UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

RICHARD ZANOL, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. **QUANEX BUILDING PRODUCTS CORPORATION, GEORGE L. WILSON, and SCOTT M. ZUEHLKE**, Defendants.	Case No. 4:25-cv-04453 **DEMAND FOR JURY TRIAL**

CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL SECURITIES LAWS

Plaintiff Richard Zanol ("Plaintiff"), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff's information and belief is based upon, among other things, his counsel's investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Quanex Building Products Corporation ("Quanex" or the "Company") with the United States ("U.S.") Securities and Exchange Commission ("SEC"); (b) review and analysis of press releases and media reports issued by and disseminated by Quanex; and (c) review of other publicly available information concerning Quanex.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Quanex securities between December 12, 2024 and September 5, 2025, inclusive (the "Class Period"). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Quanex is an international supplier of engineered home components and access solutions to the construction industry, including windows, doors, cabinetry, and vinyl products. On August 1, 2024, Quanex announced it closed on its acquisition of Tyman plc ("Tyman"), for an aggregate consideration of approximately $1.1 billion dollars. Tyman is a United Kingdom-based manufacturer of building components, including handles, hardware and sealing components for residential and commercial applications.

3. On September 4, 2025, after the market closed, Quanex announced financial results for the third quarter of the 2025 fiscal year. The Company disclosed, among other things, that there were "***operational issues related to the legacy Tyman window and door hardware business in Mexico that are ongoing***" which "impacted results ***more than expected*** during the third quarter

of 2025." Specifically, the Company reported a diluted EPS of ($6.04), compared to $0.77 in the prior year period and an adjusted EBIDTA of $70.30.[1] The Company further disclosed that it was "adjusting for lower expected volumes and ***pushing out the timing of when [it] expect[s] to realize procurement savings*** " from the integration of the Tyman business.

4. Then, on September 5, 2025, at approximately 11:00 AM Eastern Time, the Company held an earnings call to discuss the Company's third quarter 2025 financial results. During the earnings call, Chief Executive Officer, George Wilson ("Wilson") explained that "operational challenges" in the Tyman facility in Mexico "negatively impacted EBITDA in the Hardware Solutions segment by almost $5 million in the third quarter alone." Wilson further explained that the issue was previously "***identified midyear***" as it got "deeper into the integration" with Tyman, and described how the systems used to "anticipate and plan for tooling repairs" were significantly deficient, indicating it was near "nonexistent." Wilson stated because Quanex was "***underinvested***" in "the tooling condition and the equipment condition" it "had to make some changes and fix some things ***before it was catastrophic***."

5. On this news, Quanex's stock price fell $2.73, or 13.1%, to close at $18.18 per share on September 5, 2025, on unusually heavy trading volume. The stock price continued to decline on the subsequent trading day, falling $1.98 or 10.9%, to close at $16.20 per share on September 8, 2025, on unusually heavy trading volume.

6. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) the

[1] Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all footnotes are omitted.

Company's procedures and policies regarding tooling and equipment maintenance in its Tyman Mexico facility were significantly "underinvested"; (2) as a result, the Company's tooling and equipment conditions had significantly degraded to near "catastrophic" levels; (3) that, as a result of the foregoing, the Company was likely to incur significant costs, "pushing out the timing" of expected benefits from the Tyman integration; (4) that Quanex had previously identified the foregoing issues; and (5) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

7. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

8. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

10. Venue is proper in this the Houston Division of the Southern District of Texas pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's principal place of business is located in the Houston Division of the Southern District of Texas.

11. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

12. Plaintiff Richard Zanol, as set forth in the accompanying certification, incorporated by reference herein, purchased Quanex securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

13. Defendant Quanex is incorporated under the laws of Delaware with its principal place of business is located in Houston, Texas. Quanex's common stock trade on the New York Stock Exchange ("NYSE") exchange under the symbol "NX." The registered agent for service of process is CT Corporation System, 1999 Bryan St., Suite 900, Dallas, Texas 75201.

14. Defendant George L. Wilson ("Wilson") was the Company's Chief Executive Officer ("CEO") at all relevant times.

15. Defendant Scott M. Zuehlke ("Zuehlke") was the Company's Chief Financial Officer ("CFO") at all relevant times.

16. Defendants Wilson and Zuehlke (together, the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of the Company's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-

public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

17. Quanex is an international supplier of engineered home components and access solutions to the construction industry, including windows, doors, cabinetry, and vinyl products. On August 1, 2024, Quanex announced it closed on its acquisition of Tyman, for an aggregate consideration of approximately $1.1 billion dollars. Tyman is a United Kingdom-based manufacturer of building components, including handles, hardware and sealing components for residential and commercial applications.

Materially False and Misleading Statements Issued During the Class Period

18. The Class Period begins on December 12, 2024. On that date, the Company issued a press release announcing its fourth quarter and full year results, and touting the Company's progress with the Tyman integration, including that the Company's "***Integration of Transformative Acquisition Progressing Ahead of Schedule***" and "***Realization of Synergies Ongoing.***" Specifically, the press release stated as follows, in relevant part:

Quanex Building Products Announces Fourth Quarter and Full Year 2024 Results

Contribution from Tyman Acquisition Boosts Results
Margin Expansion Realized on Consolidated Basis for Full Year
$53.75 Million of Debt Repaid Since Closing Tyman Acquisition
Integration of Transformative Acquisition Progressing Ahead of Schedule
Realization of Synergies Ongoing

HOUSTON, Dec. 12, 2024 (GLOBE NEWSWIRE) -- **Quanex Building Products Corporation** (NYSE:NX) ("Quanex" or the "Company") today announced its results for the three months and twelve months ended October 31, 2024.

The Company reported the following selected financial results:

	Three Months Ended October 31,		Twelve Months Ended October 31,	
($ in millions, except per share data)	2024	2023	2024	2023
Net Sales	$492.2	$295.5	$1,277.9	$1,130.6
Gross Margin	$117.1	$80.0	$305.6	$277.5
Gross Margin %	*23.8%*	*27.1%*	*23.9%*	*24.5%*
Net (Loss) Income	($13.9)	$27.4	$33.1	$82.5
Diluted EPS	($0.30)	$0.83	$0.90	$2.50
Adjusted Net Income	$28.6	$31.2	$80.4	$90.9
Adjusted Diluted EPS	$0.61	$0.95	$2.19	$2.75
Adjusted EBITDA	$81.1	$50.8	$182.4	$159.6
Adjusted EBITDA Margin %	*16.5%*	*17.2%*	*14.3%*	*14.1%*
Cash Provided by Operating Activities	$5.5	$44.5	$88.8	$147.1
Free Cash Flow	($8.2)	$29.6	$51.7	$109.7

(See Non-GAAP Terminology Definitions and Disclaimers section, Non-GAAP Financial Measure Disclosure table, Selected Segment Data table and reconciliation tables for additional information)

* * *

Fourth Quarter and Fiscal 2024 Results Summary

Quanex reported net sales of $492.2 million during the three months ended October 31, 2024, which represents an increase of 66.6% compared to $295.5 million for the same period of 2023. The Company reported net sales of $1.28 billion during the twelve months ended October 31, 2024, which represents an increase of 13.0% compared to $1.13 billion for the same period of 2023. The increases reflect the contribution from the Tyman acquisition that closed on August 1, 2024. Excluding the contribution from Tyman, net sales would have declined by 2.3% for the fourth quarter of 2024 and 5.0% for the full year, largely due to lower volume. Quanex reported a decline in net sales of 4.7% for the fourth quarter of 2024 and a decline of 2.6% in net sales for the full year in its North American Fenestration segment. In its North American Cabinet Components segment, Quanex reported an increase of 1.7% in net sales for the fourth quarter and a decline of 7.9% in net sales for the full year. Excluding foreign exchange impact, the Company realized a decrease in net sales of 1.2% for the fourth quarter and a decrease of 8.9% in net sales for the full year in its European Fenestration segment. In addition, Quanex reported net sales of $203.4 million related to the Tyman acquisition during the fourth quarter of 2024. (See Sales Analysis table for additional information)

The increase in adjusted earnings for the three months and twelve months ended October 31, 2024 was mostly attributable to the contribution from the Tyman acquisition; however, the increase in adjusted earnings was also due in part to the lower cost of sales, including labor, related to lower volumes and deflation in the price of raw materials. Quanex was able to realize margin expansion in the fourth quarter in its North American Fenestration segment mainly due to effective cost control. In addition, the Company was also able to realize margin expansion on a consolidated basis for the full year, primarily driven by the contribution from the Tyman acquisition.

19. On December 16, 2024, the Company submitted its annual report for the fiscal year ended October 31, 2024, on a Form 10-Q filed with the SEC (the "FY24 10-K"). The FY24 10-K affirmed the previously reported financial results and further stated the following regarding the Company's assets, including property, plant and equipment, as well as the determination of the fair value of assets acquired in the Tyman acquisition, and the Company's Tyman segment information, as follows, in relevant part:

	October 31,	
	2024	2023
	(In thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 97,744	$ 58,474
Restricted cash	5,251	—
Accounts receivable, net of allowance for credit losses of $254 and $843	197,689	97,311
Inventories	275,550	97,959
Income tax receivable	5,937	8,298
Prepaid and other current assets	29,097	11,558
Total current assets	611,268	273,600
Property, plant and equipment, net of accumulated depreciation of $391,851 and $368,763	402,466	250,664
Operating lease right-of-use assets	126,715	46,620
Deferred income tax assets	3,845	—
Goodwill	574,711	182,956
Intangible assets, net	597,909	74,115
Other assets	2,874	3,188
Total assets	$ 2,319,788	$ 831,143

* * *

As of October 31, 2024, we are still determining the purchase price allocation for the Tyman Acquisition. A preliminary purchase price allocation of the fair value of the assets acquired and liabilities assumed is included in the table below. These estimates are subject to change and will likely result in an increase or decrease in goodwill, particularly with regard to third-party valuations and our estimates of fixed assets, intangible assets, inventory, and deferred income taxes, during the measurement period, which may extend up to one year from the acquisition date.

		As of Date of Opening Balance Sheet
		(In thousands)
Net assets acquired:		
Accounts receivable	$	99,574
Inventories		211,617
Prepaid and other assets		21,516
Property, plant and equipment		157,981
Operating lease right-of-use assets		65,414
Goodwill		385,045
Intangible assets		539,285
Accounts payable		(66,769)
Accrued liabilities		(41,958)
Long-term debt		(300,684)
Operating lease liabilities		(66,228)
Deferred income taxes		(145,677)
Other liabilities		(10,502)
Net assets acquired	$	848,614
Consideration:		
Total Consideration, net of cash and cash equivalents	$	848,614

We used recognized valuation techniques to determine the preliminary fair value of the assets and liabilities, including the multi period excess earnings method for customer relationships and relief from royalty method for trade names and other technology with a discount rate that reflects the risk of the expected future cash flows. Tyman is allocated entirely to our Tyman reportable operating segment.

* * *

Tyman

The Tyman reportable segment is comprised solely of the business acquired on August 1, 2024. The results for the period ended August 1, 2024 through October 31, 2024 are summarized in the following table (including the effect of the amortization of the step-up of inventory of approximately $28.5 million and accounts receivable of approximately $0.6 million, and $10.4 million of transaction fees incurred to support the acquisition during the twelve months ended October 31, 2024):

		For the Year Ended October 31, 2024
		(Dollars in thousands)
Net sales	$	203,435
Cost of sales (excluding depreciation and amortization)		163,946
Selling, general and administrative		44,453
Depreciation and amortization		16,438
Operating loss	$	(21,402)
Operating loss margin		(11)%

20. The FY24 10-K further purported to tout the Company's key strategy initiatives, including alleged value driving "***ongoing preventive maintenance programs,***" as follows in relevant part:

> **Strategy**
>
> Our vision is to be the preferred supplier to our customers in each market we serve and exceed expectations of all stakeholders. Our strategy to achieve this vision includes the following:
>
> * * *
>
> • ***realize improved profitability in our manufacturing processes through: (1) ongoing preventive maintenance programs;*** (2) better utilization of our capacity by focusing on operational efficiencies and reducing scrap; (3) marketing our value added products; and (4) focusing on employee safety;

21. On March 10, 2025, the Company issued a press release, announcing its first quarter 2025 results, and touting progress with the Tyman integration, including that the Company's "***Results Lifted by Contribution from Tyman Acquisition***" and **"*Realization of Cost Synergies from Tyman Acquisition Progressing Well.*"** Specifically, the press release stated as follows, in relevant part:

> **Quanex Building Products Announces First Quarter 2025 Results and Reaffirms Full Year 2025 Guidance**
>
> **Margin Expansion Realized on Consolidated Basis**
> **Results Lifted by Contribution from Tyman Acquisition**
> **Realization of Cost Synergies from Tyman Acquisition Progressing Well**
> **$65 Million of Debt Repaid Since Closing Tyman Acquisition**
>
> HOUSTON, March 10, 2025 (GLOBE NEWSWIRE) -- **Quanex Building Products Corporation** (NYSE:NX) ("Quanex" or the "Company") today announced its results for the three months ended January 31, 2025.
>
> The Company reported the following selected financial results:

($ in millions, except per share data)	Three Months Ended January 31, 2025	2024
Net Sales	$400.0	$239.2
Gross Margin	$92.3	$51.4
Gross Margin %	*23.1%*	*21.5%*
Net (Loss) Income	($14.9)	$6.2
Diluted EPS	($0.32)	$0.19
Adjusted Net Income	$9.0	$8.4
Adjusted Diluted EPS	$0.19	$0.25
Adjusted EBITDA	$38.5	$19.3
Adjusted EBITDA Margin %	*9.6%*	*8.1%*
Cash (Used For) Provided by Operating Activities	($12.5)	$3.9
Free Cash Flow	($24.1)	($5.7)

* * *

First Quarter Results Summary

Quanex reported net sales of $400.0 million during the three months ended January 31, 2025, which represents an increase of 67.3% compared to $239.2 million for the same period of 2024. The increase reflects the contribution from the Tyman acquisition that closed on August 1, 2024. Excluding the contribution from Tyman, net sales would have declined by 6.2% for the first quarter of 2025, mostly due to lower volume. The Company reported a decrease in net sales of 9.2% for the first quarter of 2025 in its North American Fenestration segment. In its North American Cabinet Components segment, Quanex reported an increase of 1.6% in net sales for the first quarter of 2025. Excluding foreign exchange impact, net sales were essentially flat in its European Fenestration segment. In addition, Quanex reported net sales of $175.7 million related to contributions from the Tyman acquisition during the first quarter of 2025. (See Sales Analysis table for additional information)

The increase in adjusted earnings for the three months ended January 31, 2025 was mostly attributable to the contribution from the Tyman acquisition combined with the realization of costs synergies.

22. On March 11, 2025, the Company submitted its quarterly report for the period ended January 31, 2025 on a Form 10-Q filed with the SEC (the "1Q25 10-Q"). The 1Q25 10-Q affirmed the previously reported financial results and further stated the following regarding the Company's assets, including property, plant and equipment, as well as the determination of the fair value of assets acquired in the Tyman acquisition, and the Company's Tyman segment information, as follows, in relevant part:

	January 31, 2025	October 31, 2024
	(In thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 49,982	$ 97,744
Restricted cash	5,486	5,251
Accounts receivable, net of allowance for credit losses of $948 and $254	164,347	197,689
Inventories	280,580	275,550
Income taxes receivable	5,283	5,937
Prepaid and other current assets	41,943	29,097
Total current assets	547,621	611,268
Property, plant and equipment, net of accumulated depreciation of $363,201 and $391,851	391,118	402,466
Operating lease right-of-use assets	125,002	126,715
Deferred income tax assets	3,709	3,845
Goodwill	569,688	574,711
Intangible assets, net	580,081	597,909
Other assets	3,270	2,874
Total assets	$ 2,220,489	$ 2,319,788

* * *

As of January 31, 2025, we are still determining the purchase price allocation for the Tyman Acquisition. A preliminary purchase price allocation of the fair value of the assets acquired and liabilities assumed is included in the table below. These estimates are subject to change and will likely result in an increase or decrease in goodwill, particularly with regard to third-party valuations and our estimates of fixed assets, intangible assets, inventory, and deferred income taxes, during the measurement period, which may extend up to one year from the acquisition date.

	As of Date of Opening Balance Sheet
	(In thousands)
Net assets acquired:	
Accounts receivable	$ 99,574
Inventories	211,617
Prepaid and other assets	21,516
Property, plant and equipment	157,981
Operating lease right-of-use assets	65,414
Goodwill	385,045
Intangible assets	539,285
Accounts payable	(66,769)
Accrued liabilities	(41,958)
Long-term debt	(300,684)
Operating lease liabilities	(66,228)
Deferred income taxes	(145,677)
Other liabilities	(10,502)
Net assets acquired	$ 848,614
Consideration:	
Total consideration, net of cash and cash equivalents	$ 848,614

We used recognized valuation techniques to determine the preliminary fair value of the assets and liabilities, including the multi period excess earnings method for customer relationships and relief from royalty method for trade names and other technology with a discount rate that reflects the risk of the expected future cash flows. Tyman is allocated entirely to our Tyman reportable operating segment. For additional discussion of our reportable business segments, see Note 14, "Segment Information."

* * *

Tyman

The Tyman reportable segment is comprised solely of the business acquired on August 1, 2024. For additional discussion of our acquisition of Tyman, see Note 2, "Acquisition." The results for the three months ended January 31, 2025 are summarized in the following table (including the effect of the amortization of the step-up of inventory of approximately $9.0 million and $7.9 million of reorganization charges incurred to support the acquisition during the three months ended January 31, 2025):

	Three Months Ended January 31, 2025	
	(Dollars in thousands)	
Net sales	$	175,676
Cost of sales (excluding depreciation and amortization)		132,796
Selling, general and administrative		34,378
Restructuring charges		7,904
Depreciation and amortization		14,263
Operating loss	$	(13,665)
Operating loss margin		(8)%

23. On June 5, 2025, Quanex issued a press release announcing its second quarter 2025 results and touting the Company's progress with the Tyman integration, including that the Company's "***Results Again Lifted by Contribution from Tyman Acquisition***" and the "***Tyman Integration Ahead of Timeline.***" Specifically, the press release stated as follows, in relevant part:

Quanex Building Products Announces Second Quarter 2025 Results and Reaffirms Full Year 2025 Guidance

Seasonal Uptick Unfolding as Expected
Volume Growth in European Fenestration Segment
Results Again Lifted by Contribution from Tyman Acquisition
Tyman Integration Ahead of Timeline
Cost Synergy Target Increased to ~$45 Million

HOUSTON, June 05, 2025 (GLOBE NEWSWIRE) -- **Quanex Building Products Corporation** (NYSE:NX) ("Quanex" or the "Company") today announced its results for the three months ended April 30, 2025.

The Company reported the following selected financial results:

	Three Months Ended April 30,		Six Months Ended April 30,	
($ in millions, except per share data)	2025	2024	2025	2024
Net Sales	$452.5	$266.2	$852.5	$505.4
Gross Margin	$131.4	$66.2	$223.7	$117.7
Gross Margin %	*29.0%*	*24.9%*	*26.2%*	*23.3%*
Net Income	$20.5	$15.4	$5.6	$21.6
Diluted EPS	$0.44	$0.46	$0.12	$0.65
Adjusted Net Income	$27.9	$24.0	$36.8	$32.3
Adjusted Diluted EPS	$0.60	$0.73	$0.79	$0.98
Adjusted EBITDA	$61.9	$40.0	$100.5	$59.3
Adjusted EBITDA Margin %	*13.7%*	*15.0%*	*11.8%*	*11.7%*
Cash Provided by Operating Activities	$28.5	$33.1	$16.0	$36.9
Free Cash Flow	$13.6	$25.5	($10.6)	$19.8

(See Non-GAAP Terminology Definitions and Disclaimers section, Non-GAAP Financial Measure Disclosure table, Selected Segment Data table and reconciliation tables for additional information)

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Second Quarter Results Summary

Quanex reported net sales of $452.5 million during the three months ended April 30, 2025, which represents an increase of 70.0% compared to $266.2 million for the same period of 2024. The increase reflects the contribution from the Tyman acquisition that closed on August 1, 2024. Excluding the contribution from Tyman, net sales would have declined by 1.4% for the second quarter of 2025, mainly due to lower volume in North America. The Company reported a decrease in net sales of 5.5% for the second quarter of 2025 in its North American Fenestration segment. In its North American Cabinet Components segment, Quanex reported a marginal increase in net sales for the second quarter of 2025. Excluding foreign exchange impact, net sales increased by 7.9% in its European Fenestration segment. In addition, Quanex reported net sales of $190.1 million related to the Tyman acquisition during the second quarter of 2025. (See Sales Analysis table for additional information)

The increase in net income and EBITDA for the three months ended April 30, 2025, was mostly related to the contribution from the Tyman acquisition combined with the realization of related cost synergies.

24. On June 6, 2025, the Company submitted its quarterly report for the period ended April 30, 2025 on a Form 10-Q filed with the SEC (the "2Q25 10-Q"). The 2Q25 10-Q affirmed the previously reported financial results and further stated the following regarding the Company's assets, including property, plant and equipment, as well as the determination of the fair value of assets acquired in the Tyman acquisition, and the Company's Tyman segment information, as follows, in relevant part:

	April 30, 2025	October 31, 2024
	(In thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 62,626	$ 97,744
Restricted cash	2,171	5,251
Accounts receivable, net of allowance for credit losses of $1,853 and $254	195,264	197,689
Inventories	279,482	275,550
Income taxes receivable	6,108	5,937
Prepaid and other current assets	42,825	29,097
Total current assets	588,476	611,268
Property, plant and equipment, net of accumulated depreciation of $367,707 and $391,851	417,104	402,466
Operating lease right-of-use assets	149,322	126,715
Deferred income tax assets	4,049	3,845
Goodwill	579,110	574,711
Intangible assets, net	567,148	597,909
Other assets	3,057	2,874
Total assets	$ 2,308,266	$ 2,319,788

* * *

As of April 30, 2025, we are still determining the purchase price allocation for the Tyman Acquisition. A preliminary purchase price allocation of the fair value of the assets acquired and liabilities assumed is included in the table below. These estimates are subject to change and will likely result in an increase or decrease in goodwill, particularly with regard to third-party valuations and our estimates of fixed assets, intangible assets, inventory, and deferred income taxes, during the measurement period, which may extend up to one year from the acquisition date.

		As of Date of Opening Balance Sheet
		(In thousands)
Net assets acquired:		
Accounts receivable	$	99,574
Inventories		211,617
Prepaid and other assets		21,516
Property, plant and equipment		157,981
Operating lease right-of-use assets		65,414
Goodwill		385,045
Intangible assets		539,285
Accounts payable		(66,769)
Accrued liabilities		(41,958)
Long-term debt		(300,684)
Operating lease liabilities		(66,228)
Deferred income taxes		(145,677)
Other liabilities		(10,502)
Net assets acquired	$	848,614
Consideration:		
Total consideration, net of cash and cash equivalents	$	848,614

We used recognized valuation techniques to determine the preliminary fair value of the assets and liabilities, including the multi period excess earnings method for customer relationships and relief from royalty method for trade names and other technology with a discount rate that reflects the risk of the expected future cash flows. Tyman is allocated entirely to our Tyman reportable operating segment.

* * *

Tyman

The Tyman reportable segment is comprised solely of the business acquired on August 1, 2024. The results for the six months ended April 30, 2025 are summarized in the following table (including the effect of the amortization of the step-up of inventory of approximately $9.0 million and $8.8 million of reorganization charges incurred to support the acquisition during the six months ended April 30, 2025):

		Six Months Ended April 30, 2025
		(Dollars in thousands)
Net sales	$	365,783
Cost of sales (excluding depreciation and amortization)		259,539
Selling, general and administrative		71,649
Restructuring charges		8,840
Depreciation and amortization		23,038
Operating income	$	2,717
Operating income margin		1 %

25. The 2Q25 10-Q further purported to warn of risks which "could" or "may" negatively impact the Company including its "***ability to integrate and implement our plans, forecasts and other expectations with respect to Tyman***." The 2Q25 10-Q further referenced, without including, "additional information" concerning its risk factors as set out in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2024.

26. The above statements identified in ¶¶ 18-25 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) the Company's procedures and policies regarding tooling and equipment maintenance in its Tyman Mexico facility were significantly "underinvested"; (2) as a result, the Company's tooling and equipment conditions had significantly degraded to near "catastrophic" levels; (3) that, as a result of the foregoing, the Company was likely to incur significant costs, "pushing out the timing" of expected benefits from the Tyman integration; (4) that Quanex had previously identified the foregoing issues; and (5) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

27. On September 4, 2025, after the market closed, Quanex announced financial results for the third quarter of the 2025 fiscal year. Among other things, the Company disclosed the existence of "***operational issues related to the legacy Tyman window and door hardware business in Mexico that are ongoing***" which "impacted results ***more than expected*** during the third quarter of 2025." Specifically, the Company reported a diluted EPS of ($6.04), compared to $0.77 in the prior year period; and an adjusted EBIDTA of $70.30. The Company further disclosed

that it was "adjusting for lower expected volumes and pushing out the timing of when [it] expect[s] to realize procurement savings" with the integration of the Tyman business.

28. Then, on September 5, 2025, at approximately 11:00 AM Eastern Time, the Company held an earnings call pursuant to the Company's third quarter 2025 financial results. During the earnings call, CEO Defendant Wilson explained "operational challenges" in the Tyman facility in Mexico "negatively impacted EBITDA in the Hardware Solutions segment by almost $5 million in the third quarter alone." Wilson further explained that the issue was previously "***identified midyear***" as it got "deeper into the integration" with Tyman, and described that the systems used to "anticipate and plan for tooling repairs" were significantly deficient, indicating it was near "nonexistent." Wilson stated because Quanex was "***underinvested***" in "tooling condition and the equipment condition" it "had to make some changes and fix some things ***before it was catastrophic***." Specifically, during the earnings call, Defendant Wilson stated as follows, in relevant part:

> I want to also take a moment to detail some operational issues we inherited that are specific to our window and door hardware business in Mexico, which impacted results in the third quarter more than expected.
>
> Specifically, we identified tooling and equipment issues at our Monterrey, Mexico facility, which, among other things, impacts backlog and leads to inefficiencies and increased costs for items such as expedited freight. These operational challenges negatively impacted EBITDA in the Hardware Solutions segment by almost $5 million in the third quarter alone.
>
> * * *
>
> What we identified is really the systems underneath how do you methodically anticipate and plan for tooling repairs. I don't want to say it was nonexistent, but again, not up to the standards. And you get to a point where if you're not maintaining tools and equipment, but you continue to try to run and you block off cavities, then it creates quality problems and other issues, and it will eventually catch up to you.
>
> And I think what we identified midyear here as we get deeper and deeper into the integration and we start understanding the processes and kind of put Quanex procedures and policies into place is that we were underinvested and that the tooling

> condition and the equipment condition was not where we wanted to be, and it was not going to be healthy to support our customers. So we had to make some changes and fix some things before it was catastrophic.

29. On this news, Quanex's stock price fell $2.73, or 13.1%, to close at $18.18 per share on September 5, 2025, on unusually heavy trading volume. The stock price continued to decline on the subsequent trading day, falling $1.98 or 10.9%, to close at $16.20 per share on September 8, 2025, on unusually heavy trading volume.

CLASS ACTION ALLEGATIONS

30. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Quanex securities between December 12, 2024 and September 5, 2025, inclusive , and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

31. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Quanex's shares actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Quanex shares were traded publicly during the Class Period on the NYSE. Record owners and other members of the Class may be identified from records maintained by Quanex or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

32. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

33. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

34. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Quanex; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

35. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

36. The market for Quanex's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Quanex's securities traded at artificially inflated prices during the Class Period.

Plaintiff and other members of the Class purchased or otherwise acquired Quanex's securities relying upon the integrity of the market price of the Company's securities and market information relating to Quanex, and have been damaged thereby.

37. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Quanex's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Quanex's business, operations, and prospects as alleged herein.

38. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Quanex's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

LOSS CAUSATION

39. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

40. During the Class Period, Plaintiff and the Class purchased Quanex's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

41. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Quanex, their control over, and/or receipt and/or modification of Quanex's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Quanex, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE (FRAUD-ON-THE-MARKET DOCTRINE)

42. The market for Quanex's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Quanex's securities traded at artificially inflated prices during the Class Period. On December 12, 2024, the Company's share price closed at a Class Period high of $28.91 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities

relying upon the integrity of the market price of Quanex's securities and market information relating to Quanex, and have been damaged thereby.

43. During the Class Period, the artificial inflation of Quanex's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Quanex's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Quanex and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

44. At all relevant times, the market for Quanex's securities was an efficient market for the following reasons, among others:

(a) Quanex shares met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;

(b) As a regulated issuer, Quanex filed periodic public reports with the SEC and/or the NYSE;

(c) Quanex regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Quanex was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

45. As a result of the foregoing, the market for Quanex's securities promptly digested current information regarding Quanex from all publicly available sources and reflected such information in Quanex's share price. Under these circumstances, all purchasers of Quanex's securities during the Class Period suffered similar injury through their purchase of Quanex's securities at artificially inflated prices and a presumption of reliance applies.

46. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

NO SAFE HARBOR

47. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be

characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Quanex who knew that the statement was false when made.

FIRST CLAIM

Violation of Section 10(b) of The Exchange Act and

Rule 10b-5 Promulgated Thereunder

Against All Defendants

48. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

49. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Quanex's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

50. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which

operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Quanex's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

51. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Quanex's financial well-being and prospects, as specified herein.

52. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Quanex's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Quanex and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

53. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or

reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

54. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Quanex's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

55. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Quanex's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that

was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Quanex's securities during the Class Period at artificially high prices and were damaged thereby.

56. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Quanex was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Quanex securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

57. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

58. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM

Violation of Section 20(a) of The Exchange Act

Against the Individual Defendants

59. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

60. Individual Defendants acted as controlling persons of Quanex within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the

SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

61. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

62. As set forth above, Quanex and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: September 19, 2025 ______________________________