**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
**FORM 10-K**

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

For the Fiscal Year Ended September 30, 2024
OR

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

For the transition period from __________ to ___________

Spectrum Brands

| Commission File No. | Name of Registrant, State of Incorporation, Address of Principal Offices, and Telephone No. | IRS Employer Identification No. |
|---|---|---|
| 1-4219 | Spectrum Brands Holdings, Inc.<br><br>(a Delaware corporation)<br>3001 Deming Way, Middleton, WI 53562<br>(608) 275-3340<br>www.spectrumbrands.com | 74-1339132 |

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| Common Stock, Par Value $0.01 | SPB | New York Stock Exchange |

**Securities registered pursuant to Section 12(g) of the Act:** None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 (§232.405 of this chapter) 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 |
|---|---|---|---|---|
| X | | | | |

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 has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatement that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting stock held by non-affiliates of Spectrum Brands Holdings, Inc. was approximately $2,374 million based upon the closing price on the last business day of the registrant's most recently completed second fiscal quarter (March 31, 2024). For the sole purposes of making this calculation, term “non-affiliate” has been interpreted to exclude directors and executive officers and other affiliates of the registrant. Exclusion of shares held by any person should not be construed as a conclusion by the registrant, or an admission by any such person, or that such person is an “affiliate” of the Company, as defined by applicable securities law. As of November 8, 2024, there were outstanding 28,051,511 shares of Spectrum Brands Holdings, Inc.’s Common Stock, par value $0.01 per share.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of Spectrum Brands Holdings, Inc.’s subsequent amendment to the Form 10-K to be filed within 120 days of September 30, 2024 are incorporated by reference in this Annual Report on Form 10-K in response to Part III, Items 10, 11, 12 and 13.

**SPECTRUM BRANDS HOLDINGS, INC.**
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**Forward-Looking Statements**

We have made or implied certain forward-looking statements in this document. All statements, other than statements of historical facts included or incorporated by reference in this document, including the statements under *Management's Discussion and Analysis of Financial Condition and Results of Operations*, without limitation, statements or expectations regarding our business strategy, future operations or condition, estimated revenues, projected costs, inventory management, earnings power, projected synergies, prospects, plans and objectives of management, outcome of any litigation and information concerning expected actions of third parties are forward-looking statements. When used in this report, the words future, anticipate, pro forma, seek, intend, plan, envision, estimate, believe, belief, expect, project, forecast, outlook, earnings framework, goal, target, could, would, will, can, should, may and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Because 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:

- the economic, social and political conditions or civil unrest, terrorist attacks, acts of war, natural disasters, other public health concerns or unrest in the United States ("U.S.") or the international markets impacting our business, customers, employees (including our ability to retain and attract key personnel), manufacturing facilities, suppliers, capital markets, financial condition and results of operations, all of which tend to aggravate the other risks and uncertainties we face;
- the impact of a number of local, regional and global uncertainties could negatively impact our business;
- the negative effect of the Russia-Ukraine war and the Israel-Hamas war and their impact on those regions and surrounding regions, including the Middle East and disruptions to international trade, supply chain and shipping routes and pricing, and on our operations and those operations of our customers, suppliers and other stakeholders;
- our increased reliance on third-party partners, suppliers and distributors that are outside our control to achieve our business objectives;
- the impact of government intervention with or influence on the operations of our suppliers, including in China;
- the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring and optimization activities, including changes in inventory and distribution center changes which are complicated and involve coordination among a number of stakeholders, including our suppliers and transportation and logistics handlers;
- the impact of our indebtedness and financial leverage position on our business, financial condition and results of operations;
- 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;
- any failure to comply with financial covenants and other provisions and restrictions of our debt instruments;
- 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;
- the impact of fluctuations in transportation and shipment costs, fuel costs, commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers' willingness to advance credit;
- interest rate fluctuations;
- changes in foreign currency exchange rates that may impact our purchasing power, pricing and margin realization within international jurisdictions;
- the loss of significant reduction in or dependence upon, sales to any significant retail customer(s), including their changes in retail inventory levels and management thereof;
- competitive promotional activity or spending by competitors, or price reductions by competitors;
- the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands, including via private label manufacturers;
- changes in consumer spending preferences, shopping trends, and demand for our products, particularly in light of economic stress;
- our ability to develop and successfully introduce new products, protect intellectual property and avoid infringing the intellectual property of third parties;
- our ability to successfully identify, implement, achieve and sustain productivity improvements, cost efficiencies (including at our manufacturing and distribution operations) and cost savings;
- the seasonal nature of sales of certain of our products;
- the impact weather conditions may have on the sales of certain of our products;
- the effects of climate change and unusual weather activity as well as our ability to respond to future natural disasters and pandemics and to meet our environmental, social and governance goals;
- the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations);
- our ability to use social media platforms as effective marketing tools and to manage negative commentary regarding us, and the impact of rules governing the use of e-commerce and social media;
- 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;
- the impact of existing, pending or threatened litigation, government regulation or other requirements or operating standards applicable to our business;
- 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;
- changes in accounting policies applicable to our business;
- our discretion to adopt, conduct, suspend or discontinue any share repurchase program or conduct any debt repayments, redemptions, repurchases or refinancing transactions (including our discretion to conduct purchases or repurchases, if any, in a variety of manners including open-market purchases, privately negotiated transactions, tender offers, redemptions, or otherwise);
- our ability to utilize net operating loss carry-forwards to offset tax liabilities;
- our ability to separate the Company's Home and Personal Care ("HPC") business and create an independent Global Appliances business on expected terms, and within the anticipated time period, or at all, and to realize the potential benefits of such business;
- our ability to create a pure play consumer products company composed of our Global Pet Care ("GPC") and Home & Garden ("H&G") businesses and to realize the expected benefits of such creation, and within the anticipated time period, or at all;
- our ability to successfully implement and realize the benefits of acquisitions or dispositions and the impact of any such transactions on our financial performance;
- our ability to achieve our goals and aspirations related to the reduction of greenhouse gas ("GHG") emissions or otherwise meet the expectations of our stakeholders with respect to environmental, social and governance ("ESG") matters;
- the impact of actions taken by significant shareholders; and
- the unanticipated loss of key members of senior management and the transition of new members of our management teams to their new roles.

Some of the above-mentioned factors are described in further detail in the sections entitled *Risk Factors* in our annual and quarterly reports (including this report), as applicable. You should assume the information appearing in this report is accurate only as of the end of the period covered by this report, or as otherwise specified, as our business, financial condition, results of operations and prospects may have changed since that date. Except as required by applicable law, including the securities laws of the U.S. and the rules and regulations of the United States Securities and Exchange Commission ("SEC"), 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.

**Risk Factors Summary**

The following is a summary of the principal risks that could materially adversely affect our business, financial condition or results of operations in future periods. The summary should be read in conjunction with the more detailed description of each risk factor described in *Part 1, Item 1A Risk Factors* section of this report and should not be relied upon as an exhaustive summary of the material risks facing our business.

*Risks related to our business operations: We participate in very competitive markets and we may not be able to compete successfully, causing us to lose market share and sales.*

- Our plans to separate our HPC business into an independent, publicly traded company may not be completed on the currently contemplated timeline or at all and, if completed, may not achieve the intended benefits.
- Reliance on third-party relationships and outsourcing arrangements that are beyond our control could adversely affect our business.
- Compliance with regulations regarding the use of "conflict minerals" could limit the supply and increase the cost of certain metals used in manufacturing our products.
- Uncertain global economic conditions may adversely impact demand for our products or cause our customers and other business partners to suffer financial hardship, which could adversely impact our business.
- The People's Republic of China ("PRC") government may intervene with or influence the operations of our suppliers at any time, which could result in a material change in our operations.
- Disruption in our global supply chain may negatively impact our business results.
- We participate in very competitive markets and we may not be able to compete successfully, causing us to lose market share and sales.
- Changes in consumer preferences and shopping trends and changes in distribution channels could significantly harm our business.
- Consolidation of retailers and our dependence on a small number of key customers for a significant percentage of our sales may negatively affect our business, financial condition and results of operations.
- As a result of retailers maintaining tighter inventory control, we face risks related to meeting demand and storing inventory.
- Sales of certain of our products are seasonal and may cause our operating results and working capital requirements to fluctuate.
- Adverse weather conditions during our peak selling seasons for our home and garden products could have a material adverse effect on our home and garden business.
- Our products utilize certain key raw materials; any significant increase in the price of, or change in supply and demand for, these raw materials could have a material and adverse effect on our business, financial condition and profits.
- Our dependence on a few suppliers for certain of our products makes us vulnerable to a disruption in the supply of our products. Our dependence on a few suppliers for certain of our products makes us vulnerable to a disruption in the supply of our products.
- Our home and garden products are mainly manufactured from our St. Louis, MO, facility and our aquatics products and certain companion animal products are manufactured in Blacksburg, VA, Bridgeton, MO, Noblesville IN and Melle, Germany. We are dependent upon the continued safe operation of these facilities.
- We face a number of local, regional, and global uncertainties and potential disruptions, including relating to political and economic instability in a number of regions, some of which have been historically volatile, including relating to political and economic instability in a number of regions, some of which have been historically volatile, which could adversely impact our businesses.
- If we are unable to negotiate satisfactory terms to continue existing or enter into additional collective bargaining agreements, we may experience an increased risk of labor disruptions and our results of operations and financial condition may suffer.
- Significant changes in actual investment return on pension assets, discount rates, and other factors could affect our results of operations, equity and pension contributions in future periods.
- Our business may be materially affected by changes to fiscal and tax policies that could adversely affect our results of operations and cash flows.
- We may not be able to fully utilize our U.S. tax attributes.
- Our strategic initiatives including acquisitions and divestitures may not be successful and may divert our management's attention away from operations and could create general customer uncertainty.
- Significant costs have been incurred and are expected to be incurred in connection with the consummation of recent and future strategic initiatives including the integration or separation of acquired or divested businesses within the Company.
- We may not realize the anticipated benefits of, and synergies from, our business acquisitions and may become responsible for certain liabilities and integration costs as a result.
- We may not be able to retain key personnel or recruit additional qualified personnel, which could materially affect our business and require us to incur substantial additional costs to recruit replacement personnel.
- Increased focus by governmental and non-governmental organizations, customers, consumers and investors on sustainability issues, including those related to climate change, may have an adverse effect on our business, financial condition and results of operations and damage our reputation.
- Failure to deploy social media and influencers effectively may materially and adversely affect our reputation, business, financial condition and results of operations.
- The COVID-19 pandemic was, and future pandemics could be a serious threat to the health and economic well-being affecting our customers, employees, sources of supply and our financial condition and results of operations.

*Risks related to our indebtedness and financing abilities: Our indebtedness may limit our financial and operating flexibility, and we may incur additional debt, which could increase the risks associated with our substantial indebtedness.*

- Servicing our existing and future debt may require a significant amount of cash, and we may not have sufficient cash flow from our business to settle exchanges of the Exchangeable Notes in cash, repay the Exchangeable Notes at maturity, or repurchase the Exchangeable Notes as required following a fundamental change.
- The capped call transactions we entered into in connection with the issuance of the Exchangeable Notes may affect the value of our common stock.
- Aspects of the Capped Calls may not operate as planned and may affect the value of the Exchangeable Notes and our common stock, and we are subject to counterparty credit risk with respect to the Capped Calls.
- The conditional exchange feature of the Exchangeable Notes, if triggered, may adversely affect our financial condition and operating results.
- Provisions in the indenture for the Exchangeable Notes may deter or prevent a strategic transaction that may be favorable to you.

- The issuance of additional stock, including common stock delivered upon exchange of the Exchangeable Notes, will dilute all other shareholders.
- Our substantial indebtedness may limit our financial and operating flexibility, and we may incur additional debt, which could increase the risks associated with our indebtedness
- Restrictive covenants in our debt agreements may restrict our ability to pursue our business strategies.
- Future financing activities may adversely affect our leverage and financial condition.

*Risks related to our international operations: We are subject to significant international business risks that could hurt our business and cause our results of operations to fluctuate.*

- We are subject to significant international business risks that could hurt our business and cause our results of operations to fluctuate.
- As a result of our international operations, we face a number of risks related to exchange rates and foreign currencies.
- Our international operations expose us to risks related to compliance with the laws and regulations of foreign countries.
- We face risks related to the impact on foreign trade agreements and relations.
- We face risks relating to tariffs imposed by the United States and other governments.
- We are subject to risks associated with importing goods and materials from foreign countries.

*Risks related to data privacy and intellectual property: We may not be able to adequately establish and protect our intellectual property rights, and the infringement or loss of our intellectual property rights could harm our business.*

- We and our licensors may not be able to adequately establish and protect the intellectual property rights we use in our business and the infringement or loss of our intellectual property rights could harm our business.
- If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology, products and services could be harmed significantly.
- Claims by third parties that we are infringing their intellectual property and other litigation could adversely affect our business.
- A cybersecurity breach or failure of one or more key information technology systems could have a material adverse impact on our business or reputation.
- Disruption or failures of our information technology systems could have a material adverse effect on our business.
- Our actual or perceived failure to adequately protect personal data could adversely affect our business, financial condition and results of operations.
- We are subject to data security and privacy risks that could negatively affect our results, operations or reputation.

*Risks related to litigation and regulatory compliance: We are subject to a number of claims and litigation and may be subject to future claims and litigation, any of which may adversely affect our business.*

- Class action and derivative action lawsuits and other investigations, regardless of their merits, could have an adverse effect on our business, financial condition and results of operations.
- We are subject to a number of claims and litigation and may be subject to future claims and litigation, any of which may adversely affect our business.
- The Company has been, and may in the future be, subject to product liability claims and product recalls, which could negatively impact its profitability.
- Agreements, transactions and litigation involving or resulting from the activities of our predecessor and its former subsidiaries may subject us to future claims or litigation that could materially adversely impact our capital resources.
- We may incur material capital and other costs due to changing environmental laws and regulations and other environmental liabilities.
- Compliance with various public health, consumer protection and other regulations applicable to our products and facilities could increase our cost of doing business and expose us to additional requirements with which we may be unable to comply.
- We may be unable to achieve our goals and aspirations related to the reduction of greenhouse gas emissions, or otherwise meet the expectations of our stakeholders with respect to ESG matters.
- Public perceptions that some of the products we produce and market are not safe could adversely affect us.
- We have in our past recorded substantial impairment charges relating to indefinite-lived intangible assets. If our indefinite-lived intangible assets or other long-term assets become impaired, we will be required to record additional impairment charges, which may be significant.
- The successful execution of our operational efficiency and multi-year restructuring initiatives are important to the long-term growth of our business.

*Risks related to investment in our common stock: The market price of the Company's common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control.*

- Our Restated Bylaws provide that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.
- Certain provisions of our charter, bylaws, and of the Delaware General Corporation Law (the "DGCL") have anti-takeover effects and could delay, discourage, defer or prevent a tender offer or takeover attempt that a stockholder might consider to be in the stockholder's best interests.
- The market price of the Company's common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control.

**PART I**

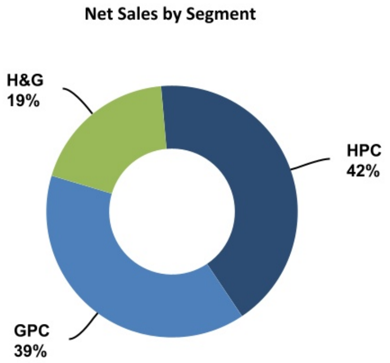
ITEM 1.    BUSINESS

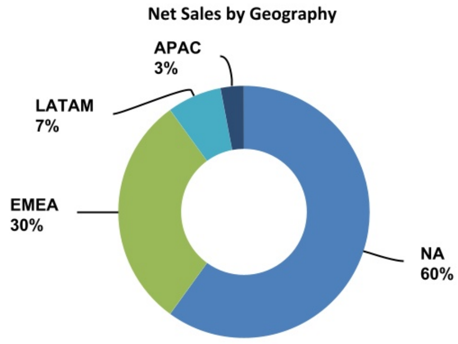
The terms “the Company,” “we," “our,” and "SBH" as used in this report, refer to Spectrum Brands Holdings, Inc. and its consolidated subsidiaries, unless otherwise indicated.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are available free of charge through our website at www.spectrumbrands.com as soon as reasonably practicable after such reports are filed with, or furnished to, the SEC. The SEC also maintains a website that contains our reports, proxy statements and other information at www.sec.gov. In addition, copies of our (i) Corporate Governance Guidelines, (ii) charters for the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, (iii) Code of Business Conduct and Ethics and (iv) Code of Ethics for the Principal Executive Officer and Senior Financial Officers are available on our website at www.spectrumbrands.com under “Investor Relations.” Copies will also be provided to any stockholder upon written request to Spectrum Brands, Inc. at 3001 Deming Way, Middleton, Wisconsin 53562 or via electronic mail at investorrelations@spectrumbrands.com, or by telephone at (608) 278-6207.

**General Overview**

We are a diversified global branded consumer products and home essentials company. We manage the business in three vertically integrated, product focused segments: (i) Global Pet Care (“GPC”), (ii) Home and Garden (“H&G”) and (iii) Home and Personal Care (“HPC”). The Company manufactures, markets and distributes its products globally in the North America (“NA”), Europe, Middle East & Africa (“EMEA”), Latin America (“LATAM”) and Asia-Pacific (“APAC”) regions through a variety of trade channels, including retailers, wholesalers and distributors. We enjoy strong name recognition under our various brands and patented technologies across multiple product categories. Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a president responsible for sales and marketing initiatives and the financial results for all product lines within that segment. The segments are supported through center-led shared service enabling functions consisting of finance and accounting, information technology, legal and human resources, supply chain and commercial operations. The following is an overview of the consolidated business showing net sales by segment and geographic region sold (based upon destination) as a percentage of consolidated net sales for the year ended September 30, 2024.

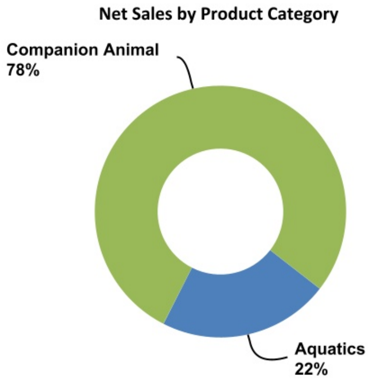


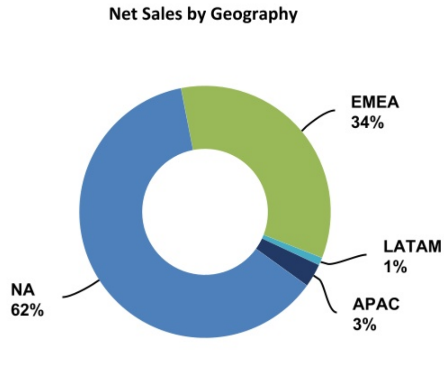




Our operating performance is influenced by a number of factors including: general economic conditions; foreign exchange fluctuations; trends in consumer markets; consumer confidence and preferences; our overall product line mix, including pricing and gross margin, which vary by product line and geographic market; pricing of certain raw materials and commodities; energy and fuel prices; and our general competitive position, especially as impacted by our competitors’ advertising and promotional activities and pricing strategies. See *Item 7 - Management’s Discussion and Analysis of Financial Condition and Results of Operations*, for further discussion of the consolidated operating results and segment operating results.

*Global Pet Care (GPC)*

The following is an overview of GPC net sales by product category and geographic region sold by destination for the year ended September 30, 2024.




| Product Category | Products | Brands |
|---|---|---|
| Companion Animal | Rawhide chews, dog and cat clean-up, training, health and grooming products, small animal food and care products, rawhide-free dog and cat treats, and wet and dry pet food for dogs and cats. | Good'n'Fun®, DreamBone®, GOOD BOY®, SmartBones®, IAMS® (Europe only), EUKANUBA® (Europe only), Nature's Miracle®, FURminator®, Dingo®, 8IN1® (8-in-1), Meowee!®, and Wild Harvest™. |
| Aquatics | Consumer and commercial aquarium kits, stand-alone tanks; aquatics equipment such as filtration systems, heaters and pumps; and aquatics consumables such as fish food, water management and care | Tetra®, Marineland®, Instant Ocean®, GloFish®, and OmegaSea®. |

We sell primarily to large retailers, pet superstores, online retailers, food and drug chains, warehouse clubs and other specialty retail outlets. International distribution varies by region and is often executed on a country-by-country basis. Our sales generally are made through the use of individual purchase orders. In addition to product sales within the United States, we also perform installation and maintenance services on commercial aquariums. Live fish under our GloFish® brand are produced, marketed, and sold by an independent third-party breeder through a supply and licensing agreement with the Company. A significant percentage of our sales are attributable to a limited group of retailer customers, including Walmart and Amazon, each of which exceed 10% of segment sales and represent approximately 33.8% of segment sales for the fiscal year ended September 30, 2024.

Primary competitors of our GPC segment are Mars Corporation, Nestle Purina, and the Central Garden & Pet Company, each of which sells a comprehensive line of pet products that competes across our product categories. The pet supplies (non-food) product category is highly fragmented with no competitor holding a substantial market share and consists of small companies with limited product lines, including private label products and suppliers.

Sales remain mostly consistent throughout the year with slight variations during holiday periods. Our sales by quarter as a percentage of annual net sales during the year ended September 30, 2024' are as follows:

| | 2024 |
|---|---|
| First Quarter | 24 % |
| Second Quarter | 25 % |
| Third Quarter | 25 % |
| Fourth Quarter | 26 % |

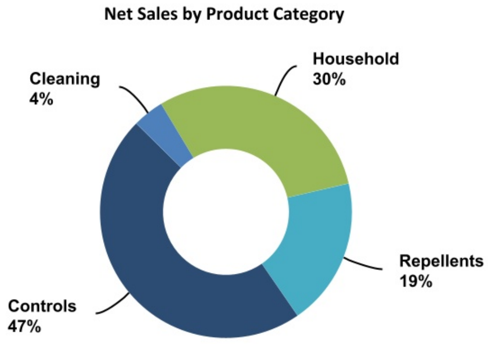
Chews products are produced at third-party suppliers in the APAC region and Mexico. Certain other aquatics equipment and companion animal hard goods are also produced at third-party suppliers in the APAC region. We maintain ownership of most of the tooling and molds used by third-party suppliers. Product purchased from third-party suppliers are susceptible to fluctuations in transportation costs, government regulations and tariffs, and foreign currency exchange rates. We continuously monitor and evaluate our supplier network for quality, cost, and manufacturing capacity.

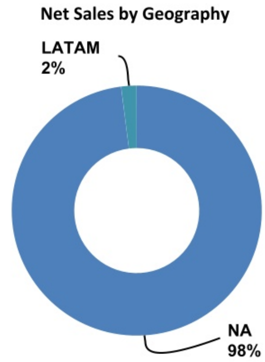
Aquatics and certain other companion animal products are produced in various manufacturing plants located in the U.S. and Germany, including the production of glass aquariums in in our Noblesville, Indiana facility, shampoos and aquarium salt in our Blacksburg, Virginia facility, OmegaSea® fish food with bird and other small animal products manufactured in our Bridgeton, Missouri facility, and aquatics nutrition and care products manufactured in our Melle, Germany facility. We continually evaluate capacity at our manufacturing facilities and related utilization. In general, we believe our existing facilities are adequate for our present and foreseeable future operating needs.

Our research and development strategy is focused on new product development and performance enhancements of our existing products. We plan to continue to use our brand names, customer relationships and research and development efforts to introduce innovative products that offer enhanced value to consumers through new designs and improved functionality.

*Home and Garden (H&G)*

The following is an overview of H&G net sales by product category and geographic region sold by destination for the year ended September 30, 2024.




| Product Category | Products | Brands |
|---|---|---|
| Household | Household pest control solutions such as spider and scorpion killers; ant and roach killers; flying insect killers; insect foggers; wasp and hornet killers; and bedbug, flea and tick control products | Hot Shot®, Black Flag®, Real-Kill®, Ultra Kill®, The Ant Trap® (TAT), and Rid-A-Bug®. |
| Controls | Outdoor insect and weed control solutions, and animal repellents such as aerosols, granules, and ready-to-use sprays or hose-end ready-to-sprays | Spectracide®, Garden Safe®, Liquid Fence®, and EcoLogic®. |
| Repellents | Personal use pesticides and insect repellent products, including aerosols, lotions, pump sprays and wipes, yard sprays and citronella candles | Cutter® and Repel®. |
| Cleaning | Household surface cleaning, maintenance, and restoration products, including bottled liquids, mops, wipes, and markers. | Rejuvenate® |

We sell primarily to large retailers, home improvement centers, mass merchants, dollar stores, hardware stores, lawn and garden distributors, food and drug retailers, and e-commerce. We sell primarily in the U.S. with some distribution in LATAM. Our sales generally are made through the use of individual purchase orders. A significant percentage of our sales are attributable to a limited group of retailer customers exceeding 10% of net sales, including Lowe's, Home Depot, and Walmart, each of which exceed 10% of segment sales and represent approximately 61.8% segment sales for the year ended September 30, 2024.

Primary competitors of our H&G segment include The Scotts Miracle-Gro Company (Ortho, Roundup, Tomcat), S.C. Johnson & Son, Inc. (Raid, OFF!), Central Garden & Pet (AMDRO, Sevin), SBM Company (BioAdvanced), Henkel AG & Co. KgaA (Combat), Bona AB (Bona), and Procter & Gamble (Swiffer, Zevo).

Sales typically peak during the first six months of the calendar year (the Company's second and third fiscal quarters) and are lowest in the last three months of the calendar year (the Company's first quarter) due to customer purchasing patterns, and timing of promotional activities. Seasonal sales may also be impacted by changes in weather conditions during the peak season. Our sales by quarter as a percentage of annual net sales during the year ended September 30, 2024, are as follows:

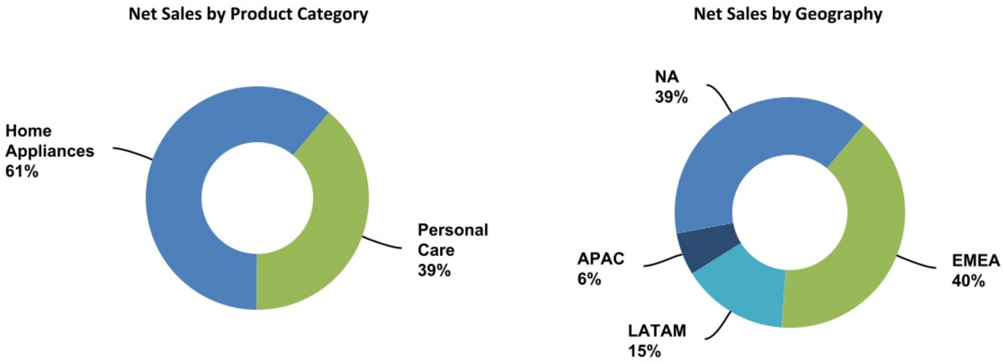
| | 2024 |
|---|---|
| First Quarter | 12 % |
| Second Quarter | 28 % |
| Third Quarter | 37 % |
| Fourth Quarter | 23 % |

H&G produces the majority of its products in one facility in Vinita Park, Missouri, with production primarily consisting of liquids and aerosols, and the remaining portion of products being produced by various third-party manufacturers, consisting of granulates, candles, baits & traps, wipes and Rejuvenate® cleaning products. The main raw materials purchased are plastic bottles, steel aerosol cans, corrugate, active ingredients, and bulk chemicals. The prices of these raw materials are susceptible to fluctuations due to supply and demand trends, energy costs, transportation costs, inflation, government regulations, and tariffs. We continuously monitor and evaluate our supplier network for quality, cost, and manufacturing capacity.

Our research and development strategy is focused on new product development and performance enhancements of our existing products. We plan to continue to use our brand names, customer relationships, and research and development efforts to introduce innovative products that offer enhanced value to consumers through new designs and improved functionality.

*Home and Personal Care (HPC)*

The following is an overview of net sales by product category and geographic region sold by destination for the year ended September 30, 2024.




| Product Category | Products | Brands |
|---|---|---|
| Home Appliances | Small kitchen appliances including toaster ovens, coffeemakers, slow cookers, air fryers, blenders, hand mixers, grills, food processors, juicers, toasters, irons, kettles, and bread makers, cookware, and cookbooks. | Black+Decker®, Russell Hobbs®, George Foreman®, PowerXL®, Emeril Legasse®, Copper Chef ®, Toastmaster®, Juiceman®, Farberware®, and Breadman® |
| Personal Care | Hair dryers, flat irons and straighteners, rotary and foil electric shavers, personal groomers, mustache and beard trimmers, body groomers, nose and ear trimmers, women's shavers, and haircut kits. | Remington® |

We have a trademark license agreement (the "B+D License Agreement") with the license holder, Stanley Black+Decker ("SBD") which terminated the previous agreement and has an effective date of January 1, 2024, pursuant to which we license the Black + Decker® brand ("B+D") in North America, South America (excluding Brazil), Central America, and the Caribbean (excluding Cuba) for primarily four core categories of home appliances: beverage products, food preparation products, garment care products and cooking products. The B+D License Agreement has an initial four-year term ending December 31, 2027, with two subsequent four-year renewal rights each based upon meeting certain sales metrics, potentially extending the total contract term to December 31, 2035. The License Agreement may not renew if these targets are not satisfied. Under the terms of the License Agreement, we agreed to pay SBD royalties based on a percentage of sales, with a minimum annual royalty payment of $11.7 million for the first year in the initial term, with decreases in subsequent years of the initial term down to $10.2 million in the fourth year, and is subject to adjustment with each renewal period. The B+D License Agreement also requires us to comply with maximum annual returns rates for products and promotional spending commitments. See *Note 5 – Revenue Recognition* included in the *Notes to the Consolidated Financial Statements* for further detail on revenue concentration from B+D branded products.

The Emeril Legasse® brand is subject to a trademark license agreement (the "Emeril License Agreement") with the license holder, Martha Stewart Living Omnimedia, Inc., pursuant to which the HPC segment can license the Emeril Legasse® brand within the U.S., and its territories and possessions, Canada, Mexico, Australia, and the United Kingdom for certain designated products categories of home appliances, including small kitchen food preparation products, indoor and outdoor grills, grill accessories and cookbooks. The agreement is set to expire effective December 31, 2024, with an option to renew through December 31, 2025, subject to meeting certain sales metrics. Under the terms of the Emeril License Agreement, we are obligated to pay the license holder a percentage of net sales, with minimum annual royalty payments of $1.7 million, increasing to $1.8 million in the 2025 renewal period. The Farberware® tradename brand is also subject to a trademark license agreement (the "Farberware License Agreement") with the license holder, Farberware License Company, LLC, pursuant to which the HPC segment licenses the Farberware® brand on a worldwide basis for certain designated product categories of household appliances, including coffeemakers, juicers, toasters and toaster ovens. The Farberware License Agreement is set to expire December 31, 2210. The Company and HPC segment do not have a material concentration of branded products exceeding 10% of consolidated or segment revenue from either the Emeril Legasse® or Farberware® brands.

We own the right to use the Remington® trademark for electric shavers, shaver accessories, grooming products and personal care products; and Remington Arms Company, Inc. ("Remington Arms") owns the rights to use the trademark for firearms, sporting goods and products for industrial use, including industrial hand tools. The terms of a 1986 agreement between Remington Products, LLC and Remington Arms provides for the shared rights to use the trademark on products which are not considered "principal products of interest" for either company. We retain the Remington® trademark for nearly all products which we believe can benefit from the use of the brand name in our distribution channels.

HPC products are sold primarily to large retailers, online retailers, wholesalers, distributors, warehouse clubs, food and drug chains and specialty trade or retail outlets such as consumer electronics stores, department stores, discounters and other specialty stores. HPC products are also sold direct-to-consumer through direct response television, brand websites, and other online marketplaces. International distribution varies by region and is often executed on a country-by-country basis. Our sales generally are made through the use of individual purchase orders. A significant percentage of our sales are attributable to a limited group of retailer customers, including Walmart and Amazon, each of which exceed 10% of segment sales and represent approximately 41.5% of segment sales for the year ended September 30, 2024.

Primary competitors for the home appliances product category within our HPC segment include Newell Brands (Sunbeam, Mr. Coffee, Crockpot, Oster), De'Longhi America (DeLonghi, Kenwood, Braun), SharkNinja (Shark, Ninja), Hamilton Beach Holding Co. (Hamilton Beach, Proctor Silex), Sensio, Inc. (Bella), SEB S.A.(T-fal, Krups, Rowenta), Whirlpool Corporation (Kitchen Aid), Conair Corporation (Cuisinart, Waring), Versuni (Philips), Donlim (Morphy Richards), Gourmia, and private label brands for major retailers. Primary competitors for the personal care product category within our HPC segment include Koninklijke Philips Electronics N.V. (Norelco), The Procter & Gamble Company (Braun), Conair Corporation, Wahl Clipper Corporation, Helen of Troy Limited, SharkNinja (Shark), and Dyson Limited (Dyson).

Sales from electric personal care product categories tend to increase during the December holiday season (the Company's fiscal first quarter), while small home appliance sales typically increase from July through December primarily due to the increased demand by customers in the late summer for "back-to-school" sales (the Company's fiscal fourth quarter) and in December for the holiday season.

Our sales by quarter as a percentage of annual net sales during the year ended September 30, 2024, are as follows:

| | 2024 |
|---|---|
| First Quarter | 28 % |
| Second Quarter | 22 % |
| Third Quarter | 23 % |
| Fourth Quarter | 27 % |

Substantially all of our home appliances and personal care products are manufactured by third-party suppliers that are primarily located in the APAC region, the prices of which may be susceptible to changes in transportation costs, government regulations and tariffs, and changes in currency exchange rates. We maintain ownership of most of the tooling and molds used by our suppliers.

We continuously monitor and evaluate our supplier network for quality, cost, and manufacturing capacity. Our research and development strategy is focused on new product development and performance enhancements of our existing products. We plan to continue to use our brand names, customer relationships and research and development efforts to introduce innovative products that offer enhanced value to consumers through new designs and improved functionality.

***Human Resources***

*Employee Profile*

At Spectrum Brands, we are led by our values of trust, accountability, and collaboration to serve others through this common mission: We Make Living Better at Home. We strive to live our core values of trust, accountability and collaboration every day by serving our customers, consumers, and communities. Our workplace culture is centered around practices that support our communities and promote sustainable practices and a diverse, equitable, and inclusive workforce.

As of September 30, 2024, we have approximately 3,100 full-time employees worldwide. Approximately 30% of our total labor force is covered by collective bargaining agreements, of which approximately 50% is subject to regular and ongoing negotiations as an ordinary course of business with our work councils. We have one collective bargaining agreement applicable to our Australian operation that is scheduled or expected to expire within 12 months which is not substantive to our total employee count. We believe that our overall relationship with our employees is good.

*Employee Wellness*

We encourage our employees to "Speak Up," "Be Accountable," "Take Action," and "Grow Talent," all in the efforts to promote innovation, trust, accountability and collaboration. The result is a work environment that encourages the well-being of our employees wholistically - mind and body.

*Employee Health and Safety*

We are committed to the Environmental Health and Safety ("EHS") safety of our employees. We continuously strive to maintain our strong safety performance as we continue to grow our business around the globe. The keys to our EHS success are a workforce that is engaged, a management team who supports and invests in employee safety, regular employee trainings on EHS topics, and the leadership of our skilled EHS team. In the last several years, the team has added dedicated EHS professionals to individual sites to train employees and ensure compliance with applicable safety standards and regulations. The team hosts regular meetings to share information and discuss best practices across plants.

*Environmental, Social and Governance*

Spectrum Brands is committed to further enhancing our environmental, social and governance ("ESG") efforts and recognizes the impact our business has on our communities and the world. We believe in making a positive difference in the communities in which we live and work and strive to discharge our corporate social responsibilities from a global perspective and throughout every aspect of our operations, consistent with our focus on creating value for all of our stakeholders over the long term. Our decisions regarding business strategy, operations and resource allocation are guided by this purpose and are rooted in our core values. Our Board recognizes the negative effect that poor environmental practices and human capital management may have on us and our returns. Accordingly, our Board considers and balances the impact on the environment, people and the communities of which we are a part in deciding how to operate our business. Our Board receives periodic reports regarding our risk exposure and risk mitigation efforts in these areas.

We are committed to operating our business with all stakeholders in mind and with a view toward long-term sustainability and value creation, even as our business and society face a variety of existing and emerging challenges. We leverage our expertise, along with external partners, to help address these challenges. While our corporate social responsibility commitments address many areas, we focus on five key priorities: product and content safety, environmental sustainability, human rights and ethical sourcing, employee safety and well-being and diversity and inclusion.

*Talent Development*

Spectrum Brands is committed to developing our future leaders at every level. Our talent processes start with understanding what current and future talent is needed to deliver business goals, followed by a talent review process to assist managers with evaluating talent.

Learning and development is a critical part of creating Spectrum Brands' culture of high performance, innovation, and inclusion. We believe on-the-job experience is an outstanding way to learn, and performance and development plans ensure that managers and employees have conversations about career aspirations, mobility, developmental goals and interests.

*Employee Communication and Feedback*

In an ongoing effort to understand our employees' needs, and deliver on our values of trust, accountability and collaboration, we listen. We regularly host company-wide and business unit town halls to offer employees an opportunity to ask questions about Company activities and policies that impact them. We solicit and receive questions and feedback from our employees through this process.

*Diversity and Inclusion*

Spectrum Brands is committed to fostering a diverse and inclusive workplace for employees of every race, color, gender identity, sexual orientation, age, physical or mental ability and background. At Spectrum Brands, we strive to make our employees feel valued and respected and given the opportunity to thrive as their authentic selves. To further that objective, we have:

- Engaged the services of a third-party consultant with expertise in diversity and inclusion ("D&I") to help us create long-lasting change;
- Implemented a D&I program;
- Created a U.S. D&I Advisory Counsel, made up of our employees of diverse backgrounds to help design and develop D&I-related priorities and goals, advise on ways to advance the D&I dialogue and drive meaningful cultural change at the Company;
- Created inclusion networks for our diverse employees and developing trainings, communications and programs to further facilitate and encourage open and transparent D&I discussions among our employee populations; and
- Developed educational content and trainings to help leaders foster a more inclusive environment.

ITEM 1A. RISK FACTORS

Any of the following factors could materially and adversely affect our business, financial condition and results of operations. The risks described below are not the only risks that we may face. Additional risks and uncertainties not currently known to us or that we currently view as immaterial may also materially and adversely affect our business, financial condition or results of operations.

We are subject to a variety of risks, including those described below. In particular, these risks include, but are not limited to:

- Risks related to our business operations: We participate in very competitive markets and we may not be able to compete successfully, causing us to lose market share and sales.
- Risks related to our indebtedness and financing abilities: Our indebtedness may limit our financial and operating flexibility, and we may incur additional debt, which could increase the risks associated with our substantial indebtedness.
- Risks related to our international operations: We are subject to significant international business risks that could hurt our business and cause our results of operations to fluctuate.
- Risks related to data privacy and intellectual property: We may not be able to adequately establish and protect our intellectual property rights, and the infringement or loss of our intellectual property rights could harm our business.
- Risks related to litigation and regulatory compliance: We are subject to a number of claims and litigation and may be subject to future claims and litigation, any of which may adversely affect our business.
- Risks related to investment in our common stock: The market price of the Company's common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control.

**Risks Related to our Business Operations**

***Our plans to separate our HPC business into an independent, publicly traded company may not be completed on the currently contemplated timeline or at all and, if completed, may not achieve the intended benefits.***

We have previously announced our plan to divest our HPC business through a sale or spin of the segment. A spin off would be through a pro rata distribution of shares to our common stockholders and the recognition of two distinct and independent, publicly traded companies. The proposed spin is subject to various conditions, is complex in nature, and may be affected by unanticipated developments, credit and equity markets, or changes in market conditions. As independent, publicly traded companies, each of the resulting companies will be smaller and less diversified than the existing company, with a narrower business focus, and they may be more vulnerable to changing market conditions.

We may not be able to achieve the full strategic and financial benefits that we anticipate to result from the separation, or such benefits may be delayed or not occur at all. We may experience negative reactions from financial markets if we do not complete the separation in a reasonable time period, or at all. Following the proposed separation, the combined value of the shares of the two publicly traded companies may not be equal to or greater than what the value of our common stock would have been had the proposed separation not occurred. In addition, the cost and resources required to effectuate the separation may be significantly higher than what we currently anticipate.

Any of these factors could have a material adverse effect on our business, financial condition, results of operations, cash flows or the price of our common stock.

***Reliance on third-party relationships and outsourcing arrangements that are beyond our control could adversely affect our business.***

We rely on third parties, including suppliers, distributors, alliances with other companies, and third-party service providers, for selected aspects of product development, manufacturing, commercialization, support for information technology systems, product distribution, and certain financial transactional processes. Additionally, we have outsourced certain functions to third-party service providers to leverage leading specialized capabilities and achieve cost efficiencies. Outsourcing these functions involves the risk that third-party service providers may not perform to our standards or legal requirements, may not produce reliable results, may not perform in a timely manner, may not maintain the confidentiality of our proprietary information, or may fail to perform at all. While we have implemented processes and procedures to try to ensure that the suppliers we use are complying with all applicable regulations, there can be no assurances that such suppliers in all instances will comply with such processes and procedures or otherwise with applicable regulations. Noncompliance could result in our marketing and distribution of contaminated, defective or dangerous products which could subject us to liabilities and could result in the imposition by governmental authorities of procedures or penalties that could restrict or eliminate our ability to purchase products. Any or all of these effects could adversely affect our business, financial condition, and results of operations.

Additionally, any disruption to global supply chains or shipping channels, such as a government shutdown, war, natural disaster or global pandemic, could affect the ability of our third-party service providers to meet their contractual obligations to us. The impact of such global disruptions to the economic conditions of our suppliers cannot be predicted. Further, our suppliers may be unable to access financing or become insolvent for any other reasons and thus become unable to supply us with products. Failure of these third parties to meet their contractual, regulatory, confidentiality or other obligations to us could result in material financial loss, higher costs, regulatory actions, and reputational harm.

***Compliance with regulations regarding the use of "conflict minerals" could limit the supply and increase the cost of certain metals used in manufacturing our products.***

The Dodd-Frank Wall Street Reform and Consumer Protection Act includes provisions regarding certain minerals and metals, known as conflict minerals, mined from the Democratic Republic of Congo and adjoining countries. These provisions require companies to undertake due diligence procedures and report on the use of conflict minerals in its products, including products manufactured by third parties. Compliance with these provisions causes us to incur costs to certify that our supply chain is conflict free and we may face difficulties if our suppliers are unwilling or unable to verify the source of their materials. Our ability to source these minerals and metals may also be adversely impacted. In addition, our customers may require that we provide them with a certification and our inability to do so may disqualify us as a supplier.

***Uncertain global economic conditions may adversely impact demand for our products or cause our customers and other business partners to suffer financial hardship, which could adversely impact our business.***

Our business could be negatively impacted by reduced demand for our products related to one or more significant local, regional or global economic disruptions, the risk of which are aggravated by the COVID-19 pandemic, such as: a slow-down in the general economy; reduced market growth rates; increased inflation rates; tighter credit markets for our suppliers, vendors or customers; a significant shift in government policies; the deterioration of economic relations between countries or regions, including potential negative consumer sentiment toward non-local products or sources; or the inability to conduct day-to-day transactions through our financial intermediaries to pay funds to, or collect funds from, our customers, vendors and suppliers. Additionally, economic conditions may cause our suppliers, distributors, contractors or other third-party partners to suffer financial difficulties that they cannot overcome, resulting in their inability to provide us with the materials and services we need, in which case our business and results of operations could be adversely affected. Customers may also suffer financial hardships due to economic conditions such that their accounts become uncollectible or are subject to longer collection cycles. In addition, if we are unable to generate sufficient income and cash flow, it could affect the Company's ability to achieve expected share repurchase and dividend payments.

***The People's Republic of China ("PRC") government may intervene with or influence the operations of our suppliers at any time, which could result in a material change in our operations.***

Many of our suppliers conduct significant operations in China. The PRC government may choose to exercise significant oversight and discretion, and the regulations to which our suppliers are subject may change rapidly and with little notice to us or our shareholders. As a result, the application, interpretation, and enforcement of new and existing laws and regulations in China are often uncertain. In addition, these laws and regulations may be interpreted and applied inconsistently by different agencies or authorities, and inconsistently with our suppliers' current policies and practices. New laws, regulations, and other government directives in China may also be costly to comply with, and such compliance or any associated inquiries or investigations or any other government actions may:

- delay or impede our development;
- result in negative publicity or increase our operating costs;
- require significant management time and attention; and
- subject our suppliers to remedies, administrative penalties and liabilities that may harm our and our suppliers' businesses, including fines, demands or orders that we or our suppliers modify or cease our business practices.

The promulgation of new laws or regulations, or the new interpretation of existing laws and regulations, in each case that restrict or otherwise unfavorably impact the ability or manner in which we or our suppliers conduct our respective businesses could require us to change certain aspects of our business to ensure compliance, which could decrease demand for our products, increase costs, require us to obtain more licenses, permits, approvals or certificates, or subject us to additional liabilities. To the extent any new or more stringent measures are required to be implemented, our business and results of operations and the value of our shares could be adversely affected.

***Disruption in our global supply chain may negatively impact our business results.***

Our ability to meet our customers' needs and achieve cost targets depends on our ability to maintain key manufacturing and supply arrangements, including execution of supply chain optimizations and certain sole supplier or sole manufacturing plant arrangements. The loss or disruption of such manufacturing and supply arrangements, including for issues such as labor disputes, labor shortages, loss or impairment of key manufacturing sites, discontinuity in our internal information and data systems, inability to procure sufficient raw or input materials, significant changes in trade policy, natural disasters, increasing severity or frequency of extreme weather events due to climate change or otherwise, acts of war or terrorism, or disease outbreaks or other external factors over which we have no control, including inflation, have interrupted product supply and, if not effectively managed and remedied, could have an adverse impact on our business, financial condition or results of operations.

***We participate in very competitive markets and we may not be able to compete successfully, causing us to lose market share and sales.***

We compete for consumer acceptance and limited shelf space based upon brand name recognition, perceived product quality, price, performance, product features and enhancements, product packaging and design innovation, as well as creative marketing, promotion and distribution strategies, and new product introductions. Additional discussion over the segments, product categories, and markets in which we compete are included under Item 1 above. Our ability to compete in these consumer product markets may be adversely affected by a number of factors, including, but not limited to, the following:

- We compete against many well-established companies that may have substantially greater financial and other resources, including personnel and research and development, and greater overall market share than us.
- In some key product lines, our competitors may have lower production costs and higher profit margins than us, which may enable them to compete more aggressively in offering retail discounts, rebates and other promotional incentives.
- Technological advancements, product improvements or effective advertising campaigns by competitors may weaken consumer demand for our products.
- Consumer purchasing behavior may shift to distribution channels, including to online retailers, where we and our customers do not have a strong presence.
- Consumer preferences may change to lower or higher margin products or products other than those we market.
- We may not be successful in the introduction, marketing and manufacture of any new products or product innovations or be able to develop and introduce, in a timely manner, innovations to our existing products that satisfy customer needs or achieve market acceptance.

In addition, in certain of our product lines, we compete with our retail customers, who use their own private label brands, and with distributors and foreign manufacturers of unbranded products. Significant new competitors or increased competition from existing competitors, including specifically private label brands, may adversely affect our business, financial condition and results of our operations.

Some competitors may be willing to reduce prices and accept lower profit margins to compete with us. As a result of this competition, we could lose market share and sales or be forced to reduce our prices to meet competition. If our product offerings are unable to compete successfully, our sales, results of operations and financial condition could be materially and adversely affected. In addition, we may be unable to implement changes to our products or otherwise adapt to changing consumer trends. If we are unable to respond to changing consumer trends, our operating results and financial condition could be adversely affected.

***Changes in consumer preferences and shopping trends and changes in distribution channels could significantly harm our business.***

We sell our products through a variety of trade channels with a significant portion dependent upon retail partnerships, through both traditional brick-and-mortar retail channels and e-commerce channels. We are seeing the emergence of strong e-commerce channels generating more online competition and declining in-store traffic in brick-and-mortar retailers. Our strategic initiatives have begun to direct significant investment into owned e-commerce platforms and developing relationships with digital channel partners. If we are not successful in developing and utilizing e-commerce channels that future consumers may prefer, we may experience lower than expected revenues. Consumer shopping preferences have shifted and may continue to shift in the future to distribution channels other than traditional retail that may have more limited experience, presence and developed, such as e-commerce channels. These shifts could be to retail channels in which we have more limited experience, presence and development, which may adversely affect our business, financial condition and results of operations.

We are also seeing more traditional brick-and-mortar retailers consolidating, closing physical stores, and filing for bankruptcy, which could further concentrate the negotiating power of our remaining brick-and-mortar customers and negatively impact our distribution strategies and/or sales if such retailers decide to pursue aggressive price reduction strategies, significantly reduce their inventory levels for our products or to designate more floor space to our competitors. Further consolidation, store closures and bankruptcies could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities.

***Consolidation of retailers and our dependence on a small number of key customers for a significant percentage of our sales may negatively affect our business, financial condition and results of operations.***

As a result of consolidation of retailers that has occurred during the past several years, particularly in the United States and the European Union (“EU”), and consumer trends toward national mass merchandisers, a significant percentage of our sales are attributable to a limited group of customers. As these mass merchandisers and retailers grow larger and become more sophisticated, they may demand lower pricing, special packaging or impose other requirements on product suppliers. These business demands may relate to inventory practices, logistics or other aspects of the customer-supplier relationship. Because of the importance of these key customers, demands for price reductions or promotions, retail inventory levels and requirements influencing their purchasing, consumer shopping behavior and patterns, and changes in their financial condition or loss of their accounts could have a material adverse effect on our business, financial condition and results of operations. Our success is dependent on our ability to manage our retailer relationships, including offering mutually acceptable trade terms. Concentration of sales are further discussed in *Item 1 - Business* above and *Note 5 - Revenue Recognition* in the *Notes to the Consolidated Financial Statements*.

Although we have long-established relationships with many of our retail customers, we generally do not have long-term agreements with them and purchases are normally made through the use of individual purchase orders. Any significant reduction in purchases, failure to obtain anticipated orders or delays or cancellations of orders by any of these major retail customers, changes to retail inventory management strategies and initiatives, competition from private label products or significant pressure to reduce prices and support promotions and discounts from any of these major retail customers, could have a material adverse effect on our business, financial condition and results of operations. Additionally, any decline in retail consumer spending, a significant deterioration in the financial condition of the retail industry in general, the bankruptcy of any of our customers or any of our customers ceasing operations could have a material adverse effect on our sales and profitability.

***As a result of retailers maintaining tighter inventory control, we face risks related to meeting demand and storing inventory.***

There is a growing trend among retailers to purchase products on a “just-in-time” basis. Due to a number of factors, including (i) manufacturing lead-times, (ii) seasonal purchasing patterns, and (iii) the potential for material price increases, we may be required to shorten our lead-time for production and more closely anticipate shifts in our retailers’ demands and consumer spending habits, which could in the future, require us to carry additional inventories and increase our working capital and related financing requirements. This may increase the cost of warehousing inventory or result in excess inventory becoming difficult to manage, unusable or obsolete and impact our ability to realize the anticipated returns from product sales. In addition, if our retailers significantly change their inventory management strategies, we may encounter difficulties in filling customer orders or in liquidating excess inventories or may find that customers are cancelling orders or returning products, which may have a material adverse effect on our business.

Furthermore, we primarily sell branded products and a move by one or more of our large customers to sell significant quantities of private label products, which could be at the exclusion of our products and/or which directly compete with our products, could have a material adverse effect on our business, financial condition and results of operations.

***Sales of certain of our products are seasonal and may cause our operating results and working capital requirements to fluctuate.***

On a consolidated basis, our financial results are approximately equally weighted across our quarters, however, sales of certain product categories tend to be seasonal. Further discussion over the seasonality of our sales is included in *Item 1 - Business*. As a result of this seasonality, our inventory and working capital needs fluctuate significantly throughout the year. In addition, orders from retailers are often made late in the period preceding the applicable peak season, making forecasting of production schedules and inventory purchases difficult. If we are unable to accurately forecast and prepare for customer orders or our working capital needs, or there is a general downturn in business or economic conditions during these periods, our business, financial condition and results of operations could be materially and adversely affected.

***Adverse weather conditions during our peak selling seasons for our home and garden products could have a material adverse effect on our home and garden business.***

Weather conditions have a significant impact on the timing and volume of sales of certain of our lawn and garden and household insecticide and repellent products. For example, periods of dry, hot weather can decrease insecticide sales, while periods of cold and wet weather can slow sales of herbicides. Adverse weather conditions during the first six months of the calendar year (the Company’s second and third fiscal quarters), when demand for home and garden control products typically peaks, could have a material adverse effect on our home and garden business and our financial results during such period.

***Our products utilize certain key raw materials; any significant increase in the price of, or change in supply and demand for, these raw materials could have a material and adverse effect on our business, financial condition and profits.***

The principal raw materials used to produce our products, including petroleum-based plastic materials and corrugated materials (for packaging), are sourced either on a global or regional basis by us or our suppliers, and the prices of those raw materials are susceptible to price fluctuations due to supply and demand trends, energy costs, transportation costs, government regulations, duties and tariffs, changes in currency exchange rates, price controls, general economic conditions, inflation, and other unforeseen circumstances. Although we may seek to increase the prices of certain of our goods to our customers, we may not be able to pass all of these cost increases on to our customers. As a result, our margins may be adversely impacted by such cost increases. We cannot provide any assurance that our sources of supply will not be interrupted due to changes in worldwide supply of or demand for raw materials or other events that interrupt material flow, which may have an adverse effect on our profitability and results of operations.

If we are not effective in managing our exposure to above average costs for an extended period of time, and we are unable to pass our raw materials costs on to our customers, our future profitability may be materially and adversely affected. Furthermore, with respect to transportation costs, certain modes of delivery are subject to fuel surcharges which are determined based upon the current cost of diesel fuel in relation to pre-established agreed upon costs. We may be unable to pass these fuel surcharges on to our customers, which may have an adverse effect on our profitability and results of operations.

In addition, we have exclusivity arrangements and minimum purchase requirements with certain of our suppliers for the home and garden business, which increase our dependence upon and exposure to those suppliers. Some of those agreements include caps on the price we pay for our supplies and in certain instances these caps have allowed us to purchase materials at below market prices. When we attempt to renew those contracts, the other parties to the contracts may not be willing to include or may limit the effect of those caps and could even attempt to impose above market prices in an effort to make up for any below market prices paid by us prior to the renewal of the agreement. Any failure to timely obtain suitable supplies at competitive prices could materially adversely affect our business, financial condition and results of operations.

***Our dependence on a few suppliers for certain of our products makes us vulnerable to a disruption in the supply of our products.***

We generally do not have long-term contracts with our suppliers. If any of the following were to occur, we could experience loss and liability, which could have a material adverse effect on our business, financial condition and results of operations:

- our ability to identify and develop relationships with qualified suppliers;
- the terms and conditions upon which we purchase products from our suppliers, including applicable exchange rates, transport and other costs, our suppliers' willingness to extend credit to us to finance our inventory purchases and other factors beyond our control;
- the financial condition of our suppliers and their ability to deliver products on a timely and efficient basis;
- political and economic instability in the countries in which our suppliers are located, as a result of war, terrorist attacks, pandemics, natural disasters or otherwise;
- our ability to import outsourced products;
- our suppliers' noncompliance with applicable laws, trade restrictions and tariffs; or
- our suppliers' ability to manufacture and deliver outsourced products according to our standards of quality on a timely and efficient basis.

If our relationship with one of our key suppliers is adversely affected, we may not be able to quickly or effectively replace such supplier and may not be able to retrieve tooling, molds or other specialized production equipment or processes used by such supplier in the manufacture of our products. The loss of one or more of our suppliers, a material reduction in their supply of products or provision of services to us or extended disruptions or interruptions in their operations could have a material adverse effect on our business, financial condition and results of operations.

***Our home and garden products are mainly manufactured from our Vinita Park, MO, facility and our aquatics products and certain companion animal products are manufactured in Blacksburg, VA, Bridgeton, MO, Noblesville IN and Melle, Germany. We are dependent upon the continued safe operation of these facilities.***

Our facilities are subject to various hazards associated with the manufacturing, handling, storage, and transportation of chemical materials and products, including human error, leaks and ruptures, explosions, floods, fires, inclement weather and natural disasters, power loss or other infrastructure failures, mechanical failure, unscheduled downtime, regulatory requirements, the loss of certifications, technical difficulties, labor disputes, inability to obtain material, equipment or transportation, environmental hazards such as remediation, chemical spills, discharges or releases of toxic or hazardous substances or gases, and other risks. Many of these hazards could cause personal injury and loss of life, severe damage to, or destruction of, property and equipment and environmental contamination. In addition, the occurrence of material operation problems at our facilities due to any of these hazards could cause a disruption in the production of products. We may also encounter difficulties or interruption as a result of the application of enhanced manufacturing technologies or changes to production lines to improve throughput or to upgrade or repair its production lines. The Company's insurance policies have coverage in case of significant damage to its manufacturing facilities but may not fully compensate for the cost of replacement for any such damage and any loss from business interruption. As a result, we may not be adequately insured to cover losses resulting from significant damage to our manufacturing facility. Any damage to this facility or interruption in manufacturing could result in production delays and delays in meeting contractual obligations which could have a material adverse effect on relationships with customers and on its results of operations, financial condition or cash flows in any given period.

***We face a number of local, regional, and global uncertainties and potential disruptions, including relating to political and economic instability in a number of regions, some of which have been historically volatile, including relating to political and economic instability in a number of regions, some of which have been historically volatile, which could adversely impact our businesses.***

We face a number of local, regional, and global uncertainties and potential disruptions, including relating to political and economic instability in a number of regions, some of which have been historically volatile, which could adversely impact our businesses, our financial performance or liquidity, and our ability to carry out our go-forward plans and strategies. These economic uncertainties and potential disruptions include a slow-down in the general economy; reduced market growth rates; increased inflation rates and cost of goods; increased fuel and employee costs; higher interest rates; tighter credit markets; changes in government policies, including the imposition of tariffs or import costs; the deterioration of economic relations between countries or regions; and the escalation or continuation of armed conflict, hostilities or economic sanctions between countries or regions, all of which can negatively impact our ability to manufacture, supply or sell our products and otherwise conduct our day-to-day operations. For instance, the conflict between Russia and Ukraine has led us to terminate, reduce or significantly change our business activities in these regions and certain surrounding regions. We have also experienced increased shipping costs and shipping delays from the dangerous disruptions to shipping in the Red Sea. We have closed our HPC operations within Russia and in the future, we may have to further reduce or cease doing business within the certain surrounding regions, which could have a negative impact on our ability to collect outstanding accounts receivables, or impose additional costs, further negatively impacting our business performance. In addition, the economic sanctions and hostilities in Russia and Ukraine and the Israel-Hamas war (including other parts of the Middle East) may negatively impact our and our customers' financial viability, which may negatively impact us or the demands or economic viability of our customers in other parts of the world.

The Company has in the past and may in the future , transition its third-party logistics service providers at its distribution centers, which efforts would require incorporating a new service provider into our distribution capabilities and are complicated and require coordination among a number of our stakeholders, including our suppliers and transportation and logistics handlers. These changes and updates are inherently difficult and may be exacerbated by the other uncertainties and potential disruptions our business faces. We do not control the operations of these third parties and are dependent on them to execute our orders and deliver our products in a timely and efficient way. The failure of these third parties to fulfill all of their obligations to us could result in lost sales, penalties and other adverse effects on our business. While we believe that optimizing our distribution centers and other aspects of our supply chain and customer delivery network will allow us to manage our inventory more efficiently and more effectively respond to customer demands, there can be no assurance that we will realize such benefits. We have experienced, and may continue to experience, delays in executing these efforts. Our inability to execute, or timely execute these efforts, has resulted in us being unable to supply, or timely supply, our products to our customers or incurring higher costs and reductions in revenues, incurring penalties imposed by our customers, or may disrupt our business operations.

Furthermore, our raw materials are sourced from industries characterized by a limited supply base, and their cost can fluctuate substantially. Under many of our supply arrangements, the price we pay for raw materials fluctuates along with certain changes in underlying commodities costs. Price increases for our raw materials have placed pressure on our costs and could continue to do so, and we may not be able to effectively hedge or pass along any such increases to our customers or consumers. Furthermore, any price increases passed along to our customers or consumers could significantly reduce demand for our products and could negatively affect our business and financial performance.

***If we are unable to negotiate satisfactory terms to continue existing or enter into additional collective bargaining agreements, we may experience an increased risk of labor disruptions and our results of operations and financial condition may suffer.***

While we currently expect to negotiate continuations to the terms of collective bargaining agreements, there can be no assurances that we will be able to obtain terms that are satisfactory to us or otherwise to reach agreement at all with the applicable parties. In addition, in the course of our business, we may also become subject to additional collective bargaining agreements. These agreements may be on terms that are less favorable than those under our current collective bargaining agreements. Increased exposure to collective bargaining agreements, whether on terms more or less favorable than our existing collective bargaining agreements, could adversely affect the operation of our business, including through increased labor expenses. While we intend to comply with all collective bargaining agreements to which we are subject, there can be no assurances that we will be able to do so and any noncompliance could subject us to disruptions in our operations and materially and adversely affect our results of operations and financial condition. For additional information see the discussion over the Company's labor force subject to collective bargaining agreements under the caption *Employees* in *Item 1 - Business* above.

***Significant changes in actual investment return on pension assets, discount rates, and other factors could affect our results of operations, equity and pension contributions in future periods.***

Our results of operations may be positively or negatively affected by the amount of income or expense we record for the defined benefit pension plans for which we are responsible. Accounting Principles Generally Accepted in the United States ("GAAP") requires that we calculate income or expense for the plans using actuarial valuations. These valuations reflect assumptions about financial markets and other economic conditions, which may change based on changes in key economic indicators. The most significant assumptions we use to estimate pension income or expense are the discount rate and the expected long-term rate of return on plan assets. In addition, we are required to make an annual measurement of plan assets and liabilities, which may result in a significant change to equity. Although pension expense and pension funding contributions are not directly related, key economic factors that affect pension expense would also likely affect the amount of cash we would contribute to pension plans as required under the Employee Retirement Income Security Act of 1974, as amended. Refer to *Note - 15 Employee Benefit Plans* in the *Notes to the Consolidated Financial Statements* for additional information and disclosure over defined benefit plans.

***Our business may be materially affected by changes to fiscal and tax policies that could adversely affect our results of operations and cash flows.***

We operate globally and changes in tax laws could adversely affect our results. On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Reform Act") was signed into law. The legislation, which became effective on January 1, 2018, significantly changed U.S. tax law by, among other things, lowering corporate income tax rates, implementing a dividends received deduction for dividends from foreign subsidiaries, imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries, a minimum tax on foreign earnings, limitations on deduction of business interest expense and limits on deducting compensation to certain executive officers. Additional tax regulations and interpretations of the Tax Reform Act have been, and continue to be, issued, some with retroactive application dates and some which materially impacted the Company. The Company understands that other U.S. taxpayers have or plan to challenge the constitutionality of a set of regulations that had a material impact on the Company. If the regulations were ruled unconstitutional, the Company could be favorably impacted. New or revised interpretations of the Tax Reform Act and state conformity with its provisions could have a material impact on the valuation allowance recorded on U.S. state net operating losses. Certain of these changes could have a negative or adverse impact on the operating results and cash flows of the Company. See *Note 16 – Income Taxes* in the *Notes to the Consolidated Financial Statements* for further discussion on the impact from the Tax Reform Act.

***We may not be able to fully utilize our U.S. tax attributes.***

The Company has accumulated a substantial amount of U.S. federal and state net operating loss ("NOLs") carryforwards, and federal and state tax credits that will expire if unused. We have concluded that it is more likely than not that the majority of the federal and state deferred tax assets related to loss and credit carryforwards will not create tax benefits in the future. As a consequence of earlier business combinations and issuances of common stock, the Company and its subsidiaries have had various changes of ownership that continue to subject a significant amount of the Company's U.S. NOLs and other tax attributes to certain limitations; and therefore a valuation allowance is still recognized on certain federal and state tax asset carryforwards that are expected to expire due to the ownership change limitations or because we do not believe we will earn enough taxable income to utilize. Changes to state conformity to the provisions of the Tax Reform Act could have a material impact on the valuation allowance recorded on U.S. state net operating losses. For further discussion on the Company's federal and state NOLs, credits, and applicable valuation allowance see *Note 16 – Income Taxes* in the *Notes to the Consolidated Financial Statements*.

***Our strategic initiatives including acquisitions and divestitures may not be successful and may divert our management's attention away from operations and could create general customer uncertainty.***

Our growth strategy is based in part on growth through strategic initiatives including both acquisitions and divestitures, which poses a number of risks. We may not be successful in identifying appropriate acquisition candidates, achieving targeted values as part of a disposition, consummating an acquisition or divestiture on satisfactory terms, integrating any newly acquired or expanded business with our current operations, or separating a divested business or commingled operation effectively. We may issue additional equity, incur long-term or short-term indebtedness, spend cash or use a combination of these for all or part of the consideration paid in future acquisitions or expansion of our operations, which may not be available to us on terms we find advantageous or acceptable, if at all. In addition, subject to any requirements in the agreements governing our outstanding indebtedness, we may have significant discretion in how we employ the consideration received in a divestiture and our management may not apply such consideration in a way that is ultimately accretive to our business.

The execution of our strategic initiatives could entail repositioning or similar actions that in turn require us to record impairments, restructuring and other charges. Any such charges would reduce our earnings. We cannot guarantee that any future business acquisitions or divestitures will be pursued or that any acquisitions or divestitures that are pursued will be consummated.

Additionally, any acquisition or disposition (including the successful integration and separation of operations, products and personnel) may place a significant burden on our management and other internal resources. The diversion of management's attention, and any difficulties encountered in such a process, could harm our business, financial condition, and operating results. Moreover, our customers may, in response to the announcement or consummation of a transaction, delay or defer purchasing decisions. If our customers delay or defer purchasing decisions, our revenues could materially decline or any anticipated increases in revenue could be lower than expected.

For example, on February 18, 2022, the Company completed the acquisition of the Tristar Business, and the Company has been detrimentally impacted by aspects of the integration of the Tristar Business' operations and products, which have negatively impacted subsequent operating performance and partner relationships of the Tristar Business' brands and the HPC business. Since the acquisition, the acquired Tristar Business realized, among other things, significant distribution challenges, increased levels of retail inventory, reduced sales, increased promotional spending and deductions, higher level of returns, and overall increased amount of costs. Additionally, the segment has subsequently realized unusual losses attributable to the recognition of product recalls for products associated with the brands, increased risks over the realizability of receivables and inventory, and recognized an impairment on assets including the acquired goodwill and tradename intangible assets. Most recently, the Company disposed of certain inventory and products associated with the Tristar Business' brand after assessing, among other things, performance and quality standards.

Many of these factors are outside of our control, and any one of them could result in lower revenues, higher costs and diversion of management time and energy, which could materially impact our business, financial condition, and results of operations. As of September 30, 2024, the Company believes it has assessed appropriate risks and recognized applicable losses and reserves reflecting the net assets of the Company, however there may be additional risks posed to the Company from the acquisition of the Tristar Business and its integration with the Company. See the *Tristar Business Acquisition* discussion within the *Business Overview* section in *Item 7 - Management's Discussion & Analysis*.

***Significant costs have been incurred and are expected to be incurred in connection with the consummation of recent and future strategic initiatives including the integration or separation of acquired or divested businesses within the Company.***

We expect to incur one-time costs in connection with integrating our operations, products and personnel and those of the businesses we acquire or divest, in addition to costs related directly to completing such transactions. We would expect similar costs to be incurred with any future acquisition or divestiture. These costs may include expenditures for:

- employee redeployment, relocation or severance;
- integration or separation of operations and information systems;
- combination or segregation of research and development teams and processes; and
- reorganization or closures of facilities.

In addition, we expect to incur a number of non-recurring costs associated our operations with those strategic transactions. Additional unanticipated costs may yet be incurred as we integrate or separate our businesses. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies may offset incremental transaction and transaction-related costs over time, this net benefit may not be achieved in the near term. Additionally, while we expect to benefit from leveraging distribution channels and brand names among the combined Company, we cannot assure you that we will achieve such benefits.

***We may not realize the anticipated benefits of, and synergies from, our business acquisitions and may become responsible for certain liabilities and integration costs as a result.***

Business acquisitions involve the integration of new businesses that have previously operated independently from us. The integration of our operations with those of acquired businesses is frequently expected to result in financial and operational benefits, including increased top line growth, margins, revenues and cost savings and be accretive to earnings per share, earnings before interest, taxes, depreciation and amortization and free cash flow before synergies. There can be no assurance, however, regarding when or the extent to which we will be able to realize increased top line growth, margins, revenues, cost savings or accretions to earnings per share, earnings before interest, taxes, depreciation and amortization or free cash flow or other benefits. Integration may also be difficult, unpredictable, and subject to delay because of possible company culture conflicts and different opinions on technical decisions and product roadmaps. We will often be required to integrate or, in some cases, replace, numerous systems, including those involving management information, purchasing, accounting and finance, sales, billing, employee benefits, payroll and regulatory compliance, many of which may be dissimilar. In some instances, we and certain acquired businesses have served the same customers, and some customers may decide that it is desirable to have additional or different suppliers. Difficulties associated with the integration of acquired businesses could have a material adverse effect on our business.

We may also acquire partial or full ownership in businesses or may acquire rights to market and distribute particular products or lines of products. The acquisition of a business or the rights to market specific products or use specific product names may involve a financial commitment by us, either in the form of cash or equity consideration. In the case of a new license, such commitments are usually in the form of prepaid royalties and future minimum royalty payments. There is no guarantee that we will acquire businesses or product distribution rights that will contribute positively to our earnings. Anticipated synergies may not materialize, cost savings may be less than expected, sales of products may not meet expectations and acquired businesses may carry unexpected liabilities.

In addition, in connection with business acquisitions, we have assumed, and may assume in connection with future acquisitions, certain potential liabilities. To the extent such liabilities are not identified by us or to the extent the indemnifications obtained from third parties are insufficient to cover such liabilities, these liabilities could have a material adverse effect on our business.

***We may not be able to retain key personnel or recruit additional qualified personnel, which could materially affect our business and require us to incur substantial additional costs to recruit replacement personnel.***

We are highly dependent on the continuing efforts of our senior management team and other key personnel. Our business, financial condition and results of operations could be materially adversely affected if we lose any of these persons and are unable to attract and retain qualified replacements. Additionally, the agreements that we sign as a result of business acquisitions could affect our current and prospective employees due to uncertainty about their future roles. This uncertainty may adversely affect our ability to attract and retain key management, sales, marketing and technical personnel. Any failure to attract and retain key personnel could have a material adverse effect on our business. If any of our key personnel or those of our acquired businesses were to join a competitor or form a competing company, existing and potential customers or suppliers could choose to form business relationships with that competitor instead of us. There can be no assurance that confidentiality, non-solicitation, non-competition or similar agreements signed by former directors, officers, employees or stockholders of us, our acquired businesses or our transactional counterparties will be effective in preventing a loss of business. In addition, we currently do not maintain “key person” insurance covering any member of our management team.

***Increased focus by governmental and non-governmental organizations, customers, consumers and investors on sustainability issues, including those related to climate change, may have an adverse effect on our business, financial condition and results of operations and damage our reputation.***

As climate change, land use, water use, deforestation, plastic waste, recyclability or recoverability of packaging, including single-use and other plastic packaging, and other sustainability concerns become more prevalent, governmental and non-governmental organizations, customers, consumers and investors are increasingly focusing on these issues. In particular, changing consumer preferences have resulted in and may result in future customer and consumer concerns and demands regarding plastics and packaging materials, including single-use and non-recyclable plastic packaging, and their environmental impact on sustainability, a growing focus on the components, raw materials and production processes used to create our products and ingredients, or increased consumer concerns or perceptions (whether accurate or inaccurate) regarding the effects of ingredients or substances present in certain consumer products. This increased focus on environmental issues and sustainability has resulted in and may result in further adoption of a number of customer, consumer, investor and industry demands, that could cause us to incur additional costs or to make changes to our operations to comply with any such regulations and address demands. If we are unable to respond or are perceived to be inadequately responding to sustainability concerns, customers and consumers may choose to purchase products from a competitor and investors may not provide financing on attractive terms, or at all, to our Company. Concern over climate change may result in new or increased legal and regulatory requirements to reduce or mitigate the effects of climate change on the environment. Increased costs of energy or compliance with emissions standards due to increased legal or regulatory requirements may cause disruptions in or increased costs associated with manufacturing our products. Any failure to achieve our goals with respect to reducing our impact on the environment or a perception (whether or not valid) of our failure to act responsibly with respect to the environment or to effectively respond to new, or changes in, legal or regulatory requirements concerning climate change or other sustainability concerns could adversely affect our business and reputation.

***Our business could be negatively impacted by corporate citizenship and sustainability matters and/or our reporting of such matters.***

There is a focus from U.S. and foreign governmental and nongovernmental authorities and from certain investors, customers, consumers, employees, and other stakeholders concerning corporate citizenship and sustainability matters. From time to time, we announce certain initiatives, including goals; regarding our focus areas, which include environmental matters, packaging and waste, responsible sourcing, social investments, and diversity and inclusion. We could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could fail in accurately reporting our progress on such initiatives and goals. Such failures could be due to changes in our business. Moreover, the standards by which citizenship and sustainability efforts and related matters are measured are developing and evolving, and certain areas are subject to assumptions, which could change over time. In addition, as the result of such heightened public focus on sustainability matters, we may face increased pressure to provide expanded disclosure, make or expand commitments, set targets, or establish additional goals and take actions to meet such goals, in connection with such matters. We could also be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters. Any such matters, or related corporate citizenship and sustainability matters, could adversely affect our business, results of operations, cash flows and financial condition.

***Failure to deploy social media and influencers effectively may materially and adversely affect our reputation, business, financial condition and results of operations.***

We use third-party social media platforms as marketing tools, among other things. For example, we maintain a variety of social media accounts, as well as our own content on our websites. We maintain relationships with many influencers and engage in sponsorship initiatives. As existing e-commerce and social media platforms continue to rapidly evolve, new platforms develop and new influencers emerge, we must continue to maintain a presence on these platforms and establish presences on new or emerging popular social media platforms and with new or emerging influencers. If we are unable to cost-effectively use social media platforms and influencers as marketing tools, if the social media platforms we use do not evolve quickly enough for us to fully optimize such platforms or if the influencers we use lose their following, our ability to acquire new consumers and our business, financial condition and results of operations may suffer as a result.

Negative commentary regarding us, our products or influencers, our business ventures, and other third parties who are affiliated with us may also be posted on social media platforms and may be adverse to our reputation or business. Influencers with whom we maintain relationships could engage in behavior that reflects poorly on our brands and may be attributed to us or otherwise adversely affect us. It is not possible to prevent such behavior, and the precautions we take to detect this activity may not be effective in all cases.

In addition, an increase in the use of social media for marketing may increase the burden of compliance and increases the risk of violation of applicable rules and regulations, which are subject to sudden and rapid change. We require influencers to comply applicable laws, but it is nonetheless possible for them to fail to comply, which could reflect poorly on us or our products and/or expose us to certain liabilities, any of which could have a material adverse effect on our business, financial condition and results of operations.

***The COVID-19 pandemic was, and future pandemics could be a serious threat to the health and economic well-being affecting our customers, employees, sources of supply and our financial condition and results of operations.***

In March 2020, the World Health Organization announced that COVID-19 had become a pandemic and a National Emergency relating to COVID-19 was announced in the U.S. The possibility of widespread infection at the time in the U.S. and abroad led to substantial commercial impacts. National, state, and local authorities recommended social distancing and imposed, or considered imposing quarantine and isolation measures, on large portions of the population, including mandatory business closures. These measures had serious adverse impacts on domestic and foreign economies. These measures to be re-implemented in the event of increased COVID-19 cases and any of these measures, or other measures that are not currently foreseeable, could be taken in the event of future pandemics, any of which could materially increase our costs, negatively impact our sales and damage our results of operations and liquidity position.

During the COVID-19 pandemic, we experienced varying degrees of business disruptions and periods of closure of our distribution centers, and corporate facilities, as did our wholesale customers, licensing partners, suppliers, vendors, and manufacturers. These disruptions to our supply chains have resulted in further disruptions to our business such as inflation pressures on freight and storage costs and various inventory maintenance challenges. Despite our efforts to manage and remedy the impact of COVID-19 on our financial condition and results of operations, the ultimate impact also depended on factors beyond our knowledge or control at the time, including the duration and severity of the COVID-19 pandemic, potential future waves of COVID-19 cases in the locations where we operate, and actions taken by governmental authorities to contain its spread and mitigate its public health effects. In the event of a future pandemic, any of the foregoing factors, or the resulting cascading effects of any pandemic, or future pandemics that are not currently foreseeable, could materially increase our costs, negatively impact our sales and damage our results of operations and liquidity position. The duration of any such impacts cannot be predicted.

**Risks Related to our Indebtedness and Financing Activities**

***Servicing our existing and future debt may require a significant amount of cash, and we may not have sufficient cash flow from our business to settle exchanges of the Exchangeable Notes in cash, repay the Exchangeable Notes at maturity, or repurchase the Exchangeable Notes as required following a fundamental change.***

In May 2024, Spectrum Brands, Inc. ("SBI") issued $350.0 million aggregate principal amount of Exchangeable Notes, which are unconditionally guaranteed, jointly and severally, on a senior unsecured basis by SBH and, subject to certain exceptions, each of SBI's existing and future domestic subsidiaries that guarantee other debt securities issued by SBI or SBH in the form of senior unsecured notes or convertible or exchangeable notes. Prior to March 1, 2029, the Exchangeable Notes are exchangeable at the option of the holders only under certain conditions or upon occurrence of certain events as described in *Note 11 - Debt* in the *Notes to the Consolidated Financial Statements*. Upon any exchange of the Exchangeable Notes, SBI is required to settle the principal amount (or, if less, the conversion value) of the Exchangeable Notes in cash upon any exchange of the Exchangeable Notes. As a result, if holders of the Exchangeable Notes elect to exchange their Exchangeable Notes, SBI will be required to make cash payments in respect of the Exchangeable Notes being exchanged. Holders of the Exchangeable Notes also have the right to require SBI to repurchase all or a portion of their Exchangeable Notes upon the occurrence of a "fundamental change" (as defined in the indenture governing the Exchangeable Notes) at a repurchase price equal to 100% of the principal amount of the Exchangeable Notes to be repurchased, plus accrued and unpaid interest, if any. If the Exchangeable Notes have not previously been exchanged, redeemed or repurchased, SBI will be required to repay the outstanding principal amount of the Exchangeable Notes, plus accrued and unpaid interest, if any, in cash at maturity. The Exchangeable Notes are scheduled to mature on June 1, 2029.

SBI's ability to make required cash payments in connection with exchanges of the Exchangeable Notes, repurchase the Exchangeable Notes in the event of a fundamental change, or to repay or refinance the Exchangeable Notes at maturity will depend on market conditions and our past and expected future performance, which is subject to economic, financial, competitive, and other factors beyond our and SBI's control. We also may not use the cash proceeds we raised through the issuance of the Exchangeable Notes in an optimally productive and profitable manner.

In addition, SBI's ability to repurchase or pay cash upon exchange or at maturity of the Exchangeable Notes may be limited by law, regulatory authority or the terms of our other then-existing indebtedness. SBI's failure to repurchase Exchangeable Notes following a fundamental change or to pay cash upon exchange or at maturity of the Exchangeable Notes as required by the indenture would constitute a default under such indenture. A default under the indenture or the fundamental change itself could also lead to a default under our senior credit facility, our other outstanding indebtedness, or agreements governing our future indebtedness and could have a material adverse effect on our business, results of operations, and financial condition. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, SBI and/or the guarantors party to the indenture governing the Exchangeable Notes may not have sufficient funds to repay the indebtedness and repurchase the Exchangeable Notes or to pay cash upon exchange or at maturity of the Exchangeable Notes.

***The capped call transactions we entered into in connection with the issuance of the Exchangeable Notes may affect the value of our common stock.***

In connection with the issuance of the Exchangeable Notes, we entered into privately negotiated capped call transactions with various option counterparties (the "Capped Calls"). The Capped Calls cover, subject to customary anti-dilution adjustments, the aggregate number of shares of our common stock initially underlying the Exchangeable Notes. The Capped Calls are expected generally to reduce the potential dilution to our common stock and/or offset any potential cash payments we are required to make in excess of the principal amount upon any exchange of the Exchangeable Notes, with such reduction or offset, as the case may be, subject to a cap based on the cap price, which is $159.36 per share of our common stock.

From time to time, the counterparties to the Capped Calls (the "option counterparties") or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the Exchangeable Notes. This activity could also cause or prevent an increase or a decrease in the market price of our common stock or the Exchangeable Notes.

***Aspects of the Capped Calls may not operate as planned and may affect the value of the Exchangeable Notes and our common stock, and we are subject to counterparty credit risk with respect to the Capped Calls.***

In connection with the pricing of the Exchangeable Notes, we entered into the Capped Calls. Please refer to *Note 11 - Debt* in the *Notes to the Consolidated Financial Statements*. The Capped Calls are expected generally to reduce the potential dilution to our common stock and/or offset any potential cash payments we are required to make in excess of the principal amount upon any exchange of the Exchangeable Notes, with such reduction or offset, as the case may be, subject to a cap based on the cap price. The Capped Calls are complex transactions that are not part of the terms of the Exchangeable Notes and may not operate as planned. If the Capped Calls do not operate as we intend, it may have an effect on the price of the Exchangeable Notes or our common stock.

The option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions following any exchange of the Exchangeable Notes, any repurchase of the Exchangeable Notes by us on any fundamental change repurchase date or any redemption date, or, if we exercise our option to terminate the relevant portion of the Capped Calls, any other date on which the Exchangeable Notes are retired by us. This activity could cause or avoid an increase or a decrease in the market price of our common stock or the Exchangeable Notes, which could affect the ability of a holder to exchange the Exchangeable Notes and, to the extent the activity occurs during any observation period related to an exchange of Exchangeable Notes, could affect the number of shares of common stock, if any, and value of the consideration that a holder will receive upon exchange of the Exchangeable Notes.

The option counterparties are financial institutions, and we are subject to the risk that they might default under the Capped Calls. Our exposure to the credit risk of the option counterparties is not secured by any collateral. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with that option counterparty. Our exposure will depend on many factors, but, generally, the increase in our exposure will be correlated with increases in the market price or the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of any option counterparty.

***The conditional exchange feature of the Exchangeable Notes, if triggered, may adversely affect our financial condition and operating results.***

In the event the conditional exchange feature of the Exchangeable Notes is triggered, holders of the Exchangeable Notes will be entitled to exchange the Exchangeable Notes at any time during specified periods at their option. If one or more holders elect to exchange their Exchangeable Notes, SBI would be required to settle any exchanged principal amount of such Exchangeable Notes through the payment of cash, which could adversely affect our and/or SBI's liquidity. In addition, even if holders do not elect to exchange their Exchangeable Notes, SBI could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Exchangeable Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

***Provisions in the indenture for the Exchangeable Notes may deter or prevent a strategic transaction that may be favorable to you.***

If a fundamental change occurs prior to the maturity date of the Exchangeable Notes, subject to a limited exception, holders of the Exchangeable Notes will have the right, at their option, to require SBI to repurchase all or a portion of their Exchangeable Notes. In addition, if a "make-whole fundamental change" (as defined in the indenture governing the Exchangeable Notes) occurs prior the maturity date, SBI will in some cases be required to increase the exchange rate for a holder that elects to exchange all or a portion of its Exchangeable Notes in connection with such make-whole fundamental change. Furthermore, the Exchangeable Notes indenture will prohibit SBI from engaging in certain mergers or acquisitions unless, among other things, the surviving entity assumes SBI's obligations under the Exchangeable Notes. These and other provisions in the indenture could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that you may view as favorable.

***The issuance of additional stock, including common stock delivered upon exchange of the Exchangeable Notes, will dilute all other shareholders.***

The issuance of additional stock in connection with acquisitions, financings, our equity incentive plans, the Exchangeable Notes, or otherwise will dilute all other shareholders. Our restated certificate of incorporation authorizes us to issue up to two hundred million shares of common stock with such rights and preferences as may be determined by our board of directors. Subject to compliance with applicable rules and regulations, we may issue all of these shares that are not already outstanding without any action or approval by our shareholders. We intend to continue to evaluate strategic acquisitions or opportunities in the future. We may pay for such acquisitions or opportunities, in part or in full, through the issuance of additional equity securities. Further, the exchange of some or all of the Exchangeable Notes will dilute the ownership interests of existing shareholders to the extent SBI delivers shares of our common stock upon exchange of any of the Exchangeable Notes.

***Our substantial indebtedness may limit our financial and operating flexibility, and we may incur additional debt, which could increase the risks associated with our indebtedness.***

We have, and we expect to continue to have, substantial indebtedness. See *Note 11 - Debt* in the *Notes to the Consolidated Financial Statements* for additional detail. Our indebtedness has had, and could continue to have, adverse consequences for our business, and may:

- require us to dedicate a large portion of our cash flow to pay principal and interest on our indebtedness, which will reduce the availability of our cash flow to fund working capital, capital expenditures, research and development expenditures and other business activities;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restrict our ability to make strategic acquisitions, dispositions or to exploit business opportunities;

- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds (even when necessary to maintain adequate liquidity) or dispose of assets.

Under our senior credit agreement governing our secured facilities and the indentures governing our senior notes (together, our "debt agreements"), we may incur additional indebtedness. If new debt is added to our existing debt levels, the related risks that we now face would increase.

Furthermore, our credit agreement and borrowings under the Revolver Facility are subject to variable interest rates. Increases in market interest rates may raise the interest rate on our variable rate debt and create higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. While we may enter into agreements limiting our exposure to higher debt service requirements, any such agreements may not offer complete protection from this risk. Moreover, upon completion of a divestiture, we may be required to pay down debt using proceeds from the sale pursuant to the terms of the Company's outstanding indebtedness.

***Restrictive covenants in our debt agreements may restrict our ability to pursue our business strategies.***

Our debt agreements each restrict, among other things, asset dispositions, mergers and acquisitions, dividends, stock repurchases and redemptions, other restricted payments, indebtedness and preferred stock, loans and investments, liens and affiliate transactions. Our debt agreements also contain customary events of default and covenants imposing operating and financial restrictions on our business. These covenants could, among other things, restrict our ability to incur additional indebtedness, liens or engage in sale and leaseback transactions, pay dividends or make distribution in respect of capital stock, make certain restricted payments, sell assets, engage in transactions with affiliates, except on an arms-length basis, or consolidate or merge with or sell substantially all of our assets. Further, these covenants could, among other things, limit our ability to fund future working capital and capital expenditures, engage in future acquisitions or development activities, or otherwise realize the value of our assets and opportunities fully. In addition, our debt agreements may require us to dedicate a portion of cash flow from operations to payments on debt and also contain borrowing restrictions based on, among other things, our fixed charge coverage ratio. Furthermore, the credit agreement governing our senior secured facilities contains a financial covenant relating to maximum net leverage. Such requirements and covenants could limit the flexibility of our restricted entities in planning for, or reacting to, changes in the industries in which they operate. Our ability to comply with these covenants is subject to certain events outside our control. If we are unable to comply with these covenants, the lenders under our senior secured facilities could terminate their commitments and the lenders under our senior secured facilities or the holders of our senior notes could accelerate repayment of our outstanding borrowings and, in either case, we may be unable to obtain adequate refinancing of outstanding borrowings on favorable terms or at all. If we are unable to repay outstanding borrowings when due, the lenders under the senior secured facilities will also have the right to proceed against the collateral granted to them to secure the indebtedness owed to them. If our obligations under the senior secured facilities are accelerated, we cannot assure you that our assets would be sufficient to repay in full such indebtedness.

***Future financing activities may adversely affect our leverage and financial condition.***

Subject to the limitations set forth in our debt agreements, we may incur additional indebtedness and issue dividend-bearing redeemable equity interests. We may incur substantial additional financial obligations to enable us to execute our business objectives. These obligations could result in:

- default and foreclosure on our assets if our operating revenues after an investment or acquisition are insufficient to repay our financial obligations;
- acceleration of our obligations to repay the financial obligations even if we make all required payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- our immediate payments of all amounts owed, if any, if such financial obligations are payable on demand;
- our inability to obtain additional financing if such financial obligations contain covenants restricting our ability to obtain such financing while the financial obligations remain outstanding;
- our inability to pay dividends on our capital stock;
- using a substantial portion of our cash flow to pay principal and interest or dividends on our financial obligations, which will reduce the funds available for dividends on our Common Stock if declared, expenses, capital expenditures, acquisitions and other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industries in which we operate;
- an event of default that triggers a cross default with respect to other financial obligations, including our indebtedness;
- increased vulnerability to adverse changes in general economic, industry, financial, competitive, legislative, regulatory and other conditions and adverse changes in government regulation; and
- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of our strategy and other purposes and other disadvantages compared to our competitors.

### Risks Related to our International Operations

***We are subject to significant international business risks that could hurt our business and cause our results of operations to fluctuate.***

A significant portion of our net sales are to customers outside of the U.S. See *Note 5 - Revenue Recognition* and *Note 21 – Segment Information* in the *Notes to the Consolidated Financial Statements* for sales by geographic region. Our pursuit of international growth opportunities may require significant investments for an extended period before returns on these investments, if any, are realized. Our international operations are subject to risks including, among others:

- currency fluctuations, including, without limitation, fluctuations in the foreign exchange rate of the Euro, British Pound, Canadian Dollar, Australian Dollar, Japanese Yen, Chinese Renminbi, and the Mexican Peso, among others;
- changes in the economic conditions or consumer preferences or demand for our products in these markets;
- the risk that because our brand names may not be locally recognized, we must spend significant amounts of time and money to build brand recognition without certainty that we will be successful;
- labor unrest;
- political and economic instability, as a result of war, terrorist attacks, pandemics, natural disasters or otherwise;
- lack of developed infrastructure;
- longer payment cycles and greater difficulty in collecting accounts;
- restrictions on transfers of funds;
- import and export duties and quotas, as well as general transportation costs;
- changes in domestic and international customs and tariffs;
- compliance with laws and regulations concerning ethical business practices, such as U.S. Foreign Corrupt Practices Act;
- compliance with U.S. economic sanctions and laws and regulations (including those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (“OFAC”) and export controls;
- changes in foreign labor laws and regulations affecting our ability to hire and retain employees;
- inadequate protection of intellectual property in foreign countries;
- unexpected changes in regulatory environments;
- actions taken by governmental authorities to contain the spread of COVID-19 and mitigate its public health effects;
- difficulty in complying with foreign law; and
- adverse tax consequences.

The foregoing factors may have a material adverse effect on our ability to increase or maintain our supply of products, financial condition or results of operations.

***As a result of our international operations, we face a number of risks related to exchange rates and foreign currencies.***

Our international sales and certain of our expenses are transacted in foreign currencies. See *Note 5 - Revenue Recognition and Note 21 – Segment Information* , in the *Notes to the Consolidated Financial Statements* for sales by geographic region. We expect that the amount of our revenues and expenses transacted in foreign currencies will increase as our Latin American, European and Asian operations grow and as a result of acquisitions in these markets and, as a result, our exposure to risks associated with foreign currencies could increase accordingly. Significant changes in the value of the U.S. dollar in relation to foreign currencies will affect our sales through our pricing for certain segments or products sold in international jurisdictions, our purchasing activity and cost of goods sold, and our overall operating margins, which could result in exchange losses or otherwise have a material effect on our business, financial condition and results of operations. Changes in currency exchange rates may also affect our sales to, purchases from, and loans to, our subsidiaries, as well as sales to, purchases from, and bank lines of credit with, our customers, suppliers and creditors that are denominated in foreign currencies.

We source many products from China and other Asian countries. To the extent the Chinese Renminbi (“RMB”) or other currencies depreciate or appreciate with respect to the U.S. dollar (“USD”), we may experience fluctuations in our results of operations. The RMB is not pegged to the USD at a constant exchange rate and instead fluctuates versus a basket of currencies. Although the People’s Bank of China has historically intervened in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate within a flexible peg range against the USD in the medium to long term. Moreover, it is possible that in the future Chinese authorities may lift restrictions on fluctuations in the RMB exchange rate and lessen intervention in the foreign exchange market.

Additionally, many products in our international operations are sourced through USD denominated transactions and sold within their respective markets using local currencies. We may experience fluctuations in our results of operations for changes in the local currency rates reflective of the USD. The deterioration of any local currency against the USD may impact our ability to appropriately price and realize operating margins for such products consistent to historical operations within those international markets. We may not be successful in implementing customer pricing or other actions in an effort to mitigate the impact of currency fluctuations and, consequently, our results of operations may be adversely impacted.

While we may enter into hedging transactions in the future, the availability and effectiveness of these transactions may be limited, and we may not be able to successfully hedge our exposure to currency fluctuations. See *Note 13 - Derivatives* in the *Notes to the Consolidated Financial Statements* for further detail on related hedging activity.

***Our international operations expose us to risks related to compliance with the laws and regulations of foreign countries.***

Electronic and electrical products that depend on electric current to operate ("EEE") that we sell in Europe are subject to regulation in EU markets under two key EU directives. Among our brands, this includes a limited range of products, such as aquarium pumps, heaters, and lighting. We are subject to two EU Directives that may have a material impact on our business: Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment ("RUHSEEE") and Waste of Electrical and Electronic Equipment ("WEEE"). RUHSEEE requires us to eliminate specified hazardous materials from products we sell in EU member states. WEEE requires us to collect and treat, dispose of or recycle certain products we manufacture or import into the EU at our own expense. The costs associated with maintaining compliance or failing to comply with the EU Directives may harm our business. For example:

- Although contracts with our suppliers address related compliance issues, we may be unable to procure appropriate RUHSEEE-compliant material in sufficient quantity and quality and/or be able to incorporate it into our product procurement processes without compromising quality and/or harming our cost structure.
- We may face excess and/or obsolete inventory risk related to non-compliant inventory that we may hold for which there is reduced demand, and we may need to write down the carrying value of such inventories.

We believe that compliance with RUHSEEE does not have a material effect on our capital expenditures, financial condition, earnings or competitive position. To comply with WEEE requirements, we have partnered with other companies to create a comprehensive collection, treatment, disposal and recycling program as specified within the member countries we conduct business. As EU member states pass enabling legislation, we currently expect our compliance system to be sufficient to meet such requirements. Our current estimated costs associated with compliance with WEEE are not significant based on our current market share. However, we continue to evaluate the impact of the WEEE legislation and implementing regulations as EU member states implement guidance and as our market share changes and, as a result, actual costs to our company could differ from our current estimates and may be material to our business, financial condition or results of operations.

Many of the developing countries in which we operate do not have significant governmental regulation relating to environmental safety, occupational safety, employment practices or other business matters routinely regulated in the U.S. and EU or may not rigorously enforce such regulation. As these countries and their economies develop, it is possible that new regulations or increased enforcement of existing regulations may increase the expense of doing business in these countries. In addition, social legislation in many countries in which we operate may result in significantly higher expenses associated with labor costs, terminating employees or distributors and closing manufacturing facilities. Increases in our costs as a result of increased regulation, legislation or enforcement could materially and adversely affect our business, results of operations and financial condition.

***We face risks related to the impact on foreign trade agreements and relations.***

Recent changes in the United States federal government have caused uncertainty about the future of trade partnerships and treaties, such as the North American Free Trade Agreement ("NAFTA") and the World Trade Organization. The United States has withdrawn from the Trans Pacific Partnership Agreement ("TPPA"), which may affect the Company's ability to leverage lower cost facilities in territories outside of the U.S. Additionally, on November 30, 2018 the U.S., Mexico, and Canada signed a replacement trade deal for NAFTA known as the U.S.-Mexico-Canada Agreement ("USMCA"), which was subsequently ratified by each government. The USMCA maintains duty-free access for most products and leaves most key provisions of the NAFTA agreement largely intact. Any additional assertive trade policies could result in further conflicts with U.S. trading partners, which could affect the Company's supply chains, sourcing, and markets. Foreign countries may impose additional burdens on U.S. companies through the use of local regulations, tariffs or other requirements which could increase our operating costs in those foreign jurisdictions. It remains unclear what additional actions, if any, the current administration will take. If the United States were to materially modify or replace any international trade agreements to which it is a party, or if tariffs were raised on the foreign-sourced goods that we sell, such goods may no longer be available at a commercially attractive price, which in turn could have a material adverse effect on our business, financial condition and results of operations.

***We face risks relating to tariffs imposed by the United States and other governments.***

The United States government has implemented tariffs on certain products imported into the United States, which has resulted in reciprocal tariffs from the European Union on goods imported from the United States. In addition, for a number of countries, including European countries and China, the United States government has placed a series of tariffs on imported goods. In response a number of countries, including several in Europe as well as China, have imposed tariffs on a wide range of American products. Additional tariffs could be imposed by the United States or on the United States' response to actions taken by the United States government. These governmental actions could have, and any similar future action may have, a material adverse effect on our business, financial condition and result of operations. For instance, a large percentage of our products that we sell in the United States are manufactured or sourced in China. The imposition of tariffs on products imported by us from China have in some cases required us to increase prices to our customers or and/or resulted in lowering our gross margin on products sold.

***We are subject to risks associated with importing goods and materials from foreign countries.***

A portion of goods and materials may be sourced by vendors and by us outside of the United States. Although we have implemented policies and procedures designed to facilitate compliance with laws and regulations relating to doing business in foreign markets and importing merchandise from abroad, there can be no assurance that suppliers and other third parties with whom we do business will not violate such laws and regulations or our policies, which could subject us to liability and could adversely affect our results of operations.

We are subject to the various risks of importing merchandise from abroad and purchasing product made in foreign countries, such as:

- potential disruptions in manufacturing, logistics and supply;
- changes in duties, tariffs, quotas and voluntary export restrictions on imported goods;
- strikes and other events affecting delivery;
- product compliance with laws and regulations of the destination country;
- product liability claims from customers or penalties from government agencies relating to products that are recalled, defective or otherwise noncompliance or alleged to be harmful;
- concerns about human rights, working conditions and other labor rights and conditions and environmental impact in foreign countries where goods are produced and materials or components are sourced, and changing labor, environmental and other laws in these countries;
- local business practice and political issues that may result in adverse publicity or threatened or actual adverse consumer actions, including boycotts;

- compliance with laws and regulations concerning ethical business practices, such as the U.S. Foreign Corrupt Practices Act;
- compliance with U.S. economic sanctions laws and regulations (including those administered by OFAC); and
- economic, political or other problems in countries from or through which goods are imported.

Political or financial instability, trade restrictions, tariffs, currency exchange rates, labor conditions, congestion and labor issues at major ports, transport capacity and costs, systems issues, problems in third-party distribution and warehousing and other interruptions of the supply chain, compliance with U.S. and foreign laws and regulations and other factors relating to international trade and imported merchandise beyond our control could affect the availability and the price of our inventory. These risks and other factors relating to foreign trade could subject us to liability or hinder our ability to access suitable merchandise on acceptable terms, which could adversely impact our results of operations. In addition, developments in tax policy, such as the disallowance of tax deductions for imported merchandise, or the imposition of tariffs on imported goods, could have a material adverse effect on our results of operations and liquidity.

**Risks Related to Data Privacy and Intellectual Property**

***We and our licensors may not be able to adequately establish and protect the intellectual property rights we use in our business and the infringement or loss of our intellectual property rights could harm our business.***

To establish and protect our intellectual property rights, we rely upon a combination of national, foreign and multinational patent, trademark and trade secret laws, together with licenses, confidentiality agreements and other contractual arrangements. The measures that we take to protect our intellectual property rights may prove inadequate to prevent third parties from infringing or misappropriating our intellectual property. We may need to resort to litigation to enforce or defend our intellectual property rights. If a competitor or collaborator files a patent application claiming technology also claimed by us, or a trademark application claiming a trademark, service mark or trade dress also used by us, in order to protect our rights, we may have to participate in expensive and time consuming opposition or interference proceedings before the U.S. Patent and Trademark Office or a similar foreign agency. Similarly, our intellectual property rights may be challenged by third parties or invalidated through administrative process or litigation. The costs associated with protecting intellectual property rights, including litigation costs, may be material. Furthermore, even if our intellectual property rights are not directly challenged, disputes among third parties could lead to the weakening or invalidation of our intellectual property rights, or our competitors may independently develop technologies that are substantially equivalent or superior to our technology. Obtaining, protecting and defending intellectual property rights can be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the time and resources of management and technical personnel.

Moreover, the laws of certain foreign countries in which we operate or may operate in the future do not protect, and the governments of certain foreign countries do not enforce, intellectual property rights to the same extent as do the laws and government of the U.S., which may negate our competitive or technological advantages in such markets. Also, some of the technology underlying our products is the subject of nonexclusive licenses from third parties. As a result, this technology could be made available to our competitors at any time. If we are unable to establish and then adequately protect our intellectual property rights, our business, financial condition and results of operations could be materially and adversely affected.

We license various trademarks, tradenames and patents from third parties for certain of our products. These licenses generally place marketing obligations on us and require us to pay fees and royalties based on net sales or profits. We do not own the trademarks, tradenames and patents that underlie these licenses, and we may not control either the prosecution or enforcement of rights under the licenses, in which case we may be forced to rely upon our licensors to properly prosecute and prevent infringement of the trademarks, tradenames and patents that underlie these licenses. Typically, these licenses may be terminated if we fail to satisfy certain minimum sales obligations or if we breach the terms of the license. The failure or inability of our licensors to protect these trademarks, tradenames and patents, the termination of these licensing arrangements, or the failure to renew or enter into a new agreement on acceptable terms could adversely affect our business, financial condition and results of operations. When our right to use these trademarks, brand names and logos expires, we may not be able to maintain or enjoy comparable name recognition or status under our new brand. If we are unable to successfully manage the transition of our business to new brands, our reputation among our customers could be adversely affected, and our revenue and profitability could decline. Refer to *Item 1 - Business* for further discussions on licensed tradenames and related contractual terms. There can be no assurance that we will be able to renew our existing licensing agreements for associated tradenames outside of their existing terms and options, or that we will be able to retain tradenames indefinitely that are not directly owned by the Company.

***If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology, products and services could be harmed significantly.***

We rely on trade secrets, know-how and other proprietary information in operating our business. If this information is not adequately protected, then it may be disclosed or used in an unauthorized manner. To the extent that consultants, key employees or other third parties apply technological information independently developed by them or by others to our proposed products, disputes may arise as to the proprietary rights to such information, which may not be resolved in our favor. The risk that other parties may breach confidentiality agreements or that our trade secrets become known or independently discovered by competitors, could harm us by enabling our competitors, who may have greater experience and financial resources, to copy or use our trade secrets and other proprietary information in the advancement of their products, methods or technologies. The disclosure of our trade secrets would impair our competitive position, thereby weakening demand for our products or services and harming our ability to maintain or increase our customer base.

***Claims by third parties that we are infringing their intellectual property and other litigation could adversely affect our business.***

From time to time in the past we have been subject to claims that we are infringing the intellectual property of others. We currently are the subject of such claims and it is possible that third parties will assert infringement claims against us in the future. An adverse finding against us in these or similar trademark or other intellectual property litigation may have a material adverse effect on our business, financial condition and results of operations. Any such claims, with or without merit, could be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the resources of management and technical personnel, cause product delays or require us to enter into licensing or other agreements in order to secure continued access to necessary or desirable intellectual property. If we are deemed to be infringing a third-party's intellectual property and are unable to continue using that intellectual property as we had been, our business and results of operations could be harmed if we are unable to successfully develop non-infringing alternative intellectual property on a timely basis or license non-infringing alternatives or substitutes, if any exist, on commercially reasonable terms. In addition, an unfavorable ruling in intellectual property litigation could subject us to significant liability, as well as require us to cease developing, manufacturing or selling the affected products or using the affected processes or trademarks. Any significant restriction on our proprietary or licensed intellectual property that impedes our ability to develop and commercialize our products could have a material adverse effect on our business, financial condition and results of operations.

***A cybersecurity breach or failure of one or more key information technology systems could have a material adverse impact on our business or reputation.***

We rely extensively on information technology (IT) systems, networks and services, including internet sites, data hosting and processing facilities and tools and other hardware, software and technical applications and platforms, some of which are managed, hosted, provided and/or used by third-parties or their vendors, to assist in conducting our business.

In addition, our use of social media presents other possible vulnerabilities. For instance, our accounts and IT systems may be subject to boycotts, spam, spyware, ransomware, phishing and social engineering, viruses, worms, malware, distributed denial-of-service attacks, password attacks, man-in-the-middle attacks, cybersquatting, impersonation of employees or officers, abuse of comments and message boards, fake reviews, doxing and swatting. Our IT systems have been, and will likely continue to be, subject to computer viruses or other malicious codes, unauthorized access attempts, phishing and other cyber-attacks. Through our third party service providers, we continue to assess potential threats and seek to address and prevent these threats, including monitoring of networks and systems and upgrading skills, employee training and security policies for the Company and its third-party providers. However, because the techniques used in these attacks change frequently and may be difficult to detect for periods of time, we and our service providers may face difficulties in anticipating and implementing adequate preventative measures. To date, we have seen no material impact on our business or operations from these attacks; however, we cannot guarantee that our security efforts will prevent breaches or breakdowns to our or our third-party providers' databases or systems. If the IT systems, networks or service providers we rely upon fail to function properly, or if we or one of our third-party providers suffer a loss, significant unavailability of or disclosure of our business or stakeholder information, and our business continuity plans do not effectively address these failures on a timely basis, we may be exposed to reputational, competitive and business harm as well as litigation and regulatory action. The costs and operational consequences of responding to breaches and implementing remediation measures could be significant.

***Disruption or failures of our information technology systems could have a material adverse effect on our business.***

The IT systems used by the Company are susceptible to security breaches, operational data loss, general disruptions in functionality, and may not be compatible with new technology. We depend on our IT systems for the effectiveness of our operations and to interface with our customers, as well as to maintain financial records and accuracy. Disruption or failures of our IT systems could impair our ability to effectively and timely provide our services and products and maintain our financial records, which could damage our reputation and have a material adverse effect on our business.

***Our actual or perceived failure to adequately protect personal data could adversely affect our business, financial condition and results of operations.***

A continually evolving variety of state, national, foreign, and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal data. These privacy and data protection-related laws and regulations are evolving, with new or modified laws and regulations proposed and implemented frequently and existing laws and regulations subject to new or different interpretations. Compliance with these laws and regulations can be costly and can delay or impede the development of new products.

Our actual or alleged failure to comply with applicable laws and regulations, or a government's interpretation of its laws and regulations, or an actual or alleged failure to protect personal data, could result in enforcement actions and significant penalties against us, which could result in negative publicity, increase our operating costs, subject us to claims or other remedies and have a material adverse effect on our business, financial condition, and results of operations.

***We are subject to data security and privacy risks that could negatively affect our results, operations or reputation.***

In addition to our own sensitive and proprietary business information, we handle transactional and personal information about our customers, suppliers and vendors. Hackers and data thieves are increasingly sophisticated and operate social engineering, such as phishing, and large-scale, complex automated attacks that can evade detection for long periods of time. Any breach of our or our service providers' network, or other vendor systems, may result in the loss of confidential business and financial data, misappropriation of our consumers,' users' or employees' personal information or a disruption of our business. Any of these outcomes could have a material adverse effect on our business, including unwanted media attention, impairment of our consumer and customer relationships, damage to our reputation, resulting in lost sales and consumers, fines, lawsuits, or significant legal and remediation expenses. We also may need to expend significant resources to protect against, respond to and/or redress problems caused by any breach.

In addition, we must comply with increasingly complex and rigorous regulatory standards enacted to protect business and personal data in the U.S., Europe and elsewhere. For example, the EU adopted the General Data Protection Regulation (the "GDPR"), which became effective on May 25, 2018, and California passed the California Consumer Privacy Act (the "CCPA"), which became effective on January 1, 2020, and is being amended by the California Privacy Rights Act ("CPRA"), which became effective on January 1, 2023. These laws impose additional obligations on companies such as ours regarding the handling of personal data and provides certain individual privacy rights to persons whose data is stored. Compliance with existing, proposed and recently enacted laws (including implementation of the privacy and process enhancements called for under GDPR, CCPA, CPRA and regulations can be costly; any failure to comply with these regulatory standards could subject us to legal and reputational risks. Misuse of or failure to secure personal information could also result in violation of data privacy laws and regulations, proceedings against the Company by governmental entities or others, damage to our reputation and credibility and could have a negative impact on revenues and profits.

**Risks Related to Litigation and Regulatory Compliance**

***Class action and derivative action lawsuits and other investigations, regardless of their merits, could have an adverse effect on our business, financial condition and results of operations.***

We and certain of our officers and directors have been named in the past, and may be named in the future, as defendants of class action and derivative action lawsuits. In the past, we have also received requests for information from government authorities. Regardless of their subject matter or merits, class action lawsuits and other government investigations may result in significant cost to us, which may not be covered by insurance, may divert the attention of management or may otherwise have an adverse effect on our business, financial condition and results of operations.

***We are subject to a number of claims and litigation and may be subject to future claims and litigation, any of which may adversely affect our business.***

From time to time in the past we have been subject to a variety of claims and litigation and we may in the future be subject to additional claims and litigation (including class action lawsuits). For instance, following periods of volatility in the market price of our stock, we have become subject to the class action shareholder litigation. We are also subject to various other litigation and claims on a variety of matters. Based on the information currently available, we believe that our ultimate liability for the matters or proceedings presently pending against the Company will not have a material adverse effect on the Company's business or financial condition. But, regardless of their merits, lawsuits (including class action lawsuits) may result in significant cost to the Company that may not be covered by insurance and may divert attention of management or may otherwise have an adverse effect on our business, financial condition, and results of operation. See *Note 20 - Commitments and Contingencies* in the *Notes to the Consolidated Financial Statements* for further discussion over material claims and litigation.

***The Company has been, and may in the future be, subject to product liability claims and product recalls, which could negatively impact its profitability.***

In the ordinary course of our business, the Company may be named as a defendant in lawsuits involving product liability claims. In any such product liability proceedings, plaintiffs may seek to recover large and sometimes unspecified amounts of damages, and the matters may remain unresolved for several years. Any such matters could have a material adverse effect on our business, results of operations and cash flows if we are unable to successfully defend against or settle these matters or if our insurance coverage is insufficient to satisfy any judgments against us or settlement related to these matters. The Company sells perishable treats for animal consumption, which involves risks such as product contamination or spoilage, product tampering, and other adulteration of food products. The Company may be subject to liability if the consumption of any of its products causes injury, illness, or death. In addition, the Company will voluntarily recall products in the event of contamination or damage. The Company has previously voluntarily recalled products, including a Black+Decker Garment Steamer, PowerXL Self-Cleaning Juicer, PowerXL Stuffed Wafflizer Waffle Maker, and PowerXL Dual Basket Air Fryer, which resulted in costs to the Company to provide for consumer refunds, replacement parts and product rework, and resulted in losses from retail customer returns and costs and inventory disposition due to the issuance of a stop sale and the return and disposition of the recalled products. Any future product recalls could have a material adverse effect on our business, results of operations and cash flows.

A significant product liability judgment or a widespread product recall involving our business may negatively impact the Company’s sales and profitability for a period of time depending on product availability, competitive reaction, and consumer attitudes. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that Company products caused illness, injury or property damage could adversely affect the Company’s reputation with existing and potential customers and its corporate and brand image and trigger certain rights of owners of the brands the Company licenses. Although we have product liability insurance coverage and an excess umbrella policy, our insurance policies may not provide coverage for certain, or any, claims against us or may not be sufficient to cover all possible liabilities. We may not be able to maintain such insurance on acceptable terms, if at all, in the future. See *Note 20 - Commitments and Contingencies* in the *Notes to the Consolidated Financial Statements* for further discussion on product liability.

***Agreements, transactions and litigation involving or resulting from the activities of our predecessor and its former subsidiaries may subject us to future claims or litigation that could materially adversely impact our capital resources.***

The Company was formerly known as HRG, which is the successor to Zapata Corporation, which was a holding company engaged, through its subsidiaries, in a number of business activities and over the course of HRG’s existence, acquired and disposed of a number of businesses. The activities of such entities may subject us to future claims or litigation regardless of the merit of such claims or litigation and the defenses available to us. The time and expense that we may be required to dedicate to such matters may be material to us and our subsidiaries and may adversely impact our capital resources. In certain instances, we may have continuing obligations pursuant to certain of these transactions, including obligations to indemnify other parties to agreements, and may be subject to risks resulting from these transactions.

***We may incur material capital and other costs due to changing environmental laws and regulations and other environmental liabilities.***

We are subject to a broad range of federal, state, local, foreign and multi-national laws and regulations relating to the environment. These include laws and regulations that govern:

- discharges to the air, water and land; and
- the handling and disposal of solid and hazardous substances and wastes; and
- the remediation of contamination associated with release of hazardous substances at our facilities and at off-site disposal locations.

Risk of environmental liability is inherent in our business. As a result, material environmental costs may arise in the future. In particular, we may incur capital and other costs to comply with increasingly stringent environmental laws and enforcement policies, such as the EU Directives: Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment and Waste of Electrical and Electronic Equipment discussed above. Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries. See the risk factor *Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries*.

Moreover, there are adopted and proposed international accords and treaties, as well as federal, state and local laws and regulations, that would attempt to control or limit the causes of climate change, including the effect of greenhouse gas emissions on the environment. In the event that the U.S. government or foreign governments enact new climate change laws or regulations or make changes to existing laws or regulations, compliance with applicable laws or regulations may result in increased manufacturing costs for our products, such as by requiring investment in new pollution control equipment or changing the ways in which certain of our products are made. We may incur some of these costs directly and others may be passed on to us from our third-party suppliers. Although we believe that we are substantially in compliance with applicable environmental laws and regulations at our facilities, we may not always be in compliance with such laws and regulations or any new laws and regulations in the future, which could have a material adverse effect on our business, financial condition and results of operations.

From time to time, we have been required to address the effect of historic activities on the environmental condition of our properties or former properties. We have not conducted invasive testing at all of our facilities to identify all potential environmental liability risks. Given the age of our facilities and the nature of our operations, material liabilities may arise in the future in connection with our current or former facilities. If previously unknown contamination of property underlying or in the vicinity of our manufacturing facilities is discovered, we could be required to incur material unforeseen expenses. If this occurs, it may have a material adverse effect on our business, financial condition and results of operations. We are currently engaged in investigative or remedial projects at a few of our facilities and any liabilities arising from such investigative or remedial projects at such facilities may have a material effect on our business, financial condition and results of operations.

In addition, in connection with certain business acquisitions, we have assumed, and in connection with future acquisitions may assume, certain potential environmental liabilities. To the extent we have not identified such environmental liabilities or to the extent the indemnifications obtained from our counterparties are insufficient to cover such environmental liabilities, these environmental liabilities could have a material adverse effect on our business.

We are also subject to proceedings related to our disposal of industrial and hazardous material at off-site disposal locations or similar disposals made by other parties for which we are responsible as a result of our relationship with such other parties. These proceedings are under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") or similar state or foreign jurisdiction laws that hold persons who "arranged for" the disposal or treatment of such substances strictly liable for costs incurred in responding to the release or threatened release of hazardous substances from such sites, regardless of fault or the lawfulness of the original disposal. Liability under CERCLA is typically joint and several, meaning that a liable party may be responsible for all of the costs incurred in investigating and remediating contamination at a site. We occasionally are identified by federal or state governmental agencies as being a potentially responsible party for response actions contemplated at an off-site facility. At the existing sites where we have been notified of our status as a potentially responsible party, it is either premature to determine if our potential liability, if any, will be material or we do not believe that our liability, if any, will be material. We may be named as a potentially responsible party under CERCLA or similar state or foreign jurisdiction laws in the future for other sites not currently known to us, and the costs and liabilities associated with these sites may have a material adverse effect on our business, financial condition and results of operations.

It is difficult to quantify with certainty the potential financial impact of actions regarding expenditures for environmental matters, particularly remediation, and future capital expenditures for environmental control equipment. See *Note 20 - Commitments and Contingencies* in the *Notes to the Consolidated Financial Statements* for further discussion on estimated liabilities arising from such environmental matters. Nevertheless, based upon the information currently available, we believe that our ultimate liability arising from such environmental matters should not be material to our business or financial condition.

***Compliance with various public health, consumer protection and other regulations applicable to our products and facilities could increase our cost of doing business and expose us to additional requirements with which we may be unable to comply.***

Certain of our products sold through, and facilities operated under, each of our business segments are regulated by the Environmental Protection Agency ("EPA"), the Food and Drug Administration ("FDA"), the United States Department of Agriculture or other federal or state consumer protection and product safety agencies and are subject to the regulations such agencies enforce, as well as by similar state, foreign and multinational agencies and regulations. For example, in the U.S., all products containing pesticides must be registered with the EPA and, in many cases, similar state and foreign agencies before they can be manufactured or sold. Our inability to obtain, or the cancellation of, any registration could have an adverse effect on our business, financial condition and results of operations. The severity of the effect would depend on which products were involved, whether another product could be substituted and whether our competitors were similarly affected. We attempt to anticipate regulatory developments and maintain registrations of, and access to, substitute chemicals and other ingredients, but we may not always be able to avoid or minimize these risks.

As a global distributor of consumer products, certain of our products are subject to the Consumer Product Safety Act, which empowers the U.S. Consumer Product Safety Commission (the "Consumer Commission") to exclude from the market products that are found to be unsafe or hazardous, and other similar laws in states and other countries in which we sell our products. Under certain circumstances, the Consumer Commission, or similar state or foreign regulatory bodies, could require us to repair, replace or refund the purchase price of one or more of our products, or we may voluntarily do so. Any additional repurchases or recalls of our products could be costly to us and could damage the reputation or the value of our brands. If we are required to remove, or we voluntarily remove our products from the market, our reputation or brands could be tarnished, and we may have large quantities of finished products that could not be sold. Furthermore, failure to timely notify the Consumer Commission, or a similar state or foreign regulatory bodies, of a potential safety hazard could result in significant fines being assessed against us, which could have a material adverse effect on our business, financial condition and results of operations.

Certain of our products and packaging materials are subject to regulations administered by the FDA. Among other things, the FDA enforces statutory prohibitions against misbranded and adulterated products, establishes ingredients and manufacturing procedures for certain products, establishes standards of identity for certain products, determines the safety of products and establishes labeling standards and requirements. In addition, various states regulate these products by enforcing federal and state standards of identity for selected products, grading products, inspecting production facilities and imposing their own labeling requirements.

The Food Quality Protection Act ("FQPA") established a standard for food-use pesticides, which is that a reasonable certainty of no harm will result from the cumulative effect of pesticide exposures. Under the FQPA, the EPA is evaluating the cumulative effects from dietary and non-dietary exposures to pesticides. The pesticides in certain of our products that are sold through our H&G business continue to be evaluated by the EPA as part of this program. It is possible that the EPA or a third-party active ingredient registrant may decide that a pesticide we use in our products will be limited or made unavailable to us. We cannot predict the outcome or the severity of the effect of the EPA's continuing evaluations of active ingredients used in our products.

In addition, the use of certain pesticide products that are sold through our H&G business may, among other things, be regulated by various local, state, federal and foreign environmental and public health agencies. These regulations may require that only certified or professional users apply the product, that users post notices on properties where products have been or will be applied or that certain ingredients may not be used. Compliance with such public health regulations could increase our cost of doing business and expose us to additional requirements with which we may be unable to comply.

The United States Toxic Substances Control Act ("TSCA") was amended in 2016, and the EPA is currently evaluating additional chemicals for regulation under that amended law. Certain of our products may be manufactured using chemicals or other ingredients that may be subject to regulation under current TSCA regulations, and other chemicals or ingredients may be regulated under the law in the future. We do not expect that compliance with current or future TSCA regulations will cause us to incur expenditures that are material to our business, financial condition or results of operations; however, it is possible that our future liability could be material.

The fish sold under the GloFish brand can be classified as an intragenic or transgenic species due to the addition of their bioluminescent genes, which means the FDA has the authority to regulate as the luminescence is caused by intentionally altered genomic DNA. Additional regulatory agencies, including the EPA, as well as agencies in U.S. and foreign states have authority to regulate these types of species. It is possible that the EPA, FDA, another U.S. federal agency, a U.S. state, or a foreign agency could in the future seek to exercise authority over the distribution and/or sale of GloFish brand fish. We will continue to monitor the development of any regulations that might apply to our bioluminescent fish.

Certain of our products may be regulated under programs within the United States, Canada, or in other countries that may require that those products and the associated product packaging be recycled or managed for disposal through a designated recycling program. Some programs are funded through assessment of a fee on the manufacturer and suppliers, including the Company. We do not expect that such programs will cause us to incur expenditures that are material to our business, financial condition or results of operations; however, it is possible that our future liability could be material.

Any failure to comply with these laws or regulations, or the terms of applicable environmental permits, could result in us incurring substantial costs, including fines, penalties and other civil and criminal sanctions or the prohibition of sales of our pest control products. Environmental law requirements and the enforcement thereof, change frequently, have tended to become more stringent over time and could require us to incur significant expenses.

Most federal, state and local authorities require certification by Underwriters Laboratory, Inc. ("UL"), an independent, not-for-profit corporation engaged in the testing of products for compliance with certain public safety standards, or other safety regulation certification prior to marketing electrical appliances. Foreign jurisdictions also have regulatory authorities overseeing the safety of consumer products. Our products may not meet the specifications required by these authorities. A determination that any of our products are not in compliance with these rules and regulations could result in the imposition of fines or an award of damages to private litigants.

***We may be unable to achieve our goals and aspirations related to the reduction of greenhouse gas emissions, or otherwise meet the expectations of our stakeholders with respect to ESG matters.***

Increasing governmental and societal attention to ESG matters, including expanding mandatory and voluntary reporting, and disclosure topics such as climate change, sustainability, natural resources, waste reduction, energy, human capital, and risk oversight could expand the nature, scope, and complexity of matters that we are required to control, assess, and report. We strive to deliver shared value through our business and our diverse stakeholders expect us to make progress in certain ESG priority issue areas. A failure or perceived failure to meet these expectations could adversely affect public perception of our business, employee morale or customer or stockholder support.

We have announced certain aspirations and goals related to ESG matters, such as plans to reduce certain GHG emissions over time and expect to set further such aspirations and goals to ESG matters. Achievement of these aspirations, targets, plans and goals is subject to numerous risks and uncertainties, many of which are outside of our control. These risks and uncertainties include, but are not limited to: our ability to successfully identify and implement relevant strategies on a timely and cost-effective basis; our ability to achieve the anticipated benefits and cost savings of such strategies and actions; and the availability and cost of existing and future technologies, such as alternative fuel vehicles, off-site renewable energy, and other materials and components. It is possible that we may be unsuccessful in the achievement of our ESG goals, on a timely basis or at all, or that the costs to achieve those goals become prohibitively expensive. Furthermore, our stakeholders may not be satisfied with our efforts or the speed at which we are progressing towards any such aspirations and goals. A delay, failure or perceived failure or delay to meet our goals and aspirations could adversely affect public perception of our business, or we may lose stockholder support. Certain challenges we face in the achievement of our ESG objectives are also captured within our ESG reporting, which is not incorporated by reference into and does not for many parts of this report.

***Public perceptions that some of the products we produce and market are not safe could adversely affect us.***

On occasion, customers have alleged that some products failed to perform up to expectations or have caused damage or injury to individuals or property. Public perception that any of our products are not safe, whether justified or not, could impair our reputation, damage our brand names and have a material adverse effect on our business, financial condition and results of operations. In addition, we rely on certain third-party trademarks, brand names and logos of which we do not have exclusive use of. Public perception that any such third-party trademarks, brand names and logos used by us are not safe, whether justified or not, could have a material adverse effect on our business, financial condition and results of operations.

***We have in our past recorded substantial impairment charges relating to indefinite-lived intangible assets. If our indefinite-lived intangible assets or other long-term assets become impaired, we will be required to record additional impairment charges, which may be significant.***

A significant portion of our long-term assets have historically consisted of goodwill, other indefinite-lived intangible assets and finite-lived intangible assets recorded as a result of past acquisitions as well as through fresh start reporting. We do not amortize goodwill and indefinite-lived intangible assets, but rather review them for impairment on a periodic basis or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. We consider whether circumstances or conditions exist which suggest that the carrying value of our goodwill and other long-lived intangible assets might be impaired. If such circumstances or conditions exist, further steps are required in order to determine whether the carrying value of each of the individual assets exceeds its fair value. If analysis indicates that an individual asset's carrying value does exceed its fair value, the next step is to record a loss equal to the excess of the individual asset's carrying value over its fair value.

The analysis required by GAAP entails significant amounts of judgment and subjectivity. Events and changes in circumstances that may indicate that there may be an impairment include, but are not limited to: strategic decisions to exit a business or dispose of an asset made in response to changes in economic, political and competitive conditions; the impact of the economic environment on the customer base and on broad market conditions that drive valuation considerations by market participants; our internal expectations with regard to future revenue growth and the assumptions we make when performing impairment reviews; a significant decrease in the market price of our assets; a significant adverse change in the extent or manner in which our assets are used; a significant adverse change in legal factors or the business climate that could affect our assets; an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset; and significant changes in the cash flows associated with an asset. As a result of such circumstances, we may be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill, indefinite-lived intangible assets or other long-term assets is determined. Any such impairment charges could have a material adverse effect on our business, financial condition and operating results. See *Note 10 – Goodwill and Intangible Assets* in the *Notes to the Consolidated Financial Statements* for further detail.

***The successful execution of our operational efficiency and multi-year restructuring initiatives are important to the long-term growth of our business.***

We continue to engage in targeted restructuring initiatives to align our business operations in response to current and anticipated future market conditions and investment strategy. We will evaluate opportunities for additional initiatives to restructure or reorganize the business across our operating segments and functions with a focus on areas of strategic growth and optimizing operational efficiency. Significant risks associated with these actions may impair our ability to achieve the anticipated cost reduction or may disrupt our business including delays in shipping, implementation of workforce, redundant costs, and failure to meet operational targets. In addition, our ability to achieve the anticipated cost savings and other benefits from these actions within the expected timeframe is subject to many estimates and assumptions. These estimates and assumptions are subject to significant economic, competitive and other uncertainties, some of which are beyond our control. If these estimates and assumptions are incorrect, experience delays, or if other unforeseen events occur, our business and results of operation could be adversely affected. Refer to *Note 4 - Exit and Disposal Activities* in the *Notes to the Consolidated Financial Statements* for additional detail over restructuring related activity.

**Risks Related to our Common Stock**

***Our Restated Bylaws provide that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.***

Our restated bylaws provide that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our restated bylaws, any action to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition.

***Certain provisions of our charter, bylaws, and of the Delaware General Corporation Law (the "DGCL") have anti-takeover effects and could delay, discourage, defer or prevent a tender offer or takeover attempt that a stockholder might consider to be in the stockholder's best interests.***

Certain provisions of our charter and bylaws and the DGCL may have the effect of delaying or preventing changes in control if our board of directors determines that such changes in control are not in the best interests of the Company and its stockholders. Such provisions include, among other things, those that:

- authorize the board of directors to issue preferred shares and to determine the terms, including the number of shares, voting powers, redemption provisions, dividend rates, liquidation preferences and conversion rights, of those shares, without stockholder approval;
- permit the removal of directors by the stockholders only for cause and then only by the affirmative vote of a majority of the outstanding shares of our common stock;
- opt in to Section 203 of the DGCL, which generally prohibits a Delaware corporation from engaging in a "business combination" with any interested stockholder (generally speaking a stockholder who holds 15% or more of our voting stock) for three years from the date such stockholder becomes an interested stockholder unless certain conditions are met; and
- subject to certain exceptions, prohibit any person from acquiring shares of our common stock if such person is, or would become as a result of the acquisition, a "Substantial Holder" (as defined in our charter).

These provisions may frustrate or prevent attempts by stockholders to cause a change in control of the Company or to replace members of its board of directors.

***The market price of the Company's common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control.***

Our stock price has been highly volatile. From October 1, 2023 through September 30, 2024, the closing sale price of our common stock has been as low as $64.35 per share and as high as $95.14 per share. Many factors, including some we may be unable to control, may influence the price of the common stock including, without limitation, the following:

- loss of any of our key customers or suppliers, including our B+D licensing agreement with SBD;
- additions or departures of key personnel;
- sales of common stock;
- our ability to execute our business plan;
- announcements and consummations of business acquisitions and divestitures;
- operating results that fall below expectations;
- amount and terms of borrowings with debtors and net leverage provisions;
- additional issuances of common stock;
- low volume of sales due to concentrated ownership of common stock;
- intellectual property disputes;
- industry developments;
- economic and other external factors; and
- period-to-period fluctuations in our financial results.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of the Company's common stock. You should also be aware that price volatility might be worse if the trading volume of shares of the common stock is low.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

## ITEM 1C. CYBERSECURITY

*Risk management and strategy.*

We have developed and implemented an enterprise-wide cybersecurity program designed to provide a structured and thorough cybersecurity risk management system and governance structure to assess, identify, and manage material risks from cybersecurity threats. The Company considers the following factors, among others, to assess whether adequate protections are in place to address risks from known and anticipated cybersecurity threats: likelihood and severity of risk, impact on the Company and others, including retail customers, suppliers, consumers, and/or employees, if a risk materializes; feasibility and cost of controls; and impact of controls on our operations.

Our cybersecurity program is aligned with various frameworks for managing cybersecurity risks, such as the National Institute of Standards and Technology Cyber Security Framework for IT systems and International Electrotechnical Commission 62443 which governs cybersecurity for Industrial Control Systems. Our cybersecurity program prioritizes, among other things, prevention of unauthorized access; protection of sensitive information; detection, assessment, and response to cyber threats; and continuous improvements to our cybersecurity measures. We seek to achieve our cybersecurity program priorities through a multi-pronged and -tiered approach to address cyber threats and incidents that includes implementation of various industry best practices, proactive monitoring of our IT systems, ongoing employee training, and regular risk assessments. We also maintain cyber insurance coverage to help mitigate a portion of the potential costs in the event of covered events.

As part of the cybersecurity risk management program, the Company utilizes cybersecurity assessors, consultants, auditors, and other third parties to assist the internal team with network security, cloud security, endpoint security, data loss prevention, and security information and event management. In addition, the Company utilizes a variety of third-party technology, information systems, and service providers to help identify, isolate, and mitigate security incidents. The Information Security team retains external cybersecurity firms to review and provide feedback on improving our cybersecurity program, including in the areas of data protection, threat and vulnerability management, and end-point protection. Tabletop exercises are conducted to prepare for potential cyber incidents and assess preparedness and processes. Cybersecurity training is provided to users of the Company technology resources, regular simulated exercises are conducted to help recognize phishing emails and other social engineering tactics and provide various methods for users to report suspicious activity that may give rise to a cyber incident or threat. Significant results of such testing and reviews are communicated to our executive management team and our Audit Committee, as applicable, and are utilized in our cybersecurity program's continuous improvement process.

In response to the growing risks associated with third-party service providers, we have established review processes for assessing the technological and information security controls of our third-party suppliers to attempt to identify material cybersecurity risks associated with such providers, their IT systems, and their access to our IT systems that could significantly disrupt our operations. These processes encompass a range of measures, such as pre-engagement cybersecurity due diligence for providers who access our IT systems or information before their engagement, ongoing monitoring and evaluation of our providers, detailed examination of available System and Organization Controls attestation reports, and inclusion of relevant contractual provisions in our agreements with third-party service providers with respect to areas including cyber protections, notifications, auditing, and risk allocation.

To support incident response preparedness, the Company has developed a cybersecurity incident response plan and conducts an annual simulated incident exercise. The cybersecurity incident response plan addresses cybersecurity incidents that directly impact the Company or arise from the Company's use of third-party technology, information systems, and service providers. The Company also utilizes business continuity and disaster recovery plans to prepare for potential disruptions in technology that the Company relies upon. Further, the Company monitors novel and advanced cybersecurity threats and provides ongoing employee security awareness training.

*Cybersecurity governance*

Our Board of Directors oversees the management of risks inherent in the operation of our business, with a focus on the most significant risks that we face, including those related to cybersecurity. The Board of Directors has delegated oversight of cybersecurity, including privacy and information security, as well as enterprise risk management to the Audit Committee. In connection with that oversight responsibility, our CIO provides the Audit Committee and the senior executive management team of the Company information and updates on a range of cybersecurity topics which may include our cybersecurity program and governance processes; cyber risk monitoring and management; the status of projects to strengthen our cybersecurity and privacy capabilities; recent significant incidents or threats impacting our operations, industry, or third-party suppliers; and the emerging threat landscape. Our head of Internal Audit also meets with our executive management team and the Audit Committee on a quarterly basis and reports on processes and activities, including applicable cyber risk management, pertinent to enterprise risk management.

Our enterprise-wide cybersecurity program is managed by a dedicated information security team, led by our CIO. Our CIO has more than 25 years of technology experience across various disciplines, including nearly 15 years of experience as a CISO in the financial, manufacturing, and the consumer packaged goods industries. He has led our global information security organization for almost four years. In addition to his employment experience in the cybersecurity field, our CIO has a Master of Computer Systems and a Bachelor's Degree in Accounting, and he has served on corporate and industry advisory boards related to cybersecurity, all of which have provided him with skills and experience to manage our global information security function. Our CIO regularly meets with other members of our executive team and provides relevant updates on our cybersecurity program.

*Material Cybersecurity Risks, Threats & Incidents*

We actively monitor the evolving cybersecurity and geopolitical landscapes that could result in new or increased cybersecurity threat. As a global company, we routinely experience the threat of a wide variety of cybersecurity incidents. In the last three (3) fiscal years, the Company has not experienced any material cybersecurity incidents, and expenses incurred from non-material cybersecurity incidents were minimal. However, despite our significant cybersecurity protocols and governance, we cannot assure that we will not experience any such event in the future. Any security breach or other significant disruption involving our computer networks and related systems could cause substantial costs and other negative effects, including litigation, remediation costs, costs to deploy additional protection strategies, compromising of confidential information, and reputational damage adversely affecting investor confidence. Further, a penetration of our systems or a third-party's systems or other misappropriation or misuse of personal information could subject us to business, regulatory, litigation and reputation risk, which could have a negative effect on our business, financial condition and results of operations. See *Item 1A. Risk Factors* for further details on risks related to potential breaches of our information technology systems.

*Incident Response*

A cybersecurity incident response plan is in place that is designed to provide a framework across all functions for a coordinated identification and response to security incidents. The plan specifies the process for identifying, validating, classifying, documenting, and responding to cybersecurity events as well as determining whether reporting of an event is appropriate under regulatory standards. The plan also includes a materiality assessment framework that sets forth procedures to support our assessment of whether a security incident is “material” under the federal securities laws. Internal reporting and escalation protocols are in place to ensure the involvement of the CIO, other senior executive leaders, and the Audit Committee, as appropriate. Under the plan, regular tabletop exercises are conducted to test preparedness and incident response processes and provide ongoing training.

ITEM 2. PROPERTIES

The following lists our principal owned or leased administrative, manufacturing, packaging, and distribution facilities at September 30, 2024:

| Location | Function / Use | Owned / Leased |
|---|---|---|
| **U.S. Locations** | | |
| Bentonville, Arkansas | HPC, GPC, & H&G Shared - Commercial Operations | Leased |
| Blacksburg, Virginia | GPC - Research & Development | Leased |
| Blacksburg, Virginia | GPC - Manufacturing | Owned |
| Bridgeton, Missouri | GPC - Manufacturing | Leased |
| Dothan, Alabama | H&G - Distribution | Leased |
| Earth City, Missouri | GPC Headquarters, H&G Headquarters and NA Shared Operations | Leased |
| Edwardsville, Illinois | GPC - Distribution | Leased |
| Edwardsville, Illinois | H&G - Distribution | Leased |
| Fairfield, New Jersey | HPC - Commercial Operations | Leased |
| Las Palmas, Puerto Rico | HPC - Distribution | Leased |
| Middleton, Wisconsin | Corporate Headquarters, HPC Headquarters and NA Shared Operations | Leased |
| Miramar, Florida | HPC - Commercial Operations and LATAM Shared Operations | Leased |
| Moorpark, California | GPC - Commercial Operations | Leased |
| New Britain, Connecticut | HPC - Distribution | Leased |
| Noblesville, Indiana | GPC - Manufacturing | Owned |
| Redlands, California | HPC - Distribution | Leased |
| Riverview, Florida | GPC - Research & Development | Owned |
| Vinita Park, Missouri | H&G - Manufacturing | Leased |
| **Non-U.S. Locations** | | |
| Alcobendas, Spain | HPC - Commercial Operations | Leased |
| Auckland, New Zealand | HPC – Distribution | Leased |
| Ballerup, Denmark | HPC - Commercial Operations | Leased |
| Ballymount, Ireland | HPC - Commercial Operations | Leased |
| Barcelona, Spain | HPC - Commercial Operations | Leased |
| Bogota, Colombia | HPC & GPC Shared - Commercial Operations and LATAM Shared Operations | Leased |
| Borgholzhausen, Germany | GPC - Distribution | Leased |
| Bucharest, Romania | HPC - Commercial Operations | Leased |
| Budapest, Hungary | HPC - Commercial Operations | Leased |
| Cali, Colombia | HPC - Distribution | Leased |
| Catalca, Türkiye | HPC - Distribution | Leased |
| Ceska Liska, Czech Republic | HPC - Commercial Operations | Leased |
| Coevorden, Netherlands | GPC - Distribution | Leased |
| Cuautitlan, Mexico | GPC – Distribution, H&G Distribution | Leased |
| El Dorado, Panama | HPC & GPC Shared - Commercial Operations | Leased |
| Escobar, Argentina | HPC – Distribution | Leased |
| Etobicoke, Canada | HPC – Distribution | Leased |
| Guatemala, Guatemala | HPC - Commercial Operations | Leased |
| Istanbul, Türkiye | HPC - Commercial Operations | Leased |
| Lisboa, Portugal | HPC - Commercial Operations | Leased |
| Ljublijana, Slovenia | HPC - Commercial Operations | Leased |
| Llica de Vall, Spain | HPC – Distribution | Leased |
| Manchester, UK | HPC & GPC Shared - UK Operations | Owned |
| Mechelen, Belgium | HPC - Commercial Operations | Leased |

| Location | Function / Use | Owned / Leased |
|---|---|---|
| **Non-U.S. Locations (continued)** | | |
| Melle, Germany | GPC - Manufacturing, Distribution & Commercial Operations | Owned |
| Mentone, Australia | HPC - Commercial Operations & Distribution | Leased |
| Mexico City, Mexico | HPC & GPC Shared - Commercial Operations | Leased |
| Milan, Italy | HPC & GPC Shared - Commercial Operations | Leased |
| Ningbo City, China | HPC - Commercial Operations | Leased |
| Nottingham, UK | GPC - Commercial Operations & Distribution | Leased |
| Nuremberg, Germany | HPC - Distribution | Leased |
| Otopeni, Romania | HPC – Commercial Operations | Leased |
| Panama City, Panama | HPC – Commercial Operations | Leased |
| Penrose, New Zealand | HPC - Commercial Operations | Leased |
| Pingshan, China | HPC – Distribution | Leased |
| Puteaux, France | GPC – Commercial Operations | Leased |
| San Jose, Costa Rica | HPC - Commercial Operations | Leased |
| San Salvador, El Salvador | HPC - Commercial Operations | Leased |
| Santa Domingo, Dominican Republic | HPC - Commercial Operations | Leased |
| Schwabach, Germany | HPC – Distribution | Leased |
| Shenzhen, China | APAC Shared Operations & Distribution | Leased |
| Singapore, Singapore | HPC & GPC Shared - Commercial Operations | Leased |
| Sofia, Bulgaria | HPC - Commercial Operations & Distribution | Leased |
| Stockholm, Sweden | HPC - Commercial Operations | Leased |
| Sulzbach, Germany | EMEA - Shared Operations | Leased |
| Tegucigalpa, Honduras | HPC - Commercial Operations | Leased |
| Tarlungeni, Romania | HPC – Commercial Operations & Distribution | Leased |
| Upton, UK | GPC – Distribution | Leased |
| Utrecht, Netherlands | HPC - Commercial Operations | Leased |
| Vantaa, Finland | HPC - Commercial Operations | Leased |
| Vicente Lopez, Argentina | HPC - Commercial Operations | Leased |
| Vienna, Austria | GPC - Commercial Operations | Leased |
| Warsaw, Poland | Shared - Commercial Operations | Leased |
| Woking, UK | GPC - Commercial Operations | Leased |
| Wombourne, UK | HPC - Commercial Operations & Distribution | Leased |
| Xiamen, China | HPC & GPC Shared - Commercial Operations | Leased |
| Yokkaichi, Japan | GPC – Distribution | Leased |
| Yokohama, Japan | GPC - Commercial Operations | Leased |
| Zagreb, Croatia | HPC – Commercial Operations | Leased |

We believe that our existing facilities are suitable and adequate for our present purposes and that the productive capacity in such facilities is substantially being utilized or we have plans to utilize it.

## ITEM 3. LEGAL PROCEEDINGS

We have disclosed all matters of legal proceedings believed to have an adverse effect on our results of operations, financial condition, liquidity or cash flows in the notes to our consolidated financial statements. See *Note 20 - Commitments and Contingencies* in the *Notes to the Consolidated Financial Statements* for additional detail.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

## PART II

ITEM 5. MARKET FOR THE REGISTRANTS' COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

SBH's common stock trades on the New York Stock Exchange (the "NYSE") under the symbol "SPB."

As of November 8, 2024 there were approximately 1,059 holders of record based upon data provided by the transfer agent for the SBH's common stock. This number does not include the stockholders for whom shares are held in a "nominee" or "street" name.

**Equity Plans**

Equity based incentive and performance compensation awards provided to employees, directors, officers and consultants were issued pursuant to the following awards plans:

- Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Awards Plan as approved and amended by the stockholders.
- Spectrum Brands Holdings, Inc. 2020 Omnibus Equity Plan, as approved and amended by stockholders.

The following is a summary of the authorized and available shares per the respective plans:

| (number of shares, in millions) | Authorized | Available |
|---|---|---|
| Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Awards Plan | 7.1 | 0.4 |
| Spectrum Brands Holdings, Inc. 2020 Omnibus Equity Plan | 2.6 | 1.8 |

Refer to *Note 18 – Share Based Compensation* in the *Notes to our Consolidated Financial Statement* for additional information.

**Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

On June 17, 2023, the Board of Directors approved a share repurchase program authorizing the purchase of up to $1 billion of common stock (the "2023 Repurchase Program"), which was in effect from June 17, 2023 until May 20, 2024 when it was suspended and replaced by the 2024 Repurchase Program (as described below). The 2023 Repurchase Program permitted shares to be repurchased in open market or through privately negotiated transactions, including by direct purchases or purchases pursuant to derivative instruments or other transactions (including pursuant to accelerated share repurchase agreements, the writing and settlement of put options and the purchase and exercise of call options). The number of shares to be repurchased, and the timing of any repurchases, was dependent on factors such as the share price, economic and market conditions, and corporate and regulatory requirements.

During the year ended September 30, 2024, and as part of the 2023 Repurchase Program, the Company had entered into a $200 million rule 10b5-1 repurchase plan to facilitate daily market share repurchases through November 15, 2024, until the cap was reached or until the plan was terminated. On May 20, 2024, such 10b5-1 repurchase plan was terminated with a total of 1.9 million shares repurchased for $156.0 million. During the year ended September 30, 2023 and as part of the 2023 Repurchase Program, the Company entered into an accelerated share repurchase agreement (the "ASR Agreement") with a third-party financial institution to repurchase an aggregate of $500 million of the Company's common stock. Pursuant to the ASR Agreement, the Company paid $500.0 million to the financial institution at inception of the agreement and took delivery of 5.3 million shares, which represented 80% of the total shares the Company expected to receive based on the market price at the time of the initial delivery. Upon settlement of the ASR Agreement effective November 16, 2023, the financial institution delivered additional shares of 1.3 million, based on the volume weighted average price per share of our common stock over the term of the agreement, less a negotiated discount.

On May 20, 2024, the Company announced a new $500 million common stock repurchase program authorized by its Board of Directors (the "2024 Repurchase Program"), replacing the Company's 2023 Repurchase Program, which is effective from May 20, 2024 until the earlier of the maximum amount being repurchased or the suspension, termination or replacement of the program by the Company's Board of Directors. The 2024 Repurchase Program permits shares to be repurchased in open market or through privately negotiated transactions, including by direct purchases or purchases pursuant to derivative instruments or other transactions (including pursuant to accelerated share repurchase agreements, the writing and settlement of put options and the purchase and exercise of call options). The number of shares to be repurchased, and the timing of any repurchases, will depend on factors such as the share price, economic and market conditions, and corporate and regulatory requirements. As part of the approved 2024 Repurchase Program, the Company purchased $50.0 million aggregate principal amount of Common Stock concurrent with the pricing of the offering of the Exchangeable Notes in May 2024 in privately negotiated transactions effected through one of the initial purchasers and/or its affiliates. The 2024 Repurchase Program may be suspended or discontinued at any time.

See *Note 17 - Shareholders' Equity* in the *Notes to the Consolidated Financial Statements* for further detail.

The following summarizes the activity of common stock repurchases under the program in the fourth quarter of the year ended September 30, 2024:

| | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Plan | Approximate Dollar Value of Shares that may Yet Be Purchased |
|---|---|---|---|---|
| July 1, 2024 to July 28, 2024 | — | $ — | — | $ 402,696,794 |
| July 29, 2024 to August 25, 2024 | — | — | — | 402,696,794 |
| August 26, 2024 to September 30, 2024 | — | — | — | 402,696,794 |
| As of September 30, 2024 | — | $ — | — | $ 402,696,794 |

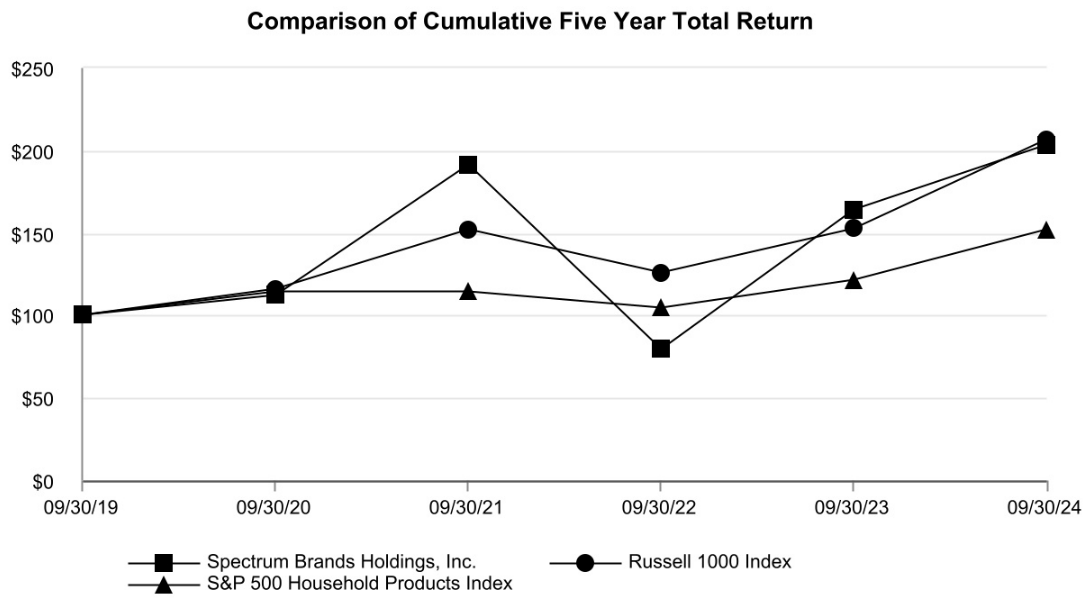
The repurchase of additional shares in the future will depend upon many factors, including the Company's financial condition, liquidity and legal requirements, and may use funds received from its divestitures to support the common stock repurchase program.

**Recent Sales of Unregistered Securities**

None.

**Stock Performance Graph**

The following graph compares the cumulative total stockholder return on our Common Stock to the cumulative total return of the Russell 1000 Financial Index, the S&P 500 Household Products Index. The comparison below assumes that $100 was invested in the common stock of SBH from September 30, 2019 until September 30, 2024. The comparison is based upon the closing price of the common stock, as applicable, and assumes the reinvestment of all dividends, if any. The returns of each of the companies in our peer group are weighted according to the respective company's stock market capitalization at the beginning of each period for which a return is indicated. The stockholder return shown on the graph below is not necessarily indicative of future performance and will not make or endorse any predictions as to future stockholder returns.




ITEM 6. RESERVED.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion of the financial results, liquidity and other key items related to our performance and should be read in conjunction with our Consolidated Financial Statements and related notes in this Annual Report. Unless the context indicates otherwise, the terms the "Company," "we," "our" or "us" are used to refer to SBH and its subsidiaries, collectively.

**Non-GAAP Measurements**

Our consolidated results contain non-GAAP metrics such as organic net sales, Adjusted EBITDA and Adjusted EBITDA margin. While we believe organic net sales and Adjusted EBITDA are useful supplemental information, such adjusted results are not intended to replace our financial results in accordance with Accounting Principles Generally Accepted in the United States ("GAAP") and should be read in conjunction with those GAAP results.

*Organic Net Sales.* We define organic net sales as net sales excluding the effect of changes in foreign currency exchange rates and impact from acquisitions (where applicable). 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 rates and 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 net sales in the prior year. The effect of changes in currency exchange rates is determined by translating the current period net sales using the currency exchange rates that were in effect during the prior comparative 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 net sales to organic net sales of for the year ended September 30, 2024, compared to net sales for the year ended September 30, 2023:

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| **(in millions, except %)** | **Net Sales** | **Effect of Changes in Currency** | **Organic Net Sales** | **Net Sales 2023** | **Variance** | |
| GPC | $ 1,151.5 | $ (7.7) | $ 1,143.8 | $ 1,139.0 | $ 4.8 | 0.4 % |
| H&G | 578.6 | — | 578.6 | 536.5 | 42.1 | 7.8 % |
| HPC | 1,233.8 | 6.1 | 1,239.9 | 1,243.3 | (3.4) | (0.3 %) |
| Total | $ 2,963.9 | $ (1.6) | $ 2,962.3 | $ 2,918.8 | 43.5 | 1.5 % |

*Adjusted EBITDA and adjusted EBITDA Margin.* Adjusted EBITDA and adjusted EBITDA margin are non-GAAP metrics used by management, which we believe are useful to investors to measure the operational strength and performance of our business. These metrics provide investors additional information about our operating profitability for certain non-cash items, non-routine items we do not expect to continue at the same level in the future, as well as other items not core to our continuing operations. By providing these measures, together with a reconciliation of the most directly comparable GAAP measure, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives, as securities analysts and other interested parties use such calculations as a measure of financial performance and debt service capabilities, and they are regularly used by management and our board of directors for internal purposes in evaluating our business performance, making budgeting decisions, and comparing our performance against other peer companies using similar measures. They facilitate 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 is also used for determining compliance with the Company's debt covenants. See *Note 11 - Debt* in the *Notes to the Consolidated Financial Statements* for additional detail.

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 also excludes certain non-cash adjustments including share based compensation (see *Note 18 - Share Based Compensation* in the *Notes to the Consolidated Financial Statements* for further detail); impairment charges on property, plant and equipment, right of use lease assets, and goodwill and other intangible assets (See *Note 9 - Property, Plant and Equipment, Note 12 - Leases,* and *Note 10 - Goodwill and Intangible Assets* in the *Notes to the Consolidated Financial Statements* for further detail, respectively); gain or loss from the early extinguishment of debt through the repurchase or early redemption of debt (See *Note 11 - Debt* in the *Notes to the Consolidated Financial Statements* for further detail); and purchase accounting adjustments recognized in income subsequent an acquisition attributable to the step-up in value on assets acquired, including, but not limited to, inventory or lease assets. Additionally, the Company will further recognize adjustments from adjusted EBITDA for other costs, gains and losses that are considered significant, non-recurring, or otherwise not supporting the continuing operations and revenue generating activity of the segment or Company, including but not limited to, exit and disposal activities (See *Note 4 - Exit and Disposal Activities* in the *Notes to the Consolidated Financial Statements* for further detail), or incremental costs associated with strategic transactions, restructuring and optimization initiatives such as the acquisition or divestiture of a business, related integration or separation costs, or the development and implementation of strategies to optimize or restructure the Company and its operations. Adjusted EBITDA margin is adjusted EBITDA as a percentage of reported net sales.

The following is a reconciliation of net income (loss) from continuing operations to Adjusted EBITDA and Adjusted EBITDA margin for the years ended September 30, 2024 and 2023:

| (in millions, except %) | 2024 | 2023 |
|---|---|---|
| Net income (loss) from continuing operations | $ 99.3 | $ (233.7) |
| Income tax expense (benefit) | 64.3 | (56.5) |
| Interest expense | 58.5 | 116.1 |
| Depreciation | 57.3 | 48.9 |
| Amortization | 44.5 | 42.3 |
| Share based compensation | 17.5 | 17.2 |
| Non-cash impairment charges | 50.3 | 242.6 |
| Non-cash purchase accounting adjustments | 1.2 | 1.9 |
| (Gain) loss from early extinguishment of debt | (2.6) | 3.0 |
| Exit and disposal costs | 1.0 | 9.3 |
| HHI separation costs[1] | 3.9 | 8.4 |
| HPC separation initiatives[1] | 13.4 | 4.2 |
| Global ERP transformation[1] | 15.0 | 11.4 |
| Tristar Business integration[1] | — | 7.0 |
| HPC product recall[2] | 6.9 | 7.7 |
| Gain from remeasurement of contingent consideration[3] | — | (1.5) |
| Representation and warranty insurance proceeds[4] | (65.0) | — |
| Litigation costs[5] | 2.9 | 3.0 |
| HPC inventory disposal[6] | — | 20.6 |
| Other[7] | 3.4 | 23.2 |
| Adjusted EBITDA | $ 371.8 | $ 275.1 |
| Net sales | $ 2,963.9 | $ 2,918.8 |
| Net income (loss) from continuing operations margin | 3.4 % | (8.0)% |
| Adjusted EBITDA margin | 12.5 % | 9.4 % |

[1] Incremental costs associated with strategic transactions, restructuring and optimization initiatives, including, but not limited to, the acquisition or divestiture of a business, related integration or separation costs, or the development and implementation of strategies to optimize or restructure operations. Refer to *Strategic Transactions, Restructuring and Optimization Initiatives* discussion within the *Business Overview* section for further detail.

[2] Incremental net costs from product recalls in the HPC segment. See *Note 20 - Commitments and Contingencies* in the *Notes to the Consolidated Financial Statements* for further detail.

[3] Non-cash gain from the remeasurement of a contingent consideration liability associated with the Tristar Business acquisition.

[4] Gain from the receipt of insurance proceeds on representation and warranty policies associated with the Tristar Business acquisition. See *Note 20 Commitments and Contingencies* in the *Notes to the Consolidated Financial Statements* for further detail.

[5] Litigation costs primarily associated with the Tristar Business acquisition. See *Note 20 - Commitments and Contingencies* in the *Notes to the Consolidated Financial Statements* for further detail.

[6] Non-cash write-off from disposal of HPC inventory. See *Note 8 - Inventory* in the *Notes to the Consolidated Financial Statements*, for further detail.

[7] Other is attributable to (1) other strategic transaction, restructuring and optimization initiatives; (2) other foreign currency loss from the liquidation and deconsolidation of the Company's Russia operating entity during the year ended September 30, 2024; (3) key executive severance and other one-time compensatory costs; (4) non-recurring insurable losses, net insurance proceeds (5) impact from the early settlement of foreign currency cash flow hedges during September 30, 2023, as previously reported, and (6) tolling agreement costs during September 30, 2023 following the divestiture of the Coevorden operating facility, as previously reported.

**Business Overview**

The following section provides a general description of our business as well as recent developments for the years ended September 30, 2024 and 2023, which we believe are important to understanding our results of operations, our financial condition, and anticipated future trends. Refer to *Item 1 - Business* and *Note 1 - Description of Business* in the *Notes to the Consolidated Financial Statements* for an overview of our business. For a discussion of our fiscal 2022 results, please refer to *Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations* for the Company's Annual Report on Form 10-K for the year ended September 30, 2023, filed with the SEC on November 21, 2023.

***Strategic transactions, restructuring and optimization initiatives***

The Company periodically evaluates and enters into strategic transactions that may result in the acquisition or divestiture of a business which impacts the comparability of the financial results of the consolidated group and or segments. Additionally, we develop and enter into restructuring and optimization initiatives to improve efficiencies and utilization to reduce costs, increase revenues and improve margins, which may have a significant impact on the comparability of financial results on the consolidated financial statements. These changes and updates are inherently difficult and are made even more difficult by current global economic conditions. Our ability to achieve the anticipated cost savings and other benefits from such operating strategies may be affected by a number of other macro-economic factors, or inflation and increased interest rates, many of which are beyond our control. Moreover, the comparability of financial information may be impacted by incremental amounts attributable to such strategic transactions, restructuring and optimization initiatives. The following is a summary of costs attributable to strategic transactions and business development costs that are considered as having a significant impact on the comparability of the financial results on the consolidated financial statements and segment financial information, for the respective projects during the years ended September 30, 2024 and 2023:

| (in millions) | 2024 | 2023 |
|---|---|---|
| HHI divestiture and separation costs[1] | $ 3.9 | $ 8.4 |
| HPC separation initiatives[2] | 13.4 | 4.2 |
| Global ERP transformation[3] | 15.0 | 11.4 |
| Tristar integration[4] | — | 7.0 |
| Other[5] | 0.4 | 7.6 |
| Total | $ 32.7 | $ 38.6 |
| Reported as: | | |
| Selling, general & administrative expense | 32.7 | 38.6 |

[1] Costs attributable to the HHI divestiture effective June 2023 consisting of legal and professional fees to effect the close of the transaction and subsequent costs to facilitate separation and transition of systems and processes subject to transition services agreements ("TSAs"). Costs are expected to be incurred through the transition period of up to 24 months following the close of the transaction as the Company exits various TSAs. See *Note 3 - Divestitures* in the *Notes to the Consolidated Financial Statements* for further discussion.

[2] Costs attributable to efforts to facilitate a strategic separation of the HPC segment either through a spin, merger or sale, consisting of legal and professional fees to facilitate transaction opportunities and diligence, consult on tax and compliance implications, legal entity restructurings, system and process segregation, carve-out financials and the confidential filing of a Form 10 registration statement in July 2024. Costs are expected to be incurred until a transaction is realized.

[3] Costs attributable to a multi-year transformation project to upgrade and implement our enterprise-wide operating systems to SAP S/4 HANA on a global basis, including project management and professional services for planning, design, and business process review that do not qualify as software configuration and implementation costs recognized as capital expenditures or deferred costs under applicable accounting principles. Costs are anticipated to be incurred through various deployments through September 30, 2025.

[4] Costs attributable to the integration of the Tristar Business with the HPC segment, acquired in February 2022, consisting of the integration of systems and processes, and the merger of commercial operations, supply chain and other shared enabling functions.

[5] Other costs primarily consist of professional fees for business transformation initiatives, strategy development and distribution center transitions.

***Exit and Disposal Activity***

The Company periodically recognizes exit and disposal costs primarily consisting of severance and contract termination costs that may be attributable to a reorganization or restructuring of the Company, cost savings initiatives, or in consideration of a recent strategic transaction. Such actions results in the recognition of costs to the Company that are considered incremental and not reflective of the continuing operating costs of the business and may impact the comparability of the consolidated business and its segments. Refer to the *Note 4 - Exit and Disposal Activities* in the *Notes to the Consolidated Financial Statements* for further detail.

***Refinancing Activity***

The following recent financing activity has a significant impact on the comparability of financial results on the consolidated financial statements.

- On May 23, 2024, the Company completed its offering of $350.0 million principal amount of 3.375% Exchangeable Senior Notes due June 1, 2029 (the "Exchangeable Notes"), recognizing $11.8 million of fees and expenses which were capitalized as debt issuance costs and will be amortized over the term of the Exchangeable Notes.
- Concurrent with the issuance of the Exchangeable Notes during the year ended September 30, 2024, the Company completed a tender offer on the aggregate outstanding principal balance of the 4.00% Senior Notes due 2026 (the "2026 Notes"), the 5.00% Senior Notes due 2029, the 5.50% Senior Notes due 2030, and the 3.875% Senior Notes due 2031 (the "2031 Notes") (collectively, the "Tendered Notes") and redeemed the remaining outstanding principal balance of the 2026 Notes, resulting in the reduction of the principal debt balance of $1,174.4 million and recognition of a loss on early extinguishment of $2.2 million.
- During the years ended September 30, 2024 and 2023, the Company repurchased outstanding bonds in the open market at a discount resulting in the recognition of a gain on extinguishment of $4.7 million and $7.9 million, respectively.

- During the year ended September 30, 2023, following the close of the HHI divestiture in June 2023, the Company repaid its outstanding term loan and all outstanding borrowings with the Revolver Facility under the Credit Agreement, and terminated the Incremental Revolving Credit Facility Tranche, along with the remaining $450.0 million aggregate principal amount of 5.750% Senior Notes due 2025 in full at the redemption price. The Company recognized $10.8 million as a loss from the early extinguishment of debt.
- Additionally, during the year ended September 30, 2023, and prior to the closing of the HHI divestiture, the Company entered into the fourth amendment to the Credit Agreement to temporarily increase the maximum consolidated total net leverage ratio permitted to be no greater than 7.0 to 1.0 before returning to 6.0 to 1.0 at the earliest of (i) September 29, 2023, or (ii) 10 business days after the closing of the HHI divestiture or receipt of the related termination fee. Following the close of the HHI divestiture, the maximum consolidated total net leverage ratio was reverted to 6.0 to 1.0. The Company incurred $2.3 million in connection with the fourth amendment, which has been recognized as interest expense.

See *Note 11 - Debt* in the *Notes to the Consolidated Financial Statements* for additional detail regarding debt and refinancing activity.

***Tristar Business Acquisition***

Following the purchase of the Tristar Business in February 2022, the Company and its HPC segment had been detrimentally impacted by aspects of the acquired business' operations and products, which negatively impacted subsequent operating performance and partner relationships of the acquired brands and segment. Since the acquisition, the acquired business realized, among other things, significant distribution challenges, increased levels of retail inventory, reduced sales, increased promotional spending and deductions, higher level of returns, and overall increased amount of costs. Additionally, the segment has subsequently realized losses attributable to the recognition of product recalls for products associated with the brands, increased risks over the realizability of receivables and inventory, and recognized an impairment on assets including the acquired goodwill and tradename intangible assets. The Company disposed of certain inventory and products associated with the acquired brands, further discussed in *Note 8 - Inventory* in the *Notes to the Consolidated Financial Statements*. As of September 30, 2024, the Company believes it has assessed appropriate risks and recognized applicable losses and reserves reflecting the net assets of the Company. The Company is pursuing avenues to remediate and recover such damages and losses realized since the acquisition. During the year ended September 30, 2024, the Company recognized a gain of $65.0 million attributable to insurance proceeds received from its representation and warranty insurance policies associated with the Tristar Business acquisition, further discussed in *Note 20 - Commitments and Contingencies* in the *Notes to the Consolidated Financial Statements*.

***Inflation, Supply Chain and Macroeconomic Environment.***

The Company experienced an inflationary environment on a global basis in the wake of the COVID-19 pandemic, geopolitical instability and supply chain constraints such as labor shortages, increased freight and distribution costs from transportation and logistics, higher commodity costs, rising energy pricing, and foreign currency volatility. Together with labor shortages and higher demand for talent, the current economic environment has driven higher wages. Our ability to meet labor needs, control wage and labor-related costs and minimize labor disruptions will be key to our success of operating our business and executing our business strategies. In response to inflation, our segments had previously taken pricing actions to address rising costs and foreign currency fluctuations to mitigate impacts to our margins. We can provide no assurance that such mitigation would be available in the future.

While we have seen more stability in the recent economic environment and have not experienced significant disruption in our recent operating results, the risks of future negative impacts due to transportation, logistical or supply constraints remain present, and the Company could continue to experience corresponding incremental costs and margin pressures. We are unable to predict how long the current environment will continue and we expect the economic environment to remain uncertain as we navigate the current geopolitical environment, post-pandemic volatility, labor challenges, changes in supply chain and the overall current economic environment.

The Company does not maintain a significant level of operations within the territories directly affected by the Russia-Ukraine war and the Israel-Hamas war, including the Middle East, and we closed our commercial operations within Russia, but economic sanctions and hostilities attributable to such conflicts may negatively impact ours and our customers' financial viability and supply chains, which may negatively impact us, supply chain demands, or the demands or economic viability of our customers in other parts of the world.

**Consolidated Results of Operations**

The following section provides an analysis of our operations for the years ended September 30, 2024 and 2023. For a discussion of our fiscal 2022 results, please refer to *Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations* for the Company's Annual Report on Form 10-K for the year ended September 30, 2022 filed with the SEC on November 22, 2022.

The following is summarized consolidated results of operations for the years ended September 30, 2024 and 2023, respectively:

| (in millions, except %) | 2024 | 2023 | Variance | |
|---|---|---|---|---|
| Net sales | $ 2,963.9 | $ 2,918.8 | $ 45.1 | 1.5 % |
| Gross profit | 1,109.3 | 924.3 | 185.0 | 20.0 % |
| Selling, general & administrative | 958.5 | 899.6 | 58.9 | 6.5 % |
| Impairment of goodwill | — | 111.1 | (111.1) | n/m |
| Impairment of intangible assets | 45.2 | 120.7 | (75.5) | (62.6) % |
| Representation and warranty insurance proceeds | (65.0) | — | (65.0) | n/m |
| Gain from remeasurement of contingent consideration liability | — | (1.5) | 1.5 | n/m |
| Interest expense | 58.5 | 116.1 | (57.6) | (49.6 %) |
| Interest income | (57.5) | (38.3) | (19.2) | 50.1 % |
| (Gain) loss from early extinguishment of debt | (2.6) | 3.0 | (5.6) | n/m |
| Other non-operating expense, net | 8.6 | 3.8 | 4.8 | 126.3 % |
| Income tax expense (benefit) | 64.3 | (56.5) | 120.8 | n/m |
| Net income (loss) from continuing operations | 99.3 | (233.7) | 333.0 | n/m |
| Income from discontinued operations, net of tax | 25.5 | 2,035.6 | (2,010.1) | (98.7 %) |
| Net income | 124.8 | 1,801.9 | (1,677.1) | (93.1 %) |

n/m = not meaningful

*Net Sales.* The following is a summary of net sales by segment for the years ended September 30, 2024 and 2023 and the principal components of changes in net sales for the respective periods:

| (in millions, except %) | 2024 | 2023 | Variance | |
|---|---|---|---|---|
| GPC | $ 1,151.5 | $ 1,139.0 | $ 12.5 | 1.1 % |
| H&G | 578.6 | 536.5 | 42.1 | 7.8 % |
| HPC | 1,233.8 | 1,243.3 | (9.5) | (0.8 %) |
| Net Sales | $ 2,963.9 | $ 2,918.8 | 45.1 | 1.5 % |

| (in millions) | 2024 |
|---|---|
| Net Sales for the year ended September 30, 2023 | $ 2,918.8 |
| Increase in GPC | 4.8 |
| Increase in H&G | 42.1 |
| Decrease in HPC | (3.4) |
| Foreign currency impact, net | 1.6 |
| Net Sales for the year ended September 30, 2024 | $ 2,963.9 |

| Year Ended September 30, 2024 | Volume | Price | Foreign Currency | Total | Organic |
|---|---|---|---|---|---|
| GPC | 0.9 % | (0.5)% | 0.7 % | 1.1 % | 0.4 % |
| H&G | 7.0 % | 0.8 % | — % | 7.8 % | 7.8 % |
| HPC | — % | (0.3)% | (0.5)% | (0.8)% | (0.3)% |
| Total | 1.7 % | (0.2)% | — % | 1.5 % | 1.5 % |

Refer to the *Segment Financial Data* section below for further discussion on net sales.

*Gross Profit.* The following is a summary of the gross profit and gross profit margin for the years ended September 30, 2024 and 2023, respectively, and the principal factors contributing to the change between periods.

| (in millions, except %) | 2024 | 2023 | Variance | |
|---|---|---|---|---|
| Gross Profit | $ 1,109.3 | $ 924.3 | $ 185.0 | 20.0 % |
| Gross Profit Margin | 37.4 % | 31.7 % | 570 bps | |

| (in millions, except margin) | Gross Profit | Margin |
|---|---|---|
| Price | $ (4.3) | (10) bps |
| Mix | 2.4 | 10 bps |
| Volume | 26.6 | 80 bps |
| Cost changes | 158.8 | 490 bps |
| Other | 2.0 | — bps |
| Foreign exchange rates | (0.5) | — bps |
| Change in gross profit and gross profit margin | $ 185.0 | 570 bps |

Gross profit and gross profit margin increased predominantly due to lower cost inventory compared to higher inventoried costs realized in the prior period and improved volume. Price and mix did not substantively impact gross profit, with some benefit realized from SKU rationalization initiatives in the prior year and reduction in excess inventory sales. Other includes impact from product recalls and restructuring and optimization initiative costs.

*Selling, General & Administrative.* The following summarizes the selling, general & administrative costs for the years ended September 30, 2024 and 2023, respectively, including amounts as a percentage of net sales for each respective period.

| Year Ended (in millions, except %) | 2024 | % of Net Sales | 2023 | % of Net Sales | Variance | |
|---|---|---|---|---|---|---|
| Sales, marketing & advertising | $ 346.6 | 11.7 % | $ 272.1 | 9.3 % | $ 74.5 | 27.4 % |
| Distribution | 266.9 | 9.0 % | 272.6 | 9.3 % | (5.7) | (2.1)% |
| General & administrative | 283.2 | 9.6 % | 275.7 | 9.4 % | 7.5 | 2.7 % |
| Research & development | 28.1 | 0.9 % | 22.5 | 0.8 % | 5.6 | 24.9 % |
| Strategic transaction, restructuring & optimization | 33.7 | 1.1 % | 56.7 | 1.9 % | (23.0) | (40.6)% |
| Total selling, general & administrative | $ 958.5 | 32.3 % | $ 899.6 | 30.8 % | 58.9 | 6.5 % |

Sales, marketing & advertising increased due to the Company's investment towards marketing spend and brand advertising initiatives across all segments, plus increased incentive compensation costs from higher than anticipated operating performance results. Distribution costs decreased due to improved optimization and fulfillment with customers, with lower freight costs compared to the prior year and overall reduction relative to the increase in sales in the current year. General and administrative costs increased due to higher incentive compensation costs from higher than anticipated operating performance results, partially offset by lowered overhead costs from prior year savings initiatives and decrease in bank fees related to suspended factoring on trade receivables. Research and development increased with investment towards product development but remains consistent with overall sales. Strategic transaction, restructuring and optimization costs decreased due to reduced exit and disposal costs, close of the HHI divestiture and completion of Tristar Business integration in the prior year and other non-recurring transformation initiatives, partially offset by incremental investment towards execution of an HPC separation.

*Impairment of Goodwill and Intangible Assets.* The Company recognized impairment charges of $45.2 million associated with the Rejuvenate® and OmegaSea® tradenames and a non-core strategic tradename during the year ended September 30, 2024, compared to impairment charges on HPC goodwill of $111.1 million and intangible assets of $120.7 million associated with the Rejuvenate®, PowerXL®, and George Foreman® tradenames, in the prior year. See *Note 10 - Goodwill and Intangible Assets* in the *Notes to the Consolidated Financial Statements.*

*Representation and Warranty Insurance Proceeds.* During the year ended September 30, 2024, the Company recognized a gain of $65.0 million from its representation and warranty insurance policy associated with the Tristar Business acquisition. See *Note 20 - Commitments and Contingencies* in the *Notes to the Consolidated Financial Statements*.

*Interest Expense.* Interest expense decreased due to reduced borrowings following the close of the HHI divestiture in June 2023, plus the issuance of the Exchangeable Notes and tender offer and bond redemption during the year ended September 30, 2024, as discussed in the refinancing activity above, further reducing outstanding principal balance and average borrowing rates. See *Note 11 – Debt* in the *Notes to the Consolidated Financial Statements*.

*Interest Income.* Interest income increased due to interest on term deposits entered into using cash proceeds from the closing of the HHI divestiture in June 2023, with reduced term deposits following the previously discussed tender offer and bond redemption during the year ended September 30, 2024.

*(Gain) Loss From Early Extinguishment of Debt.* The Company recognized income from discounts realized on the repurchase of debt and losses attributable to the paydown of debt during the years ended September 30, 2024 and 2023 following the close of the HHI divestiture in June 2023, as discussed in the refinancing activity above. See *Note 11 - Debt* in the *Notes to the Consolidated Financial Statements*.

*Other Non-Operating Expense, Net.* Other non-operating expense, net increased primarily due to the changes in foreign currency transaction gains and losses, including the realization of translation loss from the liquidation and de-consolidation of the Company's Russia operating entity during the year ended September 30, 2024.

*Income Taxes.* The effective tax rate was 39.3% for the year ended September 30, 2024, compared to 19.5% for the year ended September 30, 2023. Our annual effective tax rate is significantly impacted by income earned outside the U.S. that is subject to U.S. tax including the U.S. tax on global intangible low taxed income, certain nondeductible expenses, state income taxes, and foreign rates that differ from the U.S. federal statutory rate. See *Note 16– Income Taxes* in the *Notes to the Consolidated Financial Statements*.

*Income From Discontinued Operations.* Income from the prior year primarily reflects the income from the HHI segment prior to the completion of its divestiture in June 2023 and the realized gain on sale. Income attributable to discontinued operations in the current year primarily reflects changes to indemnifications associated with the divested businesses and related tax provision adjustments. See *Note 3 - Divestitures* in the *Notes to the Consolidated Financial Statements*.

**Segment Financial Data**

This section provides an analysis of our results of reportable segments for the years ended September 30, 2024 and 2023. For a discussion of our fiscal 2022 results, please refer to *Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations* for the Company's Annual Report on Form 10-K for the year ended September 30, 2022 filed with the SEC on November 22, 2022.

*Global Pet Care (GPC)*

| (in millions, except %) | 2024 | 2023 | Variance | |
|---|---|---|---|---|
| Net sales | $ 1,151.5 | $ 1,139.0 | $ 12.5 | 1.1 % |
| Adjusted EBITDA | 216.1 | 190.6 | 25.5 | 13.4 % |
| Adjusted EBITDA margin | 18.8 % | 16.7 % | 210 bps | |

Net sales increased 1.1 % with an increase in organic net sales of 0.4% excluding favorable foreign exchange impact of $7.7 million. The increase is primarily attributable to higher volume through incremental distribution in e-commerce and food and drug channels, partially offset by softness in mass retail. Volume growth was predominantly focused on consumables in both product categories, such as chews and treats, dog and cat food, and aquatic nutrition; partially offset by decreases in hard goods primarily in our aquatics categories such as aquarium kits and equipment, and prior year volumes from the exit of non-strategic categories and lower margin SKUs, positively impacting mix and profitability. Adjusted EBITDA and adjusted EBITDA margin increased due to higher volume, improved gross profit margins from reduced material and input costs carrying into the fiscal year, plus reduced operating cost overhead from prior year cost savings initiatives, positive product and channel mix, partially offset by additional investments in marketing and advertising and product innovation.

*Home & Garden (H&G)*

| (in millions, except %) | 2024 | 2023 | Variance | |
|---|---|---|---|---|
| Net sales | $ 578.6 | $ 536.5 | $ 42.1 | 7.8 % |
| Adjusted EBITDA | 90.8 | 72.5 | 18.3 | 25.2 % |
| Adjusted EBITDA margin | 15.7 % | 13.5 % | 220 bps | |

Net sales increased 7.8 % due to higher volume across all product categories with favorable weather trends, improved temperatures and precipitation levels driving increased retail traffic and distribution with larger home center and mass retail partners, with a high concentration in Spectracide® and our controls products. Repellent products benefited from an extended season and storms activity driving volume increase later in the season compared to the prior year. Adjusted EBITDA and adjusted EBITDA margin increased due to higher sales volumes, improved gross profit margins from reduced material and input costs and manufacturing efficiencies carrying into the fiscal year, plus reduced operating cost overhead from prior year cost savings initiatives, and favorable product mix partially offset by additional investments in marketing and advertising and product innovations. Adjusted EBITDA excludes an impairment charge of $39.0 million on the Rejuvenate® tradename intangible asset during the year ended September 30, 2024, and an impairment charge of $56.0 million on the Rejuvenate® tradename intangible asset during the year ended September 30, 2023, further discussed in *Note 10 -Goodwill and Intangibles* in the *Notes to the Consolidated Financial Statements*.

*Home & Personal Care (HPC)*

| (in millions, except %) | 2024 | 2023 | Variance | |
|---|---|---|---|---|
| Net sales | $ 1,233.8 | $ 1,243.3 | $ (9.5) | (0.8 %) |
| Adjusted EBITDA | 75.3 | 43.1 | 32.2 | 74.7 % |
| Adjusted EBITDA margin | 6.1 % | 3.5 % | 260 bps | |

Net sales decreased 0.8 % with a decrease in organic net sales of 0.3% excluding unfavorable foreign currency of $6.1 million. Decrease is attributable to lower volumes from our kitchen appliances product category during the first half of the year from reduced mass retail listings in NA carrying over from the prior year, mitigated by new listings in second half of the year, volume growth in personal care and overall higher volume distribution through e-commerce channels. Adjusted EBITDA and adjusted EBITDA margin increased due to improved profitability with lower product cost, SKU rationalization and reduced excess inventory sales, plus reduced overhead due to operating cost reduction initiatives in the prior year, partially offset by additional investments in marketing and advertising and product innovation. Adjusted EBITDA excludes the recognition of proceeds from representation warranty insurance policies of $65.0 million during the year ended September 30, 2024, further discussed in *Note 20 - Commitments and Contingencies* in the *Notes to the Consolidated Financial Statements,* and impairment charges for reporting unit goodwill of $111.1 million and $64.7 million on indefinite lived intangible assets during the year ended September 30, 2023, further discussed in *Note 10 - Goodwill and Intangible Assets* in the *Notes to the Consolidated Financial Statements*.

**Liquidity and Capital Resources**

This section provides a discussion of our financial condition and an analysis of our cash flows for the years ended September 30, 2024 and 2023. For a discussion of our fiscal 2022 results, please refer to Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* for the Company's Annual Report on Form 10-K for the year ended September 30, 2022 filed with the SEC on November 22, 2022. This section also provides a discussion of our contractual operations and other commercial commitments as well as our ability to fund future commitments and operating activities through sources of capital as of September 30, 2024.

The following is a summary of the Company's net cash flows from continuing operations for the years ended September 30, 2024 and 2023:

| (in millions) | 2024 | 2023 |
|---|---|---|
| Operating activities | $ 269.8 | $ 8.0 |
| Investing activities | $ 1,021.2 | $ 3,191.9 |
| Financing activities | $ (1,578.2) | $ (2,263.3) |

***Cash flows from operating activities***

Cash flows provided by operating activities for continuing operations increased $261.8 million due to the reduction in cash used for working capital, primarily from improved sales and collections, reduced purchasing costs and overall inventory reduction compared to higher supply chain costs in the prior year, lower strategic transactions and restructuring initiative spending, and improved payment terms on payables, partially offset by the reduction in cash provided by receivables due to the suspension of receivables factoring.

***Cash flows from investing activities***

Cash flows provided by investing activities for continuing operations decreased $2,170.7 million primarily due to the net cash proceeds from the HHI divestiture in the prior year and the investment of net proceeds in short-term investments into the current year.

***Cash flows from financing activities***

Cash flows used by financing activities for continuing operations decreased $685.1 million due to the pay down of debt, debt repurchases and treasury share repurchases in the current and prior year following the HHI divestiture, and the net issuance of the Exchangeable Notes in the current year. During the year ended September 30, 2024, the Company paid down outstanding Senior Notes through a tender offer, plus engaged in open market repurchases of a portion of outstanding Senior Notes, resulting in total cash used towards the repayment of debt of $1,349.3 million. Concurrent with the tender offer, we issued $350.0 million of Exchangeable Notes and paid premium on associated capped calls of $25.2 million. Refer to *Note 11 - Debt* in the *Notes to Consolidated Financial Statements* for additional information. During the year ended September 30, 2024, the Company used $482.7 million for the repurchase of common stock. See *Note 17 - Shareholders' Equity* in the *Notes to Consolidated Financial Statements* for additional information. Cash dividend payments decreased due to lower shares outstanding with a consistent quarterly dividend rate of $0.42 per share. There was no issuance of common stock, other than through the Company's share-based compensation plan, which is recognized as a non-cash financing activity.

***Liquidity Outlook***

Our ability to generate cash flow from operating activities coupled with our expected ability to access the credit markets, enables us to execute our growth strategies and return value to our shareholders. Our ability to make principal and interest payments on borrowings under our debt agreements and our ability to fund planned capital expenditures will depend on the ability to generate cash in the future, which, to a certain extent, is subject to general economic, financial, competitive, regulatory and other conditions. Based upon our current and anticipated level of operations, existing cash balances, and availability under our credit facility, we expect cash flows from operations to be sufficient to meet our operating and capital expenditure requirements for at least the next 12 months. Additionally, we believe the availability under our credit facility and access to capital markets are sufficient to achieve our longer-term strategic plans. As of September 30, 2024, the Company has total cash and cash equivalents of $368.9 million and borrowing availability under the credit facility of $490.8 million, net of outstanding letters of credit of $9.2 million, under our credit facility with a total liquidity of $859.7 million.

Short-term financing needs primarily consist of working capital requirements, capital spending, periodic principal and interest payments on our long-term debt, and initiatives to support restructuring, integration or other related projects. Long-term financing needs depend largely on potential growth opportunities, including acquisition activity and repayment or refinancing of our long-term obligations. Our long-term liquidity may be influenced by our ability to borrow additional funds, renegotiate existing debt, and raise equity under terms that are favorable to us. We also have long-term obligations associated with defined benefit plans with expected minimum required contributions that are not considered significant to the consolidated group.

Following the close of the HHI divestiture in June 2023, the Company received a substantial amount of proceeds which the Company used to paydown debt and repurchase treasury shares as well as invest in term deposits, funds operations and support working capital needs During the year ended September 30, 2024, the Company substantially refinanced and reduced its debt obligations through the completion of a tender offer on existing bonds, issuance of the Exchangeable Notes and the repurchase of debt in the open market. See *Note 11 - Debt* in the *Notes to the Consolidated Financial Statements* for further detail. The Company may continue to make repayments on its debt obligations in the future, which may include repayments, redemptions, repurchases, refinancing or exchanges of its outstanding Senior Notes, any of which will be dependent on various factors, including market conditions. Any such repurchases may be effected through a variety of means, including privately negotiated transactions, market transactions, tender offers, redemptions or as otherwise required or permitted by the instruments covering the Company's outstanding indebtedness. The Company also continued to repurchase shares of common stock during the year ended September 30, 2024. See *Note 17 - Shareholders' Equity* in the *Notes to the Consolidated Financial Statements* for further detail. We may, from time to time, seek to repurchase additional shares of our common stock and any further repurchase activity will be dependent on prevailing market conditions, liquidity requirements and other factors.

We maintain a capital structure that we believe provides us with sufficient access to credit and capital markets. When combined with strong levels of cash flow from operations, our capital structure has provided the flexibility necessary to pursue strategic growth opportunities and return value to our shareholders. The Company's access to capital markets and financing costs may depend on the Company's credit ratings. None of the Company's current borrowings are subject to default or acceleration as a result of a downgrading of credit ratings, although a downgrade of the Company's credit ratings could increase fees and interest charges on future borrowings. At September 30, 2024, we were in compliance with all covenants under the Credit Agreement and the indentures governing the 3.375% Exchangeable Notes due June 1, 2029, the 5.00% Notes due October 1, 2029, the 5.50% Notes due July 15, 2030, and the 3.875% Notes due March 15, 2031.

A portion of our cash balance is located outside the U.S. given our international operations. We manage our worldwide cash requirements centrally by reviewing available cash balances across our worldwide group and the cost effectiveness with which this cash can be accessed. We generally repatriate cash from non-U.S. subsidiaries, provided the cost of the repatriation is not considered material. The counterparties that hold our deposits consist of major financial institutions.

The majority of our business is not considered seasonal with a year-round selling cycle that is overall consistent during the fiscal year with the exception of our H&G segment. H&G sales typically peak during the first six months of the calendar year (the Company's second and third fiscal quarters) due to customer seasonal purchasing patterns and the timing of promotional activity. This seasonality requires the Company to ship large quantities of products ahead of peak consumer buying season that can impact cash flow demands to meet manufacturing and inventory requirements earlier in the fiscal year, as well as extended credit terms and/or promotional discounts throughout the peak season.

From time to time the Company enters into factoring agreements and customers' supply chain financing arrangements to provide for the sale of certain trade receivables to unrelated third-party financial institutions. The factored receivables are accounted for as a sale without recourse, and the balance of the receivables sold are removed from the Consolidated Balance Sheet at the time of the sales transaction, with the proceeds received recognized as an operating cash flow. Amounts received from customers for factored receivables are recognized as a payable and remitted to the factor based upon terms of the factoring agreements. See *Note 7 - Receivables* in the *Notes to the Consolidated Financial Statements* for additional detail. The Company has temporarily suspended its receivable factoring activity. Additionally, the Company facilitates a voluntary supply chain financing program to provide certain of its suppliers with the opportunity to sell receivables due from the Company (the Company's trade payables) to an unrelated third-party financial institution under the sole discretion of the supplier and the participating financial institution. See *Note 14 - Supplier Financing Programs* in the *Notes to the Consolidated Financial Statements* for additional detail. There are no guarantees provided by the Company or its subsidiaries and we do not enter into any agreements with the suppliers regarding their participation. The Company's responsibility is limited to payments on the original terms negotiated with its suppliers, regardless of whether the suppliers sell their receivables to the financial institution and continue to be recognized as accounts payable on the Consolidated Balance Sheet with cash flow activity recognized as an operating cash flow.

*Debt obligations*

Our debt obligations, excluding finance leases, have varying maturity dates with no material outstanding principal payments due within the following 12 months. Refer to *Note 11 - Debt* in the *Notes to the Consolidated Financial Statements* for expiration dates and maturity schedules on outstanding debt obligations for the following 5 years and thereafter. In addition to the outstanding principal on our debt, we anticipate annual interest payments of approximately $22.1 million including unused fees associated with the Revolver Facility with interest of approximately $4.3 million attributable to finance leases. Interest on the notes is payable semi-annually in arrears and interest on borrowings under the Revolver Facility, if any, would be payable on various interest payment dates as provided in the Credit Agreement.

*Lease obligations*

The Company enters into leases primarily pertaining to real estate for manufacturing facilities, distribution centers, office space, warehouses, and various equipment including automobiles, machinery, computers, and office equipment, amongst others. Lease obligations with a term in excess of 12 months are recognized on the Consolidated Statement of Financial Position. See *Note 12 - Leases* of the *Notes to the Consolidated Financial Statement* for further detail, including maturity schedule on outstanding finance and operating lease obligations for the following 5 years and thereafter, including imputed interest not reflected on the Consolidated Statements of Financial Position, as well as additional disclosure on lease commitments that have not yet commenced and therefore not yet reflected as an obligation on the Consolidated Statements of Financial Position.

*Employee benefit plan obligations*

The Company and its subsidiaries are sponsors to various defined benefit pension plans covering some of its employees that provide post-employment benefits of stated amounts for each year of service, including non-U.S. pension arrangements, including various retirement and termination benefit plans, some of which are covered by local law or coordinated with government-sponsored plans. The Company's recognizes an actuarial determined unfunded projected benefit obligation, net fair value of dedicated plan assets. See *Note 15 - Employee Benefit Plans* in the *Notes to the Consolidated Financial Statements* for further detail including the projected payments on the outstanding obligation for the following 5 years and thereafter. The Company anticipates that benefit obligations will be predominantly paid through dedicated plan assets. Future contributions to defined benefit plans are not expected to be material to the operations and cash flow for the Company.

*Other commitments and obligations*

Other commitments and obligations include an outstanding mandatory repatriation tax liability of $11.1 million that is payable over the next 2 years, with $5.2 million due and payable in the next 12 months. Our Consolidated Statements of Financial Position also includes reserves for uncertain tax positions; however, it is not possible to predict or estimate the amount and timing of payments for uncertain tax positions and those liabilities have been excluded from the obligations above. The Company cannot reasonably predict the ultimate outcome of income tax audits currently in progress for certain of our companies. It is reasonably possible that during the next 12 months, some portion of our unrecognized tax benefits could be recognized. See *Note 16 – Income Taxes* in the *Notes to the Consolidated Financial Statements* for additional discussion.

The Company has recognized other payables associated with indemnifications following divestitures, including tax indemnifications, that we cannot reasonably predict the ultimate outcome of our obligation; however, it is reasonably possible that during the next 12 months, some portion of our indemnification payable could be recognized. See *Note 3 – Divestitures* in the *Notes to the Consolidated Financial Statements* for further discussion. The Company has other obligations associated with various contingent matters includes environmental remediation obligations, product liabilities and warranties, and product recalls. See *Note 20 - Commitments and Contingencies* in the N*otes to the Consolidated Financial Statements* for further discussion. The Company is a defendant in various litigation matters generally arising out of the ordinary course of business. Based on information currently available, the Company does not believe that any additional matters or proceedings presently pending will have a material adverse effect on its results of operations, financial condition, liquidity or cash flows.

**Guarantor Statements**

SBI has issued the 3.375% Exchangeable Notes under the 2029 Indenture and the 3.875% Notes under the 2031 Indentures, (collectively, the “Notes”). The Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis by Spectrum Brands Holdings, Inc., as parent guarantor, and SBI’s domestic subsidiaries. The Notes and the related guarantees rank equally in right of payment with all of SBI and the guarantors’ existing and future senior indebtedness and rank senior in right of payment to all of SBI and the guarantors’ future indebtedness that expressively provide for its subordination to the Notes and the related guarantees. Non-guarantor subsidiaries primarily consist of SBI’s foreign subsidiaries. See *Note 11 - Debt* for further detail.

The following financial information consists of summarized financial information of the Obligor, presented on a combined basis. The “Obligor” consists of the financial statements of SBI as the debt issuer, SBH as a parent guarantor, and the domestic subsidiaries of SBI as subsidiary guarantors. Intercompany balances and transactions between SBI and the guarantors have been eliminated. Investments in non-guarantor subsidiaries and the earnings or losses from those non-guarantor subsidiaries have been excluded.

| **(in millions)** | **2024** |
|---|---|
| **Statement of Operations Data** | |
| Third-party net sales | $ 1,829.4 |
| Intercompany net sales to non-guarantor subsidiaries | 22.8 |
| Total net sales | 1,852.2 |
| Gross profit | 662.3 |
| Operating income | 22.2 |
| Net loss from continuing operations | (23.6) |
| Net loss | (6.1) |
| Net loss attributable to controlling interest | (6.1) |
| **Statement of Financial Position Data** | |
| Current assets | $ 1,228.0 |
| Noncurrent assets | 3,989.6 |
| Current liabilities | 901.6 |
| Noncurrent liabilities | 930.9 |

The Obligor’s amounts due from, due to the non-guarantor subsidiaries as of September 30, 2024, are as follows:

| **(in millions)** | **2024** |
|---|---|
| **Statement of Financial Position Data** | |
| Current receivables from non-guarantor subsidiaries | $ 125.4 |
| Long-term receivable from non-guarantor subsidiaries | 30.7 |
| Current payable to non-guarantor subsidiaries | 59.7 |
| Long-term debt with non-guarantor subsidiaries | 20.2 |

**Critical Accounting Policies and Estimates**

Our Consolidated Financial Statements have been prepared in accordance with GAAP and fairly present our financial position and results of operations. The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its accounting estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances and evaluates its estimates on an ongoing basis. The following section identifies and summarizes those accounting policies considered by management to be the most critical to understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact our results of operations, financial position and cash flows. The application of these accounting policies requires judgment and use of assumptions as to future events and outcomes that are uncertain and, as a result, actual results could differ from these estimates. Refer to *Note 2 - Significant Accounting Policies and Practices* in the *Notes to the Consolidated Financial Statements* for all relevant accounting policies.

***Goodwill, Intangible Assets and Other Long-Lived Assets***

The Company's goodwill, intangible assets and tangible fixed assets are stated at historical cost, net of depreciation and amortization, less any provision for impairment. Intangible and tangible assets with determinable useful lives are amortized or depreciated on a straight-line basis over estimated useful lives. Refer to *Note 2 - Significant Accounting Policies and Practices* in the *Notes to the Consolidated Financial Statements* for more information about useful lives.

On an annual basis, during the fourth quarter of the fiscal year, or more frequently if triggering events occur, the Company tests for impairment of goodwill by either performing a qualitative assessment or quantitative test for some or all reporting units. Our reporting units are consistent with our operating segments. See *Note 21 - Segment Information* in the *Notes to the Consolidated Financial Statements* for further discussion of operating and reporting segments. The Company evaluates qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. In performing a qualitative assessment, the Company considers events and circumstances, including, but not limited to macroeconomic conditions, industry and market conditions, cost factors, overall financial performance, changes in management or key personnel, changes in strategy, changes in customers, changes in market value, composition or carrying amount of a reporting unit's net asset, and considering change in the market price of the Company's common stock. If we determine that it is more likely than not the carrying value is greater than the fair value of a reporting unit after assessing the totality of facts and circumstances, a quantitative assessment is performed to determine the reporting unit fair value and measure the impairment. The estimated fair value represents the amount at which a reporting unit could be bought or sold in a current transaction between willing parties on an arms-length basis. In estimating the fair value of the reporting unit, we use both an income approach and a market approach. The income approach is a discounted cash flows methodology, which requires us to estimate future revenues, expenses, and capital expenditures and make assumptions about our weighted average cost of capital and perpetuity growth rate, among other variables. The market approach is a guideline public company method that assesses value of our reporting unit based upon market multiples derived from financial results of selected comparable companies. We test the aggregate estimated fair value of our reporting units by comparison to our total market capitalization, including both equity and debt capital. If the fair value of a reporting unit is less than its carrying value, an impairment loss is recorded for the difference between the fair value of the reporting unit goodwill and its carrying value. During the year ended September 30, 2024, the Company had no impairments of goodwill for any of its reporting units. See *Note 10 - Goodwill and Intangible Assets* in the *Notes to the Consolidated Financial Statements* for further discussion.

The Company also has indefinite-lived intangible assets that consist of acquired tradenames. On an annual basis, during the Company's fourth quarter, or more frequently if triggering events occur, the Company tests for impairment by either performing a qualitative assessment or quantitative test for some or all indefinite-lived intangible assets. The Company evaluates qualitative factors to determine whether it is more likely than not that the fair value of the indefinite lived intangible assets is less than its carrying amount. In performing a qualitative assessment, the Company considers events and circumstances including, but not limited to, macroeconomic conditions, industry and market conditions, cost factors, changes in strategy and overall financial performance. If we determine that it is more likely than not the carrying value is greater than the fair value of an indefinite lived intangible asset, a quantitative assessment is performed to determine the fair value and measure the impairment. The fair value of indefinite-lived intangible assets is determined using an income approach, the relief-from-royalty methodology, which requires us to make estimates and assumptions about future revenues, royalty rates, and the discount rate, among others. If the fair value is less than its carrying value, an impairment loss is recorded for the excess. During the year ended September 30, 2024, we recognized an impairment charge for the Rejuvenate® tradename and a non-core tradename in response to triggering events identified earlier in the fiscal year, plus an impairment charge for the OmegaSea® tradename as part of our annual impairment analysis in the fourth quarter. See *Note 10 - Goodwill and Intangible Assets* in the *Notes to the Consolidated Financial Statements* for further discussion.

There is potential risk of impairment primarily associated with the Rejuvenate® and PowerXL® tradenames, with a cumulative carrying cost of $45.0 million as of September 30, 2024, attributable to recent impairment charges on the respective tradenames and recent operating performance results for the respective brands. We do not anticipate that these assets will be subject to further impairment based upon our projections and forecasts used in evaluating the current market value but cannot guarantee that no future impairment will be realized. The risk of future impairment for the Rejuvenate® and PowerXL® tradenames are based upon the results realized during the year ended September 30, 2024, recent impairments on the respective tradenames and dependency upon the timing and realization of projected revenues and growth strategies.

The Company also reviews other definite-lived intangible assets, tangible fixed assets and operating lease assets for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Circumstances such as the discontinuation of a product or product line, a sudden or consistent decline in the sales forecast for a product, changes in technology or in the way an asset or asset group is being used, a history of operating or cash flow losses or an adverse change in legal factors or in the business climate, among others, may trigger an impairment review. If such indicators are present, the Company performs undiscounted cash flow analyses to determine if impairment exists. The asset value would be deemed impaired if the undiscounted cash flows expected to be generated by the asset or asset group did not exceed its carrying value. If impairment is determined to exist, any related impairment loss is calculated based on fair value. For the year ended September 30, 2024, the Company recognized an impairment on a right of use operating lease asset associated with the HPC distribution facilities that were exited prior to end of its term. See *Note 12 - Leases* in the *Notes to the Consolidated Financial Statements* for further discussion.

A considerable amount of judgment and assumptions are required in performing the impairment tests, principally in determining the fair value of each reporting unit and assets subject to impairment testing. The assessment for the impairment of goodwill, intangible assets and other long-lived assets requires the consideration of a significant level of judgement and subjectivity, including the use of prospective financial information, which may be impacted by changes in the economic environment, future strategic business decisions, political, legal or regulatory conditions, competitive or market risk factors not readily identifiable or present, or other changes that may negatively impact prospective revenue generation or cash flow. Such changes may not be determinable but could adversely impact the fair value of its reporting unit goodwill, intangible assets or other long-lived assets and increase the risk of impairment, particularly associated with those assets recently acquired through a business without generating excess value since the initial acquisition. The Company believes its judgments and assumptions are reasonable, but different assumptions could change the estimated fair value, increasing the risk of impairment and potentially additional impairment charges could be required. The Company is subject to financial statement risk in the event that business or economic conditions unexpectedly decline and impairment is realized.

***Income Taxes***

The Company is subject to income taxes in the U.S. and numerous foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes and recording the related deferred tax assets and liabilities.

The Company assesses its income tax positions and records tax liabilities for all years subject to examination based upon management's evaluation of the facts and circumstances and information available for reporting. For those income tax positions where it is more likely than not that a tax benefit will be sustained upon conclusion of an examination, the Company has recorded a reserve based upon the largest amount of tax benefit having a cumulatively greater than 50% likelihood of being realized upon ultimate settlement with the applicable taxing authority assuming that it has full knowledge of all relevant information. For those income tax positions where it is more likely than not that a tax benefit will not be sustained, the Company did not recognize a tax benefit. As of September 30, 2024, the total amount of unrecognized tax benefits, including interest and penalties, that if not recognized would affect the effective tax rate in future periods was $108.5 million. Our effective tax rate includes the impact of income tax reserves and changes to those reserves when considered appropriate. A number of years may elapse before a particular matter for which we have established a reserve is finally resolved. Unfavorable settlement of any particular issue may require the use of cash or a reduction in our net operating loss carryforwards or tax credits. Favorable resolution would be recognized as a reduction to the effective rate in the year of resolution.

The Company recognizes deferred tax assets and liabilities for future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, net operating losses, tax credit, and other carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company does not adjust its measurement for proposed future tax rate changes that have not yet been enacted into law. The Company regularly reviews its deferred tax assets for recoverability and establishes a valuation allowance based on historical losses, projected future taxable income, expected timing of the reversals of existing temporary differences, and ongoing prudent and feasible tax planning strategies. We base these estimates on projections of future income, including tax planning strategies, in certain jurisdictions. Changes in industry conditions and other economic conditions may impact our ability to project future income. Should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period we make that determination.

As of September 30, 2024, we have U.S. federal net operating loss carryforwards ("NOLs") of $569.2 million, with a federal tax benefit of $119.5 million and future tax benefits related to state NOLs of $42.8 million. Our total valuation allowance for the tax benefit of deferred tax assets that may not be realized is $321.4 million at September 30, 2024. Of this amount, $203.6 million relates to U.S. net deferred tax assets and $117.8 million relates to foreign net deferred tax assets. We estimate that $131.7 million of valuation allowance related to domestic deferred tax assets cannot be released regardless of the amount of domestic operating income generated due to prior period ownership changes that limit the amount of NOLs and credits we can use.

As of September 30, 2024, we have provided no significant residual U.S. taxes on earnings not yet taxed in the U.S. As of September 30, 2024, we project $1.7 million of additional tax from non-U.S. withholding and other taxes expected to be incurred on repatriation of foreign earnings.

See *Note 16 - Income Taxes* in the *Notes to the Consolidated Financial Statements* elsewhere included in this Annual Report.

**New Accounting Pronouncements**

See *Note 2 – Significant Accounting Policies and Practices* in the *Notes to the Consolidated Financial Statements* elsewhere included in this Annual Report for information about recent accounting pronouncements not yet adopted.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

**Market Risk Factors**

We have market risk exposure from changes in interest rates, foreign currency exchange rates, tariffs, and commodity prices. When appropriate, we use derivative financial instruments to mitigate the risk from such exposures. A discussion of our accounting policies for derivative financial instruments is included in *Note 13 - Derivatives* in the *Notes to the Consolidated Financial Statements*.

***Interest Rate Risk***

Borrowings on our Revolver Facility are subject to variable interest rates. If market interest rates increase, the interest rate on our variable rate debt will increase and will create higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. The general levels of SOFR, EURIBOR, CORRA and/or SONIA rates affect interest expense. As of September 30, 2024, there are no outstanding borrowings under the Revolver Facility and no additional substantive outstanding debt obligations subject to variable rate fluctuations.

***Foreign Exchange Risk***

We are subject to risk from sales and loans to and from our subsidiaries as well as sales to, purchases from and bank lines of credit with third-party customers, suppliers and creditors denominated in foreign currencies. Foreign currency sales and purchases are made primarily in Euro, Pounds Sterling, Mexican Pesos, Canadian Dollars, and Australian Dollars. We manage our foreign exchange exposure from such sales, accounts receivable, intercompany loans, firm purchase commitments, accounts payable and credit obligations through the use of naturally occurring offsetting positions (borrowing in local currency), forward foreign exchange contracts, foreign exchange rate swaps and foreign exchange options. The related amounts payable to, or receivable from, the contract counterparties are included in accounts payable or accounts receivable.

At September 30, 2024, we had $7.0 million equivalent of debt denominated in foreign currencies, primarily consisting of finance leases located in international territories and recognized within the functional currency of the residing country.

At September 30, 2024, the potential change in fair value of outstanding foreign exchange derivative instruments, assuming a 10% unfavorable change in the underlying exchange rates, would be a loss of $86.3 million. The net impact on reported earnings, after also including the effect of the change in the underlying foreign currency-denominated exposures, would be a net gain of $11.8 million.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required for this Item is included in this Annual Report on Form 10-K within Item 15, Exhibits, Financial Statements and Schedules, and is incorporated herein by reference.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

## ITEM 9A. CONTROLS AND PROCEDURES

*Evaluation of Disclosure Controls and Procedures.* An evaluation was performed under the supervision and participation of the Company's management, including the Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act), as of September 30, 2024. Based on that evaluation, the Company's management, including the Principal Executive Officer and Principal Financial Officer, concluded that as of September 30, 2024, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in this Annual Report on Form 10-K was reported within the time periods specified by SEC rules and regulations, and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding the required disclosures.

Notwithstanding the foregoing, there can be no assurance that the Company's controls and procedures will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be set forth in the Company's periodic reports. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable, not absolute, assurance of achieving their control objectives.

*Management's Annual Report on Internal Control over Financial Reporting*. The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company, as such term is defined in Exchange Act Rule 13a-15(f). Internal control over financial reporting is a process designed 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. Internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only with proper authorizations; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. These inherent limitations are an intrinsic part of the financial reporting process. Therefore, although the Company's management is unable to eliminate this risk, it is possible to develop safeguards to reduce it. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management, under the oversight of the principal executive and principal financial officers, and Board of Directors, conducted an assessment of the effectiveness of our internal control over financial reporting based upon the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control-Integrated Framework (2013)* (COSO 2013 Framework). Based on this assessment, management has concluded that its internal control over financial reporting was effective as of September 30, 2024, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP. The Company's internal control over financial reporting as of September 30, 2024, has been audited by KPMG LLP, an independent registered public accounting firm, as stated in its attestation report, which is included herein.

*Changes in Internal Control Over Financial Reporting*. The Company is in the process of implementing a new global enterprise resource planning ("ERP") system, which will replace our existing operating and financial systems which will be implemented over the next several years. The implementation began with the pilot deployment in the fourth quarter of fiscal year 2023 and was limited to our GPC operations in Canada and Noblesville, Indiana. The implementation in other locations will continue over subsequent years. As the project continues, the Company continues to emphasize the maintenance of effective internal controls and assessment of the design and operating effectiveness of key control activities throughout development and deployment of each phase.

Except as described above, there have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a15(f) and 15d-15(f) under the Securities Exchange Act of 1934 as amended) that occurred during our fiscal fourth quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## ITEM 9B. OTHER INFORMATION

During the three month period ended September 30, 2024, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1" trading agreement.

## ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

## PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Items 401 and Item 407(c)(3) of Regulation S-K concerning the directors and executive officers of the Company is incorporated herein by reference to the disclosures which will be included in a subsequent amendment to the Form 10-K, which will be filed no later than 120 days after the end of the Company's fiscal year ended September 30, 2024.

**Audit Committee and Audit Committee Financial Expert**

The information required by Items 407(d)(4) and 407(d)(5) of Regulation S-K is incorporated herein by reference from the disclosure which will be included in a subsequent amendment to the Form 10-K.

**Section 16(a) Beneficial Ownership Reporting Compliance**

The information required by Item 405 of Regulation S-K is incorporated herein by reference from the disclosure which will be included in a subsequent amendment to the Form 10-K.

**Code of Ethics**

We have adopted the Code of Ethics for the Principal Executive Officer and Senior Financial Officers that applies to our Chief Executive Officer, Chief Financial Officer and other senior finance organization employees. The Code of Ethics for the Principal Executive Officer and Senior Financial Officers is publicly available on our website at www.spectrumbrands.com under "Investor Relations—Corporate Governance." We intend to disclose amendments to, and, if applicable, waivers of, this code of ethics on that section of our website.

We have also adopted the Spectrum Brands Code of Business Conduct and Ethics that applies to all of our directors, officers and employees. The Spectrum Brands Code of Business Conduct and Ethics is publicly available on our website at www.spectrumbrands.com under "Investor Relations—Corporate Governance." Any amendments to this code of ethics or any waiver of this code of ethics for executive officers or directors may be made only by our Board of Directors as a whole or our Audit Committee and will be promptly disclosed to our shareholders via that section of our website.

**Insider Trading Policy**

The information required by Item 408(b) of Regulation S-K is incorporated herein by reference from the disclosure which will be included in a subsequent amendment to the Form 10-K. We have adopted the Securities Holding and Trading Policy for Spectrum Brands Holdings, Inc. governing the purchase, sale and/or other dispositions of our securities by our directors, officers, employees or us, that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations and the listing standards of the New York Stock Exchange. The foregoing summary of the Securities Holding and Trading Policy does not purport to be complete and is qualified in its entirety by reference to the full text of the Securities Holding and Trading Policy attached to this Annual Report as Exhibit 19.1 and incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

**Executive Compensation**

The information required by Item 402 of Regulation S-K is incorporated herein by reference from the disclosures which will be included in a subsequent amendment to the Form 10-K.

**Compensation Committee Interlocks and Insider Participation**

The information required by Item 407(e)(4) of Regulation S-K is incorporated herein by reference from the disclosure which will be included in a subsequent amendment to the Form 10-K.

**Report of the Compensation Committee of the Board of Directors**

The information required by Item 407(e)(5) of Regulation S-K is incorporated herein by reference from the disclosure which will be included in a subsequent amendment to the Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

**Ownership of Common Shares of Spectrum Brands Holdings, Inc.**

The information required by Items 201(d) and 403 of Regulation S-K are incorporated herein by reference from the disclosures which will be included in a subsequent amendment to the Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

**Review, Approval or Ratification of Transactions with Related Persons**

The information required by Item 404 of Regulation S-K is incorporated herein by reference from the disclosures which will be included in a subsequent amendment to the Form 10-K.

**Director Independence**

The information required by Item 407(a) of Regulation S-K is incorporated herein by reference from the disclosures which will be included in a subsequent amendment to the Form 10-K.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table summarizes the fees KPMG LLP, our independent registered public accounting firm, billed to the Company:

| (in millions) | 2024 | 2023 |
|---|---|---|
| Audit Fees | $ 5.8 | $ 5.6 |
| Audit-Related Fees | 2.8 | 2.4 |
| Tax Fees | — | — |
| All Other Fees | 0.1 | 0.4 |
| Total | $ 8.7 | $ 8.4 |

In the above table, in accordance with the SEC's definition and rules, "Audit Fees" are fees paid to KPMG LLP for professional services for the audits of the Company, and our consolidated financial statements included in our Form 10-K and the review of our financial statements included in Forms 10-Q, or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements, such as issuance of comfort letters and statutory audits required for certain of our foreign subsidiaries. "Audit-Related Fees" are fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements, including the due diligence activities relating to mergers and acquisitions and the audit of standalone carve-out financial statements as required. "Tax Fees" are fees for tax compliance, tax advice, and tax planning. Such fees were attributable to services for tax compliance assistance and tax advice. "All Other Fees" are fees, if any, for any services not included in the first three categories.

*Pre-Approval of Independent Auditors Services and Fees*

The Audit Committee approved the audit services engagement performed by KPMG LLP for the year ended September 30, 2024. In accordance with the Audit Committee's Pre-Approval Policy, the Audit Committee has pre-approved other specified audit, or audit related services, provided that the fees incurred by KPMG LLP in connection with any individual engagement do not exceed $200,000 in any 12-month period. The Audit Committee must approve for an engagement by engagement basis any individual non-audit or tax engagement in any 12-month period. The Audit Committee has delegated to its Chairman the authority to pre-approve any other specific audit or specific non-audit service which was not previously pre-approved by the Audit Committee, provided that any decision of the Chairman to pre-approve other audit or non-audit services shall be presented to the Audit Committee at its next scheduled meeting.

**PART IV**

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS AND SCHEDULES

(a) The following documents are filed as part of or are included in this Annual Report on Form 10-K:

1. The financial statements of Spectrum Brands Holdings, Inc. listed in the Index to Consolidated Financial Statements, filed as part of this Annual Report on Form 10-K.
2. The exhibits listed in the Exhibit Index filed as part of this Annual Report on Form 10-K.

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE**

## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Spectrum Brands Holdings, Inc.:

*Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated statements of financial position of Spectrum Brands Holdings, Inc. and subsidiaries (the Company) as of September 30, 2024 and 2023, the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended September 30, 2024, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated November 15, 2024 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

*Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Critical Audit Matter*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Valuation of the Rejuvenate Tradename*

As discussed in Note 2 to the consolidated financial statements, the Company assesses indefinite lived intangible assets for impairment at least annually. If the carrying value is more likely than not greater than the fair value of the indefinite lived intangible asset, a quantitative assessment is performed to determine the fair value and measure impairment. The fair value of indefinite lived intangible assets is determined using an income approach, specifically the relief-from-royalty methodology which requires estimates of future revenues, royalty rates, and the discount rates. As discussed in Note 10, the indefinite lived intangible asset balance, consisting primarily of tradenames, was $749.6 million as of September 30, 2024. As a result of a triggering event that occurred during the year ended September 30, 2024, an impairment charge of $39 million was recorded for the Rejuvenate tradename.

We identified the valuation of the Rejuvenate tradename as a critical audit matter. A high degree of challenging auditor judgment was required to evaluate the future revenues and discount rate used to estimate the fair value of the tradename. Specifically, the determination of (1) the discrete and long-term revenue growth rates used to estimate future revenues and (2) the discount rate included subjective determinations of future market and economic conditions. Changes to these assumptions could have a significant effect on the Company's assessment of the fair value of the Rejuvenate tradename. In addition, specialized skill and knowledge were needed to evaluate the long-term revenue growth rate and discount rate.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Rejuvenate tradename impairment process, including controls over the determination of discrete and long-term revenue growth rates and discount rate. We evaluated the Company's discrete revenue growth rate by comparing the rate for the tradename to the Company's historical revenue growth rate and industry analyst reports. We involved valuation professionals with specialized skill and knowledge, who assisted in evaluating the Company's long-term revenue growth rate and discount rate by:

- comparing the long-term revenue growth rate to long-term economic growth expectations using publicly available third-party data
- comparing the discount rate to discount rate ranges that were independently developed using publicly available market data for comparable entities
- performing a sensitivity analysis to assess the impact of possible changes to the discount rate.

/s/ KPMG LLP

We have served as the Company's auditor since 2011.

Milwaukee, Wisconsin
November 15, 2024

**Report of Independent Registered Public Accounting Firm**

To the Shareholders and Board of Directors
Spectrum Brands Holdings, Inc.:

*Opinion on Internal Control Over Financial Reporting*

We have audited Spectrum Brands Holdings, Inc. and subsidiaries' (the Company) internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of September 30, 2024 and 2023, the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended September 30, 2024, and the related notes (collectively, the consolidated financial statements), and our report dated November 15, 2024 expressed an unqualified opinion on those consolidated financial statements.

*Basis for Opinion*

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Report. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

*Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Milwaukee, Wisconsin
November 15, 2024

**SPECTRUM BRANDS HOLDINGS, INC.**
**Consolidated Statements of Financial Position**
**September 30, 2024 and 2023**
**(in millions, except per share figures)**

| (in millions) | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 368.9 | $ 753.9 |
| Short term investments | — | 1,103.3 |
| Trade receivables, net | 635.4 | 477.1 |
| Other receivables | 70.7 | 84.5 |
| Inventories | 462.1 | 462.8 |
| Prepaid expenses and other current assets | 41.5 | 44.3 |
| Total current assets | 1,578.6 | 2,925.9 |
| Property, plant and equipment, net | 266.6 | 275.1 |
| Operating lease assets | 101.9 | 110.8 |
| Deferred charges and other | 39.9 | 31.8 |
| Goodwill | 864.9 | 854.7 |
| Intangible assets, net | 990.4 | 1,060.1 |
| Total assets | $ 3,842.3 | $ 5,258.4 |
| **Liabilities and Shareholders' Equity** | | |
| Current portion of long-term debt | $ 9.4 | $ 8.6 |
| Accounts payable | 397.3 | 396.6 |
| Accrued wages and salaries | 78.8 | 46.1 |
| Accrued interest | 4.7 | 20.6 |
| Income tax payable | 25.0 | 114.5 |
| Other current liabilities | 171.9 | 178.4 |
| Total current liabilities | 687.1 | 764.8 |
| Long-term debt, net of current portion | 551.4 | 1,546.9 |
| Long-term operating lease liabilities | 87.0 | 95.6 |
| Deferred income taxes | 170.8 | 174.8 |
| Uncertain tax benefit obligation | 171.5 | 105.5 |
| Other long-term liabilities | 32.8 | 52.5 |
| Total liabilities | 1,700.6 | 2,740.1 |
| Commitments and contingencies (Note 20) | | |
| Shareholders' equity | | |
| Common stock, $0.01 par value; 200.0 million shares authorized; 53.8 million and 53.8 million shares issued, respectively. | 0.5 | 0.5 |
| Additional paid-in capital | 1,988.1 | 1,920.8 |
| Accumulated earnings | 2,169.0 | 2,096.0 |
| Accumulated other comprehensive loss, net of tax | (204.0) | (249.4) |
| Treasury stock, 25.7 million and 18.5 million shares, respectively | (1,812.7) | (1,250.3) |
| Total shareholders' equity | 2,140.9 | 2,517.6 |
| Non-controlling interest | 0.8 | 0.7 |
| Total equity | 2,141.7 | 2,518.3 |
| Total liabilities and equity | $ 3,842.3 | $ 5,258.4 |

See accompanying notes to the consolidated financial statements.

**SPECTRUM BRANDS HOLDINGS, INC.**
**Consolidated Statements of Income**
**Years ended September 30, 2024, 2023 and 2022**
**(in millions, except per share figures)**

| (in millions, except per share) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Net sales | $ 2,963.9 | $ 2,918.8 | $ 3,132.5 |
| Cost of goods sold | 1,854.6 | 1,994.5 | 2,142.1 |
| Gross profit | 1,109.3 | 924.3 | 990.4 |
| Selling, general & administrative | 958.5 | 899.6 | 995.7 |
| Impairment of goodwill | — | 111.1 | — |
| Impairment of intangible assets | 45.2 | 120.7 | — |
| Representation and warranty insurance proceeds | (65.0) | — | — |
| Gain from remeasurement of contingent consideration liability | — | (1.5) | (28.5) |
| Total operating expenses | 938.7 | 1,129.9 | 967.2 |
| Operating income (loss) | 170.6 | (205.6) | 23.2 |
| Interest expense | 58.5 | 116.1 | 99.4 |
| Interest income | (57.5) | (38.3) | (0.6) |
| (Gain) loss from early extinguishment of debt | (2.6) | 3.0 | — |
| Other non-operating expense, net | 8.6 | 3.8 | 14.7 |
| Income (loss) from continuing operations before income taxes | 163.6 | (290.2) | (90.3) |
| Income tax expense (benefit) | 64.3 | (56.5) | (13.3) |
| Net income (loss) from continuing operations | 99.3 | (233.7) | (77.0) |
| Income from discontinued operations, net of tax | 25.5 | 2,035.6 | 149.7 |
| Net income | 124.8 | 1,801.9 | 72.7 |
| Net income from continuing operations attributable to non-controlling interest | — | 0.1 | 0.2 |
| Net income from discontinued operations attributable to non-controlling interest | — | 0.3 | 0.9 |
| Net income attributable to controlling interest | $ 124.8 | $ 1,801.5 | $ 71.6 |
| **Amounts attributable to controlling interest** | | | |
| Net income (loss) from continuing operations attributable to controlling interest | $ 99.3 | $ (233.8) | $ (77.2) |
| Net income from discontinued operations attributable to controlling interest | 25.5 | 2,035.3 | 148.8 |
| Net income attributable to controlling interest | $ 124.8 | $ 1,801.5 | $ 71.6 |
| **Earnings Per Share** | | | |
| Basic earnings per share from continuing operations | $ 3.28 | $ (5.92) | $ (1.89) |
| Basic earnings per share from discontinued operations | 0.84 | 51.57 | 3.64 |
| Basic earnings per share | $ 4.12 | $ 45.65 | $ 1.75 |
| Diluted earnings per share from continuing operations | $ 3.26 | $ (5.92) | $ (1.89) |
| Diluted earnings per share from discontinued operations | 0.84 | 51.57 | 3.64 |
| Diluted earnings per share | $ 4.10 | $ 45.65 | $ 1.75 |
| Dividend per share | $ 1.68 | $ 1.68 | $ 1.68 |
| **Weighted Average Shares Outstanding** | | | |
| Basic | 30.3 | 39.5 | 40.9 |
| Diluted | 30.5 | 39.5 | 40.9 |

See accompanying notes to the consolidated financial statements.

**SPECTRUM BRANDS HOLDINGS, INC.**
**Consolidated Statements of Comprehensive Income**
**Years ended September 30, 2024, 2023 and 2022**
**(in millions)**

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Net income | $ 124.8 | $ 1,801.9 | $ 72.7 |
| Other comprehensive income | | | |
| Foreign currency translation adjustment | | | |
| Foreign currency translation gain (loss) | 62.8 | 69.0 | (147.8) |
| Unrealized (loss) gain on net investment hedge | (13.2) | (31.7) | 75.8 |
| Net reclassification for loss to income from continuing operations | 2.4 | — | — |
| Foreign currency translation adjustment before tax | 52.0 | 37.3 | (72.0) |
| Deferred tax effect | 0.1 | 7.0 | (20.0) |
| Net unrealized gain (loss) on foreign currency translation | 52.1 | 44.3 | (92.0) |
| Unrealized (loss) gain on derivative instruments | | | |
| Unrealized (loss) gain on derivative instruments before reclassification | (20.0) | (35.3) | 30.7 |
| Net reclassification for loss (gain) to income from continuing operations | 15.2 | 12.2 | (20.2) |
| Net reclassification for loss (gain) to income from discontinued operations | — | 2.3 | (2.4) |
| Unrealized (loss) gain on derivative instruments after reclassification | (4.8) | (20.8) | 8.1 |
| Deferred tax effect | 1.2 | 5.4 | 2.3 |
| Net unrealized (loss) gain on derivative instruments | (3.6) | (15.4) | 10.4 |
| Defined benefit pension (loss) gain | | | |
| Defined benefit pension (loss) gain before reclassification | (5.3) | (0.8) | 18.3 |
| Net reclassification for loss to income from continuing operations | 1.0 | 0.8 | 3.6 |
| Net reclassification for gain to income from discontinued operations | — | (0.1) | (0.1) |
| Defined benefit pension (loss) gain after reclassification | (4.3) | (0.1) | 21.8 |
| Deferred tax effect | 1.3 | (0.1) | (8.9) |
| Net defined benefit pension (loss) gain | (3.0) | (0.2) | 12.9 |
| Deconsolidation of discontinued operations | — | 26.1 | — |
| Net change to derive comprehensive income for the periods | 45.5 | 54.8 | (68.7) |
| Comprehensive income | 170.3 | 1,856.7 | 4.0 |
| Comprehensive income (loss) from continuing operations attributable to non-controlling interest | 0.1 | 0.3 | (0.4) |
| Comprehensive loss from discontinuing operations attributable to non-controlling interest | — | — | (0.5) |
| Deconsolidation of discontinued operations attributable to non-controlling interest | — | 0.8 | — |
| Comprehensive income attributable to controlling interest | $ 170.2 | $ 1,855.6 | $ 4.9 |

See accompanying notes to the consolidated financial statements.

**SPECTRUM BRANDS HOLDINGS, INC.**
**Consolidated Statements of Shareholders' Equity**
**Years ended September 30, 2024, 2023 and 2022**
**(in millions)**

| (in millions) | Common Stock Shares | Common Stock Amount | Additional Paid-in Capital | Accumulated Earnings | Accumulated Other Comprehensive Loss | Treasury Stock | Total Shareholders' Equity | Non-controlling Interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| Balances at September 30, 2022 | 40.8 | $ 0.5 | $ 2,032.5 | $ 362.1 | $ (303.1) | $ (828.8) | $ 1,263.2 | $ 5.9 | $ 1,269.1 |
| Net (loss) income from continuing operations | — | — | — | (233.8) | — | — | (233.8) | 0.1 | (233.7) |
| Income from discontinued operations, net of tax | — | — | — | 2,035.3 | — | — | 2,035.3 | 0.3 | 2,035.6 |
| Sale and deconsolidation of assets held for sale | — | — | — | — | 25.3 | — | 25.3 | (5.9) | 19.4 |
| Other comprehensive income, net of tax | — | — | — | — | 28.4 | — | 28.4 | 0.3 | 28.7 |
| Accelerated share repurchase | (5.3) | — | (100.0) | — | — | (400.0) | (500.0) | — | (500.0) |
| Treasury stock repurchases | (0.4) | — | — | — | — | (34.7) | (34.7) | — | (34.7) |
| Excise tax on net share repurchases | — | — | — | — | — | (4.2) | (4.2) | — | (4.2) |
| Restricted stock issued and related tax withholdings | 0.2 | — | (30.3) | — | — | 17.4 | (12.9) | — | (12.9) |
| Share based compensation | — | — | 18.6 | — | — | — | 18.6 | — | 18.6 |
| Dividends declared to common shareholders | — | — | — | (67.6) | — | — | (67.6) | — | (67.6) |
| Balances at September 30, 2023 | 35.3 | 0.5 | 1,920.8 | 2,096.0 | (249.4) | (1,250.3) | 2,517.6 | 0.7 | 2,518.3 |
| Net income from continuing operations | — | — | — | 99.3 | — | — | 99.3 | — | 99.3 |
| Income from discontinued operations, net of tax | — | — | — | 25.5 | — | — | 25.5 | — | 25.5 |
| Other comprehensive income, net of tax | — | — | — | — | 45.4 | — | 45.4 | 0.1 | 45.5 |
| Premium on capped call transactions, net of tax | — | — | (18.8) | — | — | — | (18.8) | — | (18.8) |
| Accelerated share repurchase | (1.3) | — | 83.2 | — | — | (83.2) | — | — | — |
| Treasury stock repurchases | (6.1) | — | — | — | — | (482.7) | (482.7) | — | (482.7) |
| Excise tax on net share repurchases | — | — | — | — | — | (5.6) | (5.6) | — | (5.6) |
| Restricted stock issued and related tax withholdings | 0.1 | — | (14.6) | — | — | 9.1 | (5.5) | — | (5.5) |
| Share based compensation | — | — | 17.5 | — | — | — | 17.5 | — | 17.5 |
| Dividends declared to common shareholders | — | — | — | (51.8) | — | — | (51.8) | — | (51.8) |
| Balances at September 30, 2024 | 28.0 | $ 0.5 | $ 1,988.1 | $ 2,169.0 | $ (204.0) | $ (1,812.7) | $ 2,140.9 | $ 0.8 | $ 2,141.7 |

See accompanying notes to the consolidated financial statements.

**SPECTRUM BRANDS HOLDINGS, INC.**
**Consolidated Statements of Cash Flows**
**Years ended September 30, 2024, 2023 and 2022**
**(in millions)**

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net income | $ 124.8 | $ 1,801.9 | $ 72.7 |
| Income from discontinued operations, net of tax | 25.5 | 2,035.6 | 149.7 |
| Net income (loss) from continuing operations | 99.3 | (233.7) | (77.0) |
| Adjustments to reconcile net income (loss) to net cash from operating activities: | | | |
| Depreciation | 57.3 | 48.9 | 49.0 |
| Amortization | 44.5 | 42.3 | 50.3 |
| Share based compensation | 17.5 | 17.2 | 10.2 |
| Impairment of goodwill | — | 111.1 | — |
| Impairment of intangible assets | 45.2 | 120.7 | — |
| Impairment of property plant and equipment and operating leases | 5.1 | 10.8 | — |
| Gain on sale of property plant and equipment | — | (2.7) | — |
| (Gain) loss on early extinguishment of debt | (2.7) | 3.0 | — |
| Amortization of debt issuance costs and debt discount | 3.9 | 6.9 | 7.1 |
| Non-cash interest on short term investment | — | (11.3) | — |
| Gain from remeasurement of contingent consideration liability | — | (1.5) | (28.5) |
| Non-cash purchase accounting adjustments | 1.2 | 1.9 | 8.3 |
| Deferred tax expense (benefit) | 3.7 | (182.8) | (44.6) |
| Net changes in operating assets and liabilities: | | | |
| Receivables | (116.5) | (224.2) | (12.2) |
| Inventories | 8.5 | 328.3 | (153.7) |
| Prepaid expenses and other current assets | 11.9 | 26.1 | (34.8) |
| Accounts payable and accrued liabilities | 55.6 | (154.5) | (15.0) |
| Income tax and other | 35.3 | 101.5 | 9.4 |
| Net cash provided (used) by operating activities from continuing operations | 269.8 | 8.0 | (231.5) |
| Net cash (used) provided by operating activities from discontinued operations | (107.2) | (417.7) | 177.7 |
| Net cash provided (used) by operating activities | 162.6 | (409.7) | (53.8) |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment | (44.0) | (59.0) | (64.0) |
| Proceeds from disposal of property, plant and equipment | — | 8.4 | 0.2 |
| Proceeds from sale of discontinued operations, net of cash | (26.9) | 4,334.7 | — |
| Business acquisitions, net of cash acquired | — | — | (272.1) |
| Purchase of short-term investments | (849.3) | (1,092.0) | — |
| Proceeds from sale of short term investments | 1,941.3 | — | — |
| Other investing activity | 0.1 | (0.2) | — |
| Net cash provided (used) by investing activities from continuing operations | 1,021.2 | 3,191.9 | (335.9) |
| Net cash used by investing activities from discontinued operations | — | (11.8) | (23.9) |
| Net cash provided (used) by investing activities | 1,021.2 | 3,180.1 | (359.8) |

See accompany notes to the consolidated financial statements.

**SPECTRUM BRANDS HOLDINGS, INC.**
**Consolidated Statements of Cash Flows**
**Years ended September 30, 2024, 2023 and 2022**
**(in millions)**

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Payment of debt, including premium on extinguishment | $ (1,349.3) | $ (1,646.8) | $ (12.7) |
| Proceeds from issuance of debt | 350.0 | — | 740.0 |
| Payment of debt issuance costs | (15.0) | (2.3) | (7.6) |
| Treasury stock purchases | (482.7) | (34.7) | (134.0) |
| Accelerated share repurchase | — | (500.0) | — |
| Premium on capped calls | (25.2) | — | — |
| Dividends paid to shareholders | (50.6) | (66.5) | (68.6) |
| Share based award tax withholding payments, net of proceeds upon vesting | (5.4) | (13.0) | (24.5) |
| Payment of contingent consideration | — | — | (1.9) |
| Net cash (used) provided by financing activities from continuing operations | (1,578.2) | (2,263.3) | 490.7 |
| Net cash used by financing activities from discontinued operations | — | (0.8) | (3.1) |
| Net cash (used) provided by financing activities | (1,578.2) | (2,264.1) | 487.6 |
| Effect of exchange rate changes on cash and cash equivalents | 11.0 | 3.7 | (20.1) |
| Net change in cash, cash equivalents and restricted cash in continuing operations | (383.4) | 510.0 | 53.9 |
| Cash, cash equivalents, and restricted cash, beginning of period | 753.9 | 243.9 | 190.0 |
| Cash, cash equivalents, and restricted cash, end of period | $ 370.5 | $ 753.9 | $ 243.9 |
| **Supplemental disclosure of cash flow information** | | | |
| Cash paid for interest associated with continued operations | $ 71.0 | $ 123.1 | $ 92.1 |
| Cash paid for interest associated with discontinued operations | $ — | $ 45.3 | $ 53.6 |
| Cash paid for taxes associated with continued operations | $ 31.4 | $ 25.5 | $ 32.6 |
| Cash paid for taxes associated with discontinued operations | $ 69.8 | $ 449.2 | $ 12.9 |
| **Non cash investing activities** | | | |
| Acquisition of property, plant and equipment through capital leases | $ 4.6 | $ 3.2 | $ 1.4 |
| **Non cash financing activities** | | | |
| Issuance of shares through stock compensation plan | $ 14.0 | $ 32.6 | $ 33.4 |

See accompany notes to the consolidated financial statements.

## NOTE 1 - DESCRIPTION OF BUSINESS

The Company is a diversified global branded consumer products company. We manage the business in three vertically integrated, product-focused segments: (i) Global Pet Care ("GPC"), (ii) Home and Garden ("H&G") and (iii) Home and Personal Care ("HPC"). The Company manufactures, markets and/or distributes its products globally in the North America ("NA"), Europe, Middle East & Africa ("EMEA"), Latin America ("LATAM") and Asia-Pacific ("APAC") regions through a variety of trade channels, including retailers, wholesalers and distributors. We enjoy strong name recognition under various brands and patented technologies across multiple product categories. Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a president responsible for sales and marketing initiatives and global operating results for all product lines within the segment. The segments are supported through center-led shared service operations and enabling functions consisting of finance and accounting, information technology, legal, human resources, supply chain, and commercial operations. See *Note 21 – Segment Information* for more information pertaining to segments of continuing operations. The following is an overview of the consolidated business, by segment, summarizing product categories and brands:

| Segment | Products | Brands |
|---|---|---|
| GPC | *Companion Animal:* Rawhide chews, dog and cat clean-up, training, health and grooming products, small animal food and care products, rawhide-free dog and cat treats, and wet and dry pet food for dogs and cats.<br>*Aquatics:* Consumer and commercial aquarium kits, stand-alone tanks; aquatics equipment such as filtration systems, heaters and pumps; and aquatics consumables such as fish food, water management and care. | *Companion Animal:* Good'n'Fun®, DreamBone®, GOOD BOY®, SmartBones®, IAMS® (Europe only), EUKANUBA® (Europe only), Nature's Miracle®, FURminator®, Dingo®, 8IN1® (8-in-1), Meowee!®, and Wild Harvest™.<br>*Aquatics:* Tetra®, Marineland®, Instant Ocean®, GloFish®, and OmegaSea®. |
| H&G | *Household:* Household pest control solutions such as spider and scorpion killers; ant and roach killers; flying insect killers; insect foggers; wasp and hornet killers; and bedbug, flea and tick control products.<br>*Controls:* Outdoor insect and weed control solutions, and animal repellents such as aerosols, granules, and ready-to-use sprays or hose-end ready-to-sprays.<br>*Repellents:* Personal use pesticides and insect repellent products, including aerosols, lotions, pump sprays and wipes, yard sprays and citronella candles.<br>*Cleaning:* Household surface cleaning, maintenance, and restoration products, including bottled liquids, mops, wipes and markers. | *Household:* Hot Shot®, Black Flag®, Real-Kill®, Ultra Kill®, The Ant Trap® (TAT), and Rid-A-Bug®.<br>*Controls:* Spectracide®, Garden Safe®, Liquid Fence®, and EcoLogic®.<br>*Repellents:* Cutter® and Repel®.<br>*Cleaning:* Rejuvenate® |
| HPC | *Kitchen & Home Appliances:* Small kitchen appliances including toaster ovens, coffeemakers, slow cookers, air fryers, blenders, hand mixers, grills, food processors, juicers, toasters, irons, kettles, and bread makers, cookware, and cookbooks.<br>*Personal Care:* Hair dryers, flat irons and straighteners, rotary and foil electric shavers, personal groomers, mustache and beard trimmers, body groomers, nose and ear trimmers, women's shavers, haircut kits and intense pulsed light hair removal systems. | *Kitchen & Home Appliances:* Black+Decker®, Russell Hobbs®, George Foreman®, PowerXL®, Emeril Legasse®, Copper Chef ®, Toastmaster®, Juiceman®, Farberware®, and Breadman®<br>*Personal Care:* Remington® |

All brands and tradenames noted above are owned by the Company, with the exception of Black+Decker® ("B+D"), Emeril Legasse® and Farberware®, which are subject to trademark license agreements.

We have a trademark license agreement (the "B+D License Agreement") with the license holder, Stanley Black+Decker ("SBD"), which terminated the previous agreement and having an effective date of January 1, 2024, pursuant to which the HPC segment license the B+D brand in North America, South America (excluding Brazil), Central America, and the Caribbean (excluding Cuba) for primarily four core categories of household appliances: beverage products, food preparation products, garment care products and cooking products. The B+D License Agreement has an initial four-year term ending December 31, 2027, with two subsequent four-year renewal rights each based upon meeting certain sales metrics, potentially extending the total contract term to December 31, 2035. The License Agreement may not renew if these targets are not satisfied. Under the terms of the License Agreement, the Company agreed to pay SBD royalties based on a percentage of sales, with a minimum annual royalty payment of $11.7 million for the first year in the initial term, with decreases in subsequent years of the initial term down to $10.2 million in the fourth year, and is subject to adjustment with each renewal period. The B+D License Agreement also requires us to comply with maximum annual returns rates for products and promotional spending commitments. See *Note 5 – Revenue Recognition* for further detail on revenue concentration from B+D branded products.

The Emeril Legasse® brand is subject to a trademark license agreement (the "Emeril License Agreement") with the license holder, Martha Stewart Living Omnimedia, Inc., pursuant to which the HPC segment can license the Emeril Legasse® brand within the U.S., and its territories and possessions, Canada, Mexico, Australia, and the United Kingdom ("UK") for certain designated products categories of household appliances, including small kitchen food preparation products, indoor and outdoor grills, grill accessories and cookbooks. The agreement is set to expire effective December 31, 2024, with an option to renew through December 31, 2025, subject to meeting certain sales metrics. Under the terms of the agreement, we are obligated to pay the license holder a percentage of net sales, with minimum annual royalty payments of $1.7 million, increasing to $1.8 million in the 2025 renewal period. The Farberware® tradename brand is subject to a trademark license agreement (the "Farberware License Agreement") with the license holder, Farberware License Company, LLC, pursuant to which the HPC segment licenses the Farberware® brand on a worldwide basis for certain designated product categories of household appliances, including coffeemakers, juicers, toasters and toaster ovens, among others. The Farberware License Agreement is set to expire December 31, 2210. The Company and its HPC segment do not have a material concentration of branded products exceeding 10% of consolidated or segment revenue from either the Emeril Legasse® or Farberware® brands.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

***Principles of Consolidation and Fiscal Year End***

The consolidated financial statements include the financial statements of the Company and its majority owned subsidiaries and have been prepared in accordance with Accounting Principles Generally Accepted in the United States ("GAAP"). All intercompany transactions have been eliminated.

The Company's fiscal year ends September 30 and reports its results using fiscal quarters whereby each three-month quarterly reporting period is approximately thirteen weeks in length and ends on a Sunday. The exceptions are the first quarter, which begins on October 1, and the fourth quarter, which ends on September 30. For the year ended September 30, 2024, the fiscal quarters were comprised of the three months ended December 31, 2023, March 31, 2024, June 30, 2024, and September 30, 2024.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Company considers all highly liquid temporary instruments purchased with original maturities of three months or less from date of purchase to be cash equivalents.

***Short-Term Investments***

The Company determines the balance sheet classification of its investments at the time of purchase and evaluates the classification at each balance sheet date. Money market funds, certificates of deposit, and time deposits with original maturities of greater than three months but no more than twelve months from the date of purchase are carried at cost, which approximates fair value, and are recognized in the consolidated balance sheets as short-term investments.

***Restricted Cash***

The Company may be required to maintain cash deposits or accounts that may be restricted under certain contractual agreements such as security deposits, escrows or other restricting requirements. Such restricted accounts are otherwise excluded from cash and cash equivalents and reflected as other current or non-current assets depending upon the requirements. As of September 30, 2024, there was $1.6 million of restricted cash, with no significant restricted cash accounts or deposits as of September 30, 2023.

***Receivables***

Trade accounts receivable are carried at net realizable value. The Company extends credit to its customers based upon an evaluation of the customer's financial condition and credit history, but generally does not require collateral. The Company monitors its customers' credit and financial condition based on changing economic conditions and will make adjustments to credit policies as required. Provisions for losses on uncollectible trade receivables are determined based on ongoing evaluations of the Company's receivables, principally on the basis of historical collection experience and evaluations of the risks of nonpayment or return for a given customer. See *Note 7 - Receivables* for further detail.

***Inventories***

Inventories are valued at the lower of cost or net realizable value. Cost of inventories is determined using the first-in, first-out (FIFO) method. See *Note 8 - Inventory* for further detail.

***Property, Plant and Equipment***

Property, plant and equipment are recorded at cost. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets. Property, plant and equipment held under finance leases are depreciated on a straight-line basis over the shorter of the lease term or estimated useful life of the asset. Such amortization is included in depreciation expense and recognized as Cost of Goods Sold or Selling, General & Administrative Expense in the Consolidated Statements of Income depending on the nature and use of the underlying asset

The Company uses accelerated depreciation methods for income tax purposes. Useful lives for property, plant and equipment are as follows:

| Asset Type | Range |
|---|---|
| Buildings and improvements | 20 - 40 years |
| Machinery, tooling and equipment | 2 - 15 years |
| Computer software | 3 - 5 years |

Expenditures which substantially increase value or extend useful lives are capitalized with corresponding cash flows recognized as investing activity. Expenditures for maintenance and repairs are charged to operations as incurred. The Company records gains and losses on the disposition or retirement of property, plant and equipment based on the net book value and any proceeds received.

Long-lived fixed assets held and used are reviewed for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Circumstances such as the discontinuation of a product or product line, a sudden or consistent decline in the sales forecast for a product, changes in technology or in the way an asset is being used, a history of operating or cash flow losses or an adverse change in legal factors or in the business climate, among others, may trigger an impairment review. If such indicators are present, the Company performs undiscounted cash flow analyses to determine if impairment exists. The asset value would be deemed impaired if the undiscounted cash flows generated did not exceed the carrying value of the respective asset group. If impairment is determined to exist, any related impairment loss is calculated based on fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. See *Note 9 - Property, plant and equipment* for further detail.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)**

***Internal Use Software and Cloud Computing Arrangements***

The costs incurred towards internal-use software development in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, internal and external costs incurred to develop internal-use software are capitalized and recognized as Property Plant and Equipment on the Consolidated Statements of Financial Position. Other costs associated with training and data conversion are generally expensed as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the software. Maintenance and enhancement costs, including those costs in the post-implementation stages, are typically expensed as incurred, unless such costs relate to substantial upgrades and enhancements to the software that result in added functionality, in which case the costs are capitalized and depreciated on a straight-line basis over the estimated useful life of the software. See *Note 9 - Property, plant and equipment* for further detail. Corresponding cash flows attributable to the development of internal use software are recognized as investing activity.

Costs incurred towards the implementation of cloud computing arrangements, including software-as-a-service ("SaaS"), or other similar SaaS type services, such as platform as a service, infrastructure as a service and other hosting arrangements where we do not take possession of the software and instead gain access to the software remotely, are accounted for consistent with internal-use software development. Unlike internal-use software development costs, the amounts capitalized are recognized as a deferred balance similar to a prepayment or other deferred assets. Amortization of such costs are calculated on a straight-line basis over the applicable term of such hosting arrangements, recognized as Selling, General & Administrative Expense and not considered depreciation or amortization expense. If there is no software license provided by the contract, then the arrangement is considered a service contract and expensed as incurred. See *Note 9 - Property, plant and equipment* for further detail. Corresponding cash flows attributable to the implementation of cloud computing arrangements are recognized as operating activity.

***Goodwill***

Goodwill reflects the excess of acquisition cost over the aggregate fair value assigned to identifiable net assets acquired. Goodwill is not amortized, but instead is assessed for impairment at least annually and as triggering events or indicators of potential impairment are identified. Goodwill has been assigned to reporting units for purposes of impairment testing based upon the relative fair value of the asset to each reporting unit. Our reporting units are consistent with our reportable segments. See *Note 21 - Segment Information* for further discussion.

Goodwill is tested for impairment in the fourth quarter of our fiscal year by either performing a qualitative assessment or a quantitative test for some, or all reporting units. The Company evaluates qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. In performing a qualitative assessment, the Company considers events and circumstances, including, but not limited to, macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, changes in management or key personnel, changes in strategy, changes in customers, changes in market value, composition or carrying amount of a reporting unit's net assets, and considering any changes in the market price of the Company's common stock. If the Company determines that it is more likely than not the carrying value is greater than the fair value of a reporting unit after assessing the totality of facts and circumstances, a quantitative assessment is performed to determine the reporting unit fair value and measure the impairment. If the Company determines that it is more likely than not the fair value is greater than the carrying amount, then a quantitative assessment is not required.

In estimating the fair value of our reporting units for a quantitative impairment assessment, we use both an income approach and a market approach. The income approach is a discounted cash flow methodology, which requires us to estimate future revenues, expenses, and capital expenditures and make assumptions about our weighted average cost of capital and perpetuity growth rate, among other variables. The market approach is a guideline public company method that assesses value of our reporting unit based upon market multiples derived from financial results of selected comparable companies. We test the aggregate estimated fair value of our reporting units by comparison to our total market capitalization, including both equity and debt capital. The fair value of each reporting unit is compared to its carrying value, including goodwill. If the fair value of a reporting unit is less than its carrying value, an impairment loss would be recognized equal to that excess; however, the loss recognized cannot exceed the total amount of goodwill allocated to that reporting unit. See *Note 10 - Goodwill and Intangible Assets* for further detail.

***Intangible Assets***

Intangible assets are recorded at cost or at estimated fair value if acquired in a business combination. Customer lists, proprietary technology and certain trade name intangibles are amortized, using the straight-line method, over their estimated useful lives. The ranges of useful lives for definite-lived intangibles assets are as follows:

| Asset Type | Range |
|---|---|
| Customer relationships | 12 - 20 years |
| Technology assets | 8 - 18 years |
| Tradenames | 6 - 12 years |

Definite-lived intangible assets held and used are reviewed for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be recoverable. If indicators of potential impairment are identified, the Company performs an undiscounted cash flow analysis to determine if impairment exists. The asset value would be deemed impaired if the undiscounted cash flows expected to be generated by the asset did not exceed the carrying value of the respective asset group. If impairment is determined to exist, any related impairment loss is calculated based on fair value.

Certain trade name intangible assets have an indefinite life and are not amortized, but instead are assessed for impairment at least annually, in the fourth quarter of our fiscal year by either performing a qualitative assessment or a quantitative test for some or all indefinite lived intangible assets. The Company evaluates qualitative factors to determine whether it is more likely than not that the fair value of the indefinite lived intangible assets is less than its carrying amount. In performing a qualitative assessment, the Company considers events and circumstances, including, but not limited to, macroeconomic conditions, industry and market conditions, cost factors, changes in strategy and overall financial performance. If the Company determines that it is more likely than not the carrying value is greater than the fair value of an indefinite lived intangible asset, a quantitative assessment is performed to determine the fair value and measure the impairment. If the Company determines that it is more likely than not the fair value is greater than the carrying amount, then a quantitative assessment is not required.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)**

The quantitative impairment analysis of indefinite lived intangible assets compares the estimated fair value of the identified trade names to their carrying value to determine if impairment exists. If the fair value is less than the carrying value, an impairment loss is recorded for the excess. The fair value of indefinite-lived intangible assets is determined using an income approach, the relief-from-royalty methodology, which requires us to make estimates and assumptions about future revenues, royalty rates, and the discount rate, among others. See *Note 10 - Goodwill and Intangible Assets* for further detail.

***Assets Held for Sale and Discontinued Operations***

An asset, group of assets, or qualifying business are considered held for sale when they meet all the applicable criteria; including: (i) having the authority to sell, (ii) being available to sell in their present condition, (iii) having an active program to locate buyers, (iv) being actively marketed at current fair value, and (v) considered probable of selling within one year. Assessment for held for sale are performed at least quarterly or when events or changes in business circumstances indicate that a change in classification may be necessary.

Assets and liabilities of a qualifying business are excluded from the net assets of continuing operations, separated in a disposal group and classified as held for sale in the period in which the held for sale criteria was met. Corporate debt is not included as a component of the disposal group, regardless of repayment provisions, and only debt directly attributable to the divested operations may be included as held for sale. Assets and liabilities held for sale are recorded at the lower of its carrying amount or estimated fair value less expected cost to sell and any unrecognized other comprehensive loss. Assets held for sale do not experience any subsequent depreciation or amortization after being classified as held for sale. Assets held for sale are reviewed for impairment at least quarterly, and if the carrying amount of the disposal group exceeds the estimated fair value less cost to sell, a loss is recognized. If a business is classified as held for sale after the balance sheet date but before the financial statements are issued or are available to be issued, the business continues to be classified as held and used in those financial statements when issued or when available to be issued.

The Company reports the results of operations of a business as discontinued operations if a disposal represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results when the business is sold and meets the criteria for being classified as held for sale. Assets and liabilities of a disposal group classified as held for sale and related to discontinued operations are presented as held for sale for all current and prior periods presented within the statement of a financial position. The results of discontinued operations are reported in Income From Discontinued Operations, Net of Tax for the current and prior periods commencing in the period in which the business meets the held for sale criteria, and includes any gain or loss recognized on closing, or adjustment of the carrying amount to fair value less cost to sell while being held for sale. Loss realized upon change of classification to held for sale is recognized as a loss to continuing operations. Income from discontinued operations includes only direct costs attributable to the divested business and excludes any indirect cost allocation associated with any shared or corporate led functions unless otherwise dedicated to the divested business. Transactions between the businesses held for sale and businesses held for use that are expected to continue to exist after the disposal are not eliminated to appropriately reflect the continuing operations and balances held for sale. Interest costs from corporate debt, excluding premium payments or loss on extinguishment of debt, may be included as a component of income from discontinued operations specifically attributable to interest from corporate debt that is obligated to be repaid following the completion of a divestiture; plus the allocation of interest cost from corporate debt not directly attributable to or related to other operations based on the ratio of net assets of the disposal group held for sale to the consolidated net assets plus consolidated debt, excluding debt assumed in transaction, required to be repaid, or directly attributable to other operations of the Company. Adjustments to discontinued operations subsequent to the completion of a transaction or disposition are generally attributable to contingencies and indemnifications directly related to the disposal transaction, operations of the discontinued operations, or settlement of obligations directly related to the disposal. Amounts within accumulated other comprehensive income directly associated with a divested business are not realized as a component of Income from Discontinued Operations until completion of the sale or disposition. See *Note 3 - Divestitures* for further detail.

***Debt Issuance Costs***

Debt issuance costs are deferred and amortized to interest expense using the effective interest method over the lives of the related debt agreements. Debt issuance costs are included as a reduction to Long Term Debt, Net of Current Portion. Amortization of debt issuance costs is recognized as a component of Interest Expense in the Consolidated Statements of Income. See *Note 11 - Debt* for further detail.

***Derivative Financial Instruments***

Derivative financial instruments are used by the Company principally in the management of its foreign currency exposures. The Company does not hold or issue derivative financial instruments for trading or speculative purposes. Derivative assets and liabilities are reported at fair value in the Consolidated Statements of Financial Position. When hedge accounting is elected at inception, the Company formally designates the financial instrument as a hedge of a specific underlying exposure and documents both the risk management objectives and strategies for undertaking the hedge. Depending on the nature of derivatives designated as hedging instruments, changes in fair value are either offset against the change in fair value of the hedged assets or liability through earnings, or recognized in equity through other comprehensive income until the hedged item is recognized. Derivative instruments that hedge the exposure to variability in expected future cash flows and are designated as cash flow hedges, and the entire change in the fair value of the hedging instrument is recorded as a component of Accumulated Other Comprehensive (Loss) Income ("AOCI") in Shareholders' Equity. Those amounts are subsequently reclassified to earnings in the same line item in the Consolidated Statements of Income as impacted by the hedge item when the hedged item affects earnings. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions. For derivatives that do not qualify for hedge accounting treatment, the change in the fair value is recognized in earnings. Cash flows attributable to derivative financial instruments are reflected as operating activity. See *Note 13 - Derivatives* for further detail.

***Treasury Stock***

Treasury stock purchases are stated at average cost and presented as a separate reduction of equity. See *Note 17 - Shareholders' Equity* for further detail.

***Noncontrolling Interest***

Noncontrolling interest recognized in the consolidated equity of the Company is the minority interest ownership in equity of a consolidated subsidiary that is not attributable, directly or indirectly, to the parent company; and recognized separate from Shareholders' Equity in the Consolidated Statements of Financial Position. Income from a consolidated subsidiary with a minority interest ownership is allocated to the minority interest and considered attributable to the noncontrolling interest in the Consolidated Statements of Income.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)**

***Business Combinations and Acquisition Accounting***

The Company accounts for acquisitions by applying the acquisition method of accounting when the transaction or event is considered a business combination, which requires that the assets acquired and liabilities assumed constitute a business. A defined business is generally an acquired group of assets with inputs and processes that make it capable of generating a return or economic benefit for the acquirer. The acquisition method of accounting requires, among other things, that the assets acquired and liabilities assumed in a business combination be measured at their fair values as of the closing date of the acquisition.

***Revenue Recognition***

*Product Sales*

Our customers mostly consist of retailers, wholesalers and distributors with the intention to sell and distribute to an end consumer. A portion of our business is also sold direct-to-consumer through direct response television, brand websites, and other online marketplaces. The Company recognizes revenue from the sale of products upon transfer of control to the customer. For the majority of our product sales, the transfer of control is recognized when we ship the product from our facilities to the customer unless we retain title and risk of loss upon shipment and we arrange and paid for freight such that we retain physical possession and control during delivery. The Company does not assess whether promised goods or services are performance obligations if they are not material in the context of the contract with the customer.

*Licensing Revenue*

The Company may also license its brands to third-party sellers and manufacturers for the development, production, sales & distribution of products that are not directly managed or offered by the Company. The Company maintains all right of ownership of the intellectual property and contracts with its customer for the use of the intellectual property in their operations. Revenue derived from the right-to-access licenses is recognized using the over time revenue recognition method, applying the ‘as-invoiced’ practical expedient method at the amount we are able to bill using a time-elapsed measure of progress, taking into consideration any minimum guarantee provisions under the contract, as it appropriately depicts its performance of providing access to the Company’s brands, trade names, logos, etc.

*Other Revenue*

Other revenue consists primarily of installation or maintenance services that are provided to certain customers in the GPC segment and extended warranty coverage for certain HPC products sold directly to consumers. The GPC services are often associated with the sale of product but are also provided separately and are considered a distinct performance obligation separate from product sales. The HPC extended warranty coverage is sold as a separate contract and is recognized as a separate performance obligation that is distinct from the product. The extended warranty is initially recognized as deferred revenue and amortized to Net Sales over the anticipated term of the performance of obligation. The HPC extended warranties terms are anywhere between 1 and 7 years, with the majority of the warranties realized within the first year of the term.

*Variable Consideration and Cash Paid to Customers*

The Company measures revenue as the amount of consideration for which it expects to be entitled in exchange for transferring goods or providing services. Certain retailers or end customers may receive cash or non-cash incentives such as rebates, volume or trade discounts, cooperative advertising, price protection, coupons, and other customer-related programs, including service level penalties, which are accounted for as variable consideration. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of revenue recognized will not occur when the uncertainty is resolved. Estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available. The estimated liability for sales discounts and other programs and allowances is calculated using the expected value method or most likely amount and recorded at the time of sale as a reduction of net sales and trade receivables. The Company does not adjust the promised amount of consideration for the effects of a significant financing component, as the period between the transfer of a promised good or service to a customer and the customer’s payment for the good or service is one year or less.

The Company generally expenses sales commissions and other contract and fulfillment costs when the amortization period is less than one year. The Company records these costs within Selling General & Administrative Expenses. The Company may enter into various arrangements, primarily with retail customers, which require the Company to make upfront cash payments or provide permanent fixtures and displays to support and secure distribution through such customers. The Company defers the cost provided they are supported by a volume-based arrangement with a period of 12 months or longer and amortizes the associated payment on a straight line basis based upon historical assumptions and terms of the customer arrangement. Deferred costs are recognized as a contract asset and reported as Prepaid Expenses and Other Current Assets or Deferred Charges and Other in the Consolidated Statements of Financial Position. The costs are incorporated into the pricing of product sold and the related amortization is treated as a reduction in Net Sales.

The Company excludes all sales taxes that are assessed by a governmental authority from the transaction price.

*Product Returns*

In the normal course of business, the Company may allow customers to return product per the provisions in a sale agreement. Estimated product returns are recorded as a reduction in reported revenues at the time of sale based upon historical product return experience, adjusted for known trends, to arrive at the amount of consideration expected to be received. For the anticipated value of the returns, the Company will recognize a return liability in Other Current Liabilities and a separate return asset included in the Prepaid Expenses and Other Current Assets, when applicable. See *Note 5 - Revenue Recognition* for further discussion on product returns. Product returns do not include provisions for standard warranties provided to end-consumers of the Company’s products, which are recognized as a component of the Cost of Goods Sold. Costs and reserves associated with standard warranties are not material to the consolidated financial statements.

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. The estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period is not material. See *Note 5 – Revenue Recognition* for further detail.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)**

***Shipping and Handling Costs***

Shipping and handling costs include costs incurred with third-party carriers to transport products to customers and salaries and overhead costs related to activities to prepare the Company's products for shipment at the Company's distribution facilities. The Company accounts for shipping and handling activities, which occur after control of the related goods transfers, as fulfillment activities instead of assessing such activities as performance obligations. Shipping and handling costs were $266.9 million, $272.6 million and $274.2 million during the years ended September 30, 2024, 2023 and 2022, respectively, and are included in Selling, General & Administrative Expenses.

***Advertising Costs***

Advertising costs include agency fees and other costs to create advertisements, as well as costs paid to third parties to print or broadcast the Company's advertisements and are expensed as incurred. The Company incurred advertising costs of $91.7 million, $59.1 million and $64.1 million during the years ended September 30, 2024, 2023 and 2022, respectively, and are included in Selling, General & Administrative Expenses.

***Research and Development Costs***

Research and development costs include internal personnel and third-party costs incurred towards the development of new products and product innovation and are expensed as incurred. The Company incurred research and development costs of $28.1 million, $22.5 million, $26.7 million during the years ended September 30, 2024, 2023 and 2022, respectively, and are included in Selling, General & Administrative Expenses.

***Environmental Expenditures***

Environmental expenditures that relate to current operations or to conditions caused by past operations are expensed or capitalized as appropriate. The Company determines its liability for environmental matters on a site-by-site basis and records a liability at the time when it is probable that a liability has been incurred and such liability can be reasonably estimated. The estimated liability is not reduced for possible recoveries from insurance carriers. Environmental costs include initial site surveys, costs for remediation and restoration and ongoing monitoring costs, as well as fines, damages and other costs, when applicable and estimable. Adjustments to initial estimates are recorded, from time to time, to reflect changing circumstances and estimates based upon additional information developed in subsequent periods. See *Note 20 - Commitments and Contingencies* for further discussion.

***Exit and Disposal Costs***

The Company regularly enters into various initiatives that may include the recognition of exit or disposal costs. Exit or disposal costs include, but are not limited to, the costs of termination benefits, such as a one-time involuntary severance or retention bonuses, one-time contract termination costs (excluding leases), and other costs associated with non-termination type costs related to restructuring initiatives such as incremental costs for the sale or termination of a line of business, closure or consolidation of facilities, country or region, relocation of business activities and employees from one location to another, change in management structure, among others. Exit and disposal costs associated with manufacturing are recorded as Cost of Goods Sold and exit and disposal costs associated with sales, marketing, distribution or other administrative functions are recorded as Selling, General & Administrative Expenses.

Liabilities from exit and disposal costs are recorded for estimated costs of facility closures, significant organizational adjustments and measures undertaken by management to exit certain activities. Costs for such activities are estimated by management after evaluating detailed analyses of the costs to be incurred. Such liabilities could include amounts for items such as severance costs and related benefits, and other items directly related to the exit activities. Impairment of property and equipment and other assets as a result of a such initiatives is recognized as a reduction of the appropriate asset. See *Note 4 - Exit and Disposal Activities* for further detail.

***Leases***

The Company determines if an arrangement is a lease at inception, considering whether the contract conveys a right to control the use of the identified asset for a period of time in exchange for consideration. Leases are classified as operating or finance leases at the commencement date of the lease. Operating leases are included in Operating Lease Assets, Other Current Liabilities and Long-Term Operating Lease Liabilities on the Consolidated Statements of Financial Position. Finance leases are included in Property, Plant and Equipment, Current Portion of Long-Term Debt, and Long-Term Debt, Net of Current Portion on the Consolidated Statements of Financial Position.

Right of use ("ROU") lease assets and liabilities are recognized based on the present value of future minimum lease payments over the lease term at commencement date. ROU lease liabilities are classified between current and long-term liabilities based on their payment terms. The ROU lease asset includes prepaid rent and reflects the unamortized balance of lease incentives. Our leases may include renewal options, and we include the renewal option in the lease term if we conclude that it is reasonably certain that we will exercise that option. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company records its operating lease and amortization of finance lease ROU assets within Cost of Goods Sold or Selling, General & Administrative Expense in the Consolidated Statements of Income depending on the nature and use of the underlying asset. Lease expense for operating leases is generally recognized on a straight-line basis over the lease term. Finance lease ROU assets are depreciated over the term of the lease and recognized as depreciation from Property Plant and Equipment, with finance interest cost recognized as Interest Expense in the Consolidated Statements of Income. Variable lease payments that do not depend on an index or a rate, such as the Company's proportionate share of actual costs for utilities, common area maintenance, insurance, and property taxes, are excluded from the measurement of the lease liability, unless subject to fixed minimum requirements, and are recognized as variable lease cost when the obligation for that payment is incurred.

As most of the Company's leases do not provide the lease implicit rates, the Company uses its incremental borrowing rates as the discount rate, adjusted as applicable, based on the information available at the lease commencement dates to determine the present value of lease payments. The incremental borrowing rate represents an estimate of the interest rate the Company would incur to borrow, on a collateralized basis and in a similar economic environment, over the term of a lease. The Company may use the lease implicit rate, if readily determinable, as the discount rate to determine the present value of lease payments.

The Company has subleased certain portions of excess space at certain of its distribution centers and administrative offices. Sublease income is associated with both finance and operating leases, recognized on a straight-line basis over the sublease term, and included in other non-operating income.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)**

We review the impairment of our ROU lease assets consistent with the approach applied for our other long-lived assets. ROU lease assets are reviewed for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Circumstances such as the discontinuation of a product or product line, a sudden or consistent decline in the sales forecast for a product, changes in technology or in the way an asset is being used, early termination or exit of a lease agreement, a history of operating or cash flow losses including changes in anticipated sublease income, when applicable, or an adverse change in legal factors or in the business climate, among others, may trigger an impairment review. If such indicators are present, the Company performs an undiscounted cash flow analysis to determine if impairment exists, including consideration for actual or potential sublease income. The asset value would be deemed impaired if the undiscounted cash flows generated did not exceed the carrying value of the respective asset group. If impairment is determined to exist, any related impairment loss is calculated based on fair value. See *Note 12 – Leases* for additional information.

***Supplier Financing Programs***

As part of ongoing efforts to maximize working capital, the Company works with its suppliers to optimize the terms and conditions, which may include the extension of payment terms. There is an agreement with a third-party administrator to provide an accounts payable tracking system and facilitate a supplier financing program, which allows participating suppliers the ability to monitor and voluntarily elect to sell the Company's payment obligations to a designated third-party financial institution. Participating suppliers can sell one or more of the payment obligations at their sole discretion, and the Company's rights and obligations to its suppliers are not impacted. The Company has no economic interest in a supplier's decision to enter into these agreements. The Company's rights and obligations to its suppliers, including amounts due and scheduled payment terms, are not impacted by suppliers' decisions to sell amounts under these arrangements. See *Note 14 - Supplier Financing Programs* for further details.

***Income Taxes***

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in income tax expense in the period in which the change in judgment occurs. Accrued interest expense and penalties related to uncertain tax positions are recorded in Income Tax Expense. See *Note 16 - Income Taxes* for further detail.

***Foreign Currency Translation***

Local currencies are considered the functional currencies for most of the Company's operations outside the United States. Assets and liabilities of the Company's foreign subsidiaries are translated at the rate of exchange existing at year-end, with revenues, expenses and cash flows translated at the average of the monthly exchange rates. Adjustments resulting from translation of the financial statements are recorded as a component of equity in AOCI, including the effects of exchange rate changes on intercompany balances of a long-term investment nature.

Foreign currency transaction gains and losses for transactions denominated in a currency other than the functional currency are reported in Other Non-Operating Expense, Net in the Consolidated Statements of Income in the period they occur. Exchange losses on foreign currency transactions were $7.5 million, $5.1 million, and $14.5 million for the years ended September 30, 2024, 2023 and 2022, respectively.

***Newly Adopted Accounting Standards***

In September 2022, the FASB issued ASU 2022-04, *Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations to enhance transparency about the use of supplier finance programs*. Under the ASU, the buyer in a supplier finance program is required to disclose information about the key terms of the program, outstanding confirmed amounts as of the end of the period, a roll-forward of such amounts during each annual period, and a description of where in the financial statements outstanding amounts are presented. The amendments in ASU 2022-04 are effective for all entities for fiscal years beginning after December 15, 2022, including interim periods within those financial years, except for the disclosure of roll-forward information, which is effective for fiscal years beginning after December 15, 2023. We adopted the ASU during the year ended September 30, 2023, except for the disclosure of roll-forward information, which was adopted during the first quarter of fiscal 2024. See *Note 14 - Supplier Financing Programs* for further detail.

***Recently Issued Accounting Standards***

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which provides updates to qualitative and quantitative reportable segment disclosure requirements, including enhanced disclosures about significant segment expenses and increased interim disclosure requirements, among others. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted, and the amendments should be applied retrospectively. This ASU will be effective for our fiscal year ending September 30, 2025 for the first quarter of our fiscal year ending September 30, 2026. We are currently evaluating the impact this ASU may have on our consolidated financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which provides qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, among others, in order to enhance the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation by jurisdiction of income taxes paid. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied prospectively; however, retrospective application is also permitted. This ASU will be effective for our fiscal year ending September 30, 2026. We are currently evaluating the impact this ASU may have on our consolidated financial statement disclosures.

In December of 2021, the Organization for Economic Cooperation and Development ("OEC") established a framework, referred to as Pillar 2, designed to ensure large multinational enterprises pay a minimum 15% level of tax on the income arising in jurisdictions in which they operate. The earliest effective date is for taxable years beginning after December 31, 2023, which for the Company would be the year ending September 30, 2025. Numerous non-U.S. countries have enacted the OECD model rules, and several other countries have drafted legislation to incorporate the framework into domestic laws. While the model rules for applying minimum tax may have been adopted, countries may enact Pillar 2 slightly differently than the model rules, and on different timelines, adopting certain components while delaying others, and may adjust domestic tax incentives in response to Pillar 2. Accordingly, we still are evaluating the

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)**

potential consequences of Pillar 2 on our consolidated financial statements and long-term financial position.

In March 2024, the U.S. Securities and Exchange Commission ("SEC") adopted final rules under *SEC Release Nos. 33-11275* and *34-99678, The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which requires registrants to disclose certain climate-related information in registration statements and annual reports. The final rules include requirements to disclose material climate-related risks, activities to mitigate or adapt to such risks, information about the board of directors' oversight of climate-related risks and management's role in managing material climate-related risks, and information on any climate-related targets or goals that are material to the registrant's business, results of operations, or financial condition. In addition, the rules would require certain climate-related disclosure as it relates to severe weather events and other natural conditions and carbon offsets and renewable energy credits. Certain large registrants are also required to disclose Scope 1 and Scope 2 greenhouse gas ("GHG") emissions when material. While the SEC voluntarily stayed the rules due to pending judicial review, the rules in their current form would be effective for the Company beginning in our fiscal year ending September 30, 2026. The Company is currently assessing the impact that these rules may have on the consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, which provides updates to qualitative and quantitative disclosure requirements over the disaggregation of relevant expense captions within the income statement to provide more transparency and useful information on expenses within the income statement including tabular presentation of prescribed expense categories such as the purchases of inventory, employee compensation, depreciation, intangible asset amortization, and inclusion of other specific expense, gains and losses required by existing GAAP with reconciliation of disaggregation to the face of the income statement. The amendments in ASU 2024-03 are effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The amendment should be applied prospectively, however, retrospective application is also permitted. This ASU will be effective for our fiscal year ending September 30, 2028. We are currently evaluating the impact this ASU may have on our consolidated financial statement disclosures.

**NOTE 3 – DIVESTITURES**

The following table summarizes the components of Income from Discontinued Operations, Net of Tax in the accompanying Consolidated Statements of Income for the years ended September 30, 2024, 2023, and 2022:

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Income from discontinued operations before income taxes - HHI | $ 14.9 | $ 136.9 | $ 253.3 |
| Gain on sale of discontinued operations before income taxes – HHI | — | 2,824.2 | — |
| Gain (loss) from discontinued operations before income taxes - other | 10.2 | (2.4) | (3.8) |
| Interest on corporate debt allocated to discontinued operations | — | 49.4 | 46.4 |
| Income from discontinued operations before income taxes | 25.1 | 2,909.3 | 203.1 |
| Income tax (benefit) expense from discontinued operations | (0.4) | 873.7 | 53.4 |
| Income from discontinued operations, net of tax | 25.5 | 2,035.6 | 149.7 |
| Income from discontinued operations, net of tax attributable to noncontrolling interest | — | 0.3 | 0.9 |
| Income from discontinued operations, net of tax attributable to controlling interest | $ 25.5 | $ 2,035.3 | $ 148.8 |

Interest on corporate debt allocated to discontinued operations includes interest on Term Loans that were required to be paid down using proceeds received on the disposal on sale of a business, plus allocated interest expense from corporate debt not directly attributable to or related to other operations based on the ratio of net assets of the disposal group held for sale to the consolidated net assets plus consolidated debt, excluding debt assumed in transaction, required to be repaid, or directly attributable to other operations of the Company. Corporate debt, including Term Loans, was not classified as held for sale as it is not directly attributable to the identified disposal groups.

***Hardware and Home Improvement ("HHI")***

On September 8, 2021, the Company entered into a definitive Asset and Stock Purchase Agreement (the "ASPA") with ASSA ABLOY AB ("ASSA") to sell its HHI segment for cash proceeds of $4.3 billion, subject to customary purchase price adjustments. On June 20, 2023, the Company completed the divestiture resulting in the recognition of a gain on sale of $2.8 billion included as a component of income from discontinued operations before income taxes for the year ended September 30, 2023. In accordance with the ASPA, ASSA purchased the equity of certain subsidiaries of the Company and acquired certain assets and assumed certain liabilities of other subsidiaries used or held for the purpose of the HHI business. The Company and ASSA have made customary representations and warranties and have agreed to customary covenants relating to the acquisition. The Company and ASSA have agreed to indemnify each other for losses arising from certain breaches of the ASPA and for certain other matters. In particular, the Company has agreed to indemnify ASSA for certain liabilities relating to the assets retained by the Company, and ASSA has agreed to indemnify the Company for certain liabilities assumed by ASSA, in each case as described in the ASPA. As of September 30, 2024, the Company does not have significant or material outstanding indemnification payables related to the ASPA. As of September 30, 2023, the Company recognized $27.3 million, included within Accounts Payable, and $2.6 million, included within Other Long-Term Liabilities, on the Consolidated Statements of Financial Position primarily attributable to outstanding settlements with tax authorities, uncertain tax benefit obligations and the estimated purchase price settlement. During the year ended September 30, 2024, the Company paid $26.9 million to complete the purchase price settlement in accordance with the ASPA and closed significant indemnification settlements in relation to the ASPA.

During the year ended September 30, 2024, the Company recognized $14.9 million in income from discontinued operations before income taxes primarily related to a gain realized by a subsequently agreed reduction on accrued fees associated with the transaction that was previously recognized as a component of the gain on sale when the transaction closed in the prior year.

**NOTE 3 – DIVESTITURES (continued)**

The following table summarizes the components of income from discontinued operations before income taxes associated with HHI operations for the year ended September 30, 2023, through the close date of the divestiture, and the year ended September 30, 2022.

| (in millions) | 2023 | 2022 |
|---|---|---|
| Net sales | $ 1,042.5 | $ 1,652.3 |
| Cost of goods sold | 701.6 | 1,096.3 |
| Gross profit | 340.9 | 556.0 |
| Operating expenses | 199.4 | 298.0 |
| Operating income | 141.5 | 258.0 |
| Interest expense | 2.4 | 3.4 |
| Other non-operating expense, net | 2.2 | 1.3 |
| Income from discontinued operations before income taxes | $ 136.9 | $ 253.3 |

Beginning in September 2021, the Company ceased the recognition of depreciation and amortization of long-lived assets associated with the HHI disposal group classified as held for sale. Interest expense consists of interest from debt directly attributable to HHI operations that primarily consist of interest from finance leases. No impairment loss was recognized on the asset held for sale as the purchase price of the business less estimated cost to sell is more than its carrying value. Income from discontinued operations associated with HHI operations includes only direct costs associated with the HHI disposal group and does not include indirect costs associated with allocations from enabling functions and shared operations such as information technology, human resources, finance and accounting, supply chain, and commercial finance, which supported the HHI operations during the fiscal periods of ownership through the date of the close of the divestiture, included as part of previous segment reporting, and are included within income from continuing operations when the HHI disposal group was recognized as discontinued operations for all reported fiscal periods. Such indirect costs for the year ended September 30, 2023, through the close date of the divestiture, and the year ended September 30, 2022, were $18.0 million and $27.6 million, respectively. For fiscal periods subsequent to the close of the divestiture, the indirect costs within income from continuing operations supporting the HHI disposal group are mitigated by income realized from TSAs, further discussed below.

The following table presents significant non-cash items and capital expenditures of discontinued operations from the HHI divestiture for the years ended September 30, 2023, through the close date of the divestiture, and the year ended September 30, 2022:

| (in millions) | 2023 | 2022 |
|---|---|---|
| Share based compensation | $ 1.5 | $ 5.3 |
| Purchases of property, plant and equipment | $ 11.9 | $ 23.9 |

The Company and ASSA entered into customary transition services agreements ("TSAs") that became effective upon the consummation of the transaction that supports various shared back office administrative functions, including finance, sales and marketing, information technology, human resources, real estate and supply chain, customer service and procurement; supporting both the transferred HHI operations and the continuing operations of the Company. Charges associated with TSAs are recognized as bundled service costs under a fixed fee structure by the respective service or function and also include one-time pass-through charges including warehousing, freight, among others. TSA charges are settled periodically between the Company and ASSA on a net basis. Charges to ASSA are recognized as a reduction of the respective operating expense incurred and charges from ASSA are recognized as an operating expense depending upon the function supported by ASSA. The TSAs have overall expected time periods of 12 months following the close of the transaction with variability in expiration dependent upon the completed transition of the respective service or function, some of which have been extended an additional 12 months for a total duration of up to 24 months or earlier. During the year ended September 30, 2024 and 2023, the Company recognized net income associated with TSA charges of $31.8 million and $9.2 million, respectively, included within Selling, General & Administrative Expense on the Consolidated Statements of Income.

Additionally, the Company and ASSA will receive cash and make payments on behalf of the respective counterparty's operations as part of the shared administrative functions, resulting in cash flow being commingled with the operating cash flow of the Company. The Company recognizes a net payable or receivable with ASSA for any outstanding TSA charges, pass through costs and net working capital attributable to the commingled cash flow. As of September 30, 2024 and 2023, the Company has a net receivable of $10.7 million and $4.0 million, respectively, included in Other Receivables on the Consolidated Statements of Financial Position.

***Other***

Loss from discontinued operations before income taxes – other includes incremental pre-tax loss for changes to tax and legal indemnifications and other agreed-upon funding under the acquisition agreements for the sale and divestiture of the Global Batteries & Lighting ("GBL") and Global Auto Care ("GAC") divisions to Energizer Holdings, Inc. ("Energizer") during the year ended September 30, 2019. The Company and Energizer agreed to indemnify each other for losses arising from certain breaches of the acquisition agreement and for certain other matters. The Company has agreed to indemnify for certain liabilities relating to the assets retained, and Energizer agreed to indemnify the Company for certain liabilities assumed, in each case as described in the acquisition agreements. Subsequently, effective January 2, 2020, Energizer closed its divestitures of the European based Varta® consumer battery business in the EMEA region to Varta AG and transferred all respective rights and indemnifications attributable to the Varta® consumer battery business provided by the GBL sale to Varta AG. As of September 30, 2024, the Company does not have significant or material outstanding indemnification payables. As of September 30, 2023, the Company recognized $25.3 million primarily attributable to income tax indemnifications associated with previously recognized uncertain tax benefits in accordance with the acquisition agreement, including $8.6 million within Other Current Liabilities and $16.7 million within Other Long-Term Liabilities on the Consolidated Statements of Financial Position. During the year ended September 30, 2024, the Company recognized $10.2 million in income from discontinued operations before income taxes primarily related to the settlement on outstanding tax audits that were previously recognized as uncertain tax benefit obligations at the time of sale and indemnified in accordance with the acquisition agreement.

## NOTE 4 - EXIT AND DISPOSAL ACTIVITIES

During the years ended September 30, 2023 and 2022, the Company entered into initiatives in response to economic pressures within the consumer products and retail markets and changing operating strategies, resulting in the realization of headcount reductions. Additionally, during the year ended September 30, 2022, the Company initiated other restructuring initiatives within its international operations, including the exit of its in-country commercial operations in Russia, resulting in the recognition of severance and other termination costs. Total cumulative costs associated with the initiatives were $20.7 million. with substantially all costs associated having been recognized, with no further significant costs expected to be incurred.

The following summarizes exit and disposal charges for the years ended September 30, 2024, 2023 and 2022:

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Exit and disposal costs | $ 1.0 | $ 9.3 | $ 10.4 |
| Reported as: | | | |
| Cost of goods sold | $ — | $ 0.6 | $ 0.1 |
| Selling, general & administrative expense | 1.0 | 8.7 | 10.3 |

The following summarizes exit and disposal charges by segment for the years ended September 30, 2024, 2023 and 2022:

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| GPC | $ 0.1 | $ 3.5 | $ 3.6 |
| H&G | — | 0.2 | 0.7 |
| HPC | 0.6 | 5.2 | 5.4 |
| Corporate and shared operations | 0.3 | 0.4 | 0.7 |
| Total exit and disposal costs | $ 1.0 | $ 9.3 | $ 10.4 |

The following is a summary of exit and disposal charges by cost type for the years ended September 30, 2024, 2023, and 2022:

| (in millions) | Termination Benefits | Other Costs | Total |
|---|---|---|---|
| For the year ended September 30, 2024 | $ 0.6 | $ 0.4 | $ 1.0 |
| For the year ended September 30, 2023 | 8.2 | 1.1 | 9.3 |
| For the year ended September 30, 2022 | 10.2 | 0.2 | 10.4 |

The following is a rollforward of the accrual for exit and disposal charges by cost type for the years ended September 30, 2024, and 2023, included in Other Current Liabilities on the Consolidated Statements of Financial Position:

| (in millions) | Termination Benefits | Other Costs | Total |
|---|---|---|---|
| Accrual balance at September 30, 2022 | $ 3.7 | $ 0.3 | $ 4.0 |
| Provisions | 7.6 | 0.6 | 8.2 |
| Cash expenditures | (8.1) | (0.3) | (8.4) |
| Non-cash items | 0.2 | (0.1) | 0.1 |
| Accrual balance at September 30, 2023 | $ 3.4 | $ 0.5 | $ 3.9 |
| Provisions | 0.6 | — | 0.6 |
| Cash expenditures | (2.8) | (0.4) | (3.2) |
| Accrual balance at September 30, 2024 | $ 1.2 | $ 0.1 | $ 1.3 |

## NOTE 5 - REVENUE RECOGNITION

The Company generates all of its revenue from contracts with customers. The following tables disaggregate our revenue for the years ended September 30, 2024, 2023, and 2022, by the Company's key revenue streams, segments and geographic regions (based upon destination):

| | 2024 | | | |
|---|---|---|---|---|
| (in millions) | GPC | H&G | HPC | Total |
| Product Sales | | | | |
| NA | $ 706.4 | $ 567.0 | $ 474.0 | $ 1,747.4 |
| EMEA | 388.5 | — | 491.6 | 880.1 |
| LATAM | 12.7 | 9.3 | 189.8 | 211.8 |
| APAC | 29.0 | — | 70.3 | 99.3 |
| Licensing | 9.8 | 2.3 | 7.5 | 19.6 |
| Service and other | 5.1 | — | 0.6 | 5.7 |
| Total revenue | $ 1,151.5 | $ 578.6 | $ 1,233.8 | $ 2,963.9 |

**NOTE 5 - REVENUE RECOGNITION (continued)**

| | 2023 | | | |
|---|---|---|---|---|
| **(in millions)** | **GPC** | **H&G** | **HPC** | **Total** |
| Product Sales | | | | |
| NA | $ 710.7 | $ 527.1 | $ 514.4 | $ 1,752.2 |
| EMEA | 361.3 | — | 465.0 | 826.3 |
| LATAM | 18.0 | 7.3 | 181.5 | 206.8 |
| APAC | 33.3 | — | 73.3 | 106.6 |
| Licensing | 10.0 | 2.1 | 7.8 | 19.9 |
| Service and other | 5.7 | — | 1.3 | 7.0 |
| Total revenue | $ 1,139.0 | $ 536.5 | $ 1,243.3 | $ 2,918.8 |

| | 2022 | | | |
|---|---|---|---|---|
| **(in millions)** | **GPC** | **H&G** | **HPC** | **Total** |
| Product Sales | | | | |
| NA | $ 749.8 | $ 576.8 | $ 609.7 | $ 1,936.3 |
| EMEA | 353.6 | — | 460.7 | 814.3 |
| LATAM | 19.3 | 8.0 | 216.1 | 243.4 |
| APAC | 36.5 | 0.1 | 71.9 | 108.5 |
| Licensing | 9.9 | 2.2 | 10.3 | 22.4 |
| Service and other | 6.2 | — | 1.4 | 7.6 |
| Total revenue | $ 1,175.3 | $ 587.1 | $ 1,370.1 | $ 3,132.5 |

A significant portion of our product sales are subject to the continued use and access of the B&D brand through a license agreement with our HPC segment and primarily concentrated in the NA and LATAM regions. Net sales from B&D product sales consist of $353.2 million, $350.4 million, and $417.3 million for the years ended September 30, 2024, 2023 and 2022, respectively. All other brands and tradenames used in the Company's commercial operations are either directly owned and not subject to further restrictions, or do not aggregate to a significant portion of net sales for the Company.

The Company has a broad range of customers including many large retail customers. During the year ended September 30, 2024, 2023 and 2022, there were two large retail customers, each exceeding 10% of consolidated Net Sales and representing 35.9%, 33.9%, and 32.9% of consolidated Net Sales, respectively. All segments sell products to the two large retail customers exceeding 10% of consolidated Net Sales.

In the normal course of business, the Company may allow customers to return product or take credit for product returns per the provisions in a sale agreement. Estimated product returns are recorded as a reduction in reported revenue at the time of sale based upon historical product return experience, adjusted for known trends, to arrive at the amount of consideration expected to receive. The following is a rollforward of the liability for product returns for the years ended September 30, 2024, 2023 and 2022:

| **(in millions)** | **Beginning Balance** | **Charged to Profit & Loss** | **Deductions** | **Other Adjustments** | **Ending Balance** |
|---|---|---|---|---|---|
| September 30, 2024 | $ 12.8 | $ 28.6 | $ (27.3) | $ 0.3 | $ 14.4 |
| September 30, 2023 | 15.5 | 8.7 | (11.2) | (0.2) | 12.8 |
| September 30, 2022 | 11.8 | 12.4 | (19.8) | 11.1 | 15.5 |

The recent increase in product returns are attributable to additional returns for product recalls with the U.S. Consumer Product Safety Commission ("CPSC"), further discussed in *Note 20 - Commitments and Contingencies*. Other adjustments include foreign currency translation and the liability for product returns assumed as part of the acquisition of the Tristar Business during the year ended September 30, 2022.

**NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value measurements of financial assets and liabilities are defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Fair value measurements are classified using a fair value hierarchy that is based on the observability of inputs used in measuring fair value. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed assumptions about hypothetical transactions in the absence of market data. The Company utilizes valuation techniques that attempt to maximize the use of observable inputs and minimize the use of unobservable inputs. Fair value measurements are classified under the following hierarchy:

- Level 1 - Unadjusted quoted prices for identical instruments in active markets.
- Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3 - Significant inputs to the valuation model are unobservable.

**NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

The carrying values and estimated fair values for financial instruments as of September 30, 2024 and 2023 are as follows:

| | 2024 | | | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **(in millions)** | **Level 1** | **Level 2** | **Level 3** | **Fair Value** | **Carrying Amount** | **Level 1** | **Level 2** | **Level 3** | **Fair Value** | **Carrying Amount** |
| Derivative assets | $ — | $ 1.8 | $ — | $ 1.8 | $ 1.8 | $ — | $ 3.3 | $ — | $ 3.3 | $ 3.3 |
| Derivative liabilities | — | 15.3 | — | 15.3 | 15.3 | — | 9.0 | — | 9.0 | 9.0 |
| Debt | — | 576.3 | — | 576.3 | 560.8 | — | 1,418.6 | — | 1,418.6 | 1,555.5 |

The Company's derivative instruments are valued on a recurring basis using internal models, which are based on market observable inputs, including both forward and spot prices for currencies and commodities, which are generally based on quoted or observed market prices (Level 2). The fair value of certain derivative financial instruments is estimated using pricing models based on contracts with similar terms and risks. Modeling techniques assume market correlation and volatility, such as using prices of one delivery point to calculate the price of the contract's different delivery point. In addition, by applying a credit reserve which is calculated based on credit default swaps or published default probabilities for the actual and potential asset value, the fair value of the Company's derivative financial instrument assets reflects the risk that the counterparties to these contracts may default on the obligations. Likewise, by assessing the requirements of a reserve for non-performance, which is calculated based on the probability of default by the Company, the Company adjusts its derivative contract liabilities to reflect the price at which a potential market participant would be willing to assume the Company's liabilities. The Company has not changed the valuation techniques used in measuring the fair value of any financial assets and liabilities during the year. See *Note 13 – Derivatives* for further detail.

The fair value measurements of the Company's debt represent non-active market exchange-traded securities which are valued at quoted input prices that are directly observable or indirectly observable through corroboration with observable market data (Level 2). See *Note 11 – Debt* for further detail.

The carrying values of goodwill, intangible assets and other long-lived assets such as property, plant and equipment and operating lease assets, are tested annually or more frequently if a triggering event occurs that indicates an impairment loss may have been incurred, using fair value measurements with unobservable inputs (Level 3). See *Note 10 - Goodwill and Intangible Assets, Note 9 - Property Plant and Equipment*, and *Note 12 - Leases* for further detail.

The carrying values of cash and cash equivalents, short term investments, receivables, accounts payable and other short-term debt and accruals approximate fair value based on the short-term nature of these assets and liabilities.

**NOTE 7 - RECEIVABLES**

The allowance for doubtful accounts as of September 30, 2024 and 2023 was $8.1 million and $7.7 million, respectively. The following is a rollforward of the allowance for doubtful accounts for the years ended September 30, 2024, 2023 and 2022:

| **(in millions)** | **Beginning Balance** | **Charged to Profit & Loss** | **Deductions** | **Other Adjustments** | **Ending Balance** |
|---|---|---|---|---|---|
| September 30, 2024 | $ 7.7 | $ 2.6 | $ (2.2) | $ — | $ 8.1 |
| September 30, 2023 | 7.3 | 5.0 | (1.4) | (3.2) | 7.7 |
| September 30, 2022 | 6.7 | 4.2 | (4.9) | 1.3 | 7.3 |

Other adjustments include foreign currency translation and the allowance for doubtful accounts assumed as part of the acquisition of the Tristar Business during the year ended September 30, 2022.

The Company has a broad range of customers including many large retail customers, some of which exceed 10% of consolidated Net Trade Receivables. As of September 30, 2024 and 2023 there were two customers that exceeded 10% of consolidated Trade Receivables, Net, representing 42.6% and 39.8%, respectively.

We had entered into various factoring agreements and early pay programs with our customers to sell trade receivables under non-recourse agreements in exchange for cash proceeds and as part of our financing for working capital. These transactions were treated as a sale and accounted for as a reduction in trade receivables because the agreements transferred control and risk related to the receivables to the buyers. A loss was recognized for any discount and fees associated with the transfer and recognized as Selling, General and Administrative Expense on the Consolidated Statements of Income, with cash proceeds recognized as cash flow from operating activities. In some instances, we continued to service the transferred receivable after the factoring has occurred, but in most cases, we do not service any factored accounts. Any servicing of the trade receivable did not constitute significant continuing involvement or preclude the recognition of a sale and we do not carry any material servicing assets or liabilities on the Consolidated Statements of Financial Position. The cost of factoring such trade receivables was $1.9 million, $15.1 million, and $10.2 million for the years ended September 30, 2024, 2023, and 2022, respectively. During the year ended September 30, 2024, the Company had suspended its receivable factoring activity and participation in early pay programs.

## NOTE 8 - INVENTORY

Inventories as of September 30, 2024 and 2023 consist of the following:

| (in millions) | 2024 | 2023 |
|---|---|---|
| Raw materials | $ 46.8 | $ 55.8 |
| Work-in-process | 5.6 | 6.2 |
| Finished goods | 409.7 | 400.8 |
| Inventories | $ 462.1 | $ 462.8 |

During the year ended September 30, 2023, the Company recognized an incremental inventory loss of $20.6 million in its HPC segment for the disposal of select product SKUs and models associated with the acquired brands from the Tristar Business acquisition after assessing, among other things, performance and quality standards and the business risks associated with the continued support and distribution of such products. HPC management has suspended any further sale of the selected products as part of a shift in its strategy of distribution and development of products within its brand portfolio and avoid deterioration and further reduction in the value of acquired brands and supported products.

## NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as of September 30, 2024 and 2023 consist of the following:

| (in millions) | 2024 | 2023 |
|---|---|---|
| Land, buildings and improvements | $ 88.2 | $ 83.4 |
| Machinery, tooling and equipment | 337.4 | 330.1 |
| Computer software | 142.6 | 136.2 |
| Finance leases | 141.4 | 136.9 |
| Construction in progress | 25.1 | 18.1 |
| Property, plant and equipment | $ 734.7 | $ 704.7 |
| Accumulated depreciation | (468.1) | (429.6) |
| Property, plant and equipment, net | $ 266.6 | $ 275.1 |

Depreciation expense from property, plant and equipment for the years ended September 30, 2024, 2023 and 2022 was $57.3 million, $48.9 million, and $49.0 million, respectively.

During the year ended September 30, 2023, the Company completed the sale of two facilities in its EMEA region, primarily consisting of office space supporting the GPC segment, with total proceeds of $5.2 million and resulting in a gain on sale of $2.7 million, included as Selling, General and Administrative Expense on the Consolidated Statements of Income.

During the year ended September 30, 2023, the Company recognized a $3.9 million impairment charge on idle equipment associated with the early exit of a GPC warehouse lease, included as Selling, General and Administrative Expense on the Consolidated Statements of Income.

Additionally, the Company has deferred implementation costs for hosted cloud computing arrangements as of September 30, 2024 and 2023 as follows:

| (in millions) | 2024 | 2023 |
|---|---|---|
| Deferred cloud computing costs, net | $ 8.3 | $ 7.0 |
| Reported as: | | |
| Prepaid expenses and other current assets | 4.3 | 7.0 |
| Deferred charges and other | 4.0 | — |

Amortization of deferred hosted cloud computing costs arrangements implementation costs for the years ended September 30, 2024, 2023 and 2022 was $2.6 million, $1.1 million and $0.6 million, respectively.

## NOTE 10 - GOODWILL AND INTANGIBLE ASSETS

Goodwill, by segment, consists of the following:

| (in millions) | GPC | H&G | HPC | Total |
|---|---|---|---|---|
| As of September 30, 2022 | $ 502.4 | $ 342.6 | $ 108.1 | $ 953.1 |
| Impairment | — | — | (111.1) | (111.1) |
| Tristar Business acquisition | — | — | 3.0 | 3.0 |
| Foreign currency impact | 9.7 | — | — | 9.7 |
| As of September 30, 2023 | $ 512.1 | $ 342.6 | $ — | $ 854.7 |
| Foreign currency impact | 10.2 | — | — | 10.2 |
| As of September 30, 2024 | $ 522.3 | $ 342.6 | $ — | $ 864.9 |

During the year ended September 30, 2023, the Company recognized an impairment of goodwill of $111.1 million with its HPC reporting unit and segment identified by a triggering event attributable to a declining trend in operating performance results, challenging retail environment with increased competition, lower distribution, and excess retail inventory levels impacting pricing and promotional spending, resulting in a reduction in actual and projected sales and margin realization within its current and forecasted cash flows and a full impairment of the identified goodwill for the HPC reporting unit and segment.

**NOTE 10 - GOODWILL AND INTANGIBLE ASSETS (continued)**

The carrying value of indefinite lived intangible and definite lived intangible assets subject to amortization and accumulated amortization are as follows:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **(in millions)** | **Gross Carrying Amount** | **Accumulated Amortization** | **Net** | **Gross Carrying Amount** | **Accumulated Amortization** | **Net** |
| Amortizable intangible assets | | | | | | |
| Customer relationships | $ 641.8 | $ (452.3) | $ 189.5 | $ 635.0 | $ (412.9) | $ 222.1 |
| Technology assets | 75.3 | (41.0) | 34.3 | 75.3 | (35.9) | 39.4 |
| Tradenames | 27.9 | (10.9) | 17.0 | 27.6 | (7.4) | 20.2 |
| Total amortizable intangible assets | 745.0 | (504.2) | 240.8 | 737.9 | (456.2) | 281.7 |
| Indefinite-lived intangible assets - tradenames | 749.6 | — | 749.6 | 778.4 | — | 778.4 |
| Total intangible assets | $ 1,494.6 | $ (504.2) | $ 990.4 | $ 1,516.3 | $ (456.2) | $ 1,060.1 |

During the year ended September 30, 2024, the Company recognized an impairment of indefinite lived intangible assets of $45.2 million, consisting of an impairment with our H&G segment of $39.0 million with the Rejuvenate® tradename identified by a triggering event due to the loss of a key distribution expansion opportunity resulting in a significant shift in the forecasted revenue, an impairment with our HPC segment of $4.0 million with a non-core tradename identified by a triggering event due to a change in brand strategy, and an impairment with our GPC segment of $2.2 million with the OmegaSea® tradename identified as part of our annual impairment assessment.

During the year ended September 30, 2023, the Company recognized an impairment on indefinite lived intangible assets of $120.7 million, including an impairment with our H&G segment of $56.0 million with the Rejuvenate® tradename identified by a triggering event due to a shift in consumer purchasing activity and retail inventory management efforts with certain retail customers that make up a significant concentration of revenue for the brand and further reducing near-term forecasted sales, with a strategic shift in the projected timing and realization of long-term projected revenues. Additionally, the Company recognized impairment charges with our HPC segment including the impairment of the PowerXL® tradename of $45.0 million identified by a triggering event due to the decrease in distribution with retail customers, significant pricing adjustments and promotional spending activity resulting in a substantial shift in actual and projected revenues for the brand; and the impairment of the George Foreman® tradename of $19.7 million identified by a triggering event due to shifts in market demand for related product categories and shift in the Company's brand portfolio strategy and projected utilization of the tradename going forward. As a result of the change in the Company's strategy and utilization of the George Foreman® tradename, the Company converted the George Foreman® tradename from an indefinite-lived tradename to a definite-lived tradename during the year ended September 30, 2023.

Amortization expense from intangible assets for the years ended September 30, 2024, 2023 and 2022 was $44.5 million, $42.3 million and $50.3 million, respectively. Excluding the impact of any future acquisitions or changes in foreign currency, the Company anticipates the annual amortization expense of intangible assets for the next five fiscal years will be as follows:

| **(in millions)** | **Amortization** |
|---|---|
| 2025 | $ 42.2 |
| 2026 | 40.0 |
| 2027 | 40.0 |
| 2028 | 39.9 |
| 2029 | 36.9 |

**NOTE 11 - DEBT**

Debt as of September 30, 2024 and 2023 consist of the following:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **(in millions)** | **Amount** | **Rate** | **Amount** | **Rate** |
| 3.375% Exchangeable Notes, due June 1, 2029 | $ 350.0 | 3.4 % | $ — | — % |
| 4.00% Notes, due October 1, 2026 | — | — % | 448.8 | 4.0 % |
| 5.00% Notes, due October 1, 2029 | 4.9 | 5.0 % | 297.2 | 5.0 % |
| 5.50% Notes, due July 15, 2030 | 13.2 | 5.5 % | 288.5 | 5.5 % |
| 3.875% Notes, due March 15, 2031 | 128.0 | 3.9 % | 453.0 | 3.9 % |
| Obligations under finance leases | 81.6 | 5.4 % | 86.4 | 5.3 % |
| Total debt | 577.7 | | 1,573.9 | |
| Debt issuance costs | (16.9) | | (18.4) | |
| Less current portion | (9.4) | | (8.6) | |
| Long-term debt, net of current portion | $ 551.4 | | $ 1,546.9 | |

**NOTE 11 - DEBT (continued)**

The aggregate scheduled maturities of debt obligations are as follows, excluding obligations under capital leases. See *Note 12 - Leases* for scheduled maturities of obligations under capital leases:

| (in millions) | Amount |
|---|---|
| 2025 | $ — |
| 2026 | — |
| 2027 | — |
| 2028 | — |
| 2029 | 350.0 |
| Thereafter | 146.1 |
| Total long-term debt | $ 496.1 |

***Credit Agreement and Revolver Facility***

On October 19, 2023, Spectrum Brands, Inc. ("SBI"), a wholly-owned subsidiary of Spectrum Brands, Holdings, Inc. ("SBH"), and SB/RH Holdings, LLC ("SB/RH"), a wholly-owned subsidiary of Spectrum Brands Holdings, Inc. and parent to SBI, entered into the Second Amended and Restated Credit Agreement (the "Credit Agreement"), by and among the Company, SB/RH, Royal Bank of Canada, as the administrative agent, and the lenders party thereto. The proceeds of the Credit Agreement will be used for working capital needs and other general corporate purposes. The Credit Agreement refinanced the Company's previous credit agreement and includes certain modified terms from the previous Credit Agreement, including extending the maturity to October 19, 2028, and the reduction of the Revolver Facility to $500 million (with a U.S. dollar tranche and a multicurrency tranche). The Credit Agreement contains customary affirmative and negative covenants, including, but not limited to, restrictions on SBI and its restricted subsidiaries' ability to incur indebtedness, create liens, make investments, pay dividends or make certain other distributions, and merge or consolidate or sell assets, in each case subject to certain expectations set forth in the Credit Agreement.

The aggregate commitment amount with respect to (a) the U.S. dollar tranche of the Revolving Facility is $400 million and (b) the multi-currency tranche of the Revolving Facility is $100 million. The commitment fee rate is equal to 0.20% of the unused commitments under the Revolving Facility (which may be increased to a maximum rate equal to 0.40% based on certain total net leverage ratios specified in the Credit Agreement).

All outstanding amounts under the U.S. dollar tranche (if funded in U.S. dollars) will bear interest, at the option of the Company, at a rate per annum equal to (x) Term SOFR, plus a margin ranging between 1.00% to 2.00% per annum (based on certain total net leverage ratios specified in the Credit Agreement) or (y) the Alternate Base Rate (as defined in the Credit Agreement), plus a margin ranging between 0.00% to 1.00% per annum (based on certain total net leverage ratios specified in the Credit Agreement).

The multi-currency tranche (if funded in Euros) will bear interest at a rate per annum equal to the EURIBOR Rate, plus a margin ranging between 1.00% to 2.00% per annum (based on certain total net leverage ratios specified in the Credit Agreement). The multi-currency tranche (if funded in Canadian dollars) will bear interest, at the option of the Company, at a rate per annum equal to (x) Term CORRA (Canadian Overnight Repo Rate Average), plus a margin ranging between 1.00% to 2.00% per annum (based on certain total net leverage ratios specified in the Credit Agreement) or (y) the Canadian Prime Rate, plus a margin ranging between 0.00% to 1.00% per annum (based on certain total net leverage ratios specified in the Credit Agreement). The multi-currency tranche (if funded in Pounds Sterling) will bear interest at a rate per annum equal to the SONIA, plus a margin ranging between 1.00% to 2.00% per annum (based on certain total net leverage ratios specified in the Credit Agreement).

Pursuant to a guarantee agreement, SBH and the material wholly-owned domestic subsidiaries of SBI have guaranteed SBI's obligations under the Credit Agreement and related loan documents. Pursuant to a security agreement, SBI and such subsidiary guarantors have pledged substantially all of their respective assets to secure such obligations and, in addition, SBH has pledged the capital stock of SBI to secure such obligations. The Credit Agreement also provides for customary events of default including payment defaults and cross-defaults to other material indebtedness.

The Credit Agreement, solely with respect to the Revolver Facility, contains a financial covenant test on the last day of each fiscal quarter on the maximum total leverage ratio. This is calculated as the ratio of (i) the principal amount of third-party debt for borrowed money (including unreimbursed letter of credit drawings), capital leases and purchase money debt, at period-end, less cash and cash equivalents, to (ii) adjusted EBITDA for the trailing twelve months. The maximum total leverage ratio should be no greater than 6.0 to 1.0.

As a result of borrowings and payments under the Revolver Facility, as of September 30, 2024, the Company had borrowing availability of $490.8 million, net of outstanding letters of credit of $9.2 million. As of September 30, 2024, there was unamortized debt issuance costs of $4.3 million associated with the Credit Agreement.

***3.375% Exchangeable Notes due June 1, 2029***

On May 23, 2024, SBI completed its offering of $350.0 million principal amount of 3.375% Exchangeable Senior Notes due 2029 (the "Exchangeable Notes"), which are unconditionally guaranteed jointly and severally, on a senior unsecured basis by SBH and, subject to certain exceptions, each of SBI's existing and future domestic subsidiaries that guarantee other debt securities issued by SBI or SBH in the form of senior unsecured notes or convertible or exchangeable notes. The Notes are governed by the terms of the indenture, dated as of May 23, 2024, among the Company, the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee. The Exchangeable Notes will mature on June 1, 2029, unless earlier repurchased, redeemed or converted. The Exchangeable Notes are senior unsecured obligations of the Company with interest payable semiannually June 1 and December 1 of each year, beginning on December 1, 2024. Proceeds from the issuance were used to fund a $50.0 million share repurchase of SBH's common stock, to pay $25.2 million in premiums on the Capped Calls (as described below) and other general company needs.

Holders may convert their notes at their option at any time after the close of business on the business day immediately preceding March 1, 2029 under the following circumstances:

- During any calendar quarter (and only during such calendar quarter) beginning after September 30, 2024, if, the last reported sale price per share of SBH's common stock exceeds 130% of the applicable conversion price on each applicable trading day for at least 20 trading days in the period of the 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter;

**NOTE 11 - DEBT (continued)**

- During the five business day period after any ten consecutive trading day period in which, for each day of that period, the trading price per $1,000 principal amount of the Exchangeable Notes for such trading day was less than 98% of the product of the last reported sale price of SBH's common stock and the applicable conversion rate on such trading day;
- The Company issues to common stockholders any rights, options, or warrants, entitling them to purchase shares of common stock at a price per share less than the average closing sale price of 10 consecutive trading days, or the Company's election to make a distribution to common stockholders exceeding 10% of the previous day's closing sale price;
- Upon the occurrence of specified corporate events, as set forth in the indenture governing the Exchangeable Notes; or
- Prior to the related redemption date if the Company calls the Exchangeable Notes for redemption.

On or after March 1, 2029, until the close of business on the scheduled trading day immediately preceding the maturity date, holders may convert all or a portion of their Exchangeable Notes, in multiples of $1,000 principal amount, at any time, regardless of the foregoing circumstances. The conversion rate for the Exchangeable Notes is 8.2060 shares of common stock per $1,000 principal amount of notes (which is equal to an initial conversion price of approximately $121.86 per share of SBH's common stock), subject to adjustment as set forth in the Indenture. Upon conversion, the Company will pay cash up to the aggregate principal amount of the notes to be converted and pay or deliver, as the case may be, cash, common stock or a combination of cash and common stock, at the Company's election, in respect of the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the notes being converted. If a make-whole adjustment event, as described in the Indenture, occurs and a holder elects to convert its Exchangeable Notes in connection with such make-whole adjustment event, such holder may be entitled to an increase in the conversion rate as described in the Indenture.

The Exchangeable Notes will be redeemable, in whole or in part, at the Company's option at any time, and from time to time, on or after June 7, 2027 if the notes are freely tradeable and on or before the 41st scheduled trading day immediately before the maturity date, if the last reported sale price per share of the SBH's common stock exceeds 130% of the conversion price then in effect for at least 20 of any 30 consecutive trading day period ending on, and including, the trading day immediately before the date the Company sends the related redemption notice at a redemption price equal to 100% of the principal amount of the Exchangeable Notes to be redeemed, plus accrued and unpaid interest to, but excluding the redemption date. Upon the occurrence of certain fundamental changes involving the Company, holders of the Exchangeable Notes may require the Company to repurchase for cash all or part of their Exchangeable Notes at a repurchase price equal to 100% of the principal amount of the Exchangeable Notes to be repurchased, plus accrued and unpaid interest.

The Company incurred $11.8 million in fees and expenses in connection with the issuance of the Exchangeable Notes which were capitalized as debt issuance costs and will be amortized over the term of the Exchangeable Notes. As of September 30, 2024, there was unamortized debt issuance costs of $11.1 million associated with the Exchangeable Notes.

Since the issuance of the Exchangeable Notes, the conditions allowing holders of the Exchangeable Notes to convert have not been met. The Exchangeable Notes were therefore not convertible as of September 30, 2024, and were classified as long-term debt on the Consolidated Statements of Financial Position.

*Capped Call Transactions*

In connection with the issuance of the Exchangeable Notes, the Company entered into capped call transactions with certain financial institutions ("Capped Calls"). The Capped Calls each have an initial strike price of approximately $121.86 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Exchangeable Notes. The Capped Calls have initial cap prices of $159.36 per share, subject to certain adjustments. The Capped Calls are expected to partially offset the potential dilution to the Company's common stock upon any conversion of the Exchangeable Notes, with such offset subject to a cap based on the cap price. The Capped Calls cover, subject to anti-dilution adjustments, approximately 0.7 million shares of SBH's common stock. The Capped Calls will expire upon the maturity of the Exchangeable Notes. The Company used $25.2 million of the net proceeds from the offering of the Exchangeable Notes to pay premiums on the Capped Calls. The Capped Calls are separate transactions entered into by us with the counterparties, and not part of the terms of the Exchangeable Notes and do not change the holders' rights under the Exchanges Notes. The capped call transactions do not meet the criteria for separate accounting as a derivative as they meet the criteria for equity classification, and the capped call transaction premiums are recorded as a reduction to Additional Paid-In Capital within Shareholders' Equity, net of deferred income taxes.

***4.00% Notes due October 1, 2026 ("2026 Notes")***

On September 20, 2016, SBI issued €425 million aggregate principal amount of 4.00% Notes due October 1, 2026. The 2026 Notes were guaranteed by SB/RH as well as by SBI's existing and future domestic subsidiaries. The Company recorded $7.7 million of fees in connection with the offering of the 2026 Notes, which have been capitalized as debt issuance costs and were amortized over the remaining life of the 2026 Notes. During the year ended September 30, 2024, concurrent with the issuance of the Exchangeable Notes, the Company initiated a cash tender offer and fully redeemed the outstanding principal amount of the 2026 Notes, resulting in a full write-off of unamortized debt issuance costs and loss on early extinguishment, as further discussed below.

***5.00% Notes due October 1, 2029 ("2029 Notes")***

On September 24, 2019, SBI issued $300 million aggregate principal amount of 5.00% Senior Notes due October 1, 2029. The 2029 Notes are guaranteed by SBI's existing and future domestic subsidiaries.

SBI may redeem some or all of the 2029 Notes at certain fixed redemption prices. Further, the indenture governing the 2029 Notes (the "2029 Indenture") requires SBI to make an offer, in cash, to repurchase all or a portion of the applicable outstanding notes for a specified redemption price, including a redemption premium, upon the occurrence of a change of control of SBI, as defined in the 2029 Indenture.

The 2029 Indenture contains covenants that limit, among other things, the incurrence of additional indebtedness, payment of dividends on or redemption or repurchase of equity interests, the making of certain investments, expansion into unrelated businesses, creation of liens on assets, merger or consolidation with another company, transfer or sale of all or substantially all assets, and transactions with affiliates.

In addition, the 2029 Indenture proves for customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to make payments when due or on acceleration of certain other indebtedness, and certain events of bankruptcy and insolvency. Events of default under the 2029 Indenture arising from certain events of bankruptcy or insolvency will automatically cause the acceleration of the amounts due under the 2029 Notes. If any other event of default under the 2029 Indenture occurs and is continuing, the trustee for the 2029 Indenture or the registered holders of at least 25% in the then aggregate outstanding principal amount of the 2029 Notes, may declare the acceleration of the amounts due under those notes. As of September 30, 2024, we were in compliance with all covenants under the indentures governing the 2029 Notes.

**NOTE 11 - DEBT (continued)**

The Company recorded $4.1 million of fees in connection with the offering of the 2029 Notes, which have been capitalized as debt issuance costs and are being amortized over the remaining life of the 2029 Notes. During the year ended September 30, 2024, concurrent with the issuance of the Exchangeable Notes, the Company initiated a cash tender offer and partially redeemed the outstanding principal amount of the 2029 Notes, resulting in a partial write-off of unamortized debt issuance costs and loss on early extinguishment, as further discussed below, further discussed below. As of September 30, 2024, there was unamortized debt issuance costs of $0.1 million associated with the 2029 Notes.

***5.50% Notes due July 15, 2030 ("2030 Notes")***

On June 30, 2020, SBI issued $300 million aggregate principal amount of 5.50% Senior Notes due July 13, 2030. The 2030 Notes are guaranteed by SBI's existing and future domestic subsidiaries.

On or after July 15, 2025, SBI may redeem some or all of the 2030 Notes at certain fixed redemption prices. In addition, prior to July 15, 2025, SBI may redeem the applicable outstanding notes at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, plus accrued and unpaid interest. SBI may redeem up to 35% of the aggregate principal amount of the notes before July 15, 2023 with cash equal to the net proceeds that SBI raises in equity offerings at specified redemption price. Further, the indenture governing the 2030 Notes (the "2030 Indenture") requires SBI to make an offer, in cash, to repurchase all or a portion of applicable outstanding notes for a specified redemption price, including a redemption premium, upon the occurrence of a change of control of SBI, as defined in the 2030 Indenture.

The 2030 Indenture contains covenants limiting, among other things, the incurrence of additional indebtedness, payments of dividends on or redemption or repurchase of equity interests, the making of certain investments, expansion into unrelated businesses, creation of liens on assets, merger or consolidation with another company, transfer or sale of all or substantially all assets, and transactions with affiliates.

In addition, the 2030 Indenture provides for customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to make payments when due or an acceleration of certain other indebtedness, and certain events of bankruptcy and insolvency. Events of default under the 2030 Indenture arising from certain events of bankruptcy or insolvency will automatically cause the acceleration of the amounts due under the 2030 Notes. If any other event of default under the 2030 Indenture occurs and is continuing, the trustee for the 2030 Indenture or the registered holders of at least 25% in the then aggregate outstanding principal amount of the 2030 Notes, may declare the acceleration of the amounts due under those notes. As of September 30, 2024, we were in compliance with all covenants under the indentures governing the 2030 Notes.

The Company recorded $6.2 million of fees in connection with the offering of the 2030 Notes, which have been capitalized as debt issuance costs and amortized over the remaining life of the 2030 Notes. During the year ended September 30, 2024, concurrent with the issuance of the Exchangeable Notes, the Company initiated a cash tender offer and partially redeemed the outstanding principal amount of the 2030 Notes, resulting in a partial write-off of unamortized debt issuance costs and loss on early extinguishment, as further discussed below. As of September 30, 2024, there was unamortized debt issuance costs of $0.2 million associated with the 2030 Notes.

***3.875% Notes due March 15, 2031 ("2031 Notes")***

On March 3, 2021, SBI issued $500 million aggregate principal amount of 3.875% Senior Notes due March 15, 2031. The 2031 Notes are guaranteed by SBI's existing and future domestic subsidiaries.

On or after March 15, 2026, SBI may redeem some or all of the 2031 Notes at certain fixed redemption prices. In addition, prior to March 15, 2026, SBI may redeem the applicable outstanding notes at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, plus accrued and unpaid interest. SBI may redeem up to 35% of the aggregate principal amount of the notes before March 15, 2024 with cash equal to the net proceeds that SBI raises in equity offerings at specified redemption price. Further, the indenture governing the 2031 Notes (the "2031 Indenture") requires SBI to make an offer, in cash, to repurchase all or a portion of applicable outstanding notes for a specified redemption price, including a redemption premium, upon the occurrence of a change of control of SBI, as defined in the 2031 Indenture.

The 2031 Indenture contains covenants limiting, among other things, the incurrence of additional indebtedness, pay dividends on or redemption or repurchase of equity interests, the making of certain investments, expansion into unrelated businesses, creation of liens on assets, merger or consolidation with another company, transfer or sale of all or substantially all assets, and transactions with affiliates.

In addition, the 2031 Indenture provides for customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to make payments when due or an acceleration of certain other indebtedness, and certain events of bankruptcy and insolvency. Events of default under the 2031 Indenture arising from certain events of bankruptcy or insolvency will automatically cause the acceleration of the amounts due under the 2031 Notes. If any other event of default under the 2031 Indenture occurs and is continuing, the trustee for the 2031 Indenture or the registered holders of at least 25% in the then aggregate outstanding principal amount of the 2031 Notes, may declare the acceleration of the amounts due under those notes. As of September 30, 2024, we were in compliance with all covenants under the indentures governing the 2031 Notes.

The Company recorded $7.6 million of fees in connection with the offering of the 2031 Notes, which have been capitalized as debt issuance costs and are being amortized over the remaining life of the 2031 Notes. During the year ended September 30, 2024, concurrent with the issuance of the Exchangeable Notes, the Company initiated a cash tender offer and partially redeemed the outstanding principal amount of the 2031 Notes, resulting in a partial write-off of unamortized debt issuance costs and gain on early extinguishment, as further discussed below. As of September 30, 2024, there was unamortized debt issuance costs $1.3 million associated with the 2031 Notes.

***Tendered Notes and Redemption of 2026 Notes***

On May 20, 2024, the Company commenced a cash tender offer (the "Tender Offer") by its wholly-owned subsidiary, SBI, of up to the outstanding aggregate principal amount of the 2026 Notes, the 2029 Notes and the 2030 Notes, and a tender offer for the 2031 Notes (collectively, the "Tendered Notes") that may be purchased for an combined aggregate purchase price of up to $925.0 million, including accrued and unpaid interest, with discretion to upsize the Tender Offer. On June 3, 2024, the Company received the early tender results and amended the Tender Offer to increase the previously announced maximum tender offer from $925.0 million to $1,160.5 million, including accrued and unpaid interest. On June 18, 2024, the Company completed the cash tender offer of the Tendered Notes.

Additionally, on June 17, 2024, the Company notified the trustee of the 2026 Notes that it would redeem the remaining aggregate principal amount not redeemed as part of the Tender Offer, which was subsequently paid on June 20, 2024, at a redemption price equal to 100.667% of the principal amount, plus accrued and unpaid interest, resulting in the full redemption of the 2026 Notes.

**NOTE 11 - DEBT (continued)**

The following summarizes the results of the cash tender of the Tendered Offer and full redemption of the 2026 Notes (excluding amounts paid for unpaid and accrued interest), the write-off of unamortized debt issuance costs and loss (gain) from early extinguishment of debt realized during the year ended September 30, 2024:

| (in millions) | Amounts Tendered | Amounts Paid | Premium (Discount) Realized | Unamortized Debt Issuance Costs | Loss (Gain) on Early Extinguishment |
|---|---|---|---|---|---|
| 2026 Notes | $ 462.0 | $ 462.1 | $ 0.1 | $ 2.2 | $ 2.3 |
| 2029 Notes | 284.2 | 284.2 | — | 2.9 | 2.9 |
| 2030 Notes | 142.5 | 142.5 | — | 2.0 | 2.0 |
| 2031 Notes | 285.7 | 277.7 | (8.0) | 3.0 | (5.0) |
| **Total** | $ 1,174.4 | $ 1,166.5 | $ (7.9) | $ 10.1 | $ 2.2 |

In connection with the Tender Offer, the Company solicited consents (the "Consent Solicitation") from the respective holders of the indentures governing the 2026 Notes, the 2029 Notes and the 2030 Notes (collectively, the "Consent Notes") for certain proposed amendments with respect to each series of Consent Notes. The Company did not solicit any consents from the holders of the 2031 Notes. The proposed amendments required the requisite consents applicable to each series of Consent Notes and amended the indenture for each of the Consent Notes.

Following the receipt of the requisite consents with respect to each series of Consent Notes, the Company entered into (i) supplemental indenture, dated as of June 4, 2024 (the "2026 Supplemental Indenture"), by and among the Company, the guarantors party thereto (the "Guarantors"), U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee (the "Trustee"), Elavon Financial Services DAC, UK Branch, as paying agent and Elavon Financial Services DAC, as registrar and transfer agent, relating to the 2026 Notes, (ii) supplemental indenture, dated as of June 4, 2024 (the "2029 Supplemental Indenture"), by and among the Company, the Guarantors and the Trustee, relating to the 2029 Notes and (iii) supplemental indenture, dated as of June 4, 2024 (the "2030 Supplemental Indenture" and, together with the 2026 Supplemental Indenture and 2029 Supplemental Indenture, the "Supplemental Indentures"), by and among the Company, the Guarantors and the Trustee, relating to the 2030 Notes, to effect the proposed amendments. The Supplemental Indentures shorten the notice periods for the redemption of the Consent Notes and eliminate substantially all of the restrictive covenants and certain events of default under each indenture governing the Consent Notes, among other things.

Additionally, Spectrum Brands Holdings, Inc. has agreed to irrevocably and unconditionally guarantee the 2031 Notes pursuant to a guarantee agreement, dated as of June 20, 2024, in favor of the holders of the 2031 Notes, the Company and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee.

***Debt Repurchase***

During the years ended September 30, 2024 and 2023, the Company repurchased certain Senior Notes available for sale on the open market, at a discount, which were ultimately retired upon receipt. The repurchase of debt obligations are treated as an extinguishment, with any realized discount recognized as a gain on debt repurchase on the Consolidated Statements of Income, net any write-off of related deferred financing costs. The following summarizes the repurchase activity for each of the respective Senior Notes, including the amounts paid (excluding amounts paid for unpaid and accrued interest) for debt repurchases, the write-off of unamortized debt issuance costs and gain from early extinguishment realized during the years ended September 30, 2024 and 2023:

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| (in millions) | Amounts Repurchased | Amounts Paid | Unamortized Debt Issuance Costs | Gain on Early Extinguishment | Amounts Repurchased | Amounts Paid | Unamortized Debt Issuance Costs | Gain on Early Extinguishment |
| 2029 Notes | $ 8.1 | $ 7.8 | $ 0.1 | $ 0.2 | $ 2.8 | $ 2.6 | $ — | $ 0.2 |
| 2030 Notes | 132.8 | 130.5 | 2.0 | 0.3 | 11.5 | 10.7 | 0.2 | 0.6 |
| 2031 Notes | 39.2 | 34.6 | 0.4 | 4.2 | 47.1 | 39.4 | 0.6 | 7.1 |
| **Total** | $ 180.1 | $ 172.9 | $ 2.5 | $ 4.7 | $ 61.4 | $ 52.7 | $ 0.8 | $ 7.9 |

**NOTE 12 - LEASES**

The Company has leases primarily pertaining to manufacturing facilities, distribution centers, office space, warehouses, automobiles, machinery, computers, and office equipment that expire at various times through June 2035. We have embedded operating leases within certain third-party logistic agreements for warehousing and information technology services arrangements and recognized right of use assets identified in the arrangements as part of Operating Lease Assets on the Consolidated Statements of Financial Position. We elected to exclude certain supply chain contracts that may contain embedded leases for manufacturing facilities or dedicated manufacturing lines from our ROU asset and liability calculation based on the insignificant impact to our consolidated financial statements.

The following is a summary of leases recognized on the Consolidated Statements of Financial Position as of September 30, 2024 and 2023:

| (in millions) | Line Item | 2024 | 2023 |
|---|---|---|---|
| **Assets** | | | |
| Operating | Operating lease assets | $ 101.9 | $ 110.8 |
| Finance | Property, plant and equipment, net | 61.0 | 66.2 |
| Total lease assets | | $ 162.9 | $ 177.0 |
| **Liabilities** | | | |
| Current | | | |
| Operating | Other current liabilities | $ 31.3 | $ 26.9 |
| Finance | Current portion of long-term debt | 9.4 | 8.6 |
| Long-term | | | |
| Operating | Long-term operating lease liabilities | 87.0 | 95.6 |
| Finance | Long-term debt, net of current portion | 72.2 | 77.8 |
| Total lease liabilities | | $ 199.9 | $ 208.9 |

As of September 30, 2024, there were no significant commitments related to executed leases that has not yet commenced and are unrecognized.

During the year ended September 30, 2024, the Company recognized a $5.1 million impairment charge on a right of use operating lease asset for a HPC distribution center having a maturity of February 2025, due to the exit of operations from the facility and the inability to sub-lease to a third-party prior to the maturity, included within Selling, General & Administrative Expense on the Consolidated Statements of Income. During the year ended September 30, 2023, the Company recognized a $5.2 million impairment charge on a right of use operating lease asset for a GPC warehouse having a maturity date of December 2029, due to the exit of operations from the facility and the intention to sub-lease to a third-party, included as Selling, General & Administrative Expense on the Consolidated Statements of Income. The impairments were measured using projected discounted cash flow for the facility, including assumed sub-lease tenant, when applicable, at sub-lease rental rates comparable to current market conditions.

The components of lease costs recognized in the Consolidated Statements of Income for the year ended September 30, 2024, 2023, and 2022 are as follows:

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Operating lease cost | $ 34.6 | $ 37.0 | $ 26.3 |
| Finance lease cost | | | |
| Amortization of leased assets | 10.3 | 10.2 | 10.5 |
| Interest on lease liability | 4.5 | 4.8 | 5.2 |
| Variable lease cost | 13.0 | 12.4 | 10.8 |
| Total lease cost | $ 62.4 | $ 64.4 | $ 52.8 |

During the year ended September 30, 2024, 2023, and 2022 the Company recognized income attributable to leases and sub-leases of $2.4 million, $2.4 million, and $2.7 million, respectively. Income from leases and sub-leases is recognized as Other Non-Operating Income on the Consolidated Statements of Income.

The following is a summary of cash paid for amounts included in the measurement of lease liabilities recognized in the Consolidated Statements of Cash Flow, including supplemental non-cash activity related to operating leases, for the year ended September 30, 2024, 2023, and 2022:

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Operating cash flow from operating leases | $ 35.5 | $ 30.3 | $ 25.3 |
| Operating cash flows from finance leases | 4.5 | 4.8 | 5.1 |
| Financing cash flows from finance leases | 10.1 | 9.5 | 8.9 |
| **Supplemental non-cash flow disclosure** | | | |
| Acquisition of operating lease asset through lease obligations | 25.2 | 66.9 | 30.4 |

**NOTE 12 - LEASES (continued)**

The following is a summary of weighted-average lease term and discount rate at September 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| **Weighted average remaining lease term** | | |
| Operating leases | 4.0 years | 4.6 years |
| Finance leases | 8.0 years | 8.7 years |
| **Weighted average discount rate** | | |
| Operating leases | 6.0 % | 5.5 % |
| Finance leases | 5.4 % | 5.3 % |

At September 30, 2024, future lease payments under operating and finance leases were as follows:

| (in millions) | Finance Leases | Operating Leases |
|---|---|---|
| 2025 | $ 13.1 | $ 37.3 |
| 2026 | 13.6 | 32.0 |
| 2027 | 13.4 | 29.6 |
| 2028 | 13.1 | 25.1 |
| 2029 | 12.7 | 7.4 |
| Thereafter | 33.9 | 1.8 |
| Total lease payments | 99.8 | 133.2 |
| Amount representing interest | (18.2) | (14.9) |
| Total minimum lease payments | $ 81.6 | $ 118.3 |

**NOTE 13 - DERIVATIVES**

Derivative financial instruments are used principally in the management of its foreign currency exchange rate exposures. The Company does not hold or issue derivative financial instruments for trading purposes.

***Cash Flow Hedges***

The Company periodically enters into forward foreign exchange contracts to hedge a portion of the risk from forecasted foreign currency denominated third-party and intercompany sales or payments. These obligations generally require the Company to exchange foreign currencies for Australian Dollars, Canadian Dollars, Euros, Japanese Yen, Mexican Peso, Pound Sterling or U.S. Dollars. These foreign exchange contracts are cash flow hedges of fluctuating foreign exchange related to inventory purchases or the sale of product. Until the sale or purchase is recognized, the fair value of the related hedge is recorded in AOCI and as a derivative hedge asset or liability, as applicable. At the time the sale or purchase is recognized, the fair value of the related hedge is reclassified as an adjustment to purchase price variance in Cost of Goods Sold on the Consolidated Statements of Income. At September 30, 2024, the Company had a series of foreign exchange derivative contracts outstanding through June 2026. The derivative net loss estimated to be reclassified from AOCI into earnings over the next 12 months is $7.6 million, net of tax. At September 30, 2024 and 2023, the Company had foreign exchange derivative contracts designated as cash flow hedges with a notional value of $351.7 million and $320.2 million, respectively.

For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss on the effective portion of the derivative is reported as a component of AOCI and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. The following table summarizes the impact of the effective and ineffective portions of designated hedges and the gain or loss recognized in the Consolidated Statements of Income for the years ended September 30, 2024, 2023 and 2022:

| | Gain (Loss) in OCI | | | Reclassified to Continuing Operations | | | |
|---|---|---|---|---|---|---|---|
| (in millions) | 2024 | 2023 | 2022 | Line Item | 2024 | 2023 | 2022 |
| Foreign exchange contracts | $ 0.1 | $ 0.3 | $ 0.2 | Net sales | $ 0.3 | $ 0.2 | $ 0.1 |
| Foreign exchange contracts | (20.1) | (34.8) | 30.9 | Cost of goods sold | (15.5) | (12.4) | 20.1 |
| Total | $ (20.0) | $ (34.5) | $ 31.1 | | $ (15.2) | $ (12.2) | $ 20.2 |

***Derivative Contracts Not Designated as Hedges for Accounting Purposes***

The Company periodically enters into forward exchange contracts to economically hedge a portion of the risk from third-party and intercompany payments resulting from existing obligations. These obligations generally require the Company to exchange foreign currencies for, among others, Canadian Dollars, Colombian Peso, Czech Koruna, Euros, Japanese Yen, Mexican Peso, Pound Sterling, Singapore Dollar, Swiss Franc, Turkish Lira, or U.S. Dollars. These foreign exchange contracts are fair value hedges of a related liability or asset recorded in the Consolidated Statements of Financial Position. The gain or loss on the derivative hedge contracts is recorded in earnings as an offset to the change in value of the related liability or asset at each period end. At September 30, 2024, the Company had a series of forward exchange contracts outstanding through October 2024. At September 30, 2024 and 2023, the Company had $466.9 million and $671.5 million, respectively, of notional value for such foreign exchange derivative contracts outstanding.

The following table summarizes the gain or loss associated with derivative contracts not designated as hedges in the Consolidated Statements of Income for the years ended September 30, 2024, 2023 and 2022.

| (in millions) | Line Item | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Foreign exchange contracts | Other non-operating (income) expense | $ (20.1) | $ (14.3) | $ 25.6 |

**NOTE 13 - DERIVATIVES (continued)**

***Fair Value of Derivative Instruments***

The fair value of the Company's outstanding derivative instruments in the Consolidated Statements of Financial Position are as follows:

| (in millions) | Line Item | 2024 | 2023 |
|---|---|---|---|
| **Derivative Assets** | | | |
| Foreign exchange contracts - designated as hedge | Other receivables | $ 1.4 | $ 1.4 |
| Foreign exchange contracts - designated as hedge | Deferred charges and other | 0.1 | 0.1 |
| Foreign exchange contracts - not designated as hedge | Other receivables | 0.3 | 1.8 |
| Total Derivative Assets | | $ 1.8 | $ 3.3 |
| **Derivative Liabilities** | | | |
| Foreign exchange contracts - designated as hedge | Accounts payable | $ 11.5 | $ 8.1 |
| Foreign exchange contracts - designated as hedge | Other long-term liabilities | 1.4 | — |
| Foreign exchange contracts - not designated as hedge | Accounts payable | 2.4 | 0.9 |
| Total Derivative Liabilities | | $ 15.3 | $ 9.0 |

The Company is exposed to the risk of default by the counterparties with which it transacts and generally does not require collateral or other security to support financial instruments subject to credit risk. The Company monitors counterparty credit risk on an individual basis by periodically assessing each counterparty's credit rating exposure. The maximum loss due to credit risk equals the fair value of the gross asset derivatives that are concentrated with certain domestic and foreign financial institution counterparties. The Company considers these exposures when measuring its credit reserve on its derivative assets, which were not significant for the years ended September 30, 2024 and 2023.

The Company's standard contracts do not contain credit risk related contingent features whereby the Company would be required to post additional cash collateral because a credit event. However, the Company is typically required to post collateral in the normal course of business to offset its liability positions. As of September 30, 2024, and 2023, there was no cash collateral outstanding and had no posted standby letters of credit related to such liability positions.

***Net Investment Hedge***

SBI had €425.0 million aggregate principal amount of the 2026 Notes designated as a non-derivative economic hedge, or net investment hedge, of the translation of the Company's net investments in Euro denominated subsidiaries at the time of issuance. The hedge effectiveness is measured on the beginning balance of the net investment and re-designated every three months. Any gains and losses attributable to the translation of the Euro denominated debt designated as net investment hedge are recognized as a component of foreign currency translation within AOCI, and gains and losses attributable to the translation of the undesignated portion are recognized as foreign currency translation gains or losses within Other Non-Operating Expense, Net.

Net unrealized gains or losses from the net investment hedge are reclassified from AOCI into earnings upon liquidation event or deconsolidation of Euro denominated subsidiaries. Effective June 20, 2024, the net investment hedge is no longer outstanding due to the full redemption of the 2026 Notes. See *Note 11 - Debt* for additional detail. The cumulative unrealized gain of $11.9 million related to the net investment hedge will remain in AOCI until a liquidation event or deconsolidation of the underlying Euro denominated subsidiaries. The following summarizes the pre-tax (loss) gain from the net investment hedge recognized in Other Comprehensive Income for the year ended September 30, 2024, through redemption of the 2026 Notes, and the years ended September 30, 2023 and 2022:

| (Loss) Gain in OCI (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Net investment hedge | $ (13.2) | $ (31.7) | $ 75.8 |

**NOTE 14 - SUPPLIER FINANCING PROGRAMS**

As of September 30, 2024 and 2023, the Company had $4.8 million and $17.9 million, respectively, in outstanding payment obligations that were sold to a financial institution by participating suppliers and included in Accounts Payable in the Consolidated Statements of Financial Position. During the year ended September 30, 2023, the Company paid $91.0 million to a financial institution for payment obligations that were settled through the supplier financing program. The following table summarizes the roll-forward of the supplier finance program for the year ended September 30, 2024:

| (in millions) | Amount |
|---|---|
| Outstanding payment obligations as of September 30, 2023 | $ 17.9 |
| Invoices confirmed during the period | 45.7 |
| Confirmed invoices paid during the period | (58.8) |
| Outstanding payment obligations as of September 30, 2024 | $ 4.8 |

**NOTE 15 - EMPLOYEE BENEFIT PLANS**

***Defined Benefit Plans***

The Company has various defined benefit pension plans covering some of its employees. Plans generally provide benefits of stated amounts for each year of service. The Company funds its pension plans in accordance with the requirements of the defined benefit pension plans and, where applicable, in amounts sufficient to satisfy the minimum funding requirements of applicable laws. Additionally, in compliance with the Company's funding policy, annual contributions to defined benefit plans are equal to the actuarial recommendations or statutory requirements in the respective countries. The Company sponsors or participates in a number of other non-U.S. pension arrangements, including various retirement and termination benefit plans, some of which are covered by local law or coordinated with government-sponsored plans, which are not significant in the aggregate.

**NOTE 15 - EMPLOYEE BENEFIT PLANS (continued)**

The following tables provide additional information on the defined benefit plans as of September 30, 2024 and 2023:

| | U.S. Plans | | Non U.S. Plans | |
|---|---|---|---|---|
| **(in millions)** | **2024** | **2023** | **2024** | **2023** |
| Changes in benefit obligation: | | | | |
| Benefit obligation, beginning of year | $ 50.9 | $ 53.5 | $ 106.5 | $ 101.1 |
| Service cost | 0.7 | 0.6 | 0.7 | 0.8 |
| Interest cost | 2.8 | 2.8 | 5.0 | 4.6 |
| Actuarial gain | 4.4 | (1.7) | 8.0 | (4.5) |
| Settlements and curtailments | — | — | (11.1) | — |
| Benefits paid | (4.8) | (4.3) | (4.5) | (4.2) |
| Foreign currency exchange rate changes | — | — | 8.1 | 8.7 |
| Benefit obligation, end of year | 54.0 | 50.9 | 112.7 | 106.5 |
| Changes in plan assets: | | | | |
| Fair value of plan assets, beginning of year | 49.0 | 50.3 | 102.7 | 93.1 |
| Actual return on plan assets | 8.9 | 2.9 | 7.9 | (1.1) |
| Employer contributions | 0.1 | 0.1 | 6.4 | 6.8 |
| Settlements and curtailments | — | — | (11.1) | — |
| Benefits paid | (4.8) | (4.3) | (4.5) | (4.2) |
| Foreign currency exchange rate changes | — | — | 8.0 | 8.1 |
| Fair value of plan assets, end of year | 53.2 | 49.0 | 109.4 | 102.7 |
| Funded status | $ (0.8) | $ (1.9) | $ (3.3) | $ (3.8) |
| **Amounts recognized in statement of financial position** | | | | |
| Deferred charges and other | $ — | $ — | $ 12.4 | $ 9.6 |
| Other accrued expenses | 0.1 | 0.1 | — | — |
| Other long-term liabilities | 0.7 | 1.8 | 15.7 | 13.4 |
| Accumulated other comprehensive loss | 7.7 | 9.4 | 29.5 | 23.8 |
| **Weighted average assumptions** | | | | |
| Discount rate | 4.39 - 4.74% | 5.72% | 3.40 - 5.10% | 4.00 - 5.20% |
| Rate of compensation increase | N/A | N/A | 2.75% | 2.75% |

The following table summarizes the projected benefit obligation, accumulated benefit obligation and fair value of plan assets for defined benefit plans with projected benefit obligations in excess of plan assets:

| | U.S. Plans | | Non U.S. Plan | |
|---|---|---|---|---|
| **(in millions)** | **2024** | **2023** | **2024** | **2023** |
| Projected benefit obligation | $ 54.0 | $ 50.9 | $ 66.8 | $ 57.0 |
| Accumulated benefit obligation | 54.0 | 50.9 | 64.0 | 57.0 |
| Fair value of plan assets | 53.2 | 49.0 | 51.1 | 43.5 |

The following table contains the components of net periodic benefit cost from defined benefit plans for the years ended September 30, 2024, 2023 and 2022:

| | U.S. Plans | | | Non U.S. Plans | | |
|---|---|---|---|---|---|---|
| **(in millions)** | **2024** | **2023** | **2022** | **2024** | **2023** | **2022** |
| Service cost | $ 0.7 | $ 0.6 | $ 0.5 | $ 0.7 | $ 0.8 | $ 1.2 |
| Interest cost | 2.8 | 2.8 | 1.9 | 5.0 | 4.6 | 2.1 |
| Expected return on assets | (2.9) | (3.1) | (3.2) | (4.5) | (3.9) | (4.0) |
| Unrecognized prior service cost | — | — | — | 0.1 | — | — |
| Recognized net actuarial loss | — | — | 0.8 | 0.9 | 0.8 | 2.8 |
| Net periodic benefit cost | $ 0.6 | $ 0.3 | $ — | $ 2.2 | $ 2.3 | $ 2.1 |
| **Weighted average assumptions** | | | | | | |
| Discount rate | 5.56 - 5.72% | 5.37% | 2.70% | 4.00 - 5.60% | 3.70 - 5.20% | 1.00 - 2.00% |
| Expected return on plan assets | 5.50% | 5.25% | 5.00% | 2.54 - 5.00% | 2.54 - 5.58% | 0.99 - 4.06% |
| Rate of compensation increase | N/A | N/A | N/A | 2.75% | 2.75% | 2.50% |

**NOTE 15 - EMPLOYEE BENEFIT PLANS (continued)**

The discount rate is used to calculate the projected benefit obligation. The discount rate used is based on the rate of return on government bonds as well as current market conditions of the respective countries where the plans are established. The expected return on plan assets is based on the expectation of the long-term average rate of return of the capital market in which the plans invest. The expected return reflects the target asset allocations and considers the historical returns earned for each asset category. The components of net periodic benefit cost other than the service cost component are recognized as Other Non-Operating Expense, Net on the Consolidated Statements of Income. See *Note 19 - Accumulated Other Comprehensive Income* for further detail on recognition of the net actuarial loss recognized in other comprehensive income attributable to defined benefit plans.

The Company established formal investment policies for the assets associated with these plans. Policy objectives include maximizing long-term return at acceptable risk levels, diversifying among asset classes, if appropriate, and among investment managers, as well as establishing relevant risk parameters within each asset class. Specific asset class targets are based on the results of periodic asset/liability studies. The investment policies permit variances from the targets within certain parameters. The plan assets currently do not include holdings of the Company's common stock.

Below is a summary allocation of defined benefit plan assets as of September 30, 2024 and 2023:

| | U.S. Plans | | Non U.S. Plans | |
|---|---|---|---|---|
| **Asset Type** | **2024** | **2023** | **2024** | **2023** |
| Equity Securities | 20 % | 30 % | — % | — % |
| Fixed Income Securities | 80 % | 70 % | 55 % | 49 % |
| Other | — % | — % | 45 % | 51 % |
| Total | 100 % | 100 % | 100 % | 100 % |

The fair value of defined benefit plan assets by asset category as of September 30, 2024 and 2023 are as follows:

| | September 30, 2024 | | | | September 30, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **(in millions)** | **Level 1** | **Level 2** | **Level 3** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Cash & cash equivalents | $ 1.3 | $ — | $ — | $ 1.3 | $ 0.3 | $ — | $ — | $ 0.3 |
| Equity | 3.5 | 4.4 | — | 7.9 | 4.6 | 5.7 | — | 10.3 |
| Fixed income securities | 33.3 | 7.1 | — | 40.4 | 24.2 | 7.8 | — | 32.0 |
| Foreign equity | 3.0 | — | — | 3.0 | 4.5 | — | — | 4.5 |
| Foreign fixed income securities | — | 60.5 | — | 60.5 | — | 50.8 | — | 50.8 |
| Life insurance contracts | — | 47.0 | — | 47.0 | — | 40.7 | — | 40.7 |
| Annuity policy | — | — | — | — | — | — | 10.4 | 10.4 |
| Other | — | 2.5 | — | 2.5 | — | 2.7 | — | 2.7 |
| Total plan assets | $ 41.1 | $ 121.5 | $ — | $ 162.6 | $ 33.6 | $ 107.7 | $ 10.4 | $ 151.7 |

Level 3 assets consisted of a purchased group annuity using plan assets and escrow funds to cover the projected benefit obligation assumed in the purchase as a result of an annuity buy-in, in accordance with United Kingdom ("UK") pension regulations, where the assets of the plan were invested in a bulk-purchase annuity policy with an insurance company, under which the Company retained both the fair value of the annuity contract and the pension benefit obligations related to this plan. During the year ended September 30, 2024, individual policies replaced the bulk annuity policy in a buy-out transaction resulting in the recognition of a plan settlement, removal of the related assets and obligations for the respective plan, and no Level 3 assets as of September 30, 2024.

During the year ended September 30, 2024, the Company funded $1.6 million to cash accounts which are otherwise restricted by the trustee of certain benefit plans in the UK to support contingent funding requirements for the respective plans. The account is excluded from other plan assets within the trusts for the respective plans and considered restricted cash and reported as Deferred Chargers and Other Assets on the Consolidated Statements of Financial Position as of September 30, 2024.

The following benefit payments are expected to be paid:

| **(in millions)** | **U.S. Plans** | **Non U.S. Plans** |
|---|---|---|
| 2025 | $ 4.9 | $ 4.6 |
| 2026 | 4.2 | 5.0 |
| 2027 | 4.2 | 5.7 |
| 2028 | 4.2 | 6.0 |
| 2029 | 4.1 | 5.7 |
| 2025-2034 | 19.5 | 32.2 |

***Defined Contribution Plans***

The Company sponsored defined contribution plans in which eligible participants may defer a fixed amount or a percentage of their eligible compensation, subject to limitations, pursuant to Section 401(k) of the Internal Revenue Code. The Company made discretionary matching contributions of eligible compensation. The Company also sponsors defined contribution plans for eligible employees of certain foreign subsidiaries. Contributions are discretionary and evaluated annually. Aggregate contributions charged to operations, including discretionary amounts, for the years ended September 30, 2024, 2023 and 2022, were $7.4 million, $7.5 million, and $7.4 million, respectively.

## NOTE 16 - INCOME TAXES

Income tax expense (benefit) was calculated based upon the following components of income (loss) from continuing operations before income taxes for the years ended September 30, 2024, 2023 and 2022:

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| United States | $ 8.0 | $ (399.8) | $ (263.0) |
| Outside the United States | 155.6 | 109.6 | 172.7 |
| Income (loss) from continuing operations before income taxes | $ 163.6 | $ (290.2) | $ (90.3) |

The components of income tax expense (benefit) for the years ended September 30, 2024, 2023 and 2022 are as follows:

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Current tax expense: | | | |
| U.S. Federal | $ 27.4 | $ 81.8 | $ 7.7 |
| Foreign | 31.9 | 44.9 | 24.7 |
| State and local | 1.3 | (0.4) | (1.1) |
| Total current tax expense | 60.6 | 126.3 | 31.3 |
| Deferred tax expense (benefit): | | | |
| U.S. Federal | 6.2 | (197.7) | (26.5) |
| Foreign | 1.2 | 5.0 | (1.2) |
| State and local | (3.7) | 9.9 | (16.9) |
| Total deferred tax expense (benefit) | 3.7 | (182.8) | (44.6) |
| Income tax expense (benefit) | $ 64.3 | $ (56.5) | $ (13.3) |

The following reconciles the total income tax expense (benefit), based on the U.S. Federal statutory income tax rate of 21% with the Company’s recognized income tax expense (benefit):

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| U.S. Statutory federal income tax expense (benefit) | $ 34.4 | $ (60.9) | $ (19.0) |
| Permanent items | 8.1 | 5.0 | (1.7) |
| Goodwill impairment | — | 2.8 | — |
| Foreign statutory rate vs. U.S. statutory rate | (3.7) | (1.6) | (4.7) |
| State income taxes, net of federal effect | (3.2) | (14.5) | (8.3) |
| State effective rate change | 1.0 | (4.0) | 1.2 |
| GILTI | 5.0 | 2.1 | 16.5 |
| GILTI impact of retroactive law changes | — | — | (3.2) |
| Residual tax on foreign earnings | 1.9 | 1.5 | 4.8 |
| Change in valuation allowance | 1.9 | 0.2 | 3.6 |
| Unrecognized tax expense | 7.3 | 3.8 | 2.2 |
| Share based compensation adjustments | 0.3 | 0.3 | (5.6) |
| Research and development tax credits | (2.3) | (1.8) | (1.9) |
| Partnership outside basis adjustment | 7.7 | 7.0 | 1.2 |
| Return to provision adjustments and other, net | 5.9 | 3.6 | 1.6 |
| Income tax expense (benefit) | $ 64.3 | $ (56.5) | $ (13.3) |

**NOTE 16 - INCOME TAXES (continued)**

The tax effects of temporary differences that give rise to deferred tax assets and deferred tax liabilities as of September 30, 2024 and 2023 are as follows:

| (in millions) | 2024 | 2023 |
|---|---|---|
| Deferred tax assets | | |
| Employee benefits | $ 27.4 | $ 22.9 |
| Inventories and receivables | 28.0 | 31.9 |
| Marketing and promotional accruals | 5.1 | 5.3 |
| Property, plant and equipment | 2.3 | 2.8 |
| Unrealized losses | 22.2 | 30.5 |
| Intangibles | 9.6 | 9.3 |
| Operating lease liabilities | 27.7 | 27.6 |
| Net operating loss and other carry forwards | 322.2 | 331.6 |
| Other | 21.1 | 17.0 |
| Total deferred tax assets | 465.6 | 478.9 |
| Deferred tax liabilities | | |
| Property, plant and equipment | 4.4 | 7.9 |
| Unrealized gains | 6.8 | 11.1 |
| Intangibles | 171.8 | 167.2 |
| Operating lease assets | 23.4 | 24.6 |
| Investment in partnership | 78.3 | 80.3 |
| Taxes on unremitted foreign earnings | 1.7 | 1.2 |
| Other | 13.7 | 13.0 |
| Total deferred tax liabilities | 300.1 | 305.3 |
| Net deferred tax liabilities | 165.5 | 173.6 |
| Valuation allowance | (321.4) | (333.4) |
| Net deferred tax liabilities, net valuation allowance | $ (155.9) | $ (159.8) |
| Reported as: | | |
| Deferred charges and other | $ 14.9 | $ 15.0 |
| Deferred income taxes (noncurrent liability) | 170.8 | 174.8 |

During Fiscal 2022, the Company became aware of ongoing legal challenges to the validity of the IRC Section 245A temporary regulations (“June 2019 Regulations”) adopted by the Treasury Department in June of 2019. During the year ended September 30, 2022, the Company filed a protective amended U.S. income tax return consistent with the June 2019 Regulations being invalid. The Company has determined that this position is not more likely than not to be upheld and therefore did not record a tax benefit for this amended return for the year ended September 30, 2022. Should the June 2019 Regulations ultimately be found invalid, the Company estimates that, as of September 30, 2024, it would recognize a tax benefit of approximately $59.0 million.

On November 20, 2020, the U.S. Treasury and the Internal Revenue Service issued Final Regulations (“November 2020 Regulations”) under Internal Revenue Code Sections 245A and 951A related to the treatment of previously disqualified basis under the GILTI regime. The November 2020 Regulations are effective for Fiscal 2022, but the Company can elect to apply them to Fiscal 2018 through Fiscal 2021. The Company has satisfied the requirements necessary to apply the Regulations retroactively. The Company completed and filed the amended return implementing these November 2020 Regulations during Fiscal 2022 and recorded an additional $3.2 million tax benefit in the year ended September 30, 2022 for years prior to Fiscal 2020.

The Tax Reform Act of December 22, 2017, included a tax on deemed repatriated accumulated earnings of foreign subsidiaries. The Company’s mandatory repatriation tax is payable over 8 years. The first payment was due January 2019. As of September 30, 2024, $11.1 million of the mandatory repatriation liability is still outstanding and $5.2 million is due and payable in the next 12 months.

To the extent necessary, the Company intends to utilize free cash flow from foreign subsidiaries in order to support management's plans to voluntarily accelerate pay down of U.S. debt, fund distributions to shareholders, fund U.S. acquisitions and satisfy ongoing U.S. operational cash flow requirements. The Company annually estimates the available earnings, permanent reinvestment classification and the availability of and management’s intent to use alternative mechanisms for repatriation for each jurisdiction in which the Company does business. Accordingly, the Company is providing residual U.S. and foreign deferred taxes on these earnings to the extent they cannot be repatriated in a tax-free manner.

As of September 30, 2024 and 2023, the Company provided $1.7 million and $1.2 million, respectively, of residual foreign taxes on undistributed foreign earnings.

As a result of the June 2019 Regulations and the deemed mandatory repatriation, the Company does not have significant prior year untaxed, undistributed earnings from its foreign operations at September 30, 2024. There were $500.6 million of the Company’s undistributed earnings taxed in the U.S. as a result of the mandatory deemed repatriation that was part of the Tax Reform Act, and the remaining earnings were taxed as a result of the June 2019 Regulations. The Company recorded GILTI inclusions for the tax year ended September 30, 2024 of $23.9 million. The Company estimates it generated untaxed, undistributed foreign earnings due to high-tax exceptions to GILTI inclusions under the Tax Reform Act for the year ended September 30, 2024 of $53.5 million and has cumulative untaxed, undistributed foreign earnings due to high-tax exceptions as of September 30, 2024 of $183.1 million.

As of September 30, 2024, the Company has U.S. federal net operating carryforwards (“NOLs”) of $569.2 million with a federal tax benefit of $119.5 million and tax benefits related to state NOLs of $42.8 million. Certain of the U.S. federal and state NOLs have indefinite carryforward periods while certain state NOLs expire through years ending in 2044. As of September 30, 2024, the Company has foreign NOLs of $458.7 million and tax benefits of $114.6 million, which will expire beginning in the Company's fiscal year ending September 30, 2025. Certain of the foreign NOLs have indefinite carryforward periods.

**NOTE 16 - INCOME TAXES (continued)**

A valuation allowance is recorded when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets depends on the ability of the Company to generate sufficient taxable income of the appropriate character in the future and in the appropriate taxing jurisdictions.

The Company has had multiple changes of ownership, as defined under Section 382 of the Internal Revenue Code of 1986, as amended, that subject the Company's U.S. federal and state NOLs and other tax attributes to certain limitations. The annual limitation is based on a number of factors including the value of the Company's stock (as defined for tax purposes) on the date of the ownership change, its net unrealized gain position on that date, the occurrence of realized gains in years subsequent to the ownership change and the effects of subsequent ownership changes (as defined for tax purposes), if any. Due to these limitations, the Company estimates, as of September 30, 2024, that $561.2 million of the total U.S. federal NOLs with a federal tax benefit of $117.8 million and $13.8 million of the tax benefit related to state NOLs will expire unused even if the Company generates sufficient income to otherwise use all of its NOLs. The Company also projects, as of September 30, 2024, that $112.4 million of tax benefits related to foreign NOLs will not be used. The Company has provided a full valuation allowance against these deferred tax assets.

As of September 30, 2024, the valuation allowance is $321.4 million, of which $203.6 million is related to U.S. net deferred tax assets and $117.8 million is related to foreign net deferred tax assets. As of September 30, 2023, the valuation allowance was $333.4 million, of which $244.7 million was related to U.S. net deferred tax assets and $88.7 million is related to foreign net deferred tax assets. As of September 30, 2022, the valuation allowance was $337.4 million, of which $257.5 million is related to U.S. net deferred tax assets and $79.9 million is related to foreign net deferred tax assets. During the year ended September 30, 2024, the Company decreased its valuation allowance for deferred tax assets by $12.0 million of which $41.1 million is related to a decrease in valuation allowance against U.S. net deferred tax assets and $29.1 million related to an increase in the valuation allowance against foreign net deferred tax assets. During the year ended September 30, 2023, the Company decreased its valuation allowance for deferred tax assets by $4.0 million, of which $12.8 million was related to a decrease in valuation allowance against U.S. net deferred tax assets and $8.8 million related to an increase in the valuation allowance against foreign net deferred tax assets.

As of September 30, 2024, the Company has recorded $42.3 million of valuation allowance against its U.S. state net operating losses.

The total amount of unrecognized tax benefits at September 30, 2024 and 2023 are $190.2 million and $121.1 million, respectively. If recognized in the future, $102.1 million of the unrecognized tax benefits as of September 30, 2024 will impact the effective tax rate. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of September 30, 2024, and 2023 the Company had $9.8 million and $1.7 million of accrued interest and penalties related to uncertain tax positions. The impact on income tax expense related to interest and penalties for the year ended September 30, 2024 and 2023 was a net increase of $8.1 million, $0.3 million, respectively, and a net decrease of $0.1 million for the year ended September 30, 2022. The following table summarizes the changes to the amount of unrecognized tax benefits for the years ended September 30, 2024, 2023 and 2022:

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Unrecognized tax benefits, beginning of year | $ 121.1 | $ 100.9 | $ 18.0 |
| Gross increase – tax positions in prior period | 77.5 | 21.5 | 84.4 |
| Gross decrease – tax positions in prior period | (9.2) | (34.4) | (2.9) |
| Gross increase – tax positions in current period | 1.7 | 33.4 | 1.7 |
| Settlements | (0.6) | — | — |
| Lapse of statutes of limitations | (0.3) | (0.3) | (0.3) |
| Unrecognized tax benefits, end of year | $ 190.2 | $ 121.1 | $ 100.9 |

The $84.4 million increase for unrecognized tax positions relating to prior periods during the year ended September 30, 2022 includes $67.3 million related to the protective amended U.S. tax return filed consistent with the June 2019 Regulations being invalid. For the year ended September 30, 2023, the Company recorded a decrease to the June 2019 Regulations position of $33.0 million, which is included in the $34.4 million decrease for unrecognized tax positions relating to prior periods during the year ended September 30, 2023, and represents the impact of Fiscal 2023 activity on the position. For the year ended September 30, 2024, the Company recorded a decrease to the June 2019 Regulations position of $2.3 million for the impact of Fiscal 2024 on the position. In addition, during the year ended September 30, 2024, the Company recorded an increase to the June 2019 regulations position of $17.9 million for the adjustments related to the Fiscal 2023 U.S. federal tax return filed during Fiscal 2024. The Company also recorded $27.3 million during the year ended September 30, 2023 for uncertain tax positions related to the state tax on the sale of HHI, which was increased by an additional $50.1 million during the year ended September 30, 2024 for the Fiscal 2023 state tax returns filed during Fiscal 2024.

The Company files income tax returns in the U.S. federal jurisdiction and various state, local and foreign jurisdictions and is subject to ongoing examination by the various taxing authorities. The Company's major taxing jurisdictions are the U.S., United Kingdom and Germany. In the U.S., federal tax filings for years prior to and including the Company's fiscal year ended September 30, 2017 are closed. However, the federal NOLs from the Company's fiscal years ended September 30, 2012 through December 31, 2015 are subject to Internal Revenue Service examination until the year that such net operating loss carryforwards are utilized, and those years are closed for audit. In addition, certain losses from 2002 to 2010 of entities acquired by the Company were able to be used in Fiscal 2019 and are subject to Internal Revenue Service examination until Fiscal 2019 is closed to audit. The Fiscal 2019 tax year is currently under examination and remains open. Filings in various U.S. state and local jurisdictions are also subject to audit and to date no significant audit matters have arisen. As of September 30, 2024, certain of the Company's legal entities are undergoing income tax audits. The Company cannot predict the ultimate outcome of the examinations; however, it is reasonably possible that during the next twelve months some portion of previously unrecognized tax benefits could be recognized.

## NOTE 17 - SHAREHOLDER'S EQUITY

The Company has a share repurchase program that is executed through purchases made from time to time either in the open market or otherwise. On May 20, 2024, the Company announced a new $500 million common stock repurchase program authorized by its Board of Directors, replacing the Company's previously approved share repurchase program of $1.0 billion. As part of the previously approved share repurchase program, the Company purchased treasury shares in open market purchases at market fair value in private purchases from employees or significant shareholders at fair value and through an accelerated share repurchase ("ASR") agreement with a third-party financial institution, further discussed below. As part of the recently approved stock repurchase program, the Company purchased $50.0 million of common stock concurrent with the pricing of the offering of the Exchangeable Notes in privately negotiated transactions effected through one of the initial purchasers and/or its affiliates, at market price. Purchases under the program may be made in the open market or in privately negotiated transactions from time to time at management's discretion. The repurchase program may be suspended or discontinued at any time.

On June 20, 2023, the Company entered into an accelerated share repurchase agreement (the "ASR Agreement") with a third-party financial institution to repurchase an aggregate of $500 million of the Company's common stock, par value $0.01 per share. The Company funded the share repurchases under the ASR Agreement with cash on-hand following the closing of the sale of the Company's HHI segment. Pursuant to the agreement, the Company paid $500.0 million to the financial institution at inception of the agreement and took delivery of 5.3 million shares, which represented 80% of the total shares the company expected to receive based on the market price at the time of the initial delivery. The transaction was accounted for as an equity transaction. The fair value of the initial shares received of $400.0 million were recorded as a treasury stock transaction, with the remainder of $100.0 million recorded as a reduction of Additional Paid-In Capital ("APIC") during the year ended September 30, 2023. Upon initial receipt of the shares, there was an immediate reduction in the weighted average common shares calculation for basic and diluted earnings per share. Upon settlement of the ASR Agreement effective November 16, 2023, the financial institution delivered additional shares of 1.3 million, based on the volume weighted average price per share of our common stock over the term of the agreement, less a negotiated discount, and recognized a non-cash treasury share repurchase from APIC of $83.2 million during the year ended September 30, 2024, based upon the market value of the Company's stock at the time of settlement.

The following summarizes the activity of common stock repurchases under the program for the years ended September 30, 2024, 2023 and 2022, excluding the recognition of a 1% excise tax on annual net share repurchases, recognized as a component of Treasury Stock on the Consolidated Statements of Financial Position (effective the year ended September 30, 2023):

| | 2024 | | | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|
| **(in millions, except per share data)** | **Number of Shares Repurchased** | **Average Price Per Share** | **Amount** | **Number of Shares Repurchased** | **Average Price Per Share** | **Amount** | **Number of Shares Repurchased** | **Average Price Per Share** | **Amount** |
| Open market purchases | 5.6 | $ 77.48 | $ 432.7 | 0.4 | $ 81.60 | $ 34.7 | 1.4 | $ 97.34 | $ 134.0 |
| Private purchases | 0.5 | 93.74 | 50.0 | — | — | — | — | — | — |
| ASR | 1.3 | 65.84 | 83.2 | 5.3 | 74.86 | 400.0 | — | — | — |
| Total purchases | 7.4 | 76.66 | $ 565.9 | 5.7 | 75.36 | $ 434.7 | 1.4 | 97.34 | $ 134.0 |

## NOTE 18 - SHARE BASED COMPENSATION

Equity based incentive and performance compensation awards provided to employees, directors, officers and consultants, including the restricted stock units and stock options further discussed below, were issued pursuant to the Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Awards Plan as approved and amended by the stockholders, and the Spectrum Brands Holdings, Inc. 2020 Omnibus Equity Plan, as approved by the stockholders. The following is a summary of the authorized and available shares per the respective plans:

| **(number of shares, in millions)** | **Authorized** | **Available** |
|---|---|---|
| Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Awards Plan | 7.1 | 0.4 |
| Spectrum Brands Holdings, Inc. 2020 Omnibus Equity Plan | 2.6 | 1.8 |

Compensation costs for share-based payment arrangements are recognized as Selling, General and Administrative Expense on the Consolidated Statements of Income. The following is a summary of the share based compensation expense for the years ended September 30, 2024, 2023 and 2022:

| **(in millions)** | **2024** | **2023** | **2022** |
|---|---|---|---|
| Share based compensation expense | $ 17.5 | $ 17.2 | $ 10.2 |

*Restricted Stock Units ("RSUs")*

The Company recognizes share based compensation expense from the issuance of RSUs, primarily under its Long-Term Incentive Plan ("LTIP"). RSUs granted under the LTIP include a combination of time-based grants and performance-based grants. Compensation cost is based on the fair value of the awards, as determined by the market price of the Company's shares of common stock on the designated grant date and recognized on a straight-line basis over the requisite service period of the awards. Time-based RSUs provide for either a three year cliff vesting or graded vesting depending upon the vesting conditions and forfeitures provided by the grant. Performance-based RSUs are dependent upon achieving specified cumulative financial metrics (adjusted EBITDA, return on adjusted equity, and/or adjusted free cash flow) by the end of the three year vesting period. The actual number of shares that will ultimately vest for the performance-based RSUs is dependent on the level of achievement of the specified performance conditions upon completion of the designated performance period. The Company assessed the probability of achievement of the performance conditions and recognized expense for the awards based on the probable achievement of such metrics. Additionally, the Company regularly issues individual RSU awards under its equity plan to its Board members and individual employees for recognition, incentive, or retention purposes, when needed, which are primarily conditional upon time-based service conditions, valued based on the fair value of the awards as determined by the market price of the Company's share of common stock on the designated grant price date and recognized as a component of share-based compensation on a straight-line basis over the requisite service period of the award. RSUs are subject to forfeiture if employment terminates prior to vesting with forfeitures recognized as they occur. RSUs have dividend equivalents credited to the recipient and are paid only to the extent the RSU vests and the related stock is issued. RSUs are exercised upon completion of the vesting conditions. Shares issued upon exercise of RSUs are sourced from treasury shares when available.

**NOTE 18 – SHARE BASED COMPENSATION (continued)**

The Company regularly issues annual RSU grants under its LTIP during the first quarter of the fiscal year. The following is a summary of the RSUs granted during the fiscal year ended September 30, 2024:

| (in millions, except per share data) | Units | Weighted Average Grant Date Fair Value | Fair Value at Grant Date |
|---|---|---|---|
| Time-based grants | | | |
| Vesting in less than 12 months | 0.06 | $ 69.10 | $ 4.1 |
| Vesting in more than 12 months | 0.16 | 68.08 | 10.6 |
| Total time-based grants | 0.22 | 68.36 | 14.7 |
| Performance-based grants | 0.26 | 67.36 | 17.83 |
| Total grants | 0.48 | $ 67.81 | $ 32.5 |

The following is a summary of RSU activity for the years ended September 30, 2024, 2023 and 2022:

| (in millions, except per share data) | Units | Weighted Average Grant Date Fair Value | Fair Value at Grant Date |
|---|---|---|---|
| Outstanding and nonvested as of September 30, 2021 | 1.46 | $ 64.00 | $ 93.2 |
| Granted | 0.33 | 95.30 | 32.3 |
| Forfeited | (0.18) | 78.90 | (13.8) |
| Vested and exercised | (0.60) | 55.09 | (33.4) |
| Outstanding and nonvested as of September 30, 2022 | 1.01 | 77.22 | 78.3 |
| Granted | 0.55 | 52.22 | 28.6 |
| Forfeited | (0.21) | 71.99 | (15.0) |
| Vested and exercised | (0.46) | 70.98 | (32.7) |
| Outstanding and nonvested as of September 30, 2023 | 0.89 | 66.29 | 59.2 |
| Granted | 0.48 | 67.81 | 32.5 |
| Forfeited | (0.18) | 70.71 | (12.6) |
| Vested and exercised | (0.21) | 67.73 | (14.0) |
| Outstanding and nonvested as of September 30, 2024 | 0.98 | $ 65.93 | $ 65.1 |

As of September 30, 2024, the remaining unrecognized pre-tax compensation cost associated with outstanding RSUs is $41.3 million that would expect to be recognized over a weighted average period of 1.3 years, contingent upon realization of performance goals for performance based grants. If performance goals are not met, compensation cost may be not recognized, and previously recognized compensation cost would be reversed.

*Stock Options*

All stock options awards are fully vested and exercisable. The Company does not regularly grant new stock option awards and there were no awards granted during the years ended September 30, 2024, 2023 and 2022. Shares issued upon exercise of stock option awards are sourced from treasury shares when available. The following is a summary of outstanding stock option awards during the years ended September 30, 2024, 2023, and 2022:

| (in millions, except per share data) | Options | Weighted Average Exercise Price | Weighted Average Grant Date Fair Value |
|---|---|---|---|
| Vested and exercisable at September 30, 2021 | $ 0.16 | $ 82.36 | $ 5.32 |
| Vested and exercisable at September 30, 2022 | 0.16 | 82.36 | 5.32 |
| Vested and exercisable at September 30, 2023 | 0.16 | 82.36 | 5.32 |
| Forfeited | (0.07) | 72.92 | 4.91 |
| Exercised | (0.03) | 82.85 | 5.25 |
| Vested and exercisable at September 30, 2024 | $ 0.06 | $ 93.96 | $ 5.86 |

The intrinsic value of share options exercised during the year ended September 30, 2024, was $0.4 million, which were settled through a net-share settlement where the shares delivered having an aggregate fair value equal to the intrinsic value of the share option at exercise, and no cash was received upon exercise. No options were exercised during the years ended September 30, 2023 and 2022. As of the year ended September 30, 2024, the aggregate intrinsic value of outstanding and exercisable options was $0.1 million, with the remaining contractual term of 1.9 years.

## NOTE 19 - ACCUMULATED OTHER COMPREHENSIVE INCOME

The changes in the components of accumulated other comprehensive income (loss), net of taxes, was as follows:

| (in millions) | Foreign Currency Translation | Derivative Instruments | Defined Benefit Pension | Total |
|---|---|---|---|---|
| **Balance as of September 30, 2021** | $ (194.8) | $ 6.4 | $ (46.9) | $ (235.3) |
| Other comprehensive (loss) income before reclassification | (72.0) | 30.7 | 18.3 | (23.0) |
| Net reclassification for (gain) loss to income from continuing operations | — | (20.2) | 3.6 | (16.6) |
| Net reclassification for gain to income from discontinued operations | — | (2.4) | (0.1) | (2.5) |
| Other comprehensive (loss) income before tax | (72.0) | 8.1 | 21.8 | (42.1) |
| Deferred tax effect | (20.0) | 2.3 | (8.9) | (26.6) |
| Other comprehensive (loss) income, net of tax | (92.0) | 10.4 | 12.9 | (68.7) |
| Less: other comprehensive loss from continuing operations attributable to non-controlling interest | (0.4) | — | — | (0.4) |
| Less: other comprehensive loss from discontinued operations attributable to non-controlling interest | (0.5) | — | — | (0.5) |
| Other comprehensive (loss) income attributable to controlling interest | (91.1) | 10.4 | 12.9 | (67.8) |
| **Balance as of September 30, 2022** | (285.9) | 16.8 | (34.0) | (303.1) |
| Other comprehensive income (loss) before reclassification | 37.3 | (35.3) | (0.8) | 1.2 |
| Net reclassification for loss to income from continuing operations | — | 12.2 | 0.8 | 13.0 |
| Net reclassification for loss (gain) to income from discontinued operations | — | 2.3 | (0.1) | 2.2 |
| Other comprehensive income (loss) before tax | 37.3 | (20.8) | (0.1) | 16.4 |
| Deferred tax effect | 7.0 | 5.4 | (0.1) | 12.3 |
| Other comprehensive income (loss), net of tax | 44.3 | (15.4) | (0.2) | 28.7 |
| Deconsolidation of discontinued operations | 26.6 | — | (0.5) | 26.1 |
| Net change to determine comprehensive income for the period | $ 70.9 | $ (15.4) | $ (0.7) | $ 54.8 |
| Less: other comprehensive income from continuing operations attributable to non-controlling interest | 0.3 | — | — | 0.3 |
| Less: Deconsolidation of discontinued operations | 0.8 | — | — | 0.8 |
| Other comprehensive income (loss) attributable to controlling interest | 69.8 | (15.4) | (0.7) | 53.7 |
| **Balance as of September 30, 2023** | (216.1) | 1.4 | (34.7) | (249.4) |
| Other comprehensive income (loss) before reclassification | 49.6 | (20.0) | (5.3) | 24.3 |
| Net reclassification for loss to income from continuing operations | 2.4 | 15.2 | 1.0 | 18.6 |
| Other comprehensive income (loss) before tax | 52.0 | (4.8) | (4.3) | 42.9 |
| Deferred tax effect | 0.1 | 1.2 | 1.3 | 2.6 |
| Other comprehensive income (loss), net of tax | 52.1 | (3.6) | (3.0) | 45.5 |
| Less: other comprehensive income from continuing operations attributable to non-controlling interest | 0.1 | — | — | 0.1 |
| Other comprehensive income (loss) attributable to controlling interest | 52.0 | (3.6) | (3.0) | 45.4 |
| **Balance as of September 30, 2024** | $ (164.1) | $ (2.2) | $ (37.7) | $ (204.0) |

The following table presents reclassifications of the gain (loss) on the Consolidated Statements of Income from AOCI for the periods indicated:

| | 2024 | | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|---|
| (in millions) | Foreign Currency Translation | Defined Benefit Pension | Derivative Instruments | Defined Benefit Pension | Derivative Instruments | Defined Benefit Pension | Derivative Instruments |
| Net sales | $ — | $ — | $ 0.3 | $ — | $ 0.2 | $ — | $ 0.1 |
| Cost of goods sold | — | — | (15.5) | — | (12.4) | — | 20.1 |
| Other non-operating expense, net | (2.4) | (1.0) | — | (0.8) | — | (3.6) | — |
| Income from discontinued operations, net of tax | — | — | — | 0.1 | (2.3) | 0.1 | 2.4 |

See *Note 13 - Derivatives* for further detail on the Company's hedging activity. See *Note 15 - Employee Benefit Plans* for further detail over the Company's defined benefit plans.

## NOTE 20 - COMMITMENTS AND CONTINGENCIES

The Company is a defendant in various litigation matters generally arising out of the ordinary course of business. Based on information currently available, the Company does not believe that any additional matters or proceedings presently pending will have a material adverse effect on its results of operations, financial condition, liquidity or cash flows.

*Environmental Liabilities.* The Company has realized commitments attributable to environmental remediation activities primarily associated with former manufacturing sites of the HPC business. In coordination with local and federal regulatory agencies, we have conducted testing on certain sites which have resulted in the identification of contamination that has been attributed to historic activities at the properties, resulting in the realization of incremental costs to be assumed by the Company towards the remediation of these properties and the recognition of an environmental remediation liability. We have not conducted invasive testing at all sites and locations and have identified an environmental remediation liability to the extent such remediation requirements have been identified and are considered estimable. The following is a summary of the environment remediation liability as of September 30, 2024 and 2023:

| **(in millions)** | **2024** | **2023** |
|---|---|---|
| Environmental remediation liability | $ 4.5 | $ 5.4 |
| Reported as: | | |
| Other current liabilities | 0.8 | 1.5 |
| Other long-term liabilities | 3.7 | 3.9 |

The Company's environmental remediation liabilities are measured at the expected value of future cash outflows discounted to their present value using a discount rate of 5%. Based on current estimates, the expected payments for environmental remediation for the next five years and thereafter at September 30, 2024, are as follows:

| **(in millions)** | **Amount** |
|---|---|
| 2025 | $ 0.8 |
| 2026 | 2.4 |
| 2027 | 0.3 |
| 2028 | 0.2 |
| 2029 | 0.2 |
| Thereafter | 1.6 |
| Total payments | 5.5 |
| Amount representing interest | (1.0) |
| Total environmental obligation | $ 4.5 |

The Company believes that any additional liability in excess of the amounts provided that may result from resolution of these matters, will not have a material adverse effect on the consolidated financial condition, results of operations or cash flows of the Company.

*Product Liability.* The Company may be named as a defendant in lawsuits involving product liability claims. The Company has recorded and maintains an estimated liability in the amount of management's estimate for aggregate exposure for such liabilities based upon probable loss from loss reports, individual cases, and losses incurred but not reported. As of September 30, 2024, and 2023, the Company recognized $2.2 million and $3.0 million in product liability, respectively, included in Other Current Liabilities on the Consolidated Statements of Financial Position. The Company believes that any additional liability in excess of the amounts provided that may result from resolution of these matters will not have a material adverse effect on the consolidated financial condition, results of operations or cash flows of the Company.

*HPC Product Safety Recalls.* During the years ended September 30, 2023 and 2022, the Company had issued four distinct product recalls associated with its HPC business for a Black+Decker® Garment Steamer, PowerXL® Self-Cleaning Juicer, PowerXL® Stuffed Wafflizer Waffle Maker, and Power XL® Dual Basket Air Fryer in collaboration with the U.S. Consumer Product Safety Commission ("CPSC"), suspending sales of the affected products and issuing a stop sale with its customers, and resulting in the recognition of incremental costs to facilitate the recalls with the initial costs being recognized as of the year ended September 30, 2022, when the possibility of loss was considered probable. The Company has evaluated the probability of redemption and assessed the incremental costs attributable to the recall, including the anticipated returns of retail inventory, write-off of affected inventory on hand, consumer refunds and other costs to facilitate the recall such as notification, shipping and handling, rework and destruction of affected products, as needed. Certain products were remediated through the issuance of replacement parts and did not require a full recall of the affected product, with costs included to facilitate the remediation, rework and related shipping and handling. During the year ended September 30, 2024, the Company was further required by the CPSC to reissue a recall for the Black+Decker® Garment Steamer that was previously remediated through the issuance of a replacement part in accordance with previously agreed-up remediation plans, expanding the requirements to issue a complete recall of the affected product and refund consumers. As a result, the reissued recall resulted in the recognition of incremental costs and reserves to address inventory returns from customers, further write-off of the affected inventory, consumer refunds and other costs to facilitate the reissued recall. As of September 30, 2024 and 2023, the Company has recognized $6.1 million and $6.0 million in Other Current Liabilities on the Consolidated Statements of Financial Position associated with the estimated costs for the recalls, including the incremental estimated product returns from customers associated with the recall. Additionally, for certain of the products affected by the recalls, the Company has indemnification provisions that are contractually provided by third parties for the affected products and as of September 30, 2024 and 2023, the Company has recognized $8.1 million and $7.1 million in Other Receivables, respectively, on the Consolidated Statements of Financial Position related to such indemnifications.

*Representation and Warranty Insurance Proceeds.* On February 18, 2022, the Company acquired all of the membership interests in HPC Brands, LLC, which consist of the home appliances and cookware business of Tristar Products, Inc. (the "Tristar Business") pursuant to a Membership Interest Purchase agreement dated February 3, 2022 (the "Acquisition Agreement"). During the year ended September 30, 2023, the Company submitted a claim under its representation and warranty insurance policies, seeking coverage for certain losses resulting from breaches of representations and warranties in the Acquisition Agreement. During the year ended September 30, 2024, the Company recognized a gain of $65.0 million attributable to insurance proceeds received from its representation and warranty insurance policies.

**NOTE 20 - COMMITMENTS AND CONTINGENCIES (continued)**

*Tristar Business Acquisition Litigation*. Following the purchase of the Tristar Business in February 2022, the Company and its HPC segment have been detrimentally impacted by aspects of the acquired business' operations and products, which have negatively impacted subsequent operating performance and partner relationships of the acquired brands and segment. Since the acquisition, the acquired business realized, among other things, significant distribution challenges, increased levels of retail inventory, reduced sales, increased promotional spending and deductions, higher level of product returns, and overall increased amount of costs. Additionally, the segment has realized losses attributable to recalls for products associated with the acquired brands, increased risks over the realizability of receivables and inventory, and recognized an impairment on assets including the acquired goodwill and the PowerXL® tradename intangible assets, further discussed in *Note 10 - Goodwill and Intangible Assets*. Further, the Company disposed of certain inventory and products associated with the acquired brands, further discussed in *Note 8 - Inventory*.

The Company has been actively engaged in various litigation matters associated with the Tristar Business acquisition and continues to incur costs to facilitate such litigation matters. As part of these various litigation matters, the Company is seeking recovery for losses incurred in connection with the product recalls, as well as other damages incurred by the Company, its HPC segment and the acquired business. While the Company continues to pursue such actions, there can be no guarantees and assurances that recoveries associated with the litigation matters can be realized and recovered. As of September 30, 2024, the Company believes it has assessed appropriate risks and recognized applicable losses and reserves reflecting the net assets of the Company and its HPC segment.

**NOTE 21 - SEGMENT INFORMATION**

The Company identifies its segments based upon the internal organization that is used by management for making operating decisions, allocating capital and resources amongst the operations, and assessing performance as the source of its reportable segments. The Company manages its continuing operations in three vertically integrated, product-focused reporting segments: (i) GPC, which consists of the Company's global pet care business; (ii) H&G, which consists of the Company's home and garden, insect control and cleaning products business and (iii) HPC, which consists of the Company's global small kitchen and personal care appliances businesses. Global strategic initiatives and financial objectives for each reportable segment are determined at the corporate level. Each segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a president responsible for the sales and marketing initiatives and financial results for product lines within the segment. See *Note 1 - Description of Business* for further details.

Net sales consists of revenue generated by contracts with external customers. The segments do not have significant or material intrasegment revenues. Net sales relating to the segments for the years ended September 30, 2024, 2023 and 2022 are as follows. See *Note 5 - Revenue Recognition* for revenue from product sales, licensing and service and other revenue streams, by segment.

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| GPC | $ 1,151.5 | $ 1,139.0 | $ 1,175.3 |
| H&G | 578.6 | 536.5 | 587.1 |
| HPC | 1,233.8 | 1,243.3 | 1,370.1 |
| Net sales | $ 2,963.9 | $ 2,918.8 | $ 3,132.5 |

The Chief Operating Decision Maker of the Company uses Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) as the primary operating metric in evaluating the business and making operating decisions. 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 also excludes certain non-cash adjustments including share based compensation (see *Note 18 - Share Based Compensation* for further detail); impairment charges on property, plant and equipment, operating and finance lease assets, and goodwill and other intangible assets (See *Note 9 - Property, Plant and Equipment, Note 12 - Leases, and Note 10 - Goodwill and Intangible Assets* and for further detail, respectively); gain or loss from the early extinguishment of debt through the repurchase or early redemption of outstanding debt (See *Note 11 - Debt* for further detail); and purchase accounting adjustments recognized in income subsequent to an acquisition attributable to the step in value on assets acquired, including, but not limited to, inventory or operating lease assets. Additionally, the Company will further recognize adjustments from Adjusted EBITDA for other costs, gains and losses that are considered significant, non-recurring, or otherwise not supporting the continuing operations and revenue generating activity of the segment or Company, including but not limited to, exit and disposal activities (See *Note 4 - Exit and Disposal Activities* for further detail), or incremental costs associated with strategic transactions, restructuring and optimization initiatives such as the acquisition or divestiture of a business, related integration or separation costs, or the development and implementation of strategies to optimize or restructure the Company and its operations.

The segments are supported through center-led corporate shared service operations which are enabling functions to the segments consisting of finance and accounting, information technology, legal and human resource, supply chain and commercial operations. Costs attributable to such shared service operations are allocated to the segments based upon various metrics which are considered representative to the use and support provided by such enabling functions to each of the segments.

The Company has not included the results from discontinued operations within the following segment reporting when the discontinued operations were previously reported as a segment in any prior period. Indirect costs from shared enabling functions supporting discontinued operations during the fiscal periods of the Company's ownership of the divested segment, prior to the completion of the divestiture, are excluded from the reporting of income (loss) from discontinued operations and included within the income (loss) for continuing operations as they are not direct costs of the disposal group. The indirect costs are considered unallocated shared service costs and not allocated across the remaining segments of the Company during the respective periods. See *Note 3 - Divestitures* for further discussion.

The Company also incurs costs attributable to corporate functions such as tax, treasury, internal audit, corporate finance, legal and corporate executive and board related governance costs which are considered corporate costs of the Company and not allocated to the segments. Interest costs attributable to external borrowings, including finance leases, are not recognized or allocated to segments. Interest income is generally not recognized or allocated to segments.

**NOTE 21 - SEGMENT INFORMATION (continued)**

The following is a summary of segment Adjusted EBITDA reconciled to the Company’s pre-tax operating income from continuing operation for the years ended September 30, 2024, 2023 and 2022.

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| GPC | $ 216.1 | $ 190.6 | $ 168.6 |
| H&G | 90.8 | 72.5 | 86.2 |
| HPC | 75.3 | 43.1 | 69.6 |
| Total segment adjusted EBITDA | 382.2 | 306.2 | 324.4 |
| Interest expense | 58.5 | 116.1 | 99.4 |
| Depreciation | 57.3 | 48.9 | 49.0 |
| Amortization | 44.5 | 42.3 | 50.3 |
| Corporate costs | 66.1 | 41.1 | 41.3 |
| Unallocated shared service costs | — | 18.0 | 27.6 |
| Interest income[1] | (55.7) | (37.9) | — |
| Share based compensation | 17.5 | 17.2 | 10.2 |
| Non-cash impairment charges | 50.3 | 242.6 | — |
| Non-cash purchase accounting adjustments | 1.2 | 1.9 | 8.3 |
| (Gain) loss from early extinguishment of debt | (2.6) | 3.0 | — |
| Exit and disposal costs | 1.0 | 9.3 | 10.4 |
| HHI separation costs[2] | 3.9 | 8.4 | 6.3 |
| HPC separation initiatives[2] | 13.4 | 4.2 | 19.1 |
| Global ERP transformation[2] | 15.0 | 11.4 | 13.1 |
| Tristar Business acquisition and integration[2] | — | 11.5 | 24.3 |
| Rejuvenate integration[2] | — | — | 6.8 |
| Armitage integration[2] | — | — | 1.4 |
| Omega production integration[2] | — | — | 4.6 |
| Coevorden operations divestiture[2] | — | 2.7 | 8.8 |
| GPC distribution center transition[2] | — | — | 35.8 |
| HPC brand portfolio transition[2] | — | 2.5 | 1.3 |
| HPC product recall[3] | 6.9 | 7.7 | 5.5 |
| Gain from remeasurement of contingent consideration liability[4] | — | (1.5) | (28.5) |
| Representation and warranty insurance proceeds[5] | (65.0) | — | — |
| Litigation charges[6] | 2.9 | 3.0 | 1.5 |
| HPC product disposal[7] | — | 20.6 | — |
| Other[8] | 3.4 | 23.4 | 18.2 |
| Income (loss) from continuing operations before income taxes | $ 163.6 | $ (290.2) | $ (90.3) |

[1] Interest income is primarily associated with the corporate investment of cash proceeds from the HHI divestiture in June 2023.
[2] Incremental costs associated with strategic transactions, restructuring and optimization initiatives, including, but not limited to, the acquisition or divestiture of a business, related integration or separation costs, or the development and implementation of strategies to optimize or restructure operations.
[3] Incremental net costs from product recalls in the HPC segment. See *Note 20 - Commitment and Contingencies* for further detail.
[4] Non-cash gain from the remeasurement of a contingent consideration liability associated with the Tristar Business acquisition during the years ended September 30, 2023 and 2022.
[5] Gain from the receipt of insurance proceeds on representation and warranty policies associated with the Tristar Business acquisition. See *Note 20 Commitment and Contingencies* for further detail.
[6] Litigation costs primarily associated with the Tristar Business acquisition. See *Note 20 - Commitment and Contingencies* for further detail.
[7] Non-cash write-off from disposal of HPC inventory. See *Note 8 - Inventory* for further details.
[8] Other is attributable to (1) other costs associated with strategic transaction, restructuring and optimization initiatives; (2) other foreign currency loss from the liquidation and deconsolidation of the Company's Russia operating entity during the year ended September 30, 2024; (3) key executive severance and other one-time compensatory costs, (4) non-recurring insurable losses, net insurance proceeds; and (5) impact from the early settlement of foreign currency cash flow hedges during September 30, 2023 and 2022, as previously reported.

**NOTE 21 - SEGMENT INFORMATION (continued)**

Depreciation and amortization relating to the segments are as follows for the years ended September 30, 2024, 2023 and 2022:

| (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| GPC | $ 36.7 | $ 37.4 | $ 37.4 |
| H&G | 19.4 | 18.8 | 18.6 |
| HPC | 21.4 | 20.4 | 28.7 |
| Total segments | 77.5 | 76.6 | 84.7 |
| Corporate and shared operations | 24.3 | 14.6 | 14.6 |
| Total depreciation and amortization | $ 101.8 | $ 91.2 | $ 99.3 |

Segment assets consist of Inventories, net. The following is a summary of segment assets and a reconciliation of segment assets to total assets of the Company were as follows as of September 30, 2024 and 2023:

| Segment total assets (in millions) | 2024 | 2023 |
|---|---|---|
| GPC | $ 159.4 | $ 171.8 |
| H&G | 85.6 | 90.7 |
| HPC | 217.1 | 200.3 |
| Total segment assets | 462.1 | 462.8 |
| Other current assets | 1,116.5 | 2,463.1 |
| Non-current assets | 2,263.7 | 2,332.5 |
| Total assets | $ 3,842.3 | $ 5,258.4 |

*Geographic Financial Information*

Net sales geographic regions (based upon destination) for the years ended September 30, 2024, 2023 and 2022 are as follows:

| Net sales to external parties - Geographic Disclosure (in millions) | 2024 | 2023 | 2022 |
|---|---|---|---|
| United States | $ 1,715.8 | $ 1,722.4 | $ 1,901.6 |
| Europe/MEA | 885.2 | 830.7 | 820.0 |
| Latin America | 211.8 | 206.8 | 243.3 |
| Asia-Pacific | 99.4 | 106.6 | 108.5 |
| North America - Other | 51.7 | 52.3 | 59.1 |
| Net sales | $ 2,963.9 | $ 2,918.8 | $ 3,132.5 |

Long-lived asset information, consisting of Property Plant and Equipment, Net, and Operating Lease Assets, as of September 30, 2024 and 2023 by geographic area are as follows:

| Long-lived assets - Geographic Disclosure (in millions) | 2024 | 2023 |
|---|---|---|
| United States | $ 285.7 | $ 321.4 |
| Europe/MEA | 73.0 | 53.7 |
| Latin America | 2.4 | 2.6 |
| North America - Other | 1.3 | — |
| Asia-Pacific | 6.1 | 8.2 |
| Total long-lived assets | $ 368.5 | $ 385.9 |

## NOTE 22 - EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income attributable to controlling interest by the weighted average number of common shares outstanding for the period. Diluted earnings per share is calculated using its weighted-average outstanding common shares including the dilutive effect of share-based awards, based upon the treasury stock method, and the Exchangeable Notes, as determined under the net share settlement method. Performance based restricted stock units are excluded if the performance targets upon which the issuance of the shares is contingent have not been achieved and the respective performance period has not been completed as of the end of the current period. From the time of the issuance of the Exchangeable Notes, the average market price of the Company's common shares has been less than the initial conversion price, and consequently no shares have been included in diluted earnings per share for the conversion value of the Exchangeable Notes. The reconciliation of the numerator and denominator of the basic and diluted earnings per share calculation and the anti-dilutive shares for the years ended September 30, 2024, 2023 and 2022, are as follows:

| (in millions, except per share amounts) | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Numerator** | | | |
| Net income (loss) from continuing operations attributable to controlling interest | $ 99.3 | $ (233.8) | $ (77.2) |
| Income from discontinued operations attributable to controlling interest | 25.5 | 2,035.3 | 148.8 |
| Net income attributable to controlling interest | $ 124.8 | $ 1,801.5 | $ 71.6 |
| **Denominator** | | | |
| Weighted average shares outstanding - basic | 30.3 | 39.5 | 40.9 |
| Dilutive shares | 0.2 | — | — |
| Weighted average shares outstanding - diluted | 30.5 | 39.5 | 40.9 |
| **Earnings per share** | | | |
| Basic earnings per share from continuing operations | $ 3.28 | $ (5.92) | $ (1.89) |
| Basic earnings per share from discontinued operations | 0.84 | 51.57 | 3.64 |
| Basic earnings per share | $ 4.12 | $ 45.65 | $ 1.75 |
| Diluted earnings per share from continuing operations | $ 3.26 | $ (5.92) | $ (1.89) |
| Diluted earnings per share from discontinued operations | 0.84 | 51.57 | 3.64 |
| Diluted earnings per share | $ 4.10 | $ 45.65 | $ 1.75 |
| Weighted average number of anti-dilutive shares excluded from denominator | — | 0.2 | 0.2 |

## Signatures

Pursuant to the requirements of Section 13 or 15(d) 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.

SPECTRUM BRANDS HOLDINGS, INC.

By: /s/ David M. Maura

**David M. Maura**

**Chief Executive Officer and Chairman of the Board**

DATE: November 15, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated and on the above-stated date.

| Signature | Title |
|---|---|
| /s/ David M. Maura<br>**David M. Maura** | Chief Executive Officer and Chairman of the Board<br>*(Principal Executive Officer)* |
| /s/ Jeremy W. Smeltser<br>**Jeremy W. Smeltser** | Executive Vice President, Chief Financial Officer<br>*(Principal Financial Officer and Principal Accounting Officer)* |
| /s/ Leslie L. Campbell<br>**Leslie L. Campbell** | Director |
| /s/ Joan Chow<br>**Joan Chow** | Director |
| /s/ Sherianne James<br>**Sherianne James** | Director |
| /s/ Gautam Patel<br>**Gautam Patel** | Director |
| /s/ Terry L. Polistina<br>**Terry L. Polistina** | Director |
| /s/ Hugh R. Rovit<br>**Hugh R. Rovit** | Director |

**EXHIBIT INDEX**

| | |
|---|---|
| Exhibit 2.1 | Acquisition Agreement, dated as of November 15, 2018, by and among Spectrum Brands Holdings, Inc. and Energizer Holdings, Inc. (incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on November 19, 2018 (File No. 001-4219)) (Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally to the SEC a copy of any omitted schedule upon request). |
| Exhibit 2.2 | Amended and Restated Acquisition Agreement, dated as of November 15, 2018, by and between Energizer Holdings, Inc. and Spectrum Brands Holdings, Inc. (incorporated herein by reference to Exhibit 2.2 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc on November 19, 2018 (File No. 001-4219) (Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally to the SEC a copy of any omitted schedule upon request). |
| Exhibit 2.3 | Asset and Stock Purchase Agreement, dated as of September 8, 2021, by and between Spectrum Brands, Inc. and ASSA ABLOY AB (incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on September 8, 2021 (File No. 001-4219) (Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally to the SEC a copy of any omitted schedule upon request). |
| Exhibit 2.4 | Amendment No. 1 to Asset and Stock Purchase Agreement dated as of July 14, 2022, by and between Spectrum Brands, Inc. and ASSA ABLOY AB (incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on July 14, 2022 (File No. 001-4219) (Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally to the SEC a copy of any omitted schedule upon request). |
| Exhibit 3.1 | Amended and Restated Certificate of Incorporation of Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. (f.k.a HRG Group, Inc.) on July 13, 2018 (File No. 001-4219). |
| Exhibit 3.2 | Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Spectrum Brands Holdings, Inc., filed with the Secretary of State of the State of Delaware on August 3, 2021 (incorporated here in by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on August 3, 2021 (File No. 001-4219)). |
| Exhibit 3.3 | Third Restated By-Laws of Spectrum Brands Holdings, Inc. (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on May 17, 2019 (File No. 001-04219)). |
| Exhibit 3.4 | Certificate of Designation of Series B Preferred Stock of Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.), as filed with the Secretary of State of Delaware on February 26, 2018. (incorporated herein by reference to Exhibit 3.3 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) on July 13, 2018 (File No. 001-4219)). |
| Exhibit 4.1 | Indenture governing Spectrum Brands, Inc.'s 5.00% Senior Notes due 2029, dated as of September 24, 2019, among Spectrum Brands, Inc., the guarantors named therein and US Bank National Association, as trustee (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) on September 24, 2019 (File No. 001-4219)). |
| Exhibit 4.2 | Supplemental Indenture, dated as of June 4, 2024, by and among Spectrum Brands, Inc., the guarantors named therein and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee, relating to Spectrum Brands, Inc.'s 5.00% Senior Notes due 2029 (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on June 4, 2024 (File No. 001-04219)). |
| Exhibit 4.3 | Indenture governing Spectrum Brands, Inc.'s 3.375% Exchangeable Senior Notes due 2029, dated as of May 23, 2024, among Spectrum Brands, Inc., Spectrum Brands Holdings, Inc., the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on May 23, 2024 (File No. 001-04219)) |
| Exhibit 4.4 | Indenture governing Spectrum Brands, Inc.'s 5.50% Senior Notes due 2030, dated as of June 30, 2020, among Spectrum Brands, Inc., the guarantors named therein and US Bank National Association, as trustee (filed by incorporation by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) on June 30, 2020 (File No. 001-4219)). |
| Exhibit 4.5 | Supplemental Indenture, dated as of June 4, 2024, by and among Spectrum Brands, Inc., the guarantors named therein and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee, relating to Spectrum Brands Inc.'s 5.5% Senior Notes due 2030 (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on June 4, 2024 (File No. 001-04219).) |
| Exhibit 4.6 | Indenture governing the 3.875% Senior Notes due 2031, dated as of March 3, 2021, among Spectrum Brands, Inc., the guarantors party thereto and US Bank National Association, as trustee (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on March 3, 2021 (File No. 001-4219). |
| Exhibit 4.7 | Guarantee Agreement of Spectrum Brands Holdings, Inc., dated as of June 20, 2024 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. on June 20, 2024 (File No. 001-04219)) . |
| Exhibit 4.8 | Rights Agreement, dated as of February 24, 2018, between Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) and American Stock Transfer & Trust Company, LLC, as Rights Agent, which includes the Form of Certificate of Designation of Series B Preferred Stock of Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) as Exhibit A, the Form of Right Certificate as Exhibit B and the Summary of Terms of the Rights Agreement as Exhibit C (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) on February 26, 2018 (File No. 001-4219)). |
| Exhibit 4.9 | Description of Capital Stock of Spectrum Brands, Holdings, Inc. (incorporated herein by reference to Exhibit 4.8 to Amendment No. 1 to the Annual Report on Form 10-K/A filed with the SEC by Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) on January 28, 2020 (File No. 001-4219)). |
| Exhibit 10.1 | Second Amended and Restated Credit Agreement, dated as of October 19, 2023 among the Company, SB/RH Holdings, the lenders party thereto from time to time, and Royal Bank of Canada, as administrative agent ((incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands on October 19, 2023 (File No. 001-04219)). |
| Exhibit 10.2 | Security Agreement, dated as of June 23, 2015, by and among Spectrum Brands, Inc., SB/RH Holdings, LLC, the subsidiary guarantors party thereto from time to time and Deutsche Bank AG New York Branch, as collateral agent (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Legacy, Inc. (f.k.a. Spectrum Brands Holdings, Inc.) on June 23, 2015 (File No. 001-34757)). |
| Exhibit 10.3 | Loan Guaranty, dated as of June 23, 2015, by and among SB/RH Holdings, LLC, the subsidiary guarantors party thereto from time to time and Deutsche Bank AG New York Branch, as administrative agent and collateral agent (incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Legacy, Inc. (f.k.a. Spectrum Brands Holdings, Inc.) on June 23, 2015 (File No. 001-34757)). |
| Exhibit 10.4+ | Amended & Restated Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Award Plan (incorporated herein by reference to Exhibit 4.8 to the Registration Statement filed on Form S-8 with the SEC by Spectrum Brands Legacy, Inc. (f.k.a. Spectrum Brands Holdings, Inc.) on February 1, 2017 (File No. 333-215850)). |

| | |
|---|---|
| Exhibit 10.5+ | Form of Restricted Stock Unit Agreement under the Amended & Restated Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Award Plan (incorporated herein by reference to Exhibit 4.9 to the Registration Statement filed on Form S-8 with the SEC by Spectrum Brands Legacy, Inc. (f.k.a. Spectrum Brands Holdings, Inc.) on February 1, 2017 (File No. 333-215850)). |
| Exhibit 10.6+ | Form of Performance Compensation Award Agreement under the Amended & Restated Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Award Plan (incorporated herein by reference to Exhibit 4.10 to the Registration Statement filed on Form S-8 filed with the SEC by Spectrum Brands Legacy, Inc. (f.k.a. Spectrum Brands Holdings, Inc.) on February 1, 2017 (File No. 333-215850)). |
| Exhibit 10.7+ | Spectrum Brands Holdings, Inc. 2020 Omnibus Equity Plan (incorporated herein by reference to Exhibit 4.1 to the Registration Statement on Form S-8 filed with the SEC by Spectrum Brands Holdings, Inc.) on August 7, 2020 (File No. 333- 242343). |
| Exhibit 10.8+ | Amended and Restated Employment Agreement dated April 25, 2018, by and between Spectrum Brands, Inc., Spectrum Brands Holdings, Inc. and David M. Maura (filed by incorporation by reference to Exhibit 10.1 to a Current Report on Form 8-K filed with the SEC by Spectrum Brands Legacy, Inc. (f.k.a. Spectrum Brands Holdings, Inc.) on May 1, 2018 (File No. 001-34757)). |
| Exhibit 10.9+ | Employment Agreement, dated as of September 13, 2018, by and among Ehsan Zargar, Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) and Spectrum Brands, Inc. (incorporated herein by reference to Exhibit 10.41 to the Annual Report on Form 10-K filed with the SEC by Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) on November 23, 2018 (File NO. 001-4219)). |
| Exhibit 10.10+ | Form of Agreement with David Maura and Ehsan Zargar Regarding Certain Provisions of Such Executive's Respective Prior Separation Agreements with HRG Group, Inc. (incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC by Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) on February 7, 2019 (File No. 001-4219)). |
| Exhibit 10.11+ | Employment Agreement, dated as of September 9, 2019, by and between Spectrum Brands Holdings, Inc. and Jeremy W. Smeltser. (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc.(f.k.a. HRG Group, Inc.) on September 9, 2019 (File No. 001-4219)). |
| Exhibit 10.12+ | Form of Restricted Stock Unit Award Agreement effective as of December 22, 2020 (incorporated herein by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q filed with the SEC by Spectrum Brands Holdings, Inc. on May 7, 2021 (File No. 001-4219)). |
| Exhibit 10.13+ | Form of Performance Based Restricted Stock Unit Agreement effective as of December 22, 2020 (incorporated herein by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q filed with the SEC by Spectrum Brands Holdings, Inc. on May 7, 2021 (File No. 001-4219)). |
| Exhibit 10.14+ | Form of Service Based Restricted Stock Unit Agreement effective as of December 22, 2020 (incorporated herein by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q filed with the SEC by Spectrum Brands Holdings, Inc. on May 7, 2021 (File No. 001-4219)). |
| Exhibit 10.15+* | Form of Service Based Restricted Stock Unit Agreement effective as of December 23, 2023. |
| Exhibit 10.16+* | Form of Performance Based Restricted Stock Unit Agreement effective as of December 22, 2023. |
| Exhibit 10.17+* | Form of Executive Vice President Retention Agreement effective as of February 14, 2024. |
| Exhibit 19.1* | Securities Holding and Trading Policy of Spectrum Brands Holdings, Inc. |
| Exhibit 21.1* | Subsidiaries of Registrant |
| Exhibit 21.2* | List of Guarantor Subsidiaries |
| Exhibit 23.1* | Consent of Independent Registered Public Accounting Firm |
| Exhibit 31.1* | Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Spectrum Brands Holdings, Inc. |
| Exhibit 31.2* | Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 the Sarbanes-Oxley Act of 2002. Spectrum Brands Holdings, Inc. |
| Exhibit 32.1* | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Spectrum Brands Holdings, Inc. |
| Exhibit 32.2* | Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Spectrum Brands Holdings, Inc. |
| Exhibit 97.1* | Compensation Clawback Policy, revised and effective as of November 14, 2023 |
| Exhibit 101.INS** | XBRL Instance Document** |
| Exhibit 101.SCH** | XBRL Taxonomy Extension Schema Document** |
| Exhibit 101.CAL** | XBRL Taxonomy Extension Calculation Linkbase Document** |
| Exhibit 101.DEF** | XBRL Taxonomy Extension Definition Linkbase Document** |
| Exhibit 101.LAB** | XBRL Taxonomy Extension Label Linkbase Document** |
| Exhibit 101.PRE** | XBRL Taxonomy Extension Presentation Linkbase Document** |
| Exhibit 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

* Filed herewith

** In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Annual Report on Form 10-K shall be deemed to be furnished and not filed.

\+ Denotes a management contract or compensatory plan or arrangement.

**Exhibit 10.15**

**LONG TERM EQUITY AWARD PLAN**
**SERVICE-BASED RESTRICTED STOCK UNIT AGREEMENT**

THIS RESTRICTED STOCK UNIT AGREEMENT (the "Agreement"), is made, effective as of **[grant date]** (hereinafter the "Date of Grant"), between Spectrum Brands Holdings, Inc. (the "Company"), and **[name] (**the "Participant").

**R E C I T A L S:**

WHEREAS, the Company has adopted the [name of equity plan], as amended from time to time (the "Plan"), pursuant to which awards of Restricted Stock Units may be granted; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee") has determined that it is in the best interests of the Company and its stockholders to grant to the Participant an award of Restricted Stock Units as provided herein and subject to the terms set forth herein.

NOW THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Restricted Stock Units. The Company hereby grants on the Date of Grant to the Participant a total of **[ ]** Restricted Stock Units with respect to [ ] shares of Common Stock (the "Award"), on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. Such Restricted Stock Units shall be credited to a separate account maintained for the Participant on the books of the Company (the "Account"). On any given date, the value of each Restricted Stock Unit comprising the Award shall equal the Fair Market Value of one share of Common Stock. The Award shall vest and settle in accordance with Section 3 hereof.

2. Incorporation by Reference, Etc. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. In the event of a conflict between the Plan and this Agreement, the terms and conditions of the Plan shall govern. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and his legal representative in respect of any questions arising under the Plan or this Agreement.

3. Terms and Conditions for Award. The Award shall be one hundred percent (100%) unvested on the Date of Grant. Subject to the satisfaction of the terms and conditions of the Plan and this Agreement, and contingent upon the Participant's continued service to the

Company through the Vesting Date (as defined below), the Award shall vest and be settled as follows:

(a) Service Vesting. The Award shall be eligible to vest, subject to the Participant's continued employment through, on [ ] (the "Vesting Date").

(b) Settlement of the Award. The Company shall settle the Award on the Vesting Date, and shall therefore issue (in book-entry form) in the name of the Participant one share of Common Stock (each, an "RSU Share") for each such vested Restricted Stock Unit comprising the Award (and, upon such settlement, those Restricted Stock Units shall cease to be credited to the Account).

4. Effect of Termination of Employment on Awards.

(a) Except as set forth in the Plan or this Agreement if the Participant's employment with the Company terminates prior to the Vesting Date for any reason, the Award and all Restricted Stock Units credited to the Participant's Account comprising the Award shall be forfeited without consideration to the Participant on the date of the employment termination.

(b) Notwithstanding anything else to the contrary in this Agreement or the Plan, to the extent that the Participant's employment agreement or severance agreement with the Company or an Affiliate contains more favorable treatment upon termination, then the terms of such agreement shall govern.

5. Miscellaneous.

(a) Dividend Equivalents. If on any date dividends are paid on shares of Common Stock, then the Participant's Account shall be credited with dividend equivalent payments either in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends, which accumulated dividend equivalents shall be payable and forfeited at the same time as the underlying Restricted Stock Units are settled or forfeited, and, if Restricted Stock Units are forfeited, the Participant shall have no right to any dividend equivalent payments relating thereto.

(b) Taxes and Withholding. Upon the settlement of any portion of the Award, the Participant shall be required to pay to the Company, and the Company shall have the right and is hereby authorized to withhold from any cash, RSU Shares, other securities or other property deliverable under the Restricted Stock Units or from any compensation or other amounts owing to the Participant, the amount (in cash, RSU Shares, other securities or other property) of any required withholding taxes in respect of the settlement of Restricted Stock Units, and to take such other action as may be necessary in the sole discretion of the Committee to satisfy all obligations for the payment of such withholding taxes. In addition, the Committee may, in its sole discretion, permit the Participant to satisfy, in whole or in part, the foregoing withholding liability by (A) the delivery of shares of Common Stock (which are not subject to any pledge or other security interest and which would not result in adverse accounting to the Company) owned by the Participant having a Fair Market Value equal to such withholding liability or (B) having the Company withhold from the number of RSU Shares otherwise issuable or deliverable pursuant to the settlement of the Restricted Stock Units a number of shares with a Fair Market Value equal to such withholding liability (but no more than the maximum statutory withholding liability). The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company has the right to deduct any such withholding taxes from any payment of any kind otherwise due to Participant.

(c) Transfer Restrictions; Holding Requirement. The Award granted hereunder may not be sold, pledged or otherwise transferred (other than by will or the laws of descent and distribution) and may not be subject to lien, garnishment, attachment or other legal process. The Participant acknowledges and agrees that, with respect to each Restricted Stock Unit credited to the Participant's Account, the Participant has no voting rights with respect to the Company unless and until each such Restricted Stock Unit is settled in RSU Shares pursuant to Section 3 hereof. From and after date such Restricted Stock Units are settled in RSU Shares, the Participant agrees to hold (and shall not sell, pledge or otherwise transfer (other than by will or the laws of descent and distribution)) at least 50%, or such other amount as required by the Company, of the net RSU Shares for a period of one year after such Restricted Stock Units vest and are settled in RSU Shares (after taking into account the sale or withholding of any RSU Shares to the extent necessary (as determined by the Company) to cover taxes on compensation attributable to such RSU Shares).

(d) Rights as a Stockholder. Upon and following the Vesting Date, the Participant shall be the record owner of the RSU Shares settled upon such date unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a common stockholder of the Company, including, without limitation, voting rights, if any, with respect to the RSU Shares. Prior to the Vesting Date, the Participant shall not be deemed for any purpose to be the owner of shares of Common Stock underlying the Restricted Stock Units.

(e) General Assets. All amounts credited to the Account under this Agreement shall continue for all purposes to be part of the general assets of the Company, the Participant's interest in the Account shall make the Participant only a general, unsecured creditor of the Company.

(f) Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be sent by registered or certified first-class mail, return receipt requested, nationally recognized courier service or personal delivery:

if to the Company:

3001 Deming Way
Middleton, WI 53562 Attention: General Counsel

with a separate copy to: 3001 Deming Way

Middleton, WI 53562

Attention: Chief Financial Officer if to the Participant:

At the Participant's last known address on file with the Company.

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five business days after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if telecopied.

(g) Clawback/Forfeiture. The Committee may in its sole discretion cancel all or any portion of the Award if the Participant, without the consent of the Company, while employed by or providing services to the Company or any Affiliate or after termination of such employment or service, violates a non-competition, non-solicitation or non-disclosure covenant or agreement or otherwise has engaged in or engages in activity that is in conflict with or adverse to the interests of the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, as determined by the Committee in its sole discretion. If the Participant otherwise has engaged in or engages in any activity referred to in the preceding sentence, the Participant will forfeit any gain realized on the vesting or settlement of such Award, and must promptly repay the gain to the Company, upon 30 days prior written demand by the Committee. In addition, if the Participant receives any amount in excess of what the Participant should have received under the Award for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), then the Participant shall be required to repay any such excess amount to the Company upon 30 days prior written demand by the Committee. This Award is subject to the clawback, forfeiture or similar requirement applicable pursuant to law (including without limitation Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd Frank Act) and the Company policies, each as amended from time to time.

(h) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(i) No Rights to Service. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained in any position, as an employee, consultant or director of the Company or its Affiliates or shall interfere with or restrict in any way the rights of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever. References in this Agreement to "continued service or employment with the Company" or "employment with the Company" and phrases of similar import shall mean employment or service with the Company or its Affiliates; provided that if any such Affiliate is disposed of (whether through an asset sale, stock sale, merger or otherwise) and such former Affiliate is no longer owned or controlled by the Company, then for all purposes under this Agreement, continued service or employment shall be deemed to end as of the date of the consummation of such disposition and the Participant's employment shall be deemed to terminate as of the date of such disposition and if such deemed termination is prior to the Vesting Date then the Participant's Award and all Restricted Stock Units under this Agreement shall be forfeited without consideration on the date of such deemed termination.

(j) Bound by Plan. By accepting this Award, the Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(k) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, the executor or administrator of the Participant's estate shall be deemed to be the Participant's beneficiary.

(l) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(m) Section 409A. It is intended that this Award be exempt from or comply with Section 409A of the Code and this Agreement shall be interpreted consistent therewith. This Award is subject to Section 15(t) of the Plan.

(n) Electronic Delivery. By accepting this Award, the Participant hereby consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by Securities and Exchange Commission rules. This consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent required prospectuses, annual reports and other information will be delivered in hard copy to the Participant.

(o) Securities Laws. The Participant agrees that the obligation of the Company to issue RSU Shares shall also be subject, as conditions precedent, to compliance with applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, state securities or corporation laws, rules and regulations under any of the foregoing and applicable requirements of any securities exchange upon which the Company's securities shall be listed.

(p) Entire Agreement. This Agreement, and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior agreements, communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto.

(q) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to principles of conflicts of law thereof, or principals of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware; provided, however, that the governing law shall be California for any Participant who primarily resides and works in California.

(r) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

[Remainder of the page intentionally left blank]

**IN WITNESS WHEREOF**, this Agreement has been executed as of the first date above.

SPECTRUM BRANDS HOLDINGS, INC.

______________________________

PARTICIPANT

______________________________
**[Participant Name]**

Exhibit 10.16

# LONG TERM EQUITY AWARD PLAN
# PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

THIS RESTRICTED STOCK UNIT AGREEMENT (the "Agreement"), is made, effective as of **[grant date]** (hereinafter the "Date of Grant"), between Spectrum Brands Holdings, Inc. (the "Company"), and **[name] (**the "Participant").

## R E C I T A L S:

WHEREAS, the Company has adopted the [name of equity plan], as amended from time to time (the "Plan"), pursuant to which awards of Restricted Stock Units may be granted; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee") has determined that it is in the best interests of the Company and its stockholders to grant to the Participant an award of Restricted Stock Units, subject to performance, as provided herein and subject to the terms set forth herein.

NOW THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Restricted Stock Units. The Company hereby grants on the Date of Grant to the Participant a target total of [**BASE]** Restricted Stock Units (the "Base Award") and additional Restricted Stock Units (the "Additional Award," which together with the Base Award shall be the Maximum Award of [**MAXIMUM]** Restricted Stock Units, all of which shall be defined as the "Award"), on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. Such Restricted Stock Units shall be credited to a separate account maintained for the Participant on the books of the Company (the "Account"). On any given date, the value of each Restricted Stock Unit comprising the Award shall equal the Fair Market Value of one share of Common Stock. The Award shall vest and settle in accordance with Sections 3 and 4 hereof.

2. Incorporation by Reference, Etc. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. In the event of a conflict between the Plan and this Agreement, the terms and conditions of the Plan shall govern. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and its legal representative in respect of any questions arising under the Plan or this Agreement.

3. Terms and Conditions for Base Award. The Base Award shall be one hundred percent (100%) unvested on the Date of Grant. Subject to the satisfaction of the terms and conditions of the Plan and this Agreement, and contingent upon the Participant's continued service to the Company through the Performance Vesting Date (as defined below), the Base Award shall vest and be settled as follows:

(a) Vesting. The Base Award shall be eligible to vest as provided in this Section 3(a) and shall become vested to the extent provided in the tables set forth on Exhibit A attached hereto if, and to the extent that, (A) the Participant remains employed by the Company through the Performance Vesting Date (as defined below) and (B) the Committee certifies that for the period commencing on [ ] and ending on [ ] (the "Performance Period") the Company has achieved or exceeded the threshold "Adjusted EBITDA Target," the "Adjusted Free Cash Flow Target," and the "Adjusted Return on Equity Target" (each as defined in Exhibit A, and collectively referred to herein as the "Targets") necessary for any portion of the Base Award to vest. The "Performance Vesting Date" shall be the date established by the Company upon which the Performance Award (as defined below) is delivered to the Participant, which date shall be [ ] and as soon as practical following the determination by the Committee as to the achievement of the Targets during the Performance Period. The portion, if any, of the Base Award that shall vest as of the Performance Vesting Date (the "Performance Award") shall range from zero to one hundred percent (100%) of the Base Award based on the extent to which any or all of the Targets are achieved, as determined in accordance with the methodology set out on Exhibit A.

(b) Settlement of Performance Award. The Company shall settle the Performance Award on the Performance Vesting Date, and shall therefore issue (in book-entry form) in the name of the Participant one share of Common Stock (each, an "RSU Share") for each such vested Restricted Stock Unit comprising the Performance Award, with any fractional shares rounded to the nearest whole share (and, upon such settlement, those Restricted Stock Units shall cease to be credited to the Account).

(c) Adjustment of Targets. The Committee shall have the right, to adjust or modify the calculation of the Targets as permitted under the Plan and as provided in this Agreement.

(d) Forfeiture of Portion of Unvested Award on Performance Vesting Date. Upon the Performance Vesting Date, the portion, if any, of the Base Award that has not then vested shall be irrevocably forfeited without consideration. If, on the Performance Vesting Date, the Committee has certified that no portion of the Base Award has become vested, the Base Award shall automatically terminate in full and all Restricted Stock Units comprising the Base Award credited to the Participant's Account shall on that date be forfeited without consideration to the Participant.

4. Terms and Conditions for Additional Award. The Additional Award shall be one hundred percent (100%) unvested on the Date of Grant and if on the Performance Vesting Date, the Committee has certified that no portion of the Base Award has become vested, the Additional Award shall automatically terminate in full and all Restricted Stock Units

comprising the Additional Award credited to the Participant's Account shall be forfeited without consideration to the Participant. Except as otherwise provided in the Plan and this Agreement, and contingent upon the Participant's continued service to the Company through the applicable date of vesting and settlement of the Additional Award, the Additional Award shall vest and be settled as follows:

(a) Additional Award Vesting. The Additional Award shall be eligible to vest as provided in this Section 4(a) and shall become vested to the extent provided in the tables set forth on Exhibit A attached hereto. The portion, if any, of the Additional Award that shall vest shall range from zero to one hundred percent (100%) of the Additional Award based on the extent to which any or all of the Additional Award Targets are achieved, as determined in accordance with the methodology set out on Exhibit A.

(b) The Company shall settle the Additional Award on the Performance Vesting Date and shall therefore issue (in book-entry form) in the name of the Participant one RSU Share for each such Restricted Stock Unit comprising the Additional Award with any fractional shares rounded to the nearest whole share (and, upon such settlement, those Restricted Stock Units shall cease to be credited to the Account).

(c) The Committee shall have the right to adjust or modify the calculation of the Targets as permitted under the Plan.

(d) Forfeiture of Portion of Unvested Additional Award on Performance Vesting Date. Upon the Performance Vesting Date, the portion, if any, of the Additional Award that has not then vested shall be irrevocably forfeited without consideration. If on the Additional Vesting Date, the Committee has certified that no portion of the Additional Award has become vested, the Additional Award shall automatically terminate in full and all Restricted Stock comprising the Additional Award credited to the Participant's Account shall on that date be forfeited without consideration to the Participant.

5. Effect of Termination of Employment on Awards.

(a) Except as set forth in the Plan or this Agreement if the Participant's employment with the Company terminates prior to the Performance Vesting Date for any reason, the Award and all Restricted Stock Units credited to the Participant's Account comprising the Award shall be forfeited without consideration to the Participant on the date of the employment termination.

(b) Notwithstanding anything else to the contrary in this Agreement or the Plan, to the extent that the Participant's employment agreement or severance agreement with the Company or an Affiliate contains more favorable treatment upon termination, then the terms of such agreement shall govern.

6. Miscellaneous.

(1) Dividend Equivalents. If on any date dividends are paid on shares of Common Stock, then the Participant's Account shall be credited with dividend equivalent payments either in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends, which accumulated dividend equivalents shall be payable and forfeited at the same time as the underlying Restricted Stock Units are settled or forfeited, and, if Restricted Stock Units are forfeited, the Participant shall have no right to any dividend equivalent payments relating thereto.

(2) Taxes and Withholding. Upon the settlement of any portion of the Award, the Participant shall be required to pay to the Company, and the Company shall have the right and is hereby authorized to withhold from any cash, RSU Shares, other securities or other property deliverable under the Restricted Stock Units or from any compensation or other amounts owing to the Participant, the amount (in cash, RSU Shares, other securities or other property) of any required withholding taxes in respect of the settlement of Restricted Stock Units, and to take such other action as may be necessary in the sole discretion of the Committee to satisfy all obligations for the payment of such withholding taxes. In addition, the Committee may, in its sole discretion, permit the Participant to satisfy, in whole or in part, the foregoing withholding liability by (A) the delivery of shares of Common Stock (which are not subject to any pledge or other security interest and which would not result in adverse accounting to the Company) owned by the Participant having a Fair Market Value equal to such withholding liability or (B) having the Company withhold from the number of RSU Shares otherwise issuable or deliverable pursuant to the settlement of the Restricted Stock Units a number of shares with a Fair Market Value equal to such withholding liability (but no more than the maximum statutory withholding liability). The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company has the right to deduct any such withholding taxes from any payment of any kind otherwise due to Participant.

(3) Transfer Restrictions; Holding Requirement. The Award granted hereunder may not be sold, pledged or otherwise transferred (other than by will or the laws of descent and distribution) and may not be subject to lien, garnishment, attachment or other legal process. The Participant acknowledges and agrees that, with respect to each Restricted Stock Unit credited to his Account, the Participant has no voting rights with respect to the Company unless and until each such Restricted Stock Unit is settled in RSU Shares pursuant to Section 3 or 4 hereof. From and after date such Restricted Stock Units are settled in RSU Shares, the Participant agrees to hold (and shall not sell, pledge or otherwise transfer (other than by will or the laws of descent and distribution)) at least 50%, or such other amount as required by the Company, of the net RSU Shares for a period of one year after such Restricted Stock Units vest and are settled in RSU Shares (after taking into account the sale or withholding of any RSU Shares to the extent necessary (as determined by the Company) to cover taxes on compensation attributable to such RSU Shares).

(4) Rights as a Stockholder. Upon and following the Performance Vesting Date, the Participant shall be the record owner of the RSU Shares settled upon such date unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a common stockholder of the Company, including, without limitation, voting

rights, if any, with respect to the RSU Shares. Prior to the Performance Vesting Date, the Participant shall not be deemed for any purpose to be the owner of shares of Common Stock underlying the Restricted Stock Units.

(5) General Assets. All amounts credited to the Account under this Agreement shall continue for all purposes to be part of the general assets of the Company, the Participant's interest in the Account shall make the Participant only a general, unsecured creditor of the Company.

(6) Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be sent by registered or certified first-class mail, return receipt requested, nationally recognized courier service or personal delivery:

if to the Company:

3001 Deming Way
Middleton, WI 53562 Attention: General Counsel

with a separate copy to: 3001 Deming Way

Middleton, WI 53562

Attention: Chief Financial Officer if to the Participant:

At the Participant's last known address on file with the Company.

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five business days after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if telecopied.

(7) Clawback/Forfeiture. The Committee may in its sole discretion cancel all or any portion of the Award if the Participant, without the consent of the Company, while employed by or providing services to the Company or any Affiliate or after termination of such employment or service, violates a non-competition, non-solicitation or non-disclosure covenant or agreement or otherwise has engaged in or engages in activity that is in conflict with or adverse to the interests of the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, as determined by the Committee in its sole discretion. If the Participant otherwise has engaged in or engages in any activity referred to in the preceding sentence, the Participant will forfeit any gain realized on the vesting or settlement of such Award, and must promptly repay the gain to the Company, upon 30 days prior written demand by the Committee. In addition, if the Participant receives any amount in excess of what the Participant should have received under the Award for any reason

(including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), then the Participant shall be required to repay any such excess amount to the Company upon 30 days prior written demand by the Committee. This Award is subject to the clawback, forfeiture or similar requirement applicable pursuant to law (including without limitation Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd Frank Act) and the Company policies, each as amended from time to time.

(8) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(9) No Rights to Service. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained in any position, as an employee, consultant or director of the Company or its Affiliates or shall interfere with or restrict in any way the rights of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever. References in this Agreement to “continued service or employment with the Company” or “employment with the Company” and phrases of similar import shall mean employment or service with the Company or its Affiliates; provided that if any such Affiliate is disposed of (whether through an asset sale, stock sale, merger or otherwise) and such former Affiliate is no longer owned or controlled by the Company, then for all purposes under this Agreement, continued service or employment shall be deemed to end as of the date of the consummation of such disposition and the Participant’s employment shall be deemed to terminate as of the date of such disposition and if such deemed termination is prior to the Performance Vesting Date then the Participant’s Award and all Restricted Stock Units under this Agreement shall be forfeited without consideration on the date of such deemed termination.

(10) Bound by Plan. By accepting this Award, the Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(11) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, the executor or administrator of the Participant’s estate shall be deemed to be the Participant’s beneficiary.

(12) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(13) Section 409A. It is intended that this Award be exempt from or comply with Section 409A of the Code and this Agreement shall be interpreted consistent therewith. This Award is subject to Section 15(t) of the Plan.

(14) Electronic Delivery. By accepting this Award, the Participant hereby consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by Securities and Exchange Commission rules. This consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent required prospectuses, annual reports and other information will be delivered in hard copy to the Participant.

(15) Securities Laws. The Participant agrees that the obligation of the Company to issue RSU Shares shall also be subject, as conditions precedent, to compliance with applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, state securities or corporation laws, rules and regulations under any of the foregoing and applicable requirements of any securities exchange upon which the Company's securities shall be listed.

(16) Entire Agreement. This Agreement, and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior agreements, communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto.

(17) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to principles of conflicts of law thereof, or principals of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware; provided, however, that the governing law shall be California for any Participant who primarily resides and works in California.

(18) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

[Remainder of the page intentionally left blank]

**IN WITNESS WHEREOF**, this Agreement has been executed as of the first date above.

SPECTRUM BRANDS HOLDINGS, INC.

______________________________

PARTICIPANT

____________________________
**[Participant]**

## EXHIBIT A

The Adjusted EBITDA Target is $[ ] million dollars, Adjusted Free Cash Flow Target is $[ ] million dollars, and the Adjusted Return on Equity Target is [ ]%, in each case for the cumulative three fiscal years commencing on [ ] and ending [ ] (the "Performance Period"). For the avoidance of doubt, the Targets are subject to adjustment by the Compensation Committee as provided in the definitions below.

**"Adjusted EBITDA"** shall mean net earnings before interest, taxes, depreciation and amortization and excluding restructuring, acquisition and integration charges, gain or loss on sale of one or more segments and other one-time charges. The result of the formula in the preceding sentence shall then be adjusted by the Compensation Committee in good faith, after consultation with the Chief Executive Officer, so as to negate the effects of any dispositions or non-renewal of a significant license agreement; provided, however that Adjusted EBITDA resulting from businesses or product lines acquired (in Board approved transactions) during the Performance Period will, to the extent reasonably and in good faith determined by the Compensation Committee to be appropriate (after consultation with the Chief Executive Officer), be included in the calculation from the date of acquisition.

**"Adjusted Free Cash Flow"** shall mean Adjusted EBITDA plus or minus changes in current and long-term assets and liabilities, less cash payments for taxes, restructuring, interest and capital expenditures. Any reductions in Adjusted Free Cash Flow resulting from transaction costs or financing fees incurred in connection with any Board approved acquisition or refinancing (in each case during the Performance Period) will be added back to Adjusted Free Cash Flow, subject to the approval of the Compensation Committee reasonably and in good faith, after consultation with the Chief Executive Officer. The result of the formula in the preceding sentences shall then be adjusted by the Compensation Committee reasonably and in good faith, after consultation with the Chief Executive Officer, so as to negate the effects of any dispositions, non-renewal of a significant license agreement or the impact of significant Board-approved capital allocation decisions on interest income: provided, however, that Adjusted Free Cash Flow resulting from businesses or product lines acquired (in Board approved transactions) during the Performance Period will, to the extent reasonably and in good faith determined by the Compensation Committee to be appropriate (after consultation with the Chief Executive Officer), be included in the calculation from the date of acquisition.

**"Adjusted Return on Equity"** shall mean 3-year cumulative Adjusted Net Income (Adjusted EBITDA less interest, taxes, depreciation and amortization) divided by the sum of fiscal [ ], [ ] and [ ] average year total equity, excluding gain or loss on the sale of one or more segments. The result of the formula in the preceding sentence shall then be adjusted by the Compensation Committee in good faith, after consultation with the Chief Executive Officer, so as to negate the effects of, any dispositions or non-renewal of a significant license agreement; provided, however, that Adjusted Return on Equity resulting from businesses or product lines acquired (in Board approved transactions) during the Performance Period will, to the extent reasonably and in good faith determined by the Compensation Committee to be appropriate (after consultation with the Chief Executive Officer), be included in the calculation from the date of acquisition.

**Base Award**

| Adjusted EBITDA Target Attained | Percentage of Base Award Vesting on Performance Vesting Date |
|---|---|
| | 0% |
| | 8.33% |
| | 16.66% |
| | 25.00% |
| | 33.33% |

If, for the Performance Period, Adjusted EBITDA is greater than $[ ] Million but less than $[ ] Million, the percentage of the Base Award that shall vest on the Performance Vesting Date shall be between 0% and 33.33%, using straight line interpolation.

| Adjusted Free Cash Flow Target Attained | Percentage of Base Award Vesting on Performance Vesting Date |
|---|---|
| | 0% |
| | 8.33% |
| | 16.66% |
| | 25.00% |
| | 33.33% |

If, for the Performance Period, Adjusted Free Cash Flow is greater than $[ ] Million but less than $[ ] Million, the percentage of the Base Award that shall vest on the Performance Vesting Date shall be between 0% and 33.33%, using straight line interpolation.

| Adjusted Return on Equity Target Attained | Percentage of Base Award Vesting on Performance Vesting Date |
|---|---|
| | 0% |
| | 8.33% |
| | 16.66% |
| | 25.00% |
| | 33.33% |

If, for the Performance Period, Adjusted Return on Equity is greater than [ ]% but less than [ ]%, the percentage of the Base Award that shall vest on the Performance Vesting Date shall be between 0% and 33.33%, using straight line interpolation.

**Additional Award**

| | | Maximum % of Additional Award |
|---|---|---|
| Adjusted EBITDA Target Attained | Greater than $[ ] | 33.33% |
| Adjusted Free Cash Flow Attained | Greater than $[ ] | 33.33% |
| Adjusted Return on Equity Attained | Greater than [ ] | 33.33% |

If Adjusted EBITDA for the Performance Period is more than $[ ] Million but less than or equal to $[ ] Million, then the percentage of the Additional Award that shall vest on the Performance Vesting Date shall be between 0% and 33.33%, determined by the Committee using straight line interpolation. If Adjusted EBITDA is more than $[ ] Million for the Performance Period, the percentage of the Additional Award shall be 33.33%.

If Adjusted Free Cash Flow for the Performance Period is more than $[ ] Million but less than or equal to $[ ] Million, then the percentage of the Additional Award that shall vest on the Performance Vesting Date shall be between 0% and 33.33%, determined by the Committee using straight line interpolation. If Adjusted Free Cash Flow is more than $[ ] Million for the Performance Period, the percentage of the Additional Award shall be 33.33%.

If Adjusted Return on Equity for the Performance Period is more than [ ]% but less than or equal to [ ]%, then the percentage of the Additional Award that shall vest on the Performance Vesting Date shall be between 0% and 33.33%, determined by the Committee using straight line interpolation. If Adjusted Return on Equity is more than [ ]% for the Performance Period, the percentage of the Additional Award shall be 33.33%.

For the avoidance of doubt, the Adjusted EBITDA, the Adjusted Free Cash Flow, and the Adjusted Return on Equity portions of the Additional Award may be earned independently up to 33.33% for each target and 100% of the Additional Award if all three targets are achieved at the maximum.

**SPECTRUM BRANDS HOLDINGS, INC.**
**2020 OMNIBUS EQUITY AWARD PLAN**

**EXECUTIVE VICE PRESIDENT RETENTION AGREEMENT**

THIS EXECUTIVE VICE PRESIDENT RETENTION AGREEMENT (the "Agreement"), is made, effective as of **[Grant Date]** (hereinafter the "Date of Grant"), between Spectrum Brands Holdings, Inc. (the "Company"), and **[Participant]** (the "Participant").

**R E C I T A L S:**

WHEREAS, the Company has adopted the [name of equity plan], as amended from time to time (the "Plan"), pursuant to which awards of Restricted Stock Units may be granted; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee") has authorized the Company to grant to the Participant an award of Executive Vice President Retention Restricted Stock Units ("RSUs"), and pursuant to that authorization, the Company has determined to grant to the Participant an award of Restricted Stock Units as provided herein and subject to the terms set forth herein.

NOW THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Restricted Stock Units. The Company has granted to the Participant **[ ]** RSUs (the total number of such RSUs, the "Total RSUs"), representing a value of approximately $[ ] on the Date of Grant, using the closing price of the Company's common stock on the Date of Grant. The award contemplated herein (the "Award") shall be subject to the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. Such RSUs shall be credited to a separate account maintained for the Participant on the books of the Company (the "Account"). Each RSU comprising the Award represents one share of Common Stock. The Award shall vest and settle in accordance with Sections 3 and 4 hereof.

2. Incorporation by Reference, Etc. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. In the event of a conflict between the Plan and this Agreement, the terms and conditions of the Plan shall govern. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant's legal representative in respect of any questions arising under the Plan or this Agreement.

3. Terms and Conditions.

(a) Vesting, Settlement and Forfeiture. The Award shall be one hundred percent (100%) unvested on the Date of Grant. Except as otherwise provided in this Agreement, and contingent upon the Participant's continued service to the Company through the applicable dates of vesting and settlement of each portion of the Award, the Award shall vest and be settled as follows:

(i) First Tranche: Fifty percent (50%) of the total RSUs (the "First Tranche") shall become vested on [date], provided that the Participant remains employed in good standing on such date (the "First Vesting Date").

(ii) Second Tranche: Fifty percent (50%) of the total RSUs (the "Second Tranche") shall become vested on [date], provided that the Participant remains employed in good standing on such date (the "Second Vesting Date").

(iii) Subject to the Participant's continued employment in good standing through each applicable Vesting Date, the Company shall settle the applicable part of the Award on or as soon as reasonably practicable following the applicable Vesting Date and shall therefore: issue (in book-entry form) in the name of the Participant one share of Common Stock (each, an "RSU Share") for each such vested RSU comprising the Award, with any fractional shares rounded to the nearest whole share (and, upon such settlement, those RSUs shall cease to be credited to the Account).

(b) Transfer Restrictions. The Award granted hereunder may not be sold, pledged, hedged or otherwise transferred (other than by will or the laws of descent and distribution) and may not be subject to lien, garnishment, attachment or other legal process. The Participant acknowledges and agrees that, with respect to each RSU credited to the Participant's Accounts, the Participant has no voting rights with respect to the Company unless and until each such RSU is settled in RSU Shares pursuant to Section 3 hereof.

4. Effect of Termination of Employment.

(a) Except as set forth in the Plan or this Agreement, if the Participant's employment with the Company, or any of its subsidiaries or affiliates, terminates prior to each applicable Vesting Date for any reason, the Award and all Restricted Stock Units credited to the Participant's Account comprising the Award shall be forfeited without consideration to the Participant on the date of the employment termination.

(b) Notwithstanding anything else to the contrary in this Agreement or the Plan, to the extent that the Participant's employment agreement or severance agreement with the Company, or any of its subsidiaries or affiliates, contains more favorable treatment upon termination, then the terms of such agreement shall govern; provided that, Participant's voluntary termination or resignation of the Participant's employment with the Company, or any of its subsidiaries or affiliates, prior to the First Vesting Date and/or the Second Vesting Date, as applicable, any unvested portion of the Award shall immediately terminate and be forfeited without consideration to the Participant.

5. Miscellaneous.

(a) Dividend Equivalents. If on any date dividends are paid on shares of Common Stock beginning from the Date of Grant, then the Participant's Account shall be credited with dividend equivalent payments either in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends, which accumulated dividend equivalents shall be payable and forfeited at the same time as the underlying RSUs are settled or forfeited, and, if RSUs are forfeited, the Participant shall have no right to any dividend equivalent payments relating thereto.

(b) Taxes and Withholding. Upon the settlement of any portion of the Award, the Participant shall be required to pay to the Company, and the Company shall have the right and is hereby authorized to withhold from any cash, RSU Shares, other securities or other property deliverable under the RSUs or from any compensation or other amounts owing to a Participant, the amount (in cash, RSU Shares, other securities or other property) of any required withholding taxes in respect of the settlement of RSUs, and to take such other action as may be necessary in the sole opinion of the Committee to satisfy all obligations for the payment of such withholding taxes. Unless otherwise determined by the Committee, the foregoing withholding liability shall be satisfied by having the Company withhold from the number of RSU Shares otherwise issuable or deliverable pursuant to the settlement of the RSUs a number of shares with a Fair Market Value equal to such withholding liability (but no more than the maximum required statutory withholding liability or such lesser amount approved by the Committee in accordance with the Plan). The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company will, to the extent permitted by law, have the right to deduct any such withholding taxes from any payment of any kind otherwise due to Participant.

(c) Rights as a Stockholder. Upon and following the settlement of the RSUs into RSU Shares under Section 3(a), as applicable, the Participant shall be the record owner of the RSU Shares settled upon such date unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a common stockholder of the Company, including, without limitation, voting rights, if any, with respect to the RSU Shares. Prior to the applicable settlement date, the Participant shall not be deemed for any purpose to be the owner of shares of Common Stock underlying the RSUs.

(d) General Assets. All amounts credited to the Account under this Agreement shall continue for all purposes to be part of the general assets of the Company, the Participant's interest in the Account shall make the Participant only a general, unsecured creditor of the Company.

(e) Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be sent by registered or certified first-class mail, return receipt requested, nationally recognized courier service or personal delivery:

if to the Company:

3001 Deming Way
Middleton, WI 53562
Facsimile: (608) 288-4592
Attention: Chief Executive Officer

with a separate copy to:

3001 Deming Way
Middleton, WI 53562
Attention: General Counsel

if to the Participant,
at the Participant's last known address on file with the Company.

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five business days after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if telecopied.

(f) Clawback/Forfeiture. The Committee may in its sole discretion cancel all or any portion of the Award if the Participant, without the consent of the Company, while employed by or providing services to the Company or any Affiliate or after termination of such employment or service, violates a non-competition, non-solicitation or non-disclosure covenant or agreement or otherwise has engaged in or engages in activity that is in conflict with or adverse to the interests of the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, as determined by the Committee in its sole discretion. If the Participant otherwise has engaged in or engages in any activity referred to in the preceding sentence, the Participant will forfeit any gain realized on the vesting or settlement of such Award, and must promptly repay the gain to the Company, upon 30 days prior written demand by the Committee. In addition, if the Participant receives any amount in excess of what the Participant should have received under the Award for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), then the Participant shall be required to repay any such excess amount to the Company upon 30 days prior written demand by the Committee. This Award is subject to the clawback, forfeiture or similar requirement applicable pursuant to law (including without limitation Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd Frank Act) and the Company policies, each as amended from time to time.

(g) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this

Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(h) Affirmation of Restrictive Covenants. Participant acknowledges that Participant is subject to restrictive covenants regarding non-competition, non-solicitation, confidentiality, and invention assignment as set forth in certain contractual commitments (collectively, the "Restrictive Covenants"). Participant understands and agrees that the Award shall be deemed additional consideration in exchange for the Restrictive Covenants and is conditioned on Participant's commitment and agreement to comply with the Restrictive Covenants.

(i) No Rights to Service. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained in any position, as an employee, consultant or director of the Company or its Affiliates or shall interfere with or restrict in any way the rights of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever. References in this Agreement to "continued service or employment with the Company" or "employment with the Company" and phrases of similar import shall mean employment or service with the Company or its Affiliates.

(j) Bound by Plan. By accepting this Award, the Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(k) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. Any such beneficiary, including to the extent applicable (which may be none at all) any estate, heir, trust, designee, or other such beneficiary, shall be required to comply with the terms herein, including the delivery of waiver and release to the Company as contemplated herein. If no designated beneficiary survives the Participant, the executor or administrator of the Participant's estate shall be deemed to be the Participant's beneficiary.

(l) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(m) Section 409A. It is intended that this Award be exempt from (and all Shares shall be issued within the short-term deferral period thereunder) or, to the extent not exempt, comply with Section 409A of the Code, and this Agreement shall be interpreted consistent therewith. This Award is subject to Section 15(t) of the Plan.

(n) Electronic Delivery. By accepting this Agreement, the Participant hereby consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by Securities and Exchange Commission rules. This consent may be revoked in writing by the Participant at any time upon three business days' notice to the

Company, in which case subsequent required prospectuses, annual reports and other information will be delivered in hard copy to the Participant.

(o) Securities Laws. The Participant agrees that the obligation of the Company to issue RSU Shares shall also be subject, as conditions precedent, to compliance with applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, state securities or corporation laws, rules and regulations under any of the foregoing and applicable requirements of any securities exchange upon which the Company's securities shall be listed.

(p) Entire Agreement. Except as set forth in Section 4 herein, this Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior agreements, communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto.

(q) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to principles of conflicts of law thereof, or principals of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

(r) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(s) Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Signature Page to Immediately Follow]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement.

SPECTRUM BRANDS HOLDINGS, INC.

______________________________

PARTICIPANT

______________________________
**[Participant]**

# SECURITIES HOLDING AND TRADING POLICY OF SPECTRUM BRANDS HOLDINGS, INC.

**Summary**

Spectrum Brands Holdings, Inc.'s (the "Company") common stock is publicly traded on the New York Stock Exchange. Accordingly, the Company has adopted this Securities Holding and Trading Policy (the "Policy") for the purposes of: (i) the handling of non-public information relating to the Company; (ii) the holding, buying, and selling of securities of the Company; and (iii) the pledging, hedging, and other prohibited transactions involving Company securities.

## 1. Persons Affected and Prohibited Transactions

This Policy applies to all directors, executive officers,[1] other officers, and employees of the Company. Please note that **the general prohibitions apply to all directors, officers and employees of the Company**, while the restrictions set forth in Part IV (restricted periods) and Part V (pre-clearance) apply only to directors, executive officers, and certain other designated persons, as identified in Parts IV and V below. If you are unsure whether you are subject to the restrictions set forth in Parts IV or V, please contact the Company's General Counsel or his or her designee.

The same restrictions described in this Policy also apply to your spouse, minor children and anyone else living in your household, partnerships in which you are a general partner, trusts of which you are a trustee, and estates of which you are an executor (collectively, "Related Parties"). You are responsible for your Related Parties' compliance with this Policy.

For purposes of this Policy, references to "trading" or to "transactions in securities of the Company" include purchases or sales of Company stock, bonds, options, puts and calls, derivative securities based on securities of the Company, gifts of Company securities, loans of Company securities, holding Company securities in a margin account, pledging Company securities as collateral for a loan, hedging transactions involving or referencing Company securities, contributions of Company securities to a trust, sales of Company stock acquired upon the exercise of stock options, broker-assisted cashless exercises of stock options, market sales to raise cash to fund the exercise of stock options, and trades in Company stock made under an employee benefit plan, such as a 401(k) plan.

## 2. Insider Trading Is Strictly Prohibited

If a director, officer or any employee, regardless of employment level, has material, non-public information (as further discussed below) relating to the Company, neither that person nor any Related Party may:

- effect transactions in securities of the Company (other than pursuant to a pre-arranged trading plan that complies with Rule 10b5-1 ("Rule 10b5-1") under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as described in Part VI below) or engage in any other action to take advantage of that information; or

[1] Executive officers for purposes of this Policy are only those persons listed as such in the Company's public filings with the SEC and divisional presidents.

- pass that information on to any person outside the Company or suggest or otherwise recommend that any such person outside the Company effect a transaction in Company securities or engage in any other action to take advantage of that information.

This Policy will continue to apply after termination of employment to the extent that a former director, officer, or employee is in possession of material, nonpublic information at the time of termination. In such case, no transaction in securities of the Company may take place until the information becomes public or ceases to be material.

This Policy also applies to information obtained in the course of employment with, or by serving as a director of, the Company, relating to any other company, including:

- our customers, clients, suppliers, or other counterparties;
- any entity with which the Company may be negotiating a transaction or business combination; or
- any entity as to which the Company may have an indirect or direct control relationship or a designee on the board of directors.

No director, officer, or employee may effect transactions in the securities of any such other company while in possession of material, nonpublic information concerning such company that was obtained in the course of employment with the Company.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

*Material Information*. "Material information" is any information that a reasonable investor would consider important in a decision to effect a transaction in Company securities. In short, any information that could reasonably affect the price of such securities, either positively or negatively, may be material. Common examples of information that will frequently be regarded as material are:

- projections of future earnings or losses, or other guidance concerning earnings;
- the fact that earnings are inconsistent with consensus expectations;
- a pending or proposed merger, joint venture, acquisition, or tender offer;
- a significant sale of assets or the disposition of a subsidiary or business unit;
- changes in dividend policies, the declaration of a stock split, or the offering of additional securities;
- changes in senior management or other key employees;
- significant new products or services;
- significant legal or regulatory exposure due to a pending or threatened lawsuit or investigation;
- impending bankruptcy or other financial liquidity problems;
- changes in legislation affecting our business; and
- the gain or loss of a substantial customer, client or supplier.

*20-20 Hindsight*. Remember, if your transaction in securities of the Company becomes the subject of scrutiny, it will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction, you should carefully consider how regulators and others might view your transaction in hindsight.

*Tipping Information to Others.* Whether the information is proprietary information about the Company or other information that could have an impact on the price of the Company's securities, directors, officers and employees may not pass the information on to others. Penalties will apply whether or not you derive, or even intend to derive, any profit or other benefit from another's actions.

*When Information is Public.* You may not trade on the basis of material information that has not been broadly disclosed to the marketplace, such as through a press release or a filing with the Securities and Exchange Commission (the "SEC"), and the marketplace has had time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until the second business day after the day on which the information is released. Thus, if information is released on a Monday, trading should not take place until Thursday. However, if the information in question is contained in a regular quarterly earnings release and the release is issued prior to the opening of the market on a given day, trading generally may take place on the second business day following the day of release.

*Transactions under Company Plans.* Although this Policy does not generally apply to the exercise of employee stock options (other than cashless exercises as described below), it does apply to the sale of common stock received upon exercise. This Policy applies to the sale of common stock as part of a broker-assisted cashless exercise of a stock option. This Policy also applies to the following elections under a 401(k) plan (if and when the Company makes Company securities an investment alternative under our 401(k) plan):

1.1.1. increasing or decreasing periodic contributions allocated to the purchase of Company securities;
1.1.2. intra-plan transfers of an existing balance in or out of Company securities;
1.1.3. borrowing money against the account if the loan results in the liquidation of any portion of Company securities; and
1.1.4. pre-paying a loan if the pre-payment results in allocation of the proceeds to Company securities.

*Confidentiality Obligations*. The restrictions set forth in this Policy are designed to avoid misuse of material, nonpublic information in violation of the securities laws. These restrictions are in addition to, and in no way alter, the general obligations that each Company director, officer, and employee has to maintain the confidentiality of all confidential or proprietary information concerning the Company and its business, as well as any other confidential information, that may be learned in the course of service or employment with the Company. No such information is to be disclosed to any other person in the Company, unless that person has a clear need to know that information, and no such information may be disclosed to any third parties, except as required or otherwise contemplated by your function or position.

**3. Additional Prohibited Transactions**

Because the Company believes it is improper and inappropriate for any person to engage in pledging, hedging, short-term, or speculative transactions involving the Company's securities, it is the policy of the Company that Company directors, officers, and employees, and their Related Parties, are prohibited from engaging in any of the following activities with respect to Company securities:

a. Pledging or encumbering Company securities as collateral for a loan or other indebtedness is prohibited. This prohibition includes, but is not limited to, holding such shares in a margin account as collateral for a margin loan or borrowing against Company securities on margin. Any pledge, and any modification or replacement of such pledge, in place prior to the effective date of this Policy revision shall be permitted unless otherwise prohibited by applicable law or Company policy and so long as any modification or replacement of any pre-existing pledge does not result in additional shares being pledged.

b. Derivative, speculative, hedging, or monetization transactions in Company securities are prohibited. This prohibition includes, but is not limited to, any trading on derivatives (such as swaps, forwards, and/or futures) of Company securities or transactions that allow a stockholder to lock in the value of his or her Company securities in exchange for all or part of the potential upside appreciation in the value of the stock. These transactions allow the stockholder to continue to own the shares in question, but without the full risks and rewards of ownership, which may result in the shareholder no longer having the same objectives as the Company's other shareholders.
c. Short sales (i.e., selling stock you do not own and borrowing the shares to make delivery). The SEC prohibits directors and officers from selling Company securities short. This Policy expands the prohibition to cover all Company employees.
d. Buying or selling puts, calls, options, or other derivatives in respect of Company securities.

### 4. Restricted Periods – For Directors, Executive Officers, and Certain Other Personnel with Access to our Results

The Company's announcement of quarterly financial results has the potential to have a material impact on the market for the Company's securities. Therefore, to avoid any appearance that its directors, officers, employees, and other insiders are trading while aware of material, nonpublic information, all directors, executive officers, and certain other persons who are or may be expected to be aware of quarterly financial results of the Company or any operating division will be subject to quarterly restrictions on trading.

The Company has established the following "restricted periods" in relation to the publication of its annual and quarterly results:

1. the period commencing two weeks prior to the end of its fiscal year and ending on the second trading day after public announcement of the Company's annual financial results;
2. the period commencing two weeks prior to the end of each of its fiscal quarters and ending on the second trading day after public announcement of the Company's financial results for such quarter; and
3. for directors, executive officers, and other designated person, to the extent and during the periods as the General Counsel or his or her designee may direct, including as required by Section 306 of the Sarbanes-Oxley Act of 2002 or its implementing regulations.

During these restricted periods, the following persons and their Related Parties (collectively, "<u>Restricted Employees</u>") are **<u>prohibited</u>** from effecting transactions in securities of the Company (except as otherwise expressly provided below):

1.1.5. directors;
1.1.6. executive officers and any other officer who has an obligation to file reports under Section 16 of the Exchange Act, and their administrative assistants and other assistants;
1.1.7. any person occupying the office of Sr. Director or a more senior office, as determined by the General Counsel, and any other person performing a legal, finance, or accounting function that

is expected to be aware of quarterly financial results of any of the Company's operating divisions; and

1.1.8. any other person designated by the General Counsel or his or her designee.

Restricted Employees should be aware that the restricted periods described above may be modified by the Company at any time and within its sole discretion. In addition, the Company may from time to time determine that effecting transactions in securities of the Company is inappropriate at a time that is outside the restricted periods and, accordingly, may notify you of additional closed periods at any time. For example, a short, restricted period may be imposed shortly before issuance of interim earnings guidance. Those subject to restricted period requirements will receive notice of any modification by the Company of the closed period policy or of any additional prohibition on trading during a non-restricted period. Persons subject to the restricted period restrictions who terminate their employment with the Company during a restricted period will remain subject to the restrictions until the end of such period.

The prohibition described in this Part IV shall not apply to gifts of Company securities and contributions of Company securities to a trust so long as the requirements of Part VI below are complied with. The General Counsel or his or her designee may, on a case-by-case basis, authorize effecting a transaction in Company securities during a restricted period if the person who wishes to effect such a transaction: (i) has, at least one business day prior to the anticipated transaction date, notified the Company in writing (including by e-mail) of the circumstances and the amount and nature of the proposed transaction; and (ii) has certified to the Company that he or she is not in possession of material, nonpublic information concerning the Company.

See Part VI below for the principles applicable to transactions under Rule 10b5-1 plans.

### 5. Pre-Clearance of Securities Transactions

To aid in preventing inadvertent violations of the law (which could result, for example, from failure by directors and officers subject to reporting obligations under Section 16 of the Exchange Act) and avoiding even the appearance of an improper transaction (which could result, for example, where an officer engages in a trade while unaware of a pending major development), the Company has implemented the following procedure:

All transactions in Company securities by the following persons and their Related Parties (collectively, "Pre-Clearance Employees") must be pre-cleared with the Company's General Counsel or his or her designee:

1.1.9. directors;

1.1.10. executive officers and any other officer who has an obligation to file reports under Section 16 of the Exchange Act, and their administrative assistants and other assistants;

1.1.11. any person occupying the office of Vice President or a more senior office, as determined by the General Counsel, and any other person performing a legal, finance, or accounting function that is expected to be aware of quarterly financial results of any of the Company's operating divisions; and

1.1.12. any other person designated by the General Counsel or his or her designee.

Persons subject to these restrictions must contact the General Counsel or the General Counsel's designee at least two business days (or such shorter period as the General Counsel or his or her designee may determine) in advance and may not effect any transaction subject to the pre-clearance request unless given clearance to do so. Such clearance, if granted, will be valid only for one business day following the approval date or other limited period specified by the General Counsel or his or her designee; provided, that, the General Counsel, or his or her designee, may establish a different deadline based on a Pre-Clearance Employee's individual circumstances. If a transaction for which clearance has been granted is not effected (i.e., the trade is not placed) within such period, the transaction must again be pre- cleared.

To the extent that a material event or development affecting the Company remains nonpublic, persons subject to pre-clearance will not be given permission to effect transactions in securities of the Company. Such persons may not be informed of the reason why they may not trade. Any person that is made aware of the reason for an event-specific prohibition on trading should in no event disclose the reason for the prohibition to third parties and should avoid disclosing the existence of the prohibition, if possible. Caution should be exercised when telling a broker or other person who suggested a trade that the trade cannot be effected at the time.

Note that the pre-clearance procedures may delay the disposition of any security after it is purchased.

See Part VI below for the principles applicable to transactions under Rule 10b5-1 plans.

**6. 10b5-1 Plans**

The SEC has adopted Rule 10b5-1, which provides a defense against insider trading liability for trades that are effected pursuant to a pre-arranged trading plan that meets specified conditions. The trading plan must be properly documented and all of the procedural conditions of Rule 10b5-1 must be satisfied to avoid liability.

Rule 10b5-1 plans allow transactions for the account of an insider to occur during restricted periods or while the insider has material, nonpublic information provided the insider has previously given instructions or other control to effect pre-planned transactions in securities of the Company to a third party. The insider must establish the plan at a time when he or she is not in possession of material, nonpublic information and the insider may not exercise any subsequent influence over how, when, or whether to effect transactions. In addition to other specified conditions, a Rule 10b5-1 plan would specify in writing in advance the amount and price of the securities to be sold and the date for the sale (or a formula for determining the amount, price, and date) or would otherwise not permit the insider to exercise any subsequent influence over how, when or whether to effect the sales. After adopting a valid Rule 10b5-1 plan, the insider will have an affirmative defense that a sale under the plan was not made "on the basis of" material, nonpublic information.

The Company will treat the creation, modification, or termination of a pre-planned trading program or arrangement established to meet the requirements of Rule 10b5-1 as a transaction subject to the restricted period rules set forth in Part IV of this Policy. Transactions effected pursuant to a properly established Rule 10b5-1 plan, however, will not be subject to the restricted periods under Part IV of this Policy.

The Company will treat the creation, modification, or termination of a pre-planned trading program or arrangement established to meet the requirements of Rule 10b5-1 as a transaction subject to pre-clearance under Part V of this Policy at the time the plan is established, modified, or terminated. Persons subject to the pre-clearance policy should coordinate any such plans or arrangements with the Company's General Counsel or his or her designee. Even though each transaction effected under a Rule 10b5-1 plan does not need to be pre-cleared, it nonetheless must be made in accordance with Rule 144 and must be reported on a Form 4 under Section 16 of the Exchange Act.

**7. Assistance**

Any person who has any questions about this Policy or about specific transactions may contact the Company's General Counsel or his or her designee. Remember, however, that the ultimate responsibility for adhering to this Policy and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment and to ask before acting if you are unsure.

**Timeliness of Responses/Review**

It is the intent of Spectrum Brands Holdings, Inc. to ensure compliance with this Policy and all appropriate business procedures as quickly and efficiently as possible. In the event the particular claim or situation requires further analysis or internal review, the timing will be adjusted accordingly.

**Policy Compliance**

Any employee who violates this Policy may be subject to disciplinary action, up to and including termination. Additionally, violations of this Policy may result in criminal prosecution, reimbursement of expenses incurred as a result of the violation, and additional legal action. Any employee who has concerns or issues complying with this Policy should immediately contact the General Counsel and Labor & Employment Counsel prior to taking any further actions. The General Counsel and/or Labor & Employment Counsel will evaluate the situation and decide what corrective actions are required, if any.

If compliance with this Policy is not feasible or technically possible, or if deviation is necessary to support a business function, users can submit requests for exception to this Policy in writing to the General Counsel and Labor & Employment Counsel for review. Exceptions to this Policy are reviewed based on operational constraints, technical limitations, legal requirements or other issues. Exemptions from this policy will be permitted only if approved in advance and in writing by the General Counsel.

**Contact Information**

Spectrum Brands, Inc.
Attn: General Counsel
3001 Deming Way
Middleton, WI 53562

With copy to:
Spectrum Brands Holdings, Inc.
Attn: Labor & Employment Counsel
3001 Deming Way
Middleton, WI 53562

| Subsidiary | Jurisdiction |
|---|---|
| 8 in 1 Pet Products GmbH | Germany |
| AAG UK Holding Limited | United Kingdom |
| Alaska Merger Acquisition Corp. | U.S. Delaware |
| Algarde Enterprises Limited | United Kingdom |
| AO "Spectrum Brands" Russia | Russian Federation |
| Applica Asia Limited | Hong Kong |
| Applica Mexico Holdings, Inc. | U.S. Delaware |
| Aquarium Systems Manufacturer of Instant Ocean | France |
| Armitage Brothers Limited f/k/a Armitage Brothers Public Limited Company | United Kingdom |
| Armitage Pet Care Limited f/k/a K9 Bidco Limited | United Kingdom |
| Armitage Trustees Limited f/k/a Cogbook Limited | United Kingdom |
| BIOJAM, LLC | U.S. Florida |
| Charged Productions, Inc. | U.S. Nevada |
| D.H. Haden Limited | United Kingdom |
| EB Group Holdings, LLC | U.S. Delaware |
| Empower Brands Canada, fka Spectrum Brands Consumer Products Canada, Inc. | Canada |
| Empower Brands Group, LLC | U.S. Delaware |
| Empower Brands Holdings, Inc. | U.S. Delaware |
| Empower Brands, LLC (f/k/a HPC Brands, LLC) | U.S. Delaware |
| Eukanuba GmbH f/k/a Tiefe GmbH | Germany |
| Focus100 Limited | United Kingdom |
| For Life Products, LLC | U.S. Florida |
| Front Street Re (Delaware) Ltd. | U.S. Delaware |
| FS Holdco II, Ltd. | U.S. Delaware |
| GloFish LLC | U.S. Delaware |
| Goodboy Pet Foods Limited | United Kingdom |
| HGI Asset Management Holdings, LLC | U.S. Delaware |
| Household Products Chile Comercial Limitada fka Laponia S.A. | Chile |
| K9 Midco Limited | United Kingdom |
| K9 Topco Limited | United Kingdom |
| Maanring Holding B.V. | Netherlands |
| Minera Vidaluz, S.A. de C.V. | Mexico |
| NCZ I, Inc. | U.S. Minnesota |
| NCZ II, Inc. | U.S. Minnesota |
| NZCH Corporation | U.S. Nevada |
| Products Plus Limited | Cayman Islands |
| Products Plus LLC | U.S. Delaware |
| Rayovac (UK) Limited | United Kingdom |
| Rayovac Argentina S.R.L. | Argentina |
| Rayovac Costa Rica, S.A. fka DICAPI | Costa Rica |
| Remington Asia | Cayman Islands |
| Remington Consumer Products | United Kingdom |
| Remington Licensing Corporation | U.S. Delaware |
| Remington Russell Hobbs d.o.o. | Croatia |
| Rotastak Limited f/k/a R. Aitchison & Co. Limited | Scotland |
| ROV Holding, Inc. | U.S. Delaware |
| ROV International Holdings LLC | U.S. Delaware |
| RRH Appliances Czech Republic s.r.o. f/k/a BMCK Prague IV Company s.r.o. | Czech Republic |
| RRH Bulgaria EOOD | Bulgaria |
| RRH Finland Oy f/ka/ ShelCo 133 Oy | Finland |
| RRH France SAS | France |
| RRH Italia S.r.l. | Italy |
| RRH Küçük Elektrikli Aletler Limited Sirketi | Türkiye |

| Subsidiary | Jurisdiction |
| --- | --- |
| RRH Schweiz GmbH | Switzerland |
| Ruggiero Innovations LLC | U.S. Florida |
| Russell Hobbs Holdings Limited fka The Filani (Nigeria) Tin Mining Co. Ltd., Pifco Holdings Ltd., Pifco Holding Plc., Salton Holdings Ltd. | United Kingdom |
| Russell Hobbs Limited fka Pifco Limited, Salton Europe Limited | United Kingdom |
| Russell Hobbs Tower Limited fka Nadir Modes (London) Ltd. | United Kingdom |
| Salix Animal Health, LLC | U.S. Delaware |
| Salus Capital Partners II, LLC | U.S. Delaware |
| Salus Capital Partners, LLC | U.S. Delaware |
| SB/RH Holdings, LLC | U.S. Delaware |
| Schultz Company | U.S. Missouri |
| Shaser LLC | U.S. Delaware |
| SP Brands Guatemala, Limitada | Guatemala |
| SPB Argentina S.R.L. | Argentina |
| SPB Austria GmbH f/k/a Sappho sechste Holding Gmbh | Austria |
| SPB Colombia, S.A.S. | Colombia |
| SPB Costa Rica Ops, S.A. | Costa Rica |
| SPB CPG Denmark ApS | Denmark |
| SPB CPG Dominican Republic S.R.L. | Dominican Republic |
| SPB CPG France SAS | France |
| SPB CPG Germany GmbH | Germany |
| SPB CPG Mexico, S. de R.L. de C.V. | Mexico |
| SPB CPG Netherlands B.V. | Netherlands |
| SPB CPG Netherlands B.V. (BELGIUM BRANCH) | Netherlands |
| SPB CPG Panama S. de R.L. | Panama |
| SPB CPG Singapore Pte. Ltd. | Singapore |
| SPB CPG Spain, S.L. | Spain |
| SPB Denmark ApS | Denmark |
| SPB El Salvador Ltda. De C.V. | El Salvador |
| SPB France SAS | France |
| SPB Group Sweden AB f/k/a SPB Remainco Sweden AB f/k/a Goldcup 100482 AB | Sweden |
| SPB Guatemala, Sociedad Anonima | Guatemala |
| SPB International Holding LLC | U.S. Delaware |
| SPB Remainco Poland Sp.z.o.o. f/k/a OSA Poland Sp.z.o.o. | Poland |
| SPECB Spectrum Brands Dominican Republic, S.R.L. | Dominican Republic |
| Spectrum Brands (Barbados) Financing SRL | Barbados |
| Spectrum Brands (Barbados) Sourcing SRL (Hong Kong Branch) | Hong Kong |
| Spectrum Brands (Barbados) Sourcing SRL | Barbados |
| Spectrum Brands (Hong Kong) Limited | China |
| Spectrum Brands (Shenzhen) Co., Ltd. | China |
| Spectrum Brands (Shenzhen) Co., Ltd. (NINGBO BRANCH) | China |
| Spectrum Brands (UK) Limited fka Rayovac Europe Limited | United Kingdom |
| Spectrum Brands Appliances (Ireland) Limited fka Remington Consumer Products (Ireland) Limited | Ireland |
| Spectrum Brands Appliances Holdings B.V. | Netherlands |
| Spectrum Brands Asia | Cayman Islands |
| Spectrum Brands Australia Pty. Ltd. fka Remington Products Australia Pty. Ltd. | Australia |
| Spectrum Brands Benelux B.V. (BELGIUM Branch) fka VARTA B.V. | Netherlands |
| Spectrum Brands Benelux B.V. fka VARTA B.V. | Netherlands |
| Spectrum Brands Chile SpA | Chile |
| Spectrum Brands Commerce (Shenzhen) Co., Ltd. | China |
| Spectrum Brands Corp. S.A.S. f/k/a Petco Limitada, Petco S.A.S. | Colombia |
| Spectrum Brands de Mexico, S.A. de C.V. f/k/a Ray-O-Vac de Mexico, S.A. de C.V. | Mexico |

| **Subsidiary** | **Jurisdiction** |
|---|---|
| Spectrum Brands del Peru S.A.C. | Peru |
| Spectrum Brands El Salvador, Ltda. de C.V. | El Salvador |
| Spectrum Brands EMEA UK Limited f/k/a Armitages Pet Products Limited (f/k/a Rathburn Products Limited) | United Kingdom |
| Spectrum Brands ESP LLC | U.S. Delaware |
| Spectrum Brands Germany GmbH fka mertus 422.GmbH | Germany |
| Spectrum Brands Global Pet Care Canada, Inc. | Canada |
| Spectrum Brands Group, trgovina d.o.o. f/k/a FENREMI, trgovina, d.o.o. | Slovenia |
| Spectrum Brands HK1 Limited | Hong Kong |
| Spectrum Brands HK2 Limited | Hong Kong |
| Spectrum Brands Holding B.V. | Netherlands |
| Spectrum Brands Holdings Limited | Hong Kong |
| Spectrum Brands Holdings, Inc. f/k/a HRG Group, Inc. | U.S. Delaware |
| Spectrum Brands Honduras, S. de R.L. | Honduras |
| Spectrum Brands Hungaria Kft fka VARTA-Hungaria Kereskedelmi és Szolgáltató Kft | Hungary |
| Spectrum Brands Italia S.r.L. fka VARTA Batterie S.r.l. | Italy |
| Spectrum Brands Japan K.K. fka Tetra Japan KK | Japan |
| Spectrum Brands Legacy, Inc. f/k/a Spectrum Brands Holdings, Inc. | U.S. Delaware |
| Spectrum Brands Lux II S.à R.L. | Luxembourg |
| Spectrum Brands Lux III S.à.R.L | Luxembourg |
| Spectrum Brands Lux V S.à.R.L. | Luxembourg |
| Spectrum Brands New Zealand Limited fka Remington Products New Zealand Ltd. | New Zealand |
| Spectrum Brands Panama LLC | Panama |
| Spectrum Brands Pet Group Inc. | U.S. Delaware |
| Spectrum Brands Pet LLC fka Petmatrix LLC | U.S. New York |
| Spectrum Brands Pet Supplies (Shenzhen) Co., Ltd. | China |
| Spectrum Brands Pet Supplies (Shenzhen) Co., Ltd. (Xiamen Branch) | China |
| Spectrum Brands Poland Sp. Z.o.o. fka VARTA Baterie Sp.z.o.o. | Poland |
| Spectrum Brands Portugal, Unipessoal Lda. Fka VARTA Remington Rayovac Portugal Unipessoal Lda | Portugal |
| Spectrum Brands Real Estate B.V. | Netherlands |
| Spectrum Brands Romania S.R.L. fka VARTA Rayovac Remington S.R.L. | Romania |
| Spectrum Brands Singapore Pte. Ltd. fka Tetra Aquatic Asia Pacific Private Limited | Singapore |
| Spectrum Brands Sourcing Limited | Hong Kong |
| Spectrum Brands Spain, S.L. (fka VARTA Remington Rayovac Spain SL) | Spain |
| Spectrum Brands, Inc. | U.S. Delaware |
| Spectrum Brands, Inc. (PUERTO RICO BRANCH) | U.S. Delaware |
| Spectrum China Business Trust | China |
| SPECTRUMECUADOR S.A. fka Compañía Agroindustrial Agrocueros S.A. | Ecuador |
| Tetra (UK) Limited | United Kingdom |
| Tetra GmbH | Germany |
| United Industries Corporation | U.S. Delaware |
| Varta Limited | United Kingdom |
| Zapata America Corporation | U.S. New York |
| Zapata Corporation of America | U.S. Delaware |
| Zapata Investments Corporation | U.S. New York |
| Zapata North America Corporation | U.S. New York |
| Zapata Transamerica Corporation | U.S. New York |
| Zapata Worldwide Corporation f/k/a Zapata Exploration Corporation | U.S. New York |

**Exhibit 21.2**

| Name* | State or Other Jurisdiction of Incorporation or Organization | Primary Standard Industrial Classification Code Number | I.R.S. Employer Identification Number |
|---|---|---|---|
| Alaska Merger Acquisition Corp. | Delaware | 3690 | 82-1316914 |
| Glofish LLC | Delaware | 3690 | 82-1484807 |
| ROV Holding, Inc. | Delaware | 3690 | 22-2423555 |
| Salix Animal Health, LLC | Florida | 3690 | 65-0965477 |
| SB/RH Holdings, LLC | Delaware | 3690 | 27-2812840 |
| Spectrum Brands Pet Group Inc. | Delaware | 3690 | 82-2201953 |
| Spectrum Brands Pet LLC | New York | 3690 | 26-1757404 |
| United Industries Corporation | Delaware | 3690 | 43-1025604 |
| Empower Brands, LLC (f/k/a HPC Brands, LLC) | Delaware | 3690 | 88-0601628 |
| Empower Brands Group, LLC | Delaware | 3690 | 88-2972947 |
| Empower Brands Holdings, Inc. | Delaware | 3690 | 88-3012341 |

*The address of each additional registrant's principal executive office is c/o Spectrum Brands, Inc., 3001 Deming Way, Middleton, Wisconsin 53562, (608) 275-3340.

**Single member LLC disregarded for U.S. tax purposes.

**Exhibit 23.1**

## Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No.33-273937, 333-242343, 333-226592, 333-197222, 333-178587) on Form S-8 of our reports dated November 15, 2024, with respect to the consolidated financial statements of Spectrum Brands Holdings, Inc., and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Milwaukee, WI
November 15, 2024

**Exhibit 31.1**

**CERTIFICATIONS**

I, David M. Maura, certify that:

1. I have reviewed this annual report on Form 10-K of Spectrum Brands Holdings, Inc. (the “registrant”);
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 subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 15, 2024

/s/ David M. Maura

David M. Maura

**Chief Executive Officer**

**Exhibit 31.2**

**CERTIFICATIONS**

I, Jeremy W. Smeltser, certify that:

1. I have reviewed this annual report on Form 10-K of Spectrum Brands Holdings, Inc. (the “registrant”);
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 subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 15, 2024

/s/ Jeremy W. Smeltser

Jeremy W. Smeltser

**Chief Financial Officer**

**Exhibit 32.1**

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Spectrum Brands Holdings, Inc. (the “Company”) for the fiscal year ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David M. Maura, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company

| | |
|---|---|
| | **/s/ David M. Maura** |
| Name: | **David M. Maura** |
| Title: | **Chief Executive Officer** |
| Date: | **November 15, 2024** |

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section. This certification shall not be deemed incorporated by reference in any filing under the Securities Act or Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Exhibit 32.2**

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Spectrum Brands Holdings, Inc. (the "Company") for the fiscal year ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeremy W. Smeltser, as Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company

| | |
|---|---|
| | **/s/ Jeremy W. Smeltser** |
| Name: | **Jeremy W. Smeltser** |
| Title: | **Chief Financial Officer** |
| Date: | **November 15, 2024** |

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section. This certification shall not be deemed incorporated by reference in any filing under the Securities Act or Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

# Spectrum Brands Holdings, Inc.

## Compensation Clawback Policy

### Summary

The policy governs the circumstances under which applicable incentive compensation provided by Spectrum Brands Holdings, Inc. (the "**Company**") and its subsidiaries to executive officers may be subject to forfeiture, disgorgement, recoupment, or diminution ("**clawback**"). The policy has been amended as required by Section 954 of the Dodd-Frank Act and Rule 10D-1 of the Securities Exchange Act of 1934 and the stock exchange listing rules promulgated in connection therewith (collectively, the "**Section 10D Rules**").

### Scope

This policy applies to all executive officers of Spectrum Brands Holdings, Inc. and its subsidiaries globally. In the event any provision of this policy conflicts with any other policy of Spectrum Brands Holdings, Inc. or any applicable federal or state regulations, the applicable then current federal or state regulations and/or stricter rule will always apply. In addition, this policy shall comply with the Section 10D Rules where applicable.

### Policy

**INTRODUCTORY STATEMENT OF POLICY**

All applicable compensation provided by the Company to executive officers is provided subject to all applicable laws and regulations providing for clawback of incentive compensation and to the additional terms and conditions of this Compensation Clawback Policy (the "**Policy**").

The Company believes that incentive compensation offered to its executive officers should be subject to clawback in order to incentivize executive officers to manage the Company's risks carefully and avoid acts and practices that expose the Company to undue risk of short- or long-term financial loss, reputational damage, or similar adverse impacts, and to ensure that incentive compensation realized by executive officers fairly reflects the short- and long-term value of the services provided by the executive officers. The primary method of subjecting incentive compensation to clawback is through compensation design features, which expose our executive officers to loss of potential compensation in the event of such adverse impacts. These design features include multi-year performance and vesting periods. In addition, certain officers of the Company are expected to hold specified amounts of Company. common stock under the Company's Stock Ownership Guidelines while employed in such positions, further exposing them to risk of financial loss in the event of adverse impacts. These design features and holding mandates serve similar objectives as post-payout clawback policies.

Despite these design features and holding requirements, the Company acknowledges that in certain circumstances they may be insufficient as an incentive for executive officers to avoid undue risk-taking and ensure the fairness of realized compensation. To address these circumstances, the Company has adopted this Policy, which addresses the clawback of incentive compensation awarded to any executive officer under certain circumstances.

**I. ADMINISTRATION OF POLICY**

The administration of this Policy and the discretion to make all determinations under this Policy shall be exercised by the Company's Board of Directors (the "**Board**") and/or the Compensation Committee of the Board.

## II. Definitions

For purposes of this Policy, the following terms shall have the meanings set forth below:

The term "**executive officer**" shall be as defined by the Section 10D Rules, which includes any current or former executive officers designated by the Board as officers for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

The term "**incentive compensation**" shall mean compensation granted, earned, or vested based wholly or in part upon the attainment of any financial reporting measure.

The term "**financial reporting measure**" shall mean a measure determined and presented in accordance with accounting principles used in preparing the Company's financial statements, any measure derived wholly or in part from such measure (including non-GAAP measures), and the stock price or total shareholder return of the Company's equity securities. A financial reporting measure need not be presented within the financial statements or included in a filing with the Securities and Exchange Commission (the "**SEC**").

For purposes of this Policy, incentive compensation is deemed "received" in the fiscal period during which the applicable financial reporting measure (as specified in the terms of the award) is attained, even if the payment or grant occurs after the end of that fiscal period.

## III. Clawback Policy

### A. Mandatory Clawback

The Board or Compensation Committee shall require the forfeiture, disgorgement, return, or adjustment of certain incentive-based compensation to the Company in the following circumstances (the "**Mandatory Clawback**"):

1. This section shall in all events be subject to the requirements of the Section 10D Rules and shall apply in the event of any accounting restatement of the Company's financial results due to its material non-compliance with financial reporting requirements under the securities laws (a "**Restatement**"), as determined in accordance with the Section 10D Rules. This section shall apply with respect to incentive compensation "received" (as defined above) on or after October 2, 2023, and during the period (the "**Clawback Period**") consisting of any of the three completed fiscal years (or otherwise as required by the Section 10D Rules) immediately preceding: (i) the date that the Board (or Audit Committee) concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, or (ii) the date that a court, regulator, or other legally authorized body directs the Company to prepare a Restatement.

    a. The "Recoverable Amount" shall be the amount of incentive compensation received by the current or former executive officer that exceeds the amount that otherwise would have been received had it been determined based on the restatement, as determined in accordance with the Section 10D Rules. The Recoverable Amount will be calculated on a pre-tax basis.

    b. In the event of a Restatement, the Board or the Compensation Committee will take such action as it deems appropriate, in its sole and absolute discretion, reasonably promptly to recover from its current or former executive officers the Recoverable Amount, unless the Compensation Committee determines that it would be impracticable to recover such amount because the direct costs of enforcing recovery would exceed the Recoverable Amount or otherwise as permitted by the Section 10D Rules.

    c. The Board or the Compensation Committee shall have the authority to determine the method of recovering the Recoverable Amount, including with respect to equity awards or shares acquired under equity awards, in a manner consistent with the Section 10D Rules, including as set forth below under "Remedies".

d. The Company will not indemnify or provide insurance to cover any repayment of incentive compensation in accordance with this Policy.

2. As required by Section 304 of the Sarbanes Oxley Act of 2002, which generally provides that, if the Company is required to prepare an accounting restatement due to material noncompliance as a result of misconduct with financial reporting requirements under the securities laws, then the Chief Executive Officer and Chief Financial Officer must reimburse the Company for any incentive-based compensation or equity compensation and profits from the sale of the Company's securities during the 12-month period following initial publication of the financial statements that had been restated

3. As required by any other applicable law, regulation or regulatory requirement.

**B. Discretionary Clawback**

The Board or Compensation Committee in their discretion may require in the following circumstances that any executive officer who has been awarded incentive-based compensation shall forfeit, disgorge, return, or adjust such compensation (the "**Discretionary Clawback**").

1. If the Company suffers significant financial loss, reputational damage, or similar adverse impact as a result of actions taken or decisions made by the executive officer in circumstances constituting illegal or intentionally wrongful conduct, or gross negligence.

2. If the executive officer is awarded or is paid out under the Company's Equity Incentive Plan or 2020 Omnibus Equity Plan, as such plans may be amended or restated from time to time, and any successor equity award plans, the Company's Management Incentive Plan, as such plan may be amended or restated from time to time, or any other incentive compensation plan of the Company (collectively, the "**Plan**") on the basis of a material misstatement of financial calculations or information or if events coming to light after the award disclose a material misstatement which would have significantly reduced the amount of the award or payout if known at the time of the award or payout.

## IV. COMPENSATION SUBJECT TO RECOVERY

Awards and incentive compensation subject to clawback under this Policy include equity awards, whether or not vested or restricted, shares acquired upon vesting or lapse of restriction; short- and long-term incentive bonus and similar compensation; discretionary bonuses; and any other awards or compensation under the Plan. To the extent incentive compensation qualifies as both Mandatory Clawback and Discretionary Clawback, such compensation shall be considered subject to Mandatory Clawback.

Each award agreement or other document setting forth the terms and conditions of any incentive compensation shall be deemed to incorporate the requirements of this Policy.

## V. REMEDIES

Except to the extent otherwise required by applicable law or by the Section 10D Rules, any clawback under this Policy may, in the discretion of the Board or the Compensation Committee, be effectuated through the reduction, forfeiture, or cancellation of awards, the return of paid-out cash or exercised or released shares, adjustments to future incentive compensation opportunities or in such other manner as the Board and Compensation Committee in their discretion determine to be appropriate. When the Board or Compensation Committee determines to seek a recovery pursuant to this Policy, it shall make a written demand for repayment from the executive officer and, if the executive officer does not promptly tender repayment in response to such demand, and the Board determines that he or she is unlikely to do so, the Board may engage counsel and take any action it deems necessary and proper against the executive officer to obtain such repayment. Any clawback under this Policy shall not limit or prohibit any disciplinary actions the Company may take against the executive officer, up to and including termination of employment.

## VI. COMPENSATION COMMITTEE AND BOARD DISCRETION

Except with respect to the Mandatory Clawback, the Compensation Committee and the Board shall have full discretion to decline to seek recovery under this Policy to the extent permitted by applicable law. In exercising its discretion with respect to a Discretionary Clawback, the Compensation Committee and Board may, to the extent permitted by applicable law, consider (i) the likelihood of success in achieving the recovery, given the anticipated cost and management effort required, (ii) whether the assertion of a claim for recovery may prejudice the interests of the Company, including in any related proceeding or investigation, (iii) any pending legal proceeding relating to the underlying cause(s) of the clawback, (iv) the degree of harm suffered by the Company, (v) the executive officer's responsibility for the harm and his or her state of mind relative to the acts or decisions giving rise to the harm, (vi) the extent to which the executive officer was acting in accordance with Company policies, procedures, and processes, (vii) the extent to which others were responsible for the acts or decisions giving rise to the harm, (viii) the position and responsibilities of the executive officer relative to the magnitude of harm suffered by the Company, (ix) the long-term value of the executive officer to the Company, and (x) such other factors as the Compensation Committee and the Board deem to be appropriate.

## VII. EXECUTIVE OFFICER RIGHTS

Before the Compensation Committee or the Board determines to seek a Discretionary Clawback recovery pursuant to this Policy, the executive officer will be provided written notice and the opportunity to be heard at a meeting of the Compensation Committee (which may be in-person or telephonic, as determined in the discretion of the Compensation Committee).

## VIII. COMPLIANCE WITH SECTION 409A

Any set-offs of deferred benefits to recoup the amounts to be repaid by executive officers under this Policy shall be made in a manner that complies with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. To the extent any Recoverable Amount represents an award which has previously been deferred, such deferred compensation award shall be forfeited. Without otherwise limiting the Company's authority to recover the Recoverable Amount or other amounts due hereunder, the Company shall have the authority to unilaterally forfeit an executive officer's deferred compensation, subject to compliance with Section 409A of the Internal Revenue Code.

## IX. Severability

If any provision of this Policy or the application of any provision in this Policy to an executive officer shall be adjudicated to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal, or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

**Spectrum Brands Holdings, Inc.**
**Compensation Clawback Policy Acknowledgment and Consent**

As a condition of receiving a potential bonus, incentive compensation (including equity awards), or other incentive award from Spectrum Brands Holdings, Inc. (the “**Company**”), the undersigned agrees that any such bonus, incentive compensation, or other incentive award after the date of this Acknowledgment is subject to recovery or “**clawback**” pursuant to the terms of the Spectrum Brands Holdings, Inc. Compensation Clawback Policy attached hereto (the “**Policy**”). To the extent the Company’s recovery right conflicts with any other contractual rights I may have with the Company, I understand that the terms of the Policy shall supersede any such contractual rights. The terms of the Policy shall apply in addition to any right of recoupment against me under applicable law.

**<u>Acknowledgement and Consent</u>:**

I acknowledge that I have reviewed the Policy and I agree to abide by the provisions of the Policy.

| | |
|---|---|
| ______________________________ | ______________________________ |
| Executive Officer | Date |