

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, 2023
OR

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

For the transition period from _____ to _____



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. (a Delaware corporation) 3001 Deming Way, Middleton, WI 53562 (608) 275-3340 www.spectrumbrands.com	74-1339132
333-192634-03	SB/RH Holdings, LLC (a Delaware limited liability company) 3001 Deming Way, Middleton, WI 53562 (608) 275-3340	27-2812840

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

Registrant	Title of each class	Name of each exchange on which registered
Spectrum Brands Holdings, Inc. SB/RH Holdings, LLC	Common Stock, Par Value \$0.01 None	New York Stock Exchange None

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

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act.

Spectrum Brands Holdings, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
SB/RH Holdings, LLC	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Spectrum Brands Holdings, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
SB/RH Holdings, LLC	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrants (1) have 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.

Spectrum Brands Holdings, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
SB/RH Holdings, LLC	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark whether the registrants have 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).

Spectrum Brands Holdings, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
SB/RH Holdings, LLC	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Spectrum Brands Holdings, Inc.	<input type="checkbox"/>
SB/RH Holdings, LLC	<input type="checkbox"/>

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.:

Registrant	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company	Emerging Growth Company
Spectrum Brands Holdings, Inc.	X				
SB/RH Holdings, LLC			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.

Spectrum Brands Holdings, Inc.	<input type="checkbox"/>
SB/RH Holdings, LLC	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Spectrum Brands Holdings, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
SB/RH Holdings, LLC	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

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.

Spectrum Brands Holdings, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
SB/RH Holdings, LLC	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

The aggregate market value of the voting stock held by non-affiliates of Spectrum Brands Holdings, Inc. was approximately \$2,624 million based upon the closing price on the last business day of the registrant's most recently completed second fiscal quarter (April 2, 2023). 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 15, 2023, there were outstanding 35,308,011 shares of Spectrum Brands Holdings, Inc.’s Common Stock, par value \$0.01 per share.

SB/RH Holdings, LLC meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and has therefore omitted the information otherwise called for by Items 10 to 13 of Form 10-K as allowed under General Instruction I(2)(c).

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, 2023 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.
SB/RH HOLDINGS, LLC
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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, financial 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.

Since these forward-looking statements are based upon our current expectations of future events and projections and are subject to a number of risks and uncertainties, many of which are beyond our control and some of which may change rapidly, actual results or outcomes may differ materially from those expressed or implied herein, and you should not place undue reliance on these statements. Important factors that could cause our actual results to differ materially from those expressed or implied herein include, without limitation:

- 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 armed conflict between Russia and Ukraine and the Israel-Hamas war and their impact on those regions and surrounding regions, including on our operations and on those of our customers, suppliers and other stakeholders;
- our increased reliance on third-party partners, suppliers and distributors to achieve our business objectives;
- 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;
- changes in consumer spending preferences and demand for our products, particularly in light of economic stress and the COVID-19 pandemic;
- 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);
- 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 successfully integrate the February 18, 2022, acquisition of the home appliances and cookware products business from Tristar Products, Inc. (the "Tristar Business") into the Company's Home and Personal Care ("HPC") business and realize the benefits of this acquisition;
- our ability to successfully integrate the May 28, 2021 acquisition of the Rejuvenate business and tradename from For Life Products, LLC into the Company's Home & Garden ("H&G") business and realize the benefits of this acquisition;
- our ability to separate the Company's 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 H&G business and to realize the expected benefits of such creation, and within the anticipated time period, or at all;
- our ability to successfully implement further acquisitions or dispositions and the impact of any such transactions on our financial performance;
- 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.

PART I

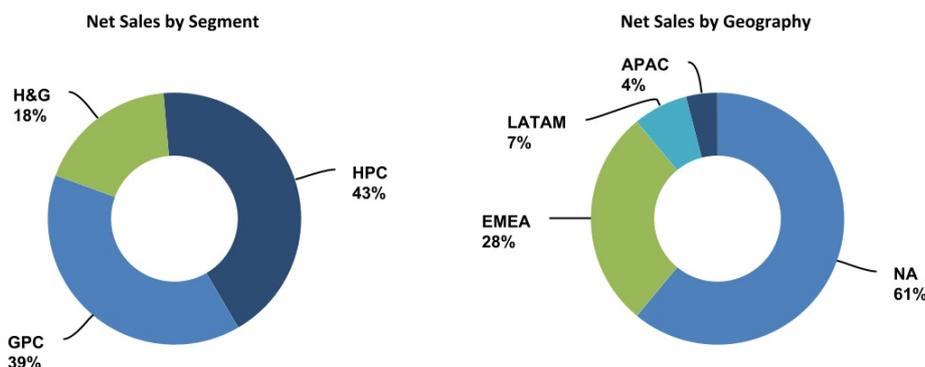
ITEM 1. BUSINESS

This combined Form 10-K is being filed by Spectrum Brands Holdings, Inc. (“SBH”) and SB/RH Holdings, LLC (“SB/RH”) (collectively, the “Company”). SB/RH is a wholly-owned subsidiary of SBH and represents substantially all of its assets, liabilities, revenues, expenses and operations. SB/RH is the parent guarantor for certain debt of Spectrum Brands, Inc., a wholly-owned subsidiary of SB/RH (“SBI”), and represents all of SBI assets, liabilities, revenues, expenses, and operations. Thus, all information contained in this report relates to, and is filed by, SBH. Information that is specifically identified in this report as relating solely to SBH, such as its financial statements and its common stock, does not relate to and is not filed by SB/RH. SB/RH makes no representation as to that information. The terms “the Company,” “we,” and “our” as used in this report, refer to both SBH and its consolidated subsidiaries and SB/RH 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

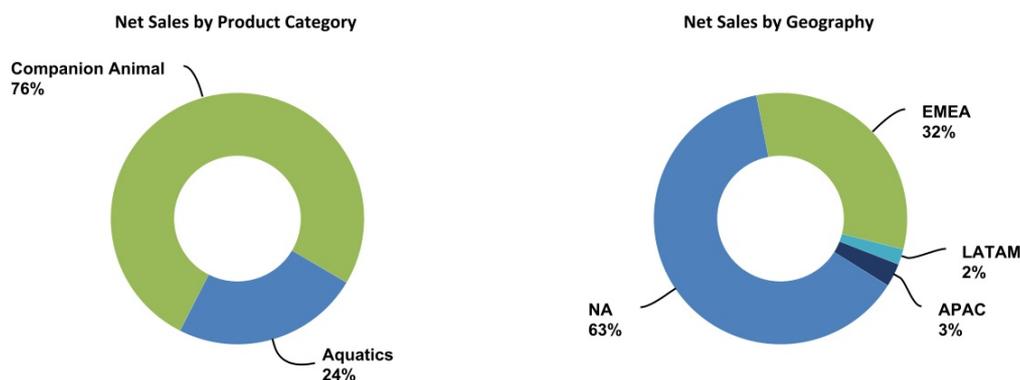
We are a diversified global branded consumer products and home essentials company. We manage the business in three vertically integrated, product focused segments: (i) Global Pet Care (“GPC”), (ii) Home and Garden (“H&G”) and (iii) Home and Personal Care (“HPC”). The Company manufactures, markets and 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, 2023.



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 *Management’s Discussion and Analysis of Financial Condition and Results of Operations*, included in Item 7 to this Annual Report, 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, 2023.



Product Category	Products	Brands
Companion Animal	Dog and cat chews, treats, wet and dry foods; Dog and cat clean-up, behavioral training aides, health and grooming products; Indoor bird and other small animal food and care products.	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, which represented approximately 33.4% of segment sales for the fiscal year ended September 30, 2023.

Primary competitors are Mars Corporation, Nestle Purina, and the Central Garden & Pet Company all of which sell a comprehensive line of pet products that compete 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, 2023 are as follows:

	2023
First Quarter	24 %
Second Quarter	26 %
Third Quarter	24 %
Fourth Quarter	26 %

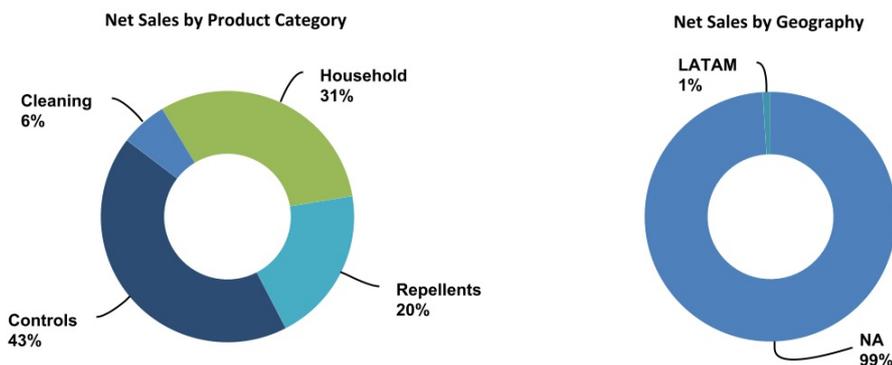
Chews products are produced at third-party suppliers in the APAC region and Mexico. Certain other aquatics equipment and companion animal hard goods are also produced at third-party suppliers in the APAC region. We maintain ownership of most of the tooling and molds used by third-party suppliers. Product 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 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 Melle, Germany. 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, 2023.



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, including Lowe's, Home Depot, and Walmart, which represent approximately 63.1% segment sales for the year ended September 30, 2023.

Primary competitors 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, 2023 are as follows:

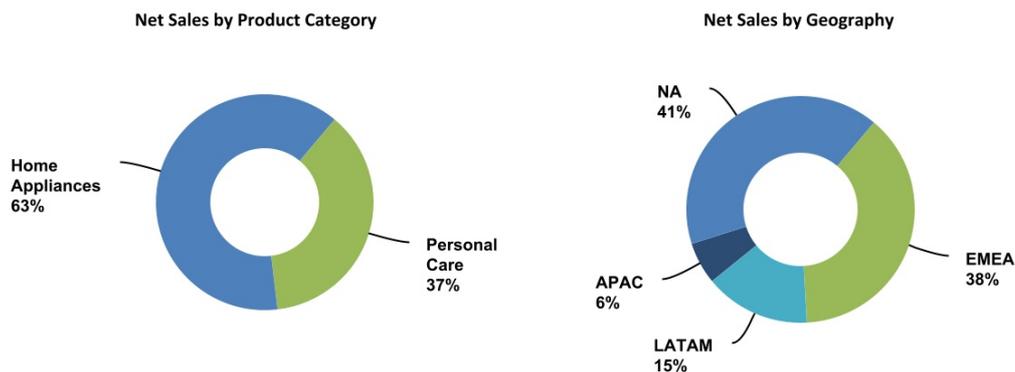
	2023
First Quarter	12 %
Second Quarter	29 %
Third Quarter	35 %
Fourth Quarter	24 %

H&G produces the majority of its products in one facility in St. Louis, 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, 2023.



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 "License Agreement") with Stanley Black+Decker ("SBD") pursuant to which we license the Black + Decker® brand ("B&D") in North America, Latin America (excluding Brazil) and the Caribbean for four core categories of household appliances: beverage products, food preparation products, garment care products and cooking products. The License Agreement has a term ending June 30, 2025, including a sell-off period from April 1, 2025 to June 30, 2025 whereby the Company can continue to sell and distribute but no longer produce products subject to the License Agreement. Under the terms of the License Agreement, we agree to pay SBD royalties based on a percentage of sales, with minimum annual royalty payments of \$15.0 million, with the exception that the minimum annual royalty will no longer be applied effective January 1, 2024 through the expiration of the License Agreement. The License Agreement also requires us to comply with maximum annual return rates for products. Subsequent to the completion of the License Agreement, there are no continuing obligations or restrictions on the business activities of either party. See Note 6 – Revenue Recognition included in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further detail on revenue concentration from B&D branded products.

The Emeril License is set to expire effective December 31, 2023, with options of up to two additional one-year renewal periods following the initial expiration. Under the terms of the agreement, we are obligated to pay the license holder a percentage of sales, with minimum annual royalty payments of \$1.6 million, increasing to \$1.8 million in subsequent renewal periods.

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 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, which represent approximately 37.1% of segment sales for the year ended September 30, 2023.

Primary competitors for home appliances 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 in personal care 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 appliances 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, 2023 are as follows:

	2023
First Quarter	27 %
Second Quarter	23 %
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.

Discontinued Operations

Hardware and Home Improvement ("HHI")

On September 8, 2021, the Company entered into a definitive Asset and Stock Purchase Agreement (the "Purchase Agreement") with ASSA ABLOY AB ("ASSA") to sell its HHI segment for cash proceeds of \$4.3 billion, subject to customary purchase price adjustments. HHI consists of residential locksets and door hardware, including knobs, levers, deadbolts, handle sets, and electronic and connected locks under the Kwikset®, Weiser®, Baldwin®, Tell Manufacturing®, and EZSET® brands; kitchen and bath faucets and accessories under the Pfister® brand; and builders' hardware consisting of hinges, metal shapes, security hardware, rack and sliding door hardware, and gate hardware under the National Hardware® and FANAL® brands. On June 20, 2023, the Company completed its divestiture of its HHI segment resulting in the recognition of a gain on sale of \$2.8 billion included as a component of Income From Discontinued Operations, Net of Tax. Refer to *Note 3 - Divestitures* to the Consolidated Financial Statements, included elsewhere in this Annual Report, for further discussion pertaining the HHI divestiture.

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, 2023, we have approximately 3,100 full-time employees worldwide. Approximately 25% of our total labor force is covered by collective bargaining agreements, of which approximately 25% is subject to arrangements under negotiations or expiring within 12 months. 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," promote innovation, trust, accountability and collaboration. The result is a work environment that encourages the well being of our employees holistically - 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, 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, Equity and Inclusion

Spectrum Brands is committed to fostering a diverse, equitable, 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, equity and inclusion (“DEI”) to help us create long-lasting change;
- Implemented a DEI program;
- Created a U.S. DEI Advisory Counsel made up of our employees of diverse backgrounds to help design and develop DEI-related priorities and goals, advise on ways to advance the DEI dialogue and drive meaningful cultural change at the Company;
- Created affinity groups for our diverse employees and developing trainings, communications and programs to further facilitate and encourage open and transparent DEI discussions among our employee populations; and
- Developed educational content and trainings to help leaders foster a more inclusive environment.

COVID-19 Response

In response to COVID-19, our Company took swift and effective action to protect the health and safety of our global employees. The Company implemented a number of robust COVID-19 safety practices, including, by way of example:

- Temperature screenings and masks were required at all sites prior to admittance;
- Weekly audits using a list of safety requirements, including social distancing, personal protective equipment, sanitation, hygiene education, etc.;
- Guidelines and procedures for the deep cleaning of HVAC systems to prevent the spread of germs;
- Contact tracing practices with mandatory quarantine for individuals with confirmed close contact cases;
- Requirement that all non-essential employees to work from home; and
- Suspension of travel restrictions for all unnecessary travel.

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

Reliance on third-party relationships and outsourcing arrangements 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, manufacture, 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. Additionally, any disruption, 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. 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.

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.

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 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 a number 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 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. 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. If we are not successful in developing and utilizing e-commerce channels that future consumers may prefer, we may experience lower than expected revenues.

We are also seeing more traditional brick-and-mortar retailers closing physical stores, and filing for bankruptcy, which could negatively impact our distribution strategies and/or sales if such retailers decide to 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 6 - Revenue Recognition* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

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, 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.

As a result of the desire of retailers to more closely manage inventory levels, there is a growing trend among them 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 we do not produce on their behalf and 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 under *Item 1 - Business* above. 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.

Although we have long-standing relationships with many of our suppliers, we generally do not have long-term contracts with them. An adverse change in any of the following 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;
- 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 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.

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 risks related to our sales of products obtained from third-party suppliers.

We sell a significant number of products that are manufactured by third-party suppliers over which we have no direct control. 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, the impact of economic conditions of our suppliers cannot be predicted and our suppliers may be unable to access financing or become insolvent and thus become unable to supply us with products. Development in tax policy, such as the imposition of tariffs on imported goods, could further have a material adverse effect on our results of operations and liquidity.

In addition, 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.

We face a number of local, regional, and global uncertainties and potential disruptions which could adversely impact our businesses.

We face a number of local, regional, and global uncertainties and potential disruptions 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; actions taken by governmental authorities to contain the spread of COVID-19 and mitigate its public health effects; 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 initiated the closure of 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 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.

Additionally, global economic conditions or restrictions from armed conflicts or the COVID-19 pandemic may cause our suppliers, distributors, contractors, or other third-party partners to suffer financial or operating 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. For instance, our suppliers in Asia and other parts of the world have, and may continue to experience, shutdown or limitations in their operations as result of the COVID-19 pandemic, which may contain or limit our ability to supply or distribute our products to our customers and negatively impact our business. Moreover, we have experienced, and may continue to experience, delays in the receipt of certain goods from international and domestic shipping origins as a result of the COVID-19 pandemic and more general global supply chain constraints in both fiscal 2021 and fiscal 2022. While we have taken certain remediating actions in response to the ongoing global supply chain challenges, these measures may not be sufficient and other supply chain challenges may continue to arise that are beyond our control and could negatively affect our business and financial performance.

Moreover, we have transitioned our third-party logistics service provider at our existing Edwardsville, IL distribution center. These efforts 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 these 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 our defined benefit pension plans. 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* to the Consolidated Financial Statements included elsewhere in this Annual Report 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 as of September 30, 2023, see *Note 16 - Income Taxes* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

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. 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, 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 the transition 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.

The integration of the Tristar Business into our HPC segment may be more difficult, time-consuming, or costly than expected. Synergies and other anticipated benefits may not be realized within the expected time frames, or at all.

On February 18, 2022 we completed the acquisition of the Tristar Business. Our ability to realize the anticipated benefits of the acquisition of the Tristar Business is dependent, to a large extent, on our ability to integrate the acquired business into our current HPC segment in a manner that facilitates growth opportunities and achieves projected growth trends without adversely affecting revenue and investments in future growth. The failure to meet the challenges involved in combining the Tristar Business with our current HPC segment and to realize the anticipated benefits from such combination, including expected synergies, could adversely affect our results of operations.

As of September 30, 2023, the Company and its HPC segment have 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 segment. Since the acquisition, the 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.

The overall combination of our businesses has, and may continue to, result in material unanticipated problems, expenses, liabilities, competitive responses, and loss of customer and other business relationships. The difficulties of combining the operations of the companies include, among others: diversion of management's attention to integration matters; difficulties in integrating operations and systems; challenges in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies; difficulties in integrating employees and attracting and retaining key personnel, challenges in retaining existing, and obtaining new customers, suppliers, employees and others; difficulties in achieving anticipated cost savings, synergies, business opportunities, financing plans and growth prospects from the combination; difficulties in managing the expanded operations of a larger HPC segment; challenges in continuing to develop valuable and widely accepted products; contingent liabilities that are larger than expected; and potential unknown liabilities, adverse consequences and unforeseen increased expenses associated with the acquisition of the Tristar Business.

Additionally, the full benefits of the acquisition of the Tristar Business, including anticipated synergies, cost savings or sales or growth opportunities, may not be realized, and these benefits may not be achieved within our anticipated time frame or at all. Further, additional unanticipated costs may be incurred in the continued integration of our businesses. 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, 2023, 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 and the HPC segment. The Company is pursuing avenues to remediate and recover such damages and losses realized since the acquisition, but it is not guaranteed that the Company will be able to remediate or recover such damages and losses in whole or in part. See "Management's Discussion & Analysis—Business Overview—Tristar Business Acquisition."

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, including our purchase of the Tristar Business, 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 may result in increased 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 demand for natural or organic 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 may result in new or increased regulations and customer, consumer and investor 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. 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 an increasing focus from certain investors, customers, consumers, employees, and other stakeholders concerning corporate citizenship and sustainability matters. From time to time, we communicate certain initiatives, including goals, regarding environmental matters, responsible sourcing and social investments. We could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could fail in fully and accurately reporting our progress on such initiatives and goals. In addition, we could be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters. Our business could be negatively impacted by such matters. Any such matters, or related corporate citizenship and sustainability matters, could have a material adverse effect on our business.

The COVID-19 and future pandemics are 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. With the possibility of continued widespread infection in the U.S. and abroad, there exists the potential for substantial commercial impact. 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 of uncertain severity and duration, and the uncertainty remains due to the potential for these measures to be re-implemented in the event of increased COVID-19 cases.

As a result of the COVID-19 pandemic, we have experienced varying degrees of business disruptions and periods of closure of our distribution centers, and corporate facilities, as have our wholesale customers, licensing partners, suppliers and vendors, and despite our efforts to manage and remedy the impact of COVID-19 on our financial condition and results of operations, the ultimate impact also depends on factors beyond our knowledge or control, 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. Any of the foregoing factors, or other cascading effects of the COVID-19 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

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 12 - Debt* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report 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 6 - Revenue Recognition* and *Note 21 - Segment Information* in the Notes to the Consolidated Financial Statements included elsewhere in the Annual Report, 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;
- 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. During the fiscal year ended September 30, 2023, approximately 41% of our net sales were denominated in foreign currencies. 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 14 - Derivatives* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report 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 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.

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. 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 termination of these licensing arrangements, 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* included elsewhere in this Annual Report 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.

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. We continue to assess potential threats and make investments seeking 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 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.

Our IT systems 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 European Union 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 included elsewhere in this Annual Report for further discussion over material claims and litigation.

The Company may 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 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. A significant product liability judgment or a widespread product recall 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 or injury could adversely affect the Company's reputation with existing and potential customers and its corporate and brand image. 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 included elsewhere in this Annual Report 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 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;
- the handling and disposal of solid and hazardous substances and wastes; and
- 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* included elsewhere in this Annual Report.

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 included elsewhere in this Annual Report 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 distributor of consumer products in the U.S., certain of our products are also 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. Under certain circumstances, the Consumer Commission 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 of a potential safety hazard can result in significant fines being assessed against us. Additionally, laws regulating certain consumer products exist in some states, as well as in other countries in which we sell our products, and more restrictive laws and regulations may be adopted in the future.

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 the goals and aspirations set forth in our sustainability report, particularly with respect to the reduction of greenhouse gas (GHG) 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 shareholder support.

We have announced certain aspirations and goals related to ESG matters, such as plans to reduce certain GHG emissions over time. 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 shareholder 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 part 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.

If our goodwill, 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 consist 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 entail significant amounts of judgment and subjectivity. Events and changes in circumstances that may indicate that there may be an impairment and which may indicate that interim impairment testing is necessary 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 11 – Goodwill and Intangible Assets* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report 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 5 - Restructuring Charges* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for additional detail over restructuring related activity.

Risks Related to Investment in 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.

Even though the Company's common stock is currently traded on the NYSE, it has less liquidity than many other stocks quoted on a national securities exchange.

The trading volume in the Company's common stock on the NYSE has been relatively low when compared with larger companies listed on the NYSE or other stock exchanges. Because of this, it may be more difficult for stockholders to sell a substantial number of shares for the same price at which stockholders could sell a smaller number of shares. We cannot predict the effect, if any, that future sales of the Company's common stock in the market, or the availability of shares of its common stock for sale in the market, will have on the market price of the Company's common stock. We can give no assurance that sales of substantial amounts of the Company's common stock in the market, or the potential for large amounts of sales in the market, would not cause the price of the Company's common stock to decline or impair the Company's future ability to raise capital through sales of its common stock. Furthermore, because of the limited market and generally low volume of trading in the Company's common stock that could occur, the share price of its common stock could be more likely to be affected by broad market fluctuations, general market conditions, fluctuations in our operating results, changes in the market's perception of our business, and announcements made by the Company, its competitors or parties with whom the Company has business relationships. The lack of liquidity in the Company's common stock may also make it difficult for us to issue additional securities for financing or other purposes, or to otherwise arrange for any financing we may need in the future. In addition, we may experience other adverse effects, including, without limitation, the loss of confidence in us by current and prospective suppliers, customers, employees and others with whom we have or may seek to initiate business relationships.

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.

Factors that may influence the price of the common stock include, 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;
- 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.

Additional issuances of the Company's common stock may result in dilution to its existing stockholders.

Under our 2011 equity incentive plan adopted by the shareholders in 2011, called the Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Award Plan (the "2011 Equity Plan"), a total of 7.1 million shares of common stock of the Company, net of cancellations, have been authorized to be issued. As of September 30, 2023, we have issued 6.9 million restricted stock units (or the equivalent number of shares of common stock upon the lapsing of the applicable restrictions) under the 2011 Equity Plan and have a remaining authorization to issue up to a total of 0.2 million shares of our common stock, or options or restricted stock units exercisable for shares of common stock. On July 28, 2020, the Company's shareholders approved the Spectrum Brands Holdings, Inc. 2020 Omnibus Equity Plan (the "2020 Equity Plan") pursuant to which 2.6 million shares of common stock were authorized to be issued. As of September 30, 2023, we have issued 0.5 million stock units (or the equivalent number of shares of common stock upon lapsing of the applicable restrictions under the 2020 Equipment Plan and have a remaining authorization to issue up to a total of 2.1 million shares of our common stock or options or restricted stock units exercisable for shares of common stock.

In addition, the Company's board of directors has the authority to issue additional shares of capital stock to provide additional financing or for other purposes in the future. The issuance of any such shares or exercise of any such options may result in a reduction of the book value or market price of the outstanding shares of common stock. If we do issue any such additional shares or any such options are exercised, such issuance or exercise also will cause a reduction in the proportionate ownership and voting power of all other stockholders. As a result of such dilution, the proportionate ownership interest and voting power of a holder of shares of common stock could be decreased.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following lists our principal owned or leased administrative, manufacturing, packaging, and distribution facilities at September 30, 2023

Location	Function / Use	Owned / Leased
U.S. Locations		
Bentonville, Arkansas	Shared Commercial Operations	Leased
Blacksburg, Virginia	GPC - Research & Development	Leased
Blacksburg, Virginia	GPC - Manufacturing	Owned
Bridgeton, Missouri	GPC - Manufacturing	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
Meriden, Connecticut	HPC - Distribution	Leased
Middleton, Wisconsin	Corporate Headquarters, HPC Headquarters and NA Shared Operations	Leased
Miramar, Florida	HPC -Commercial Operations	Leased
Mooresville, North Carolina	H&G - Commercial Operations	Leased
Moorpark, California	GPC - Commercial Operations	Leased
New Britain, Connecticut	HPC - Distribution	Leased
Noblesville, Indiana	GPC - Manufacturing	Owned
Redlands, California	HPC - Distribution	Leased
Reno, Nevada	HPC - Distribution	Leased
Riverview, Florida	GPC - Research & Development	Owned
St. Louis, Missouri	H&G - Manufacturing	Leased

Location	Function / Use	Owned / Leased
Non-U.S. Locations		
Ballymount, Ireland	HPC - Commercial Operations	Leased
Barcelona, Spain	HPC - Commercial Operations	Leased
Bogota, Colombia	Shared - Commercial Operations	Leased
Borgholzhausen, Germany	GPC - Distribution	Leased
Bucharest, Romania	HPC - Commercial Operations	Leased
Buenos Aires, Argentina	HPC - Commercial Operations	Leased
Coevorden, Netherlands	GPC - Distribution	Leased
El Dorado, Panama	HPC - Commercial Operations	Leased
Guatemala, Guatemala	HPC - Commercial Operations	Leased
Istanbul, Turkey	HPC - Commercial Operations	Leased
Manchester, UK	Shared - UK Operations	Owned
Melle, Germany	GPC - Manufacturing	Owned
Mentone, Australia	HPC - Operations & Distribution	Leased
Mexico City, Mexico	Shared - Commercial Operations	Leased
Milan, Italy	Shared - Commercial Operations	Leased
Nuremberg, Germany	HPC - Distribution	Leased
Penrose, New Zealand	HPC - 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
Shanghai, China	HPC - Commercial Operations	Leased
Shenzhen, China	APAC Shared Operations & Distribution	Leased
Singapore, Singapore	Shared Commercial Operations	Leased
Sofia, Bulgaria	HPC - Commercial Operations	Leased
Stockholm, Sweden	HPC - Commercial Operations	Leased
Sulzbach, Germany	EMEA Shared Operations	Leased
Tegucigalpa, Honduras	HPC - Commercial Operations	Leased
Utrecht, Netherlands	HPC - Commercial Operations	Leased
Vantaa, Finland	HPC - Commercial Operations	Leased
Warsaw, Poland	Shared - Commercial Operations	Leased
Wombourne, UK	HPC - Distribution	Leased
Xiamen, China	Shared - Commercial Operations	Leased
Yokohama, Japan	GPC Commercial Operations	Leased

We also contract with third parties to operate distribution centers, sales and other administrative offices throughout the world in support of our business. 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, included elsewhere in this Annual Report 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 15, 2023, there were approximately 1,123 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.

SB/RH is a wholly-owned subsidiary of SBH and accordingly, there is no established public trading market for its equity securities. As of November 15, 2023, there is only one record holder of its equity securities. During the years ended September 30, 2023 and 2022, SB/RH paid dividends of \$305.1 million and \$194.7 million, respectively, to its parent company, SBH. Certain restrictive covenants within the Company's debt facilities impose limitations on payment of dividends by SB/RH's subsidiaries to SBH.

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 Spectrum Legacy stockholders.
- Spectrum Brands Holdings, Inc. 2020 Omnibus Equity Plan, as approved and amended by the Spectrum 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	0.2
Spectrum Brands Holdings, Inc. 2020 Omnibus Equity Plan	2.6	2.1

Refer to *Note 18 – Share Based Compensation* in Notes to our Consolidated Financial Statement included elsewhere in this Annual Report, 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 "Maximum Amount"). The share repurchase program will be in effect from June 17, 2023 until the earlier of the Maximum Amount being repurchased thereunder or the suspension, termination or replacement of the program by the Company's Board of Directors. The share 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.

During the year ended September 30, 2023, the Company entered into an accelerated share repurchase agreement (the "ASR Agreement") to repurchase an aggregate of \$500.0 million of the Company's common stock under the Company's new share repurchase program. Pursuant to the agreement, the Company paid \$500.0 million at inception 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 stock transaction. Upon settlement of the ASR agreement, the final number of shares to be delivered will be determined with reference to the volume weighted average price per share of our common stock over the term of the agreement, less a negotiated discount. The final settlement of the transaction under the agreement is expected to occur no later than December 20, 2023.

The following summarizes the activity of common stock repurchases under the program in the fourth quarter of the year ended September 30, 2023:

	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 3, 2023 to July 30, 2023	—	\$ —	—	\$ 500,000,000
July 31, 2023 to August 27, 2023	34,107	82.81	34,107	497,175,050
August 28, 2023 to September 30, 2023	391,287	81.50	391,287	465,286,924
As of September 30, 2023	5,768,702		5,768,702	\$ 465,286,924

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.

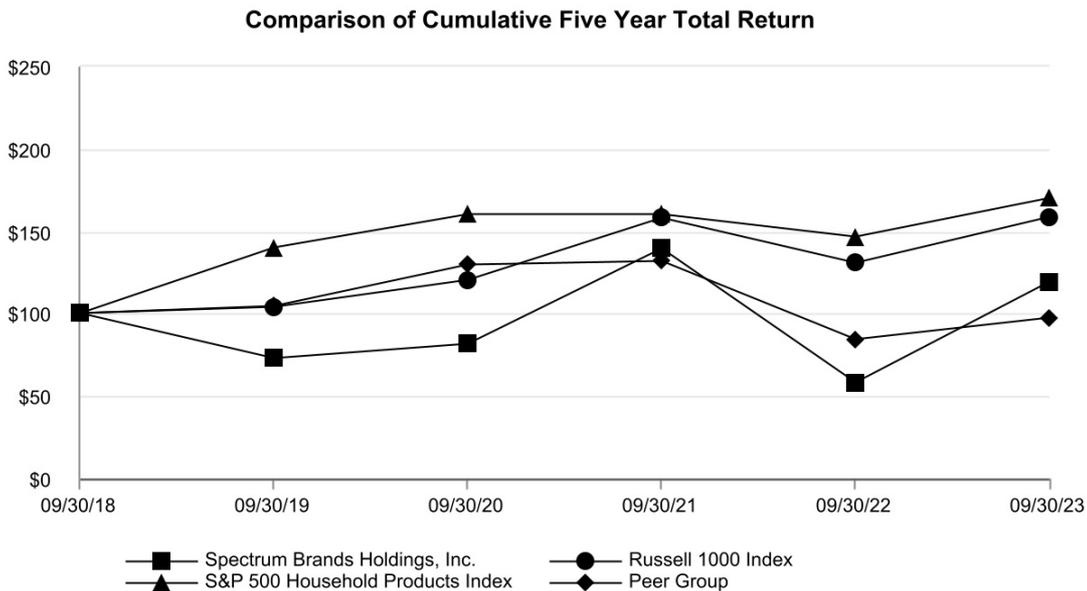
Recent Sales of Unregistered Securities

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, and the Spectrum Peer Group selected in good faith, which is composed of the following companies (*alphabetical order*): Allegion PLC, Central Garden and Pet Company, Church & Dwight Co., Inc., Edgewell Personal Care Company, Energizer Holdings, Inc., Fortune Brands Home & Security, Inc., Hamilton Beach Brands Holding Company, Helen of Troy Limited, Newell Brands, Inc., Nu Skin Enterprises, Inc., Stanley Black & Decker, Inc., The Clorox Company, and The Scotts Miracle-Gro Company.

The comparison below assumes that \$100 was invested in the common stock of SBH from September 30, 2018 until September 30, 2023. 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 included elsewhere in this Annual Report. The following is a combined report of SBH and SB/RH, and the following discussion includes SBH and certain matters related to SB/RH as signified below. Unless the context indicates otherwise, the terms the "Company," "we," "our" or "us" are used to refer to SBH and its subsidiaries and SB/RH and its subsidiaries, collectively.

Business Overview

The following section provides a general description of our business as well as recent developments for the years ended September 30, 2023 and 2022, which we believe are important to understanding our results of operations, financial condition, and understanding anticipated future trends. Refer to *Item 1 - Business* and *Note 1 - Description of Business* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report for an overview of our business. For a discussion of our fiscal 2021 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.

Acquisitions, Divestitures and Other Business Development Initiatives

The Company periodically evaluates strategic transactions that may result in the acquisition of a business or assets that qualify as a business combination, or a divestiture of a business or assets that may be recognized as either a component of continuing operations or discontinued operations, depending on the significance to the consolidated group. Acquisitions may impact the comparability of the consolidated or segment financial information, with the inclusion of the operating results for the acquired business in periods subsequent to acquisition date, the inclusion of acquired assets, both tangible and intangible (including goodwill), and the related amortization, depreciation or other non-cash purchase accounting adjustments of acquired assets. Divestitures may impact the comparability of the consolidated or segment financial information with the recognition of an impairment loss when held for sale, gain or loss on disposition, or change in classification to discontinued operations for a qualifying transactions. Moreover, the comparability of consolidated or segment financial information may be impacted by incremental costs to facilitate and effect such transactions and initiatives to integrate acquired business or separate divested operations and assets with the consolidated group. The following strategic transactions have been considered as having a significant impact on the comparability of the financial results on the consolidated financial statements and segment financial information.

- **HHI Divestiture** - On September 8, 2021, the Company entered into a Purchase Agreement with ASSA to sell its HHI segment. On June 20, 2023, the Company completed its divestiture of its HHI segment. The operating results of the HHI divestiture are included as Income From Discontinued Operations, Net of Tax for all periods presented through the date of the divestiture, including the gain on sale. See *Note 3 - Divestitures* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report for further detail. The Company has incurred incremental costs attributable to the divestiture, consisting of legal and professional fees to effect the realization of the Purchase Agreement, preparation for separation of systems and processes supporting the divested business and enabling functions under a transition services agreement ("TSA"). Transaction costs directly attributable to the close of the transaction including certain compensatory costs contingent upon the successful completion of the sale are included as a component of the gain on sale of discontinued operations. Incremental costs are expected to be incurred following consummation of the transaction to support TSA processes and mitigation following the close of the sale are expected to be incurred for a transition period of approximately 12-24 months following the close of the transaction.
- **HPC Separation** - The Company has initiated projects to facilitate a strategic separation of the Company's ownership in the HPC segment in the most advantageous way to realize value for both the HPC business as a standalone appliance business either through a spin, merger or other strategic transaction, and the retained GPC and H&G businesses of the consolidated group. Costs are primarily attributable to legal and professional fees incurred to assess opportunities, evaluate transaction considerations for a separation, including potential tax and compliance implications, costs directly attributable to the legal entity separation and transfer of net assets of the HPC operations from commingled operations of the Company, plus the segregation of systems and processes. Costs attributable to the initiative are expected to be incurred until a transaction is realized or otherwise cancelled.
- **Tristar Business Acquisition** - During the year ended September 30, 2022, on February 18, 2022, the Company acquired 100% of the Tristar Business that includes a portfolio of home appliances and cookware products sold under the PowerXL®, Emeril, and Copper Chef® brands. The net assets and operating results of the Tristar Business are included in the Consolidated Financial Statements and reported within the HPC reporting segment as of and for the years ended September 30, 2023 and 2022, effective as of the transaction date. See *Note 4 - Acquisitions* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report, for further detail. In addition to the transaction costs of \$13.5 million to effect the close of the transaction, recognized during the year ended September 30, 2022, the Company has incurred incremental costs to combine and integrate the acquired business with the HPC segment, primarily towards the integration of systems and processes, merger of commercial operations and supply chain, professional fees to facilitate in the consolidation of financial records, plus incremental retention costs for personnel supporting the transition and integration efforts. Costs attributable to the integration of the Tristar Business were initiated with the close of the transaction and were substantial complete and recognized as of September 30, 2023.
- **Rejuvenate Acquisition** - During the year ended September 30, 2021, on May 28, 2021, the Company acquired 100% of the membership interests in For Life Products, LLC ("FLP"), a manufacturer of household cleaning, maintenance, and restoration products sold under the Rejuvenate® brand. The net assets and operating results of FLP are included in the Consolidated Financial Statements and reported within the H&G reporting segment as of and for the years ended September 30, 2023 and 2022. The Company has incurred incremental costs to combine and integrate the acquired business with the H&G segment, primarily towards the integration of systems and processes, transfer of inventory and integration to an existing H&G distribution center, retention costs for personnel supporting transition and integration efforts. Costs attributable to the integration of the Rejuvenate business were completed as of September 30, 2022.
- **Armitage Acquisition** - During the year ended September 30, 2021, on October 26, 2020, the Company completed the acquisition of Armitage Pet Care Ltd ("Armitage"), a pet treats and toys business in Nottingham, UK including a portfolio of brands that include the dog treats brand, Good Boy®, cat treats brand, Meowee!®, and Wildbird® bird feed products, among others, that are predominantly sold within the UK. The net assets and results of operations of Armitage are included in the Consolidated Financial Statements and reported within the GPC reporting segment as of and for the years ended September 30, 2023 and 2022. The Company has incurred incremental costs to combine and integrate the acquired business with the GPC segment, primarily towards the integration of systems and processes, transfer of inventory and integration to existing GPC supply chain and distribution centers within the EMEA region, plus retention costs for personnel supporting the transition and integration efforts. Costs attributable to the integration of the Armitage business were completed as of September 30, 2022.

- **Coevorden Operations** - During the year ended September 30, 2020, on March 29, 2020, the Company completed the sale of its dog and cat food ("DCF") production facility and distribution center in Coevorden, Netherlands with United Petfood Producers NV ("UPP"). Following the separation of the Coevorden Operations, the Company incurred incremental costs attributable to a tolling charge for the continued production of DCF products through a three-year manufacturing agreement with the buyer entered into concurrently with the sale, rent charges associated with the transferred warehouse operated by the Company during an 18-month transition period, plus costs to facilitate the transfer of the warehouse operations to the buyer and the movement of inventory and distribution center operations. Incremental costs attributable to the tolling arrangement were completed in March 2023.
- **Omega Acquisition** - During the year ended September 30, 2020, on March 10, 2020, the Company acquired Omega Sea, LLC ("Omega"), a manufacturer and marketer of premium fish foods and consumable goods for the home and commercial aquarium markets, primarily consisting of the Omega brand. The net assets and results of operations of Omega are included in the Consolidated Financial Statements and reported within GPC segment as of and for the years ended September 30, 2023 and 2022. The Company incurred incremental costs to combine and integrate the acquired business within the GPC segment, primarily towards the integration of systems and processes, transfer of inventory and production to an existing GPC facility, including related exit and disposal costs of the assumed leased facility, related start-up costs and operational inefficiencies attributable to the transferred production, plus retention costs for personnel supporting the transition and integration after the transaction date. Costs attributable to the integration of the Omega business were completed in the prior year.

The following is a summary of costs attributable to strategic transactions and business development costs for the respective projects during the years ended September 30, 2023 and 2022. In addition to the initiatives discussed above, the Company regularly engages in other business development initiatives that may incur incremental costs which may not result in a realized transaction or are less significant, and therefore have been separately disclosed and recognized as other project costs.

(in millions)	2023		2022	
Tristar Business acquisition and integration	\$	11.5	\$	24.3
HHI divestiture and separation		8.4		6.3
HPC separation initiatives		4.2		19.1
Coevorden operations separation		2.7		8.8
Rejuvenate acquisition and integration		—		6.8
Armitage acquisition and integration		—		1.4
Omega integration		—		4.6
Other project costs		0.7		1.0
Total	\$	27.5	\$	72.3
Reported as:				
Net sales	\$	—	\$	0.7
Cost of goods sold		2.7		9.4
General & administrative expense		24.8		57.9
Other non-operating expense, net		—		4.3

Restructuring and Optimization Initiatives

We continually seek and develop operating strategies to improve our operational efficiency, match our capacity and product costs to market demand and better utilize our manufacturing and distribution resources in order to reduce costs, increase revenues, and maintain or increase our current profit margins. We have undertaken various initiatives to reduce manufacturing and operating costs, 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 such as COVID-19, or inflation and increased interest rates, many of which are beyond our control. The following initiatives have been considered as having a significant impact on the comparability of the financial results on the consolidated financial statements and segment financial information.

- **Fiscal 2023 Restructuring** - During the year ended September 30, 2023, the Company entered into an initiative in response to the continuing pressures within the consumer products and retail markets and adjusted strategic initiatives within certain segments, resulting in the realization of further of headcount reductions. Substantially all costs associated with the initiative had been recognized any accrued as of September 30, 2023. See *Note 5 - Restructuring Charges* in Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report for further detail on related exit or disposal costs attributable to this initiative.
- **Fiscal 2022 Restructuring** - During the year ended September 30, 2022, the Company entered into a new initiative in response to changes observed within consumer products and retail markets, continued inflationary cost pressures and headwinds, resulting in the realization of a headcount reduction. Substantially all costs associated with the initiative had been recognized and accrued in the prior year with amounts during the year ended September 30, 2023 due to changes in estimates, headcounts and timing of communication. See *Note 5 - Restructuring Charges* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further detail on related exit or disposal costs attributable to this initiative.
- **Russia Closing Initiative** - During the year ended September 30, 2022, the Company initiated the close of its in-country commercial operations in Russia, predominantly supporting the HPC segment. The Company has recognized impairment costs on working capital assets such as inventory and receivables that were not considered recoverable due to the restriction and suspension of commercial activity in Russia and has liquidated substantially all assets. The initiative is subject to exit and disposal costs for severance benefits of personnel associated with the operations, see *Note 5 - Restructuring Charges* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further detail. Substantially all costs associated with the initiative has been recognized and accrued as of September 30, 2023.

- **Global ERP Transformation** - During the year ended September 30, 2021, the Company entered into a SAP S/4 HANA ERP transformation project to upgrade and implement our enterprise-wide operating systems to SAP S/4 HANA on a global basis. This is a multi-year project that includes various costs, including software configuration and implementation costs that would be recognized as either capital expenditures or deferred costs in accordance with applicable accounting policies, with certain costs recognized as operating expense associated with project development and project management costs, and professional services with business partners engaged towards planning, design and business process review that would not qualify as software configuration and implementation costs. The Company has substantially completed the build phase and initiated a pilot deployment during the year ended September 30, 2023 with subsequent deployments and updates planned during the following year. Costs are anticipated to be incurred with various deployments expected through September 30, 2025.
- **HPC Brand Portfolio Transitions** - During the year ended September 30, 2021, in response to the acquisition of the Tristar Business and the PowerXL® brand, the HPC segment initiated a project to assess and evaluate the current utilization of tradenames and brands across its portfolio of home and kitchen appliance products. The project included incremental costs to facilitate transitions of branded product offerings on global basis, including investment with our supply base and retail partners to manage inventory and transition new branded products to market. Costs attributable to the initiative were completed during the year ended September 30, 2023.
- **GPC Distribution Transition** - During the year ended September 30, 2021, the GPC segment entered into an initiative to update its supply chain and distribution operations within the U.S. to address capacity needs, optimize and improve fill rates attributable to recent growth in the business and consumer demand, and improve overall operational effectiveness and throughput. The initiative includes the transition of its third party logistics (3PL) service provider at its existing distribution center, incorporating new facilities into the distribution footprint by expanding warehouse capacity and securing additional space to support long-term distribution and fulfillment, plus updating engagement and processes with suppliers and its transportation and logistics handlers. Incremental costs include one-time transition, implementation and start-up cost with the new 3PL service provider, including the integration of provider systems and technology, incentive-based compensation to maintain performance during transition, duplicative and redundant costs, and incremental costs for various disruptions in the operations during the transition period including supplemental transportation and storage costs, incremental detention and demurrage costs. Additionally, the Company experienced an increase in customer fines and penalties during the transition period (recognized as a reduction in net sales). Costs attributable to the initiative were completed during the year ended September 30, 2022.
- **Global Productivity Improvement Program** - During the year ended September 30, 2019, the Company initiated a company-wide, multi-year program, consisting of various restructuring related initiatives to redirect resources and spending to drive growth, identify cost savings and pricing opportunities through standardization and optimization, develop organizational and operating optimization, and reduce overall operational complexity across the Company. With the Company's divestitures of GBL and GAC during the year ended September 30, 2019, the project focus includes the transition of the Company's continuing operations in a post-divestiture environment and exiting of TSAs, which were fully exited in January 2022. The initiative includes review of global processes and organization design and structures, headcount reductions and transfers, and rightsizing the Company's shared operations and commercial business strategy and exit of certain internal production to third-party suppliers, among others, resulting in the recognition of severance benefits and other exit and disposal costs to facilitate such activity. Costs attributable to the initiative were completed during the year ended September 30, 2022.

The following is a summary of impacts to operating results attributable to restructuring initiatives and other optimization projects incurred for the respective projects during the years ended September 30, 2023 and 2022. In addition to the projects and initiatives discussed above, the Company regularly incurs costs and engages in less significant restructuring and optimization initiatives that individually are not substantial and occur over a shorter time period (generally less than 12 months).

(in millions)	2023		2022	
Fiscal 2023 restructuring	\$	7.4	\$	—
Fiscal 2022 restructuring		0.4		9.8
Global ERP transformation		11.4		13.1
Russia closing initiative		3.2		1.9
HPC brand portfolio transitions		2.5		1.3
GPC distribution center transition		—		35.8
Global productivity improvement program		—		5.1
Other project costs		10.5		11.1
Total	\$	35.4	\$	78.1
Reported as:				
Net sales	\$	—	\$	5.0
Cost of goods sold		1.0		1.0
Selling expense		—		31.3
General & administrative expense		34.4		40.8

Refinancing Activity

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

- During the year ended September 30, 2023, following the close of the HHI divestiture, 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 interest expense for the year ended September 30, 2023 from the write-down of deferred financing costs and original issuance discount.
- During the year ended September 30, 2023, the Company repurchased of \$61.4 million of its outstanding bonds resulting in the early extinguishment of the debt and the recognition of a gain from debt repurchases of \$7.9 million for the year ended September 30, 2023
- 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 for the year ended September 30, 2023.
- During the year ended September 30, 2022, the Company entered into the third amendment to the Amended and Restated Credit Agreement (the "Credit Agreement") that provided incremental capacity on the Revolver Facility of \$500 million that was used to support the acquisition of the Tristar Business and the continuing operations and working capital requirements of the Company. Borrowings under the incremental capacity are subject to a borrowing rate which is subject to SOFR plus margin ranging from 1.75% to 2.75%, per annum or base rate plus margin ranging from 0.75% to 1.75% per annum, with an increase by 25 basis points 270 days after the effective date of the third amendment and an additional 25 basis points on each 90 day anniversary of such date. Outstanding borrowings under the incremental capacity were paid down and the Incremental Revolving Credit Facility Tranche was terminated following the close of the HHI divestiture.

See *Note 12 - Debt* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report 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 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 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 acquired brands after assessing, among other things, performance and quality standards. As of September 30, 2023, 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.

Russia-Ukraine Conflict

The impacts of the Russia-Ukraine conflict and the sanctions imposed in response to the conflict may have an impact on the Company's consolidated operations and cash flow attributable to operations and distribution within the region. The Company does not maintain a significant level of operations within Ukraine and initiated the closing of its in-country commercial operations within Russia to reduce the relative risk and exposure within the region.

Inflation and Supply Chain Constraints

The Company has experienced an inflationary environment on a global basis in the wake of the COVID-19 pandemic and supply chain constraints such as increased 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 is driving 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 have taken pricing actions to address rising costs and foreign currency fluctuations to mitigate impacts to our margins. While we have seen more stability in the recent economic environment, we are unable to predict how long the current inflationary 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.

Non-GAAP Measurements

Our consolidated and segment results contain non-GAAP metrics such as organic net sales and Adjusted EBITDA (earnings before interest, taxes, depreciation, amortization). 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/or 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 SBH and SB/RH for the year ended September 30, 2023 compared to net sales for the year ended September 30, 2022:

September 30, 2023									
(in millions, except %)	Net Sales	Effect of Changes in Currency	Net Sales Excluding Effect of Changes in Currency	Effect of Acquisitions	Organic Net Sales	Net Sales September 30, 2022	Variance		
GPC	\$ 1,139.0	\$ 14.1	\$ 1,153.1	\$ —	\$ 1,153.1	\$ 1,175.3	\$ (22.2)	(1.9 %)	
H&G	536.5	—	536.5	—	536.5	587.1	(50.6)	(8.6 %)	
HPC	1,243.3	36.9	1,280.2	(89.9)	1,190.3	1,370.1	(179.8)	(13.1 %)	
Total	\$ 2,918.8	\$ 51.0	\$ 2,969.8	\$ (89.9)	\$ 2,879.9	\$ 3,132.5	(252.6)	(8.1 %)	

Adjusted EBITDA and Adjusted EBITDA Margin. Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP metric used by management, which we believe provide useful information to investors because they reflect the ongoing operating performance and trends of our segments, excluding certain non-cash based expenses and/or non-recurring items during each of the comparable periods. They also 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 12 - Debt* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report 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 further excludes:

- Share based compensation costs consist of costs associated with long-term compensation arrangements that generally consist of non-cash, stock-based compensation. See *Note 18 - Share Based Compensation* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report, for further details;
- Incremental amounts attributable to strategic transactions and business development initiatives including, but not limited to, the acquisition or divestitures of a business, costs to effect and facilitate a transaction, including such cost to integrate or separate the respective business. These amounts are excluded from our performance metrics as they are reflective of incremental investment by the Company towards business development activities, incremental costs attributable to such transactions and are not considered recurring or reflective of the continuing ongoing operations of the consolidated group or segments;
- Incremental amounts realized towards restructuring and optimization projects including, but not limited to, costs towards the development and implementation of strategies to optimize operations and improve efficiency, reduce costs, increase revenues, increase or maintain our current profit margins, including recognition of one-time exit or disposal costs. These amounts are excluded from our ongoing performance metrics as they are reflective of incremental investment by the Company towards significant initiatives controlled by management, incremental costs directly attributable to such initiatives, indirect impact or disruption to operating performance during implementation, and are not considered recurring or reflective of the continuing ongoing operations of the consolidated group or segments;
- Unallocated shared costs associated with discontinued operations from certain shared and center-led administrative functions the Company's business units excluded from income from discontinued operations as they are not a direct cost of the discontinued business but a result of indirect allocations, including but not limited to, information technology, human resources, finance and accounting, supply chain, and commercial operations. Amounts attributable to unallocated shared costs would be mitigated through subsequent strategic or restructuring initiatives, TSAs, elimination of extraneous costs, or re-allocations or absorption of existing continuing operations following the completed sale of the discontinued operations. See *Note 3 - Divestitures* in Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report for further details;
- Non-cash purchase accounting adjustments recognized in earnings from continuing operations subsequent to an acquisition, including, but not limited to, the costs attributable to the step-up in inventory value and the incremental value in operating lease assets with below market rent, among others;
- Non-cash asset impairments or write-offs realized and recognized in earnings from continuing operations, including impairments from property, plant and equipment, operating and finance leases, and goodwill and other intangible assets; See *Note 10 - Property, Plant and Equipment*, *Note 11 - Goodwill and intangible Assets* and *Note 13 - Leases* in Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further details;
- Non-cash gain from the remeasurement of the contingent consideration liability associated with the Tristar Business acquisition, recognized during the years ended September 30, 2023 and 2022. See *Note 4 - Acquisitions* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further details;
- Non-cash gain realized from the repurchase of debt obligations at a discount, net deferred financing costs, during the year ended September 30, 2023. See *Note 12 - Debt* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further details;
- Incremental reserves for non-recurring litigation or environmental remediation activity including the proposed settlement of outstanding litigation at our H&G and HPC segments attributable to significant and unusual nonrecurring matters with no previous history or precedent recognized during the years ended September 30, 2023 and 2022. See *Note 20 - Commitments and Contingencies* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further detail;
- Impact from the early settlement of foreign currency cash flow hedges in the prior year, resulting in subsequent assumed losses at the original stated maturities of foreign currency cash flow hedges in our EMEA region that were settled early due to changes in the Company's legal entity organizational structure and forecasted purchasing strategy of HPC finished goods inventory within the region, resulting in the recognition of excluded gains during the year ended September 30, 2022 intended to mitigate costs through the year ending September 30, 2023;
- Incremental costs recognized by the HPC segment during the year ended September 30, 2023 for the approved 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 further sale of the selected products as part of a shift in its strategy for distribution and development within its brand portfolio and avoid deterioration and further reduction in the value of the acquired brands and supported products;
- Incremental costs recognized by the HPC segment attributable to the realization of product recalls initiated by the Company with costs realized during the years ended September 30, 2023 and 2022. See *Note 20 - Commitments and Contingencies* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report for further details;
- Other adjustments primarily attributable to (1) costs associated with Salus as they are not considered a component of the continuing commercial products company; (2) key executive severance related costs; (3) asset write-off for exit of certain GPC brands within China during year ended September 30, 2022, and (4) write-off of cost based investment previously held by the GPC segment during the year ended September 30, 2022.

Adjusted EBITDA margin is calculated as Adjusted EBITDA as a percentage of reported net sales for the respective period and segment.

The following is a reconciliation of net income (loss) from continuing operations to Adjusted EBITDA and Adjusted EBITDA margin for SBH and its segments for the year ended September 30, 2023.

(in millions)	GPC	H&G	HPC	Corporate	Consolidated
Net income (loss) from continuing operations	\$ 134.0	\$ (5.0)	\$ (215.8)	\$ (146.9)	\$ (233.7)
Income tax benefit	—	—	—	(56.5)	(56.5)
Interest expense	—	—	—	127.0	127.0
Depreciation	15.2	7.3	11.8	14.6	48.9
Amortization	22.2	11.5	8.6	—	42.3
EBITDA	171.4	13.8	(195.4)	(61.8)	(72.0)
Share based compensation	—	—	—	17.2	17.2
Tristar Business integration	—	—	11.5	—	11.5
HHI divestiture	—	—	—	8.4	8.4
HPC separation initiatives	—	—	—	4.2	4.2
Coevorden operations divestiture	2.7	—	—	—	2.7
Fiscal 2023 restructuring initiatives	3.0	—	4.4	—	7.4
Fiscal 2022 restructuring initiatives	(0.3)	0.2	—	0.5	0.4
Global ERP transformation	—	—	—	11.4	11.4
Russia closing initiatives	—	—	3.2	—	3.2
HPC brand portfolio transitions	—	—	2.5	—	2.5
Other project costs	1.3	2.5	2.3	5.1	11.2
Impairment of equipment and operating lease assets	9.0	0.1	1.7	—	10.8
Impairment of goodwill	—	—	111.1	—	111.1
Impairment of intangible assets	—	56.0	64.7	—	120.7
Unallocated shared costs	—	—	—	18.0	18.0
Non-cash purchase accounting adjustments	—	—	1.9	—	1.9
Gain from remeasurement of contingent consideration liability	—	—	(1.5)	—	(1.5)
Gain from debt repurchase	—	—	—	(7.9)	(7.9)
Legal and environmental	—	(0.2)	3.2	—	3.0
Early settlement of foreign currency cash flow hedges	—	—	4.9	—	4.9
HPC product disposal	—	—	20.6	—	20.6
HPC product recall	—	—	7.7	—	7.7
Salus and other adjustments	3.5	0.1	0.3	1.7	5.6
Adjusted EBITDA	\$ 190.6	\$ 72.5	\$ 43.1	\$ (3.2)	\$ 303.0
Net sales	\$ 1,139.0	\$ 536.5	\$ 1,243.3	\$ —	\$ 2,918.8
Adjusted EBITDA Margin	16.7 %	13.5 %	3.5 %	—	10.4 %

The following is a reconciliation of net income (loss) from continuing operations to Adjusted EBITDA and Adjusted EBITDA margin for SBH and its segments for the year ended September 30, 2022.

(in millions)	GPC	H&G	HPC	Corporate	Consolidated
Net income (loss) from continuing operations	\$ 75.2	\$ 57.2	\$ 25.4	\$ (234.8)	\$ (77.0)
Income tax benefit	—	—	—	(13.3)	(13.3)
Interest expense	—	—	—	99.4	99.4
Depreciation	14.8	7.2	12.4	14.6	49.0
Amortization	22.6	11.4	16.3	—	50.3
EBITDA	112.6	75.8	54.1	(134.1)	108.4
Share based compensation	—	—	—	10.2	10.2
Tristar Business acquisition and integration	—	—	24.3	—	24.3
Rejuvenate integration	—	6.8	—	—	6.8
Armitage integration	1.4	—	—	—	1.4
Omega production integration	4.6	—	—	—	4.6
HHI divestiture	—	—	—	6.3	6.3
HPC separation initiatives	—	—	—	19.1	19.1
Coevorden operations divestiture	8.8	—	—	—	8.8
Fiscal 2022 restructuring initiatives	3.6	0.7	4.9	0.6	9.8
Global ERP transformation	—	—	—	13.1	13.1
GPC distribution center transition	35.8	—	—	—	35.8
Global productivity improvement program	0.8	—	2.4	1.9	5.1
Russia closing initiatives	—	—	1.9	—	1.9
HPC brand portfolio transitions	—	—	1.3	—	1.3
Other project costs	0.1	—	0.5	11.5	12.1
Legal and environmental	—	1.5	—	—	1.5
Gain from remeasurement of contingent consideration liability	—	—	(28.5)	—	(28.5)
Unallocated shared costs	—	—	—	27.6	27.6
Early settlement of foreign currency cash flow hedges	—	—	(5.1)	—	(5.1)
HPC product recall	—	—	5.5	—	5.5
Non-cash purchase accounting adjustments	—	—	8.3	—	8.3
Salus and other adjustments	0.9	1.4	—	2.5	4.8
Adjusted EBITDA	\$ 168.6	\$ 86.2	\$ 69.6	\$ (41.3)	\$ 283.1
Net sales	\$ 1,175.3	\$ 587.1	\$ 1,370.1	\$ —	\$ 3,132.5
Adjusted EBITDA Margin	14.3 %	14.7 %	5.1 %	—	9.0 %

The following is a reconciliation of net income (loss) from continuing operations to Adjusted EBITDA and Adjusted EBITDA margin for SB/RH and its segments for the year ended September 30, 2023.

(in millions)	GPC	H&G	HPC	Corporate	Consolidated
Net income (loss) from continuing operations	\$ 134.0	\$ (5.0)	\$ (215.8)	\$ (139.5)	\$ (226.3)
Income tax benefit	—	—	—	(55.1)	(55.1)
Interest expense	—	—	—	120.5	120.5
Depreciation	15.2	7.3	11.8	14.6	48.9
Amortization	22.2	11.5	8.6	—	42.3
EBITDA	171.4	13.8	(195.4)	(59.5)	(69.7)
Share based compensation	—	—	—	15.7	15.7
Tristar Business integration	—	—	11.5	—	11.5
HHI divestiture	—	—	—	8.4	8.4
HPC separation initiatives	—	—	—	4.2	4.2
Coevorden operations divestiture	2.7	—	—	—	2.7
Fiscal 2023 restructuring initiatives	3.0	—	4.4	—	7.4
Fiscal 2022 restructuring initiatives	(0.3)	0.2	—	0.5	0.4
Global ERP transformation	—	—	—	11.4	11.4
Russia closing initiatives	—	—	3.2	—	3.2
HPC brand portfolio transitions	—	—	2.5	—	2.5
Other project costs	1.3	2.5	2.3	5.1	11.2
Impairment of equipment and operating lease assets	9.0	0.1	1.7	—	10.8
Impairment of goodwill	—	—	111.1	—	111.1
Impairment of intangible assets	—	56.0	64.7	—	120.7
Unallocated shared costs	—	—	—	18.0	18.0
Non-cash purchase accounting adjustments	—	—	1.9	—	1.9
Gain from remeasurement of contingent consideration liability	—	—	(1.5)	—	(1.5)
Gain from debt repurchase	—	—	—	(7.9)	(7.9)
Legal and environmental	—	(0.2)	3.2	—	3.0
Early settlement of foreign currency cash flow hedges	—	—	4.9	—	4.9
HPC product disposal	—	—	20.6	—	20.6
HPC product recall	—	—	7.7	—	7.7
Other adjustments	3.5	0.1	0.3	1.5	5.4
Adjusted EBITDA	\$ 190.6	\$ 72.5	\$ 43.1	\$ (2.6)	\$ 303.6
Net sales	\$ 1,139.0	\$ 536.5	\$ 1,243.3	\$ —	\$ 2,918.8
Adjusted EBITDA Margin	16.7 %	13.5 %	3.5 %	—	10.4 %

The following is a reconciliation of net income (loss) from continuing operations to Adjusted EBITDA and Adjusted EBITDA margin for SB/RH and its segments for the year ended September 30, 2022.

(in millions)	GPC	H&G	HPC	Corporate	Consolidated
Net income (loss) from continuing operations	\$ 75.2	\$ 57.2	\$ 25.4	\$ (232.8)	\$ (75.0)
Income tax benefit	—	—	—	(12.9)	(12.9)
Interest expense	—	—	—	99.8	99.8
Depreciation	14.8	7.2	12.4	14.6	49.0
Amortization	22.6	11.4	16.3	—	50.3
EBITDA	112.6	75.8	54.1	(131.3)	111.2
Share based compensation	—	—	—	9.1	9.1
Tristar Business acquisition and integration	—	—	24.3	—	24.3
Rejuvenate integration	—	6.8	—	—	6.8
Armitage integration	1.4	—	—	—	1.4
Omega production integration	4.6	—	—	—	4.6
HHI divestiture	—	—	—	6.3	6.3
HPC separation initiatives	—	—	—	19.1	19.1
Coevorden operations divestiture	8.8	—	—	—	8.8
Fiscal 2022 restructuring initiatives	3.6	0.7	4.9	0.6	9.8
Global ERP transformation	—	—	—	13.1	13.1
GPC distribution center transition	35.8	—	—	—	35.8
Global productivity improvement program	0.8	—	2.4	1.9	5.1
Other project costs	0.1	—	0.5	11.5	12.1
Unallocated shared costs	—	—	—	27.6	27.6
Gain from remeasurement of contingent consideration liability	—	—	(28.5)	—	(28.5)
Russia closing initiatives	—	—	1.9	—	1.9
Early settlement of foreign currency cash flow hedges	—	—	(5.1)	—	(5.1)
HPC brand portfolio transitions	—	—	1.3	—	1.3
Non-cash purchase accounting adjustments	—	—	8.3	—	8.3
Legal and environmental	—	1.5	—	—	1.5
HPC product recall	—	—	5.5	—	5.5
Other adjustments	0.9	1.4	—	2.2	4.5
Adjusted EBITDA	\$ 168.6	\$ 86.2	\$ 69.6	\$ (39.9)	\$ 284.5
Net sales	\$ 1,175.3	\$ 587.1	\$ 1,370.1	\$ —	\$ 3,132.5
Adjusted EBITDA Margin	14.3 %	14.7 %	5.1 %	—	9.1 %

Consolidated Results of Operations

The following section provides an analysis of our operations for the years ended September 30, 2023 and 2022. For a discussion of our fiscal 2021 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 23, 2021.

SBH

The following is summarized consolidated results of operations for SBH for the years ended September 30, 2023 and 2022, respectively:

(in millions, except %)	2023	2022	Variance	
Net sales	\$ 2,918.8	\$ 3,132.5	\$ (213.7)	(6.8 %)
Gross profit	924.3	990.4	(66.1)	(6.7 %)
Gross profit margin	31.7 %	31.6 %	10 bps	
Operating expenses	\$ 1,129.9	\$ 967.2	\$ 162.7	16.8 %
Interest expense	127.0	99.4	27.6	27.8 %
Interest income	(38.3)	(0.6)	(37.7)	n/m
Gain on debt repurchase	(7.9)	—	(7.9)	n/m
Other non-operating expense, net	3.8	14.7	(10.9)	(74.1) %
Income tax benefit	(56.5)	(13.3)	(43.2)	324.8 %
Net loss from continuing operations	(233.7)	(77.0)	(156.7)	203.5 %
Income from discontinued operations, net of tax	2,035.6	149.7	1,885.9	n/m
Net income	1,801.9	72.7	1,729.2	n/m
n/m = not meaningful				

Net Sales. The following is a summary of net sales by segment for the years ended September 30, 2023 and 2022 and the principal components of changes in net sales for the respective periods.

(in millions, except %)	2023	2022	Variance	
GPC	\$ 1,139.0	\$ 1,175.3	\$ (36.3)	(3.1 %)
H&G	536.5	587.1	(50.6)	(8.6 %)
HPC	1,243.3	1,370.1	(126.8)	(9.3 %)
Net Sales	\$ 2,918.8	\$ 3,132.5	(213.7)	(6.8 %)

(in millions)	2023
Net Sales for the year ended September 30, 2022	\$ 3,132.5
Increase due to acquisition	89.9
Decrease in GPC	(22.2)
Decrease in H&G	(50.6)
Decrease in HPC	(179.8)
Foreign currency impact, net	(51.0)
Net Sales for the year ended September 30, 2023	\$ 2,918.8

Gross Profit. Gross profit decreased primarily due to lower sales volume with unfavorable mix earlier in the year from the realization of higher inventoried costs accumulated in the prior year offset by positive pricing and improved supply chain costs offsetting the impact to gross profit margin.

Operating Expenses. Operating expenses increased due to the recognition of an impairment of goodwill with the HPC segment of \$111.1 million and impairment of intangible assets of \$120.7 million, offset by lower sales volume reducing selling costs, operating cost savings and restructuring initiatives, plus a prior year gain from remeasurement of a gain contingency of \$28.5 million associated with the Tristar Business acquisition. See *Note 11 - Goodwill and Intangible Assets* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for additional detail. Selling expense decreased \$52.9 million from a reduction in distribution and transportation costs with improved operating effectiveness plus initiatives to reduce operating spend, with partial offset from an impairment of equipment and operating lease assets. See *Note 10 - Property, Plant and Equipment* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for additional detail. General and administrative expenses decreased \$39.0 million from operating spend initiatives and lower project cost towards strategic transactions and restructuring initiatives.

Interest Expense. Interest expense increased due to a higher level of outstanding borrowings on the Revolver Facility during the most of the year with increased borrowing rates on variable rate debt plus additional costs for the amendment to the Credit Agreement to temporarily increase the maximum consolidated total net leverage ratio and write-off of deferred financing costs and original issuance discount with the extinguishment of the Term Loans, termination of the Incremental Revolving Credit Facility Tranche, and early extinguishment on bonds. See *Note 12 - Debt* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for additional detail.

Interest Income. Interest income increased due to interest realized on the cash proceeds received from the closing of the HHI divestiture. See *Note 3 - Divestitures* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for additional detail. Proceeds received from the HHI Divestiture not used towards the pay down of debt or repurchase of stock are being temporarily held in various term deposits and investments.

Gain on Debt Repurchase The Company recognized income from the discount realized on the repurchase of the Company's debt during the year ended September 30, 2023. See *Note 12 - Debt* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for additional detail.

Other Non-Operating Expense, Net. Other non-operating expense, net decreased primarily due to less volatility of foreign currency.

Income Taxes. The effective tax rate was 19.5% for the year ended September 30, 2023 compared to 14.8% for the year ended September 30, 2022. 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. The tax expense for the year ended September 30, 2022 was significantly impacted by a valuation allowance increase and share based compensation. See *Note 16 – Income Taxes* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report for additional detail.

Income From Discontinued Operations. Income or loss attributable to discontinued operations primarily reflect the income from the discontinued operations of the HHI segment and the resulting gain on sale from the completion of the HHI Divestiture during the year ended September 30, 2023. Income from discontinued operations attributable to the HHI business increased due to the resulting gain on sale from the HHI divestiture offset by lower operating income from the HHI segment prior to disposition due to lower volumes offset by pricing increases and unfavorable mix from higher inventoried costs accumulated in the prior year. See *Note 3 - Divestitures* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for additional detail.

SB/RH

The following is summarized consolidated results of operations for SB/RH for the years ended September 30, 2023 and 2022:

(in millions, except %)	2023	2022	Variance	
Net sales	\$ 2,918.8	\$ 3,132.5	\$ (213.7)	(6.8)%
Gross profit	924.3	990.4	(66.1)	(6.9)%
Gross profit margin	31.7 %	31.6 %	10 bps	
Operating expenses	\$ 1,127.6	\$ 964.5	\$ 163.1	16.9 %
Interest expense	120.5	99.8	20.7	20.7 %
Interest income	(38.3)	(0.6)	(37.7)	n/m
Gain on debt repurchase	(7.9)	—	(7.9)	n/m
Other non-operating expense, net	3.8	14.6	(10.8)	(74.0)%
Income tax benefit	(55.1)	(12.9)	(42.2)	327.1 %
Net loss from continuing operations	(226.3)	(75.0)	(151.3)	201.7 %
Income from discontinued operations, net of tax	2,035.6	149.7	1,885.9	n/m
Net income	1,809.3	74.7	1,734.6	n/m
n/m = not meaningful				

For the years ended September 30, 2023 and 2022, the change in net sales, gross profit and gross profit margin, operating expenses, interest expense, interest income, gain on debt repurchase, and other non-operating expenses are primarily attributable to changes in SBH previously discussed. Income from discontinued operations is attributable to SBH previously discussed. The effective tax rate was 19.6% for the year ended September 30, 2023 compared to 14.6% for the year ended September 30, 2022. The change in tax rate is primarily attributable to the changes in SBH previously discussed.

Segment Financial Data

This section provides an analysis of our results of reportable segments for the years ended September 30, 2023 and 2022. For a discussion of our fiscal 2021 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 %)	2023	2022	Variance	
Net sales	\$ 1,139.0	\$ 1,175.3	\$ (36.3)	(3.1 %)
Operating income	134.4	78.3	56.1	71.6 %
Operating income margin	11.8 %	6.7 %	510 bps	
Adjusted EBITDA	\$ 190.6	\$ 168.6	\$ 22.0	13.0 %
Adjusted EBITDA margin	16.7 %	14.3 %	240 bps	

Net sales decreased due to reduction in aquatics sales, higher retail inventory levels earlier in the year leading to lower replenishment sales and unfavorable foreign exchange rates offset by pricing adjustments. Organic net sales decreased \$22.2 million, or 1.9% excluding unfavorable foreign exchange impact of \$14.1 million.

Operating income, adjusted EBITDA and margins increased due to lower distribution costs and improved fulfillment compared to prior year disruptions, positive pricing adjustments, and savings from prior year cost reduction initiatives and with additional operating spend reduction actions in the current year. Operating income was further impacted by the impairment of equipment and operating leases realized during the year. See *Note 10 - Property, Plant and Equipment* and *Note 13 - Leases* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report for additional detail.

Home & Garden (H&G)

(in millions, except %)	2023		2022		Variance	
Net sales	\$	536.5	\$	587.1	\$	(50.6) (8.6 %)
Operating (loss) income		(5.0)		57.3		(62.3) n/m
Operating (loss) income margin		(0.9 %)		9.8 %		(1,070) bps
Adjusted EBITDA	\$	72.5	\$	86.2	\$	(13.7) (15.9 %)
Adjusted EBITDA margin		13.5 %		14.7 %		(120) bps

n/m = not meaningful

Net sales decreased due to adverse weather conditions leading to lower POS and replenishment orders which also drove retailers to be conservative with inventory planning and further reduce retail inventory levels, further impacted by a strong early season inventory build in the prior year and slow spring cleaning season impacting cleaning products category contributed by the POS decline.

Operating (loss) income, adjusted EBITDA and margins decreased due to lower volumes, the realization of high inventoried costs accumulated in the prior year, partially mitigated by fixed cost restructuring and operational cost reductions, with an impairment of intangible assets of \$56.0 million further impacting operating loss and margin. See *Note 11 - Goodwill and Intangible Assets* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report for additional detail.

Home & Personal Care (HPC)

(in millions, except %)	2023		2022		Variance	
Net sales	\$	1,243.3	\$	1,370.1	\$	(126.8) (9.3 %)
Operating (loss) income		(214.7)		30.2		(244.9) n/m
Operating (loss) income margin		(17.3 %)		2.2 %		(1,950) bps
Adjusted EBITDA	\$	43.1	\$	69.6	\$	(26.5) (38.1 %)
Adjusted EBITDA margin		3.5 %		5.1 %		(160) bps

n/m = not meaningful

Net sales decreased due to decrease in product category POS with kitchen appliances, predominantly in NA, from lower consumer demand, further impacted by the high competitive landscape and closing of our Russia commercial operations with increased promotional spending and reduced placements, most significantly due to products associated with the Tristar Business acquisition which were challenged by high retail inventory levels and slower direct to consumer sales. Organic net sales decreased \$179.8 million or 13.1%, excluding acquisition sales of \$89.9 million, with significant unfavorable foreign currency impact of \$36.9 million.

Operating (loss) income, adjusted EBITDA and margins decreased due to lower volumes, significant inventory write-offs, sale of higher cost inventory accumulated in the prior year, higher level of inventory excess and obsolescence, and unfavorable foreign currency, offset by cost savings initiatives and reduction of operating spend during the year. Operating (loss) income was further impacted by the impairment of goodwill of \$111.1 million, impairment of intangible assets of \$64.7 million and management election to dispose of select products associated with the Tristar Business acquisition. See *Note 9 - Inventory* and *Note 11 - Goodwill and Intangible Assets* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report for additional detail.

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, 2023 and 2022. For a discussion of our fiscal 2021 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, 2023.

The following is a summary of the Company's net cash flows from continuing operations for the years ended September 30, 2023 and 2022:

(in millions)	SBH		SB/RH	
	2023	2022	2023	2022
Operating activities	\$ 8.0	\$ (231.5)	\$ (291.4)	\$ (263.5)
Investing activities	\$ 3,191.9	\$ (335.9)	\$ 3,191.9	\$ (335.9)
Financing activities	\$ (2,263.3)	\$ 490.7	\$ (1,962.0)	\$ 523.1

Cash flows from operating activities

Cash flows provided by operating activities for SBH continuing operations increased \$239.5 million due to a reduction in cash used for working capital, primarily with the reduced purchasing and overall inventory reduction compared to higher supply chain costs in the prior year, plus lower strategic transactions and restructuring initiative spending. Cash flows used by operating activities for SB/RH continuing operations increased \$27.9 million primarily due to the SBH items previously discussed with incremental cash outflow under the tax sharing agreement with SBH and utilization of NOLs held by the parent company.

Cash flows from investing activities

Cash flows provided by investing activities for SBH continuing operations increased \$3,527.8 million due to net cash proceeds from the HHI divestiture of \$4,334.7 million, cash used in the prior year for the acquisition of the Tristar Business of \$272.1 million and reduced capital expenditures. Cash flows provided by investing activities for SB/RH continuing operations increased \$3,527.8 million due to the SBH items previously discussed.

Cash flows from financing activities

Cash flows used by financing activities for SBH continuing operations increased \$2,754.0 million due to the pay down of debt, debt repurchases and treasury share repurchases following the HHI divestiture. During the year ended September 30, 2023, the Company paid down borrowings on its outstanding Revolver Facility and Term Loan, redeemed its 5.75% Senior Notes due 2025, and engaged in open market repurchases of a portion of outstanding Senior Notes, resulting in total cash used towards the repayment of debt of \$1,646.8 million. Refer to *Note 12 - Debt* in the Notes to Consolidated Financial Statements included elsewhere in this Annual Report for additional information. During the year ended September 30, 2023, the Company used \$500.0 million for the repurchase of common stock under an accelerated share repurchase agreement, along with incremental open market share repurchases of \$34.7 million. See *Note 17 - Shareholder's Equity* in the Notes to Consolidated Financial Statements included elsewhere in this Annual Report for additional information. 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. Cash dividend payments decreased due to lower shares outstanding with a consistent quarterly dividend rate of \$0.42 per shares. Cash flows from financing activities for SB/RH continuing operations for the year ended September 30, 2023 are highly dependent upon the financing cash flow activity of SBH.

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, 2023, the Company had borrowing availability of \$586.9 million, net of outstanding letters of credit of \$13.1 million, under our credit facility. Liquidity and capital resources of SB/RH are highly dependent upon the cash flow activities of SBH. Subsequent to September 30, 2023, the Company entered into an amendment to the Credit Agreement, resulting in a reduction of the Revolver Facility capacity to \$500.0 million. Refer to *Note 12 - Debt* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report for further detail. Following the amendment to the Credit Agreement, the borrowing availability of the Revolver Facility would have been reduced to \$486.9 million, net of outstanding letters of credit of \$13.1 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.

During the year ended September 30, 2023, the Company completed the HHI divestiture resulting in a significant net cash inflow of \$4,334.7 million. The Company used a portion of the proceeds to repay the outstanding balance on the Term Loan of \$392.0 million and the Revolver Facility of \$715.0 million, as well as to redeem its 5.75% Notes due 2025, of which \$450.0 million in aggregate principal amount was outstanding. Additionally, the Company initiated a process of repurchasing Senior Notes available for sale on the open market, at a discount, which are ultimately retired upon receipt resulting in the repurchase of \$61.4 million in aggregate principal amount of Senior Notes and the recognition of a gain of \$7.9 million, including realized discounts and write-off of related deferred issuance costs. See *Note 12 - Debt* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report 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 used \$500.0 million of cash on hand following the HHI divestitures to repurchase shares of common stock through an accelerated share repurchase agreement. See *Note 17 - Shareholders' Equity* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further detail. The accelerated share repurchase is expected to result in a net delivery settlement of shares by its maturity in December 2023 and does not require any further obligation for cash payment at settlement. The Company also repurchased \$34.7 million of additional shares through open market purchases during the year ended September 30, 2023. 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.

The Company will continue to evaluate the deployment of cash proceeds from the HHI divestiture, including the consideration of further debt reduction, but also intends to use a portion of the transaction proceeds to invest in its long-term operating performance and free cash flow generating capacity, seek opportunities to invest in its employees and talent base, marketing, advertising and innovation of new products and infrastructure, as well as consideration towards opportunistic, attractive and synergistic acquisition opportunities within its continuing segments. During such time, the Company intends to temporarily invest a portion of its cash proceeds in short-term investments until such expenditures are considered required or necessary to the Company in executing its strategic plans and initiatives. Additionally, if the Company does not use the proceeds from the HHI divestiture to repay debt or reinvest in the business within certain time periods as required by the terms of the Company's outstanding indebtedness, the Company may be required to make an asset sale offer to the holders of its outstanding Senior Notes pursuant to the terms of the Company's outstanding indebtedness. As of September 30, 2023, the Company has a net outstanding obligation to ASSA of \$23.3 million, which is primarily for the estimated purchase price settlement, cash flow settlement for subsequent commingled operations and net TSA charges including amounts subject to repayment by the Company.

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, 2023, we were in compliance with all covenants under the Credit Agreement and the indentures governing the 4.00% Notes due October 1, 2026, 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. At September 30, 2023, we believe there is approximately \$40-50 million of foreign cash available for repatriation.

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. Following the closing of the HHI divestiture and receipt of related proceeds, the Company has temporarily suspended most of its receivable factoring activity and intends to terminate the remainder when contractually possible in Fiscal 2024. 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. 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 Company's 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 12 - Debt* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report 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 \$70.8 million in the aggregate and includes interest under our: (i) 4.00% Notes of \$18.0 million; (ii) 5.00% Notes of \$14.9 million; (iii) 5.50% Notes of \$15.9 million; (iv) 3.875% Notes of \$17.6 million; (v) interest of approximately \$3.4 million attributable to finance leases; and (vi) interest cost of \$1.0 million attributable to unused fee associated with the Revolver Facility. 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 Company's Consolidated Statement of Financial Position. See *Note 13 - Leases* of the Notes to the Consolidated Financial Statement included elsewhere in the Annual Report 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 a 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 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. The Company's recognizes an actuarial determined unfunded projected benefit obligation recognized as Other Long-Term Liabilities on the Company's Consolidated Statement of Financial Position, net fair value of dedicated plan assets. See *Note 15 - Employee Benefit Plans* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further detail included projected payments towards the future 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 \$15.0 million that is payable over the next 3 years, with \$3.9 million due and payable in the next 12 months. See *Note 16 - Income Taxes* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

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 included elsewhere in this Annual Report for additional discussion on uncertain tax positions.

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. As of September 30, 2023, there are \$8.6 million of indemnification liabilities recognized as Other Current Liabilities and \$19.3 million recognized as Other Long-Term Liabilities on the Consolidated Statement of Financial Position. See *Note 3 - Divestitures* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

Guarantor Statements - SB/RH

SBI has issued the 4.00% Notes under the 2026 Indenture, the 5.00% Notes under the 2029 Indenture, the 5.50% Notes under the 2030 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 SB/RH 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 expressly provide for its subordination to the Notes and the related guarantees. Non-guarantor subsidiaries primarily consist of SBI’s foreign subsidiaries.

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, SB/RH 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)	2023
Statement of Operations Data	
Third-party net sales	\$ 1,842.1
Intercompany net sales to non-guarantor subsidiaries	11.1
Total net sales	1,853.2
Gross profit	542.1
Operating loss	(322.5)
Net income from continuing operations	0.1
Net income	2,006.3
Net income attributable to controlling interest	2,006.3
Statement of Financial Position Data	
Current Assets	\$ 2,773.6
Noncurrent Assets	1,974.9
Current Liabilities	1,398.6
Noncurrent Liabilities	1,868.2

The Obligor’s amounts due from, due to the non-guarantor subsidiaries as of September 30, 2023 are as follows:

(in millions)	2023
Statement of Financial Position Data	
Current receivables from non-guarantor subsidiaries	\$ 37.6
Long-term receivable from non-guarantor subsidiaries	104.0
Current payable to non-guarantor subsidiaries	283.1
Long-term debt with non-guarantor subsidiaries	2.0

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 included elsewhere in this Annual Report 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 included elsewhere in this Annual Report 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 included elsewhere in this Annual Report 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 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. 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, 2023, the Company recognized a full impairment of the HPC reporting unit goodwill. There were no impairments recognized on the Company's GPC and H&G reporting units. See *Note 11 - Goodwill and Intangible Assets* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further discussion.

In addition to goodwill, the Company 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, 2023, we recognized impairments of the Rejuvenate®, PowerXL®, George Foreman® tradenames. There were no further impairments on the remaining tradenames held as indefinite-lived intangible assets. See *Note 11 - Goodwill and Intangible Assets* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report for further discussion.

With the recognition of impairments of goodwill and indefinite lived intangible assets during the year ended September 30, 2023, there is potential risk of impairment associated with the Rejuvenate® and PowerXL® tradenames, with a cumulative carrying cost of \$84.0 million as of September 30, 2023. There is no remaining goodwill with the HPC reporting unit following the impairment recognized. 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, 2023, and dependency upon the timing and realization of milestones, as well as the integration of the brands and synergies associated with the acquired businesses.

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, 2023, the Company did recognize impairments associated with certain tangible fixed assets and operating leases. See *Note 10 - Property, Plant and Equipment and Note 13 - Leases* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report 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. While the Company has not recognized an impairment for its goodwill, intangible assets or other long-lived assets, the assessment 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 the 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, 2023, 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 \$100.2 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, 2023, we have U.S. federal net operating loss carryforwards ("NOLs") of \$640.9 million, with a federal tax benefit of \$134.6 million and future tax benefits related to state NOLs of \$41.3 million. Our total valuation allowance for the tax benefit of deferred tax assets that may not be realized is \$333.4 million at September 30, 2023. Of this amount, \$244.7 million relates to U.S. net deferred tax assets and \$88.7 million relates to foreign net deferred tax assets. We estimate that \$149.7 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, 2023, we have provided no significant residual U.S. taxes on earnings not yet taxed in the U.S. As of September 30, 2023, we project \$1.2 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 14 - Derivatives* in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

Interest Rate Risk

Borrowings on our Revolver Facility are subject 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, 2023, and following the completion of the HHI divestiture, repayment of the Term Loan borrowings and borrowings under the Revolver Facility, there are no 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 counter-parties are included in accounts payable or accounts receivable.

At September 30, 2023, we had \$456.2 million equivalent of debt denominated in foreign currencies, which consist primarily of the Euro-denominated 4.00% Notes to the equivalent of \$448.8 million, which are recorded in a U.S. Dollar functional entity, and the remaining debt primarily consist of finance leases recorded in countries with the same functional currency as the debt. The 4.00% Notes are held as a net investment hedge of the translation of the Company's net investments in Euro-denominated subsidiaries. See *Note 14 - Derivatives* in the Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report, for further discussion.

At September 30, 2023, 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 \$101.4 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 \$17.1 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. This report is a combined report of SBH and SB/RH. The Notes to the Consolidated Financial Statements include consolidated SBH Notes and certain distinct information specific to SB/RH when required.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Spectrum Brands Holdings, Inc.

Evaluation of Disclosure Controls and Procedures. An evaluation was performed under the supervision and participation of SBH's management, including the Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of SBH's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act), as of September 30, 2023. Based on that evaluation, SBH's management, including the Principal Executive Officer and Principal Financial Officer, concluded that as of September 30, 2023, 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 SBH's controls and procedures will detect or uncover all failures of persons within SBH to disclose material information otherwise required to be set forth in SBH'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. SBH's management is responsible for establishing and maintaining adequate internal control over financial reporting for SBH, 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 SBH'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 SBH'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 SBH'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.

SBH'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, 2023 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP. SBH's internal control over financial reporting as of September 30, 2023 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 SBH's internal control over financial reporting (as defined in Rules 13a-15(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, SBH's internal control over financial reporting.

SB/RH Holdings, LLC

Evaluation of Disclosure Controls and Procedures. An evaluation was performed under the supervision and participation of SB/RH's management, including the Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of SB/RH's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act), as of September 30, 2023. Based on that evaluation, SB/RH's management, including the Principal Executive Officer and Principal Financial Officer, concluded that as of September 30, 2023 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 SB/RH's controls and procedures will detect or uncover all failures of persons within SB/RH to disclose material information otherwise required to be set forth in SB/RH'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. SB/RH's management is responsible for establishing and maintaining adequate internal control over financial reporting for SB/RH, 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 SB/RH'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 SB/RH'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 SB/RH'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.

SB/RH'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, 2023 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP.

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 SB/RH'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, SB/RH's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

During the three month period ended September 30, 2023, 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.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 401 of Regulation S-K concerning the directors and executive officers of SBH 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 SBH's fiscal year ended September 30, 2023.

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.

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 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.

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.

TEM 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)	2023		2022	
Audit Fees	\$	5.6	\$	5.6
Audit-Related Fees		2.4		5.1
Tax Fees		—		—
All Other Fees		0.4		0.3
Total	\$	8.4	\$	11.0

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 SBH and SB/RH, 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, 2023. 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. and SB/RH Holdings, LLC 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

This report is a combined report of Spectrum Brands Holdings, Inc. (“SBH”) and SB/RH Holdings, LLC (“SB/RH”). The notes to the consolidated financial statements include consolidated SBH footnotes and certain footnotes related to SB/RH.

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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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2023, 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, 2023, 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 21, 2023 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 Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate 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 critical audit matters 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of goodwill impairment for the Home and Personal Care (HPC) reporting unit

As discussed in Note 2 to the consolidated financial statements, the Company assesses goodwill for impairment on an annual basis for each reporting unit and more frequently if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying value. If the carrying value of the reporting unit is more likely than not greater than the fair value of the reporting unit, a quantitative assessment is performed to determine the reporting unit fair value and measure the impairment. The fair value of the HPC reporting unit was estimated using an income approach and a market approach. The income approach is a discounted cash flow methodology which required estimation of future revenues, expenses, and capital expenditures and assumptions about the weighted average cost of capital and perpetuity growth rate. The market approach is a guideline public company method that assessed the value of the reporting unit based upon market multiples derived from financial results of selected comparable companies. As discussed in Note 11, the Company recorded an impairment charge of \$111.1 million related to the HPC reporting unit for the year ended September 30, 2023.

We identified the assessment of goodwill impairment in the HPC reporting unit as a critical audit matter. Our evaluation of certain assumptions used in the income approach, specifically the determination of (1) the discrete and long-term revenue growth rates used to estimate future revenues and (2) the discount rate, required a high degree of auditor judgment as they were based on subjective determinations of future market and economic conditions. Changes to these assumptions could have had a significant effect on the Company's assessment of the fair value of the reporting unit and the amount of impairment recorded. Additionally, the audit effort associated with the evaluation of the long-term growth rate and discount rate required specialized skill and knowledge.

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 over the goodwill impairment assessment process, including controls over the determination of discrete and long-term revenue growth rates and the discount rate. We evaluated the Company's discrete revenue growth rate for the HPC reporting unit by comparing such rate to the Company's historical revenue growth rates and industry analyst reports. In addition, we involved valuation professionals with specialized skill and knowledge, who assisted in evaluating the Company's selection of the 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 determined by the Company to a discount rate range that was independently developed using publicly available market data
- performing a sensitivity analysis to assess the impact of possible changes to the discount rate.

Assessment of impairment of the Rejuvenate and PowerXL tradenames

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 11, the indefinite lived intangible asset balance, consisting primarily of tradenames, was \$778.4 million as of September 30, 2023. As a result of triggering events that occurred during the year ended September 30, 2023, impairment charges of \$56.0 million and \$45.0 million were recorded for the Rejuvenate and PowerXL tradenames, respectively.

We identified the assessment of impairment of the Rejuvenate and PowerXL tradenames as a critical audit matter. A high degree of challenging auditor judgment was required to evaluate the future revenues and discount rates used to estimate the fair value of these tradenames. Specifically the determination of (1) the discrete and long-term revenue growth rates used to estimate future revenues and (2) the discount rates 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 Rejuvenate and PowerXL tradenames. In addition, specialized skill and knowledge were needed to evaluate the long-term revenue growth rates and discount rates.

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 and PowerXL tradename impairment process, including controls over the determination of discrete and long-term revenue growth rates and discount rates. We evaluated the Company's discrete revenue growth rates by comparing such rates for each tradename to the Company's historical revenue growth rates and industry analyst reports. We involved valuation professionals with specialized skill and knowledge, who assisted in evaluating the Company's long-term revenue growth rates and discount rates by:

- comparing the long-term revenue growth rates to long-term economic growth expectations using publicly available third-party data
- comparing the discount rates 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 rates.

/s/ KPMG LLP

We have served as the Company's auditor since 2011.
Milwaukee, Wisconsin
November 21, 2023

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, 2023, 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, 2023, 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, 2023 and 2022, 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, 2023, and the related notes (collectively, the consolidated financial statements), and our report dated November 21, 2023 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 Reporting. 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 21, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholder and Board of Directors
SB/RH Holdings, LLC:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of SB/RH Holdings, LLC and subsidiaries (the Company) as of September 30, 2023 and 2022, the related consolidated statements of income, comprehensive income, shareholder's equity, and cash flows for each of the years in the three-year period ended September 30, 2023, 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, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2023, in conformity with U.S. generally accepted accounting principles.

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 Public Company Accounting Oversight Board (United States) (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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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 Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate 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 critical audit matters 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of goodwill impairment for the Home and Personal Care (HPC) reporting unit

As discussed in Note 2 to the consolidated financial statements, the Company assesses goodwill for impairment on an annual basis for each reporting unit and more frequently if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying value. If the carrying value of the reporting unit is more likely than not greater than the fair value of the reporting unit, a quantitative assessment is performed to determine the reporting unit fair value and measure the impairment. The fair value of the HPC reporting unit was estimated using an income approach and a market approach. The income approach is a discounted cash flow methodology which required estimation of future revenues, expenses, and capital expenditures and assumptions about the weighted average cost of capital and perpetuity growth rate. The market approach is a guideline public company method that assessed the value of the reporting unit based upon market multiples derived from financial results of selected comparable companies. As discussed in Note 11, the Company recorded an impairment charge of \$111.1 million related to the HPC reporting unit for the year ended September 30, 2023.

We identified the assessment of goodwill impairment in the HPC reporting unit as a critical audit matter. Our evaluation of certain assumptions used in the income approach, specifically the determination of (1) the discrete and long-term revenue growth rates used to estimate future revenues and (2) the discount rate, required a high degree of auditor judgment as they were based on subjective determinations of future market and economic conditions. Changes to these assumptions could have had a significant effect on the Company's assessment of the fair value of the reporting unit and the amount of impairment recorded. Additionally, the audit effort associated with the evaluation of the long-term growth rate and discount rate required specialized skill and knowledge.

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 over the goodwill impairment assessment process, including controls over the determination of discrete and long-term revenue growth rates and the discount rate. We evaluated the Company's discrete revenue growth rate for the HPC reporting unit by comparing such rate to the Company's historical revenue growth rates and industry analyst reports. In addition, we involved valuation professionals with specialized skill and knowledge, who assisted in evaluating the Company's selection of the 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 determined by the Company to a discount rate range that was independently developed using publicly available market data
- performing a sensitivity analysis to assess the impact of possible changes to the discount rate.

Assessment of impairment of the Rejuvenate and PowerXL tradenames

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 the 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 11, the indefinite lived intangible asset balance, consisting primarily of tradenames, was \$778.4 million as of September 30, 2023. As a result of triggering events that occurred during the year ended September 30, 2023, impairment charges of \$56.0 million and \$45.0 million were recorded for the Rejuvenate and PowerXL tradenames, respectively.

We identified the assessment of impairment of the Rejuvenate and PowerXL tradenames as a critical audit matter. A high degree of challenging auditor judgment was required to evaluate the future revenues and discount rates used to estimate the fair value of these tradenames. Specifically the determination of (1) the discrete and long-term revenue growth rates used to estimate future revenues and (2) the discount rates 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 Rejuvenate and PowerXL tradenames. In addition, specialized skill and knowledge were needed to evaluate the long-term revenue growth rates and discount rates.

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 and PowerXL tradename impairment process, including controls over the determination of discrete and long-term revenue growth rates and discount rates. We evaluated the Company's discrete revenue growth rates by comparing such rates for each tradename to the Company's historical revenue growth rates and industry analyst reports. We involved valuation professionals with specialized skill and knowledge, who assisted in evaluating the Company's long-term revenue growth rates and discount rates by:

- comparing the long-term revenue growth rates to long-term economic growth expectations using publicly available third-party data
- comparing the discount rates 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 rates.

/s/ KPMG LLP

We have served as the Company's auditor since 1997.
Milwaukee, Wisconsin
November 21, 2023

SPECTRUM BRANDS HOLDINGS, INC.
Consolidated Statements of Financial Position
September 30, 2023 and 2022
(in millions, except per share figures)

(in millions)	2023	2022
Assets		
Cash and cash equivalents	\$ 753.9	\$ 243.7
Short term investments	1,103.3	—
Trade receivables, net	477.1	247.4
Other receivables	84.5	95.7
Inventories	462.8	780.6
Prepaid expenses and other current assets	44.3	51.2
Current assets of business held for sale	—	1,816.7
Total current assets	2,925.9	3,235.3
Property, plant and equipment, net	275.1	263.8
Operating lease assets	110.8	82.5
Deferred charges and other	31.8	38.7
Goodwill	854.7	953.1
Intangible assets, net	1,060.1	1,202.2
Total assets	\$ 5,258.4	\$ 5,775.6
Liabilities and Shareholders' Equity		
Current portion of long-term debt	\$ 8.6	\$ 12.3
Accounts payable	396.6	453.1
Accrued wages and salaries	46.1	28.4
Accrued interest	20.6	27.6
Income tax payable	114.5	15.5
Other current liabilities	178.4	187.5
Current liabilities of business held for sale	—	463.7
Total current liabilities	764.8	1,188.1
Long-term debt, net of current portion	1,546.9	3,144.5
Long-term operating lease liabilities	95.6	56.0
Deferred income taxes	174.8	60.1
Other long-term liabilities	158.0	57.8
Total liabilities	2,740.1	4,506.5
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	1,920.8	2,032.5
Accumulated earnings	2,096.0	362.1
Accumulated other comprehensive loss, net of tax	(249.4)	(303.1)
Treasury stock, 18.5 million and 13.0 million shares, respectively	(1,250.3)	(828.8)
Total shareholders' equity	2,517.6	1,263.2
Noncontrolling interest	0.7	5.9
Total equity	2,518.3	1,269.1
Total liabilities and equity	\$ 5,258.4	\$ 5,775.6

See accompanying notes to the consolidated financial statements.

SPECTRUM BRANDS HOLDINGS, INC.
Consolidated Statements of Income
Years ended September 30, 2023, 2022 and 2021
(in millions, except per share figures)

(in millions, except per share)	2023	2022	2021
Net sales	\$ 2,918.8	\$ 3,132.5	\$ 2,998.1
Cost of goods sold	1,994.5	2,142.1	1,963.5
Gross profit	924.3	990.4	1,034.6
Selling	544.7	597.6	518.5
General and administrative	332.4	371.4	389.2
Research and development	22.5	26.7	29.8
Gain from remeasurement of contingent consideration liability	(1.5)	(28.5)	—
Impairment of goodwill	111.1	—	—
Impairment of intangible assets	120.7	—	—
Total operating expenses	1,129.9	967.2	937.5
Operating (loss) income	(205.6)	23.2	97.1
Interest expense	127.0	99.4	116.5
Interest income	(38.3)	(0.6)	(1.1)
Gain from debt repurchase	(7.9)	—	—
Other non-operating expense (income), net	3.8	14.7	(7.2)
Loss from continuing operations before income taxes	(290.2)	(90.3)	(11.1)
Income tax benefit	(56.5)	(13.3)	(26.4)
Net (loss) income from continuing operations	(233.7)	(77.0)	15.3
Income from discontinued operations, net of tax	2,035.6	149.7	174.3
Net income	1,801.9	72.7	189.6
Net income from continuing operations attributable to non-controlling interest	0.1	0.2	0.2
Net income (loss) from discontinued operations attributable to non-controlling interest	0.3	\$ 0.9	\$ (0.2)
Net income attributable to controlling interest	\$ 1,801.5	\$ 71.6	\$ 189.6
Amounts attributable to controlling interest			
Net (loss) income from continuing operations attributable to controlling interest	\$ (233.8)	\$ (77.2)	\$ 15.1
Net income from discontinued operations attributable to controlling interest	2,035.3	148.8	174.5
Net income attributable to controlling interest	\$ 1,801.5	\$ 71.6	\$ 189.6
Earnings Per Share			
Basic earnings per share from continuing operations	\$ (5.92)	\$ (1.89)	\$ 0.35
Basic earnings per share from discontinued operations	51.57	3.64	4.09
Basic earnings per share	\$ 45.65	\$ 1.75	\$ 4.44
Diluted earnings per share from continuing operations	\$ (5.92)	\$ (1.89)	\$ 0.35
Diluted earnings per share from discontinued operations	51.57	3.64	4.04
Diluted earnings per share	\$ 45.65	\$ 1.75	\$ 4.39
Dividend per share	\$ 1.68	\$ 1.68	\$ 1.68
Weighted Average Shares Outstanding			
Basic	39.5	40.9	42.7
Diluted	39.5	40.9	43.2

See accompanying notes to the consolidated financial statements.

SPECTRUM BRANDS HOLDINGS, INC.
Consolidated Statements of Comprehensive Income
Years ended September 30, 2023, 2022 and 2021
(in millions)

(in millions)	2023	2022	2021
Net income	\$ 1,801.9	\$ 72.7	\$ 189.6
Other comprehensive income			
Foreign currency translation adjustment			
Foreign currency translation gain (loss)	69.0	(147.8)	26.0
Unrealized (loss) gain on net investment hedge	(31.7)	75.8	6.2
Foreign currency translation adjustment before tax	37.3	(72.0)	32.2
Deferred tax effect	7.0	(20.0)	—
Net unrealized gain (loss) on foreign currency translation	44.3	(92.0)	32.2
Unrealized (loss) gain on derivative instruments			
Unrealized (loss) gain on derivative instruments before reclassification	(35.3)	30.7	0.1
Net reclassification for loss (gain) to income from continuing operations	12.2	(20.2)	9.2
Net reclassification for loss (gain) to income from discontinued operations	2.3	(2.4)	0.1
Unrealized (loss) gain on derivative instruments after reclassification	(20.8)	8.1	9.4
Deferred tax effect	5.4	2.3	(6.6)
Net unrealized (loss) gain on derivative instruments	(15.4)	10.4	2.8
Defined benefit pension (loss) gain			
Defined benefit pension (loss) gain before reclassification	(0.8)	18.3	11.7
Net reclassification for loss to income from continuing operations	0.8	3.6	4.8
Net reclassification for gain to income from discontinued operations	(0.1)	(0.1)	(0.1)
Defined benefit pension (loss) gain after reclassification	(0.1)	21.8	16.4
Deferred tax effect	(0.1)	(8.9)	(1.6)
Net defined benefit pension (loss) gain	(0.2)	12.9	14.8
Deconsolidation of discontinued operations and assets held for sale	26.1	—	—
Net change to derive comprehensive income for the periods	54.8	(68.7)	49.8
Comprehensive income	1,856.7	4.0	239.4
Comprehensive income (loss) from continuing operations attributable to non-controlling interest	0.3	(0.4)	—
Comprehensive (loss) income from discontinuing operations attributable to non-controlling interest	—	(0.5)	0.4
Deconsolidation of discontinued operations attributable to non-controlling interest	0.8	—	—
Comprehensive income attributable to controlling interest	\$ 1,855.6	\$ 4.9	\$ 239.0

See accompanying notes to the consolidated financial statements.

SPECTRUM BRANDS HOLDINGS, INC.
Consolidated Statements of Shareholders' Equity
Years ended September 30, 2023, 2022 and 2021
(in millions)

(in millions)	Common Stock		Additional Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity	Non- controlling Interest	Total Equity
	Shares	Amount							
Balance at September 30, 2020	43.1	\$ 0.5	\$ 2,054.3	\$ 243.9	\$ (284.7)	\$ (606.5)	\$ 1,407.5	\$ 8.3	\$ 1,415.8
Net income from continuing operations	—	—	—	15.1	—	—	15.1	0.2	15.3
Income (loss) from discontinued operations, net of tax	—	—	—	174.5	—	—	174.5	(0.2)	174.3
Other comprehensive income, net of tax	—	—	—	—	49.4	—	49.4	0.4	49.8
Treasury stock repurchases	(1.6)	—	—	—	—	(125.8)	(125.8)	—	(125.8)
Restricted stock issued and related tax withholdings	0.3	—	(20.2)	—	—	15.3	(4.9)	—	(4.9)
Share based compensation	—	—	29.7	—	—	—	29.7	—	29.7
Dividend paid to common shareholders	—	—	—	(73.6)	—	—	(73.6)	—	(73.6)
Dividend paid by subsidiary to NCI	—	—	—	—	—	—	—	(1.6)	(1.6)
Balances at September 30, 2021	41.8	0.5	2,063.8	359.9	(235.3)	(717.0)	1,471.9	7.1	1,479.0
Net (loss) income from continuing operations	—	—	—	(77.2)	—	—	(77.2)	0.2	(77.0)
Income from discontinued operations, net of tax	—	—	—	148.8	—	—	148.8	0.9	149.7
Other comprehensive loss, net of tax	—	—	—	—	(67.8)	—	(67.8)	(0.9)	(68.7)
Treasury stock repurchases	(1.4)	—	—	—	—	(134.0)	(134.0)	—	(134.0)
Restricted stock issued and related tax withholdings	0.4	—	(46.7)	—	—	22.2	(24.5)	—	(24.5)
Share based compensation	—	—	15.4	—	—	—	15.4	—	15.4
Dividend paid to common shareholders	—	—	—	(69.4)	—	—	(69.4)	—	(69.4)
Dividend paid by subsidiary to NCI	—	—	—	—	—	—	—	(1.4)	(1.4)
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
Treasury stock repurchases	(0.4)	—	—	—	—	(38.9)	(38.9)	—	(38.9)
Accelerated share repurchase	(5.3)	—	(100.0)	—	—	(400.0)	(500.0)	—	(500.0)
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
Dividend paid 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

See accompanying notes to the consolidated financial statements.

SPECTRUM BRANDS HOLDINGS, INC.
Consolidated Statements of Cash Flows
Years ended September 30, 2023, 2022 and 2021
(in millions)

(in millions)	2023	2022	2021
Cash flows from operating activities			
Net income	\$ 1,801.9	\$ 72.7	\$ 189.6
Income from discontinued operations, net of tax	2,035.6	149.7	174.3
Net (loss) income from continuing operations	(233.7)	(77.0)	15.3
Adjustments to reconcile net (loss) income to net cash from operating activities:			
Depreciation	48.9	49.0	51.9
Amortization	42.3	50.3	65.1
Share based compensation	17.2	10.2	28.9
Write-off from impairment of goodwill	111.1	—	—
Write-off from impairment of intangible assets	120.7	—	—
Impairment of property plant and equipment and operating leases	10.8	—	—
Gain on sale of property plant and equipment	(2.7)	—	—
Gain on debt repurchase	(7.9)	—	—
Amortization of debt issuance costs and debt discount	6.9	7.1	5.6
Write-off of unamortized discount and debt issuance costs	10.9	—	7.9
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	1.9	8.3	7.3
Gain on equity investment	—	—	(6.9)
Deferred tax benefit	(182.8)	(44.6)	(64.4)
Net changes in operating assets and liabilities			
Receivables	(224.2)	(12.2)	65.9
Inventories	328.3	(153.7)	(219.6)
Prepaid expenses and other current assets	26.1	(34.8)	(9.7)
Accounts payable and accrued liabilities	(154.5)	(15.0)	116.0
Income tax and other	101.5	9.4	25.9
Net cash provided (used) by operating activities from continuing operations	8.0	(231.5)	89.2
Net cash (used) provided by operating activities from discontinued operations	(417.7)	177.7	199.2
Net cash (used) provided by operating activities	(409.7)	(53.8)	288.4
Cash flows from investing activities			
Purchases of property, plant and equipment	(59.0)	(64.0)	(43.6)
Proceeds from disposal of property, plant and equipment	8.4	0.2	0.1
Proceeds from sale of discontinued operations, net of cash	4,334.7	—	—
Business acquisitions, net of cash acquired	—	(272.1)	(429.9)
Purchase of short term investments	(1,092.0)	—	—
Proceeds from sale of equity investment	—	—	73.1
Other investing activity	(0.2)	—	(0.4)
Net cash provided (used) by investing activities from continuing operations	3,191.9	(335.9)	(400.7)
Net cash used by investing activities from discontinued operations	(11.8)	(23.9)	(22.8)
Net cash provided (used) by investing activities	3,180.1	(359.8)	(423.5)

See accompany notes to the consolidated financial statements.

SPECTRUM BRANDS HOLDINGS, INC.
Consolidated Statements of Cash Flows
Years ended September 30, 2023, 2022 and 2021
(in millions)

(in millions)	2023	2022	2021
Cash flows from financing activities			
Payment of debt, including premium on extinguishment	\$ (1,646.8)	\$ (12.7)	\$ (891.2)
Proceeds from issuance of debt	—	740.0	899.0
Payment of debt issuance costs	(2.3)	(7.6)	(12.6)
Treasury stock purchases	(34.7)	(134.0)	(125.8)
Accelerated share repurchase	(500.0)	—	—
Dividends paid to shareholders	(66.5)	(68.6)	(71.5)
Share based award tax withholding payments, net of proceeds upon vesting	(13.0)	(24.5)	(8.3)
Payment of contingent consideration	—	(1.9)	—
Other financing activities, net	—	—	3.5
Net cash (used) provided by financing activities from continuing operations	(2,263.3)	490.7	(206.9)
Net cash used by financing activities from discontinued operations	(0.8)	(3.1)	(3.0)
Net cash (used) provided by financing activities	(2,264.1)	487.6	(209.9)
Effect of exchange rate changes on cash and cash equivalents	3.7	(20.1)	1.3
Net change in cash, cash equivalents and restricted cash	510.0	53.9	(343.7)
Cash, cash equivalents, and restricted cash, beginning of period	243.9	190.0	533.7
Cash, cash equivalents, and restricted cash, end of period	\$ 753.9	\$ 243.9	\$ 190.0
Supplemental disclosure of cash flow information			
Cash paid for interest associated with continued operations	\$ 123.1	\$ 92.1	\$ 86.4
Cash paid for interest associated with discontinued operations	\$ 45.3	\$ 53.6	\$ 50.0
Cash paid for taxes associated with continued operations	\$ 25.5	\$ 32.6	\$ 23.5
Cash paid for taxes associated with discontinued operations	\$ 449.2	\$ 12.9	\$ 11.5
Non cash investing activities			
Acquisition of property, plant and equipment through capital leases	\$ 3.2	\$ 1.4	\$ 9.4
Non cash financing activities			
Issuance of shares through stock compensation plan	\$ 32.6	\$ 33.4	\$ 17.9

See accompany notes to the consolidated financial statements.

SB/RH Holdings, LLC
Consolidated Statements of Financial Position
September 30, 2023 and 2022
(in millions)

(in millions)	2023	2022
Assets		
Cash and cash equivalents	\$ 752.7	\$ 242.4
Short term investments	1,103.3	—
Trade receivables, net	477.1	247.4
Other receivables	174.6	183.1
Inventories	462.8	780.6
Prepaid expenses and other current assets	44.3	51.2
Current assets of business held for sale	—	1,816.7
Total current assets	3,014.8	3,321.4
Property, plant and equipment, net	275.1	263.8
Operating lease assets	110.8	82.5
Deferred charges and other	31.8	38.1
Goodwill	854.7	953.1
Intangible assets, net	1,060.1	1,202.2
Total assets	\$ 5,347.3	\$ 5,861.1
Liabilities and Shareholder's Equity		
Current portion of long-term debt	\$ 8.6	\$ 12.3
Accounts payable	396.7	453.3
Accrued wages and salaries	46.0	28.4
Accrued interest	20.6	27.6
Income tax payable	36.8	12.8
Other current liabilities	172.2	184.5
Current liabilities of business held for sale	—	463.7
Total current liabilities	680.9	1,182.6
Long-term debt, net of current portion	1,546.9	3,144.5
Long-term operating lease liabilities	95.6	56.0
Deferred income taxes	176.3	279.3
Other long-term liabilities	157.9	65.6
Total liabilities	2,657.6	4,728.0
Commitments and contingencies (Note 20)		
Shareholder's equity		
Other capital	2,168.9	2,164.6
Accumulated earnings (deficit)	767.8	(736.0)
Accumulated other comprehensive loss, net of tax	(249.3)	(303.0)
Total shareholder's equity	2,687.4	1,125.6
Noncontrolling interest	2.3	7.5
Total equity	2,689.7	1,133.1
Total liabilities and equity	\$ 5,347.3	\$ 5,861.1

See accompanying notes to the consolidated financial statements

SB/RH Holdings, LLC
Consolidated Statements of Income
Years ended September 30, 2023, 2022 and 2021
(in millions)

(in millions)	2023	2022	2021
Net Sales	\$ 2,918.8	\$ 3,132.5	\$ 2,998.1
Cost of goods sold	1,994.5	2,142.1	1,963.5
Gross profit	924.3	990.4	1,034.6
Selling	544.7	597.6	518.5
General and administrative	330.1	368.7	385.5
Research and development	22.5	26.7	29.8
Gain from remeasurement of contingent consideration liability	(1.5)	(28.5)	—
Impairment of goodwill	111.1	—	—
Impairment of intangible assets	120.7	—	—
Total operating expenses	1,127.6	964.5	933.8
Operating (loss) income	(203.3)	25.9	100.8
Interest expense	120.5	99.8	116.8
Interest income	(38.3)	(0.6)	(0.2)
Gain on debt repurchase	(7.9)	—	—
Other non-operating expense (income), net	3.8	14.6	(8.1)
Loss from continuing operations before income taxes	(281.4)	(87.9)	(7.7)
Income tax benefit	(55.1)	(12.9)	(25.0)
Net (loss) income from continuing operations	(226.3)	(75.0)	17.3
Income from discontinued operations, net of tax	2,035.6	149.7	174.3
Net income	1,809.3	74.7	191.6
Net income from continuing operations attributable to non-controlling interest	0.1	0.2	0.2
Net income (loss) from discontinued operations attributable to non-controlling interest	0.3	0.9	(0.2)
Net income attributable to controlling interest	\$ 1,808.9	\$ 73.6	\$ 191.6
Amounts attributable to controlling interest			
Net (loss) income from continuing operations attributable to controlling interest	\$ (226.4)	\$ (75.2)	\$ 17.1
Net income from discontinued operations attributable to controlling interest	2,035.3	148.8	174.5
Net income attributable to controlling interest	\$ 1,808.9	\$ 73.6	\$ 191.6

See accompanying notes to the consolidated financial statements

SB/RH Holdings, LLC
Consolidated Statements of Comprehensive Income
Years ended September 30, 2023, 2022 and 2021
(in millions)

(in millions)	2023	2022	2021
Net income	\$ 1,809.3	\$ 74.7	\$ 191.6
Other comprehensive income			
Foreign currency translation adjustment			
Foreign currency translation gain (loss)	69.0	(147.8)	26.0
Unrealized (loss) gain on net investment hedge	(31.7)	75.8	6.2
Foreign currency translation adjustment before tax	37.3	(72.0)	32.2
Deferred tax effect	7.0	(20.0)	—
Net unrealized gain (loss) on foreign currency translation	44.3	(92.0)	32.2
Unrealized (loss) gain on derivative instruments			
Unrealized (loss) gain on derivative instruments before reclassification	(35.3)	30.7	0.1
Net reclassification for loss (gain) to income from continuing operations	12.2	(20.2)	9.2
Net reclassification for loss (gain) to income from discontinued operations	2.3	(2.4)	0.1
Unrealized (loss) gain on derivative instruments after reclassification	(20.8)	8.1	9.4
Deferred tax effect	5.4	2.3	(6.6)
Net unrealized (loss) gain on derivative instruments	(15.4)	10.4	2.8
Defined benefit pension (loss) gain			
Defined benefit pension (loss) gain before reclassification	(0.8)	18.3	11.7
Net reclassification for loss to income from continuing operations	0.8	3.6	4.8
Net reclassification for gain to income from discontinued operations	(0.1)	(0.1)	(0.1)
Defined benefit pension (loss) gain after reclassification	(0.1)	21.8	16.4
Deferred tax effect	(0.1)	(8.9)	(1.6)
Net defined benefit pension (loss) gain	(0.2)	12.9	14.8
Deconsolidation of discontinued operations and assets held for sale	26.1	—	—
Net change to derive comprehensive income for the period	54.8	(68.7)	49.8
Comprehensive income	1,864.1	6.0	241.4
Comprehensive income (loss) from continuing operations attributable to non-controlling interest	0.3	(0.4)	—
Comprehensive (loss) income from discontinuing operations attributable to non-controlling interest	—	(0.5)	0.4
Deconsolidation of discontinued operations attributable to non-controlling interest	0.8	—	—
Comprehensive income attributable to controlling interest	\$ 1,863.0	\$ 6.9	\$ 241.0

See accompanying notes to the consolidated financial statements

SB/RH Holdings, LLC
Consolidated Statements of Shareholder's Equity
Years ended September 30, 2023, 2022 and 2021
(in millions)

(in millions)	Other Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholder's Equity	Non- controlling Interest	Total Equity
Balances at September 30, 2020	\$ 2,154.1	\$ (614.2)	\$ (284.6)	\$ 1,255.3	\$ 9.9	\$ 1,265.2
Net income from continuing operations	—	17.1	—	17.1	0.2	17.3
Income (loss) from discontinued operations, net of tax	—	174.5	—	174.5	(0.2)	174.3
Other comprehensive income, net of tax	—	—	49.4	49.4	0.4	49.8
Restricted stock issued and related tax withholdings	(7.3)	—	—	(7.3)	—	(7.3)
Share based compensation	28.0	—	—	28.0	—	28.0
Dividends paid to parent	—	(192.3)	—	(192.3)	—	(192.3)
Dividend paid by subsidiary to NCI	—	—	—	—	(1.6)	(1.6)
Balances at September 30, 2021	2,174.8	(614.9)	(235.2)	1,324.7	8.7	1,333.4
Net (loss) income from continuing operations	—	(75.2)	—	(75.2)	0.2	(75.0)
Income from discontinued operations, net of tax	—	148.8	—	148.8	0.9	149.7
Other comprehensive loss, net of tax	—	—	(67.8)	(67.8)	(0.9)	(68.7)
Restricted stock issued and related tax withholdings	(24.5)	—	—	(24.5)	—	(24.5)
Share based compensation	14.3	—	—	14.3	—	14.3
Dividends paid to parent	—	(194.7)	—	(194.7)	—	(194.7)
Dividend paid by subsidiary to NCI	—	—	—	—	(1.4)	(1.4)
Balances at September 30, 2022	2,164.6	(736.0)	(303.0)	1,125.6	7.5	1,133.1
Net (loss) income from continuing operations	—	(226.4)	—	(226.4)	0.1	(226.3)
Income from discontinued operations, net of tax	—	2,035.3	—	2,035.3	0.3	2,035.6
Sale and deconsolidation of discontinued operations	—	—	25.3	25.3	(5.9)	19.4
Other comprehensive income, net of tax	—	—	28.4	28.4	0.3	28.7
Restricted stock issued and related tax withholdings	(12.9)	—	—	(12.9)	—	(12.9)
Share based compensation	17.2	—	—	17.2	—	17.2
Dividends paid to parent	—	(305.1)	—	(305.1)	—	(305.1)
Balances at September 30, 2023	\$ 2,168.9	\$ 767.8	\$ (249.3)	\$ 2,687.4	\$ 2.3	\$ 2,689.7

See accompanying notes to the consolidated financial statements.

SB/RH Holdings, LLC
Consolidated Statements of Cash Flows
Years ended September 30, 2023, 2022 and 2021
(in millions)

(in millions)	2023	2022	2021
Cash flows from operating activities			
Net income	\$ 1,809.3	\$ 74.7	\$ 191.6
Income from discontinued operations, net of tax	2,035.6	149.7	174.3
Net (loss) income from continuing operations	(226.3)	(75.0)	17.3
Adjustments to reconcile net (loss) income to net cash from operating activities:			
Depreciation	48.9	49.0	51.9
Amortization	42.3	50.3	65.1
Share based compensation	15.7	9.1	27.2
Write-off from impairment of goodwill	111.1	—	—
Write-off from impairment of intangible assets	120.7	—	—
Impairment of property, plant and equipment and operating lease assets	10.8	—	—
Gain on sale of property, plant and equipment	(2.7)	—	—
Gain from repurchase of debt	(7.9)	—	—
Amortization of debt issuance costs and debt discount	6.9	7.1	5.6
Write-off of unamortized discount and debt issuance costs	10.9	—	7.9
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	1.9	8.3	7.3
Gain on equity investment	—	—	(6.9)
Deferred tax benefit	(181.4)	(44.2)	(63.0)
Net changes in operating assets and liabilities			
Receivables	(239.9)	(41.4)	57.3
Inventories	328.3	(153.7)	(219.6)
Prepaid expenses and other	26.1	(34.8)	(9.6)
Accounts payable and accrued liabilities	(150.7)	(19.6)	115.0
Income tax and other	(193.3)	9.9	26.2
Net cash (used) provided by operating activities from continuing operations	(291.4)	(263.5)	81.7
Net cash provided by operating activities from discontinued operations	(419.5)	177.7	199.2
Net cash (used) provided by operating activities	(710.9)	(85.8)	280.9
Cash flows from investing activities			
Purchases of property, plant and equipment	(59.0)	(64.0)	(43.6)
Proceeds from disposal of property, plant and equipment	8.4	0.2	0.1
Proceeds from sale of discontinued operations, net of cash	4,334.7	—	—
Business acquisitions, net of cash acquired	—	(272.1)	(429.9)
Purchase of short-term investments	(1,092.0)	—	—
Proceeds from sale of equity investment	—	—	73.1
Other investing activities	(0.2)	—	(0.4)
Net cash provided (used) by investing activities from continuing operations	3,191.9	(335.9)	(400.7)
Net cash used by investing activities from discontinued operations	(11.8)	(23.9)	(22.8)
Net cash provided (used) by investing activities	3,180.1	(359.8)	(423.5)

SB/RH Holdings, LLC
Consolidated Statements of Cash Flows
Years ended September 30, 2023, 2022 and 2021
(in millions)

(in millions)	2023	2022	2021
Cash flows from financing activities			
Payment of debt, including premium on extinguishment	\$ (1,646.8)	\$ (12.7)	\$ (891.2)
Payment of intercompany debt	(7.8)	—	—
Proceeds from issuance of debt	—	740.0	899.0
Payment of debt issuance costs	(2.3)	(7.6)	(12.6)
Payment of cash dividends to parent	(305.1)	(194.7)	(192.3)
Payment of contingent consideration	—	(1.9)	—
Net cash (used) provided by financing activities from continuing operations	(1,962.0)	523.1	(197.1)
Net cash used by financing activities from discontinued operations	(0.8)	(3.1)	(3.0)
Net cash (used) provided by financing activities	(1,962.8)	520.0	(200.1)
Effect of exchange rate changes on cash and cash equivalents	3.7	(20.1)	1.3
Net change in cash, cash equivalents and restricted cash	510.1	54.3	(341.4)
Cash, cash equivalents, and restricted cash, beginning of period	242.6	188.3	529.7
Cash, cash equivalents, and restricted cash, end of period	\$ 752.7	\$ 242.6	\$ 188.3
Supplemental disclosure of cash flow information			
Cash paid for interest associated with continued operations	\$ 123.1	\$ 92.1	\$ 86.4
Cash paid for interest associated with discontinued operations	\$ 45.3	\$ 53.6	\$ 50.0
Cash paid for taxes associated with continued operations	\$ 25.5	\$ 32.6	\$ 23.5
Cash paid for taxes associated with discontinued operations	\$ 449.2	\$ 12.9	\$ 11.5
Non cash investing activities			
Acquisition of property, plant and equipment through capital leases	\$ 3.2	\$ 1.4	\$ 9.4

See accompanying notes to the consolidated financial statements.

**SPECTRUM BRANDS HOLDINGS INC.
SB/RH HOLDINGS, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

This report is a combined report of Spectrum Brands Holdings, Inc. ("SBH") and SB/RH Holdings, LLC ("SB/RH") (collectively, the "Company"). The notes to the consolidated financial statements that follow include both consolidated SBH and SB/RH notes, unless otherwise indicated.

NOTE 1 - DESCRIPTION OF BUSINESS

The Company is a diversified global branded consumer products company. We manage the businesses in three vertically integrated, product-focused segments: (i) Home and Personal Care ("HPC"), (ii) Global Pet Care ("GPC"), and (iii) Home and Garden ("H&G"). 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 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 respective brands and 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 resource, 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 types and brands:

Segment	Products	Brands
GPC	<p><i>Companion Animal:</i> Dog and cat chews, treats, wet and dry foods. Dog and cat clean-up, behavioral training aides, health and grooming products. Indoor bird and other small animal food and care products.</p> <p><i>Aquatics:</i> 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.</p>	<p><i>Companion Animal:</i> 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™.</p> <p><i>Aquatics:</i> Tetra®, Marineland®, Instant Ocean®, GloFish®, and OmegaSea®.</p>
H&G	<p><i>Household:</i> 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.</p> <p><i>Controls:</i> Outdoor insect and weed control solutions, and animal repellents such as aerosols, granules, and ready-to-use sprays or hose-end ready-to-sprays.</p> <p><i>Repellents:</i> Personal use pesticides and insect repellent products, including aerosols, lotions, pump sprays and wipes, yard sprays and citronella candles.</p> <p><i>Cleaning:</i> Household surface cleaning, maintenance, and restoration products, including bottled liquids, mops, wipes and markers.</p>	<p><i>Household:</i> Hot Shot®, Black Flag®, Real-Kill®, Ultra Kill®, The Ant Trap® (TAT), and Rid-A-Bug®.</p> <p><i>Controls:</i> Spectracide®, Garden Safe®, Liquid Fence®, and EcoLogic®.</p> <p><i>Repellents:</i> Cutter® and Repel®.</p> <p><i>Cleaning:</i> Rejuvenate®</p>
HPC	<p><i>Home Appliances:</i> 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.</p> <p><i>Personal Care:</i> 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.</p>	<p><i>Home Appliances:</i> Black+Decker®, Russell Hobbs®, George Foreman®, PowerXL®, Emeril Legasse®, Copper Chef®, Toastmaster®, Juiceman®, Farberware®, and Breadman®</p> <p><i>Personal Care:</i> Remington®</p>

SB/RH is a wholly-owned subsidiary of SBH and represents substantially all of its assets, liabilities, revenues, expenses and operations. Spectrum Brands, Inc. ("SBI"), a wholly-owned subsidiary of SB/RH, incurred certain debt guaranteed by SB/RH and domestic subsidiaries of SBI. See *Note 12 - Debt* for more information pertaining to debt. SBI represents all of SB/RH assets, liabilities, revenues, expenses and operations. The reportable segments of SB/RH are consistent with the reportable segments of SBH.

On September 8, 2021, the Company entered into a definitive Asset and Stock Purchase Agreement (the "Purchase Agreement") with ASSA ABLOY AB ("ASSA") to sell its HHI segment for cash proceeds of \$4.3 billion, subject to customary purchase price adjustments. The HHI segment consisted of residential locksets and door hardware, including knobs, levers, deadbolts, handle sets, and electronic and connected locks under the Kwikset®, Weiser®, Baldwin®, Tell Manufacturing®, and EZSET® brands; kitchen and bath faucets and accessories under the Pfister® brand; and builders' hardware consisting of hinges, metal shapes, security hardware, rack and sliding door hardware, and gate hardware under the National Hardware® and FANAL® brands. On June 20, 2023, the Company completed its divestiture of its HHI segment. Refer to *Note 3 - Divestitures* included in Notes to the Consolidated Financial Statements, included elsewhere in this Annual Report, for further discussion pertaining the HHI divestiture.

SPECTRUM BRANDS HOLDINGS INC.
SB/RH HOLDINGS, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2023, the fiscal quarters were comprised of the three months ended January 1, 2023, April 2, 2023, July 2, 2023, and September 30, 2023.

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.

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 8 - 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 9 - 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.

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. 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 10 - Property, plant and equipment* for further detail.

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 Company's 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.

SPECTRUM BRANDS HOLDINGS INC.
SB/RH HOLDINGS, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

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 arrangements, recognized as operating 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.

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 11 - 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	9 - 20 years
Technology assets	8 - 18 years
Tradenames	5 - 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.

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 11 - 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.

SPECTRUM BRANDS HOLDINGS INC.
SB/RH HOLDINGS, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

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 in the accompanying Consolidated Statements of Income 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 in the Consolidated Statements of Financial Position. Amortization of debt issuance costs is recognized as a component of Interest Expense in the Consolidated Statements of Income. See *Note 12 - 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 Statement 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. See *Note 14 - 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 - Shareholder's 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 Statement 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 Statement of Income.

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. See *Note 4 - Acquisitions* for further detail.

SPECTRUM BRANDS HOLDINGS INC.
SB/RH HOLDINGS, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)**Revenue Recognition***Product Sales*

Our customers mostly consist of retailers, wholesalers and distributors with the intention to sell and distribute to an end consumer. The Company recognizes revenue from the sale of products upon transfer of control to the customer. A portion of our business is also sold direct-to-consumer through direct response television, brand websites, and other online marketplaces. 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.

Licensing Revenue

The Company also sells licenses of 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' term is 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 and/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 may also enter into various arrangements, primarily with retail customers, which require the Company to make upfront cash payments to secure the right to distribute through such customers. The Company defers the cost of these payments, provided they are supported by a volume-based arrangement with the retailer with a period of 12 months or longer, and amortizes the associated payment over the appropriate time or volume-based term of the arrangement. Deferred payments are recognized as a contract asset and are reported in the Consolidated Statements of Financial Position as Deferred Charges and Other Assets with related amortization treated as a reduction in Net Sales.

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 6 - 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. See *Note 20 - Commitments and Contingencies* for further discussion on standard product warranty.

Practical Expedients and Exemptions:

- 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 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.
- 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.
- 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 Expenses. For costs amortized over a period longer than one year, such as fixtures which are more permanent in nature, the Company defers and amortizes over the supportable period based upon historical assumptions and analysis. The costs for permanent displays are incorporated into the pricing of product sold to customer.
- The Company excludes all sales taxes that are assessed by a governmental authority from the transaction price.

See *Note 6 - Revenue Recognition* for further detail.

SPECTRUM BRANDS HOLDINGS INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. Shipping and handling costs were \$272.6 million, \$274.2 million and \$216.3 million during the years ended September 30, 2023, 2022 and 2021, respectively. 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 are included in Selling Expenses in the Consolidated Statements of Income.

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 \$59.1 million, \$64.1 million and \$54.0 million during the years ended September 30, 2023, 2022 and 2021, respectively. Advertising costs are included in Selling Expenses in the Company's Consolidated Statements of Income.

Research and Development Costs

Research and development costs are charged to expense in the period they are incurred.

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. Estimated environmental remediation expenditures are included in the determination of the net realizable value recorded for assets held for sale. See *Note 20 - Commitments and Contingencies* for further discussion.

Exit and Disposal Costs

The Company regularly enters into various restructuring initiatives, optimization projects, strategic transactions, and other business development activities 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 operating facilities or business locations in a country or region, relocation of business activities and employees from one location to another, change in management structure, significant third-party provider or a fundamental reorganization that affects the nature and focus of operations, among others. Restructuring charges associated with manufacturing are recorded as Cost of Goods Sold. Restructuring charges associated with administrative functions are recorded as operating expenses, such as initiatives impacting sales, marketing, distribution or other non-manufacturing related functions.

Liabilities from restructuring charges 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 or asset reductions 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 5 - Restructuring Charges* 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 Statement 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 Statement 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 operating 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. Lease expense for operating leases is recognized on a straight-line basis over the lease term. 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.

SPECTRUM BRANDS HOLDINGS INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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. 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 13 – Leases* for additional information.

Supplier Financing Program

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. As of September 30, 2023, the Company had \$17.9 million in outstanding payment obligations that were sold to a financial institution by participating suppliers and are included in Accounts Payable in the Company's Consolidated Statement 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.

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 Accumulated Other Comprehensive Income ("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 \$5.1 million, \$14.5 million, and \$1.5 million for the years ended September 30, 2023, 2022 and 2021, respectively.

Newly Adopted Accounting Standards

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. In response to the concerns about structural risks of interbank offered rates ("IBORs") and, particularly, the risk of cessation of the London Interbank Offered Rate ("LIBOR"), regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable or transaction based and less susceptible to manipulation. The ASU provides companies with optional guidance to ease the potential accounting burden associated with transitioning away from reference rates that are expected to be discontinued. In January 2021, the FASB issued ASU 2021-01, which adds implementation guidance to clarify certain optional expedients in Topic 848. The adoptions did not have a material impact on the consolidated financial statements.

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, an entity that provide for a supplier finance program in connection with the purchase of goods and services is required to disclose information about the key terms of the program, outstanding confirmed amounts as of the end of the period, a rollforward 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 rollforward information, which is effective for fiscal years beginning after December 15, 2023. The Company has adopted the general disclosures of ASU 2022-04 in the current fiscal year and will adopt the rollforward disclosure in the next fiscal year.

SPECTRUM BRANDS HOLDINGS INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)**Recently Issued Accounting Standards**

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. This ASU requires that an acquirer recognize, and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606 "Revenue from Contracts with Customers" (Topic 606) as if it had originated the contracts. Generally, this would result in an acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how they were recognized and measured in the acquiree's financial statements if the acquiree prepared financial statements in accordance with US GAAP. This standard is effective for fiscal years beginning after December 15, 2023 including interim periods within the fiscal year. Early adoption is permitted. The standard is applied prospectively to business combinations occurring on or after the effective date of the amendments. The impact will be based on future business combinations after the Company adopts the standard.

NOTE 3 – DIVESTITURES

The following table summarizes the components of Income from Discontinued Operations, Net of Tax in the accompanying Consolidated Statement of Income for the years ended September 30, 2023, 2022, and 2021:

(in millions)	2023	2022	2021
Income from discontinued operations before income taxes - HHI	\$ 136.9	\$ 253.3	\$ 288.2
Gain on sale of discontinued operations before income taxes – HHI	2,824.2	—	—
Loss from discontinued operations before income taxes - Other	(2.4)	(3.8)	(7.3)
Interest on corporate debt allocated to discontinued operations	49.4	46.4	44.5
Income from discontinued operations before income taxes	2,909.3	203.1	236.4
Income tax expense from discontinued operations	873.7	53.4	62.1
Income from discontinued operations, net of tax	2,035.6	149.7	174.3
Income (loss) from discontinued operations, net of tax attributable to noncontrolling interest	0.3	0.9	(0.2)
Income from discontinued operations, net of tax attributable to controlling interest	\$ 2,035.3	\$ 148.8	\$ 174.5

Interest on corporate debt allocated to discontinued operations includes interest on Term Loans required to be paid down using proceeds received on disposal on sale of a business, and 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, is 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 "Purchase Agreement") 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, Net of Tax. The Company's assets and liabilities associated with the HHI disposal group prior to the transaction close were classified as held for sale and the respective operations were classified as discontinued operations and reported separately during the year ended September 30, 2023 through the transaction close.

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. Further, the Company and ASSA entered into related agreements ancillary to the acquisition that became effective upon the consummation of the acquisition, including a customary transition services agreement agreement.

SPECTRUM BRANDS HOLDINGS, INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 – DIVESTITURES (continued)

The following table summarizes the assets and liabilities of the HHI disposal group classified as held for sale as of September 30, 2022:

(in millions)	2022
Assets	
Trade receivables, net	\$ 135.5
Other receivables	6.7
Inventories	327.1
Prepaid expenses and other current assets	33.1
Property, plant and equipment, net	166.6
Operating lease assets	63.6
Deferred charges and other	11.7
Goodwill	698.6
Intangible assets, net	373.8
Total assets of business held for sale	\$ 1,816.7
Liabilities	
Current portion of long-term debt	\$ 1.4
Accounts payable	224.7
Accrued wages and salaries	32.7
Other current liabilities	79.9
Long-term debt, net of current portion	54.6
Long-term operating lease liabilities	46.9
Deferred income taxes	10.1
Other long-term liabilities	13.4
Total liabilities of business held for sale	\$ 463.7

The following table summarizes the components of income from discontinued operations before income taxes associated with the HHI divestiture in the accompanying Consolidated Statements of Income for the years ended September 30, 2023, 2022 and 2021, through the date of disposal:

(in millions)	2023	2022	2021
Net sales	\$ 1,042.5	\$ 1,652.3	\$ 1,615.8
Cost of goods sold	701.6	1,096.3	1,025.3
Gross profit	340.9	556.0	590.5
Operating expenses	199.4	298.0	293.1
Operating income	141.5	258.0	297.4
Interest expense	2.4	3.4	3.4
Other non-operating expense, net	2.2	1.3	5.8
Income from discontinued operations before income taxes	\$ 136.9	\$ 253.3	\$ 288.2

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.

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, 2022 and 2021, through the date of disposal:

(in millions)	2023	2022	2021
Depreciation and amortization	\$ —	\$ —	\$ 31.1
Share based compensation	\$ 1.5	\$ 5.3	\$ 0.8
Purchases of property, plant and equipment	\$ 11.9	\$ 23.9	\$ 22.8

SPECTRUM BRANDS HOLDINGS, INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 – DIVESTITURES (continued)

The Company and ASSA entered into customary transition services agreement ("TSA") 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 TSA has an overall expected time period of 12 months following the close of the transaction with variability in expiration dependent upon the completed transition of the respective service or function, and may provide up to 12 additional months for a total duration of up to 24 months. During the year ended September 30, 2023, the Company recognized income of \$9.2 million associated with TSA charges. 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 and net working capital attributable to commingled cash flow. As of September 30, 2023, the Company has a net receivable of \$4.0 million included in Other Receivables on the Company's Consolidated Statement of Financial Position consisting of amounts due from ASSA for cash flow settlement from commingled operations and net TSA charges including amounts subject to repayment by the Company.

Further, the Company has recognized payables to ASSA related to indemnifications in accordance with the purchase agreement, primarily attributable to outstanding settlements with tax authorities, uncertain tax benefit obligations and our purchase price settlement. 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 Company's 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, 2023 and 2022, the Company recognized \$25.3 million and \$22.3 million respectively, related to indemnification payables in accordance with the acquisition agreements, including \$8.6 million and \$7.0 million within Other Current Liabilities, respectively, and \$16.7 million and \$15.3 million, within Other Long-Term Liabilities, respectively, on the Company's Consolidated Statements of Financial Position, primarily attributable to income tax indemnifications associated with previously recognized uncertain tax benefits.

NOTE 4 – ACQUISITIONS

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") for a purchase price of \$325.0 million, net of customary purchase price adjustments and transaction costs, plus a potential earn-out payment of up to \$100.0 million if certain gross profit targets are achieved in calendar year 2022, and another earn-out payment of \$25.0 million if certain other gross profit targets are achieved in calendar year 2023. The acquisition of the Tristar Business was funded by a combination of cash on hand and incremental borrowings incurred as a new tranche under the Company's existing credit agreement. See *Note 12 - Debt* for further detail on the amendment to the credit agreement.

The Tristar Business includes a portfolio of home appliances and cookware products sold under the PowerXL®, Emeril Legasse®, and Copper Chef® brands. The PowerXL® and Copper Chef® brands were acquired outright by the Company while the Emeril Legasse® brand remains subject to a trademark license agreement with the license holder (the "Emeril License"). Pursuant to the Emeril License, the Company will continue to license the Emeril Legasse® brands in the US, Canada, Mexico, and the United Kingdom for certain designated product categories of household appliances within the Home and Personal Care ("HPC") segment, including small kitchen food preparation products, indoor and outdoor grills and grill accessories, and cookbooks. The Emeril License had an expiration of December 31, 2023, with options for one-year renewal periods following the initial expiration through December 31, 2025. Under the terms of the agreement, we agreed to pay the license holder a percentage of sales, with minimum annual royalty payments of \$1.6 million, that increase to \$1.8 million in subsequent renewal periods.

The net assets and operating results of the Tristar Business, since the acquisition date of February 18, 2022, are included in the Company's Consolidated Statements of Income and reported within the HPC reporting segment for the year ended September 30, 2023.

The Company has recorded an allocation of the purchase price to tangible and identifiable intangible assets acquired and liabilities assumed based on their fair values as of the February 18, 2022 acquisition date. The excess of the purchase price over the fair value of the net tangible assets and identifiable intangible assets of \$111.1 million was recorded as goodwill, which is deductible for tax purposes. Goodwill includes value associated with profits earned from market and expansion capabilities including the success of new product launches through direct response television and direct to consumer channels, new brand development and products brought to market by the Company, synergies from integration and streamlining operational activities, the going concern of the business, and the value of the assembled workforce.

The calculation of the purchase price is as follows:

(in millions)	Purchase Price
Cash paid at closing	\$ 314.6
Cash received for purchase price settlement	(42.2)
Contingent consideration	30.0
Total purchase price	\$ 302.4

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NOTE 4 – ACQUISITIONS (continued)

As of the transaction date, the Company recorded a contingent consideration liability of \$30.0 million to reflect the estimated fair value of the contingent consideration for the earn-out payments. The fair value was determined using a Monte Carlo simulation model to value the earn-out based on the likelihood of reaching specific targets. The fair value measurement is determined based on significant unobservable inputs and thus represents a Level 3 fair value measurement. The key assumptions considered include the estimated amount and timing of projected gross profits, volatility, estimated discount rates, and risk-free interest rate. The inputs and assumptions may not be observable in the market but reflect the assumptions the Company believes would be made by a market participant. After the acquisition date, the Company and the acquired Tristar Business experienced a downturn in operating results attributable to significant shifts in retail customer purchasing resulting from high retail inventory levels and lower replenishment orders, especially with significant mass retail customers, along with continued inflationary cost pressures and incremental margin risk from promotional spending. As a result, the Company has adjusted the forecasted results of the Tristar Business, which impacted the value of the contingent consideration and recognized a gain on remeasurement of contingent consideration of \$1.5 million and \$28.5 million, during the years ended September 30, 2023 and 2022, respectively.

The following table summarizes the final fair value of assets acquired and liabilities assumed as of the date of acquisition:

(in millions)	Purchase Price Allocation
Cash and cash equivalents	\$ 0.3
Trade receivables, net	45.7
Other receivables	0.4
Inventories	102.0
Prepaid expenses and other current assets	4.4
Property, plant and equipment, net	0.4
Operating lease assets	23.3
Goodwill	111.1
Intangible assets, net	95.0
Deferred charges and other	4.8
Accounts payable	(52.5)
Accrued wages and salaries	(0.6)
Other current liabilities	(20.8)
Long-term operating lease liabilities	(11.1)
Net assets acquired	\$ 302.4

The values allocated to intangible assets and the weighted average useful lives are as follows:

(in millions)	Carrying Amount	Weighted Average Useful Life (Years)
Tradenames	\$ 66.0	Indefinite
Customer relationships	29.0	13 years
Total intangibles acquired	\$ 95.0	

The Company performed a valuation of the acquired inventories, tradenames, and customer relationships. The fair value measurements are based on significant inputs not observable in the market, and therefore, represent Level 3 measurements. The following is a summary of significant inputs to the valuation:

Inventory – Acquired inventory consists of branded finished goods that were valued based on the comparative sales method, which estimates the expected sales price of the finished goods inventory, reduced for all costs expected to be incurred in its completion or disposition and a profit on those costs.

Tradenames – The Company valued the PowerXL® tradename using an income approach, the relief-from-royalty method. Under this method, the asset value was determined by estimating the hypothetical royalties that would have to be paid if the tradenames were not owned. Royalty rate of 3% for valuation of PowerXL® was selected based on consideration of several factors, including prior transactions, related trademarks and tradenames, other similar trademark licensing and transaction agreements and the relative profitability and perceived contribution of the tradenames. The discount rate applied to the projected cash flow was 16% based on the implied transaction internal rate of return for the overall business, excluding cost synergies. The resulting discounted cash flows were then tax-effected at the applicable statutory rate.

Customer relationships – The Company values customer relationships using the multi-period excess earnings method under a market participant distributor method of the income approach. In determining the fair value of the customer relationships, the multi-period excess earnings approach values the intangible asset at the present value of the incremental after-tax cash flows attributable only to the customer relationship after deducting contributory asset charges. Only expected sales from current retail customers were used, which are estimated using average annual expected growth rate of 2.7%. The Company assumed a customer attrition rate of 5%, which is supported by historical attrition rates. The discount rate applied to the projected cash flow was 12% based upon a weighted average cost of capital for the overall business and income taxes were estimated at the applicable statutory rate.

SPECTRUM BRANDS HOLDINGS, INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – ACQUISITIONS (continued)

During the year ended September 30, 2022, the Company has recognized \$189.7 million of net sales from the acquired Tristar Business since the transaction date. The following pro forma financial information summarizes the combined results of operations for the Company and the acquired Tristar Business as though the companies were combined as of the beginning of the Company's fiscal 2021. The unaudited pro forma financial information was as follows:

(in millions)	2022	2021
Proforma net sales	\$ 3,332.6	\$ 3,588.1
Proforma net (loss) income from continuing operations	(80.4)	51.4
Proforma net income	69.3	225.7
Proforma diluted earnings from continuing operations per share	(1.96)	1.19
Proforma diluted earnings per share	1.69	5.22

The pro forma financial information includes, where applicable, adjustments for: (i) additional amortization expense that would have been recognized related to the acquired intangible assets, (ii) additional operating expense from the excess fair value adjustments on operating lease assets for below market rents (iv) additional cost of sales related to the inventory valuation adjustment, (v) transaction costs and other one-time non-recurring costs and (vi) the estimated income tax effect on the acquired Tristar Business and pro forma adjustments.

During the year ended September 30, 2022, the Company recognized \$13.5 million of transaction costs attributable to the acquisition of the Tristar Business, included in General and Administrative Expense on the Consolidated Statement of Income.

NOTE 5 - RESTRUCTURING CHARGES

During the year ended September 30, 2023, the Company entered into an initiative in response to the continuing pressures within the consumer products and retail markets and adjusted strategic initiatives within certain segments, resulting in the realization of headcount reductions. Total cumulative exit and disposal costs associated with the initiative were \$7.4 million. Substantially all costs associated with the initiative have been recognized, with no further significant costs expected to be incurred.

During the year ended September 30, 2022, the Company entered into a new initiative in response to changes observed within consumer products and retail markets, continued inflationary cost pressures and headwinds, and to facilitate changes in the management structure for enabling functions of the consolidated group, resulting in the realization of headcount reductions. Total cumulative costs associated with the initiative were \$10.2 million. Substantially all costs associated with the initiative have been recognized, with no further significant costs expected to be incurred. Additionally, during the year ended September 30, 2022, the Company initiated the exit of its in-country commercial operations in Russia, predominantly supporting the HPC segment, including costs for severance and other exit and disposal activity to close the operations. Total cumulative costs associated with the initiative were \$1.4 million. Substantially all costs associated with the initiative have been recognized, with no further significant costs expected to be incurred.

During the year ended September 30, 2021, the GPC segment entered into an initiative to update its supply chain and distribution operations within the U.S. to address capacity needs, optimize and improve fill rates attributable to recent growth in the business and consumer demand, and improve overall operational effectiveness and throughput. The initiative includes the transition of its third party logistics (3PL) service provider at its existing distribution center, incorporating new facilities into the distribution footprint by expanding warehouse capacity and securing additional space to support long-term distribution and fulfillment, plus updating engagement and processes with suppliers and its transportation and logistics handlers. Incremental costs include one-time transition, implementation and start-up cost with the new 3PL service provider, including the integration of provider systems and technology, incentive-based compensation to maintain performance during transition, duplicative and redundant costs, and incremental costs for various disruptions in the operations during the transition period including supplemental transportation and storage costs, and incremental detention and demurrage costs. As of September 30, 2022, total cumulative costs associated with the initiative were \$41.9 million, with the project being complete and no further costs to be incurred.

During the year ended September 30, 2019, the Company initiated the Global Productivity Improvement Program, which was a company-wide, multi-year program, consisting of various initiatives to redirect resources and spending to drive growth, identify cost savings and pricing opportunities through standardization and optimization, develop organizational and operating optimization, and reduce overall operational complexity across the Company. With the Company's divestitures in GBL and GAC during the year ended September 30, 2019, the project focus included the transition of the Company's continuing operations in a post-divestiture environment and exiting of TSAs which were fully exited in January 2022. The initiative included a review of global processes and organization design and structures, headcount reductions and transfers, and rightsizing the Company's shared operations and commercial business strategy, and exit of certain internal production to third-party supplies, among others, resulting in recognition of severance benefits and other exit and disposal costs to facilitate such activity. As of September 30, 2022, total cumulative costs associated with the project were \$157.3 million with the project being complete and no further costs to be incurred.

The Company may enter into small, less significant initiatives to reduce costs and improve margins throughout the organization. Individually these activities are not substantial and occur over a shorter time period (generally less than 12 months).

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NOTE 5 - RESTRUCTURING CHARGES (continued)

The following summarizes restructuring charges for the years ended September 30, 2023, 2022, and 2021:

(in millions)	2023	2022	2021
Fiscal 2023 restructuring	\$ 7.4	\$ —	\$ —
Fiscal 2022 restructuring	0.4	9.8	—
Russia dissolution	0.8	0.6	—
GPC distribution center transition	—	30.4	11.5
Global productivity improvement program	—	5.1	21.2
Other project costs	1.3	13.9	7.6
Total restructuring and related charges	\$ 9.9	\$ 59.8	\$ 40.3
Reported as:			
Cost of goods sold	\$ 0.5	\$ 1.2	\$ 1.9
Selling expense	—	30.4	11.5
General and administrative expense	9.4	28.2	26.9

The following summarizes restructuring charges by reportable segment for the years ended September 30, 2023, 2022, and 2021:

(in millions)	2023	2022	2021
GPC	\$ 4.0	\$ 37.9	\$ 15.2
H&G	0.2	0.7	0.4
HPC	5.2	10.0	9.1
Corporate	0.5	11.2	15.6
Total restructuring charges	\$ 9.9	\$ 59.8	\$ 40.3

The following is a summary of restructuring charges by cost type for the years ended September 30, 2023, 2022, and 2021.

(in millions)	Termination Benefits	Other Costs	Total
For the year ended September 30, 2023	\$ 8.3	\$ 1.6	\$ 9.9
For the year ended September 30, 2022	12.0	47.8	59.8
For the year ended September 30, 2021	7.7	32.6	40.3

The following is a rollforward of the accrual for restructuring charges by cost type for the years ended September 30, 2023, 2022, and 2021, included in Other Current Liabilities on the Consolidated Statements of Financial Position.

(in millions)	Termination Benefits	Other Costs	Total
Accrual balance at September 30, 2021	\$ 4.6	\$ 5.6	\$ 10.2
Provisions	8.0	(4.3)	3.7
Cash expenditures	(6.3)	(0.7)	(7.0)
Non-cash items	(2.6)	(0.3)	(2.9)
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

SPECTRUM BRANDS HOLDINGS, INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - 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, 2023, 2022 and 2021 by the Company's key revenue streams, segments and geographic regions (based upon destination):

(in millions)	September 30, 2023			
	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
Other	5.7	—	1.3	7.0
Total Revenue	<u>\$ 1,139.0</u>	<u>\$ 536.5</u>	<u>\$ 1,243.3</u>	<u>\$ 2,918.8</u>

(in millions)	September 30, 2022			
	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
Other	6.2	—	1.4	7.6
Total Revenue	<u>\$ 1,175.3</u>	<u>\$ 587.1</u>	<u>\$ 1,370.1</u>	<u>\$ 3,132.5</u>

(in millions)	September 30, 2021			
	GPC	H&G	HPC	Total
Product Sales				
NA	\$ 699.9	\$ 598.6	\$ 493.5	\$ 1,792.0
EMEA	359.8	—	512.1	871.9
LATAM	15.8	7.0	170.6	193.4
APAC	38.9	—	72.7	111.6
Licensing	9.8	2.5	11.2	23.5
Other	5.7	—	—	5.7
Total Revenue	<u>\$ 1,129.9</u>	<u>\$ 608.1</u>	<u>\$ 1,260.1</u>	<u>\$ 2,998.1</u>

A significant portion of our product sales from our HPC segment, primarily in the NA and LATAM regions, are subject to the continued use and access of the Black+Decker® ("B&D") brand through a license agreement with Stanley Black & Decker. The license agreement was renewed through June 30, 2025, including a sell-off period from April 1, 2025 to June 30, 2025 whereby the Company can continue to sell and distribute but no longer produce products subject to the license agreement. Net sales from B&D product sales consist of \$350.4 million, \$417.3 million, and \$400.2 million for the years ended September 30, 2023, 2022 and 2021, 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 total product sales for the Company.

The Company has a broad range of customers including many large mass retail customers. During the year ended September 30, 2023, 2022 and 2021, there were two large retail customers, each exceeding 10% of consolidated Net Sales and representing 33.9%, 32.9%, and 31.4% of consolidated Net Sales, respectively.

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 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 receive. The following is a rollforward of the liability for product returns for the years ended September 30, 2023, 2022 and 2021:

(in millions)	Beginning Balance	Charged to Profit & Loss	Deductions	Other Adjustments	Ending Balance
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
September 30, 2021	12.8	1.5	(2.9)	0.4	11.8

Other adjustments includes 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. See *Note 4 - Acquisitions* for further discussion on the Tristar Business acquisition.

SPECTRUM BRANDS HOLDINGS, INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value measurements of the Company's 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.

The carrying values and estimated fair values for financial instruments as of September 30, 2023 and 2022 are as follows:

(in millions)	September 30, 2023					September 30, 2022				
	Level 1	Level 2	Level 3	Fair Value	Carrying Amount	Level 1	Level 2	Level 3	Fair Value	Carrying Amount
Derivative Assets	\$ —	\$ 3.3	\$ —	\$ 3.3	\$ 3.3	\$ —	\$ 22.2	\$ —	\$ 22.2	\$ 22.2
Derivative Liabilities	—	9.0	—	9.0	9.0	—	6.0	—	6.0	6.0
Debt	—	1,418.6	—	1,418.6	1,555.5	—	2,815.9	—	2,815.9	3,156.8

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 14 – Derivatives* for additional 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 12 – Debt* for additional detail.

The carrying values of goodwill, intangible assets and other long-lived assets are tested annually or more frequently if an event occurs that indicates an impairment loss may have been incurred, using fair value measurements with unobservable inputs (Level 3). See *Note 4 – Acquisitions* and *Note 11 – Goodwill and Intangible Assets* for additional detail.

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

SPECTRUM BRANDS HOLDINGS INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 - RECEIVABLES

The allowance for doubtful accounts as of September 30, 2023 and 2022 was \$7.7 million and \$7.3 million, respectively. The following is a rollforward of the allowance for doubtful accounts for the years ended September 30, 2023, 2022 and 2021:

(in millions)	Beginning Balance	Charged to Profit & Loss	Deductions	Other Adjustments	Ending Balance
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
September 30, 2021	5.3	1.9	(0.4)	(0.1)	6.7

Other adjustments includes 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. See *Note 4 - Acquisitions* for further discussion on the Tristar Business acquisition.

The Company has a broad range of customers including many large retail outlet chains, some of which exceed 10% of consolidated Net Trade Receivables. As of September 30, 2023, there were two customers that exceeded 10% of the Company's consolidated Net Trade Receivables representing 39.8% of the Company's Trade Receivables. As of September 30, 2022, there were two customers that exceeded 10% of the Company's consolidated Net Trade Receivables representing 21.9% of the Company's Trade Receivables.

We have entered into various factoring agreements and early pay programs with our customers to sell our trade receivables under non-recourse agreements in exchange for cash proceeds and is an integral part of our financing for working capital. These transactions are treated as a sale and accounted for as a reduction in trade receivables because the agreements transfer effective control and risk related to the receivables to the buyers. A loss on sale is recognized for any discount and fees associated with the transfer, recognized as General and Administrative Expense on the Company's Consolidated Statements of Income, with cash proceeds recognized as cash flow from operating activities on the Company's Statements of Cash Flows. In some instances, we may continue 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 does 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 Company's Consolidated Statements of Financial Position. The cost of factoring such trade receivables was \$15.1 million, \$10.2 million, and \$3.5 million for the years ended September 30, 2023, 2022, and 2021, respectively.

NOTE 9 - INVENTORY

Inventories as of September 30, 2023 and 2022 consist of the following:

(in millions)	2023	2022
Raw materials	\$ 55.8	\$ 72.3
Work-in-process	6.2	10.5
Finished goods	400.8	697.8
Inventories	\$ 462.8	\$ 780.6

During the year ended September 30, 2023, the Company and HPC recognized an incremental inventory loss of \$20.6 million 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 10 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as of September 30, 2023 and 2022 consist of the following:

(in millions)	2023	2022
Land, buildings and improvements	\$ 83.4	\$ 75.7
Machinery, tooling and equipment	330.1	312.4
Computer software	136.2	81.7
Finance leases	136.9	139.8
Construction in progress	18.1	54.7
Property, plant and equipment	\$ 704.7	\$ 664.3
Accumulated depreciation	(429.6)	(400.5)
Property, plant and equipment, net	\$ 275.1	\$ 263.8

Depreciation expense from property, plant and equipment for the years ended September 30, 2023, 2022 and 2021 was \$48.9 million, \$49.0 million, and \$51.9 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 General and Administrative Expense on the Consolidated Statements of Income for the year ended September 30, 2023.

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 Expense on the Consolidated Statements of Income for the year ended September 30, 2023.

SPECTRUM BRANDS HOLDINGS, INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 - GOODWILL AND INTANGIBLES

Goodwill, by segment, consists of the following:

(in millions)	GPC	H&G	HPC	Total
As of September 30, 2021	\$ 524.6	\$ 342.6	\$ —	\$ 867.2
Tristar Business acquisition (Note 4)	—	—	108.1	108.1
Foreign currency impact	(22.2)	—	—	(22.2)
As of September 30, 2022	\$ 502.4	\$ 342.6	\$ 108.1	\$ 953.1
Impairment	—	—	(111.1)	(111.1)
Tristar Business acquisition adjustment (Note 4)	—	—	3.0	3.0
Foreign currency impact	9.7	—	—	9.7
As of September 30, 2023	\$ 512.1	\$ 342.6	\$ —	\$ 854.7

During the year ended September 30, 2023, the Company recognized an impairment of the HPC goodwill that was 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.

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

(in millions)	2023			2022		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Amortizable intangible assets						
Customer relationships	\$ 635.0	\$ (412.9)	\$ 222.1	\$ 627.8	\$ (373.9)	\$ 253.9
Technology assets	75.3	(35.9)	39.4	75.3	(30.8)	44.5
Tradenames	27.6	(7.4)	20.2	10.6	(5.1)	5.5
Total amortizable intangible assets	737.9	(456.2)	281.7	713.7	(409.8)	303.9
Indefinite-lived intangible assets - tradenames	778.4	—	778.4	898.3	—	898.3
Total intangible assets	\$ 1,516.3	\$ (456.2)	\$ 1,060.1	\$ 1,612.0	\$ (409.8)	\$ 1,202.2

During the year ended September 30, 2023, the Company and H&G segment recognized an impairment loss of \$56.0 million associated with the Rejuvenate® tradename attributable to a significant shift in consumer purchasing activity and retail inventory management efforts with certain retail customers within the year that make up a significant concentration of revenue for the brand and further reducing the anticipated near-term sales for the brand, a shift in the projected timing and realization of long-term projected revenues and changes in strategic distribution opportunities, as well as a change in the amount and timing of product innovations being introduced to customers.

During the year ended September 30, 2023, the Company and HPC segment recognized an impairment loss of \$45.0 million associated with the PowerXL® tradename driven by the reduction in the sales from a decrease in distribution with retail customers, significant pricing adjustments and required incremental promotional spending activity resulting in a substantial shift in actual and projected future revenues for the brand as well as a decrease in realized sales due to the continuation of retail inventory reduction efforts, lowered consumer demand, increased competition, and adverse macro-economic factors.

Additionally, during the year ended September 30, 2023, the Company and HPC segment recognized an impairment loss of \$19.7 million associated with the George Foreman® tradename due to shifts in market demand for related product categories as well as a change 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 has converted the George Foreman® tradename from an indefinite-lived tradename to a definite-lived tradename.

Amortization expense from intangible assets for the years ended September 30, 2023, 2022 and 2021 was \$42.3 million, \$50.3 million and \$65.1 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
2024	\$ 43.2
2025	41.1
2026	39.5
2027	39.5
2028	37.8

SPECTRUM BRANDS HOLDINGS INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 - DEBT

Debt as of September 30, 2023 and 2022 consists of the following:

(in millions)	2023		2022	
	Amount	Rate	Amount	Rate
<i>Spectrum Brands, Inc.</i>				
Revolver Facility, variable rate, expiring June 30, 2025	\$ —	— %	\$ 740.0	5.7 %
Term Loan Facility, variable rate, due March 3, 2028	—	— %	394.0	5.2 %
5.75% Notes, due July 15, 2025	—	— %	450.0	5.8 %
4.00% Notes, due October 1, 2026	448.8	4.0 %	417.1	4.0 %
5.00% Notes, due October 1, 2029	297.2	5.0 %	300.0	5.0 %
5.50% Notes, due July 15, 2030	288.5	5.5 %	300.0	5.5 %
3.875% Notes, due March 15, 2031	453.0	3.9 %	500.0	3.9 %
Obligations under finance leases	86.4	5.3 %	92.7	5.1 %
Total Spectrum Brands, Inc. debt	1,573.9		3,193.8	
Unamortized discount on debt	—		(0.8)	
Debt issuance costs	(18.4)		(36.2)	
Less current portion	(8.6)		(12.3)	
Long-term debt, net of current portion	<u>\$ 1,546.9</u>		<u>\$ 3,144.5</u>	

The Company's aggregate scheduled maturities of debt obligations are as follows, excluding obligations under capital leases. See *Note 13 - Leases* for scheduled maturities of obligations under capital leases:

(in millions)	Amount
2024	\$ —
2025	—
2026	—
2027	448.8
2028	—
Thereafter	1,038.7
Total long-term debt	<u>\$ 1,487.5</u>

Revolver Facility

On June 30, 2020, SBI entered into the Amended and Restated Credit Agreement ("Credit Agreement"), which refinances the previously existing credit facility, and includes certain modified terms from the previously existing revolving credit facility. The maturity date was extended to June 30, 2025, and the facility was reduced from \$890.0 million to \$600.0 million (with a U.S. dollar tranche and a multicurrency tranche) (the "Initial Revolving Credit Facility Tranche"). The interest rate margins applicable to the facility were changed and a London Inter-Bank Offered Rate ("LIBOR") floor of 0.75% was installed.

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. On November 17, 2022, 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. The waiver expired 10 business days after the close of the HHI divestiture and the maximum permitted consolidated total net leverage returned to 6.0 to 1.0. As of September 30, 2023, we were in compliance with all covenants under the Credit Agreement. The Company incurred \$2.3 million in connection with the fourth amendment and recognized as interest expense for the year ended September 30, 2023.

Pursuant to a guarantee agreement, SB/RH 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, SB/RH 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.

On December 10, 2021, the Company entered into the second amendment to the Credit Agreement. The second amendment includes certain modified terms from the existing Credit Agreement to provide for an alternate rate of interest to the Eurocurrency Rate applicable to Revolving Loans and Letters of Credit in Euro and Pounds Sterling. Pursuant to the second amendment, Sterling Overnight Index Average ("SONIA") replaced the LIBOR as a reference rate for Revolving Loans and Letters of Credit denominated in Pounds Sterling and Euro Interbank Offered Rate ("EURIBOR") replaced LIBOR as a reference rate for Revolving Loans and Letters of Credit denominated in Euro.

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NOTE 12 - DEBT (continued)

On February 3, 2022, the Company entered into a third amendment to the Credit Agreement. The third amendment provides for incremental capacity on the Revolver Facility of \$500 million (the "Incremental Revolving Credit Facility Tranche") that was used to support the acquisition of the Tristar Business and the continuing operations and existing working capital requirements of the Company. See *Note 4 - Acquisitions* for further discussion on the Tristar Business acquisition. Borrowings under the incremental capacity were subject to the same terms and conditions as the existing Revolver Facility, with a maturity date of June 30, 2025, other than a difference in borrowing rate which were subject to SOFR plus margin ranging from 1.75% to 2.75%, or base rate plus margin ranging from 0.75% to 1.75% per annum, with an increase by 25 basis points 270 days after the effective date of the third amendment and an additional 25 basis points on each 90 day anniversary of such date. The SOFR was subject to a 0.50% floor. The Company incurred \$7.6 million in connection with the third amendment, which have been capitalized as debt issuance costs and were amortized over the remaining term of the Credit Agreement.

On June 20, 2023, following the close of the HHI divestiture, the Company repaid \$470.0 million of revolving loans that were drawn under the Initial Revolving Credit Facility Tranche, which constituted the repayment of all outstanding revolving loans under such tranche and repayment of \$245.0 million of revolving loans that were drawn under the Incremental Revolving Credit Facility Tranche, which constituted the repayment of all outstanding revolving loans under such tranche. The Company terminated all revolving loan commitments under the Incremental Revolving Credit Facility Tranche while the revolving loan commitments under the Initial Revolving Credit Facility Tranche were not terminated. The Company recognized \$4.5 million for the year ended September 30, 2023 from the write-down of deferred financing costs associated with the termination of the Incremental Revolving Credit Facility Tranche, recognized as Interest Expense on the Company's Consolidated Statements of Income.

Further, on June 20, 2023, the Company entered into the fifth amendment to the Credit Agreement to transition from LIBOR to SOFR borrowing rates used on borrowings from the Revolver Facility. As a result, as of September 30, 2023, borrowings from the Revolver Facility are subject to adjusted SOFR plus margin ranging from 1.75% to 2.75% per annum, or base rate plus margin ranging from 0.75% to 1.75% per annum. The SOFR borrowings are subject to a 0.1% adjustment rate and a 0.75% SOFR floor.

As a result of borrowings and payments under the Revolver Facility, as of September 30, 2023, the Company had borrowing availability of \$586.9 million, net of outstanding letters of credit of \$13.1 million.

On October 19, 2023, SBI and SB/RH entered into the Second Amended and Restated Credit Agreement (the "Subsequent Credit Agreement"), by and among the Company, SB/RH Holdings, Royal Bank of Canada, as the administrative agent, and the lenders party thereto from time to time. The proceeds of the Subsequent Credit Agreement will be used for working capital needs and other general corporate purposes. The Subsequent Credit Agreement refinanced the Company's previous Credit Agreement and includes certain modified terms from the the previous Credit Agreement, including extending the maturity to October 19, 2028, and the Revolver Facility was reduced to \$500.0 million (with a U.S. dollar tranche and a multicurrency tranche). The Subsequent 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 Subsequent 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 will be 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) 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) 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).

As of the closing date of the Subsequent Credit Agreement, the borrowing availability of the Revolver Facility is \$486.9 million, net of outstanding letters of credit of \$13.1 million.

Term Loan Facility

On March 3, 2021, SBI entered into the first amendment (the "Amended Credit Agreement") to the Credit Agreement. The Amended Credit Agreement included certain modified terms from the existing Credit Agreement to provide for a new term loan facility (the "Term Loan Facility"). The Term Loan Facility was in an aggregate principal amount of \$400.0 million and with a maturity date of March 3, 2028. The Term Loan Facility was subject to a rate per annum equal to either (1) the LIBOR, subject to a 0.50% floor, adjusted for statutory reserves, plus a margin of 2.00% per annum or (2) the Alternate Base Rate (as defined in the Amended Credit Agreement), plus a margin of 1.00% per annum. The Term Loan Facility was issued net of a \$1.0 million discount and the Company incurred \$5.1 million of debt issuance costs, which was being amortized with a corresponding charge to interest expense over the remaining life of the loan.

Pursuant to a guarantee agreement, SB/RH and the direct and indirect wholly-owned material domestic subsidiaries of SBI had guaranteed SBI's obligations under the Amended Credit Agreement and related loan documents. Pursuant to the Security Agreement, dated as of June 23, 2015, SBI and such subsidiary guarantors had pledged substantially all of their respective assets to secure such obligations and, in addition, SB/RH had pledged the capital stock of SBI to secure such obligations.

SPECTRUM BRANDS HOLDINGS, INC.
SB/RH HOLDINGS, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 - DEBT (continued)

Subject to certain mandatory prepayment events, the Term Loan Facility is subject to repayment according to scheduled amortizations, with the final payment of amount outstanding, plus accrued and unpaid interest, due at maturity. The Amended 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 exceptions set forth in the Amended Credit Agreement.

On June 20, 2023, following the close of the HHI divestiture, the Company repaid the \$392.0 million outstanding amount of term loans, which constituted the repayment of all outstanding term loans under the Credit Agreement and the Term Loan Facility was terminated. The Company recognized \$4.1 million for the year ended September 30, 2023 from the write-down of deferred financing costs and original issuance discount associated with the extinguishment of the Term Loan Facility, recognized as Interest Expense on the Company's Consolidated Statements of Income

Spectrum 5.75% Notes

On May 20, 2015, SBI issued \$1,000 million aggregate principal amount of 5.75% Notes at par value, due July 15, 2025 (the "5.75% Notes"). The 5.75% Notes are guaranteed by SB/RH as well as by SBI's existing and future domestic subsidiaries.

SBI may redeem all or a part of the 5.75% Notes, at any time on or after July 15, 2020, at specified redemption prices. In addition, prior to July 15, 2020, SBI may redeem the notes at a redemption price equal to 100% of the principal amount plus a "make-whole" premium. SBI is also entitled to redeem up to 35% of the aggregate principal amount of the notes before July 15, 2018 with an amount of cash equal to the net proceeds that SBI raises in equity offerings at specified redemption prices. Further, the indenture governing the 5.75% Notes (the "2025 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 2025 Indenture.

The 2025 Indenture contained customary 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 2025 Indenture provided 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 2025 Indenture arising from certain events of bankruptcy or insolvency will automatically cause the acceleration of the amounts due under the 5.75% Notes. If any other event of default under the 2025 Indenture occurs and is continuing, the trustee for the 2025 Indenture or the registered holders of at least 25% in the then aggregate outstanding principal amount of the 5.75% Notes, may declare the acceleration of the amounts due under those notes.

The Company recorded \$19.7 million of fees in connection with the offering of the 5.75% Notes, which had been capitalized as debt issuance costs and were being amortized over the remaining life of the 5.75% Notes.

During the year ended September 30, 2021, using the proceeds received from the Term Loan Facility and 3.875% Notes, the Company redeemed \$550.0 million aggregate principal amount of the 5.75% Notes in a cash tender offer, with a make whole premium of \$17.7 million and a write-off of unamortized debt issuance costs of \$5.7 million recognized as Interest Expense on the Company's Consolidated Statements of Income.

During the year ended September 30, 2023, following the close of the HHI divestiture, the Company redeemed the remaining \$450.0 million aggregate principal amount of 5.75% Senior Notes due 2025 then outstanding in full, at the redemption price, calculated in accordance with the indenture governing the 5.75% Notes, plus accrued and unpaid interest, with a write down of unamortized debt issuance costs of \$2.2 million, recognized as Interest Expense on the Company's Consolidated Statements of Income.

Spectrum 4.00% Notes

On September 20, 2016, SBI issued €425 million aggregate principal amount of 4.00% Notes at par value, due October 1, 2026. The 4.00% Notes are guaranteed by SB/RH as well as by SBI's existing and future domestic subsidiaries.

SBI may redeem all or a part of the 4.00% Notes, at any time on or after October 1, 2021 at specified redemption prices. In addition, prior to October 1, 2021, SBI may redeem the notes at a redemption price equal to 100% of the principal amounts plus a "make-whole" premium. SBI is also entitled to redeem up to 35% of the aggregate principal amount of the notes before October 1, 2019 with an amount of cash equal to the net proceeds that SBI raises in equity offerings at specified redemption prices. Further, the indenture governing the 4.00% Notes (the "2026 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 2026 Indenture.

The 2026 Indenture contains customary 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 2026 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 on acceleration of certain other indebtedness, and certain events of bankruptcy and insolvency. Events of default under the 2026 Indenture arising from certain events of bankruptcy or insolvency will automatically cause the acceleration of the amounts due under the 4.00% Notes. If any other event of default under the 2026 Indenture occurs and is continuing, the trustee for the 2026 Indenture or the registered holders of at least 25% in the then aggregate outstanding principal amount of the 4.00% Notes, may declare the acceleration of the amounts due under those notes. As of September 30, 2023, we were in compliance with all covenants under the indentures governing the 4.00% Notes.

The Company recorded \$7.7 million of fees in connection with the offering of the 4.00% Notes, which have been capitalized as debt issuance costs and are being amortized over the remaining life of the 4.00% Notes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 - DEBT (continued)***Spectrum 5.00% Notes***

On September 24, 2019, SBI issued \$300.0 million aggregate principal amount of 5.00% Senior Notes due October 1, 2029. The 5.00% Notes are guaranteed by SB/RH as well as by SBI's existing and future domestic subsidiaries.

On or after October 1, 2024, SBI may redeem some or all of the Notes at certain fixed redemption prices. In addition, prior to October 1, 2024, SBI may redeem the Notes at a redemption price equal to 100% of the principal amount plus a "make-whole" premium. SBI may redeem up to 35% of the Notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at specified redemption prices. Further, the indenture governing the 5.00% 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 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 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 5.00% 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 5.00% Notes, may declare the acceleration of the amounts due under those notes. As of September 30, 2023, we were in compliance with all covenants under the indentures governing the 5.00% Notes.

The Company recorded \$4.1 million of fees in connection with the offering of the 5.00% Notes, which have been capitalized as debt issuance costs and are being amortized over the remaining life of the 5.00% Notes.

Spectrum 5.50% Notes

On June 30, 2020, SBI issued \$300.0 million aggregate principal amount of 5.50% Senior Notes due 2030 (the "5.50% Notes") and entered into the indenture governing the 5.50% Notes (the "2030 Indenture"). The 5.50% Notes mature on July 15, 2030 and are unconditionally guaranteed, on a senior unsecured basis, by SB/RH and by SBI's existing and future domestic subsidiaries that guarantee indebtedness under the Credit Agreement. The proceeds from the 5.50% Notes were used for repayment of the Revolver Facility obligation.

SBI may redeem all or part of the 5.50% Notes at any time on or after July 15, 2025 at certain fixed redemption prices as set forth in the 2030 Indenture. In addition, prior to July 15, 2025, SBI may redeem the Notes at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, plus accrued and unpaid interest. Before July 15, 2023, the Company may redeem up to 35% of the aggregate principal notes with cash equal to the net proceeds that SBI raises in equity offerings at specified redemption price as set forth in the 2030 Indenture. Further, the 2030 Indenture requires SBI to make an offer to repurchase all outstanding 5.50% Notes 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.

The Company recorded \$6.2 million of fees in connection with the offering of the 5.50% Notes, which have been capitalized as debt issuance costs and amortized over the remaining life of the 5.50% Notes.

3.875% Notes

On March 3, 2021, SBI issued \$500.0 million aggregate principal amount of 3.875% Senior Notes due 2031 (the "3.875% Notes") and entered into the indenture governing the 3.875% Notes (the "2031 Indenture"). The 3.875% Notes mature on March 15, 2031 and are unconditionally guaranteed, on a senior unsecured basis, by SB/RH and by SBI's existing and future domestic subsidiaries that guarantee indebtedness under the Amended Credit Agreement.

SBI may redeem all or part of the 3.875% Notes at any time on or after March 15, 2026 at certain fixed redemption prices as set forth in the 2031 Indenture. In addition, prior to March 15, 2024, SBI may redeem the Notes at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, plus accrued and unpaid interest. Before March 15, 2024, the Company may redeem up to 35% of the aggregate principal notes with cash equal to the net proceeds that SBI raises in equity offerings at specified redemption price as set forth in the 2031 Indenture. Further, the 2031 Indenture requires SBI to make an offer to repurchase all outstanding 3.875% Notes 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 ability of the Company and its direct and indirect restricted subsidiaries to incur additional indebtedness, create liens, engage in sale-leaseback transactions, pay dividends or make distributions in respect of capital stock, purchase or redeem capital stock, make investments or certain other restricted payments, sell assets, issue or sell stock of restricted subsidiaries, enter in transactions with affiliates, or effect a merger or consolidation.

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.

The Company recorded \$7.6 million of fees in connection with the offering of the 3.875% Notes, which have been capitalized as debt issuance costs and are being amortized over the remaining life of the 3.875% Notes.

SPECTRUM BRANDS HOLDINGS, INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 - DEBT (continued)
Debt Repurchase

During the year ended September 30, 2023, the Company initiated a process of repurchasing Senior Notes available for sale on the open market, at a discount, which are ultimately retired upon receipt. The repurchase of the Company's debt obligations are treated as an extinguishment, with any realized discount recognized as a gain on debt repurchase on the Company's Consolidated Statements of Income, net any write-off of related deferred financing costs. For the year ended September 30, 2023, the Company repurchased \$61.4 million of outstanding Senior Notes, consisting of \$2.8 million of the 5.00% Senior Notes due October 1, 2029, \$11.5 million of the 5.50% Senior Notes due July 15, 2030, and \$47.1 million of the 3.875% Senior Notes, due March 15, 2031. As a result of repurchasing outstanding debt notes during the year ended September 30, 2023, there was a gain of \$7.9 million related to realized gain on the settlement of the obligations recorded, net write-off from associated deferred issuance costs.

NOTE 13 - 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 certain warehousing and information technology services arrangements and recognized right of use assets identified in the arrangements as part of Operating Lease Assets on the Company's Consolidated Statement of Financial Position. We elected to exclude certain supply chain contracts that 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 the Company's leases recognized on the Company's Consolidated Statement of Financial Position as of September 30, 2023 and 2022:

(in millions)	Line Item	2023	2022
Assets			
Operating	Operating lease assets	\$ 110.8	\$ 82.5
Finance	Property, plant and equipment, net	66.2	73.4
Total leased assets		<u>\$ 177.0</u>	<u>\$ 155.9</u>
Liabilities			
Current			
Operating	Other current liabilities	\$ 26.9	\$ 25.8
Finance	Current portion of long-term debt	8.6	8.3
Long-term			
Operating	Long-term operating lease liabilities	95.6	56.0
Finance	Long-term debt, net of current portion	77.8	84.4
Total lease liabilities		<u>\$ 208.9</u>	<u>\$ 174.5</u>

As of September 30, 2023, the Company had an additional \$19.4 million in commitments related to an operating lease executed that has not yet commenced. The lease is expected to commence during fiscal 2024.

The Company records its operating lease and amortization of finance lease ROU assets within Cost of Goods Sold or Operating Expenses in the Consolidated Statement of Income depending on the nature and use of the underlying asset. The Company records its finance interest cost within interest expense in the Consolidated Statement 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 the GPC operations from the facility and the intention to sub-lease to a third-party, included as Selling Expense on the Consolidated Statements of Income for the year ended September 30, 2023. The partial impairment was measured using projected discounted cash flow for the facility, including an assumed sub-lease tenant, yet to be identified, at rental rates that are comparable to current market conditions.

The components of lease costs recognized in the Consolidated Statement of Income for the year ended September 30, 2023, 2022, and 2021 are as follows:

(in millions)	2023	2022	2021
Operating lease cost	\$ 37.0	\$ 26.3	\$ 19.8
Finance lease cost			
Amortization of leased assets	10.2	10.5	11.3
Interest on lease liability	4.8	5.2	5.3
Variable lease cost	12.4	10.8	9.8
Total lease cost	<u>\$ 64.4</u>	<u>\$ 52.8</u>	<u>\$ 46.2</u>

During the year ended September 30, 2023, 2022, and 2021 the Company recognized income attributable to leases and sub-leases of \$2.4 million, \$2.7 million, and \$2.3 million, respectively. Income from leases and sub-leases is recognized as Other Non-Operating Income on the Consolidated Statement of Income.

SPECTRUM BRANDS HOLDINGS, INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 - LEASES (continued)

The following is a summary of the Company's cash paid for amounts included in the measurement of lease liabilities recognized in the Consolidated Statement of Cash Flow, including supplemental non-cash activity related to operating leases, for the year ended September 30, 2023, 2022, and 2021:

(in millions)	2023		2022		2021	
Operating cash flow from operating leases	\$	30.3	\$	25.3	\$	20.7
Operating cash flows from finance leases		4.8		5.1		5.4
Financing cash flows from finance leases		9.5		8.9		12.0
Supplemental non-cash flow disclosure						
Acquisition of operating lease asset through lease obligations		66.9		30.4		15.3

The following is a summary of weighted-average lease term and discount rate at September 30, 2023 and 2022:

	2023		2022	
Weighted average remaining lease term				
Operating leases		4.6 years		4.5 years
Finance leases		8.7 years		9.7 years
Weighted average discount rate				
Operating leases		5.5 %		3.8 %
Finance leases		5.3 %		5.1 %

At September 30, 2023, future lease payments under operating and finance leases were as follows:

(in millions)	Finance Leases		Operating Leases	
2024	\$	12.6	\$	33.3
2025		12.7		30.5
2026		12.3		26.4
2027		12.3		23.3
2028		12.2		19.3
Thereafter		46.3		7.6
Total lease payments		108.4		140.4
Amount representing interest		(22.0)		(17.9)
Total minimum lease payments	\$	86.4	\$	122.5

NOTE 14 - DERIVATIVES

Derivative financial instruments are used by the Company 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 sales of products or raw material purchases. 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 Net Sales or purchase price variance in Cost of Goods Sold on the Consolidated Statements of Income. At September 30, 2023, the Company had a series of foreign exchange derivative contracts outstanding through June 2025. The derivative net loss estimated to be reclassified from AOCI into earnings over the next 12 months is \$5.0 million, net of tax. At September 30, 2023 and 2022, the Company had foreign exchange derivative contracts designated as cash flow hedges with a notional value of \$320.2 million and \$289.5 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 Statement of Income for the years ended September 30, 2023, 2022 and 2021:

(in millions)	Gain (Loss) in OCI			Reclassified to Continuing Operations			
	2023	2022	2021	Line Item	2023	2022	2021
Foreign exchange contracts	\$ 0.3	\$ 0.2	\$ 0.1	Net sales	\$ 0.2	\$ 0.1	\$ 0.1
Foreign exchange contracts	(34.8)	30.9	(2.0)	Cost of goods sold	(12.4)	20.1	(9.3)
Total	\$ (34.5)	\$ 31.1	\$ (1.9)		\$ (12.2)	\$ 20.2	\$ (9.2)

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NOTE 14 - DERIVATIVES (continued)
Derivative Contracts Not Designated As Hedges for Accounting Purposes

The Company periodically enters into forward and swap foreign 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, Euros, Japanese Yen, Mexican Peso, Colombian Peso, Hungarian Forint, Pound Sterling, or U.S. Dollars. These foreign exchange contracts are fair value hedges of a related liability or asset recorded in the accompanying 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, 2023, the Company had a series of forward exchange contracts outstanding through February 2024. At September 30, 2023 and 2022, the Company had \$671.5 million and \$513.7 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, 2023, 2022 and 2021.

(in millions)	Line Item	2023	2022	2021
Foreign exchange contracts	Other non-operating expense (income)	\$ (14.3)	\$ 25.6	\$ (3.2)

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	2023	2022
Derivative Assets			
Foreign exchange contracts - designated as hedge	Other receivables	\$ 1.4	\$ 14.4
Foreign exchange contracts - designated as hedge	Deferred charges and other	0.1	0.4
Foreign exchange contracts - not designated as hedge	Other receivables	1.8	7.4
Total Derivative Assets		<u>\$ 3.3</u>	<u>\$ 22.2</u>
Derivative Liabilities			
Foreign exchange contracts - designated as hedge	Accounts payable	\$ 8.1	\$ —
Foreign exchange contracts - designated as hedge	Other long term liabilities	—	1.0
Foreign exchange contracts - not designated as hedge	Accounts payable	0.9	5.0
Total Derivative Liabilities		<u>\$ 9.0</u>	<u>\$ 6.0</u>

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, 2023 and 2022.

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, 2023, and 2022, there was no cash collateral outstanding and had no posted standby letters of credit related to such liability positions.

Net Investment Hedge

SBI has €425.0 million aggregate principle amount of 4.00% 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 (Income). As of September 30, 2023 and September 30, 2022 the full principal amount was designated as a net investment hedge and considered fully effective. The following summarizes the gain (loss) from the net investment hedge recognized in Other Comprehensive Income for the year ended September 30, 2023, 2022 and 2021, pre-tax:

Gain (Loss) in OCI (in millions)	2023	2022	2021
Net investment hedge	\$ (31.7)	\$ 75.8	\$ 6.2

Net gains or losses from the net investment hedge are reclassified from AOCI into earnings upon a liquidation event or deconsolidation of Euro denominated subsidiaries.

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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.

The following tables provide additional information on the pension plans as of September 30, 2023 and 2022:

(in millions)	U.S. Plans		Non U.S. Plans	
	2023	2022	2023	2022
Changes in benefit obligation:				
Benefit obligation, beginning of year	\$ 53.5	\$ 71.4	\$ 101.1	\$ 176.1
Service cost	0.6	0.5	0.8	1.2
Interest cost	2.8	1.9	4.6	2.1
Actuarial gain	(1.7)	(16.1)	(4.5)	(45.7)
Benefits paid	(4.3)	(4.2)	(4.2)	(4.4)
Foreign currency exchange rate changes	—	—	8.7	(28.2)
Benefit obligation, end of year	50.9	53.5	106.5	101.1
Changes in plan assets:				
Fair value of plan assets, beginning of year	50.3	69.6	93.1	147.4
Actual return on plan assets	2.9	(15.2)	(1.1)	(30.1)
Employer contributions	0.1	0.1	6.8	4.8
Benefits paid	(4.3)	(4.2)	(4.2)	(4.4)
Foreign currency exchange rate changes	—	—	8.1	(24.6)
Fair value of plan assets, end of year	49.0	50.3	102.7	93.1
Funded Status	\$ (1.9)	\$ (3.2)	\$ (3.8)	\$ (8.0)
Amounts recognized in statement of financial position				
Deferred charges and other	\$ —	\$ —	\$ 9.6	\$ 4.6
Other accrued expenses	0.1	0.1	—	—
Other long-term liabilities	1.8	3.1	13.4	12.6
Accumulated other comprehensive loss	9.4	10.9	23.8	21.8
Weighted average assumptions				
Discount rate	5.72%	5.37%	4.00 - 5.20%	3.70 - 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:

(in millions)	U.S. Plans		Non U.S. Plan	
	2023	2022	2023	2022
Projected benefit obligation	\$ 50.9	\$ 53.5	\$ 57.0	\$ 51.8
Accumulated benefit obligation	50.9	53.5	57.0	49.0
Fair value of plan assets	49.0	50.3	43.5	39.2

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NOTE 15 - EMPLOYEE BENEFIT PLANS (continued)

The following table contains the components of net periodic benefit cost from defined benefit plans for the years ended September 30, 2023, 2022 and 2021:

(in millions)	U.S. Plans			Non U.S. Plans		
	2023	2022	2021	2023	2022	2021
Service cost	\$ 0.6	\$ 0.5	\$ 0.5	\$ 0.8	\$ 1.2	\$ 1.5
Interest cost	2.8	1.9	1.8	4.6	2.1	2.1
Expected return on assets	(3.1)	(3.2)	(3.7)	(3.9)	(4.0)	(4.0)
Recognized net actuarial loss	—	0.8	1.4	0.8	2.8	3.4
Net periodic benefit cost	\$ 0.3	\$ —	\$ —	\$ 2.3	\$ 2.1	\$ 3.0
Weighted average assumptions						
Discount rate	5.37%	2.70%	2.46%	3.70 - 5.20%	1.00 - 2.00%	0.70 - 1.75%
Expected return on plan assets	5.25%	5.00%	6.00%	2.54 - 5.58%	0.99 - 4.06%	0.70 - 3.40%
Rate of compensation increase	N/A	N/A	N/A	2.75%	2.50%	2.25%

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 Company's 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 (Income) Expense, Net on the Statement of Income.

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, 2023 and 2022:

Asset Type	U.S. Plans		Non U.S. Plans	
	2023	2022	2023	2022
Equity Securities	30 %	31 %	— %	— %
Fixed Income Securities	70 %	69 %	49 %	42 %
Other	— %	— %	51 %	58 %
Total	100 %	100 %	100 %	100 %

The fair value of defined benefit plan assets by asset category as of September 30, 2023 and 2022 are as follows:

(in millions)	September 30, 2023				September 30, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash & cash equivalents	\$ 0.3	\$ —	\$ —	\$ 0.3	\$ 0.2	\$ —	\$ —	\$ 0.2
Equity	4.6	5.7	—	10.3	4.9	6.1	—	11.0
Fixed income securities	24.2	7.8	—	32.0	25.1	8.1	—	33.2
Foreign equity	4.5	—	—	4.5	4.4	—	—	4.4
Foreign fixed income securities	—	50.8	—	50.8	—	39.4	—	39.4
Life insurance contracts	—	40.7	—	40.7	—	36.7	—	36.7
Annuity policy	—	—	10.4	10.4	—	—	10.6	10.6
Other	—	2.7	—	2.7	—	7.9	—	7.9
Total plan assets	\$ 33.6	\$ 107.7	\$ 10.4	\$ 151.7	\$ 34.6	\$ 98.2	\$ 10.6	\$ 143.4

Level 3 assets consist of a purchased group annuity using plan assets and escrow funds withheld as part of the acquisition of Armitage during the year ended September 30, 2021, to cover the projected benefit obligation assumed in the purchase. The transaction represents 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 retains both the fair value of the annuity contract and the pension benefit obligations related to this plan. Following the buy-in, individual policies will replace the bulk annuity policy in a buy-out transaction, which is expected to be completed in a subsequent period, where the Company would de-recognize the assets and liabilities of the pension plan and realize a settlement gain or loss as a component of the net periodic pension cost. As of September 30, 2023, the fair value of the annuity contract is based on the calculated pension benefit obligation covered.

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NOTE 15 - EMPLOYEE BENEFIT PLANS (continued)

The following benefit payments are expected to be paid:

(in millions)	U.S. Plans	Non U.S. Plans
2024	\$ 4.9	\$ 4.4
2025	4.2	4.7
2026	4.2	5.0
2027	4.2	5.7
2028	4.2	5.9
2029 - 2033	19.9	30.8

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, 2023, 2022 and 2021, were \$7.5 million, \$7.4 million, and \$6.0 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, 2023, 2022 and 2021:

(in millions)	SBH			SB/RH		
	2023	2022	2021	2023	2022	2021
United States	\$ (399.8)	\$ (263.0)	\$ (147.2)	\$ (391.0)	\$ (260.6)	\$ (143.8)
Outside the United States	109.6	172.7	136.1	109.6	172.7	136.1
Loss from continuing operations before income taxes	\$ (290.2)	\$ (90.3)	\$ (11.1)	\$ (281.4)	\$ (87.9)	\$ (7.7)

The components of income tax expense (benefit) for the years ended September 30, 2023, 2022 and 2021 are as follows:

(in millions)	SBH			SB/RH		
	2023	2022	2021	2023	2022	2021
Current tax expense:						
U.S. Federal	\$ 81.8	\$ 7.7	\$ 3.0	\$ 81.8	\$ 7.7	\$ 3.0
Foreign	44.9	24.7	32.6	44.9	24.7	32.6
State and local	(0.4)	(1.1)	2.4	(0.4)	(1.1)	2.4
Total current tax expense	126.3	31.3	38.0	126.3	31.3	38.0
Deferred tax (benefit) expense:						
U.S. Federal	(197.7)	(26.5)	(64.8)	(196.3)	(25.8)	(63.4)
Foreign	5.0	(1.2)	5.9	5.0	(1.2)	5.9
State and local	9.9	(16.9)	(5.5)	9.9	(17.2)	(5.5)
Total deferred tax benefit	(182.8)	(44.6)	(64.4)	(181.4)	(44.2)	(63.0)
Income tax benefit	\$ (56.5)	\$ (13.3)	\$ (26.4)	\$ (55.1)	\$ (12.9)	\$ (25.0)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 - INCOME TAXES (continued)

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

(in millions)	SBH			SB/RH		
	2023	2022	2021	2023	2022	2021
U.S. Statutory federal income tax benefit	\$ (60.9)	\$ (19.0)	\$ (2.3)	\$ (59.1)	\$ (18.5)	\$ (1.6)
Permanent items	5.0	(1.7)	13.9	5.0	(1.7)	13.9
Goodwill impairment	2.8	—	—	2.8	—	—
Foreign statutory rate vs. U.S. statutory rate	(1.6)	(4.7)	(6.2)	(1.6)	(4.7)	(6.2)
State income taxes, net of federal effect	(14.5)	(8.3)	(8.7)	(14.5)	(8.6)	(8.7)
State effective rate change	(4.0)	1.2	2.6	(4.0)	1.2	2.6
UK effective rate change	—	—	8.2	—	—	8.2
GILTI	2.1	16.5	4.9	2.1	16.5	4.9
GILTI impact of retroactive law changes	—	(3.2)	(18.1)	—	(3.2)	(18.1)
Residual tax on foreign earnings	1.5	4.8	2.6	1.5	4.8	2.6
Change in valuation allowance	0.2	3.6	(27.1)	0.2	4.3	(27.1)
Unrecognized tax expense	3.8	2.2	0.2	3.8	2.2	0.2
Share based compensation adjustments	0.3	(5.6)	(0.7)	0.4	(5.3)	0.1
Research and development tax credits	(1.8)	(1.9)	(2.4)	(1.8)	(1.9)	(2.4)
Partnership outside basis adjustment	7.0	1.2	5.5	7.0	1.2	5.5
Return to provision adjustments and other, net	3.6	1.6	1.2	3.1	0.8	1.1
Income tax benefit	\$ (56.5)	\$ (13.3)	\$ (26.4)	\$ (55.1)	\$ (12.9)	\$ (25.0)

The tax effects of temporary differences that give rise to deferred tax assets and deferred tax liabilities as of September 30, 2023 and 2022 are as follows:

(in millions)	SBH		SB/RH	
	2023	2022	2023	2022
Deferred tax assets				
Employee benefits	\$ 22.9	\$ 25.9	\$ 21.6	\$ 25.9
Inventories and receivables	31.9	42.0	31.9	42.0
Marketing and promotional accruals	5.3	16.0	5.3	16.0
Property, plant and equipment	2.8	0.9	2.8	0.9
Unrealized losses	30.5	31.9	30.5	31.9
Intangibles	9.3	11.1	9.3	11.1
Operating lease liabilities	27.6	23.0	27.6	23.0
Net operating loss and other carry forwards	331.6	577.4	227.9	255.6
Other	17.0	29.4	16.5	27.5
Total deferred tax assets	478.9	757.6	373.4	433.9
Deferred tax liabilities				
Property, plant and equipment	7.9	18.1	7.9	18.1
Unrealized gains	11.1	24.4	11.1	24.4
Intangibles	167.2	303.3	167.2	303.3
Operating lease assets	24.6	22.4	24.6	22.4
Investment in partnership	80.3	73.7	80.1	73.4
Taxes on unremitted foreign earnings	1.2	2.0	1.2	2.0
Other	13.0	12.0	13.0	12.0
Total deferred tax liabilities	305.3	455.9	305.1	455.6
Net deferred tax liabilities	173.6	301.7	68.3	(21.7)
Valuation allowance	(333.4)	(337.4)	(229.6)	(233.7)
Net deferred tax liabilities, net valuation allowance	\$ (159.8)	\$ (35.7)	\$ (161.3)	\$ (255.4)
Reported as:				
Deferred charges and other	\$ 15.0	\$ 24.4	\$ 15.0	\$ 23.9
Deferred taxes (noncurrent liability)	174.8	60.1	176.3	279.3

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NOTE 16 - INCOME TAXES (continued)

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, 2023, it would recognize a tax benefit of approximately \$57.0 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 and had therefore estimated and recorded a benefit of \$11.4 million for the impact on years prior to Fiscal 2021 in the year ended September 30, 2021, with a benefit of \$5.8 million recorded in the fourth quarter ended September 30, 2021 due to the HHI sale. The Company applied the Regulations to Fiscal 2021 and has included the impact in Fiscal 2021 income tax expense. 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.

On July 20, 2020, Final Regulations were issued under Internal Revenue Code Section 951A relating to the treatment of income that is subject to a high rate of tax under the global intangible low taxed income (“GILTI”) regime (“July 2020 Regulations”). The July 2020 Regulations are effective for Fiscal 2021, but the Company can elect to apply them to Fiscal 2019 and Fiscal 2020. The sale of the HHI segment allowed use of tax benefits for years prior to Fiscal 2020 that would have been subject to federal and state tax limitations on the use of carryforwards absent the HHI sale. The Company implemented the July 2020 Regulations for Fiscal 2019 by filing an amended return. Therefore, a benefit of \$6.7 million was recorded for the year ended September 30, 2021.

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, 2023, \$15.0 million of the mandatory repatriation liability is still outstanding and \$3.9 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, 2023, and 2022, the Company provided \$1.2 million and \$2.0 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, 2023. 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, 2023 of \$10.1 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, 2023 of \$41.9 million and has cumulative untaxed, undistributed foreign earnings due to high-tax exceptions as of September 30, 2023 of \$138.9 million.

As of September 30, 2023, the Company has U.S. federal net operating carryforwards (“NOLs”) of \$640.9 million with a federal tax benefit of \$134.6 million and tax benefits related to state NOLs and capital loss carryforwards of \$41.4 million. These NOLs expire through years ending in 2042. As of September 30, 2023, the Company has foreign NOLs of \$346.8 million and tax benefits of \$85.1 million, which will expire beginning in the Company’s fiscal year ending September 30, 2025. During the fiscal year ending September 30, 2021, the Company recorded \$324.2 million of additional foreign net operating losses due to a tax-deductible impairment in Luxembourg of subsidiary stock but recorded a full valuation allowance on the tax benefits of those losses since they are expected to expire unused. Certain of the foreign NOLs have indefinite carryforward periods.

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, 2023, that \$640.9 million of the total U.S. federal NOLs with a federal tax benefit of \$134.6 million and \$15.1 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, 2023, that \$83.6 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.

The gain from the sale of the HHI segment allowed the Company to use certain deferred tax assets including federal net operating losses subject to certain limits, state net operating losses previously expected to expire unused, and state research and development credits also previously expected to expire unused; therefore, the Company released \$29.2 million of valuation allowance on these deferred tax assets in Fiscal 2021.

SPECTRUM BRANDS HOLDINGS, INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 - INCOME TAXES (continued)

As of September 30, 2023, the valuation allowance is \$333.4 million, of which \$244.7 million is 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 was related to U.S. net deferred tax assets and \$79.9 million is related to foreign net deferred tax assets. As of September 30, 2021, the valuation allowance was \$349.4 million, of which \$253.0 million is related to U.S. net deferred tax assets and \$96.4 million is related to 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 is 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. During the year ended September 30, 2022, the Company decreased its valuation allowance for deferred tax assets by \$12.0 million, of which \$4.5 million was related to an increase in valuation allowance against U.S. net deferred tax assets and \$16.5 million related to a decrease in the valuation allowance against foreign net deferred tax assets.

As of September 30, 2023, the Company has recorded \$40.5 million of valuation allowance against its U.S. state net operating losses.

The total amount of unrecognized tax benefits at September 30, 2023 and 2022 are \$121.1 million and \$100.9 million, respectively. If recognized in the future, \$98.6 million of the unrecognized tax benefits as of September 30, 2023 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, 2023, and 2022 the Company had \$1.7 million and \$1.4 million of accrued interest and penalties related to uncertain tax positions. The impact on income tax expense related to interests and penalties for the year ended September 30, 2023 and 2022 was a net increase of \$0.3 million and a net decrease of \$0.1 million, respectively. There was no impact on income tax expense related to interest and penalties for the years ended September 30, 2021. The following table summarizes the changes to the amount of unrecognized tax benefits for the years ended September 30, 2023, 2022 and 2021:

(in millions)	2023	2022	2021
Unrecognized tax benefits, beginning of year	\$ 100.9	\$ 18.0	\$ 13.8
Gross increase – tax positions in prior period	21.5	84.4	4.1
Gross decrease – tax positions in prior period	(34.4)	(2.9)	(0.2)
Gross increase – tax positions in current period	33.4	1.7	1.2
Settlements	—	—	(0.2)
Lapse of statutes of limitations	(0.3)	(0.3)	(0.7)
Unrecognized tax benefits, end of year	\$ 121.1	\$ 100.9	\$ 18.0

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. 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.

The September 30, 2023 Consolidated Statement of Financial Position for SB/RH Holdings, LLC contains \$77.8 million of income taxes receivable from its parent company, calculated as if SB/RH Holdings, LLC were a separate taxpayer.

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. 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, 2023, 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17 - SHAREHOLDER'S EQUITY

SBH has a share repurchase program that is executed through purchases made from time to time either in the open market or otherwise. On May 4, 2021, the Board of Directors approved a \$1 billion common stock repurchase program. The authorization is effective for 36 months. On June 17, 2023, the Company's Board of Directors approved the termination of the Company's existing share repurchase program and the authorization of a new share repurchase program for up to \$1.0 billion of Common Stock (the "Maximum Amount"). The new share repurchase program went into effect on June 17, 2023 until the earlier of the Maximum Amount being repurchased thereunder or the suspension, termination or replacement of the program by the Company's Board of Directors. As part of the share repurchase programs, SBH 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.

The following summarizes the activity of common stock repurchases under the program for the years ended September 30, 2023, 2022 and 2021, excluding the recognition of a 1% excise tax on annual net share repurchases (effective during the year ended September 30, 2023), recognized as a component of Treasury Stock on the Company's Consolidated Statement of Financial Position:

(in millions except per share data)	2023			2022			2021		
	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	0.4	\$ 81.60	\$ 34.7	1.4	\$ 97.34	\$ 134.0	0.9	\$ 93.13	\$ 80.3
Private Purchases	—	—	—	—	—	—	0.7	66.63	45.5
ASR	5.3	74.86	400.0	—	—	—	—	—	—
Total Purchases	5.7	75.36	\$ 434.7	1.4	97.34	\$ 134.0	1.6	81.43	\$ 125.8

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, which are being made pursuant to the Company's new \$1.0 billion share repurchase program, 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 to additional paid-in capital. 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, the financial institution may deliver additional shares, or the Company may deliver shares, with the final number of shares delivered determined with reference to the volume weighted average price per share of our common stock over the term of the agreement, less a negotiated discount. The Company received notification from the financial institution that they have completed the accelerated stock buyback effective November 16, 2023 which will result in a final settlement of 1.3 million shares to be transferred on November 21, 2023.

SPECTRUM BRANDS HOLDINGS, INC.
SB/RH HOLDINGS, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Spectrum Legacy stockholders, and the Spectrum Brands Holdings, Inc. 2020 Omnibus Equity Plan, as approved by the Spectrum 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	0.2
Spectrum Brands Holdings, Inc. 2020 Omnibus Equity Plan	2.6	2.1

During the year ended September 30, 2023, the Company amended and restated its 2020 Omnibus Equity Plan to increase the maximum number of shares of common stock available for issuance. The amendment to the 2020 Omnibus Equity Plan authorized the issuance of up to an additional 1.4 million shares of common stock of Spectrum Brands Holdings, Inc., effective August 8, 2023.

Compensation costs for share-based payment arrangements are recognized as General and Administrative Expenses on the Consolidated Statements of Income. The following is a summary of the share based compensation expense for the years ended September 30, 2023, 2022 and 2021:

(in millions)	2023	2022	2021
SBH	\$ 17.2	\$ 10.2	\$ 28.9
SB/RH	\$ 15.7	\$ 9.1	\$ 27.2

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 provided by the grant and the performance-based RSUs are dependent upon achieving specified 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.

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 ending September 30, 2023.

(in millions, except per share data)	SBH			SB/RH		
	Units	Weighted Average Grant Date Fair Value	Fair Value at Grant Date	Units	Weighted Average Grant Date Fair Value	Fair Value at Grant Date
Time-based grants						
Vesting in less than 12 months	0.13	\$ 56.66	\$ 7.3	0.10	\$ 58.76	\$ 5.8
Vesting in more than 12 months	0.14	50.85	7.2	0.14	50.85	7.2
Total time-based grants	0.27	53.60	14.5	0.24	54.08	13.0
Performance-based grants	0.28	50.87	14.1	0.28	50.87	14.1
Total grants	0.55	\$ 52.22	\$ 28.6	0.52	\$ 52.36	\$ 27.1

SPECTRUM BRANDS HOLDINGS, INC.
SB/RH HOLDINGS, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 – SHARE BASED COMPENSATION (continued)

The following is a summary of RSU activity for the years ended September 30, 2023, 2022 and 2021:

(in millions, except per share data)	SBH			SB/RH		
	Shares	Weighted Average Grant Date Fair Value	Fair Value at Grant Date	Shares	Weighted Average Grant Date Fair Value	Fair Value at Grant Date
Outstanding and nonvested as of September 30, 2020	1.40	\$ 56.41	\$ 79.3	1.38	\$ 56.33	\$ 77.7
Granted	0.59	76.78	44.9	0.56	76.83	43.3
Forfeited	(0.20)	65.52	(13.2)	(0.20)	65.52	(13.2)
Vested and exercised	(0.33)	53.53	(17.8)	(0.30)	52.82	(16.2)
Outstanding and nonvested as of September 30, 2021	1.46	64.00	93.2	1.44	63.85	91.6
Granted	0.33	95.30	32.3	0.32	95.24	31.2
Forfeited	(0.18)	78.90	(13.8)	(0.18)	78.90	(13.8)
Vested and exercised	(0.60)	55.09	(33.4)	(0.60)	54.34	(31.8)
Outstanding and nonvested as of September 30, 2022	1.01	77.22	78.3	0.98	77.03	77.2
Granted	0.55	52.22	28.6	0.52	52.36	27.1
Forfeited	(0.21)	71.99	(15.0)	(0.21)	71.99	(15.0)
Vested and exercised	(0.46)	70.98	(32.7)	(0.44)	70.33	(31.6)
Outstanding and nonvested as of September 30, 2023	0.89	\$ 66.29	\$ 59.2	0.85	\$ 66.87	\$ 57.7

As of September 30, 2023, the remaining unrecognized pre-tax compensation cost associated with outstanding RSUs is \$38.6 million for both SBH and SB/RH that would be expected to be recognized over a weighted average period of 1.4 years for SBH and SB/RH, 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, 2023, 2022 and 2021. 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, 2023, 2022, and 2021:

(in millions, except per share data)	Stock Options		
	Options	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value
Vested and exercisable at September 30, 2020	\$ 0.22	\$ 73.96	\$ 4.82
Exercised	(0.06)	52.83	3.55
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

No options were exercised during the years ended September 30, 2023 and 2022. The intrinsic value of share options exercised during the year ended September 30, 2021 was \$2.5 million, with cash received from the options exercises of \$3.4 million. As of the year ended September 30, 2023, the aggregate intrinsic value of outstanding and exercisable options was \$0.4 million, with the remaining contractual term of 1.3 years.

SPECTRUM BRANDS HOLDINGS, INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 at September 30, 2020	\$ (226.6)	\$ 3.6	\$ (61.7)	\$ (284.7)
Other comprehensive income before reclassification	32.2	0.1	11.7	44.0
Net reclassification for loss to income from continuing operations	—	9.2	4.8	14.0
Net reclassification for loss (gain) to income from discontinued operations	—	0.1	(0.1)	—
Other comprehensive income before tax	32.2	9.4	16.4	58.0
Deferred tax effect	—	(6.6)	(1.6)	(8.2)
Other comprehensive income, net of tax	32.2	2.8	14.8	49.8
Less: other comprehensive income from discontinued operations attributable to non-controlling interest	0.4	—	—	0.4
Other comprehensive income attributable to controlling interest	31.8	2.8	14.8	49.4
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 loss (gain) to income from continuing operations	—	(20.2)	3.6	(16.6)
Net reclassification for loss (gain) to income from discontinued operations	—	(2.4)	(0.1)	(2.5)
Other comprehensive 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
Deferred tax valuation allowance	—	—	—	—
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)

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

(in millions)	2023			2022			2021		
	Defined Benefit Pension	Derivative Instruments	Total	Defined Benefit Pension	Derivative Instruments	Total	Defined Benefit Pension	Derivative Instruments	Total
Net Sales	\$ —	\$ 0.2	\$ 0.2	\$ —	\$ 0.1	\$ 0.1	\$ —	\$ 0.1	\$ 0.1
Cost of goods sold	—	(12.4)	(12.4)	—	20.1	20.1	—	(9.3)	(9.3)
Other non-operating expense (income), net	(0.8)	—	(0.8)	(3.6)	—	(3.6)	(4.8)	—	(4.8)
Income from discontinued operations, net of tax	0.1	(2.3)	(2.2)	0.1	2.4	2.5	0.1	(0.1)	—

See Note 14 - 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. The Company has realized commitments attributable to environmental remediation activities primarily associated with former manufacturing sites of the Company's HPC segment. 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. As of September 30, 2023, there was an environmental remediation liability of \$5.4 million with \$1.5 million included in Other Current Liabilities and \$3.9 million included in Other Long-Term Liabilities on the Consolidated Statements of Financial Position. As of September 30, 2022, there was an environmental remediation liability of \$8.8 million with \$4.7 million included in Other Current Liabilities and \$4.1 million included in Other Long-Term Liabilities on the Consolidated Statement of Financial Position. 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, 2023 are as follows:

(in millions)	Amount
2024	\$ 1.6
2025	2.4
2026	0.4
2027	0.3
2028	0.3
Thereafter	1.6
Total payments	6.6
Amount representing interest	(1.2)
Total environmental obligation	\$ 5.4

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, 2023, and 2022, the Company recognized \$3.0 million and \$3.4 million in product liability, respectively, included in Other Current Liabilities on the Consolidated Statement 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.

Product Warranty. The Company recognizes an estimated liability for standard warranty on certain products when we recognize revenue on the sale of the warranted products. Estimated warranty costs incorporate replacement parts, products and delivery, and are recorded as a cost of goods sold at the time of product shipment based on historical and projected warranty claim rates, claims experience and any additional anticipated future costs on previously sold products. The Company recognized \$0.3 million and \$0.4 million of warranty accruals as of September 30, 2023 and 2022, included in Other Current Liabilities on the Consolidated Statement of Financial Statement.

Product Safety Recall. During the fourth quarter of the year ended September 30, 2022, the HPC segment initiated voluntary product recalls 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. The Company has assessed the incremental costs attributable to the recall, including the anticipated returns from customers for existing retail inventory, write-off of inventory on hand, and other costs to facilitate the recall such as notification, shipping and handling, rework and destruction of affected products, as needed, and evaluated the probability of redemption. As a result, the Company recognized \$6.0 million and \$7.5 million in Other Current Liabilities on the Consolidated Statement of Financial Position associated with the costs for the recalls as of September 30, 2023 and 2022. Additionally, as of September 30, 2023 and 2022, the Company has indemnification provisions that are contractually provided by third-parties for the affected products and, as a result, the Company has also recognized \$7.1 million and \$4.7 million in Other Receivables, respectively, on the Consolidated Statement of Financial Position related to recovery from such indemnification provisions.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 - SEGMENT INFORMATION

The Company identifies its segments based upon the internal organization that is used by management for making operating decisions 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. The segments are supported through center-led corporate shared service operations consisting of finance and accounting, information technology, legal and human resource, supply chain and commercial operations.

Net sales relating to the segments for the years ended September 30, 2023, 2022 and 2021 are as follows:

(in millions)	2023	2022	2021
GPC	\$ 1,139.0	\$ 1,175.3	\$ 1,129.9
H&G	536.5	587.1	608.1
HPC	1,243.3	1,370.1	1,260.1
Net sales	\$ 2,918.8	\$ 3,132.5	\$ 2,998.1

The Chief Operating Decision Maker of the Company uses Adjusted EBITDA 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 further excludes:

- Share based compensation costs consist of costs associated with long-term compensation arrangements that generally consist of non-cash stock based compensation. See *Note 18 - Share Based Compensation* for further details;
- Incremental amounts attributable to strategic transactions and business development initiatives including, but not limited to, the acquisition or divestitures of a business, costs to effect and facilitate a transaction, including such cost to integrate or separate the respective business. These amounts are excluded from our performance metrics as they are reflective of incremental investment by the Company towards business development activities, incremental costs attributable to such transactions and are not considered recurring or reflective of the continuing ongoing operations of the consolidated group or segments;
- Incremental amounts realized towards restructuring and optimization projects including, but not limited to, costs towards the development and implementation of strategies to optimize operations and improve efficiency, reduce costs, increase revenues, increase or maintain our current profit margins, including recognition of one-time exit or disposal costs. These amounts are excluded from our ongoing performance metrics as they are reflective of incremental investment by the Company towards significant initiatives controlled by management, incremental costs directly attributable to such initiatives, indirect impact or disruption to operating performance during implementation, and are not considered recurring or reflective of the continuing ongoing operations of the consolidated group or segments;
- Unallocated shared costs associated with discontinued operations from certain shared and center-led administrative functions supporting the Company's business units excluded from income from discontinued operations as they are not a direct cost of the discontinued business but a result of indirect allocations, including but not limited to, information technology, human resources, finance and accounting, supply chain, and commercial operations. Amounts attributable to unallocated shared costs would be mitigated through subsequent strategic or restructuring initiatives, TSAs, elimination of extraneous costs, or re-allocations or absorption of existing continuing operations following the completed sale of the discontinued operations. See *Note 3 - Divestitures* for further details;
- Non-cash purchase accounting adjustments recognized in earnings from continuing operations subsequent to an acquisition, including, but not limited to, the costs attributable to the step-up in inventory value and the incremental value in operating lease assets with below market rent, among others;
- Non-cash asset impairments or write-offs realized and recognized in earnings from continuing operations, including impairments from property, plant and equipment, operating and finance leases, and goodwill and other intangible assets; See *Note 10 - Property, Plant and Equipment*, *Note 11 - Goodwill and Intangible Assets* and *Note 13 - Leases* for further details;.
- Non-cash gain from the remeasurement of the contingent consideration liability associated with the Tristar Business acquisition recognized during the years ended September 30, 2023 and 2022, associated with the Tristar Business acquisition. See *Note 4 - Acquisitions* for further details;
- Non-cash gain realized from the repurchase of debt obligations at a discount, net deferred financing costs, during the year ended September 30, 2023. See *Note 12 - Debt* for further details;
- Incremental reserves for non-recurring litigation or environmental remediation activity including the proposed settlement on outstanding litigation matters at our H&G and HPC segments attributable to significant and unusual nonrecurring claims with no previous history or precedent recognized during the years ended September 30, 2023, 2022 and 2021. See *Note 20 - Commitments and Contingencies* for further details;
- Impact from the early settlement of foreign currency cash flow hedges in the prior year, resulting in subsequent assumed losses at the original stated maturities of foreign currency cash flow hedges in our EMEA region that were settled early due to changes in the Company's legal entity organizational structure and forecasted purchasing strategy of HPC finished goods inventory within the region, resulting in the recognition of excluded gains during the year ended September 30, 2022 intended to mitigate costs through the year ending September 30, 2023;
- Incremental costs recognized by the HPC segment during the year ended September 30, 2023 for the approved 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 further sale of the selected products as part of a shift in its strategy for distribution and development of products within its brand portfolio and avoid deterioration and further reduction in the value of the acquired brands and supported products;

SPECTRUM BRANDS HOLDINGS INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 - SEGMENT INFORMATION (continued)

- Incremental costs recognized by the HPC segment attributable to the realization of product recalls initiated by the Company with costs realized during the years ended September 30, 2023 and 2022. See *Note 20 - Commitments and Contingencies* for further details;
- Gains attributable to the Company's investment in Energizer common stock. During the year ended September 30, 2021, the Company sold its remaining shares in Energizer common stock; and
- Other adjustments primarily attributable to (1) costs associated with Salus as they are not considered a components of the continuing commercial products company (2) key executive severance related costs; (3) asset write-off for exit of certain GPC brands within China during year ended September 30, 2022, and (4) write-off of cost based investment previously held by the GPC segment during the year ended September 30, 2022.

Segment Adjusted EBITDA in relation to the Company's reportable segments for SBH for the years ended September 30, 2023, 2022, and 2021, is as follows:

SBH (in millions, unaudited)	2023	2022	2021
GPC	\$ 190.6	\$ 168.6	\$ 212.1
H&G	72.5	86.2	124.0
HPC	43.1	69.6	102.6
Total Segment Adjusted EBITDA	306.2	324.4	438.7
Corporate	3.2	41.3	46.9
Interest expense	127.0	99.4	116.5
Depreciation	48.9	49.0	51.9
Amortization	42.3	50.3	65.1
Share based compensation	17.2	10.2	29.4
Tristar acquisition and integration	11.5	24.3	0.1
Rejuvenate acquisition and integration	—	6.8	10.8
Armitage acquisition and integration	—	1.4	10.9
Omega production integration	—	4.6	1.3
HHI divestiture	8.4	6.3	9.6
HPC separation initiatives	4.2	19.1	14.2
Coevorden operations divestiture	2.7	8.8	11.6
Fiscal 2023 restructuring	7.4	—	—
Fiscal 2022 restructuring	0.4	9.8	—
Global ERP transformation	11.4	13.1	4.3
GPC distribution center transition	—	35.8	15.2
Global productivity improvement program	—	5.1	21.2
Russia closing initiative	3.2	1.9	—
HPC brand portfolio transitions	2.5	1.3	—
Other project costs	11.2	12.1	7.4
Impairment of equipment and operating lease assets	10.8	—	—
Impairment of goodwill	111.1	—	—
Impairment of intangible assets	120.7	—	—
Unallocated shared costs	18.0	27.6	26.9
Non-cash purchase accounting adjustments	1.9	8.3	7.3
Gain from remeasurement of contingent consideration liability	(1.5)	(28.5)	—
Legal and environmental	3.0	1.5	6.0
Gain from debt repurchase	(7.9)	—	—
HPC product disposal	20.6	—	—
Early settlement of foreign currency cash flow hedges	4.9	(5.1)	—
HPC product recall	7.7	5.5	—
Gain on Energizer investment	—	—	(6.9)
Salus and other	5.6	4.8	0.1
Loss from operations before income taxes	\$ (290.2)	\$ (90.3)	\$ (11.1)

SPECTRUM BRANDS HOLDINGS INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 - SEGMENT INFORMATION (continued)

Segment Adjusted EBITDA in relation to the Company's reportable segments for SB/RH for the years ended September 30, 2023, 2022, and 2021, is as follows:

SB/RH (in millions)	2023	2022	2021
GPC	\$ 190.6	\$ 168.6	\$ 212.1
H&G	72.5	86.2	124.0
HPC	43.1	69.6	102.6
Total Segment Adjusted EBITDA	306.2	324.4	438.7
Corporate	2.6	39.9	44.9
Interest expense	120.5	99.8	116.8
Depreciation	48.9	49.0	51.9
Amortization	42.3	50.3	65.1
Share and incentive based compensation	15.7	9.1	27.7
Tristar acquisition and integration	11.5	24.3	0.1
Rejuvenate acquisition and integration	—	6.8	10.8
Armitage acquisition and integration	—	1.4	10.9
Omega production integration	—	4.6	1.3
HHI divestiture	8.4	6.3	9.6
HPC separation initiatives	4.2	19.1	14.2
Coevorden operations divestiture	2.7	8.8	11.6
Fiscal 2023 restructuring	7.4	—	—
Fiscal 2022 restructuring	0.4	9.8	—
Global ERP transformation	11.4	13.1	4.3
GPC distribution center transition	—	35.8	15.2
Global productivity improvement program	—	5.1	21.2
Russia closing initiative	3.2	1.9	—
HPC brand portfolio transitions	2.5	1.3	—
Other project costs	11.2	12.1	7.4
Unallocated shared costs	18.0	27.6	26.9
Non-cash purchase adjustment	1.9	8.3	7.3
Gain from remeasurement of contingent consideration liability	(1.5)	(28.5)	—
Impairment of equipment and operating lease assets	10.8	—	—
Impairment of goodwill	111.1	—	—
Impairment of intangible assets	120.7	—	—
Legal and environmental	3.0	1.5	6.0
HPC product disposal	20.6	—	—
Gain from debt repurchase	(7.9)	—	—
Gain on early settlement of cash flow hedges	4.9	(5.1)	—
HPC Product Recall	7.7	5.5	—
Gain on Energizer investment	—	—	(6.9)
Other	5.4	4.5	0.1
Loss from operations before income taxes	\$ (281.4)	\$ (87.9)	\$ (7.7)

SPECTRUM BRANDS HOLDINGS INC.
SB/RH HOLDINGS, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 - SEGMENT INFORMATION (continued)

Other financial information relating to the segments of SBH and SB/RH are as follows for the years ended September 30, 2023, 2022 and 2021 and as of September 30, 2023 and 2022:

Depreciation and amortization (in millions)	2023	2022	2021
GPC	\$ 37.4	\$ 37.4	\$ 39.2
H&G	18.8	18.6	19.2
HPC	20.4	28.7	44.0
Total segments	76.6	84.7	102.4
Corporate and shared operations	14.6	14.6	14.6
Total depreciation and amortization	\$ 91.2	\$ 99.3	\$ 117.0

Capital expenditures (in millions)	2023	2022	2021
GPC	\$ 10.1	\$ 17.7	\$ 18.6
H&G	3.8	8.2	3.6
HPC	7.2	11.6	9.3
Total segment capital expenditures	21.1	37.5	31.5
Corporate and shared operations	37.9	26.5	12.1
Total capital expenditures	\$ 59.0	\$ 64.0	\$ 43.6

Segment total assets (in millions)	SBH		SB/RH	
	2023	2022	2023	2022
GPC	\$ 1,436.4	\$ 1,461.8	\$ 1,436.4	\$ 1,461.8
H&G	803.7	846.5	803.7	846.5
HPC	945.0	1,231.0	945.0	1,231.0
Total segment assets	3,185.1	3,539.3	3,185.1	3,539.3
Corporate and shared operations	2,073.3	419.6	2,162.2	505.1
Total assets	\$ 5,258.4	\$ 3,958.9	\$ 5,347.3	\$ 4,044.4

Net sales SBH and SB/RH for the years ended September 30, 2023, 2022 and 2021 and long-lived asset information as of September 30, 2023 and 2022 by geographic area are as follows:

Net sales to external parties - Geographic Disclosure (in millions)	2023	2022	2021
United States	\$ 1,722.4	\$ 1,901.6	\$ 1,750.8
Europe/MEA	830.7	820.0	877.8
Latin America	206.8	243.3	193.4
Asia-Pacific	106.6	108.5	112.0
North America - Other	52.3	59.1	64.1
Net sales	\$ 2,918.8	\$ 3,132.5	\$ 2,998.1

Long-lived assets - Geographic Disclosure (in millions)	2023	2022
United States	\$ 321.4	\$ 279.7
Europe/MEA	53.7	52.8
Latin America	2.6	3.2
Asia-Pacific	8.2	10.6
Total long-lived assets	\$ 385.9	\$ 346.3

SPECTRUM BRANDS HOLDINGS INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 - EARNINGS PER SHARE - SBH

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 reflects the dilution that would occur if share-based awards were converted into common shares that then shared in the net income of the entity available to common shareholders, as long as their effect is not antidilutive. In computing diluted earnings per share, basic earnings per share is adjusted for the assumed issuance of potentially diluted share-based awards. The Company uses the treasury stock method to reflect dilution of restricted stock units. 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. 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, 2023, 2022 and 2021, are as follows:

(in millions, except per share amounts)	2023	2022	2021
Numerator			
Net (loss) income from continuing operations attributable to controlling interest	\$ (233.8)	\$ (77.2)	\$ 15.1
Income from discontinued operations attributable to controlling interest	2,035.3	148.8	174.5
Net income attributable to controlling interest	<u>\$ 1,801.5</u>	<u>\$ 71.6</u>	<u>\$ 189.6</u>
Denominator			
Weighted average shares outstanding - basic	39.5	40.9	42.7
Dilutive shares	—	—	0.5
Weighted average shares outstanding - diluted	<u>39.5</u>	<u>40.9</u>	<u>43.2</u>
Earnings per share			
Basic earnings per share from continuing operations	\$ (5.92)	\$ (1.89)	\$ 0.35
Basic earnings per share from discontinued operations	51.57	3.64	4.09
Basic earnings per share	<u>\$ 45.65</u>	<u>\$ 1.75</u>	<u>\$ 4.44</u>
Diluted earnings per share from continuing operations	\$ (5.92)	\$ (1.89)	\$ 0.35
Diluted earnings per share from discontinued operations	51.57	3.64	4.04
Diluted earnings per share	<u>\$ 45.65</u>	<u>\$ 1.75</u>	<u>\$ 4.39</u>
Weighted average number of anti-dilutive shares excluded from denominator	0.2	0.2	—

EXHIBIT INDEX

Exhibit 2.1	<u>Agreement and Plan of Merger, dated as of February 24, 2018, by and among Spectrum Brands Legacy, Inc. (f.k.a. Spectrum Brands Holdings, Inc.), Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.), HRG SPV Sub I, Inc. and HRG SPV Sub II, LLC (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. (f.k.a. HRG Group, Inc.) on February 26, 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).</u>
Exhibit 2.2	<u>Amendment No. 1 to Agreement and Plan of Merger, dated as of June 8, 2018, by and among Spectrum Brands Holdings, Inc., HRG Group, Inc., HRG SPV Sub I, Inc. and HRG SPV Sub II, LLC (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. (f.k.a. HRG Group, Inc.) on July 13, 2018 (File No. 001-4219)).</u>
Exhibit 2.3	<u>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).</u>
Exhibit 2.4	<u>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).</u>
Exhibit 2.5	<u>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).</u>
Exhibit 2.6	<u>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).</u>
Exhibit 3.1	<u>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)).</u>
Exhibit 3.2	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporate of the Registrant, 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)).</u>
Exhibit 3.3	<u>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)).</u>
Exhibit 3.4	<u>Certificate of Formation of SB/RH Holdings, LLC (incorporated herein by reference to Exhibit 3.29 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013 (File No. 333-192634)).</u>
Exhibit 3.5	<u>Operating Agreement of SB/RH Holdings, LLC (incorporated herein by reference to Exhibit 3.30 to the Registration Statement on Form S-4 filed with the SEC by Spectrum Brands, Inc. on December 3, 2013 (File No. 333-192634)).</u>
Exhibit 3.6	<u>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)).</u>
Exhibit 4.1	<u>Indenture governing Spectrum Brands, Inc.'s 4.000% Senior Notes due 2026, dated as of September 20, 2016, among Spectrum Brands, Inc., the guarantors named therein, U.S. Bank National Association, as trustee, Elavon Financial Services DAC, UK Branch, as paying agent and Elavon Financial Services DAC, as registrar and transfer agent (incorporated herein by reference to Exhibit 4.1 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 December 8, 2014 (File No. 001-34757)).</u>
Exhibit 4.2	<u>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)).</u>
Exhibit 4.3	<u>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)).</u>
Exhibit 4.4	<u>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)).</u>
Exhibit 4.5	<u>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)).</u>
Exhibit 4.6	<u>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)).</u>
Exhibit 10.1	<u>Amended and Restated Credit Agreement, dated as of June 30, 2020 among the Company, SB/RH Holdings, the guarantors party thereto, the lenders party thereto from time to time, and Royal Bank of Canada, as the 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 Holdings, Inc. on June 30, 2020 (File No. 001-4219)).</u>
Exhibit 10.2	<u>First Amendment to Amended and Restated Credit Agreement, dated as of March 3, 2021 (to the Amended and Restated Credit Agreement dated as of June 30, 2020), by and among the Company, SB/RH Holdings, Royal Bank of Canada, as the administrative agent and the lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands).</u>
Exhibit 10.3	<u>Second Amendment to Amended and Restated Credit Agreement, dated as of December 10, 2021 (to the Amended and Restated Credit Agreement dated as of June 30, 2020) by and among the Company, SB/RH Holdings, the guarantors party thereto, the lenders party thereto from time to time, and Royal Bank of Canada, as the administrative agent. (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC by Spectrum Brands on February 4, 2022 (File No. 001-4219)).</u>

Exhibit 10.4	Third Amendment to Amended and Restated Credit Agreement, dated as of February 3, 2022 (to the Amended and Restated Credit Agreement dated as of June 30, 2020), by and among the Company, SB/RH Holdings, Royal Bank of Canada, as the administrative agent, the guarantors party thereto and the lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands on February 18, 2022 (File No. 001-4219)).
Exhibit 10.5	Fourth Amendment to Amended and Restated Credit Agreement, dated as of November 17, 2022 (to the Amended and Restated Credit Agreement dated as of June 30, 2020), by and among the Company, SB/RH Holdings, Royal Bank of Canada, as the administrative agent, the guarantors party thereto and the lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands on November 18, 2022 (File No. 001-4219)).
Exhibit 10.6	Fifth Amendment to Amended and Restated Credit Agreement, dated as of June 20, 2023 (to the Amended and Restated Credit Agreement dated as of June 30, 2020), by and among the Company, SB/RH Holdings, Royal Bank of Canada, as the administrative agent, the guarantors party thereto and the lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC by Spectrum Brands on August 11, 2023 (File No. 001-04219)).
Exhibit 10.7	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 10.8	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 10.9	Master Confirmation-Uncollared Accelerated Share Repurchase, between Spectrum Brands Holdings, Inc. and Goldman Sachs & Co. LLC, dated June 20, 2023 (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands on June 20, 2023 (file No. 001-04219)).
Exhibit 10.10	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 10.11+	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 10.12+	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 10.13+	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 10.14+	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 10.15+	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 10.16+	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 10.17+	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 10.18+	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 10.19+	Employment Agreement, dated as of September 9, 2019, by and between Spectrum Brands Holdings, Inc. and Randal D. Lewis. (incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC by Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) on September 9, 2019 (File No. 001-4219)).
Exhibit 10.20+	Separation Agreement, dated as of August 30, 2022, by and between Spectrum Brands Holdings, Inc. and Randal D. Lewis. (incorporated herein by reference to Exhibit 10.16 to the Annual Report on Form 10-K with the SEC by Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) on November 22, 2022 (File No. 001-4219)).
Exhibit 10.21+	Letter Agreement, dated as of September 9, 2019, by and between Spectrum Brands Holdings, Inc. and Rebeckah Long. (incorporated herein by reference to Exhibit 10.4 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 10.22+	Severance Agreement, dated as of September 9, 2019, by and between Spectrum Brands Holdings, Inc. and Rebeckah Long. (incorporated herein by reference to Exhibit 10.5 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 10.23+	Separation Agreement, dated as of August 30, 2022, by and between Spectrum Brands Holdings, Inc. and Rebeckah Long. (incorporated here in by reference to Exhibit 10.18 to the Annual Report on Form 10-K with the SEC by Spectrum Brands Holdings, Inc. (f.k.a. HRG Group, Inc.) on November 22, 2022 (File No. 001-4219)).
Exhibit 10.24+	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 10.25+	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 10.26+	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 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 31.3*	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. SB/RH Holdings, LLC
Exhibit 31.4*	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. SB/RH Holdings, LLC
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 32.3*	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. SB/RH Holdings, LLC
Exhibit 32.4*	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. SB/RH Holdings, LLC

* 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.

*** Filed herewith, with respect to Spectrum Brands Holdings, Inc. SB/RH Holdings, LLC meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and has therefore omitted the list of subsidiaries exhibit otherwise required by Item 601 of Regulation S-K as allowed under General Instruction I(2)(b).

+ Denotes a management contract or compensatory plan or arrangement.

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
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
FIAM Capital Management, LLC	U.S. Delaware
Five Island Asset Management, LLC	U.S. Delaware
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
HGI Energy (Compass) Holding Corporation	U.S. Delaware
HGI Energy Holdings, LLC	U.S. Delaware
HGI Funding, LLC	U.S. Delaware
HGI Funding, SPV LLC	U.S. Delaware
HGI Global Holdings, LLC	U.S. Delaware
Household Products Chile Comercial Limitada fka Laponia S.A.	Chile
HRG SPV Sub II, LLC	U.S. Delaware
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
New FOH, LLC	U.S. Delaware
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
Remington Shavers (Hong Kong) Co. Limited	Hong Kong
Rotastak Limited f/k/a R. Aitchison & Co. Limited	Scotland

Subsidiary	Jurisdiction
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	Turkey
RRH Schweiz GmbH	Switzerland
Ruggiero Innovations LLC	U.S. Florida
Russell Hobbs Deutschland GmbH fka Salton Deutschland GmbH	Germany
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
Salton (Aust) Pty Ltd fka Salton Maxim Housewares Pty. Ltd.	Australia
Salton Hong Kong Limited fka Gassen Limited	Hong Kong
Salton NZ Limited	New Zealand
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
SPBA Australia Pty Limited	Australia
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

Subsidiary	Jurisdiction
Spectrum Brands (Shenzhen) Co., Ltd. (NINGBO BRANCH)	China
Spectrum Brands (UK) Holdings Limited	United Kingdom
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 Consumer Products Canada, Inc.	Canada
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
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 IV S.à.R.L.	Luxembourg
Spectrum Brands Lux S.à.R.L.	Luxembourg
Spectrum Brands Lux V S.à.R.L.	Luxembourg
Spectrum Brands Lux VI 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 Batterie 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

Subsidiary	Jurisdiction
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
Zaldy NYC, LLC	U.S. Delaware
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

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.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-242343, 333-226592, 333-197223, 333-197222, 333-178587, 333-124693, 333-45568, 333-43223, 333-00123, and 333-27937) on Form S-8 of our reports dated November 21, 2023, 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 21, 2023

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 21, 2023

/s/ David M. Maura

David M. Maura

Chief Executive Officer

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 21, 2023

/s/ Jeremy W. Smeltser

Jeremy W. Smeltser

Chief Financial Officer

CERTIFICATIONS

I, David M. Maura, certify that:

1. I have reviewed this annual report on Form 10-K of SB/RH Holdings, LLC (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 21, 2023

/s/ David M. Maura

David M. Maura

Chief Executive Officer

CERTIFICATIONS

I, Jeremy W. Smeltser, certify that:

1. I have reviewed this annual report on Form 10-K of SB/RH Holdings, LLC (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 21, 2023

/s/ Jeremy W. Smeltser

Jeremy W. Smeltser

Chief Financial Officer

**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, 2023 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 21, 2023**

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.

**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, 2023 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 21, 2023**

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.

**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 SB/RH Holdings, LLC (the "Company") for the fiscal year ended September 30, 2023 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 21, 2023**

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.

**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 SB/RH Holdings, LLC (the "Company") for the fiscal year ended September 30, 2023 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 21, 2023**

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.