



Spectrum Brands Holdings to Acquire Armored AutoGroup for \$1.4 Billion

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- Adds market-leading, iconic brands in attractive auto care retail categories, including Armor All®, STP® and A/C PRO®
- Highly profitable business with strong free cash flow characteristics and low capital spending requirements
- Increases Spectrum Brands' top-line growth and margins, adds scale and product diversity, and is expected to be accretive to adjusted EBITDA, free cash flow and adjusted EPS in the first full fiscal year
- Global business with direct operations in North America, Australia, China, Mexico and the UK and distribution and sales relationships in more than 70 countries
- Offers substantial international growth potential and synergies by leveraging Spectrum Brands' global infrastructure, sales organization and shared services platform, as well as accretive M&A opportunities
- Extensive history of innovation, product quality, consumer loyalty and industry leadership, best-in-class financial profile, and experienced management team with proven track record of performance
- Strong retail customer partnerships resulting from leading brands and exceptional category leadership

MIDDLETON, Wis.--(BUSINESS WIRE)--Apr. 28, 2015-- Spectrum Brands Holdings, Inc. (NYSE: SPB), a global and diversified consumer products company with market-leading brands, announced today it has signed a definitive merger agreement to acquire Armored AutoGroup Parent Inc. ("Armored AutoGroup") from Avista Capital Partners for \$1.4 billion in cash and assumed debt.

Armored AutoGroup is a consumer products company consisting primarily of the renowned Armor All® and STP® brands, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals/additives categories, and the market-leading A/C PRO® brand in the do-it-yourself automotive air conditioner recharge category.

Armor All® has the #1 U.S. market share in the appearance products category with its line of protectants, wipes, tire and wheel care products, glass cleaners, leather care products, air fresheners and washes. A/C PRO® holds the #1 U.S. position in the DIY air conditioner recharge category. STP® has the #3 U.S. market share in the performance chemicals category and offers a line of oil and fuel additives, functional fluids and automotive appearance products for a wide array of customers ranging from professional racers to car enthusiasts to do-it-yourself consumers.

Including synergies from its acquisition of the A/C PRO® business from IDQ Acquisition Corp. in March 2014, other synergies and organic growth, Armored AutoGroup is expected to generate net sales of more than \$440 million and adjusted EBITDA in excess of \$140 million for the calendar year ending December 31, 2015. Nearly 80 percent of Armored AutoGroup's annual revenues are generated in the U.S., primarily through auto retailers, mass merchandisers, home improvement centers and dollar stores.

The acquisition is expected to increase Spectrum Brands' top-line growth and margins and be accretive to adjusted EPS and adjusted EBITDA before synergies in the first full fiscal year following the closing of the transaction. In addition, the acquisition is expected to add over \$60 million of free cash flow in the first full fiscal year after closing, including acquisition, integration and interest costs.

The \$1.4 billion cash purchase price and associated transaction fees and expenses are expected to be funded through a combination of new debt and approximately \$500 million of Spectrum Brands common stock, including equity to be purchased by HRG Group, Inc. As part of the transaction, Spectrum Brands has received debt financing commitments from Credit Suisse, Deutsche Bank and Jefferies.

"This is a very exciting acquisition for Spectrum Brands that adds renowned brands with top market share positions in growing and highly profitable automotive aftermarket categories," said Andreas Rouvé, Chief Executive Officer of Spectrum Brands Holdings. "Armored AutoGroup sells into many of the same retail channels as our current businesses, increases our presence in home improvement centers, and gives us an additional platform for global growth using our broad international infrastructure. It provides consumers and retailers with best-in-class, do-it-yourself automotive solutions, and enjoys category leadership, high brand awareness, and opportunities for additional operational efficiencies as a part of Spectrum Brands.

"We remain committed to maintaining a strong balance sheet," Mr. Rouvé said. "Given our Company's strong and growing free cash flow, along with the significant incremental free cash flow to be generated by Armored AutoGroup, we expect to delever quickly."

David Maura, Chairman of the Board of Spectrum Brands, said, "This is a terrific business that we believe will be highly and immediately accretive to our Company right out of the box. Armored AutoGroup's brands are virtually synonymous with auto appearance, detailing and maintenance, both here and around the world. The addition of Armored AutoGroup is fully consistent with our acquisition strategy of buying and building high brand equity businesses, with strong margin structures, and significant free cash flow generation with the opportunity to reinvest in and grow the business both here in the U.S. and around the globe. We are confident we are allocating capital efficiently with this transaction and as we realize significant revenue and cost synergies, we expect to create meaningful incremental equity value for our shareholders. Post the closing of this transaction, we intend to use our

growing free cash flow stream to rapidly delever our balance sheet as we have done with previous transactions of this size.”

Following the closing of the transaction, Armored AutoGroup is expected to operate as a separate division within Spectrum Brands, reporting to Chief Executive Officer Andreas Rouvé.

The transaction has been unanimously approved by the Board of Directors of Spectrum Brands and approved by the Board and by shareholders of Armored AutoGroup, and is expected to close before the end of Spectrum Brands' fiscal third quarter on June 30, 2015, subject to receipt of applicable regulatory approvals and customary closing conditions.

Credit Suisse Securities (USA) LLC and Deutsche Bank AG acted as financial advisors and Paul, Weiss, Riffkind, Wharton & Garrison LLP acted as legal advisor to Spectrum Brands in connection with the transaction.

J.P. Morgan Securities LLC served as lead financial advisor to Armored AutoGroup. Morgan Stanley & Co. LLC also provided financial advice and Kirkland & Ellis LLP served as legal counsel to Armored AutoGroup.

About Spectrum Brands Holdings, Inc.

Spectrum Brands Holdings, a member of the Russell 2000 Index, is a global and diversified consumer products company and a leading supplier of consumer batteries, residential locksets, residential builders' hardware, faucets, shaving and grooming products, personal care products, small household appliances, specialty pet supplies, lawn and garden and home pest control products, and personal insect repellents. Helping to meet the needs of consumers worldwide, our Company offers a broad portfolio of market-leading, well-known and widely trusted brands including Rayovac®, VARTA®, Kwikset®, Weiser®, Baldwin®, National Hardware®, Pfister™, Remington®, George Foreman®, Black + Decker®, Farberware®, Tetra®, Marineland®, Nature's Miracle®, Dingo®, 8-in-1®, FURminator®, IAMS®, Eukanuba®, Digest-eeze™, Healthy-Hide®, Littermaid®, Spectracide®, Cutter®, Repel®, Hot Shot®, Black Flag® and Liquid Fence®. Spectrum Brands' products are sold by the world's top 25 retailers and are available in more than one million stores in approximately 160 countries. Based in Middleton, Wisconsin, Spectrum Brands Holdings generated net sales of approximately \$4.43 billion in fiscal 2014. For more information, visit www.spectrumbrands.com.

About Avista Capital Partners

Avista Capital Partners is a leading private equity firm with approximately \$6 billion under management and offices in New York, Houston and London. Founded in 2005, Avista makes controlling or influential minority investments in growth-oriented energy, healthcare and communications & media businesses. Through its team of seasoned investment professionals and industry experts, Avista seeks to partner with exceptional management teams to invest in and add value to well-positioned businesses.

Forward-Looking Statements

Certain matters discussed in this news release and other oral and written statements by representatives of the Company regarding matters such as the completion of the Armored AutoGroup acquisition, the completion of any related financings (including HRG Group's participation therein) and the achievement of the expected benefits of any such transactions, expected sales, adjusted EBITDA, debt reduction and leverage, and other measures of financial performance, may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are identified by words such as "future," "anticipate," "intend," "plan," "estimate," "believe," "expect," "project," "forecast," "could," "would," "should," "will," "may," and similar expressions of future intent or the negative of such terms. These statements are subject to a number of risks and uncertainties that could cause results to differ materially from those anticipated as of the date of this release. Actual results may differ materially as a result of (1) Spectrum Brands Holdings' ability to manage and otherwise comply with its covenants with respect to its significant outstanding indebtedness, (2) our ability to integrate and realize synergies from our recent acquisitions and any possible future acquisitions, including the Armored AutoGroup acquisition, (3) risks related to changes and developments in external competitive market factors, such as introduction of new product features or technological developments, development of new competitors or competitive brands or competitive promotional activity or spending, (4) changes in consumer demand for the various types of products Spectrum Brands Holdings offers, (5) unfavorable developments in the global capital markets, (6) the impact of overall economic conditions on consumer spending, (7) fluctuations in commodities prices, the costs or availability of raw materials or terms and conditions available from suppliers, (8) changes in the general economic conditions in countries and regions where Spectrum Brands Holdings does business, such as stock market prices, interest rates, currency exchange rates, inflation and consumer spending, (9) Spectrum Brands Holdings' ability to successfully implement manufacturing, distribution and other cost efficiencies and to continue to benefit from its cost-cutting initiatives, (10) Spectrum Brands Holdings' ability to identify, develop and retain key employees, (11) unfavorable weather conditions and various other risks and uncertainties, including those discussed herein and those set forth in the securities filings of each of Spectrum Brands Holdings, Inc. and SB/RH Holdings, Inc., including each of their most recently filed Annual Reports on Form 10-K or Quarterly Reports on Form 10-Q.

Spectrum Brands Holdings also cautions the reader that its estimates of trends, market share, retail consumption of its products and reasons for changes in such consumption are based solely on limited data available to Spectrum Brands Holdings and management's reasonable assumptions about market conditions, and consequently may be inaccurate, or may not reflect significant segments of the retail market. Spectrum Brands Holdings also cautions the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this release. Spectrum Brands Holdings undertakes no duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this report or to reflect actual outcomes.



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