

**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 June 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
(State or other jurisdiction of
incorporation or organization)

54-1910453
(I.R.S. Employer
Identification No.)

2500 Trex Way
Winchester, Virginia
(Address of principal executive offices)

22601
(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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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 July 16, 2026 was 101,865,190 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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net sales	\$ 418,019	\$ 387,801	\$ 761,422	\$ 727,794
Cost of sales	259,675	229,669	464,056	431,931
Gross profit	158,344	158,132	297,366	295,863
Selling, general and administrative expenses	67,480	55,734	122,997	111,801
Other expenses	4,672	—	4,672	—
Income from operations	86,192	102,398	169,697	184,062
Interest expense (income), net	2,327	(77)	2,327	—
Income before income taxes	83,865	102,475	167,370	184,062
Provision for income taxes	21,989	26,566	44,091	47,719
Net income	\$ 61,876	\$ 75,909	\$ 123,279	\$ 136,343
Basic earnings per common share	\$ 0.60	\$ 0.71	\$ 1.19	\$ 1.27
Basic weighted average common shares outstanding	102,314,156	107,227,128	103,678,673	107,204,024
Diluted earnings per common share	\$ 0.60	\$ 0.71	\$ 1.19	\$ 1.27
Diluted weighted average common shares outstanding	102,385,222	107,296,203	103,751,287	107,290,272
Comprehensive income	\$ 61,876	\$ 75,909	\$ 123,279	\$ 136,343

See Notes to Condensed Consolidated Financial Statements (Unaudited).

TREX COMPANY, INC.
Condensed Consolidated Balance Sheets
(In thousands, except share data)

	June 30, 2026	December 31, 2025
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,475	\$ 3,807
Accounts receivable, net	262,548	48,091
Inventories	189,644	238,665
Prepaid expenses and other assets	18,883	19,843
Total current assets	477,550	310,406
Property, plant and equipment, net	1,054,385	1,049,733
Operating lease assets	49,011	52,632
Goodwill and other intangible assets, net	35,020	31,529
Other assets	10,502	9,141
Total assets	\$ 1,626,468	\$ 1,453,441
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 60,659	\$ 34,759
Accrued expenses and other liabilities	131,245	77,030
Accrued warranty	5,009	5,416
Line of credit	253,000	133,500
Total current liabilities	449,913	250,705
Deferred income taxes	85,833	85,833
Operating lease liabilities	37,803	41,755
Non-current accrued warranty	26,278	24,324
Other long-term liabilities	16,559	16,560
Total liabilities	616,386	419,177
Commitments and contingencies	—	—
Stockholders' equity		
Preferred stock, \$0.01 par value, 3,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$0.01 par value, 360,000,000 shares authorized; 141,293,260 and 141,208,139 shares issued and 101,865,035 and 105,737,266 shares outstanding, at June 30, 2026 and December 31, 2025, respectively	1,413	1,412
Additional paid-in capital	159,323	155,316
Retained earnings	1,913,126	1,789,847
Treasury stock, at cost, 39,428,225 and 35,470,873 shares as of June 30, 2026 and December 31, 2025, respectively	(1,063,780)	(912,311)
Total stockholders' equity	1,010,082	1,034,264
Total liabilities and stockholders' equity	\$ 1,626,468	\$ 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 Capital	Retained Earnings	Treasury Stock		Total
	Shares	Amount			Shares	Amount	
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)
Settled accelerated stock 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

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Total
	Shares	Amount			Shares	Amount	
Balance, December 31, 2024	107,154,305	\$ 1,411	\$ 148,153	\$ 1,599,432	33,943,946	\$ (861,872)	\$ 887,124
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	\$ 1,659,866	33,943,946	\$ (861,872)	\$ 947,061
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	\$ 1,735,775	33,943,946	\$ (861,872)	\$ 1,026,238

See Notes to Condensed Consolidated Financial Statements (Unaudited).

TREX COMPANY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2026	2025
OPERATING ACTIVITIES		
Net income	\$ 123,279	\$ 136,343
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	37,738	30,057
Stock-based compensation	5,474	5,247
Loss on disposal of property, plant and equipment	4,672	8
Other non-cash adjustments	(225)	234
Changes in operating assets and liabilities:		
Accounts receivable	(214,457)	(202,870)
Inventories	49,021	65,439
Prepaid expenses and other assets	115	6,816
Accounts payable	32,546	23,377
Accrued expenses and other liabilities	32,420	24,802
Income taxes receivable/payable	25,157	6,286
Net cash provided by operating activities	95,740	95,739
INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(52,737)	(126,275)
Purchased intangibles	(4,542)	(4,901)
Proceeds from sales of property, plant and equipment	81	189
Net cash used in investing activities	(57,198)	(130,987)
FINANCING ACTIVITIES		
Borrowings under line of credit	507,000	534,047
Principal payments under line of credit	(387,500)	(491,200)
Repurchases of common stock	(153,557)	(4,008)
Proceeds from employee stock purchase and option plans	621	634
Financing costs	(2,438)	6
Net cash used in (provided by) financing activities	(35,874)	39,479
Net increase in cash and cash equivalents	2,668	4,231
Cash and cash equivalents, beginning of period	3,807	1,292
Cash and cash equivalents, end of period	\$ 6,475	\$ 5,523
Supplemental Disclosure:		
Cash paid for interest, net of capitalized interest	\$ 1,307	\$ —
Cash paid for income taxes, net	\$ 18,933	\$ 41,432
Supplemental non-cash investing and financing disclosure:		
(Decrease) increase capital expenditures in accounts payable and accrued expenses	\$ (6,485)	\$ 18,246

See Notes to Condensed Consolidated Financial Statements (Unaudited).

TREX COMPANY, INC.

Notes to Condensed Consolidated Financial Statements For the Six Months Ended June 30, 2026 and June 30, 2025 (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 six months ended June 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 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):

	June 30, 2026	December 31, 2025
Finished goods	\$ 139,569	\$ 179,758
Raw materials	50,075	58,907
Total FIFO (first-in, first-out) inventories	189,644	238,665

6. PREPAID EXPENSES AND OTHER ASSETS

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

	June 30, 2026	December 31, 2025
Prepaid expenses	\$ 18,372	\$ 17,173
Income tax receivable	\$ —	\$ 2,147
Other	511	523
Total prepaid expenses and other assets	\$ 18,883	\$ 19,843

7. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

The carrying amount of goodwill at June 30, 2026, and December 31, 2025, was \$15.4 million and \$14.2 million. At June 30, 2026 and December 31, 2025 intangible assets were \$24.0 million and \$20.7 million, and accumulated amortization was \$4.4 million and \$3.5 million, respectively. The Company’s intangible assets, purchased in 2018, 2024, 2025, and 2026 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 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 six months ended June 30, 2026, and June 30, 2025, was \$0.9 million and \$0.2 million, respectively.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

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

	June 30, 2026	December 31, 2025
Sales and marketing	\$ 55,672	\$ 26,866
Income taxes	26,449	3,439
Compensation and benefits	23,078	21,448
Operating lease liabilities	12,569	12,079
Manufacturing costs	3,029	2,262
Capital projects	118	3,932
Other	10,330	7,004
Total accrued expenses and other liabilities	<u>\$ 131,245</u>	<u>\$ 77,030</u>

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 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 June 30, 2026, the Company had \$253.0 million in borrowings outstanding under its revolving credit facility. The total availability under the revolving credit facility was \$443.9 million as of June 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 4.6% as of June 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 June 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 six months ended June 30, 2026 and June 30, 2025, total operating lease expense was \$6.7 million and \$6.0 million, respectively. The weighted average remaining lease term at June 30, 2026 and December 31, 2025 was 6.3 years and 6.7 years, respectively. The weighted average discount rate at June 30, 2026 and December 31, 2025 was 4.76% and 4.70%, respectively.

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

Supplemental cash flow information	Six Months Ended June 30,	
	2026	2025
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 6,558	\$ 5,486
Operating assets obtained in exchange for lease liabilities	\$ 1,853	\$ 1,074
Supplemental balance sheet information	June 30, 2026	December 31, 2025
Operating lease assets	\$ 49,011	\$ 52,632
Operating lease liabilities:		
Accrued expenses and other current liabilities	\$ 12,569	\$ 12,079
Operating lease liabilities	37,803	41,755
Total operating lease liabilities	\$ 50,372	\$ 53,834

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

Maturities of operating lease liabilities	
2026	\$ 6,521
2027	12,576
2028	11,017
2029	5,567
2030	4,319
Thereafter	19,783
Total lease payments	59,783
Less imputed interest	(9,411)
Total operating lease liabilities	<u>\$ 50,372</u>

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 June 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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net income available to common shareholders	<u>\$ 61,876</u>	<u>\$ 75,909</u>	<u>\$ 123,279</u>	<u>\$ 136,343</u>
Denominator:				
Basic weighted average shares outstanding	102,314,156	107,227,128	103,678,673	107,204,024
Effect of dilutive securities:				
Stock appreciation rights and options	27,156	27,256	21,078	30,900
Restricted stock	43,910	41,819	51,536	55,348
Diluted weighted average shares outstanding	<u>102,385,222</u>	<u>107,296,203</u>	<u>103,751,287</u>	<u>107,290,272</u>
Basic earnings per share	<u>\$ 0.60</u>	<u>\$ 0.71</u>	<u>\$ 1.19</u>	<u>\$ 1.27</u>
Diluted earnings per share	<u>\$ 0.60</u>	<u>\$ 0.71</u>	<u>\$ 1.19</u>	<u>\$ 1.27</u>

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Stock appreciation rights	160,044	149,278	160,044	139,174
Restricted stock	48,406	92,201	111,708	92,498

Stock Repurchase Program

On May 4, 2023, the Trex Board of Directors adopted a stock repurchase program (2023 Stock Repurchase Program) of up to 10.8 million shares of its outstanding common stock. The 2023 Stock Repurchase Program has no set expiration date. On February 26, 2026, Trex entered into an Accelerated Stock Repurchase program ("ASR") under the 2023 Stock Repurchase Program. As such, the Company made a prepayment of \$100 million to Wells Fargo and received an initial delivery of 1.9 million shares valued at

approximately 80% of the prepayment amount. On April 28, 2026, the Trex Board of Directors authorized an additional 10 million shares to be repurchased under the 2023 Stock Repurchase Program.

During the six months ended, June 30, 2026, the Company repurchased an aggregate of 3.9 million shares of its common stock, consisting of 2.6 million shares by the ASR program and 1.3 million shares under the 2023 Repurchase Program. As of June 30, 2026 the remaining number of shares available for repurchase under the 2023 Stock Repurchase Program is 13,470,185.

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 June 30, 2026 and June 30, 2025, the Company's net sales were \$418,019 and \$387,801, respectively. For the six months ended June 30, 2026 and June 30, 2025, the Company's net sales were \$761,422 and \$727,794, 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 3,412,604 shares.

The following table summarizes the Company's stock-based compensation grants for the six months ended June 30, 2026:

	Stock Awards Granted	Weighted- Average Grant Price Per Share
Time-based restricted stock units	127,124	\$ 40.73
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 six months ended June 30, 2026, and adjustments of 19,682 to grants due to the actual performance level achieved for restricted stock and restricted stock units awarded in 2023.

The fair value of each SAR is estimated on the date of grant using a Black-Scholes option-pricing formula. No SARs were issued in the six months ended June 30, 2026. For SARs issued in the six months ended June 30, 2025, the data and assumptions shown in the following table were used:

	Six Months Ended June 30, 2025
Weighted-average fair value of grants	\$ 33.06
Dividend yield	0%
Average risk-free interest rate	4.3%
Expected term (years)	5
Expected volatility	51.4%

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Stock appreciation rights	\$ 213	\$ 330	\$ 485	\$ 624
Time-based restricted stock and restricted stock units	1,523	1,578	2,954	2,404
Performance-based restricted stock and restricted stock units	899	967	1,774	2,106
Employee stock purchase plan	205	59	261	113
Total stock-based compensation	<u>\$ 2,840</u>	<u>\$ 2,934</u>	<u>\$ 5,474</u>	<u>\$ 5,247</u>

Total unrecognized compensation cost related to unvested awards as of June 30, 2026 was \$14.6 million. The cost of these unvested awards is being recognized over the requisite vesting period of each award.

15. INCOME TAXES

The Company's effective tax rate for the six months ended June 30, 2026 and June 30, 2025, was 26.3% and 25.9%, which resulted in income tax expense of \$44.1 million and \$47.7 million, respectively.

During the six months ended June 30, 2026 and June 30, 2025, the Company realized \$(0.1) million and \$(0.1) million, respectively, of excess tax expense from stock-based awards and recorded a corresponding expense to income tax expense.

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 June 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 June 30, 2026, for certain tax jurisdictions tax years 2021 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.

16. 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.

17. 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.

18. 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 to 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):

	Six Months Ended June 30, 2026
	Product Warranty
Beginning balance, January 1	\$ 29,740
Provisions and changes in estimates	5,357
Settlements made during the period	(3,811)
Ending balance, June 30	<u>\$ 31,286</u>

	Six Months Ended June 30, 2025
	Product Warranty
Beginning balance, January 1	\$ 22,835
Provisions and changes in estimates	6,705
Settlements made during the period	(3,789)
Ending balance, June 30	<u>\$ 25,751</u>

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 June 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 six months ended June 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 six months ended June 30, 2026 compared to the three months and six months ended June 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:

<i>Decking and Accessories</i>	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. Trex DeckLighting™, an outdoor lighting system, is a line of energy-efficient LED dimmable deck lighting designed to use 75% less energy compared to incandescent lighting. It can be installed into the railing, stair risers, or the deck itself. The line includes a post cap light, deck rail light, riser light, a soffit light, and a recessed deck light.
<i>Railing</i>	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.
<i>Fencing</i>	Our Trex Seclusions® composite fencing product is offered through two specialty distributors. This product consists of structural posts, bottom rails, pickets, top rails, and decorative post caps. The top and bottom rails of Trex fencing are designed to provide a “picture frame” element and the deep rich colors have a matte surface to prevent harsh sunlight reflections.
<i>Cladding</i>	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 Denver Outdoor Kitchens.

HIGHLIGHTS AND FINANCIAL PERFORMANCE

Highlights:

- *Trex Named Among America's Climate Leaders by USA Today.* Trex was among 500 U.S. companies that are making measurable progress in reducing their carbon footprint and taking meaningful climate action.
- *Trex's 2025 Sustainability Report, 'For Today and Tomorrow.'* The report published in June, highlights Trex's unique commitment to the quality, durability, and sustainability of its products.
- *Trex Named to TIME's List of America's Best Companies 2026.* Trex was the only decking brand to be included in this year's roster. In addition, Trex was ranked among the Top 100 Sustainable Engineering, Manufacturing & Medical Technology Companies.

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

	Three Months Ended June 30,			
	2026	2025	\$ Change	% Change
(\$ 000s omitted, except per share data)				
Net sales	\$ 418,019	\$ 387,801	\$ 30,218	7.8%
Gross profit	\$ 158,344	\$ 158,132	\$ 212	0.1%
Net income	\$ 61,876	\$ 75,909	\$ (14,033)	(18.5)%
EBITDA*	\$ 105,559	\$ 118,205	\$ (12,646)	(10.7)%
Diluted earnings per share	\$ 0.60	\$ 0.71	\$ (0.11)	(15.5)%
	Six Months Ended June 30,			
	2026	2025	\$ Change	% Change
(\$ 000s omitted, except per share data)				
Net sales	\$ 761,422	\$ 727,794	\$ 33,628	4.6%
Gross profit	\$ 297,366	\$ 295,863	\$ 1,503	0.5%
Net income	\$ 123,279	\$ 136,343	\$ (13,064)	(9.6)%
EBITDA*	\$ 207,435	\$ 214,119	\$ (6,684)	(3.1)%
Diluted earnings per share	\$ 1.19	\$ 1.27	\$ (0.08)	(6.3)%

**A reconciliation of Net Income (GAAP) to EBITDA (non-GAAP) is presented on pages 20 and 21 of this Quarterly Report on Form 10-Q under "Net Income and Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)."*

Capital expenditures. During the six months ended June 30, 2026, our capital expenditures were \$57.3 million primarily related to \$20.0 million for the Arkansas manufacturing facility, \$6.5 million in cost reduction initiatives, \$4.5 million for our ERP tool and other platforms, and \$26.3 million in all other including 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.

Conflict with Iran. To date, U.S. and Israel's conflict with Iran has not materially affected our business or our results of operations. We will continue to closely monitor the potential economic impact of the conflict on commodity and fuel prices, supply chains, pricing of raw materials, and its impact on consumer confidence. We cannot predict the impact continued conflict may have on the economy, our industry, or our business.

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 June 30, 2026 (2026 quarter) compared to the three months ended June 30, 2025 (2025 quarter), and for the six months ended June 30, 2026 (2026 six-month period) compared to the six months ended June 30, 2025 (2025 six-month period).

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

Net Sales

	Three Months Ended June 30,		\$ Change	% Change
	2026	2025		
	(dollars in thousands)			
Net sales	\$ 418,019	\$ 387,801	\$ 30,218	7.8%

Net sales increased by \$30.2 million, or 7.8%, in the 2026 quarter compared to the 2025 quarter. The increase was due to an increase in volume and net price, offset by the mix of products sold.

Gross Profit

	Three Months Ended June 30,			
	2026	2025	\$ Change	% Change
	(dollars in thousands)			
Cost of sales	\$ 259,675	\$ 229,669	\$ 30,006	13.1%
% of total net sales	62.1%	59.2%		
Gross profit	\$ 158,344	\$ 158,132	\$ 212	0.1%
Gross margin	37.9%	40.8%		

Gross profit as a percentage of net sales, gross margin, was 37.9% in the 2026 quarter compared to 40.8% in the 2025 quarter. The decrease in gross margin was primarily the result of higher input and material costs, increased depreciation, lower production, and unfavorable mix.

Selling, General and Administrative Expenses

	Three Months Ended June 30,			
	2026	2025	\$ Change	% Change
	(dollars in thousands)			
Selling, general and administrative expenses	\$ 67,480	\$ 55,734	\$ 11,746	21.1%
% of total net sales	16.1%	14.4%		

Selling, general and administrative expenses increased \$11.7 million to \$67.5 million, or 16.1% of net sales, in the 2026 quarter. The increase primarily related to increases of \$4.1 million in personnel related expenses, \$3.7 million in branding, and \$2.8 million in services.

Other Expenses

	Three Months Ended June 30,			
	2026	2025	\$ Change	% Change
	(dollars in thousands)			
Other expenses	\$ 4,672	\$ —	\$ 4,672	100.0%
% of total net sales	1.1%	—		

Other expenses increased \$4.7 million in the 2026 quarter. The increase was 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.

Provision for Income Taxes

	Three Months Ended June 30,			
	2026	2025	\$ Change	% Change
	(dollars in thousands)			
Provision for income taxes	\$ 21,989	\$ 26,566	\$ (4,577)	(17.2)%
Effective tax rate	26.2%	25.9%		

The effective tax rate for the 2026 quarter was comparable to the 2025 quarter and was 26.2% and 25.9%, respectively.

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 June 30, 2026	Three Months Ended June 30, 2025
Net income	\$ 61,876	\$ 75,909
Interest expense (income), net	2,327	(77)
Income tax expense	21,989	26,566
Depreciation and amortization	19,367	15,807
EBITDA	\$ 105,559	\$ 118,205

	Three Months Ended June 30,			
	2026	2025	\$ Change	% Change
	(dollars in thousands)			
EBITDA	\$ 105,559	\$ 118,205	\$ (12,646)	(10.7)%

EBITDA decreased 10.7% to \$105.6 million for the 2026 quarter compared to \$118.2 million for the 2025 quarter. The decrease in EBITDA was driven primarily by lower gross profit and the write down of assets.

Six Months Ended June 30, 2026 Compared To The Six Months Ended June 30, 2025**Net Sales**

	Six Months Ended June 30,			
	2026	2025	\$ Change	% Change
	(dollars in thousands)			
Net sales	\$ 761,422	\$ 727,794	\$ 33,628	4.6%

Total net sales increased by \$33.6 million, or 4.6%, in the 2026 six-month period compared to the 2025 six-month period. The increase was due to an increase in volume and net price.

Gross Profit

	Six Months Ended June 30,			
	2026	2025	\$ Change	% Change
	(dollars in thousands)			
Cost of sales	\$ 464,056	\$ 431,931	\$ 32,125	7.4%
% of total net sales	60.9%	59.3%		
Gross profit	\$ 297,366	\$ 295,863	\$ 1,503	0.5%
Gross margin	39.1%	40.7%		

Gross profit as a percentage of net sales, gross margin, was 39.1% in the 2026 six-month period compared to 40.7% in the 2025 six-month period. The decrease in gross margin was primarily the result of higher input and material costs, increased depreciation, and unfavorable mix, partially offset by increased productivity.

¹EBITDA 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.

Selling, General and Administrative Expenses

	Six Months Ended June 30,		\$ Change	% Change
	2026	2025		
	(dollars in thousands)			
Selling, general and administrative expenses	\$ 122,997	\$ 111,801	\$ 11,196	10.0%
% of total net sales	16.2%	15.4%		

Selling, general and administrative expenses increased \$11.2 million to \$123.0 million, or 16.2% of net sales, in the 2026 six-month period. The increase primarily related to increases of \$5.1 million in branding, \$3.4 million in services, and \$1.1 million in personnel related expenses.

Other Expenses

	Six Months Ended June 30,		\$ Change	% Change
	2026	2025		
	(dollars in thousands)			
Other expenses	\$ 4,672	\$ —	\$ 4,672	100.0%
% of total net sales	0.6%	—		

Other expenses increased \$4.7 million in the 2026 six-month period. The increase was 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.

Provision for Income Taxes

	Six Months Ended June 30,		\$ Change	% Change
	2026	2025		
	(dollars in thousands)			
Provision for income taxes	\$ 44,091	\$ 47,719	\$ (3,628)	(7.6)%
Effective tax rate	26.3%	25.9%		

The effective tax rate for the 2026 six-month period and the 2025 six-month period was 26.3% and 25.9%, respectively.

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):

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net income	\$ 123,279	\$ 136,343
Interest expense, net	2,327	—
Income tax expense	44,091	47,719
Depreciation and amortization	37,738	30,057
EBITDA	\$ 207,435	\$ 214,119

	Six Months Ended June 30,		\$ Change	% Change
	2026	2025		
	(dollars in thousands)			
EBITDA	\$ 207,435	\$ 214,119	\$ (6,684)	(3.1)%

²EBITDA 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.

Total EBITDA decreased 3.1% to \$207.4 million for the 2026 six-month period compared to \$214.1 million for the 2025 six-month period. The decrease in EBITDA was driven primarily by lower gross profit and the write down of assets.

LIQUIDITY AND CAPITAL RESOURCES

We finance operations and growth primarily with cash flows from operations, borrowings under our revolving credit facilities, operating leases and normal trade credit terms from operating activities. At June 30, 2026, we had \$6.5 million of cash and cash equivalents.

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

	Six Months Ended June 30,	
	2026	2025
Net cash provided by operating activities	\$ 95,740	\$ 95,739
Net cash used in investing activities	(57,198)	(130,987)
Net cash used in (provided by) financing activities	(35,874)	39,479
Net increase in cash and cash equivalents	\$ 2,668	\$ 4,231

Operating Activities

Cash provided by operations was \$95.7 million during the 2026 six-month period compared to cash provided by operations of \$95.7 million during the 2025 six-month period. Accounts receivable increased more during the six months ended June 30, 2026 than during the comparable prior-year period, primarily due to higher sales volume. This unfavorable impact on operating cash flow was partially offset by lower tax payments compared to the 2025 six-month period.

Investing Activities

Capital expenditures in the 2026 six-month period were \$57.3 million primarily related to \$20.0 million for the Arkansas manufacturing facility, \$6.5 million in cost reduction initiatives, \$4.5 million for our ERP tool and other platforms, and \$26.3 million in all other including capacity expansion in our existing facilities.

Financing Activities

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

Stock Repurchase Program. On May 4, 2023, the Trex Board of Directors adopted a stock repurchase program (2023 Stock Repurchase Program) of up to 10.8 million shares of its outstanding common stock. On February 26, 2026, Trex entered into an Accelerated Stock Repurchase program ("ASR") under the 2023 Stock Repurchase Program. On April 28, 2026, the Trex Board of Directors authorized an additional 10 million shares to be repurchased under the 2023 Stock Repurchase Program. During the six months ended, June 30, 2026, the Company repurchased an aggregate of 3.9 million shares of its common stock, consisting of 2.6 million shares by the ASR program and 1.3 million shares under the 2023 Repurchase Program. As of June 30, 2026 the remaining number of shares available for repurchase under the 2023 Stock Repurchase Program is 13,470,185.

On July 29, 2026, the Board of Directors authorized a new share repurchase program allowing for the repurchase of up to \$150.0 million of the Company's common stock. Management believes the authorization provides flexibility in the Company's capital allocation strategy and reflects confidence in the Company's long-term cash flow generation and financial position. Future repurchases will depend on business conditions, available liquidity, market conditions, and other investment opportunities.

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 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 June 30, 2026, we had \$253.0 million in outstanding borrowings under the revolving credit facility. The total availability under the revolving credit facility was \$443.9 million as of June 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 \$100 million to \$120 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 six months ended June 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, has evaluated the effectiveness of the Company's disclosure controls and procedures as of June 30, 2026. Based on this evaluation, the President and Chief Executive Officer and the 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 June 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 June 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) Additional Number of Shares (or Units) Authorized as Part of Publicly Announced Plans or Programs (3)	(e) Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plan or Program
April 1, 2026 – April 30, 2026	1,309,502	38.59	1,308,713	10,000,000	14,207,692
May 1, 2026 – May 31, 2026	737,579	27.39	737,507	—	13,470,185
June 1, 2026 – June 30, 2026	—	—	—	—	13,470,185
Quarterly period ended June 30, 2026	<u>2,047,081</u>		<u>2,046,220</u>	<u>10,000,000</u>	

- (1) During the three months ended June 30, 2026, 861 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 Trex Board of Directors adopted a new stock repurchase program of up to 10.8 million shares of its outstanding common stock, and terminated the existing Stock Repurchase Program. This repurchase program has no set expiration date and 2,046,220 shares were repurchased under the program during the three months ended June 30, 2026.
- (3) On April 28, 2026, the Trex Board of Directors authorized an additional 10 million shares to be repurchased under the 2023 Stock Repurchase Program.

On July 29, 2026, the Company's Board of Directors authorized a share repurchase program pursuant to which the Company may repurchase up to \$150.0 million of its outstanding common stock. Repurchases under the plan may be made from time to time through open market purchases, privately negotiated transactions, accelerated share repurchase transactions, or other means, in accordance with applicable securities laws and regulations.

The timing, manner, price, and amount of any repurchases will be determined by management based on market conditions, share price, legal requirements, and other factors. The repurchase program does not obligate the Company to acquire any particular amount of common stock and may be suspended, modified, or discontinued at any time at the Company's discretion.

Item 5. Other Information

Insider Trading Arrangements. On June 25, 2026, Jacob T. Rudolph, Chief Human Resources Officer, sold 1,400 shares of the Company's common stock under a Rule 10b5-1 arrangement (the "10b5-1 Plan") he entered into on March 5, 2026, and subsequently terminated the 10b5-1 Plan.

No other directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified or terminated a 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) during the quarter ended June 30, 2026.

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: August 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	<u>Restated Certificate of Incorporation of Trex Company, Inc. dated July 28, 2021.</u>	10-Q	3.6	August 2, 2021	001-14649
3.2	<u>First Certificate of Amendment to the Restated Certificate of Incorporation of Trex Company, Inc. dated May 5, 2022</u>	10-Q	3.2	May 9, 2022	001-14649
3.3	<u>Amended and Restated By-Laws of the Company dated February 21, 2024</u>	10-K	3.3	February 26, 2024	001-14649
10.1**	<u>Amended and Restated Change in Control Severance Agreement dated April 28, 2026 by and between Trex Company, Inc. and Adam D. Zambanini.</u>	10-Q	10.1	May 7, 2026	001-14649
10.2**	<u>Amended and Restated Severance Agreement dated April 28, 2026 by and between Trex Company, Inc. and Adam D. Zambanini.</u>	10-Q	10.2	May 7, 2026	001-14649
31.1*	<u>Certification of Chief Executive Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</u>				
31.2*	<u>Certification of Chief Financial Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</u>				
32***	<u>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).</u>				
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.

** Management contract or compensatory plan or agreement.

*** Furnished herewith.

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: August 4, 2026

/s/ Adam D. Zambanini

Adam D. Zambanini

President and Chief Executive Officer

(Principal Executive Officer)

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: August 4, 2026

/s/ Prithvi S. Gandhi

Prithvi S. Gandhi

Senior Vice President and Chief Financial Officer

(Principal Financial Officer)

**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 June 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: August 4, 2026

/s/ Adam D. Zambanini

Adam D. Zambanini

President and Chief Executive Officer

Date: August 4, 2026

/s/ Prithvi S. Gandhi

Prithvi S. Gandhi

Senior Vice President and Chief Financial Officer

