $1.4 acquisition expenses and $1.7 loss on extinguishment and modification of debt. Refer to the Adjusted EBITDA table above for further details.

(2) The effective tax rates of 25.6% and 25.1% were used for the three months ended June 29, 2024 and July 1, 2023, respectively. The effective tax rates of 25.5% and 25.4% were used for the six months ended June 29, 2024 and July 1, 2023, respectively.

*Janus uses measures of performance that are not required by or presented in accordance with GAAP in the United States. Non-GAAP financial performance measures are used to supplement the financial information presented on a GAAP basis. These non-GAAP financial measures should not be considered in isolation or as a substitute for the relevant GAAP measures and should be read in conjunction with information presented on a GAAP basis.

Free Cash Flow

The Company uses a measure of free cash flow to facilitate an understanding of its ability to generate cash for reinvestment into its businesses. We define "Free Cash Flow" as cash flow from operating of continuing operations, less cash used in purchases of property and equipment. Free Cash Flow is not intended as an alternative measure of cash flow from operations, as determined in accordance with GAAP in the United States. We use this financial measure both in presenting results to shareholders and the investment community and in our internal evaluation and management of our businesses. We believe that this financial measure and the information it provides are useful to investors because it permits investors to view our performance using the same tool that we use to gauge progress in achieving our goals. We believe that the non-GAAP financial measure "Free cash flow" is also useful to investors because it is an indication of cash flow that may be available to fund investments in future growth initiatives. Free cash flow should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP.

The following table presents a reconciliation of cash flows provided by operating activities to free cash flow for the periods indicated:

(dollar amounts in tables in millions)

	Six Months Ended	
	June 29, 2024	July 1, 2023
Cash flow from operating activities	$ 59.6	$ 96.6
Less: capital expenditure	(10.3)	(9.6)
Free cash flow*	$ 49.3	$ 87.0
Non-GAAP Adjusted Net Income*	$ 61.1	$ 63.6
Free cash flow conversion of Non-GAAP Adjusted Net Income*	81 %	137 %

*Janus uses measures of performance that are not required by or presented in accordance with GAAP in the United States. Non-GAAP financial performance measures are used to supplement the financial information presented on a GAAP basis. These non-GAAP financial measures should not be considered in isolation or as a substitute for the relevant GAAP measures and should be read in conjunction with information presented on a GAAP basis.

Net Leverage Ratio

The Company uses the net leverage ratio as a metric to assess liquidity and the flexibility of its balance sheet. Consistent with other liquidity metrics, the Company monitors the net leverage ratio as a measure to determine the appropriate level of debt the Company believes is optimal to operate its business, and accordingly, to quantify debt capacity available for strengthening the balance sheet for strategic capital allocation and deployment through investments in the business, and for returning capital to the shareholders. The net leverage ratio is the ratio of our consolidated senior secured indebtedness reduced by cash to our trailing four-quarter consolidated EBITDA.

The following table presents a reconciliation of Long-Term Debt to Net Debt and Long-Term Debt to Net Income Ratio to Net Leverage Ratio for the periods indicated:

(dollar amounts in tables in millions)

	June 29, 2024	December 30, 2023
Note payable - First Lien	$ 600.0	$ 623.4
Less: Cash	110.1	171.7
Net Debt*	$ 489.9	$ 451.7
Net Income (Trailing Twelve-Month periods ended) (1)	$ 131.1	$ 135.7
Adjusted EBITDA (Trailing Twelve-Month periods ended) (2)	$ 281.3	$ 285.6
Long-Term Debt to Net Income	4.6	4.6
Non-GAAP Net Leverage Ratio*	$ 1.7	$ 1.6

(1) Trailing Twelve-months Net Income for the period ended June 29, 2024 consists of the sum of Net Income as reported in the Company's Quarterly and Annual Reports, as applicable of $37.0, $35.8, $30.7, and $27.6 for the periods ended September 30,2023, December 30, 2023, March 30, 2024, and June 29, 2024, respectively. Trailing Twelve-months Net Income for the period ended December 30, 2023 is Net Income as reported in the Company's Annual Report on Form 10-K for the year ended December 30, 2023.

(2) Trailing Twelve-months Adjusted EBITDA for the period ended June 29, 2024 consists of the sum of Adjusted EBITDA as reported in the Company's Quarterly or Annual Reports, as applicable of $76.2, $74.3, $66.3, and $64.5 for the three month periods ended September 30,2023, December 30, 2023, March 30, 2024, and June 29, 2024, respectively. Trailing Twelve-month Adjusted EBITDA for the period ended December 30, 2023 is Adjusted EBITDA as reported in the Company's Annual Report on Form 10-K for the year ended December 30, 2023.

*Janus uses measures of performance that are not required by or presented in accordance with GAAP in the United States. Non-GAAP financial performance measures are used to supplement the financial information presented on a GAAP basis. These non-GAAP financial measures should not be considered in isolation or as a substitute for the relevant GAAP measures and should be read in conjunction with information presented on a GAAP basis.

Credit Ratings

Costs of borrowing and their respective ability to access the capital markets are affected not only by market conditions but also by the short-term and long-term credit ratings assigned to our respective debt by the major credit rating agencies.

In determining our credit ratings, the rating agencies consider a number of quantitative factors, including but not limited to, debt to total capitalization, operating cash flow relative to outstanding debt, and operating cash flow coverage of interest. In addition, the rating agencies consider qualitative factors such as consistency of our earnings over time, and the quality of our management and business strategy.

Our debt is rated by two rating agencies: Standard & Poor's Corporation (S&P) and Moody's Investors Service (Moody's). As of June 29, 2024, our outlook and current debt ratings are as follows:

	S&P	Moody's
Corporate	B+	Ba3
Senior secured long-term debt[(1)]	BB-	Ba3
Outlook	Positive	Positive

(1) A credit rating is not a recommendation to buy, sell or hold securities. Our credit ratings may be revised or withdrawn at any time by the rating agencies, and each rating should be evaluated independently of any other rating. There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, or withdrawn entirely, by a rating agency if, in its judgment, circumstances so warrant.

Contractual Obligations

Summarized below are our contractual obligations as of June 29, 2024 and their expected impact on our liquidity and cash flows in future periods (dollar amounts in millions):

	Total	2024	2025-2026	2027-2028	Thereafter
Debt obligations	$ 600.0	$ 3.0	$ 12.0	$ 12.0	$ 573.0
Finance lease obligations	3.8	0.7	2.2	0.9	—
Supply contracts [(1)]	5.2	5.2	—	—	—
Operating lease obligations	53.4	3.5	14.0	12.0	23.9
Total	$ 662.4	$ 12.4	$ 28.2	$ 24.9	$ 596.9

(1) Supply contracts relate to the multiple fixed price agreements.

Debt obligations are presented for the principal balance and include the First Lien Term Loan payments. The First term loan has a maturity date of August 3, 2030. (See Note 9, Long-Term Debt, to our Unaudited Condensed Consolidated Financial Statements in this Form 10-Q for a further discussion).

Finance lease obligations include future payments related to finance leases. Operating lease obligations consist of future payments related to operating lease liabilities for real and personal property leases with various lease expiration dates. The amount included in the "Thereafter" column is primarily comprised of thirteen real property leases with expiration dates ranging from 2029 – 2036. Finance and operating lease obligations are presented net of imputed interest. (See Note 10, Leases, to our Unaudited Condensed Consolidated Financial Statements in this Form 10-Q for a further a discussion of future lease payments).

The table above does not include warranty liabilities because it is not certain when these liabilities will be funded and because they are considered immaterial.

In addition to the contractual obligations and commitments listed and described above, the Company also had another commitment for which it is contingently liable as of June 29, 2024 and December 30, 2023 consisting of an outstanding letter of credit of $0.4.

Critical Accounting Estimates

For the critical accounting estimates used in preparing Janus's Unaudited Condensed Consolidated Financial Statements, Janus makes assumptions, judgments and estimates that can have a significant impact on its revenue, results from operations, and net income, as well as on the value of certain assets and liabilities on its consolidated balance sheets. Janus bases its assumptions, judgments and estimates on historical experience and various other factors that Janus believes to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions. The Company's critical accounting estimates requiring significant judgment that could materially impact the Company's 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 year ended December 30, 2023. Since the date of the Company's most recent Annual Report, there have been no material changes in the Company's critical accounting estimates or assumptions.

Recently Issued Accounting Standards

See Note 2 to our Unaudited Condensed Consolidated Financial Statements in this Form 10-Q for a discussion of recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in exposures to market risk since December 30, 2023. For information regarding our exposure to certain market risks, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," in our Annual Report on Form 10-K for the fiscal year ended December 30, 2023.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, with the participation of certain members of management (collectively "the management team") evaluated the effectiveness of our disclosure controls and procedures as of June 29, 2024, the end of the period covered by this Quarterly Report on Form 10-Q. The term "disclosure controls and procedures," as defined in Rules 13a15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Securities and Exchange Commission, or SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation of our disclosure controls and procedures as of the end of the period covered by this Form 10-Q, our Chief Executive Officer and Chief Financial Officer concluded, as of such date, our disclosure controls and procedures were effective to ensure that information required to be disclosed in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow their timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended June 29, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, as specified above. Our management recognizes that any control system, no matter how well designed and operated, is based upon certain judgments and assumptions, and cannot provide absolute assurance that its objectives will be met. Management continues to refine and assess its overall control environment.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

See Note 18 to the Unaudited Condensed Consolidated Financial Statements, in this Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors

For information regarding factors that could affect the Company's results of operations, financial condition, and liquidity, see the risk factors discussed in Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 30, 2023.

As of the date of this report, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K for the fiscal year ended December 30, 2023. We may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

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

The following table sets forth repurchases of our common stock during the six month period ended June 29, 2024:

(dollar amounts in millions, except share and per share data)	Total number of shares purchased(1)	Average price paid per share(2)	Total number of shares purchased as part of the publicly announced program	Approximate dollar value of shares that may yet to be purchased under program
December 31, 2023 - January 30, 2024	—	$ —	—	$ —
January 31, 2024 - March 1, 2024	—	$ —	—	$ —
March 2, 2024 - March 30, 2024	1,019,889	$ 14.84	1,019,889	$ 84.9
March 31, 2024 - April 30, 2024	—	$ —	—	$ —
May 1, 2024 - May 30, 2024	—	$ —	—	$ —
May 31, 2024 - June 29, 2024	753,667	$ 13.26	753,667	$ 74.9
Total	1,773,556	$ 14.17	1,773,556	$ 74.9

(1) On February 28, 2024, the Company announced that the Board of Directors authorized a share repurchase program, pursuant to which the Company is authorized to purchase up to $100.0 million of its common stock. The repurchase authorization does not have an expiration date and may be terminated by the Company's Board of Directors at any time. There were 753,667 and 1,773,556 shares repurchased as part of our publicly announced share repurchase program during the three and six month periods ended June 29, 2024.

(2) The share price paid per share is exclusive of $0.1 and $0.3 for the three and six month periods ended June 29, 2024, of commission and excise taxes associated with the share repurchase transactions.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Equity Trading Plan Elections

(c) Certain executive officers and directors of the Company may execute purchases and sales of the Company's common stock through 10b5-1 and non-Rule 10b5-1 equity trading plans.

During the three month period ended June 29, 2024, none of our executive officers or directors (as defined in Section 16 of the Securities Exchange Act of 1934, as amended), adopted, terminated, or modified a "non-Rule 10b5-1 trading arrangement" (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits.

Exhibit Number	Description
3.1	Second Amended and Restated Certificate of Incorporation of Janus International Group, Inc., filed with the Secretary of State of Delaware on June 24, 2024 (incorporated by reference to Exhibit 3.1 to Janus International Group, Inc.'s Form 8-K filed on June 24, 2024).
3.2	Amended and Restated Bylaws of Janus International Group, Inc., adopted as of January 31, 2024 (incorporated by reference to Exhibit 3.1 to Janus International Group, Inc.'s Form 8-K filed on February 1, 2024).
10.1***	Amendment No. 7 to First Lien Credit and Guarantee Agreement, dated April 30, 2024, by and among Janus Intermediate, LLC, Janus International Group, LLC, JPMorgan Chase Bank, N.A., Goldman Sachs Bank USA, and the other parties thereto (incorporated by reference to Exhibit 10.1 to Janus International Group, Inc.'s Form 8-K filed on April 30, 2024).
10.2***	Asset Purchase Agreement, dated May 17, 2024 by and among Terminal Door, LLC and Smith T.M.C., Inc. Jerry O. Smith Company, LLC, J.O.S. Realty, Inc., and David Scot Smith (incorporated by reference to Exhibit 10.1 to Janus International Group, Inc.'s Form 8-K filed on May 20, 2024).
31.1*	Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer (Principal Financial Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer (Principal Financial Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS^	Inline XBRL Instance Document
101.SCH^	Inline XBRL Taxonomy Extension Schema Document
101.CAL^	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF^	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB^	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE^	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104^	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.

** The certifications furnished in Exhibit 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

*** Contains schedules and exhibits that have been omitted pursuant to Item 601(a) and/or Item 601(b) of Regulation S-K.

^ Submitted electronically with this Report in accordance with the provisions of Regulation S-T.

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 hereunto duly authorized.

Date:	August 7, 2024	By:	/s/ Anselm Wong
		Name:	Anselm Wong
		Title:	Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION

PURSUANT TO RULE 13a-14 AND 15d-14

UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Ramey Jackson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 29, 2024 of Janus International Group, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: August 7, 2024

By: /s/ Ramey Jackson
Ramey Jackson
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

PURSUANT TO RULE 13a-14 AND 15d-14

UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Anselm Wong, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 29, 2024 of Janus International Group, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: August 7, 2024

By: /s/ Anselm Wong
Anselm Wong
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. 1350

(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report of Janus International Group, Inc. (the “Company”) on Form 10-Q for the quarter ended June 29, 2024, as filed with the Securities and Exchange Commission (the “Report”), I, Ramey Jackson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: August 7, 2024	By:	/s/ Ramey Jackson
		Ramey Jackson
		Chief Executive Officer
		(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. 1350

(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

In connection with the Quarterly Report of Janus International Group, Inc. (the “Company”) on Form 10-Q for the quarter ended June 29, 2024, as filed with the Securities and Exchange Commission (the “Report”), I, Anselm Wong, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

August 7, 2024	By:	/s/ Anselm Wong
		Anselm Wong
		Chief Financial Officer
		(Principal Financial Officer)