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

FORM 10-Q

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

For the quarterly period ended September 30, 2026

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: 001-14649



Trex Company, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**54-1910453**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2500 Trex Way Winchester, Virginia	**22601**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (540) 542-6300

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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	**TREX**	**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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

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

The number of shares of the registrant's common stock, par value $0.01 per share, outstanding at October 14, 2026 was 99,936,893 shares.

TREX COMPANY, INC.

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PART I
FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

TREX COMPANY, INC.

Condensed Consolidated Statements of Comprehensive Income
(Unaudited)
(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net sales	$ 359,504	$ 285,348	$ 1,120,926	$ 1,013,142
Cost of sales	230,031	169,910	694,087	601,842
Gross profit	129,473	115,438	426,839	411,300
Selling, general and administrative expenses	56,455	45,041	179,452	156,841
Other expenses	496	—	5,169	—
Income from operations	72,522	70,397	242,218	254,459
Interest expense, net	843	—	3,170	—
Income before income taxes	71,679	70,397	239,048	254,459
Provision for income taxes	19,186	18,627	63,276	66,346
Net income	**$ 52,493**	**$ 51,770**	**$ 175,772**	**$ 188,113**
Basic earnings per common share	$ 0.52	$ 0.48	$ 1.71	$ 1.75
Basic weighted average common shares outstanding	101,719,534	107,244,573	103,018,450	107,217,689
Diluted earnings per common share	**$ 0.52**	**$ 0.48**	**$ 1.70**	**$ 1.75**
Diluted weighted average common shares outstanding	101,827,361	107,332,641	103,102,802	107,304,543
Comprehensive income	$ 52,493	$ 51,770	$ 175,772	$ 188,113

See Notes to Condensed Consolidated Financial Statements (Unaudited).

TREX COMPANY, INC.

Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)

	September 30, 2026	December 31, 2025
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,271	$ 3,807
Accounts receivable, net	222,914	48,091
Inventories	181,189	238,665
Prepaid expenses and other assets	18,674	19,843
Total current assets	426,048	310,406
Property, plant and equipment, net	1,049,158	1,049,733
Operating lease right-of-use (ROU) assets	46,275	52,632
Goodwill and other intangible assets, net	35,831	31,529
Other assets	10,329	9,141
Total assets	**$ 1,567,641**	**$ 1,453,441**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 51,763	$ 34,759
Accrued expenses and other liabilities	120,591	77,030
Accrued warranty	4,697	5,416
Line of credit	170,000	133,500
Total current liabilities	347,051	250,705
Deferred income taxes	130,845	85,833
Operating lease liabilities	35,262	41,755
Non-current accrued warranty	27,290	24,324
Other long-term liabilities	16,788	16,560
Total liabilities	**557,236**	**419,177**
Commitments and contingencies	—	—
Stockholders' equity		
Preferred stock, $0.01 par value per share, 3,000,000 shares authorized; none issued and outstanding	—	—
Common stock, $0.01 par value per share, 360,000,000 shares authorized; 141,319,518 and 141,208,139 shares issued and 100,648,634 and 105,737,266 shares outstanding, at September 30, 2026 and December 31, 2025, respectively	1,413	1,412
Additional paid-in capital	162,230	155,316
Retained earnings	1,965,619	1,789,847
Treasury stock, at cost, 40,670,884 and 35,470,873 shares as of September 30, 2026 and December 31, 2025, respectively	(1,118,857)	(912,311)
Total stockholders' equity	**1,010,405**	**1,034,264**
Total liabilities and stockholders' equity	**$ 1,567,641**	**$ 1,453,441**

See Notes to Condensed Consolidated Financial Statements (Unaudited).

TREX COMPANY, INC.

Condensed Consolidated Statements of Changes in Stockholders' Equity

(Unaudited)

(In thousands, except share data)

	Common Stock		Additional Paid-In	Retained	Treasury Stock		
	Shares	Amount	Capital	Earnings	Shares	Amount	Total
Balance, December 31, 2025	**105,737,266**	**$ 1,412**	**$ 155,316**	**$ 1,789,847**	**35,470,873**	**$ (912,311)**	**$ 1,034,264**
Net income	—		—	61,403	—	—	61,403
Employee stock plans	9,423		285	—	—	—	285
Shares withheld for taxes on awards	(49,580)		(2,052)	—	—	—	(2,052)
Stock-based compensation	112,600	1	2,634	—	—	—	2,635
Repurchases of Common Stock	(1,911,132)		—	—	1,911,132	(80,774)	(80,774)
Unsettled accelerated share repurchase	—		(20,000)	—	—	—	(20,000)
Balance, March 31, 2026	**103,898,577**	**$ 1,413**	**$ 136,183**	**$ 1,851,250**	**37,382,005**	**$ (993,085)**	**$ 995,761**
Net income	—	—	—	61,876	—	—	61,876
Employee stock plans	10,737	—	336	—	—	—	336
Shares withheld for taxes on awards	(861)	—	(36)	—	—	—	(36)
Stock-based compensation	2,802	—	2,840	—	—	—	2,840
Repurchases of Common Stock	(2,046,220)	—	—	—	2,046,220	(70,695)	(70,695)
Unsettled accelerated share repurchase	—	—	20,000	—	—	—	20,000
Balance, June 30, 2026	**101,865,035**	**$ 1,413**	**$ 159,323**	**$ 1,913,126**	**39,428,225**	**$ (1,063,780)**	**$ 1,010,082**
Net income	—	—	—	52,493	—	—	52,493
Employee stock plans	7,673	—	285	—	—	—	285
Shares withheld for taxes on awards	—	—	—	—	—	—	—
Stock-based compensation	18,585	—	2,622	—	—	—	2,622
Repurchases of Common Stock	(1,242,659)	—		—	1,242,659	(55,077)	(55,077)
Balance, September 30, 2026	**100,648,634**	**$ 1,413**	**$ 162,230**	**$ 1,965,619**	**40,670,884**	**$ (1,118,857)**	**$ 1,010,405**

	Common Stock		Additional Paid-In	Retained	Treasury Stock		
	Shares	Amount	Capital	Earnings	Shares	Amount	Total
Balance, December 31, 2024	**107,154,305**	**$ 1,411**	**$ 148,153**	**$ 1,562,450**	**33,943,946**	**$ (861,872)**	**$ 850,142**
Net income	—	—	—	60,434	—	—	60,434
Employee stock plans	6,068	—	299	—	—	—	299
Shares withheld for taxes on awards	(49,949)	—	(3,110)	—	—	—	(3,110)
Stock-based compensation	116,588	1	2,313	—	—	—	2,314
Balance, March 31, 2025	**107,227,012**	**$ 1,412**	**$ 147,655**	**$ 1,622,884**	**33,943,946**	**$ (861,872)**	**$ 910,079**
Net income	—	—	—	75,909	—	—	75,909
Employee stock plans	7,250	—	335	—	—	—	335
Shares withheld for taxes on awards	—	—	(1)	—	—	—	(1)
Stock-based compensation	26	—	2,934	—	—	—	2,934
Balance, June 30, 2025	**107,234,288**	**$ 1,412**	**$ 150,923**	**$ 1,698,793**	**33,943,946**	**$ (861,872)**	**$ 989,256**
Net income	—	—	—	51,770	—	—	51,770
Employee stock plans	6,076	—	267	—	—	—	267
Shares withheld for taxes on awards	(424)	1	(24)	—	—	—	(23)
Stock-based compensation	14,551	(1)	1,213	—	—	—	1,212
Balance, September 30, 2025	**107,254,491**	**$ 1,412**	**$ 152,379**	**$ 1,750,563**	**33,943,946**	**$ (861,872)**	**$ 1,042,482**

See Notes to Condensed Consolidated Financial Statements (Unaudited).

TREX COMPANY, INC.

Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2026	**2025**
OPERATING ACTIVITIES		
Net income	$ 175,772	$ 188,113
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	59,903	46,068
Deferred income taxes	45,012	—
Stock-based compensation	8,096	6,460
Loss on disposal of property, plant and equipment	5,169	507
Other non-cash adjustments	(309)	(169)
Changes in operating assets and liabilities:		
Accounts receivable	(174,823)	(75,641)
Inventories	57,476	57,731
Prepaid expenses and other assets	5,378	8,236
Accounts payable	23,438	13,150
Accrued expenses and other liabilities	49,112	30,512
Deferred Revenue	227	—
Income taxes receivable/payable	(6,088)	17,660
Net cash provided by operating activities	**248,363**	**292,627**
INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(69,373)	(180,214)
Purchased intangibles	(5,949)	(8,280)
Proceeds from sales of property, plant and equipment	89	358
Net cash used in investing activities	**(75,233)**	**(188,136)**
FINANCING ACTIVITIES		
Borrowings under line of credit	656,000	679,547
Principal payments under line of credit	(619,500)	(770,847)
Repurchases of common stock	(208,634)	(4,033)
Proceeds from employee stock purchase and option plans	906	901
Financing costs	(2,438)	6
Net cash used in financing activities	**(173,666)**	**(94,426)**
Net (decrease) increase in cash and cash equivalents	(536)	10,065
Cash and cash equivalents, beginning of period	3,807	1,292
Cash and cash equivalents, end of period	**$ 3,271**	**$ 11,357**
Supplemental Disclosure:		
Cash paid for interest, net of capitalized interest	$ 3,023	$ —
Cash paid for income taxes, net	$ 24,353	$ 48,686
Supplemental non-cash investing and financing disclosure:		
(Decrease) increase capital expenditures in accounts payable and accrued expenses	$ (6,272)	$ 27,437

See Notes to Condensed Consolidated Financial Statements (Unaudited).

1. BUSINESS AND ORGANIZATION

Trex Company, Inc. (Trex or Company), is the world's largest manufacturer of high-performance, low-maintenance wood-alternative decking and railing and outdoor living products and accessories, marketed under the brand name Trex®, with more than 30 years of product experience. A majority of its products are manufactured in a proprietary process that combines reclaimed wood fibers and scrap polyethylene. The Company is incorporated in Delaware. The principal executive offices are located at 2500 Trex Way, Winchester, Virginia 22601, and the telephone number at that address is (540) 542-6300. The Company operates in a single reportable segment.

2. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and U.S. Securities and Exchange Commission instructions to Form 10-Q and Article 10 of Regulation S-X and, accordingly, the accompanying unaudited condensed consolidated financial statements do not include all of the information and notes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal and recurring adjustments, except as otherwise described herein) considered necessary for a fair presentation have been included in the accompanying unaudited condensed consolidated financial statements. The unaudited condensed consolidated financial statements include the accounts of the Company for all periods presented.

The unaudited consolidated results of operations for the three and nine months ended September 30, 2026, are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2026. The Company's results of operations are affected by a number of factors, including, but not limited to, the cost to manufacture and distribute products, cost of raw materials, inflation, tariffs, consumer spending and preferences, interest rates, the impact of any supply chain disruptions, economic conditions, and/or any adverse effects from global health pandemics and geopolitical conflicts.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Annual Report of Trex Company, Inc. on Form 10-K for the year ended December 31, 2025, as filed with the U.S. Securities and Exchange Commission.

3. RECENTLY ADOPTED ACCOUNTING STANDARDS

In December 2025, the FASB issued ASU No. 2025-10, "Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities." This guidance provides authoritative guidance for the accounting for government grants received by business entities. This update is effective for annual reporting periods beginning after December 15, 2028 and interim periods within those annual reporting periods, with early adoption permitted. The Company adopted this accounting standard in the third quarter of 2026. Adoption of this update did not have a material impact on the Company's consolidated results of operations or financial position, and no cumulative effect adjustment to opening retained earnings was required.

In July 2025, the FASB issued ASU No. 2025-05, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets." This guidance provides an optional practical expedient related to the estimation of expected credit losses for current accounts receivable and contract assets that arise from transactions accounted for under FASB Accounting Standards Codification 606. Specifically, this optional practical expedient allows an entity to assume that current conditions as of the balance sheet date will not change for the remaining life of the asset. The amendments to this update are effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. The Company adopted this practical expedient in the first quarter of 2026. Adoption of this practical expedient did not have a material impact on consolidated results of operations or financial position.

4. NEW ACCOUNTING STANDARDS NOT YET ADOPTED

In December 2025, the FASB issued ASU No. 2025-11, "Interim Reporting (Topic 270)." This update is intended to improve the guidance in Topic 270, Interim Reporting by improving the navigability of the required interim disclosures and clarifying when the guidance is applicable. The amendments also provide guidance on what disclosures should be provided in interim reporting periods. The amendments add to Topic 270, a principle that requires entities to disclose events since the end of the last annual report period

that have a material impact on the entity. The amendments to this update are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027 for public business entities. The amendments in this update may be applied prospectively or retrospectively to any or all prior periods presented in the financial statements. The Company does not believe adoption of this update will have a material impact on its disclosures.

In September 2025, the FASB issued ASU No. 2025-06, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40)." This guidance clarifies and modernizes when an entity is required to begin capitalizing software costs. Specifically, it requires capitalization when both of the following are met (i) management has authorized and committed to funding the software project and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. The amendments to this update are effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption of this update is permitted. The amendments to this update may be applied prospectively, retrospectively, or on a modified transition approach. The Company does not believe adoption of this update will have a material impact on its consolidated results of operations and financial condition.

In November 2024, the FASB issued ASU No. 2024-03, “Income Statement – Reporting Comprehensive Income – Disaggregation Disclosures.” This guidance requires more detailed disclosure about the types of expenses presented within the expense captions of the financial statements. Specifically, disclosure of purchases of inventory, employee compensation, depreciation, and intangible asset amortization are required on both an interim and annual basis. In addition, a qualitative description of remaining amounts in relevant expense captions which have not separately been disaggregated will be required on an interim and annual basis. On an annual basis, disclosure of an entity’s definition of selling expenses and the amount of selling expenses is required. The amendments to this update are effective for annual reporting periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption of this update is permitted. The amendments to this update should be applied prospectively to financial statements issued for reporting periods after the effective date of the update or retrospectively to any or all prior periods presented in the financial statements. The Company believes adoption will result in expanded financial statement footnote disclosure but does not believe adoption of this update will have a material impact on its consolidated results of operations. The Company is continuing to evaluate the impacts of adoption.

5. INVENTORIES

Inventories valued at FIFO (first-in, first-out), consist of the following (in thousands):

	September 30, 2026	December 31, 2025
Finished goods	$ 133,520	$ 179,758
Raw materials	47,669	58,907
Total FIFO inventories	$ 181,189	$ 238,665

6. PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist of the following (in thousands):

	September 30, 2026	December 31, 2025
Prepaid expenses	$ 13,067	$ 17,173
Income tax receivable	4,796	2,147
Other	811	523
Total prepaid expenses and other assets	$ 18,674	$ 19,843

7. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

The carrying amount of goodwill at September 30, 2026, and December 31, 2025, was $15.4 million and $14.2 million. At September 30, 2026 and December 31, 2025 gross intangible assets were $25.4 million and $20.7 million, and accumulated amortization was $5.0 million and $3.5 million, respectively. The Company’s intangible assets consist of domain names and internal use software. Intangible asset amounts were determined based on the estimated economics of the asset and are amortized over the estimated useful lives on a straight-line basis over 15 years for domain names and 10 years for internal use software related to the

Company's Enterprise Resource Planning (ERP) and other platform tools, which approximates the pattern in which the economic benefits are expected to be received. The Company evaluates the recoverability of intangible assets periodically and considers events or circumstances that may warrant revised estimates of useful lives or that may indicate an impairment. Intangible asset amortization expense for the nine months ended September 30, 2026, and September 30, 2025, was $1.5 million and $0.4 million, respectively.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consist of the following (in thousands):

	September 30, 2026	December 31, 2025
Sales and marketing	59,847	26,866
Compensation and benefits	34,250	21,448
Operating lease liabilities	12,423	12,079
Manufacturing costs	4,409	2,262
Capital projects	—	3,932
Income taxes	—	3,439
Other	9,662	7,004
Total accrued expenses and other liabilities	$ 120,591	$ 77,030

9. DEBT

Revolving Credit Facility

Indebtedness prior to March 26, 2026. On October 10, 2024, the Company, entered into a Second Amendment to the Credit Agreement (Second Amendment) with certain lending parties thereto (Lenders) to amend that Credit Agreement dated as of May 18, 2022, as amended by that certain First Amendment dated as of December 22, 2022.

The Second Amendment provides the Company with Revolving A Loans in the maximum principal amount of $400,000,000 (Revolving A Loans), Revolving B Loans in the maximum principal amount of $150,000,000 (Revolving B Loans), and Letters of Credit and Swing Line Loans (as defined in the Credit Agreement). The Second Amendment extends the maturity date of the Revolving B Loans from December 22, 2024 to December 22, 2026.

Base Rate Loans (as defined in the Credit Agreement) under the Revolving A Loan and the Swing Line Loans accrue interest at the Base Rate plus the Applicable Rate (as defined in the Credit Agreement) and Term SOFR Loans for the Revolving Loans accrue interest at the rate per annum equal to the sum of Term SOFR for such interest period plus the Applicable Rate (as defined in the Credit Agreement). The Base Rate for any day is a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America (BOA) as its prime rate, and (c) the Term SOFR plus 1.0% subject to certain interest rate floors. Repayment of all then outstanding principal, interest, fees and costs is due at the end of the Term (as defined in the Credit Agreement).

With respect to Revolving B Loans (as defined in the Credit Agreement), for any day, the rate per annum is a tiered pricing based upon the Consolidated Debt to Consolidated EBITDA Ratio. The applicable rate for Revolving B Loans that are Base Rate Loans range between 0.20% and 1.15%. and the applicable rate for Revolving B Loans that are Term SOFR/Term SOFR Daily Floating Rate range between 1.20% and 2.15%.

Indebtedness on and after March 26, 2026. On March 26, 2026, the Company entered into a Credit Agreement with certain lending parties thereto (Lenders) to amend and restate the Credit Agreement dated as of May 18, 2022, as amended (the Prior Credit Agreement).

The Credit Agreement provides the Company with one or more Revolving Loans in a collective maximum principal amount of $700,000,000 (Loan Limit) throughout the term, which ends March 26, 2031. Included within the Loan Limit are sublimits for, Letters of Credit (as defined in the Credit Agreement) in an amount not to exceed $60,000,000, and Swing Line Loans (as defined in the Credit Agreement) in an amount not to exceed $40,000,000.

Base Rate Loans (as defined in the Credit Agreement) under the Revolving Loans and the Swing Line Loans accrue interest at the Base Rate plus the Applicable Rate (as defined in the Credit Agreement) and Term SOFR Loans or Term SOFR Daily Floating Rate Loans for the Revolving Loans accrue interest at the rate per annum equal to the sum of Term SOFR Loans/Term SOFR Daily Floating Rate for such interest period plus the Applicable Rate (as defined in the Credit Agreement). The Base Rate for any day is a

fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by BOA as its prime rate, and (c) the Term SOFR plus 1.0% subject to certain interest rate floors. Repayment of all then outstanding principal, interest, fees and costs is due on the last day of the Term (as defined in the Credit Agreement).

As of September 30, 2026, the Company had $170.0 million in borrowings outstanding under its revolving credit facility. The total availability under the revolving credit facility was $526.9 million as of September 30, 2026, which reflects a reduction for outstanding letters of credit totaling $3.1 million. The weighted average interest rate on the revolving credit facility was 4.9% as of September 30, 2026.

Compliance with Debt Covenants and Restrictions

Pursuant to the terms of the Credit Agreement, the Company is subject to certain loan compliance covenants. The Credit Agreement requires the Company to maintain (a) a Consolidated Interest Coverage Ratio of not less than 2.50 to 1.0 and (b) a Consolidated Debt to Consolidated EBITDA Ratio of not more than 3.75 to 1.0, each measured as of the end of each Fiscal Quarter, commencing with the Fiscal Quarter ended June 30, 2026. The maximum Consolidated Debt to Consolidated EBITDA Ratio is automatically increased to 4.25 to 1.0 for the Fiscal Quarter in which a qualifying Acquisition with cash consideration (including assumed or acquired Debt) of $75,000,000 or more occurs and each of the following four Fiscal Quarters (an "Adjustment Period"), subject to a limit of two Adjustment Periods during the term of the Credit Agreement.

The Credit Agreement also contains an equity cure mechanism, under which the Company may make cash equity contributions (funded with proceeds of common equity) to be included in the calculation of Consolidated EBITDA solely for purposes of determining compliance with the financial covenants, subject to certain conditions and limitations, including that in each consecutive four Fiscal Quarter period there must be at least two Fiscal Quarters in which no such contribution is made.

The Company was in compliance with all covenants as of September 30, 2026. Failure to comply with the financial covenants could be considered a default of repayment obligations and, among other remedies, could accelerate payment of any amounts outstanding.

10. LEASES

The Company leases manufacturing and training facilities, storage warehouses, office space, and certain plant equipment under various operating leases. The Company's operating leases have remaining lease terms of up to 11 years. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

For the three months ended September 30, 2026 and September 30, 2025, total operating lease expense was $3.3 million and $3.0 million, respectively. For the nine months ended September 30, 2026 and September 30, 2025, total operating lease expense was $10.0 million and $9.0 million, respectively. The weighted average remaining lease term at September 30, 2026 and December 31, 2025 was 6.2 years and 6.7 years, respectively. The weighted average discount rate at September 30, 2026 and December 31, 2025 was 4.79% and 4.70%, respectively.

The following table includes supplemental cash flow information for the nine months ended September 30, 2026 and September 30, 2025, and supplemental balance sheet information at September 30, 2026 and December 31, 2025 related to operating leases (in thousands):

	Nine Months Ended September 30,	
Supplemental cash flow information	**2026**	**2025**
Cash paid for amounts included in the measurement of operating lease liabilities	$ 9,834	$ 8,410
Operating ROU assets obtained in exchange for lease liabilities	$ 1,853	$ 1,419

Supplemental balance sheet information	September 30, 2026	December 31, 2025
Operating lease ROU assets	$ 46,275	$ 52,632
Operating lease liabilities:		
Accrued expenses and other current liabilities	$ 12,423	$ 12,079
Operating lease liabilities	35,262	41,755
Total operating lease liabilities	$ 47,685	$ 53,834

The following table summarizes maturities of operating lease liabilities at September 30, 2026 (in thousands):

Maturities of operating lease liabilities	
2026	$ 3,246
2027	12,576
2028	11,017
2029	5,567
2030	4,319
Thereafter	19,782
Total lease payments	56,507
Less imputed interest	(8,822)
Total operating lease liabilities	$ 47,685

11. FINANCIAL INSTRUMENTS

The Company considers the recorded value of its financial assets and liabilities, consisting primarily of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, other current liabilities, and debt to approximate the fair value of the respective assets and liabilities on the Condensed Consolidated Balance Sheets at September 30, 2026 and December 31, 2025.

12. STOCKHOLDERS' EQUITY

Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except share and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator:				
Net income available to common shareholders	$ 52,493	$ 51,770	$ 175,772	$ 188,113
Denominator:				
Basic weighted average shares outstanding	101,719,534	107,244,573	103,018,450	107,217,689
Effect of dilutive securities:				
Stock appreciation rights and options	20,038	31,206	20,732	31,002
Restricted stock	87,789	56,862	63,620	55,852
Diluted weighted average shares outstanding	101,827,361	107,332,641	103,102,802	107,304,543
Basic earnings per share	$ 0.52	$ 0.48	$ 1.71	$ 1.75
Diluted earnings per share	$ 0.52	$ 0.48	$ 1.70	$ 1.75

Diluted earnings per share is computed using the weighted average number of shares determined for the basic earnings per share computation plus the dilutive effect of common stock equivalents using the treasury stock method. The computation of diluted earnings per share excludes the following potentially dilutive securities because the effect would be anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Stock appreciation rights	160,044	145,249	160,044	141,199
Restricted stock	47,361	31,053	90,259	72,016

Stock Repurchase Program

On May 4, 2023, the Board of Directors authorized the repurchase of up to 10.8 million shares of the Company's common stock under the 2023 Stock Repurchase Program, which has no expiration date. On April 28, 2026, the Board of Directors authorized an additional 10 million shares for repurchase under the 2023 Stock Repurchase Program, increasing the number of shares available for future repurchases under the program.

During the nine months ended September 30, 2026, the Company repurchased 5.2 million shares of common stock under the 2023 Stock Repurchase Program. Of these 5.2 million shares, 2.6 million shares were repurchased during the first two quarters of the year as part of a $100 million accelerated share repurchase agreement that was entered into on February 26, 2026. As of September 30, 2026, 12.2 million shares remained available for repurchase under the 2023 Stock Repurchase Program.

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company principally generates revenue from the manufacture and sale of its high-performance, low-maintenance, eco-friendly wood-alternative composite decking and railing products and accessories. Substantially all of its revenues are from contracts with customers, which are purchase orders of short-term duration of less than one year. Its customers, in turn, sell primarily to the residential market, which includes replacement, remodeling and new construction related to outdoor living products. The Company satisfies its performance obligations at a point in time. The shipment of each product is a separate performance obligation as the customer is able to derive benefit from each product shipped and no performance obligation remains after shipment. Upon shipment of the product, the customer obtains control over the distinct product and Trex satisfies its performance obligation. Any performance obligation that remains unsatisfied at the end of a reporting period is part of a contract that has an original expected duration of one year or less. Any variable consideration related to the unsatisfied performance obligation is allocated wholly to the unsatisfied performance obligation, is recognized when the product ships and the performance obligation is satisfied and is included in “Accrued expenses and other liabilities, Sales and marketing” in Note 8 to the Condensed Consolidated Financial Statements. For the three months ended September 30, 2026 and September 30, 2025, the Company’s net sales (in thousands) were $359,504 and $285,348, respectively. For the nine months ended September 30, 2026 and September 30, 2025, the Company's net sales (in thousands) were $1,120,926 and $1,013,142, respectively. During these periods, revenues were recognized at a point in time upon transfer of its outdoor living products under variable consideration contracts into the building products market.

14. STOCK-BASED COMPENSATION

At the annual meeting of stockholders of the Company held on May 4, 2023, the Company’s stockholders approved the Trex Company, Inc. 2023 Stock Incentive Plan (Plan). The Company’s board of directors unanimously approved the Plan on April 10, 2023, subject to stockholder approval. The Plan, which is administered by the compensation committee of the board of directors, provides for the grant of stock options, restricted stock, restricted stock units, stock appreciation rights and unrestricted stock, which are referred to collectively as “awards.” Awards may be granted under the Plan to officers, directors (including non-employee directors) and other employees of the Company or any subsidiary thereof, to any adviser, consultant, or other provider of services to the Company (and any employee thereof), and to any other individuals who are approved by the board of directors as eligible to participate in the Plan. Only employees of the Company or any subsidiary thereof are eligible to receive incentive stock options. Subject to certain adjustments as provided in the Plan, the total number of shares of common stock available for future grants under the Plan is 3,376,906 shares.

The following table summarizes the Company’s stock-based compensation grants for the nine months ended September 30, 2026:

	Stock Awards Granted	Weighted-Average Grant Price Per Share
Time-based restricted stock units	162,822	$ 41.93
Performance-based restricted stock units (a)	104,560	$ 44.34

(a) Includes 84,878 of target performance-based restricted stock unit awards granted during the nine months ended September 30, 2026, and an adjustment of 19,682 restricted stock units due to the actual performance level achieved for restricted stock and restricted stock units awarded in 2023.

The Company recognizes stock-based compensation expense ratably over the period from the grant date to the earlier of: (1) the vesting date of the award, or (2) the date the grantee is eligible to retire without forfeiting the award. For performance-based restricted stock and performance-based restricted stock units, expense is recognized ratably over the performance and vesting period of each tranche based on management's judgment of the ultimate award that is likely to be paid out based on the achievement of the predetermined performance measures. For the employee stock purchase plan, compensation expense is recognized related to the discount on purchases. Stock-based compensation expense is included in "Selling, general and administrative expenses" in the Condensed Consolidated Statements of Comprehensive Income. The following table summarizes the Company's stock-based compensation expense (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Stock appreciation rights	$ 213	$ 264	$ 698	$ 888
Time-based restricted stock and restricted stock units	1,674	1,068	4,628	3,472
Performance-based restricted stock and restricted stock units	686	(166)	2,460	1,940
Employee stock purchase plan	49	47	310	160
Total stock-based compensation	$ 2,622	$ 1,213	$ 8,096	$ 6,460

Total unrecognized compensation cost related to unvested awards as of September 30, 2026 was $13.2 million. The cost of these unvested awards is being recognized over the requisite vesting period of each award.

15. OTHER EXPENSES

Other expenses consist of asset impairment charges and losses recognized on the disposal or retirement of property, plant, and equipment. These charges relate to assets that are no longer in service, are expected to be disposed of before the end of their useful lives, or have experienced a decline in recoverable value.

16. INCOME TAXES

The Company's effective tax rate for the nine months ended September 30, 2026 and September 30, 2025, was 26.5% and 26.1%, which resulted in income tax expense of $63.3 million and $66.3 million, respectively.

The Company analyzes its deferred tax assets each reporting period, considering all available positive and negative evidence in determining the expected realization of those deferred tax assets. As of September 30, 2026, the Company maintains a valuation allowance of $2.2 million against deferred tax assets primarily related to state tax credits it estimates will expire before they are realized.

The Company operates in multiple tax jurisdictions, and, in the normal course of business, its tax returns are subject to examination by various taxing authorities. Such examinations may result in future assessments by these taxing authorities, and the Company accrues a liability when it believes that it is more likely than not that benefits of tax positions will not be realized. The Company believes that adequate provisions have been made for all tax returns subject to examination. As of September 30, 2026, for certain tax jurisdictions tax years 2020 through 2025 remain subject to examination. Sales made to foreign distributors are not taxable in any foreign jurisdiction as the Company does not have a taxable presence in any foreign jurisdiction.

17. SEGMENT INFORMATION

The Company operates in one reportable segment, with resource allocation and assessment of financial performance based on a consolidated basis.

Trex manufactures composite decking and railing and related outdoor living products marketed under the brand name Trex®. The products are sold to its distributors and two national retailers who, in turn, sell primarily to the residential market, which includes replacement, remodeling and new construction.

The Company's reportable segments are determined in accordance with its internal management structure, which is based on operations. The Company has identified its President and Chief Executive Officer as the Chief Operating Decision Maker (CODM). The Company's CODM has final authority over resource allocation decisions and performance assessments and makes key operating decisions. The primary objective of the CODM is to optimize positive Company-wide performance and financial results. The CODM evaluates segment performance primarily based on net income and net sales. The CODM uses net income to assess performance and allocate resources as this measure provides insight into all aspects of the segment's operations and overall success of the segment for a given period. The CODM also uses net sales to assess performance and allocate resources as this measure represents the amount of business the segment engaged in during a given period of time, is an indicator of market growth and acceptance of segment products, and represents the segment's customers' spending habits along with the amount of product the segment sells relative to its competitors. In addition, the CODM reviews significant segment expenses with a primary focus on cost of sales and total selling, general, and administrative expenses. These measures are provided in the accompanying Condensed Consolidated Statements of Comprehensive Income. Segment assets are reported on the Condensed Consolidated Balance Sheets.

18. SEASONALITY

The operating results for Trex have historically varied from quarter to quarter. Seasonal, erratic or prolonged adverse weather conditions in certain geographic regions reduce the level of home improvement and construction activity and can shift sales of its products to a later period or decrease overall sales in affected locations. As part of its normal business practice, and consistent with industry practice, Trex has historically offered incentive programs to its distributors and dealers to build inventory levels before the start of the prime deck-building season in order to ensure adequate availability of its product to meet anticipated seasonal consumer demand. The seasonal effects are often offset by the positive effect of the incentive programs.

19. COMMITMENTS AND CONTINGENCIES

Product Warranty

The Company warrants that for the applicable warranty period its products, when properly installed, used and maintained, will be free from material defects in workmanship and materials and its decking, cladding, fascia and railing products will not split, splinter, rot or suffer structural damage from termites or fungal decay.

Products sold on or after January 1, 2023: The warranty period for residential use is 50 years for Transcend® decking, 35 years for Select® decking and Universal Fascia, and 25 years for Enhance® decking and Transcend, Select, Enhance and Signature® railing. The warranty period for commercial use is 10 years, excluding Signature railing and Transcend cladding, which each have a warranty period of 25 years. The Company further warrants that Trex Transcend, Trex Enhance and Trex Select decking and cladding and Universal Fascia products will not fade in color from light and weathering exposure more than a certain amount and will be resistant to permanent staining from food and beverage substances or mold and mildew, provided the stain is cleaned within seven days of appearance, for the warranty period referred to above. If there is a breach of such warranties, the Company has an obligation either to replace the defective product or refund the purchase price.

Products sold prior to January 1, 2023: The warranty period is 25 years for residential use and 10 years for commercial use. With respect to Trex Signature railing, the warranty period is 25 years for both residential and commercial use. The Company further warrants that Trex Transcend, Trex Enhance, Trex Select and Universal Fascia products will not fade in color more than a certain amount and will be resistant to permanent staining from food substances or mold, provided the stain is cleaned within seven days of appearance, for the warranty period referred to above. If there is a breach of such warranties, the Company has an obligation either to replace the defective product or refund the purchase price.

The Company maintains a warranty reserve for the settlement of its product warranty claims. The Company accrues for the estimated cost of product warranty claims at the time revenue is recognized based on such factors as historical claims experience and future claims experience. To estimate our future claims experience, the Company utilizes actuarial techniques to determine a reasonable possible range of amounts to be paid related to defects covered by our product warranty. The actuarial techniques consider claims received, claims closed, and the corresponding amounts paid. Estimates for these elements are quantified using a range of assumptions derived from claim history and consideration of additional factors influencing claim counts or costs incurred to settle claims in order determine the best estimate of future claims for which to record a related liability. Management reviews and adjusts these estimates, if necessary, based on the differences between actual experience and historical estimates.

The Company monitors claims activity each quarter for indications that its estimates require revision. The Company uses the best and most complete underlying information available and a rational methodology to determine its warranty obligations. The Company considers all available evidence to assess the reasonableness of all key assumptions underlying its estimated warranty obligations.

The Company's analysis is based on currently known facts and a number of assumptions, as discussed above, and current expectations. Projecting future events such as the number of claims to be received, the number of claims that will require payment and the costs associated with settling claims could cause the actual warranty liability to be higher or lower than projected, which could materially affect the Company's financial condition, results of operations or cash flows.

The Trex product warranty reserve activity consisted of the following, and is included in Accrued warranty and Non-current accrued warranty in the Consolidated Balance Sheets (in thousands):

	Nine Months Ended September 30, 2026
	Product Warranty
Beginning balance, January 1	$ 29,740
Provisions and changes in estimates	8,380
Settlements made during the period	(6,133)
Ending balance, September 30	$ 31,987

	Nine Months Ended September 30, 2025
	Product Warranty
Beginning balance, January 1	$ 22,835
Provisions and changes in estimates	8,660
Settlements made during the period	(5,808)
Ending balance, September 30	$ 25,687

Legal Matters

The Company has lawsuits, as well as other claims, pending against it which are ordinary routine litigation and claims incidental to the business. Management has evaluated the merits of these lawsuits and claims and believes that their ultimate resolution will not have a material effect on the Company's consolidated financial condition, results of operations, liquidity or competitive position.

Industrial Revenue Bonds

In October 2021, the Company announced plans to add a third manufacturing facility located in Little Rock, Arkansas (Little Rock). Construction on the new facility began in the second quarter of 2022. In connection with the construction of the new facility, during 2024 the Company and Little Rock entered into an agreement in which Little Rock agreed to issue up to $450 million of its industrial revenue bonds (IRBs) for the purpose of constructing a manufacturing facility. Under the agreement, the Company transferred ownership of the facility to Little Rock and simultaneously leased the related asset from Little Rock. The Company is also the purchaser of the IRBs and, therefore, is the bondholder as well as the borrower/lessee of the Little Rock facility purchased with the IRB proceeds. As a result of the agreement, the Company was able to reduce the cost of certain state and local tax expenditures for twenty years. The Company has a purchase option included in the lease agreement for below the fair value of the asset, which prevents the transfer of the asset to Little Rock from being recognized as a sale. Furthermore, the Company has not derecognized the transferred asset and continues to recognize it in property, plant and equipment in the Condensed Consolidated Balance Sheets. The Company has the right and intends to set-off any obligations to make payments under the finance liability, with proceeds due from the IRBs. The liability and IRB asset are equal and are reported net in the Condensed Consolidated Balance Sheets. As of September 30, 2026, the gross asset and liability associated with the IRBs was $450 million.

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

The following management discussion and analysis of financial condition and results of operations (MD&A) should be read in conjunction with the Trex Company, Inc. (Trex, Company, we or our) Annual Report on Form 10-K for the year ended December 31, 2025 filed with the U.S. Securities and Exchange Commission (SEC) and the condensed consolidated financial statements and notes thereto included in Part I, Item 1. "Financial Statements" of this quarterly report.

NOTE ON FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements regarding our expected financial position and operating results, our business strategy, our financing plans, forecasted demographic and economic trends relating to our industry and similar matters are forward-looking statements. These statements can sometimes be identified by our use of forward-looking words such as "may," "will," "anticipate," "estimate," "expect," "intend" or similar expressions. We cannot promise you that our expectations in such forward-looking statements will turn out to be correct. Our actual results could be materially different from our expectations because of various factors, including the factors discussed under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC. These statements are also subject to risks and uncertainties that could cause the Company's actual operating results to differ materially. Such risks and uncertainties include, but are not limited to: the extent of market acceptance of the Company's current and newly developed products; the costs associated with the development and launch of new products and the market acceptance of such new products; the sensitivity of the Company's business to general economic conditions; the impact of seasonal and weather-related demand fluctuations on inventory levels in the distribution channel and sales of the Company's products; the availability and cost of third-party transportation services for the Company's products and raw materials; the Company's ability to obtain raw materials, including scrap polyethylene, wood fiber, and other materials used in making our products, at acceptable prices; increasing inflation and tariffs in the macro-economic environment; the Company's ability to maintain product quality and product performance at an acceptable cost; the Company's ability to increase throughput and capacity to adequately match supply with demand; the level of expenses associated with warranty claims, product replacement and consumer relations expenses related to product quality; the highly competitive markets in which the Company operates; cyber-attacks, security breaches or other security vulnerabilities; the impact of current and upcoming data privacy laws and the EU General Data Protection Regulation and the related actual or potential costs and consequences; material adverse impacts from global public health pandemics, geopolitical conflicts; and material adverse impacts related to labor shortages or increases in labor costs.

OVERVIEW

The following MD&A is intended to help the reader understand the operations and current business environment of the Company. The MD&A is provided as a supplement to, and should be read in conjunction with, our Condensed Consolidated Financial Statements and the accompanying notes thereto contained in "*Item 1. Condensed Consolidated Financial Statements*" of this report. MD&A includes the following sections:

- *Operations and Products* — a general description of our business, a brief overview of our reportable segment's products, and a discussion of our operational highlights.
- *Highlights and Financial Performance Quarter-to-Date and Year-to-Date* – a summary of financial performance and highlights for the three months and nine months ended September 30, 2026, a general discussion of factors that may affect our operations, and a description of relevant financial statement line items.
- *Results of Operations* — an analysis of our consolidated results of operations for the three months and nine months ended September 30, 2026 compared to the three months and nine months ended September 30, 2025.
- *Liquidity and Capital Resources* — an analysis of cash flows; contractual obligations, and a discussion of our capital and other cash requirements.

OPERATIONS AND PRODUCTS

Trex is the world's largest manufacturer of high-performance composite decking and railing products and a leader in outdoor living products, which are marketed under the brand name Trex® and manufactured in the United States. With more than 30 years of product experience, we offer a comprehensive set of aesthetically appealing and durable, low-maintenance product offerings in the decking, railing, fencing and outdoor lighting categories. A majority of the products are eco-friendly and leverage recycled and reclaimed materials to the extent possible. Trex decking is made in a proprietary process that combines reclaimed wood fibers and recycled polyethylene film, making Trex one of the largest recyclers of plastic film in North America. In addition to resisting fading and surface staining, Trex products require no sanding and sealing, resist moisture damage, provide a splinter-free surface and do not require chemical treatment against rot or insect infestation. Combined, these aspects yield significant aesthetic advantages and lower maintenance than wood decking and railing and ultimately render Trex products less costly than wood over the life of the deck. Special characteristics (including resistance to splitting, the ability to bend, and ease and consistency of machining and finishing)

facilitate installation, reduce contractor call-backs and afford consumers a wide range of design options. Trex products are sold to distributors and home centers for final resale primarily to the residential market.

Trex offers the following products:

Decking and Accessories	Our principal decking products are Trex Signature®, Trex Transcend® Lineage™, Trex Transcend®, Trex Refuge™, Trex Select®, and Trex Enhance®. Our high performance, low maintenance decking products feature a protective shell for enhanced protection against fading, staining, mold, and scratching. Our eco-friendly composite decking products are comprised of a blend of 95 percent reclaimed wood fibers and recycled polyethylene film, and our PVC decking product features ignition resistance. Trex Signature decking offers realistic woodgrain aesthetics that raise the bar for beauty, performance, and sustainability and is available in two luxurious hues inspired by stunning natural settings. Trex Transcend Lineage is the next generation of design and performance in composite decking and is available in seven luxurious, on-trend hues inspired by some of the most picturesque locales in the United States. Our Trex Transcend decking provides elevated aesthetics paired with the highest level of performance and is available in six multi-tonal monochromatic classical earth tones and premium tropical colors. Trex Refuge decking features a refined wire brushed grain pattern and is offered in two hues. Trex Select decking offers the perfect pairing of price and minimal maintenance and is available in two nature-inspired earth tone colors and three subtly streaked on trend hues. Our Trex Enhance boards pair the beauty of authentic wood-grain appearance with the durability of composite with minimal maintenance and the affordability of wood and is available in six natural and four basic colors. We also offer accessories to our decking products. The Trex Hideaway® Fastener Collection, offers solutions for every Trex deck fastening and finishing need, featuring color-matched screws and plugs, specially engineered bits, depth setters, and clips, designed to make installation easier and more efficient while delivering a clean, cohesive aesthetic. The Trex® Lighting collection offers a line of energy-efficient CRI LED lighting. It can be installed into the railing, stair risers, or the deck itself. The line includes a post cap light, deck rail light, and riser lights.
Railing	Our railing products are Trex Signature® X-Series™ Railing, Trex Signature® aluminum railing, Trex Transcend Railing, Trex Select® Railing, Trex Select® T-Rail, and Trex Enhance™ Railing. Our high-performance cable rail, frameless glass rail, composite, and aluminum-deck railing kits and systems are sustainably manufactured, easy to install, and durable. Trex railing systems are built with the same durability as Trex decking and will not rot, warp, peel, or splinter and resist fading and corrosion. Trex Signature X-Series, made from approximately 30 percent recycled materials, is available in Charcoal Black with stainless steel or glass infill. Trex Signature aluminum railing, made from a minimum of 40 percent recycled content, is available in three colors and designed for consumers who want a sleek, contemporary look. Trex Transcend Railing, made from approximately 40 percent recycled content, is available in four colors that complement our Trex decking products. Trex Select® Railing, made from approximately 40 percent recycled content, is offered in a white finish and is ideal for consumers who desire a simple clean finished look for their deck. Trex Select® T-Rail, made from a minimum of 40 percent recycled materials, is available in square composite balusters in Classic White for a cohesive, coordinated look, or round aluminum balusters in Charcoal Black for a more modern contrast. Trex Enhance™ railing is available in four composite colors, and an Enhance Steel line was recently introduced in Charcoal Black, to expand the Trex addressable market.
Fencing	Our Trex® Fencing products are Seclusions, Horizons, Solitudes, and Rail Fence. These products consist of structural posts, bottom rails, pickets, top rails, brackets and decorative post caps. Trex® Fencing is offered in four natural rich tones that stay vibrant throughout their lifetime.
Cladding	Our cladding products are Trex Signature® and Trex Transcend® Lineage™, and Trex Transcend®. Our high-performance, low-maintenance, eco-friendly composite cladding products are comprised of a blend of 95 percent reclaimed wood fibers and recycled polyethylene film and feature a protective polymer shell for enhanced protection against fading, staining, mold, and scratching. Trex Signature cladding offers realistic woodgrain aesthetics that raise the bar for beauty and performance and is available in hues inspired by stunning natural settings. Trex Transcend Lineage cladding is available in six luxurious on trend hues. Trex Transcend cladding is available in six multi-tonal monochromatic classical earth tones and premium tropical colors.

We are a licensor in a number of licensing agreements with third parties to manufacture and sell products under the Trex trademark. Our licensed products are:

Trex® Outdoor Furniture™	A line of outdoor furniture products manufactured and sold by PolyWood, Inc.
Trex® RainEscape®, Trex® Protect®, Trex® RainEscape® Soffit Light, and Trex® Seal™ Ledger Flashing Tape	An above joist deck drainage system manufactured and sold by IBP, LLC. Trex Protect Joist, Beam and Rim tape is a self-adhesive butyl tape that protects wooden deck framing/substructure elements. Trex RainEscape Soffit Light is a plug-and-play LED Soffit light that is installed in the under-deck ceiling of a two-story deck. Trex Seal Ledger Flashing tape is butyl flashing tape with an aluminum liner.
Trex® Pergola	Pergolas made from low maintenance cellular PVC and all-aluminum product, manufactured by Home & Leisure, Inc. dba Structureworks Fabrication.
Trex® Lattice	Outdoor lattice boards manufactured and sold by Structureworks Fabrication.
Trex® Cornhole	Cornhole boards manufactured and sold by Johnson Enterprises, LLC under a Trademark License Agreement with Trex Company, Inc.
Trex® Blade	A specialty saw blade for wood-alternative composite decking manufactured and sold by Freud America, Inc.
Trex® Spiral Stairs	A staircase alternative for use with all deck substructures manufactured and sold by SS Industries dba Paragon Stairs.
Trex® Outdoor Kitchens™	Outdoor kitchen cabinetry manufactured and sold by Danver Outdoor Kitchens.

HIGHLIGHTS AND FINANCIAL PERFORMANCE

Highlights:

- *Trex Company Upgrades Distribution Network.* Specialty Building Products (SBP) will be Trex's sole national distributor of decking and railing products across North America. In addition, Trex expanded its regional relationships with WS Building Materials (formerly Snavely, Weekes, and Logan), Coastal Forest Products, and BlueLinx.
- *Trex selects Fencing Supply Group (FSG) as Exclusive National Distributor for Trex® Fencing.* Trex fencing is available nationwide at FSG, a premier wholesale distributor of fencing and outdoor living products and supplies in the United States.
- *Trex Expands Outdoor Living Portfolio with Premium Lighting and Finishing Solutions.* Trex is expanding its portfolio with an upgraded collection of Trex® Lighting, along with new Trex Select® Aluminum Gates and marine grade stainless steel fastening solutions.
- *Trex Celebrates 30 Years of Innovation with Vision to own the Backyard.* Trex believes the next era of growth will come from helping consumers think beyond a deck to an entire outdoor experience.

Financial performance. The following table presents highlights of our financial performance for the quarter and year-to-date:

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
($ 000s omitted, except per share data)				
Net sales	$ 359,504	$ 285,348	$ 74,156	26.0%
Gross profit	$ 129,473	$ 115,438	$ 14,035	12.2%
Net income	$ 52,493	$ 51,770	$ 723	1.4%
EBITDA*	$ 94,688	$ 86,409	$ 8,279	9.6%
Diluted earnings per share	$ 0.52	$ 0.48	$ 0.04	8.3%

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
($ 000s omitted, except per share data)				
Net sales	$ 1,120,926	$ 1,013,142	$ 107,784	10.6%
Gross profit	$ 426,839	$ 411,300	$ 15,539	3.8%
Net income	$ 175,772	$ 188,113	$ (12,341)	(6.6)%
EBITDA*	$ 302,121	$ 300,527	$ 1,594	0.5%
Diluted earnings per share	$ 1.70	$ 1.75	$ (0.05)	(2.9)%

**A reconciliation of Net Income (GAAP) to EBITDA (non-GAAP) is presented on pages 20 and 22 of this Quarterly Report on Form 10-Q under "Net Income and Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)."*

Capital expenditures. During the nine months ended September 30, 2026, our capital expenditures were $75.3 million primarily related to $33.8 million for the Arkansas manufacturing facility, $8.3 million in safety, environmental and general support, $6.0 million in purchased intangibles related to digital transformation, and $24.8 million in all other including cost reduction initiatives and capacity expansion in our existing facilities.

RESULTS OF OPERATIONS

General. Our results of operations are affected by a number of factors, including, but not limited to, the cost to manufacture and distribute products, cost of raw materials, inflation, interest rates, tariffs, consumer spending and preferences, the impact of any supply chain disruptions, economic conditions, and any adverse effects from global health pandemics and geopolitical conflicts.

Net Sales. Net sales consist of sales, net of discounts. The level of net sales is principally affected by sales volume and the prices paid for Trex products. Trex operating results have historically varied from quarter to quarter. Seasonal, erratic or prolonged adverse weather conditions in certain geographic regions reduce the level of home and commercial improvement and residential and commercial construction and can shift sales of our products to a later period or decrease overall sales in affected locations. As part of our normal business practice and consistent with industry practice, we have historically provided our distributors and dealers of our Trex products incentives to build inventory levels before the start of the prime deck-building season to ensure adequate availability of our product to meet anticipated seasonal consumer demand and to enable production planning. These incentives include payment discounts, favorable payment terms, price discounts, or volume rebates on specified products and other incentives based on increases in purchases as part of specific promotional programs. The timing of our incentive programs can significantly impact sales, receivables and inventory levels during the offering period.

Gross Profit. Gross profit represents the difference between net sales and cost of sales. Cost of sales consists of raw material costs, direct labor costs, manufacturing costs, subcontract costs and freight. Raw material costs generally include the costs to purchase and transport reclaimed wood fiber, reclaimed polyethylene, pigmentation for coloring our products, and commodities used in the production of railing and staging. Direct labor costs include wages and benefits of personnel engaged in the manufacturing process. Manufacturing costs consist of costs of depreciation, utilities, maintenance supplies and repairs, indirect labor, including wages and benefits, and warehouse and equipment rental activities.

Less than 5% of our cost of sales is projected to be impacted by tariffs. The majority of tariffs are related to purchases of aluminum and steel used in our railing and fastening products. We have and will further mitigate some of the impact on our cost of sales through higher levels of existing pre-tariff inventory and supplier negotiations.

Selling, General and Administrative Expenses. The largest component of selling, general and administrative expenses is personnel related costs, which includes salaries, commissions, incentive compensation, and benefits of personnel engaged in sales and marketing, accounting, information technology, corporate operations, research and development, and other business functions.

Another component of selling, general and administrative expenses is branding and other sales and marketing costs, which are used to build brand awareness. These costs consist primarily of advertising, merchandising, and other promotional costs. Other general and administrative expenses include professional fees, office occupancy costs attributable to the business functions previously referenced, and consumer relations expenses. As a percentage of net sales, selling, general and administrative expenses may vary from quarter to quarter due, in part, to the seasonality of our business.

Below is the discussion and analysis of our operating results and material changes in our operating results for the three months ended September 30, 2026 (2026 quarter) compared to the three months ended September 30, 2025 (2025 quarter), and for the nine months ended September 30, 2026 (2026 nine-month period) compared to the nine months ended September 30, 2025 (2025 nine-month period).

Three Months Ended September 30, 2026 Compared To The Three Months Ended September 30, 2025

Net Sales

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
Net sales	$ 359,504	$ 285,348	$ 74,156	26.0%

Net sales increased by $74.2 million, or 26.0%, in the 2026 quarter compared to the 2025 quarter. The increase was substantially all due to an increase in volume, partially offset by the mix of products sold.

Gross Profit

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
Cost of sales	$ 230,031	$ 169,910	$ 60,121	35.4%
% of total net sales	64.0%	59.5%		
Gross profit	$ 129,473	$ 115,438	$ 14,035	12.2%
Gross margin	36.0%	40.5%		

Gross profit as a percentage of net sales, gross margin, was 36.0% in the 2026 quarter compared to 40.5% in the 2025 quarter. The decrease was primarily the result of increased depreciation, higher transportation costs associated with increased diesel prices, and increased labor as production began at our Arkansas facility.

Selling, General and Administrative Expenses

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
Selling, general and administrative expenses	$ 56,455	$ 45,041	$ 11,414	25.3%
% of total net sales	15.7%	15.8%		

Selling, general and administrative expenses increased $11.4 million to $56.5 million, or 15.7% of net sales, in the 2026 quarter. The increase primarily related to increases of $8.0 million in personnel related expenses and $3.4 million in branding.

Other Expenses

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
Other expenses	$ 496	$ —	$ 496	100.0%
% of total net sales	0.1%	—		

Provision for Income Taxes

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
Provision for income taxes	$ 19,186	$ 18,627	$ 559	3.0%
Effective tax rate	26.8%	26.5%		

The effective tax rate for the 2026 quarter was 26.8% compared to 26.5% for the 2025 quarter.

Net Income and Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)[1] (dollars in thousands)

Reconciliation of net income (GAAP) to EBITDA (non-GAAP):

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025
Net income	$ 52,493	$ 51,770
Interest expense, net	843	—
Income tax expense	19,186	18,627
Depreciation and amortization	22,166	16,012
EBITDA	$ 94,688	$ 86,409

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
EBITDA	$ 94,688	$ 86,409	$ 8,279	9.6%

EBITDA increased 9.6% to $94.7 million for the 2026 quarter compared to $86.4 million for the 2025 quarter. The increase in EBITDA was primarily due to the increase in net sales.

Nine Months Ended September 30, 2026 Compared To The Nine Months Ended September 30, 2025

Net Sales

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
Net sales	$ 1,120,926	$ 1,013,142	$ 107,784	10.6%

Total net sales increased by $107.8 million, or 10.6%, in the 2026 nine-month period compared to the 2025 nine-month period. The increase was primarily due to an increase in volume and net price.

[1]EBITDA represents net income before interest, income taxes, depreciation and amortization. EBITDA is not a measurement of financial performance under accounting principles generally accepted in the United States (GAAP). We have included data with respect to EBITDA because management believes it facilitates performance comparison between the Company and its competitors. Management considers EBITDA to be an important supplemental indicator of our core operating performance because it eliminates interest, income taxes, and depreciation and amortization charges to net income or loss. In relation to competitors, EBITDA eliminates differences among companies in capitalization and tax structures, capital investment cycles and ages of related assets. For these reasons, management believes that EBITDA provides important information regarding the operating performance of the Company. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP and are not meant to be considered superior to or a substitute for our GAAP results.

Gross Profit

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
Cost of sales	$ 694,087	$ 601,842	$ 92,245	15.3%
% of total net sales	61.9%	59.4%		
Gross profit	$ 426,839	$ 411,300	$ 15,539	3.8%
Gross margin	38.1%	40.6%		

Gross profit as a percentage of net sales, gross margin, was 38.1% in the 2026 nine-month period compared to 40.6% in the 2025 nine-month period. The decrease in gross margin was primarily the result of increased depreciation, higher transportation costs associated with increased diesel prices, unfavorable mix, and increased labor as production began at our Arkansas facility.

Other Expenses

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
Other expenses	$ 5,169	$ —	$ 5,169	100.0%
% of total net sales	0.5%	—		

Other expenses increased $5.2 million in the 2026 nine-month period. The increase was primarily due to the write down of assets at our Virginia manufacturing facilities to reduce the carrying value of the assets to their estimated fair value.

Selling, General and Administrative Expenses

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
Selling, general and administrative expenses	$ 179,452	$ 156,841	$ 22,611	14.4%
% of total net sales	16.0%	15.5%		

Selling, general and administrative expenses increased $22.6 million to $179.5 million, or 16.0% of net sales, in the 2026 nine-month period. The increase primarily related to increases of $9.1 million in personnel related expenses, $8.4 million in branding, $3.2 million in digital transformation, and $0.9 million in Arkansas start-up costs.

Provision for Income Taxes

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
Provision for income taxes	$ 63,276	$ 66,346	$ (3,070)	(4.6)%
Effective tax rate	26.5%	26.1%		

The effective tax rate for the 2026 nine-month period was 26.5% compared to 26.1% for the 2025 nine month period.

Net Income and Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)[2] (dollars in thousands)

Reconciliation of net income (GAAP) to EBITDA and EBITDA margin (non-GAAP):

	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Net income	$ 175,772	$ 188,113
Interest expense, net	3,170	—
Income tax expense	63,276	66,346
Depreciation and amortization	59,903	46,068
EBITDA	$ 302,121	$ 300,527

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
	(dollars in thousands)			
EBITDA	$ 302,121	$ 300,527	$ 1,594	0.5%

Total EBITDA increased 0.5% to $302.1 million for the 2026 nine-month period compared to $300.5 million for the 2025 nine-month period.

LIQUIDITY AND CAPITAL RESOURCES

We finance operations and growth primarily with cash flows from operations, borrowings under our revolving credit facilities, and normal trade credit terms from operating activities. At September 30, 2026, we had $3.3 million of cash and cash equivalents.

S*ources and Uses of Cash.* The following table summarizes our cash flows from operating, investing and financing activities (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Net cash provided by operating activities	$ 248,363	$ 292,627
Net cash used in investing activities	(75,233)	(188,136)
Net cash used in financing activities	(173,666)	(94,426)
Net (decrease) increase in cash and cash equivalents	$ (536)	$ 10,065

Operating Activities

Cash provided by operations was $248.4 million during the 2026 nine-month period compared to cash provided by operations of $292.6 million during the 2025 nine-month period. The $44.3 million decrease in cash provided by operating activities was primarily related to increased account receivable due to higher net sales, partially offset by increases in accounts payable, accrued expenses, and deferred taxes.

[2]EBITDA represents net income before interest, income taxes, depreciation and amortization. EBITDA is not a measurement of financial performance under accounting principles generally accepted in the United States (GAAP). We have included data with respect to EBITDA because management believes it facilitates performance comparison between the Company and its competitors. Management considers EBITDA to be an important supplemental indicator of our core operating performance because it eliminates interest, income taxes, and depreciation and amortization charges to net income or loss. In relation to competitors, EBITDA eliminates differences among companies in capitalization and tax structures, capital investment cycles and ages of related assets. For these reasons, management believes that EBITDA provides important information regarding the operating performance of the Company. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP and are not meant to be considered superior to or a substitute for our GAAP results.

Investing Activities

Capital expenditures. During the nine months ended September 30, 2026, our capital expenditures were $75.3 million primarily related to $33.8 million for the Arkansas manufacturing facility, $8.3 million in safety, environmental and general support, $6.0 million in purchased intangibles related to digital transformation, and $24.8 million in all other including cost reduction initiatives and capacity expansion in our existing facilities.

Financing Activities

Net cash used in financing activities in the 2026 nine-month period consisted primarily of repurchases of common stock, partially offset by net borrowings on our line of credit.

Stock Repurchase Program. On May 4, 2023, the Board of Directors authorized the repurchase of up to 10.8 million shares of the Company's common stock under the 2023 Stock Repurchase Program, which has no expiration date. On April 28, 2026, the Board of Directors authorized an additional 10 million shares for repurchase under the 2023 Stock Repurchase Program, increasing the number of shares available for future repurchases under the program.

During the nine months ended September 30, 2026, the Company repurchased 5.2 million shares of common stock under the 2023 Stock Repurchase Program. As of September 30, 2026, 12.2 million shares remained available for repurchase under the 2023 Stock Repurchase Program.

Revolving Credit Facility

Indebtedness prior to March 26, 2026. On October 10, 2024, Trex entered into a Second Amendment to the Credit Agreement (Second Amendment) with certain lending parties thereto (Lenders) to amend that Credit Agreement dated as of May 18, 2022, as amended by that certain First Amendment dated as of December 22, 2022.

The Second Amendment provides us with Revolving A Loans in the maximum principal amount of $400,000,000 (Revolving A Loans), Revolving B Loans in the maximum principal amount of $150,000,000 (Revolving B Loans), and Letters of Credit and Swing Line Loans (as defined in the Credit Agreement). The Second Amendment extends the maturity date of the Revolving B Loans from December 22, 2024 to December 22, 2026.

Base Rate Loans (as defined in the Credit Agreement) under the Revolving A Loan and the Swing Line Loans accrue interest at the Base Rate plus the Applicable Rate (as defined in the Credit Agreement) and Term SOFR Loans for the Revolving Loans accrue interest at the rate per annum equal to the sum of Term SOFR for such interest period plus the Applicable Rate (as defined in the Credit Agreement). The Base Rate for any day is a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America (BOA) as its prime rate, and (c) the Term SOFR plus 1.0% subject to certain interest rate floors. Repayment of all then outstanding principal, interest, fees and costs is due at the end of the Term (as defined in the Credit Agreement).

With respect to Revolving B Loans (as defined in the Credit Agreement), for any day, the rate per annum is a tiered pricing based upon the Consolidated Debt to Consolidated EBITDA Ratio. The applicable rate for Revolving B Loans that are Base Rate Loans range between 0.20% and 1.15%. and the applicable rate for Revolving B Loans that are Term SOFR/Term SOFR Daily Floating Rate range between 1.20% and 2.15%.

Indebtedness on and after March 26, 2026. On March 26, 2026 Trex entered into a Credit Agreement with certain lending parties thereto (Lenders) to amend and restate the Credit Agreement dated as of May 18, 2022, as amended (the Prior Credit Agreement).

The Credit Agreement provides us with one or more Revolving Loans in a collective maximum principal amount of $700,000,000 (Loan Limit) throughout the term, which ends March 26, 2031. Included within the Loan Limit are sublimits for, Letters of Credit (as defined in the Credit Agreement) in an amount not to exceed $60,000,000 and Swing Line Loans (as defined in the Credit Agreement) in an amount not to exceed $40,000,000.

Base Rate Loans (as defined in the Credit Agreement) under the Revolving Loans and the Swing Line Loans accrue interest at the Base Rate plus the Applicable Rate (as defined in the Credit Agreement) and Term SOFR Loans or Term SOFR Daily Floating Rate Loans for the Revolving Loans accrue interest at the rate per annum equal to the sum of Term SOFR Loans/Term SOFR Daily Floating Rate for such interest period plus the Applicable Rate (as defined in the Credit Agreement). The Base Rate for any day is a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by BOA as its prime rate, and (c) the Term SOFR plus 1.0% subject to certain interest rate

floors. Repayment of all then outstanding principal, interest, fees and costs is due on the last day of the Term (as defined in the Credit Agreement).

Compliance with Debt Covenants and Restrictions. Pursuant to the terms of the Credit Agreement, the Company is subject to certain loan compliance covenants. The Credit Agreement requires the Company to maintain (a) a Consolidated Interest Coverage Ratio of not less than 2.50 to 1.0 and (b) a Consolidated Debt to Consolidated EBITDA Ratio of not more than 3.75 to 1.0, each measured as of the end of each Fiscal Quarter, commencing with the Fiscal Quarter ended June 30, 2026. The maximum Consolidated Debt to Consolidated EBITDA Ratio is automatically increased to 4.25 to 1.0 for the Fiscal Quarter in which a qualifying Acquisition with cash consideration (including assumed or acquired Debt) of $75,000,000 or more occurs and each of the following four Fiscal Quarters (an "Adjustment Period"), subject to a limit of two Adjustment Periods during the term of the Credit Agreement.

The Credit Agreement also contains an equity cure mechanism, under which the Company may make cash equity contributions (funded with proceeds of common equity) to be included in the calculation of Consolidated EBITDA solely for purposes of determining compliance with the financial covenants, subject to certain conditions and limitations, including that in each consecutive four Fiscal Quarter period there must be at least two Fiscal Quarters in which no such contribution is made.

At September 30, 2026, we had $170.0 million in outstanding borrowings under the revolving credit facility. The total availability under the revolving credit facility was $526.9 million as of September 30, 2026, which reflects a reduction for outstanding letters of credit totaling $3.1 million.

We believe that cash on hand, cash from operations and borrowings expected to be available under our revolving credit facilities will provide sufficient funds to fund planned capital expenditures, make scheduled principal and interest payments, fund warranty payments, and meet other cash requirements. We currently expect to fund future capital expenditures from operations and financing activities. The actual amount and timing of future capital requirements may differ materially from our estimate depending on the demand for Trex products and new market developments and opportunities.

Capital Requirements. Our capital expenditure guidance for 2026 is approximately $100 million. Our capital allocation priorities for 2026 include expenditures for internal growth opportunities, manufacturing cost reductions, upgrading equipment and support systems, and acquisitions which fit our long-term growth strategy as we continue to evaluate opportunities that would be a good strategic fit for Trex, and return of capital to shareholders.

Inventory in Distribution Channels. We sell our decking and railing products through a tiered distribution system. We have over 100 distributor locations worldwide and two national retail merchandisers to which we sell our products. The distributors in turn sell the products to dealers and retail locations who in turn sell the products to end users. Significant increases in inventory levels in the distribution channel without a corresponding change in end-use demand could have an adverse effect on future sales.

Product Warranty. We warrant that for the applicable warranty period our products, when properly installed, used and maintained, will be free from material defects in workmanship and materials and our decking, cladding, fascia and railing products will not split, splinter, rot or suffer structural damage from termites or fungal decay.

Products sold on or after January 1, 2023: The warranty period for residential use is 50 years for Transcend® decking, 35 years for Select® decking and Universal Fascia, and 25 years for Enhance® decking and Transcend, Select, Enhance and Signature® railing. The warranty period for commercial use is 10 years, excluding Signature railing and Transcend cladding, which each have a warranty period of 25 years. We further warrant that Trex Transcend, Trex Enhance and Trex Select decking and cladding and Universal Fascia products will not fade in color from light and weathering exposure more than a certain amount and will be resistant to permanent staining from food and beverage substances or mold and mildew, provided the stain is cleaned within seven days of appearance, for the warranty period referred to above. If there is a breach of such warranties, we have an obligation either to replace the defective product or refund the purchase price.

Products sold prior to January 1, 2023: The warranty period is 25 years for residential use and 10 years for commercial use. With respect to Trex Signature railing, the warranty period is 25 years for both residential and commercial use. We further warrant that Trex Transcend, Trex Enhance, Trex Select and Universal Fascia products will not fade in color more than a certain amount and will be resistant to permanent staining from food substances or mold, provided the stain is cleaned within seven days of appearance, for the warranty period referred to above. If there is a breach of such warranties, we have an obligation either to replace the defective product or refund the purchase price.

We maintain a warranty reserve for the settlement of our product warranty claims. We accrue for the estimated cost of product warranty claims at the time revenue is recognized based on such factors as historical claims experience and future claims experience. To estimate our future claims experience, we utilize actuarial techniques to determine a reasonable possible range of amounts to be paid related to defects covered by our product warranty. The actuarial techniques consider claims received, claims closed, and the

corresponding amounts paid. Estimates for these elements are quantified using a range of assumptions derived from claim history and consideration of additional factors influencing claim counts or costs incurred to settle claims in order to determine the best estimate of future claims for which to record a related liability. We review and adjust these estimates, if necessary, based on the differences between actual experience and historical estimates.

We monitor claims activity each quarter for indications that our estimates require revision. We use the best and most complete underlying information available and a rational methodology to determine our warranty obligations. We consider all available evidence to assess the reasonableness of all key assumptions underlying our estimated warranty obligations.

Our analysis is based on currently known facts and a number of assumptions, as discussed above, and current expectations. Projecting future events such as the number of claims to be received, the number of claims that will require payment and the costs associated with settling claims could cause the actual warranty liability to be higher or lower than projected, which could materially affect our financial condition, results of operations or cash flows.

Seasonality. The operating results for Trex have historically varied from quarter to quarter. Seasonal, erratic or prolonged adverse weather conditions in certain geographic regions may reduce the level of home improvement and construction activity and can shift demand for its products to a later period. As part of its normal business practice and consistent with industry practice, Trex has historically offered incentive programs to its distributors and dealers to build inventory levels before the start of the prime deck-building season in order to ensure adequate availability of its product to meet anticipated seasonal consumer demand. The seasonal effects are often offset by the positive effect of the incentive programs.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For information regarding our exposure to certain market risks, see “Quantitative and Qualitative Disclosures about Market Risk,” in Part II, Item 7A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2025. There were no material changes to the Company’s market risk exposure during the nine months ended September 30, 2026.

Item 4. Controls and Procedures

The Company’s management, with the participation of its President and Chief Executive Officer, who is the Company’s principal executive officer, and its Senior Vice President and Chief Financial Officer, who is the Company's principal financial officer, have evaluated the effectiveness of the Company’s disclosure controls and procedures as of September 30, 2026. Based on this evaluation, the President and Chief Executive Officer and Senior Vice President and Chief Financial Officer have concluded that the Company’s disclosure controls and procedures are effective. There have been no changes in the Company’s internal control over financial reporting during the three-month period ended September 30, 2026, that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

The Company has lawsuits, as well as other claims, pending against it which are ordinary routine litigation and claims incidental to the business. Management has evaluated the merits of these lawsuits and claims and believes that their ultimate resolution will not have a material effect on the Company's consolidated financial condition, results of operations, liquidity or competitive position.

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

(c) The following table provides information relating to the purchases of our common stock during the three months ended September 30, 2026 in accordance with Item 703 of Regulation S-K:

Period	(a) Total Number of Shares (or Units) Purchased (1)	(b) Average Price Paid per Share (or Unit) ($)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (2)	(d) Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plan or Program
July 1, 2026 –July 31, 2026	—	—	—	13,470,185
August 1, 2026 –August 31, 2026	—	—	—	13,470,185
September 1, 2026 – September 30, 2026	1,242,659	44.35	1,242,659	12,227,526
Quarterly period ended September 30, 2026	1,242,659		1,242,659	

(1) During the three months ended September 30, 2026, no shares were withheld by, or delivered to, the Company pursuant to provisions in agreements with recipients of restricted stock granted under the Company's 2014 and 2023 Stock Incentive Plan allowing the Company to withhold, or the recipient to deliver to the Company, the number of shares having the fair value equal to tax withholding due.

(2) On May 4, 2023, the Board of Directors authorized the repurchase of up to 10.8 million shares of the Company's common stock under the 2023 Stock Repurchase Program, which has no expiration date. On April 28, 2026, the Board of Directors authorized an additional 10 million shares for repurchase under the 2023 Stock Repurchase Program, increasing the number of shares available for future repurchases under the program. During the nine months ended September 30, 2026, the Company repurchased 5.2 million shares of common stock under the 2023 Stock Repurchase Program. As of September 30, 2026, 12.2 million shares remained available for repurchase under the 2023 Stock Repurchase Program.

Item 5. Other Information

Insider Trading Arrangements. During the quarter ended September 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

See Exhibit Index at the end of the Quarterly Report on Form 10-Q for the information required by this Item which is incorporated by reference.

SIGNATURE

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

TREX COMPANY, INC.

Date: November 4, 2026

By: /s/ Prithvi S. Gandhi
Prithvi S. Gandhi
Senior Vice President and Chief Financial Officer
(*Duly Authorized Officer and Principal Financial Officer*)

EXHIBIT INDEX

Exhibit Number	Description	Incorporated by reference			
		Form	Exhibit	Filing Date	File No.
3.1	Restated Certificate of Incorporation of Trex Company, Inc. dated July 28, 2021.	10-Q	3.6	August 2, 2021	001-14649
3.2	First Certificate of Amendment to the Restated Certificate of Incorporation of Trex Company, Inc. dated May 5, 2022	10-Q	3.2	May 9, 2022	001-14649
3.3	Amended and Restated By-Laws of the Company dated February 21, 2024	10-K	3.3	February 26, 2024	001-14649
31.1*	Certification of Chief Executive Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.				
31.2*	Certification of Chief Financial Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.				
32***	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350).				
101.INS*	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.				
104.1	Cover Page Interactive Data File—The cover page interactive data file does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.				

* Filed herewith.
*** Furnished herewith.

Exhibit 31.1

CERTIFICATION

I, Adam D. Zambanini, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trex Company, 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(s) 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(s) 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: November 4, 2026

/s/ Adam D. Zambanini

Adam D. Zambanini
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Prithvi S. Gandhi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trex Company, 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(s) 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(s) 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: November 4, 2026

/s/ Prithvi S. Gandhi

Prithvi S. Gandhi
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

Certifications of Chief Executive Officer and Chief Financial Officer
Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

The undersigned, the President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer of Trex Company, Inc. (the "Company"), each hereby certifies that, on the date hereof:

(a) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2026 filed on the date hereof with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2026

/s/ Adam D. Zambanini
Adam D. Zambanini
President and Chief Executive Officer

Date: November 4, 2026

/s/ Prithvi S. Gandhi
Prithvi S. Gandhi
Senior Vice President and Chief Financial Officer