Spectrum Brands

Global Batteries & Appliances

Pet, Home & Garden

Hardware & Home Improvement

Global Auto Care

Fiscal 2017 Third Quarter Earnings Call

July 27, 2017

Agenda

▪ **Introduction**	Dave Prichard Vice President, Investor Relations
▪ **FY17 Q3 Highlights and Full Year Outlook**	Andreas Rouvé Chief Executive Officer
▪ **Financial and Business Unit Review**	Doug Martin Chief Financial Officer
▪ **Q&A**	Andreas Rouvé Doug Martin

Forward-Looking Statements

Certain matters discussed in this presentation, with the exception of historical matters, may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, regarding our business strategy, future operations, financial condition, estimated revenues, projected costs, projected synergies, prospects, plans and objectives of management, as well as information concerning expected actions of third parties, are forward-looking statements. These statements are subject to a number of risks and uncertainties that could cause results to differ materially from those anticipated as of the date of this presentation. Important factors that could cause our actual results to differ materially from those expressed or implied herein include, without limitation: our ability to manage and otherwise comply with our covenants with respect to our significant outstanding indebtedness or maintain our credit ratings; changes and developments in external competitive market factors, such as introduction of new product features or technological developments; development of new competitors or competitive brands or competitive promotional activity or spending or industry consolidation; the cost and effect of unanticipated legal, tax or regulatory proceedings or new accounting policies, laws or regulations (including environmental, public health and consumer protection regulations); seasonality of our products and changes in consumer demand for the various types of products we offer resulting in the loss of, or a significant reduction in, sales to significant retail customers; our ability to develop and successfully introduce new products, protect our intellectual property and avoid infringing the intellectual property of third parties; public perception regarding the safety of our products, including the potential for environmental liabilities, product liability claims, litigation and other claims; unfavorable developments in the global credit markets; the impact of overall economic conditions, terrorist attacks, acts of war or other unrest in international markets on consumer spending; fluctuations in commodities prices, supply shortages, the costs or availability of raw materials or terms and conditions available from suppliers; changes in the general economic conditions in countries and regions where we do business, such as stock market prices, interest rates, currency exchange rates, inflation and consumer spending; our ability to successfully implement manufacturing, distribution and other cost efficiencies and to continue to benefit from our cost-cutting initiatives; the impact of expenses resulting from the implementation of new business strategies, divestitures or restructuring activities; our ability to integrate, and to realize synergies from acquisitions; our ability to identify, develop and retain key employees; unfavorable weather conditions or climate change and various other risks and uncertainties, including those discussed herein and those set forth in our filings with the Securities and Exchange Commission ("SEC").

We also caution the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this presentation. We undertake no duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect actual outcomes. Additional factors that may affect future results and conditions are described in our filings with the SEC, which are available at the SEC's web site at www.sec.gov or at Spectrum Brands' website at www.spectrumbrands.com. The information contained in this presentation is summary information that is intended to be considered in the context of our SEC filings, and other public announcements that we may make, by press release or otherwise, from time to time. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. You should not view our past performance, or information about the market, as indicative of our future results. Further, performance information respecting investment returns on portfolio transactions is not directly equivalent to returns on an investment in our common stock.

Reconciliation of Non-GAAP Financial Measurements

Management believes that certain non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior operating periods. Within this presentation, including the tables that follow, reference is made to organic net sales, adjusted diluted earnings per share (EPS), adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA margin, and adjusted free cash flow.

Management believes that organic net sales provide for a more complete understanding of underlying business trends of regional and segment performance by excluding the impact of currency exchange fluctuations and the impact of acquisitions (when applicable) when there is no comparable sales in the prior period. 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 period's net sales using the currency exchange rates that were in effect during the prior comparative period. Management uses adjusted diluted EPS as a useful measure for providing further insight into our operating performance because it eliminates the effects of certain items that are not comparable from one period to the next. An income tax adjustment is included in adjusted diluted EPS to exclude the impact of the valuation allowance against deferred taxes and other tax-related items in order to reflect a normalized ongoing effective tax rate of 35%. Adjusted EBITDA is a metric used by management to evaluate segment performance and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure for determining Spectrum Brands' debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. Adjusted EBITDA margin reflects adjusted EBITDA as a percentage of net sales. Adjusted free cash flow is useful to both management and investors in their analysis of Spectrum Brands' ability to service and repay its debt and meet its working capital requirements. In addition, the calculation of adjusted free cash flow does not reflect cash used to service debt and therefore, does not reflect funds available for investment or discretionary uses.

Spectrum Brands provides this information to investors to assist in comparisons of past, present and future operating results and to assist in highlighting the results of on-going operations. While Spectrum Brands' management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Spectrum Brands' GAAP financial results and should be read in conjunction with those GAAP results. Supplemental tables have been provided within this presentation to demonstrate reconciliation of non-GAAP measurements discussed in the most relevant GAAP financial measurements.

All GAAP reconciliations are available at www.spectrumbrands.com

Spectrum Brands

Global Batteries & Appliances

Pet, Home & Garden

Hardware & Home Improvement

Global Auto Care

FY17 Q3 Highlights and Full Year Outlook

Andreas Rouvé

Chief Executive Officer

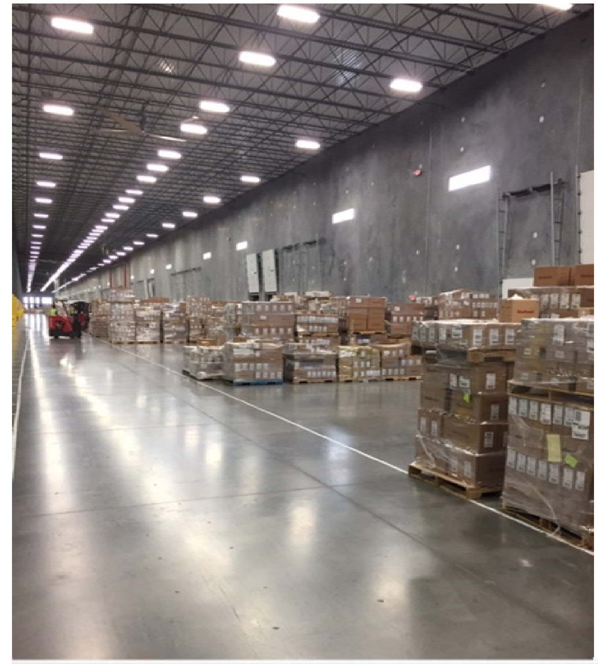
FY17 Q3 Highlights

- Q3 performance was not representative of the strong fundamental health of our categories and our positive outlook
- Sales were impacted by external and internal headwinds which hit at the same time
  1. Major U.S. retailers have improved inventory management systems to allow them to pull inventory as needed
     - Major impact on our seasonal Home & Garden and Global Auto Care businesses as retailers delayed their sourcing
     - This delay impacted these businesses by about $25 million, or 1.9%, in Q3
     - This is a timing matter as retailers depleted their inventory of seasonal products in the back half of last year
     - Seeing in July strong orders and growth in Home & Garden which was hit most by the retail inventory reduction
     - Home & Garden and Global Auto Care were impacted by unfavorable weather vs. last year that reduced consumer demand in June
     - The good news is POS is up vs. last year in July and that both Home & Garden and Global Auto Care gained or held category market share with the launch of several products

FY17 Q3 Highlights

2. Second driver for the sales shortfall was internal
   - 2 major projects to provide more efficient operations
     - Consolidation of HHI's U.S. distribution in Kansas
     - Auto Care's manufacturing and distribution in Ohio
   - Both are up and running, but temporary supply chain challenges impacted sales by about $24 million, or 1.8%
   - Both projects are on schedule and making progress in clearing the much higher than usual order book in Q4
3. Voluntary U.S. safety recall of certain rawhide dog chews which led to a sales reduction of about $11 million, or 0.8%. The manufacturing issue has been corrected, production restarted and will begin restocking retailers in August
4. Currencies turning positive, but in Q3 there were still headwinds which accounted for $12 million, or 0.9% of the decline coming mainly from the GBP devaluation last June
5. Planned exits of non-strategic, low-margin businesses impacted Q3 sales by $10 million, or 0.7%

➢ Net of these temporary headwinds, Q3 sales were up more than 1%



FY17 Q3 Highlights and Outlook

- ✓ Global Batteries & Appliances reported strong organic adjusted EBITDA growth and margin expansion
- ✓ E-commerce continued strong, double-digit growth
- ✓ Invested more in new product development and marketing to support important new product launches and added sales specialists to pursue white space opportunities in more categories, channels and countries
- ✓ Closed two acquisitions – PetMatrix and GloFish – which are both strong strategic fits, immediately accretive and margin-enhancing to the Pet division
- ✓ Expect reported net sales growth above most category rates and also reiterate adjusted free cash flow guidance for FY17
- ✓ Made major share repurchases of $63 million in Q3 and $166 million for the 9 months

GloFish®
Experience the Glo!®

DreamBone® The Healthy Alternative to Rawhide.
Highly Digestible NO RAWHIDE 100% Delicious
SmartBones® The Healthy Alternative to Rawhide®

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Financial and Business Unit Review

Doug Martin

Chief Financial Officer

Financial Review *(1/2)*

- Q3 reported net sales of $1.30 billion decreased 4.2%
- Organic net sales declined 3.9%, excluding negative Fx of $12 million and acquisition sales of $7.2 million, and also including the negative impact from exits of unprofitable businesses of approximately $10 million, HHI and GAC operating start-up shipment delays of about $24 million, the Pet recall of an estimated $11 million, and retailer inventory reduction programs of about $25 million
- Reported gross margin of 36.3% decreased 270 basis points from 39.0% last year primarily due to unfavorable mix, operating inefficiencies, the negative impact of the rawhide recall and increased restructuring activities, along with the negative impact of Fx
- Reported SG&A expense of $285.3 million, or 21.9% of sales, compared to $295.9 million last year, or 21.7%
- Reported operating margin of 12.1% fell 310 basis points versus 15.2% last year
- Reported diluted EPS of $1.31 decreased compared to $1.71 last year primarily due to reduced volume, partially offset by lower interest expense
- Adjusted EPS of $1.71 decreased 1.2% from $1.73 last year primarily as a result of lower volume, unfavorable productivity and the negative impact of Fx, partially offset by reduced interest expense and lower average shares outstanding
- Q3 reported tax rate of 23.9% decreased from 29.4% last year primarily due to federal tax credit claims for prior years that were recognized during Q3

Financial Review *(2/2)*

- Continuing progress on improving working capital, not only absolute improvement year-over-year but also systemic improvement throughout the year to reduce working capital seasonality
- Q3 reported interest expense of $52.4 million decreased $7.5 million from last year driven by the benefits of our 4% Euro-denominated notes issued last September and repricing of U.S. term loans in October and again in April, partially offset by interest related to acquisitions and share repurchases
- Q3 cash interest payments of $42 million were $25 million lower than last year
- Cash taxes of $10 million compared to $7 million last year
- Q3 depreciation, amortization and share-based compensation were $55 million compared to $61 million last year
- Cash payments for acquisition & integration and restructuring & related charges were $3 million and $13 million, respectively, versus $10 million and $3 million, respectively, last year

Global Auto Care

- Q3 reported net sales fell 2.5% against solid growth last year
- Decline driven by mass and auto retailer destocking estimated at nearly $8 million, combined with cooler and wet weather in Q3 vs. 2016 that slowed store traffic and hurt POS
- A partial offset was the successful launch of Armor All Ultra Shine Wash and Wax Wipes which contributed significant incremental sales and strong sell-through
- Adjusted EBITDA decease of 6.5% and margin decline of 140 basis points was due to lower volume, refrigerants input cost inflation, and higher planned marketing expenses to support new product launches
- Temporary shipping start-up issues at the Dayton operating facility negatively impacted sales by about $4 million but the facility is on schedule to deliver meaningful cost savings and improved working capital in FY18
- Focus continues on accelerating organic growth through increased cross-selling, share gains and adjacency expansions in the U.S., an improving vitality rate with more investments in new product development, and international growth
- We continue to expect reported adjusted EBITDA margins above 30% even as the pace of innovation and international expansion increases

Spectrum Brands

Hardware & Home Improvement

- Q3 reported net sales decrease of 1.2% to $324.7 million was HHI's first quarterly top-line decline since its December 2012 acquisition
- Decrease due to temporary start-up issues connected with the U.S. distribution center consolidation project begun in April that adversely impacted sales by about $20 million
- Sales also negatively impacted by 1.0% from planned exits of unprofitable businesses in Mexico
- Adjusted EBITDA fell 4.6% to $62.2 million with 60 basis point margin decline to 19.2%, reflecting unfavorable product mix and facility start-up costs
- Sales growth is expected to resume in Q4 as distribution center efficiency improves
- HHI's core U.S. businesses remain healthy and are growing, supported by a robust new product roadmap and steady innovation every quarter, along with significant recent home builder channel wins that will benefit FY18
- Progress continues on a global transformation program to add capacity and insourcing, harmonize lockset components and increase automation by the end of FY18 to solidify HHI's position as the low-cost industry producer

Kwikset
San Clemente Low Profile

BALDWIN
EVOLVED

Pfister
Ladera Family

Spectrum Brands

Global Pet Supplies

- Q3 reported net sales fell 8.3% and 10.5% excluding negative Fx of $2.7 million and acquisition sales of $7.2 million
- Reported adjusted EBITDA fell 4.2% and 8.5% excluding negative Fx and acquisition-related adjusted EBITDA
- Reported adjusted EBITDA margin increased 80 basis points to 19.0%, confirming that operational improvements made to the business continue to take hold
- Sales declined in both Europe and the U.S.
  - In Europe, revenues fell with the primary factor being significantly reduced dog and cat food sales driven largely by acceleration of the planned exit of a pet food customer tolling agreement totaling $4.7 million
  - In the U.S., revenues were lower due to category declines and planned exits of low-margin private label businesses
- Voluntary U.S. recall of rawhide dog chews in June adversely impacted Q3 sales by an estimated $11 million with a continuing impact expected in July
- One-time, non-recurring charge of $24.9 million, or $0.42 per share, was recorded for the recall; rawhide manufacturing has since resumed and restocking U.S. retailers is expected to begin soon

Home and Garden

- Q3 reported net sales and adjusted EBITDA fell 9.2% and 11.2%, respectively, with reported margin decline of 70 basis points to 30.9%
- Lower results driven by systemic retailer inventory management programs that impacted sales by about $17 million, and unfavorable weather vs. last year that limited POS and customer replenishment orders
- Q3 category POS was mixed but Home and Garden gained market share in all three of its categories – household, outdoor controls and repellents
- Introduction of Black Flag into the outdoor controls category and Hot Shot integrated bed bug pest management system have been successful launches
- Home and Garden is pushing to return to top and bottom-line growth in Q4 given distribution and market share gains, steady innovation and an outstanding retail service team
- Trends to date in July are encouraging and we are optimistic this high-margin business can end FY17 on a positive note and resume growth in FY18

Personal Care (Remington)

- Q3 reported net sales fell 4.2% and 2.2% excluding negative Fx of $2.3 million
- Growth in Latin America was more than offset by lower U.S. and European revenues
- Decreased revenues largely due to implemented price increases in Europe, increased competitor promotions, major U.S. category softness, and sluggish POS at mass
- Global e-commerce sales grew at a double-digit rate; Remington already has a significant presence in online channel sales
- Reported and organic adjusted EBITDA grew with a reported margin increase of 160 basis points despite the sales shortfall, driven by favorable mix, lower operating costs and continuous improvement savings
- Remington is focused on new product introductions and expanding distribution while continuing strong e-commerce growth
- Important new product launches in the U.S. and Europe are occurring in Q4

Small Appliances

- Q3 reported net sales decreased 3.8% and 1.3% excluding negative Fx of $3.7 million
- Higher U.S. revenues from growth in e-commerce and mass channels, in the face of a flat category, were more than offset by lower Latin American and European sales from a continuing Brexit-related softness in our large U.K. business, competitor discounting, and exits from unprofitable businesses
- Reported and organic adjusted EBITDA increased with a reported margin improvement of 250 basis points despite the sales decline as a result of cost savings, favorable mix and flat expenses
- Small appliances plans to continue to broaden its product portfolio and distribution points, with a focus on white space opportunities and continued growth in e-commerce, where it has a significant percentage of its sales
- Key new products are launching in Q4 in Europe and in the U.S., where the iconic Russell Hobbs U.K. brand and family of products are being introduced in the e-commerce channel

Spectrum Brands

Global Batteries

- Q3 reported net sales decreased 1.2% and, excluding negative Fx of $2.4 million, organic revenues were flat
- Solid growth again in Europe, predominantly in alkaline and hearing aid batteries, as well as in Latin America was more than offset by lower revenues in the U.S. despite a continued strong performance from Fusion, our highest performing alkaline battery
- Organic adjusted EBITDA fell high single-digits and margins declined as pricing pressure and commodity cost increases more than offset cost savings
- Despite the Q3 shortfall, global batteries has delivered solid organic sales and adjusted EBITDA growth for the first 9 months
- Global batteries expects to deliver another year of strong continuous improvement savings which help offset negative Fx impacts and increasing commodity costs

Financial Review

- Strong liquidity position at the end of Q3
- We expect slightly higher leverage at the end of FY17 given the acquisition of PetMatrix in June and our share repurchase program totaling $166 million through 9 months
- Adjusted free cash flow for the 9 months of FY17 of $114 million compared to $58 million in the prior year, reflecting progress to sustainably improve working capital management and reduce some of the seasonal volatility of our working capital cycle
- Q3 capital expenditures were $27 million compared to $21 million last year
- Repurchased over 487,000 shares of common stock in Q3 for $62.9 million or $129 per share on average

FY17 Guidance

- Reported net sales expected to grow above category rates for most categories, partially offset by the anticipated negative Fx impacts of approximately 70-90 basis points
- Expect to deliver adjusted free cash flow between $575-$590 million:
  - Full-year interest expense expected to be between $205-$215 million, including approximately $15 million of non-cash items with cash interest payments expected to be between $180-$190 million
  - D&A now expected to be between $230-$240 million, including approximately $40-$45 million for amortization of stock-based compensation
  - Effective tax rate expected to be between 30%-35%; 35% tax rate used for adjusted earnings
  - Cash taxes now expected to be approximately $40-$50 million; we do not anticipate being a significant U.S. federal cash taxpayer for the next couple years as net operating loss carryforwards continue to be used
  - Cash payments for acquisition & integration and restructuring & related charges now expected to be between $45-$55 million
  - Capital expenditures now expected to be between $105-$115 million
    - Incremental investments will support footprint optimization, vertical integration improvements, technology and innovation and are expected to enhance the Company's margin structure and organic sales growth rate

Spectrum Brands

Global Batteries & Appliances	Pet, Home & Garden	Hardware & Home Improvement	Global Auto Care

RAYOVAC · VARTA · Russell Hobbs · REMINGTON · DINGO · Cutter

GEORGE FOREMAN · PROSENSE · Litter Maid · TAT INSECTICIDES · 8in1 · A/C PRO · SmartBones

HOT SHOT · Spectracide · BLACK FLAG · REPEL · Tetra · Kwikset · Garden Safe · FORTIS PURO DESIGN ITALIANO

WEISER SECURITY & INNOVATION · MARINELAND · Instant Ocean · STANLEY · GloFish Experience the Glo! · FURminator PROFESSIONAL PET PRODUCTS

Wild Harvest · EZSET · Breadman · Jungle · Perfect Coat Every Dog Has Its Perfect Style · EUKANUBA · Excel

NATURE'S MIRACLE · BALDWIN · IAMS · Pfister · DreamBone · Tell Manufacturing, Inc. · STP

FreshResults · Balanced-By-Nature ECOTRITION · National Hardware · FANAL · BIRDOLA Wildlife feeding specialists · Digest-eeze

BLACK+DECKER · FARBERWARE · Juiceman · LIQUID FENCE · ARMOR ALL · HEALTHY HIDE

Global Batteries & Appliances

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Appendix

SPECTRUM BRANDS HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)

(in millions, except per share amounts)	Three Month Periods Ended		Nine Month Periods Ended	
	July 2, 2017	July 3, 2016	July 2, 2017	July 3, 2016
Net sales	$ 1,303.9	$ 1,361.5	$ 3,685.6	$ 3,790.0
Cost of goods sold	819.3	830.8	2,290.6	2,355.5
Restructuring and related charges	11.2	0.1	16.5	0.4
Gross profit	473.4	530.6	1,378.5	1,434.1
Selling	199.5	201.7	576.6	578.3
General and administrative	85.8	94.2	273.7	276.2
Research and development	14.5	14.6	44.0	42.9
Acquisition and integration related charges	5.8	8.0	15.0	31.2
Restructuring and related charges	10.0	5.4	16.2	7.8
Total operating expenses	315.6	323.9	925.5	936.4
Operating income	157.8	206.7	453.0	497.7
Interest expense	52.4	59.9	158.8	175.8
Other non-operating expense, net	2.1	2.2	2.9	6.5
Income from operations before income taxes	103.3	144.6	291.3	315.4
Income tax expense	24.7	42.5	88.8	46.8
Net income	78.6	102.1	202.5	268.6
Net income attributable to non-controlling interest	1.7	0.2	1.5	0.4
Net income attributable to controlling interest	$ 76.9	$ 101.9	$ 201.0	$ 268.2
Earnings Per Share				
Basic earnings per share	$ 1.31	$ 1.72	$ 3.41	$ 4.52
Diluted earnings per share	$ 1.31	$ 1.71	$ 3.40	$ 4.51
Dividends per share	$ 0.42	$ 0.38	$ 1.22	$ 1.09
Weighted Average Shares Outstanding				
Basic	58.7	59.4	58.9	59.3
Diluted	58.9	59.6	59.1	59.5

SPECTRUM BRANDS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (unaudited)

(in millions)	Nine Month Periods Ended July 2, 2017	Nine Month Periods Ended July 3, 2016
Cash flows from operating activities		
Net income	$ 202.5	$ 268.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of intangible assets	70.9	70.5
Depreciation	72.2	66.2
Share based compensation	28.4	47.4
Amortization of debt issuance costs	5.4	8.4
Inventory acquisition step-up	0.8	—
Pet safety recall inventory write-off	13.0	—
Write-off of debt issuance costs	2.5	—
Non-cash debt accretion	0.6	1.6
Deferred tax benefit	52.2	(3.1)
Net changes in operating assets and liabilities	(286.1)	(341.7)
Net cash provided by operating activities	162.4	117.9
Cash flows from investing activities		
Purchases of property, plant and equipment	(78.1)	(59.6)
Business acquisitions, net of cash acquired	(304.7)	—
Proceeds from sales of property, plant and equipment	4.3	0.8
Other investing activities	(1.2)	(1.9)
Net cash used by investing activities	(379.7)	(60.7)
Cash flows from financing activities		
Proceeds from issuance of debt	557.5	203.9
Payment of debt	(223.3)	(270.2)
Payment of debt issuance costs	(5.9)	(1.6)
Payment of cash dividends	(72.1)	(64.6)
Treasury stock purchases	(165.9)	(40.2)
Purchase of non-controlling interest	(12.6)	—
Payment of contingent consideration	—	(3.2)
Share based tax withholding payments, net of proceeds upon vesting	(24.3)	(10.5)
Net cash provided (used) by financing activities	53.4	(186.4)
Effect of exchange rate changes on cash and cash equivalents	(1.5)	(1.7)
Net increase in cash and cash equivalents	(165.4)	(130.9)
Cash and cash equivalents, beginning of period	275.3	247.9
Cash and cash equivalents, end of period	$ 109.9	$ 117.0

SPECTRUM BRANDS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (unaudited)

(in millions)	July 2, 2017	September 30, 2016
Assets		
Cash and cash equivalents	$ 109.9	$ 275.3
Trade receivables, net	616.1	482.6
Other receivables	42.2	55.6
Inventories	843.7	740.6
Prepaid expenses and other current assets	94.1	78.8
Total current assets	1,706.0	1,632.9
Property, plant and equipment, net	675.1	542.1
Deferred charges and other	65.3	43.2
Goodwill	2,621.3	2,478.4
Intangible assets, net	2,453.4	2,372.5
Total assets	7,521.1	7,069.1
Liabilities and Shareholders' Equity		
Current portion of long-term debt	33.9	164.0
Accounts payable	557.6	580.1
Accrued wages and salaries	68.9	122.9
Accrued interest	45.5	39.3
Other current liabilities	199.2	189.3
Total current liabilities	905.1	1,095.6
Long-term debt, net of current portion	4,066.7	3,456.2
Deferred income taxes	583.9	532.7
Other long-term liabilities	150.2	140.6
Total liabilities	5,705.9	5,225.1
Shareholders' equity	1,806.4	1,800.1
Noncontrolling interest	8.8	43.9
Total equity	1,815.2	1,844.0
Total liabilities and equity	7,521.1	7,069.1

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP DILUTED EARNINGS PER SHARE TO ADJUSTED DILUTED EARNINGS PER SHARE

	Three Month Periods Ended		Nine Month Period Ended	
	July 2, 2017	July 3, 2016	July 2, 2017	July 3, 2016
Diluted earnings per share, as reported	$ 1.31	$ 1.71	$ 3.40	$ 4.51
Adjustments:				
Acquisition and integration related charges	0.10	0.13	0.25	0.53
Restructuring and related charges	0.36	0.09	0.55	0.14
Debt refinancing costs	0.02	—	0.15	—
Inventory acquisition step-up	0.01	—	0.01	—
Pet safety recall	0.42	—	0.42	—
Other adjustments	0.01	—	0.05	0.02
Income tax adjustment	(0.52)	(0.20)	(0.72)	(1.31)
Total Adjustments	0.40	0.02	0.71	(0.62)
Diluted earnings per share, as adjusted	$ 1.71	$ 1.73	$ 4.11	$ 3.89

SPECTRUM BRANDS HOLDINGS, INC.

ACQUISITION AND INTEGRATION RELATED CHARGES

	Three Month Periods Ended		Nine Month Period Ended	
(in millions)	July 2, 2017	July 3, 2016	July 2, 2017	July 3, 2016
HHI Business	$ 1.8	$ 4.4	$ 5.7	$ 12.0
PetMatrix	1.7	—	2.0	—
GloFish	0.8	—	0.8	—
Armored AutoGroup	0.6	2.6	3.0	13.2
Shaser	0.2	—	1.4	—
Other	0.7	1.0	2.1	6.0
Total acquisition and integration related charges	$ 5.8	$ 8.0	$ 15.0	$ 31.2

SPECTRUM BRANDS HOLDINGS, INC.

RESTRUCTURING AND RELATED CHARGES

	Three Month Periods Ended		Nine Month Period Ended	
(in millions)	July 2, 2017	July 3, 2016	July 2, 2017	July 3, 2016
GAC business rationalization initiative	$ 12.8	$ 3.6	$ 19.8	$ 3.6
HHI distribution center consolidation	9.0	—	9.1	—
PET rightsizing initiative	2.2	—	2.8	—
Other restructuring activities	(2.8)	1.9	1.0	4.6
Total restructuring and related charges	$ 21.2	$ 5.5	$ 32.7	$ 8.2

SPECTRUM BRANDS HOLDINGS, INC.

NET SALES SUMMARY

(in millions, except %)	Three Month Period Ended July 2, 2017	Three Month Period Ended July 3, 2016	Variance		Nine Month Period Ended July 2, 2017	Nine Month Period Ended July 3, 2016	Variance	
Consumer batteries	$ 184.8	$ 187.2	$ (2.4)	(1.3%)	$ 630.5	$ 618.0	$ 12.5	2.0%
Small appliances	145.4	151.1	(5.7)	(3.8%)	455.3	479.3	(24.0)	(5.0%)
Personal care	110.9	115.8	(4.9)	(4.2%)	378.2	393.0	(14.8)	(3.8%)
Global Batteries & Appliances	441.1	454.1	(13.0)	(2.9%)	1,464.0	1,490.3	(26.3)	(1.8%)
Hardware & Home Improvement	324.7	328.5	(3.8)	(1.2%)	927.2	912.9	14.3	1.6%
Global Pet Supplies	189.9	207.1	(17.2)	(8.3%)	576.0	619.0	(43.0)	(6.9%)
Home and Garden	192.4	212.0	(19.6)	(9.2%)	374.2	414.7	(40.5)	(9.8%)
Global Auto Care	155.8	159.8	(4.0)	(2.5%)	344.2	353.1	(8.9)	(2.5%)
Total	$ 1,303.9	$ 1,361.5	(57.6)	(4.2%)	$ 3,685.6	$ 3,790.0	(104.4)	(2.8%)

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP NET SALES TO ORGANIC NET SALES

Three month period ended (in millions, except %)	July 2, 2017 Net Sales	Effect of Changes in Currency	Net Sales Excluding Effect of Changes in Currency	Effect of Acquisitions	Organic Net Sales	Net Sales July 3, 2016	Variance	
Consumer batteries	$ 184.8	$ 2.4	$ 187.2	$ —	$ 187.2	$ 187.2	$ -	0.0%
Small appliances	145.4	3.7	149.1	—	149.1	151.1	(2.0)	(1.3%)
Personal care	110.9	2.3	113.2	—	113.2	115.8	(2.6)	(2.2%)
Global Batteries & Appliances	441.1	8.4	449.5	—	449.5	454.1	(4.6)	(1.0%)
Hardware & Home Improvement	324.7	0.3	325.0	—	325.0	328.5	(3.5)	(1.1%)
Global Pet Supplies	189.9	2.7	192.6	(7.2)	185.4	207.1	(21.7)	(10.5%)
Home and Garden	192.4	—	192.4	—	192.4	212.0	(19.6)	(9.2%)
Global Auto Care	155.8	0.6	156.4	—	156.4	159.8	(3.4)	(2.1%)
Total	$ 1,303.9	$ 12.0	$ 1,315.9	$ (7.2)	$ 1,308.7	$ 1,361.5	(52.8)	(3.9%)

Nine month period ended (in millions, except %)	July 2, 2017 Net Sales	Effect of Changes in Currency	Net Sales Excluding Effect of Changes in Currency	Effect of Acquisitions	Organic Net Sales	Net Sales July 3, 2016	Variance	
Consumer batteries	$ 630.5	$ 9.0	$ 639.5	$ —	$ 639.5	$ 618.0	$ 21.5	3.5%
Small appliances	455.3	14.6	469.9	—	469.9	479.3	(9.4)	(2.0%)
Personal care	378.2	8.0	386.2	—	386.2	393.0	(6.8)	(1.7%)
Global Batteries & Appliances	1,464.0	31.6	1,495.6	—	1,495.6	1,490.3	5.3	0.4%
Hardware & Home Improvement	927.2	(0.8)	926.4	—	926.4	912.9	13.5	1.5%
Global Pet Supplies	576.0	9.0	585.0	(7.2)	577.8	619.0	(41.2)	(6.7%)
Home and Garden	374.2	—	374.2	—	374.2	414.7	(40.5)	(9.8%)
Global Auto Care	344.2	0.8	345.0	—	345.0	353.1	(8.1)	(2.3%)
Total	$ 3,685.6	$ 40.6	$ 3,726.2	$ (7.2)	$ 3,719.0	$ 3,790.0	(71.0)	(1.9%)

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN, ORGANIC ADJUSTED EBITDA

Three month period ended July 2, 2017 (in millions)	GBA	HHI	PET	H&G	GAC	Corporate	Consolidated
Net income (loss)	$ 44.2	$ 44.4	$ (5.4)	$ 55.3	$ 32.5	$ (92.4)	$ 78.6
Income tax benefit	—	—	—	—	—	24.7	24.7
Interest expense	—	—	—	—	—	52.4	52.4
Depreciation and amortization	19.6	9.8	10.8	4.2	5.1	—	49.5
EBITDA	63.8	54.2	5.4	59.5	37.6	(15.3)	205.2
Stock based compensation expense	—	—	—	—	—	5.3	5.3
Acquisition and integration related charges	0.6	1.8	3.0	—	0.3	0.1	5.8
Restructuring and related charges	0.2	6.2	2.0	—	12.8	—	21.2
Inventory acquisition step-up	—	—	0.8	—	—	—	0.8
Pet safety recall	—	—	24.9	—	—	—	24.9
Other	—	—	—	—	—	0.7	0.7
Adjusted EBITDA	$ 64.6	$ 62.2	$ 36.1	$ 59.5	$ 50.7	$ (9.2)	$ 263.9
Net Sales	441.1	324.7	189.9	192.4	155.8	—	1,303.9
Adjusted EBITDA Margin	14.6%	19.2%	19.0%	30.9%	32.5%	—	20.2%

Three month period ended July 3, 2016 (in millions)	GBA	HHI	PET	H&G	GAC	Corporate	Consolidated
Net income (loss)	$ 44.8	$ 52.2	$ 25.5	$ 63.1	$ 44.1	$ (127.6)	$ 102.1
Income tax expense	—	—	—	—	—	42.5	42.5
Interest expense	—	—	—	—	—	59.9	59.9
Depreciation and amortization	18.2	8.8	10.6	3.9	3.8	—	45.3
EBITDA	63.0	61.0	36.1	67.0	47.9	(25.2)	249.8
Stock based compensation expense	—	—	—	—	—	15.9	15.9
Acquisition and integration related charges	0.6	4.0	0.6	—	2.7	0.1	8.0
Restructuring and related charges	0.7	0.2	1.0	—	3.6	—	5.5
Adjusted EBITDA	$ 64.3	$ 65.2	$ 37.7	$ 67.0	$ 54.2	$ (9.2)	$ 279.2
Net Sales	454.1	328.5	207.1	212.0	159.8	—	1,361.5
Adjusted EBITDA Margin	14.2%	19.8%	18.2%	31.6%	33.9%	—	20.5%

Organic Adjusted EBITDA (in millions, except %)	GBA	HHI	PET	H&G	GAC	Corporate	Consolidated
Adjusted EBITDA - three month period ended July 2, 2017	$ 64.6	$ 62.2	$ 36.1	$ 59.5	$ 50.7	$ (9.2)	$ 263.9
Effect of change in foreign currency	5.5	0.6	1.0	—	(0.7)	0.3	6.7
Net EBITDA Excluding Effect of Changes in Currency	70.1	62.8	37.1	59.5	50.0	(8.9)	270.6
Effect of acquisitions	—	—	(2.6)	—	—	—	(2.6)
Organic Adjusted EBITDA	70.1	62.8	34.5	59.5	50.0	(8.9)	268.0
Adjusted EBITDA - three month period ended July 3, 2016	64.3	65.2	37.7	67.0	54.2	(9.2)	279.2
Increase (Decrease) in Adjusted EBITDA	$ 5.8	$ (2.4)	$ (3.2)	$ (7.5)	$ (4.2)	$ 0.3	$ (11.2)
Increase (Decrease) in Adjusted EBITDA (%)	9.0%	(3.7%)	(8.5%)	(11.2%)	(7.7%)	3.3%	(4.0%)

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN, ORGANIC ADJUSTED EBITDA

Nine months ended July 2, 2017 (in millions)	GBA	HHI	PET	H&G	GAC	Corporate	Consolidated
Net income (loss)	$ 171.4	$ 136.7	$ 34.1	$ 88.4	$ 80.1	$ (308.2)	$ 202.5
Income tax expense	—	—	—	—	—	88.8	88.8
Interest expense	—	—	—	—	—	158.8	158.8
Depreciation and amortization	57.2	28.0	31.6	12.4	13.9	—	143.1
EBITDA	228.6	164.7	65.7	100.8	94.0	(60.6)	593.2
Stock based compensation expense	—	—	—	—	—	28.4	28.4
Acquisition and integration related charges	3.4	5.6	3.6	—	2.1	0.3	15.0
Restructuring and related charges	1.5	7.7	3.7	—	19.8	—	32.7
Inventory acquisition step-up	—	—	0.8	—	—	—	0.8
Pet safety recall	—	—	24.9	—	—	—	24.9
Other	—	—	—	—	—	3.2	3.2
Adjusted EBITDA	$ 233.5	$ 178.0	$ 98.7	$ 100.8	$ 115.9	$ (28.7)	$ 698.2
Net Sales	1,464.0	927.2	576.0	374.2	344.2	—	3,685.6
Adjusted EBITDA Margin	15.9%	19.2%	17.1%	26.9%	33.7%	—	18.9%

Nine months ended July 3, 2016 (in millions)	GBA	HHI	PET	H&G	GAC	Corporate	Consolidated
Net income (loss)	$ 171.7	$ 133.4	$ 59.8	$ 106.1	$ 92.0	$ (294.4)	$ 268.6
Income tax expense	—	—	—	—	—	46.8	46.8
Interest expense	—	—	—	—	—	175.8	175.8
Depreciation and amortization	53.0	26.8	32.0	11.3	13.6	—	136.7
EBITDA	224.7	160.2	91.8	117.4	105.6	(71.8)	627.9
Stock based compensation expense	—	—	—	—	—	47.4	47.4
Acquisition and integration related charges	1.6	11.9	3.9	0.5	12.8	0.5	31.2
Restructuring and related charges	1.2	0.4	2.6	0.4	3.6	—	8.2
Other	0.6	—	—	—	—	0.6	1.2
Adjusted EBITDA	$ 228.1	$ 172.5	$ 98.3	$ 118.3	$ 122.0	$ (23.3)	$ 715.9
Net Sales	1,490.3	912.9	619.0	414.7	353.1	—	3,790.0
Adjusted EBITDA Margin	15.3%	18.9%	15.9%	28.5%	34.6%	—	18.9%

Organic Adjusted EBITDA (in millions, except %)	GBA	HHI	PET	H&G	GAC	Corporate	Consolidated
Adjusted EBITDA - nine month period ended July 2, 2017	$ 233.5	$ 178.0	$ 98.7	$ 100.8	$ 115.9	$ (28.7)	$ 698.2
Effect of change in foreign currency	18.2	(3.0)	2.8	—	(1.3)	0.3	17.0
Net EBITDA Excluding Effect of Changes in Currency	251.7	175.0	101.5	100.8	114.6	(28.4)	715.2
Effect of acquisitions	—	—	(2.6)	—	—	—	(2.6)
Organic Adjusted EBITDA	251.7	175.0	98.9	100.8	114.6	(28.4)	712.6
Adjusted EBITDA - nine month period ended July 3, 2016	228.1	172.5	98.3	118.3	122.0	(23.3)	715.9
Increase (Decrease) in Adjusted EBITDA	$ 23.6	$ 2.5	$ 0.6	$ (17.5)	$ (7.4)	$ (5.1)	$ (3.3)
Increase (Decrease) in Adjusted EBITDA (%)	10.3%	1.4%	0.6%	(14.8%)	(6.1%)	21.9%	(0.5%)

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP CASH FLOW FROM OPERATING ACTIVITIES TO ADJUSTED FREE CASH FLOW

(in millions)	Forecasted 2017	2016	2015
Net cash provided from operating activities	$ 680 - 695	$ 615	$ 444
Cash interest charges related to refinancing	—	15	75
Cash restructuring, acquisition & integration costs	—	—	24
Purchases of property, plant and equipment	(105) - (115)	(95)	(89)
Adjusted free cash flow	$ 575 - 590	$ 535	$ 454