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DISCLAIMER

Certain matters discussed in this presentation contains forward-looking statements concerning our business, operations and financial performance and conditions, as well as our plans, objectives and expectations for our business operations and financial performance and condition. These statements may be preceded by, followed by or include the words “may,” “expect,” “will,” “will likely result,” “should,” “estimate,” “plan” and other similar expressions that are predictions of or indicate future events and future trends. These forward-looking statements are inherently subject to risks and uncertainties, many of which are beyond our control. Risks and uncertainties that could cause our actual results to differ from those expressed in, or implied by, our forward-looking statements include, but are not limited to, the levels of residential repair and remodel activity, and to a lesser extent, new home construction; our ability to maintain our strong brands and reputation and to develop innovative products; our ability to maintain our competitive position in our industries; our reliance on key suppliers and customers, expected timelines for customer de-stock recovery; the length and severity of the ongoing COVID-19 pandemic, including its impact on domestic and international economic activity, consumer confidence, our production capabilities, our employees and our supply chain; the cost and availability of materials and the imposition of tariffs; risks associated with our international operations and global strategies; our ability to achieve the anticipated benefits of our strategic initiatives; our ability to successfully execute our acquisition strategy and integrate businesses that we may acquire; risks associated with our reliance on information systems and technology, and our ability to achieve the anticipated benefits from our investments in new technology; our ability to attract, develop and retain talented and diverse personnel; our ability to obtain additional capital to finance our planned operations; regulatory developments in the United States and internationally; our ability to establish and maintain intellectual property protection for our products, as well as our ability to operate our business without infringing the intellectual property rights of others; and other risks and uncertainties, including those listed under the caption “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022, as well as subsequent reports we file from time to time with the U.S. Securities and Exchange Commission (available at www.sec.gov). These forward-looking statements are based on management’s current expectations, estimates, forecasts and projections about our business and the industry in which we operate, and management’s beliefs and assumptions are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. In light of the significant uncertainties in these forward-looking statements, you should not rely upon forward-looking statements as predictions of future events. Any forward-looking statements and projections made by third parties included in this presentation are not adopted by our company, and we are not responsible for these third-party statements and projections. Although we believe the expectations reflected in the forward-looking statements are reasonable, the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements may not be achieved or occur at all. Except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

FGI INDUSTRIES AT A GLANCE

FGI is a leading "B-to-B" global supplier of Kitchen & Bath products with a reputation for Innovation, Quality & Service developed over 30 years in conjunction with our parent company, Foremost Groups Ltd.

| TICKER: FGI
IPO in January 2022

| $160MM+ REVENUE BUSINESS
Positioned for long-term growth

| FOUNDED 1988
History of Innovation, Quality, and Service

| FAVORABLE MARKET TRENDS
Repair & Remodel market generates stable, predictable growth trends

| CAPITAL EFFICENT MODEL
Capital-light model drives strong free cash flow conversion

| STRONG BALANCE SHEET
Low net debt relative to earnings

**AS OF FY2022*

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FINANCIAL OVERVIEW AND FOURTH QUARTER HIGHLIGHTS

BUSINESS HIGHLIGHTS – 4Q22

Revenue	• Fourth quarter revenue declined 39% to $31.8 million driven by continued inventory de-stocking across each of the three business segments.
Organic Growth Initiatives	• We continued to grow our custom kitchen cabinetry business, with the dealer network nearly doubling to 135 during 2022, with 14 additional dealers added in January 2023. We are further expanding our kitchen business with an investment in a new program that we expect to be an important future growth driver. Our shower business launched a Lowe's co-branded program during 4Q22 and entered the Canadian wholesale market.
Gross Margin Recovery	• We made significant progress on our margin recovery initiatives despite the revenue headwinds, with fourth quarter gross margin of 23.7% improving by 920 basis points from the prior year and 280 basis points on a sequential basis owing to pricing gains, improved mix, and a reduction in freight costs.
Operating Income	• Operating income for the fourth quarter was $1.0 million, up from $0.7 million last year. Adjusted operating income was $1.3 million during the fourth quarter, up $0.6 million or 89% from last year, driven by improved gross margin performance and lower selling and distribution expense, partially offset by the lower revenue.
Strong Financial Position	• FGI had $10.1 million of cash and $9.8 million of debt on December 31, 2022. We made significant progress on our working capital levels, which had been inflated following the recent supply chain challenges, resulting in strong free cash flow realization of nearly $8 million during the fourth quarter.
Favorable Housing Trends	• Demand trends across most of our key product categories remained relatively stable despite the macro headwinds. We have seen some broader softening across the R&R market, which has impacted our Bath Furniture business, but overall we see the opportunity for continued organic growth as inventory levels adjust.

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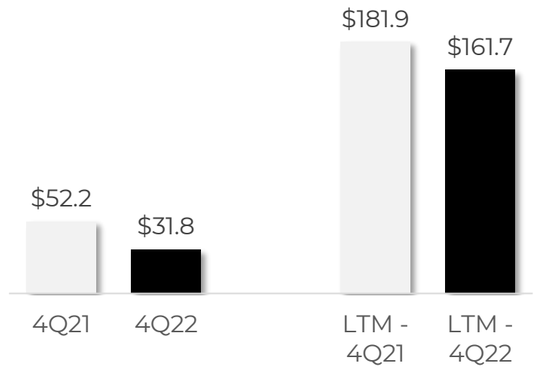
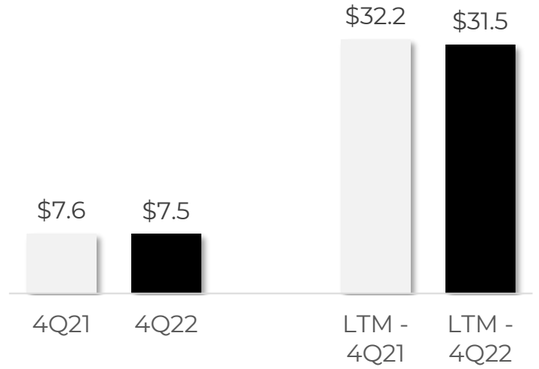
4Q22 CONSOLIDATED FINANCIAL RESULTS

Total Revenue $MM



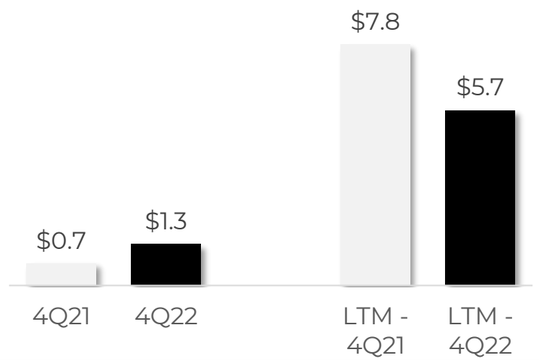
- Total fourth quarter revenue decreased 39.1% driven by inventory de-stocking across each of our business lines.

Gross Profit $MM



- Gross profit was down only 0.6% compared to last year, despite the drop in revenues, as growth in higher margin products and lower freight costs helped offset the volume declines. As a result, gross margin was 23.7% during 4Q22, up from 14.5% in the prior-year period.

Adjusted Operating Income $MM



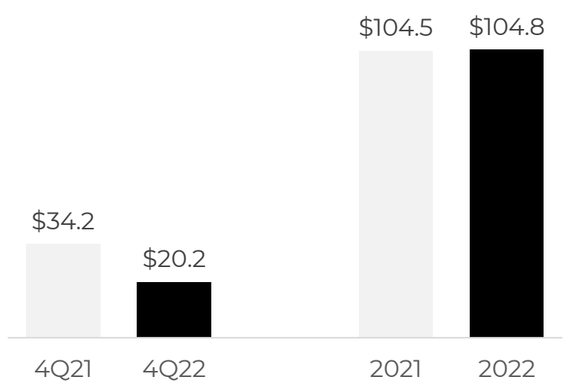
- Operating income was $1.0 million up from $0.7 million last year. Adjusted operating income was $1.3 million, up from $0.7 million, driven by the strong gross margin improvement and lower selling and distribution expenses, partially offset by the decline in revenue. Adjusted operating margin was 4.3% during 4Q22, up from 1.4% last year. See appendix for a reconciliation of operating income to adjusted operating income.

Adjusted Net Income $MM

- Fourth quarter GAAP net income was $0.7 million, or $0.07 per diluted share, versus net income of $1.0 million, or $0.15 per diluted share, last year. Adjusted net income for the fourth quarter of 2022 was $1.0 million, or $0.11 per diluted share, versus $0.7 million, or $0.10 per diluted share, for the same period last year. See appendix for a reconciliation of net income to adjusted net income.

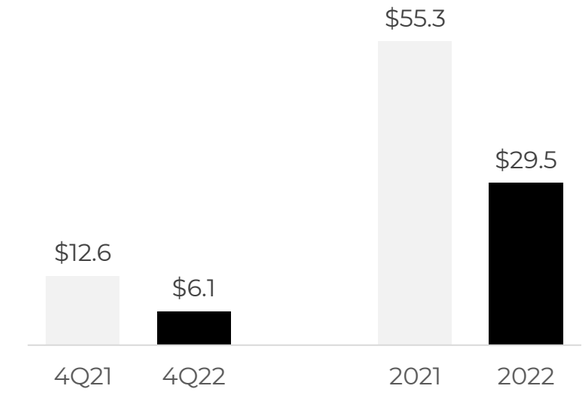
4Q22 BUSINESS LINE RESULTS

Sanitaryware Revenue $MM



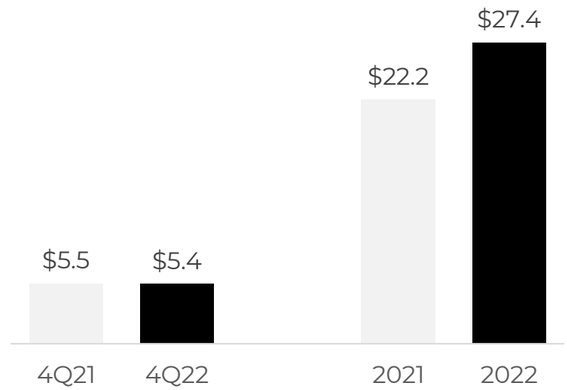
- Sanitaryware revenue decreased 41% compared to the prior-year period, driven by inventory de-stocking primarily in the pro channel. Despite the macro headwinds, end customer demand was relatively stable.

Bath Furniture Revenue $MM



- Bath Furniture revenue was down 51% from last year, as key customers continue to reduce channel inventory levels. While there are some signs of improved order flow, de-stocking is expected to run through the next few quarters.

Other Revenue $MM



- Other revenue was essentially flat at$5.4 million during 4Q22, as order timing in the shower systems business was offset by continued growth in kitchen cabinetry.

FINANCIAL OUTLOOK

2023 Financial Outlook

Revenue	Adjusted Operating Income	Adjusted Net Income
$145 – 163 million	$6.0 – 6.8 million	$4.2 – 4.7 million

KEY INVESTMENT CHARACTERISTICS

TRUSTED GLOBAL SUPPLIER

We are global, diversified, and reputable supplier of quality kitchen & bath products (Innovation, Quality, Service). With decades of continuous innovation and strategic investment, we have become a trusted partner for many of the world's largest retailers and wholesalers.

STRONG ORGANIC GROWTH

We pursue a "BPC" strategy: focus on Brands, Products and sales Channel. Our BPC plan is the key driver of our growth strategy.

ENHANCED "SPIN-OFF" PROFITABILITY

As a carve-out division from a parent company, we will leverage our independence and our prior investments to generate improved financial performance.

VALUE-ACCRETIVE BOLT-ONS

We may engage in selective "bolt-ons" and large, strategic M&A, should such opportunities clear our return-on-capital hurdles.

STRONG SHAREHOLDER ALIGNMENT

High insider ownership, including a significant holding by our original parent holding company, will ensure a strong alignment of interests with our public shareholders.

APPENDIX

FINANCIAL SUMMARY

(USD)	2020	2021	2022	4Q21	4Q22
REVENUES	134,827,701	181,943,027	161,718,543	52,190,590	31,790,227
GROSS PROFIT	28,404,640	32,202,408	31,509,005	7,567,437	7,522,855
GROSS MARGINS	*21.1%*	*17.7%*	*19.5%*	*14.5%*	*23.7%*
SELLING AND DISTRIBUTION	15,487,306	17,636,820	17,533,028	5,000,963	4,224,614
GENERAL AND ADMINISTRATIVE	5,820,967	6,194,789	7,830,023	1,694,097	2,028,730
RESEARCH & DEVELOPMENT	814,254	646,069	1,053,976	159,913	265,922
INCOME FROM OPERATIONS	6,282,113	7,724,730	5,091,977	712,465	1,003,590
OPERATING MARGINS	*4.7%*	*4.2%*	*3.1%*	*1.4%*	*3.2%*
ADJUSTED INCOME FROM OPERATIONS [1]	6,282,113	7,840,630	5,693,971	712,465	1,349,713
ADJUSTED OPERATING MARGINS [1]	*4.7%*	*4.3%*	*3.5%*	*1.4%*	*4.3%*
NET INCOME	4,730,748	7,905,916	3,679,920	1,040,787	707,054
ADJUSTED NET INCOME [1]	4,730,748	6,284,572	4,173,555	702,743	990,875
SHORT-TERM LOANS	11,074,383	14,657,280	9,795,052		9,795,052
CASH	4,018,558	3,883,896	10,067,428		10,067,428

FINANCIAL SUMMARY (continued)

USE OF NON-GAAP FINANCIAL MEASURES

In assessing the performance of our business, management utilizes a variety of financial and performance measures to assess our business performance, including to evaluate our ability to convert earnings from our operational performance to cash. Certain key measures include Adjusted Income from Operations (also referred to as Adjusted Operating Income), Adjusted Operating Margins, Adjusted Net Income, and Adjusted Diluted Earnings Per Share ("EPS"), all of which are non-GAAP financial measures. We define Adjusted Income from Operations as GAAP income from operations excluding the impact of certain non-recurring expenses, including expenses related to COVID-19 protocols, 2019 one-time antidumping/countervailing duty legal fees and non-recurring IPO-related compensation and stock-based compensation expense. We define Adjusted Net Income as GAAP net income excluding the tax-effected impact of certain non-recurring expenses and income, such as expenses related to COVID-19 protocols, 2019 one-time antidumping/countervailing duty legal fees, and the impact of our PPP loan and non-recurring IPO-related compensation and stock-based compensation expense. We define Adjusted Diluted EPS as GAAP diluted EPS excluding one-time expenses and income, including IPO-related compensation and stock-based compensation expense, expenses related to COVID-19 protocols and the impact of our PPP loan. We define Adjusted Operating Margins as GAAP adjusted income from operations divided by revenue.

We believe that these non-GAAP measures are meaningful to our investors to enhance their understanding of our financial performance for the current and prior periods and our ability to generate cash flows from operations that are available for taxes, capital expenditures and debt service. When assessing our operating performance, investors and others should not consider this data in isolation or as a substitute for net income (loss) or diluted EPS calculated in accordance with GAAP. Further, the results presented by Adjusted Income from Operations, Adjusted Operating Margins , Adjusted Net Income, and Adjusted Diluted EPS cannot be achieved without incurring the costs that the measures exclude.

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Operating income	1,003,590	712,465	5,091,978	7,724,730
Adjustments:				
Non-recurring IPO-related compensation		—	255,871	—
Arbitration legal fee	221,258	—	221,258	—
Anti-dumping penalty	124,865	—	124,865	—
COVID one-time expenses	—		—	115,900
Adjusted operating income	1,349,713	712,465	5,693,972	7,840,630
Revenue	31,790,227	52,190,590	161,718,543	181,943,027
Adjusted operating margins	4.3 %	1.4 %	3.5 %	4.3 %

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
Net Income	707,054	1,040,787	3,679,920	7,905,915
Adjustments:				
Non-recurring IPO-related compensation	—	—	255,871	—
Arbitration legal fee	221,258	—	221,258	—
Anti-dumping penalty	124,865	—	124,865	—
COVID one-time expenses	—	—	—	115,900
Other income (PPP Loan)	—	—	—	-1,680,900
Total	1,053,177	1,040,787	4,281,914	6,340,916
Tax impact of adjustment at 18% effective rate	-62,302	—	-108,359	281,700
GILTI high tax re-selection		-338,044		-338,044
Adjusted net income	990,875	702,743	4,173,555	6,284,572

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