Spectrum Brands Holdings Reports Fiscal 2020 Fourth Quarter and Full Year Results

November 13, 2020

- **Fourth Quarter Net Sales Increased 17.9% and Organic Net Sales Increased 17.1% Reflecting Strong Growth Across All Business Units**
- **Fourth Quarter Operating Income and Adjusted EBITDA Increased, Driven by Strong Volumes and Gross Margins Improvement of 240 Basis Points**
- **Full Year Cash Flow From Operations of $290 Million; Adjusted Free Cash Flow of $254 Million**
- **Raising Total Savings Gross Target from Global Productivity Improvement Program from $100 Million to $150 Million**
- **Strong Balance Sheet with Over $1.1 Billion of Total Liquidity**
- **Full Year Operating Income of $243 Million and Full Year Adjusted EBITDA of $580 Million**
- **The Company Expects to Deliver 3% to 5% Net Sales Growth and Mid Single-Digit Adjusted EBITDA Growth for Fiscal 2021**

MIDDLETON, Wis.--(BUSINESS WIRE)--Nov. 13, 2020-- Spectrum Brands Holdings, Inc. (NYSE: SPB; “Spectrum Brands” or the “Company”), a leading global branded consumer products and home essentials company focused on driving innovation and providing exceptional customer service, today reported results from continuing operations for the fourth quarter and full year of fiscal 2020 ended September 30, 2020.

“Our Q4 and full year financial results reflect a better, faster and stronger Spectrum Brands, with net sales, operating income and adjusted EBITDA growth. During the quarter, our net sales accelerated as we grew 17.9%, with strong growth across all business units. These top line results reflect elevated demand levels, with strong POS and improved output. This is evidence of our quick recovery from COVID-19 related supply disruptions earlier in the year. Additionally, our incremental marketing and advertising investments are paying dividends by driving stronger organic top line growth. Operating Income and Adjusted EBITDA growth was driven by strong volumes and improved gross margins. Adjusted EBITDA in Q4 2020 includes a change to our annual incentive compensation program converting to cash payment from a mix of equity and cash in order to better align with industry best practices and our peer group. This change negatively impacts comparability, with $17 million in incremental corporate expense in the quarter. If not for the change, we would have delivered $190 million in adjusted EBITDA this quarter and $597 million in the full year,” said David Maura, Chairman and Chief Executive Officer of Spectrum Brands.

“We believe we are better positioned today than we have ever been to drive demand as a home essentials company with consumers needing our brands and products more than ever. Additionally, with the supply chain disruptions from COVID-19 earlier in 2020 largely behind us, momentum in the business remains strong, and with continued strong demand in October, fiscal 2021 is off to a great start,” said Mr. Maura.

Fiscal 2020 Fourth Quarter Highlights

	Three Month Periods Ended			
(in millions, except per share and %)	**September 30, 2020**	**September 30, 2019**	**Variance**	
Net sales	$ 1,170.6	$ 993.0	$ 177.6	17.9 %
Gross profit	423.0	334.7	88.3	26.4 %
Operating income (loss)	126.7	(87.5)	214.2	n/m
Net income (loss) from continuing operations	43.8	(79.0)	122.8	n/m
Diluted earnings (loss) per share from continuing operations	$ 1.01	$ (1.62)	$ 2.63	n/m
Non-GAAP Operating Metrics				
Adjusted EBITDA from continuing operations	$ 173.3	$ 163.1	$ 10.2	6.3 %
Adjusted EPS from continuing operations	$ 1.72	$ 1.13	$ 0.59	52.2 %

n/m = not meaningful

- Net sales increased 17.9%. Excluding the impact of $4.2 million of favorable foreign exchange rates and acquisition sales of $3.8 million, organic net sales increased 17.1%, with growth across all four business units.
- Gross profit margin increased 240 basis points, driven by improved productivity from our Global Productivity Improvement Program (GPIP), favorable pricing and mix.
- Operating income growth compared to the prior year was driven by improved volumes and profit margins and lower restructuring spending, as well as no impairment charges in the current year period.
- Net income and diluted earnings per share increases were driven by the operating income growth and lower shares outstanding.
- Adjusted EBITDA increased $10.2 million, primarily driven by volume growth, as well as productivity improvements and positive pricing. By business unit, the adjusted EBITDA growth was driven by HHI, GPC and Home & Garden. Adjusted EBITDA also increased despite a change to incentive compensation program, which resulted in a $17 million reduction of consolidated adjusted EBITDA of $17.0 million for FY 2020 and Q4 2020. This change will have a corresponding reduction in the Company's annual equity compensation expense, resulting in a net neutral impact on the Company's annual compensation expense.
- Adjusted diluted EPS increased 52.2% due to favorable volumes, improved productivity and positive product mix.
- Full year Cash Flow From Operations was $290.3 million and Adjusted Free Cash Flow was $254.0 million.
- Increased the total gross savings target from the entirety of the Global Productivity Improvement Program (GPIP) to $150 million (previously at least $100 million).
- The Company sold 1.5 million shares of Energizer common stock during the quarter for proceeds of $67.4 million and ended the quarter with approximately 1.7 million shares.

Fiscal 2020 Fourth Quarter Segment Level Data

Hardware & Home Improvement (HHI)

	Three Month Periods Ended					
(in millions, except %)	**September 30, 2020**		**September 30, 2019**		**Variance**	
Net Sales	$ 433.7		$ 364.9		$ 68.8	18.9 %
Operating Income	94.3		69.7		24.6	35.3 %
Operating Income Margin	21.7	%	19.1	%	260	bps
Adjusted EBITDA	$ 100.4		$ 77.8		$ 22.6	29.0 %
Adjusted EBITDA Margin	23.1	%	21.3	%	180	bps

n/m = not meaningful

Net sales were driven by growth across all categories during the quarter. Security sales growth was driven by strong consumer demand and stronger shipment of backlog orders. Builders hardware and plumbing category performance continued to be driven by elevated demand from the repair and remodel channel. Organic net sales increased 18.7% with slightly favorable foreign exchange impacts. Customer demand in security remains strong, and the Company expects continued benefit from backlog shipments for the upcoming quarter.

Higher operating income, adjusted EBITDA and margins were primarily driven by positive volumes, as well as productivity improvements, favorable mix and pricing, partially offset by higher tariff and COVID-19 related costs.

Home & Personal Care (HPC)

	Three Month Periods Ended		
(in millions, except %)	**September 30, 2020**	**September 30, 2019**	**Variance**

Net Sales	$ 302.3	$ 285.8	$ 16.5	5.8 %
Operating Income (Loss)	11.4	(118.5)	129.9	n/m
Operating Income Margin	3.8 %	(41.5) %	4,530 bps	
Adjusted EBITDA	$ 22.7	$ 29.4	$ (6.7)	(22.8) %
Adjusted EBITDA Margin	7.5 %	10.3 %	(280) bps	

n/m = not meaningful

Net sales were driven by growth in both small appliances and personal care. This included strong net sales growth in the U.S. from e-commerce and mass channels and small appliances category performance, with continued strength in convenience cooking including new product introductions from George Foreman grills. Excluding favorable foreign exchange impacts of $0.5 million, organic net sales grew 5.6%.

Improved operating income benefited from no impairment charges in the current year period. Operating income, as well as lower adjusted EBITDA and margins were driven by more than doubling our advertisement and promotional investments, as well as higher tariff and legal costs. This was partially offset by improved productivity and higher volumes.

Global Pet Care (GPC)

	Three Month Periods Ended			
(in millions, except %)	**September 30, 2020**	**September 30, 2019**	**Variance**	
Net Sales	$ 278.3	$ 228.9	$ 49.4	21.6 %
Operating Income	35.9	7.0	28.9	412.9 %
Operating Income Margin	12.9 %	3.1 %	980 bps	
Adjusted EBITDA	$ 49.9	$ 41.7	$ 8.2	19.7 %
Adjusted EBITDA Margin	17.9 %	18.2 %	(30) bps	

n/m = not meaningful

Higher net sales were attributable to continued growth in both aquatic and companion animal categories. Companion animal performance was driven by strong consumables demand in the dollar, mass and e-commerce channels, while aquatics was driven by broad based demand across all aquatics categories, including significant demand for hard goods. Excluding favorable foreign exchange impacts of $3.2 million and acquisition sales of $3.8 million, organic net sales grew 18.5%.

Higher operating income and adjusted EBITDA were driven by volume growth, productivity improvements and positive pricing, partially offset by additional marketing investments and higher volume driven tariff costs. Operating income growth also benefited from the write-off of intangible assets realized in the prior year and lower restructuring costs.

Home & Garden (H&G)

	Three Month Periods Ended			
(in millions, except %)	**September 30, 2020**	**September 30, 2019**	**Variance**	
Net Sales	$ 156.3	$ 113.4	$ 42.9	37.8 %
Operating Income	26.4	14.2	12.2	85.9 %

Operating Income Margin	16.9	%	12.5	%	440	bps		
Adjusted EBITDA	$ 31.5		$ 19.6		$ 11.9		60.7	%
Adjusted EBITDA Margin	20.2	%	17.3	%	290	bps		

n/m = not meaningful

Net sales grew across all three major categories - controls, household insecticides and repellents and benefited from strong point of sale and replenishment as retailers supported the extended selling season.

Higher operating income, adjusted EBITDA and margins were driven by higher volumes, pricing, and productivity improvements, despite significantly higher marketing investments and higher manufacturing and distribution costs.

Liquidity and Debt

As of the end of the fiscal year, the Company had a cash balance of $531.6 million and approximately $579 million available on its $600 million Cash Flow Revolver.

The Company had approximately $2,512.8 million of debt outstanding, consisting of approximately $2,349.1 million of senior unsecured notes and approximately $163.7 million of finance leases and other obligations.

Net leverage improved to 3.4 times at the end of the fiscal fourth quarter from 3.95 times at the end of the previous quarter.

Fiscal 2021 Outlook

Spectrum Brands expects three to five percent reported net sales growth, with foreign exchange expected to have a slightly positive impact based upon current rates.

Fiscal 2021 adjusted EBITDA is expected to increase mid single-digits. Adjusted free cash flow is expected to be between $250 million and $270 million, with strategic investments in inventory levels and other working capital needs for the upcoming year.

Conference Call/Webcast Scheduled for 9:00 A.M. Eastern Time Today

Spectrum Brands will host an earnings conference call and webcast at 9:00 a.m. Eastern Time today, November 13, 2020. To access the live conference call, U.S. participants may call 877-604-7329 and international participants may call 602-563-8688. The conference ID number is 3218924. A live webcast and related presentation slides will be available by visiting the Event Calendar page in the Investor Relations section of Spectrum Brands' website at www.spectrumbrands.com.

A replay of the live webcast also will be accessible through the Event Calendar page in the Investor Relations section of the Company's website. A telephone replay of the conference call will be available through November 27. To access this replay, participants may call 855-859-2056 and use the same conference ID number.

About Spectrum Brands Holdings, Inc.

Spectrum Brands Holdings, a member of the Russell 1000 Index, is a leading supplier of residential locksets, residential builders' hardware, plumbing, 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, Spectrum Brands offers a broad portfolio of market-leading, well-known and widely trusted brands including Kwikset®, Weiser®, Baldwin®, National Hardware®, Pfister®, Remington®, George Foreman®, Russell Hobbs®, Black+Decker®, Tetra®, Marineland®, Nature's Miracle®, Dingo®, 8-in-1®, FURminator®, IAMS® and Eukanuba® (Europe only), Digest-eeze™, Healthy-Hide®, Littermaid®, Spectracide®, Cutter®, Repel®, Hot Shot®, Black Flag® and Liquid Fence®. For more information, please visit www.spectrumbrands.com. Spectrum Brands – A Home Essentials Company™

Non-GAAP Measurements

Management believes that certain non-GAAP financial measures may be useful in providing additional meaningful comparisons between current results and results in prior periods. Management believes that organic net sales provide for a more complete understanding of underlying business trends of regional and segment performance by excluding the impact of currency exchange rate fluctuations and the impact of acquisitions. In addition, within this release, including the supplemental information attached hereto, reference is made to adjusted diluted EPS, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), and adjusted EBITDA margin. Adjusted EBITDA is a metric used by management to evaluate segment performance and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA also is one of the measures used for determining compliance with the Company's debt covenants. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. Adjusted EBITDA margin reflects adjusted EBITDA as a percentage of net sales of the Company. The Company's management uses adjusted diluted EPS as one means of analyzing the Company's current and future financial performance and identifying trends in its financial condition and results of operations. Management believes that adjusted diluted EPS is a useful measure for providing further insight into our operating performance because it eliminates the effects of certain items that are not comparable from one period to the next. An income tax adjustment is included in adjusted diluted EPS to exclude the impact of the valuation allowance against deferred taxes and other tax-related items in order to reflect a normalized ongoing effective tax rate. The Company provides this information to investors to assist in comparisons of past, present and future operating results and to assist in highlighting the results of on-going operations. While the Company's management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Company's GAAP financial results and should be read in conjunction with those

GAAP results. Other Supplemental Information has been provided to demonstrate reconciliation of non-GAAP measurements discussed above to most relevant GAAP financial measurements.

Forward-Looking Statements

We have made, implied or incorporated by reference certain forward-looking statements in this document. All statements, other than statements of historical facts included or incorporated by reference in this document, without limitation, statements or expectations regarding our Global Productivity Improvement Program, our business strategy, future operations, financial condition, estimated revenues, projected costs, projected synergies, prospects, plans and objectives of management, information concerning expected actions of third parties, retention and future compensation of key personnel, our ability to meet environmental, social, and governance goals, the expected impact of the COVID-19 pandemic, economic, social, and political conditions or civil unrest in the U.S. and other countries, and other statements regarding the Company's ability to meet its expectations for its fiscal 2020 are forward-looking statements. When used in this document, the words future, anticipate, pro forma, seeks, intend, plan, envision, estimate, believe, belief, expect, project, forecast, outlook, goal, target, could, would, will, can, should, may and similar expressions are also intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Since these forward-looking statements are based upon our current expectations of future events and projections and are subject to a number of risks and uncertainties, many of which are beyond our control and some of which may change rapidly, actual results or outcomes may differ materially from those expressed or implied herein, and you should not place undue reliance on these statements. Important factors that could cause our actual results to differ materially from those expressed or implied herein include, without limitation: (1) the impact of the COVID-19 pandemic on our customers, employees, manufacturing facilities, suppliers, the capital markets and our financial condition, and results of operations, all of which tend to aggravate the other risks and uncertainties we face; (2) the impact of our indebtedness on our business, financial condition and results of operations; (3) the impact of restrictions in our debt instruments on our ability to operate our business, finance our capital needs or pursue or expand business strategies; (4) any failure to comply with financial covenants and other provisions and restrictions of our debt instruments; (5) the effects of general economic conditions, including the impact of, and changes to tariffs and trade policies, inflation, recession or fears of a recession, depression or fears of a depression, labor costs and stock market volatility or monetary or fiscal policies in the countries where we do business; (6) the impact of fluctuations in commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers' willingness to advance credit; (7) interest rate and exchange rate fluctuations; (8) the loss of, significant reduction in, or dependence upon, sales to any significant retail customer(s); (9) competitive promotional activity or spending by competitors, or price reductions by competitors; (10) the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands; (11) the impact of actions taken by significant stockholders; (12) changes in consumer spending preferences and demand for our products, particularly in light of the COVID-19 pandemic and economic stress; (13) our ability to develop and successfully introduce new products, protect our intellectual property and avoid infringing the intellectual property of third parties; (14) our ability to successfully identify, implement, achieve and sustain productivity improvements (including our Global Productivity Improvement Program), cost efficiencies (including at our manufacturing and distribution operations) and cost savings; (15) the seasonal nature of sales of certain of our products; (16) the effects of climate change and unusual weather activity, as well as further natural disasters and pandemics; (17) the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations); (18) our discretion to conduct, suspend or discontinue our share repurchase program (including our discretion to conduct purchases, if any, in a variety of manners including open-market purchases or privately negotiated transactions); (19) public perception regarding the safety of products that we manufacture and sell, including the potential for environmental liabilities, product liability claims, litigation and other claims related to products manufactured by us and third parties; (20) the impact of existing, pending or threatened litigation, government regulations or other requirements or operating standards applicable to our business; (21) the impact of cybersecurity breaches or our actual or perceived failure to protect company and personal data, including our failure to comply with new and increasingly complex global data privacy regulations; (22) changes in accounting policies applicable to our business; (23) our ability to utilize net operating loss carry-forwards to offset tax liabilities from future taxable income; (24) the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring activities; (25) our ability to successfully implement further acquisitions or dispositions and the impact of any such transactions on our financial performance; (26) the unanticipated loss of key members of senior management and the transition of new members of our management teams to their new roles; (27) the impact of economic, social and political conditions or civil unrest in the U.S. and other countries; (28) the effects of political or economic conditions, terrorist attacks, acts of war, natural disasters, public health concerns or other unrest in international markets; (29) our ability to achieve our goals regarding environmental, social and governance practices; (30) our increased reliance on third party partners, suppliers, and distributors to achieve our business objectives; and (31) the other risk factors set forth in the securities filings of Spectrum Brands Holdings, Inc. and SB/RH Holdings, LLC, including the 2020 Annual Report and subsequent Quarterly Reports on Form 10-Q.

Some of the above-mentioned factors are described in further detail in the sections entitled "Risk Factors" in our annual and quarterly reports, as applicable. You should assume the information appearing in this document is accurate only as of the date hereof, or as otherwise specified, as our business, financial condition, results of operations and prospects may have changed since such date. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the United States Securities and Exchange Commission, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

SPECTRUM BRANDS HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Three Month Periods Ended		Twelve Month Periods Ended	
(in millions, except per share amounts)	**September 30, 2020**	**September 30, 2019**	**September 30, 2020**	**September 30, 2019**

Net sales	$ 1,170.6	$ 993.0	$ 3,964.2	$ 3,802.1
Cost of goods sold	745.8	657.0	2,580.0	2,492.4
Restructuring and related charges	1.8	1.3	14.3	2.8
Gross profit	423.0	334.7	1,369.9	1,306.9
Selling	177.2	141.5	614.5	600.5
General and administrative	92.1	90.9	337.8	354.6
Research and development	12.1	10.8	41.8	43.5
Restructuring and related charges	9.2	22.2	58.3	62.9
Transaction related charges	5.7	5.4	23.1	21.8
Loss on assets held for sale	—	—	26.8	—
Write-off from impairment of goodwill	—	116.0	—	116.0
Write-off from impairment of intangible assets	—	35.4	24.2	35.4
Total operating expenses	296.3	422.2	1,126.5	1,234.7
Operating income	126.7	(87.5)	243.4	72.2
Interest expense	38.0	37.0	144.5	222.1
Gain from extinguishment of Salus CLO debt	—	—	(76.2)	—
Other non-operating expense (income), net	9.3	(20.3)	19.7	43.9
Income (loss) from continuing operations before income taxes	79.4	(104.2)	155.4	(193.8)
Income tax expense (benefit)	35.6	(25.2)	70.9	(7.1)
Net income (loss) from continuing operations	43.8	(79.0)	84.5	(186.7)
Income (loss) from discontinued operations, net of tax	1.7	(16.7)	14.0	682.5
Net income (loss)	45.5	(95.7)	98.5	495.8
Net income attributable to non-controlling interest	0.1	—	0.7	1.3
Net income (loss) attributable to controlling interest	$ 45.4	$ (95.7)	$ 97.8	$ 494.5
Amounts attributable to controlling interest				
Net income (loss) from continuing operations attributable to controlling interest	$ 43.7	$ (79.0)	$ 83.8	$ (188.0)
Net income (loss) from discontinued operations attributable to controlling interest	1.7	(16.7)	14.0	682.5

Net income (loss) attributable to controlling interest	$ 45.4	$ (95.7)	$ 97.8	$ 494.5
Earnings Per Share				
Basic earnings per share from continuing operations	$ 1.01	$ (1.62)	$ 1.88	$ (3.71)
Basic earnings per share from discontinued operations	0.04	(0.35)	0.31	13.47
Basic earnings per share	$ 1.05	$ (1.97)	$ 2.19	$ 9.76
Diluted earnings per share from continuing operations	$ 1.01	$ (1.62)	$ 1.87	$ (3.71)
Diluted earnings per share from discontinued operations	0.04	(0.35)	0.31	13.47
Diluted earnings per share	$ 1.05	$ (1.97)	$ 2.18	$ 9.76
Weighted Average Shares Outstanding				
Basic	43.1	48.8	44.7	50.7
Diluted	43.4	48.8	44.9	50.7

SPECTRUM BRANDS HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOW (Unaudited)

	Twelve Month Periods Ended	
(in millions)	**September 30, 2020**	**September 30, 2019**
Cash flows from operating activities		
Net cash provided by operating activities from continuing operations	$ 290.1	$ 83.5
Net cash provided (used) by operating activities from discontinued operations	0.2	(82.4)
Net cash provided by operating activities	290.3	1.1
Cash flows from investing activities		
Purchases of property, plant and equipment	(61.0)	(58.4)
Proceeds from disposal of property, plant and equipment	4.2	2.1
Proceeds from sale of assets held for sale	29.0	—
Proceeds from sale of discontinued operations, net of cash	3.6	2,859.5
Business acquisitions, net of cash acquired	(16.9)	—

Proceeds from sale of equity investment	147.1	—
Other investing activity	2.3	(0.3)
Net cash provided by investing activities from continuing operations	108.3	2,802.9
Net cash used by investing activities from discontinued operations	—	(5.3)
Net cash provided by investing activities	108.3	2,797.6
Cash flows from financing activities		
Payment of debt, including premium on extinguishment	(135.5)	(2,649.9)
Proceeds from issuance of debt	300.0	300.0
Payment of debt issuance costs	(11.5)	(4.1)
Treasury stock purchases	(239.8)	(268.5)
Accelerated share repurchase	(125.0)	—
Dividends paid to shareholders	(75.2)	(85.5)
Dividends paid by subsidiary to non-controlling interest	(0.8)	(1.1)
Share based award tax withholding payments, net of proceeds upon vesting	(12.6)	(4.4)
Payment of contingent consideration	(197.0)	(8.9)
Other financing activities, net	0.3	—
Net cash used by financing activities from continuing operations	(497.1)	(2,722.4)
Net cash used by financing activities from discontinued operations	—	(2.2)
Net cash used by financing activities	(497.1)	(2,724.6)
Effect of exchange rate changes on cash and cash equivalents	5.1	(8.4)
Net change in cash, cash equivalents and restricted cash in continuing operations	(93.4)	65.7
Cash, cash equivalents, and restricted cash, beginning of period	627.1	561.4
Cash, cash equivalents, and restricted cash, end of period	$ 533.7	$ 627.1

SPECTRUM BRANDS HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)

(in millions)	September 30, 2020	September 30, 2019
Assets		
Cash and cash equivalents	$ 531.6	$ 627.1
Trade receivables, net	501.1	356.7
Other receivables	74.2	74.2
Inventories	557.7	548.4
Prepaid expenses and other current assets	63.5	53.5
Total current assets	1,728.1	1,659.9
Property, plant and equipment, net	396.5	452.9
Operating lease assets	103.8	—
Investments	66.9	230.8
Deferred charges and other	48.3	67.2
Goodwill	1,332.0	1,328.1
Intangible assets, net	1,431.7	1,507.1
Total assets	$ 5,107.3	$ 5,246.0
Liabilities and Shareholders' Equity		
Current portion of long-term debt	$ 15.3	$ 136.9
Accounts payable	557.5	456.8
Accrued wages and salaries	95.0	72.1
Accrued interest	38.5	29.3
Indemnification payable to Energizer	33.0	230.8
Other current liabilities	205.6	214.2
Total current liabilities	944.9	1,140.1
Long-term debt, net of current portion	2,461.0	2,214.4
Long-term operating lease liabilities	88.8	—
Deferred income taxes	65.4	50.6

Other long-term liabilities	131.4	112.0
Total liabilities	3,691.5	3,517.1
Shareholders' equity	1,407.5	1,720.9
Non-controlling interest	8.3	8.0
Total equity	1,415.8	1,728.9
Total liabilities and equity	$ 5,107.3	$ 5,246.0

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED DILUTED EPS

We define adjusted diluted EPS as reported diluted EPS excluding the effect of one-time, non-recurring activity and volatility associated with our income tax expense. The Company believes that adjusted diluted EPS provides further insight and comparability in operating performance as it eliminates the effects of certain items that are not comparable from one period to the next. Adjustments to diluted EPS include the following:

- Restructuring and related charges, which consist of project costs associated with the restructuring initiatives across the Company's segments;
- Transaction related charges that consist of (1) transaction costs from qualifying acquisition transactions during the period, or subsequent integration related project costs directly associated with an acquired business; and (2) divestiture related transaction costs that are recognized in continuing operations and post-divestiture separation costs consisting of incremental costs to facilitate separation of shared operations, including development of transferred shared service operations, platforms and personnel transferred as part of the divestitures and exiting of transition service arrangements (TSAs) and reverse TSAs;
- Gains and losses attributable to the Company’s investment in Energizer common stock, acquired as part of consideration received from the Company’s sale and divestiture of GAC during the year ended September 30, 2019;
- Non-cash purchase accounting inventory adjustments recognized in earnings from continuing operations subsequent to an acquisition (when applicable);
- Non-cash asset impairments or write-offs realized and recognized in earnings from continuing operations (when applicable);
- Foreign currency gains and losses attributable to multicurrency loans for the three and twelve month periods ended September 30, 2020 and September 30, 2019, that were entered into with foreign subsidiaries in exchange for receipt of divestiture proceeds by the parent company and the distribution of the respective foreign subsidiaries’ net assets as part of the GBL and GAC divestitures during the year ended September 30, 2019. The Company has entered into various hedging arrangements to mitigate the volatility of foreign exchange risk associated with such loans;
- Legal and litigation costs associated with Salus during the three and twelve month periods ended September 30, 2020 and September 30, 2019 as they are not considered a component of the continuing commercial products company, but continue to be consolidated by the Company until the Salus operations can be wholly dissolved and/or deconsolidated;
- Incremental interest costs recognized for the extinguishment of the 6.625% Notes, including the cash payment of premium from early extinguishment and non-cash write-off of debt issuance costs during the twelve month period ended September 30, 2020;
- Gain on extinguishment of the Salus CLO debt due to the discharge of the obligation during the twelve month period ended September 30, 2020; and
- Other adjustments primarily consisting of costs attributable to (1) expenses and cost recovery for flood damage at Company facilities in Middleton, Wisconsin during the three and twelve month periods ended September 30, 2020 and September 30, 2019; (2) incremental costs for separation of a key executive during the twelve month periods ended September 30, 2020 and September 30, 2019; (3) incremental costs associated with a safety recall in GPC during the three and twelve month periods ended September 30, 2019; (4) operating margin on H&G sales to GAC discontinued operations during the three and twelve month periods ended September 30, 2019; and (5) certain fines and penalties for delayed shipments following the completion of a GPC distribution center consolidation in EMEA during the twelve month period ended September 30, 2019.

Income tax adjustment to diluted EPS is to exclude the impact of adjusting the valuation allowance against deferred taxes and other tax related items in order to reflect a normalized ongoing effective tax rate of 25.0% for the three and twelve month periods ended September 30, 2020 and September 30, 2019 based upon enacted corporate tax rate in the United States.

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED DILUTED EPS (continued)

The following is a reconciliation of reported diluted EPS from continuing operations to adjusted diluted EPS from continuing operations for the three and twelve month periods ended September 30, 2020 and September 30, 2019.

	Three Month Periods Ended		Twelve Month Periods Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Diluted EPS from continuing operations, as reported	$ 1.01	$ (1.62)	$ 1.87	$ (3.71)
Adjustments:				
Restructuring and related charges	0.25	0.48	1.62	1.30
Transaction related charges	0.13	0.11	0.51	0.43
Debt refinancing costs	—	0.09	0.06	1.09
Loss (Gain) on Energizer investment	0.20	(0.53)	0.38	0.24
Loss on assets held for sale	—	—	0.60	—
Write-off from impairment of goodwill	—	2.38	—	2.29
Write-off from impairment of intangible assets	—	0.73	0.54	0.70
Foreign currency change on multicurrency divestiture loans	(0.03)	0.14	0.09	0.71
Legal and environmental reserves	—	0.21	—	0.20
Salus	—	0.01	0.01	0.03
Salus CLO debt extinguishment	—	—	(1.70)	—
GPC safety recall	—	—	—	0.01
Depreciation & amortization on HPC long-lived assets	—	—	—	0.57
Other	(0.09)	0.04	(0.09)	0.10
Income tax adjustment	0.25	(0.91)	0.21	(1.10)
Total adjustments	0.71	2.75	2.23	6.57
Diluted EPS from continuing operations, as adjusted	$ 1.72	$ 1.13	$ 4.10	$ 2.86

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED DILUTED EPS (continued)

The following summarizes transaction related charges for the three and twelve month periods ended September 30, 2020 and September 30, 2019:

	Three Month Periods Ended		Twelve Month Periods Ended	
(in millions)	**September 30, 2020**	**September 30, 2019**	**September 30, 2020**	**September 30, 2019**
Coevorden operations divestiture	$ 2.1	$ —	$ 5.5	$ —
GBL post divestiture separation	2.6	3.6	10.2	9.5
HPC divestiture	0.3	1.2	3.9	7.3
Omega Sea acquisition	0.1	—	1.6	—
Other integration	0.6	0.6	1.9	5.0
Total transaction-related charges	$ 5.7	$ 5.4	$ 23.1	$ 21.8

The following summarizes restructuring and related charges for the three and twelve month periods ended September 30, 2020 and September 30, 2019:

	Three Month Periods Ended		Twelve Month Periods Ended	
(in millions)	**September 30, 2020**	**September 30, 2019**	**September 30, 2020**	**September 30, 2019**
Global productivity improvement program	$ 11.5	$ 22.8	$ 71.6	$ 60.9
HHI distribution center consolidation	—	—	—	2.3
Other restructuring activities	(0.5)	0.7	1.0	2.5
Total restructuring and related charges	$ 11.0	$ 23.5	$ 72.6	$ 65.7

NET SALES AND ORGANIC NET SALES

The following is a summary of net sales by segment for the three and twelve month periods ended September 30, 2020 and September 30, 2019:

	Three Month Periods Ended				Twelve Month Periods Ended			
(in millions, except %)	**September 30, 2020**	**September 30, 2019**	**Variance**		**September 30, 2020**	**September 30, 2019**	**Variance**	
HHI	$ 433.7	$ 364.9	68.8	18.9 %	$ 1,342.1	$ 1,355.7	(13.6)	(1.0) %
HPC	302.3	285.8	16.5	5.8 %	1,107.6	1,068.1	39.5	3.7 %
GPC	278.3	228.9	49.4	21.6 %	962.6	870.2	92.4	10.6 %
H&G	156.3	113.4	42.9	37.8 %	551.9	508.1	43.8	8.6 %
Net Sales	$ 1,170.6	$ 993.0	177.6	17.9 %	$ 3,964.2	$ 3,802.1	162.1	4.3 %

We define organic net sales as reported net sales excluding the effect of changes in foreign currency exchange rates and acquisitions. We believe this non-GAAP measure provides useful information to investors because it reflects regional and operating segment performance from our activities without the effect of changes in currency exchange rate and/or acquisitions. We use organic net sales as one measure to monitor and evaluate our regional and segment performance. Organic growth is calculated by comparing organic net sales to reported net sales in the prior year. The effect of changes in currency exchange rates is determined by translating the period's net sales using the currency exchange rates that were in effect during the prior period. Net sales are attributed to the geographic regions based on the country of destination. We exclude net sales from acquired businesses in the current year for which there are no comparable sales in the prior period. The following is a reconciliation of reported sales to organic sales for the three and twelve month periods ended September 30, 2020 compared to reported net sales for the three and twelve month periods ended September 30, 2019:

	September 30, 2020							
Three Month Periods Ended (in millions, except %)	**Net Sales**	**Effect of Changes in Currency**	**Net Sales Excluding Effect of Changes in Currency**	**Effect of Acquisitions**	**Organic Net Sales**	**Net Sales September 30, 2019**	**Variance**	
HHI	$ 433.7	$ (0.5)	$ 433.2	$ —	$ 433.2	$ 364.9	$ 68.3	18.7 %
HPC	302.3	(0.5)	301.8	—	301.8	285.8	16.0	5.6 %
GPC	278.3	(3.2)	275.1	(3.8)	271.3	228.9	42.4	18.5 %
H&G	156.3	—	156.3	—	156.3	113.4	42.9	37.8 %
Total	$ 1,170.6	$ (4.2)	$ 1,166.4	$ (3.8)	$ 1,162.6	$ 993.0	$ 169.6	17.1 %

	September 30, 2020							
Twelve Month Periods Ended (in millions, except %)	**Net Sales**	**Effect of Changes in Currency**	**Net Sales Excluding Effect of Changes in Currency**	**Effect of Acquisitions**	**Organic Net Sales**	**Net Sales September 30, 2019**	**Variance**	
HHI	$ 1,342.1	$ 0.4	$ 1,342.5	$ —	$ 1,342.5	$ 1,355.7	$ (13.2)	(1.0) %
HPC	1,107.6	18.9	1,126.5	—	1,126.5	1,068.1	58.4	5.5 %
GPC	962.6	1.1	963.7	(7.5)	956.2	870.2	86.0	9.9 %
H&G	551.9	0.1	552.0	—	552.0	508.1	43.9	8.6 %
Total	$ 3,964.2	$ 20.5	$ 3,984.7	$ (7.5)	$ 3,977.2	$ 3,802.1	$ 175.1	4.6 %

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization) is a non-GAAP metric used by management that we believe provides useful information to investors because it reflects ongoing operating performance and trends of our segments excluding certain non-cash based expenses and/or non-recurring items during each of the comparable periods and facilitates comparisons between peer companies since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Further, adjusted EBITDA is a measure used for determining the Company's debt covenant. EBITDA is calculated by excluding the Company's income tax expense, interest expense, depreciation expense and amortization expense (from intangible assets) from net income. Adjusted EBITDA further excludes the following:

- Stock based and other incentive compensation costs that consist of costs associated with long-term compensation arrangements and other equity based compensation based upon achievement of long-term performance metrics; and generally consist of non-cash, stock-based compensation. During the year ending September 30, 2019, the Company issued certain incentive bridge awards due to changes in the Company's long-term compensation plans that allow for cash based payment upon employee election which have been included in the adjustment but do not qualify for shared-based compensation;
- Restructuring and related charges, which consist of project costs associated with the restructuring initiatives across the Company's segments;
- Transaction related charges that consist of (1) transaction costs from qualifying acquisition transactions during the period, or subsequent integration related project costs directly associated with an acquired business; and (2) divestiture related transaction costs that are recognized in continuing operations and post-divestiture separation costs consisting of incremental costs to facilitate separation of shared operations, including development of transferred shared service

operations, platforms and personnel transferred as part of the divestitures and exiting of transition service arrangements (TSAs) and reverse TSAs;

- Gains and losses attributable to the Company's investment in Energizer common stock, acquired as part of consideration received from the Company's sale and divestiture of GAC during the year ended September 30, 2019;
- Non-cash purchase accounting inventory adjustments recognized in earnings from continuing operations subsequent to an acquisition (when applicable);
- Non-cash asset impairments or write-offs realized and recognized in earnings from continuing operations (when applicable);
- Foreign currency gains and losses attributable to multicurrency loans for the three and twelve month periods ended September 30, 2020 and September 30, 2019, that were entered into with foreign subsidiaries in exchange for receipt of divestiture proceeds by the parent company and the distribution of the respective foreign subsidiaries' net assets as part of the GBL and GAC divestitures during the year ended September 30, 2019. The Company has entered into various hedging arrangements to mitigate the volatility of foreign exchange risk associated with such loans;
- Legal and litigation costs associated with Salus during the three and twelve month periods ended September 30, 2020 and September 30, 2019 as they are not considered a component of the continuing commercial products company, but continue to be consolidated by the Company until the Salus operations can be wholly dissolved and/or deconsolidated;
- Gain on extinguishment of the Salus CLO debt due to the discharge of the obligation during the twelve month period ended September 30, 2020; and
- Other adjustments primarily consisting of costs attributable to (1) expenses and cost recovery for flood damage at Company facilities in Middleton, Wisconsin during the three and twelve month periods ended September 30, 2020 and September 30, 2019; (2) incremental costs for separation of a key executive during the three and twelve month periods ended September 30, 2020 and September 30, 2019; (3) incremental costs associated with a safety recall in GPC during the three and twelve month periods ended September 30, 2019; (4) operating margin on H&G sales to GAC discontinued operations during the three and twelve month period ended September 30, 2019; and (5) certain fines and penalties for delayed shipments following the completion of a GPC distribution center consolidation in EMEA during the twelve month period ended September 30, 2019.

Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of reported net sales for the respective periods.

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (continued)

The following is a reconciliation of reported net income (loss) from continuing operations to adjusted EBITDA for the three month periods ended September 30, 2020 and September 30, 2019, including the calculation of adjusted EBITDA margin for each of the respective periods.

Three Month Period Ended September 30, 2020 (in millions, except %)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Net income from continuing operations	$ 91.5	$ 11.3	$ 35.3	$ 26.4	$ (120.7)	$ 43.8
Income tax expense	—	—	—	—	35.6	35.6
Interest expense	—	—	—	—	38.0	38.0
Depreciation and amortization	8.8	8.8	9.3	5.0	3.6	35.5
EBITDA	100.3	20.1	44.6	31.4	(43.5)	152.9
Share and incentive based compensation	—	—	—	—	0.3	0.3
Restructuring and related charges	0.1	1.0	1.9	0.2	7.8	11.0
Transaction related charges	—	1.5	3.4	—	0.8	5.7
Loss on Energizer investment	—	—	—	—	8.7	8.7
Foreign currency loss on multicurrency divestiture loans	—	0.2	—	—	(1.3)	(1.1)

Other	—	(0.1)	—	(0.1)	(4.0)	(4.2)
Adjusted EBITDA	$ 100.4	$ 22.7	$ 49.9	$ 31.5	$ (31.2)	$ 173.3
Net Sales	$ 433.7	$ 302.3	$ 278.3	$ 156.3	$ —	$ 1,170.6
Adjusted EBITDA Margin	23.1 %	7.5 %	17.9 %	20.2 %	—	14.8 %

Three Month Period Ended September 30, 2019 (in millions, except %)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Net income (loss) from continuing operations	$ 69.1	$ (118.8)	$ 6.1	$ 14.1	$ (49.5)	$ (79.0)
Income tax benefit	—	—	—	—	(25.2)	(25.2)
Interest expense	—	—	—	—	37.0	37.0
Depreciation and amortization	8.3	8.9	16.8	4.9	3.5	42.4
EBITDA	77.4	(109.9)	22.9	19.0	(34.2)	(24.8)
Share and incentive based compensation	—	—	—	—	14.9	14.9
Restructuring and related charges	0.4	3.4	1.2	0.4	18.1	23.5
Transaction related charges	—	1.1	1.0	—	3.3	5.4
Gain on Energizer investment	—	—	—	—	(26.1)	(26.1)
Write-off from impairment of goodwill	—	116.0	—	—	—	116.0
Write-off from impairment of intangible assets	—	18.8	16.6	—	—	35.4
Foreign currency loss on multicurrency divestiture loans	—	—	—	—	6.7	6.7
Legal and environmental remediation reserves	—	—	—	—	10.0	10.0
Salus	—	—	—	—	0.4	0.4
Other	—	—	—	0.2	1.5	1.7
Adjusted EBITDA	$ 77.8	$ 29.4	$ 41.7	$ 19.6	$ (5.4)	$ 163.1
Net Sales	$ 364.9	$ 285.8	$ 228.9	$ 113.4	$ —	$ 993.0
Adjusted EBITDA Margin	21.3 %	10.3 %	18.2 %	17.3 %	— %	16.4 %

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (continued)

The following is a reconciliation of reported net income (loss) from continuing operations to adjusted EBITDA for the twelve month periods ended September 30, 2020 and September 30, 2019, including the calculation of adjusted EBITDA margin for each of the respective periods.

Twelve Month Period Ended September 30, 2020 (in millions, except for %)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Net income from continuing operations	$ 221.4	$ 42.9	$ 44.9	$ 91.2	$ (315.9)	$ 84.5
Income tax expense	—	—	—	—	70.9	70.9
Interest expense	—	—	—	—	144.5	144.5
Depreciation and amortization	33.9	35.2	44.4	20.4	14.6	148.5
EBITDA	255.3	78.1	89.3	111.6	(85.9)	448.4
Share and incentive based compensation	—	—	—	—	43.6	43.6
Restructuring and related charges	1.0	4.6	20.8	0.5	45.7	72.6
Transaction related charges	—	8.8	10.8	—	3.5	23.1
Loss on Energizer investment	—	—	—	—	16.8	16.8
Loss on assets held for sale	—	—	26.8	—	—	26.8
Write-off from impairment of intangible assets	—	—	24.2	—	—	24.2
Foreign currency loss on multicurrency divestiture loans	—	0.6	—	—	3.2	3.8
Salus	—	—	—	—	0.6	0.6
Salus CLO debt extinguishment	—	—	—	—	(76.2)	(76.2)
Other	—	0.1	0.1	—	(3.7)	(3.5)
Adjusted EBITDA	$ 256.3	$ 92.2	$ 172.0	$ 112.1	$ (52.4)	$ 580.2
Net Sales	$ 1,342.1	$ 1,107.6	$ 962.6	$ 551.9	$ —	$ 3,964.2
Adjusted EBITDA Margin	19.1 %	8.3 %	17.9 %	20.3 %	$ —	14.6 %

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (continued)

Twelve Month Period Ended September 30, 2019 (in millions, except for %)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Net income (loss) from continuing operations	$ 214.6	$ (127.8)	$ 63.4	$ 84.9	$ (421.8)	$ (186.7)
Income tax benefit	—	—	—	—	(7.1)	(7.1)
Interest expense	—	—	—	—	222.1	222.1

Depreciation and amortization	33.5	64.6	48.8	19.3	14.6	180.8
EBITDA	248.1	(63.2)	112.2	104.2	(192.2)	209.1
Share and incentive based compensation	—	—	—	—	53.7	53.7
Restructuring and related charges	4.7	8.1	7.6	1.8	43.5	65.7
Transaction related charges	0.9	7.4	2.5	—	11.0	21.8
Loss on Energizer investment	—	—	—	—	12.1	12.1
Write-off from impairment of goodwill	—	116.0	—	—	—	116.0
Write-off from impairment of intangible assets	—	18.8	16.6	—	—	35.4
Foreign currency loss on multicurrency divestiture loans	—	—	—	—	36.2	36.2
Legal and environmental remediation reserves	—	—	—	—	10.0	10.0
GPC safety recall	—	—	0.7	—	—	0.7
Salus	—	—	—	—	1.6	1.6
Other	—	0.1	3.0	(0.5)	2.1	4.7
Adjusted EBITDA	$ 253.7	$ 87.2	$ 142.6	$ 105.5	$ (22.0)	$ 567.0
Net Sales	$ 1,355.7	$ 1,068.1	$ 870.2	$ 508.1	$ —	$ 3,802.1
Adjusted EBITDA Margin	18.7 %	8.2 %	16.4 %	20.8 %	—	14.9 %

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (continued)

Compensation Program Change

During the fourth quarter ended September 30, 2020, the Company made a change to its annual management incentive plans ("MIP") payout that previously provided for the issuance of stock for a designated pool of recipients in lieu of cash. The annual MIP payout will instead be fully funded through cash distributions with no stock issuance. Our operating performance metric of Adjusted EBITDA excludes any consideration for stock-based compensation expense. Due to the change in the form of payout, there was a reduction to our stock-based compensation and adjusted EBITDA for the three month and fiscal year ended September 30, 2020 of $17.0 million. For comparative purposes for the three month period and year ended September 30, 2020 respective of the prior period, we have included the following pro forma adjusted EBITDA results for the fiscal fourth quarter and year ended September 30, 2020. The following table reflects the pro forma compensation program change as if the $17.0 million was paid in stock and excluded from Adjusted EBITDA consistent to the prior period.

Three month period ended September 30, 2020 (in millions)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Adjusted EBITDA	$ 100.4	$ 22.7	$ 49.9	$ 31.5	$ (31.2)	$ 173.3
Proforma compensation program change	—	—	—	—	17.0	17.0

Proforma Adjusted EBITDA	$ 100.4	$ 22.7	$ 49.9	$ 31.5	$ (14.2)	$ 190.3

Twelve month period ended September 30, 2020 (in millions)	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 256.3	$ 92.2	$ 172.0	$ 112.1	$ (52.4)	$ 580.2
Proforma compensation program change	—	—	—	—	17.0	17.0
Proforma Adjusted EBITDA	$ 256.3	$ 92.2	$ 172.0	$ 112.1	$ (35.4)	$ 597.2

The Company has historically recognized all stock based compensation as a corporate cost and continued to do so for purposes of reporting adjusted EBITDA within the consolidated group. With the compensation program change described above, the Company maintained the compensation expense as a component of Corporate within the quarter and did not reflect the incremental change in the Segment EBITDA above.

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (continued)

Compensation Program Change (continued)

The program change is expected to continue into fiscal 2021 and beyond. Any MIP payouts in future periods are expected to be paid in cash and reflected as a reduction to EBITDA and Adjusted EBITDA. Beginning in fiscal 2021, the Company will recognize a portion of the MIP compensation as a component of the segment EBITDA which may impact comparability of segment results in subsequent quarterly results during the fiscal year ending September 30, 2021. Although not expected to be material to operating results in future periods, we have included proforma financial information below to reflect the compensation charge related to the compensation program change as if it were not considered stock compensation at the beginning of 2020 fiscal year and have allocated it to the segment EBITDA for each of the quarterly and year-to-date periods within the year ended September 30, 2020 for comparability in subsequent future reporting periods.

Three month period ended December 29, 2019

Three month period ended (in millions)	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 42.8	$ 36.4	$ 31.5	$ (3.3)	$ (5.2)	$ 102.2
Proforma compensation program change	(0.6)	(0.4)	(0.4)	(0.2)	(2.6)	(4.2)
Proforma Adjusted EBITDA	$ 42.2	$ 36.0	$ 31.1	$ (3.5)	$ (7.8)	$ 98.0

Three and six month periods ended March 29, 2020

Three month period ended (in millions)	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 69.5	$ 8.0	$ 40.0	$ 28.4	$ (5.5)	$ 140.4
Proforma compensation program change	(0.6)	(0.4)	(0.4)	(0.3)	(2.6)	(4.3)
Proforma Adjusted EBITDA	$ 68.9	$ 7.6	$ 39.6	$ 28.1	$ (8.1)	$ 136.1
Six month period ended (in millions)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Adjusted EBITDA	$ 112.3	$ 44.4	$ 71.5	$ 25.1	$ (10.8)	$ 242.5
Proforma compensation program change	(1.3)	(0.8)	(0.7)	(0.5)	(5.2)	(8.5)
Proforma Adjusted EBITDA	$ 111.0	$ 43.6	$ 70.8	$ 24.6	$ (16.0)	$ 234.0

Three and nine month periods ended June 28, 2020

Three month period ended (in millions)	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 43.6	$ 25.0	$ 50.6	$ 55.5	$ (10.3)	$ 164.4
Proforma compensation program change	(0.6)	(0.4)	(0.4)	(0.2)	(2.7)	(4.3)
Proforma Adjusted EBITDA	$ 43.0	$ 24.6	$ 50.2	$ 55.3	$ (13.0)	$ 160.1
Nine month period ended (in millions)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Adjusted EBITDA	$ 156.0	$ 69.4	$ 122.1	$ 80.6	$ (21.1)	$ 407.0
Proforma compensation program change	(1.8)	(1.2)	(1.1)	(0.7)	(7.9)	(12.7)
Proforma Adjusted EBITDA	$ 154.2	$ 68.2	$ 121.0	$ 79.9	$ (29.0)	$ 394.3

Three month period and year ended September 30, 2020

Three month period ended (in millions)	HHI	HPC	GPC	H&G	Corporate	Consolidated
Adjusted EBITDA	$ 100.4	$ 22.7	$ 49.9	$ 31.5	$ (31.2)	$ 173.3
Proforma compensation program change	(1.4)	(1.0)	(1.2)	(0.7)	17.0	12.7
Proforma Adjusted EBITDA	$ 99.0	$ 21.7	$ 48.7	$ 30.8	$ (14.2)	$ 186.0
Twelve month period ended (in millions)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Adjusted EBITDA	$ 256.3	$ 92.2	$ 172.0	$ 112.1	$ (52.4)	$ 580.2
Proforma compensation program change	(3.2)	(2.2)	(2.3)	(1.5)	9.2	—
Proforma Adjusted EBITDA	$ 253.1	$ 90.0	$ 169.7	$ 110.6	$ (43.2)	$ 580.2

ADJUSTED FREE CASH FLOW

The following is a reconciliation of net cash flow from operating activities to adjusted free cash flow for the year ended September 30, 2020 and forecasted adjusted free cash flow for the year ending September 30, 2021.

(in millions)	September 30, 2020	September 30, 2021
Net cash flow from operating activities	$ 290	310 - 330
Purchases of property, plant and equipment	(61)	(85) - (95)
Divestiture related separation costs and taxes	25	25 - 35
Adjusted free cash flow	$ 254	250 - 270

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