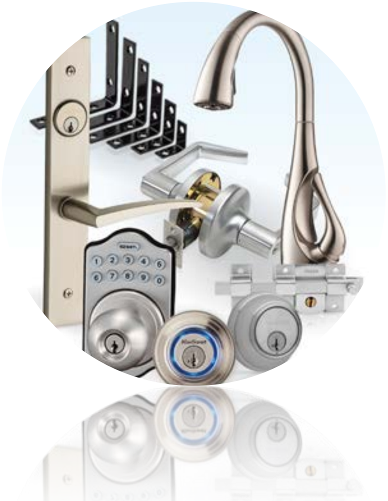
Spectrum Brands

Fiscal 2019 Third Quarter Earnings Call

August 7, 2019



Agenda

- **Introduction** — Dave Prichard, Vice President, Investor Relations
- **CEO Overview and Outlook** — David Maura, Chairman and Chief Executive Officer
- **Financial and Business Unit Review** — Doug Martin, Chief Financial Officer
- **Q&A** — David Maura, Doug Martin

Forward-Looking Statements

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

We also caution the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this presentation. We undertake no duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect actual outcomes. Additional factors that may affect future results and conditions are described in our filings with the SEC, which are available at the SEC’s web site at www.sec.gov or at Spectrum Brands’ website at www.spectrumbrands.com.

The information contained in this presentation is summary information that is intended to be considered in the context of our SEC filings, and other public announcements that we may make, by press release or otherwise, from time to time. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. You should not view our past performance, or information about the market, as indicative of our future results. Further, performance information respecting investment returns on portfolio transactions is not directly equivalent to returns on an investment in our common stock.

Reconciliation of Non-GAAP Financial Measurements

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

Management believes that organic net sales provide for a more complete understanding of underlying business trends of regional and segment performance by excluding the impact of currency exchange fluctuations and the impact of acquisitions (when applicable) when there is no comparable sales in the prior period. Organic growth is calculated by comparing organic net sales to net sales in the prior year. The effect of changes in currency exchange rates is determined by translating the period's net sales using the currency exchange rates that were in effect during the prior comparative period. Management uses adjusted diluted EPS as a useful measure for providing further insight into our operating performance because it eliminates the effects of certain items that are not comparable from one period to the next. An income tax adjustment is included in adjusted diluted EPS to exclude the impact of the valuation allowance against deferred taxes and other tax-related items in order to reflect a normalized ongoing effective tax rate. For the three-month period ended June 30, 2019, the normalized ongoing effective tax rate was updated to 25.0%. Adjusted EBITDA is a metric used by management to evaluate segment performance and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure for determining Spectrum Brands' debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. Adjusted EBITDA margin reflects adjusted EBITDA as a percentage of net sales.

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

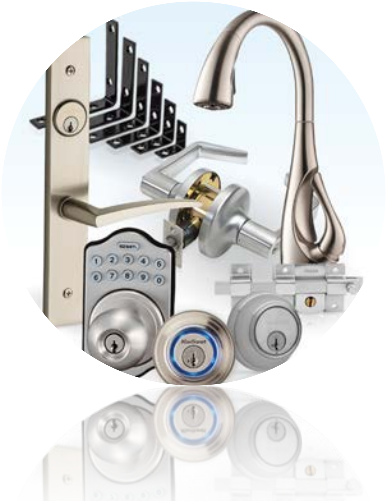
All GAAP reconciliations are available at www.spectrumbrands.com

Spectrum Brands

CEO Overview and Outlook

David Maura

Chairman and Chief Executive Officer



CEO Overview and Outlook

- As fiscal 2019 draws to a close, we are proud of our associates at Spectrum Brands as we are on pace to deliver the financial commitments we set about a year ago
- Spectrum employees have risen to the challenge and are delivering on our goal for a year of stabilizing our businesses and solidifying our platform in 2019 to position the Company to resume growth in 2020
- We also have materially improved our capital structure from a peak net leverage ratio of 5.8x in December 2018 to an estimated net leverage of 3.5x or better as we exit this fiscal year
- We expect to be in a strong financial position with approximately $500 million of cash and full availability under our $800 million revolver
- Additionally, during fiscal 2019 we repurchased over $250 million of our shares leaving us with $750 million remaining under our authorization. We continue to believe the opportunistic acquisition of our shares represents a high return on our capital. So far during fiscal 2019, including our recently declared dividend, we have committed to return over $330 million of cash to our shareholders through share buybacks and dividends
- During Q3, we moved from analysis, to detailed planning and initial execution of our Global Productivity Improvement Plan. As we prepare for 2020, I am thrilled that the team is embracing our Plan, which is expected to materially and permanently increase the operating efficiency and effectiveness of Spectrum Brands, while enabling growth investments in Consumer Insights, R&D and Marketing. This is very much in line with our strategy to reinvigorate Spectrum Brands as a leading innovator, brand steward and low-cost provider delivering growth in earnings and free cash flow over the long term for our shareholders

CEO Overview and Outlook *(cont'd)*

- As we enter the fourth quarter, while the businesses face a number of headwinds such as inflation associated with input, tariffs, distribution and logistics costs, and some sluggishness in the U.S. housing market, we are affirming our full-year adjusted EBITDA guidance of $560-$580 million and we expect to further improve leverage from net debt of 5.2x last year-end to 3.5x or better by this year-end

- Our competitive positioning in the marketplace continues to improve with incremental investments this year weighted toward our strongest brands. Our teams continue to innovate and enhance customer relationships
  - **Home & Garden** grew outdoor control volumes behind the Spectracide brand by over 10 percent year to date. On a multi-year basis, we expect brand investments to reach incremental consumers and continue growing share
  - In **HHI**, we will build on our #1 brand position in residential security by pushing innovation in the electronics category, and our leadership position in the smart home connected market. Aura, a Bluetooth-enabled lock incorporates simple smart lock programming allowing for secure access in any one of three ways - through the Kwikset app, coded entry and with a traditional key
  - **HPC** results this quarter reflected growth in Europe from innovation in core personal care product lines, with our new leadership team focused on stabilizing the business, driving our core platforms and planting the seeds for future growth
  - In **Global Pet Care**, strong companion animal results reflected a combination of premium products category growth coupled with significant market share gains from DreamBone and SmartBones

CEO Overview and Outlook *(cont'd)*

- We continue to focus on building a faster, smarter, stronger Spectrum Brands of the future. After launching a detailed global productivity study, our teams have identified four primary areas for improvement. These include commercial and go-to-market models, procurement, supply chain operations and G & A workstreams which we expect to unlock performance improvements as we continue to leverage our scale advantages, while further strengthening our customer and consumer relationships with strong brands, innovation and consumer-facing marketing

- During the quarter, the Company invested approximately $20 million into its new Global Productivity Improvement Plan and executed on approximately $35 million of sourcing savings, the majority of which will be realized in fiscal 2020. We expect a substantial portion of these savings to be reinvested in research and development, marketing, and technology-enabling capabilities to drive growth and improve our cost position

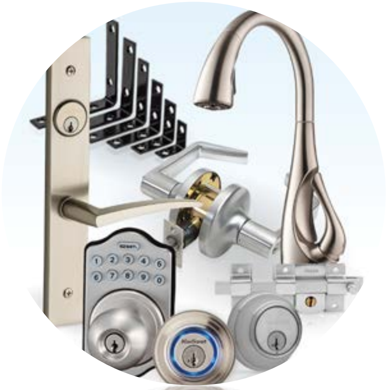
- Our Spectrum 20/20 guiding principles are Vision, or where we are going; Clarity, or what we prioritize; and Focus, or how we execute

Spectrum Brands

Financial and Business Unit Review

Doug Martin

Chief Financial Officer



Q3 Financial Review

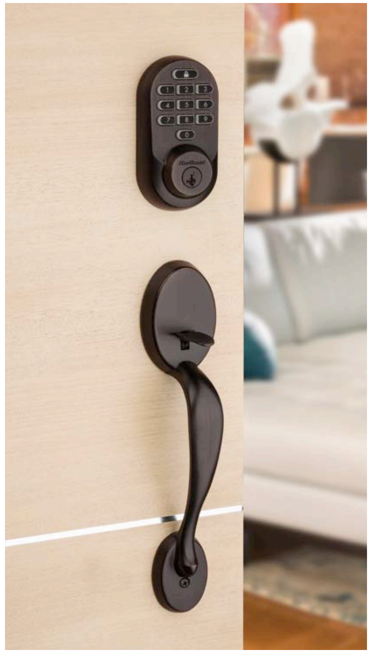
- Reported net sales declined 0.7% driven by unfavorable foreign exchange of 150 basis points
  - Organic sales increased 0.8%, with strong Global Pet Care sales being partially offset by lower revenues from Hardware & Home Improvement, Home & Personal Care and Home & Garden
- Reported gross profit was down 0.5%. Gross margin of 35.3% increased 10 basis points as positive pricing and productivity were partially offset by input cost inflation, tariffs and unfavorable product mix
- Reported SG&A expense of $233 million increased 4.3%, or 22.8% of net sales this year compared to 21.7% a year ago
- Reported operating margin of 9.1% declined 130 basis points due to higher distribution costs, the absence of depreciation and amortization charges in the prior year from Home & Personal Care, and higher restructuring charges
- On a reported basis, net loss and diluted loss per share were driven by the unrealized loss on Energizer common stock, the absence of a large prior-year income tax benefit and higher tax expense this year related to recently issued regulations under the 2017 Tax Cuts and Jobs Act, partially offset by lower interest expense
- Adjusted diluted EPS of $1.35 increased 7.1% due to lower interest expense and shares outstanding compared to the prior year

Q3 Financial Review *(cont'd)*

- Reported interest expense from continuing operations of $33.9 million decreased $29.4 million driven by lower debt levels
- Cash taxes of $7.6 million were comparable to last year
- Depreciation, amortization and share-based compensation from continuing operations of $49.8 million increased from $33.6 million last year primarily due to higher share-based compensation and the impact of HPC depreciation and amortization this year as a result of moving the unit back into continuing operations
- Cash payments for transaction and restructuring & related charges for Q3, including discontinued operations, were $14.6 and $11.8 million, respectively, versus $27.5 and $23.1 million, respectively, last year

Hardware & Home Improvement (HHI)

- 4.8% reported net sales decline reflected lower U.S. residential security and builders' hardware net sales which were negatively impacted by $20 million of higher Kansas backlog shipments in the prior year, while plumbing grew modestly
- Organic sales declined 4.3%, excluding unfavorable Fx of $1.8 million and, excluding the Kansas impact last year, organic sales growth would have been approximately 1.1%
- Adjusted EBITDA declined 8.4% to $67.7 million with 70 basis points of margin contraction to 19.1% from higher input costs, partially offset by positive pricing
- Looking ahead, HHI sees continued growth in its electronic deadbolt and smart lock product lines
- In Q4, we plan to introduce new products, benefit from price increases and continue to invest behind cloud technology, mobile apps and access control



Home & Personal Care (HPC)

- Reported net sales fell 4.3%, negatively impacted by unfavorable Fx of $10.3 million. Organic sales were essentially flat
  - Net sales for small appliances decreased primarily from prior-year lost distribution in the U.S. mass channel in coffeemakers and toaster ovens while personal care sales fell predominantly in the U.S. as a result of prior-year hair care distribution losses in the mass channel
  - Net sales in Europe increased primarily from e-commerce and U.K. food/drug channels, as well as growth in Latin America
- The decrease in adjusted EBITDA and margin were attributable to higher transaction foreign exchange and input costs, partially offset by productivity
- As we have said before, we are resetting HPC in fiscal 2019, rebalancing its cost structure and investing more behind its brands to prepare for growth in 2020. The newly installed leadership team will continue to focus on innovation across core product categories, coupled with financial recovery initiatives in organizational streamlining, business simplification and rationalization

Spectrum Brands

Global Pet Care (Pet)

- Reported net sales increased 13.9%. Excluding unfavorable Fx of $3.5 million, organic sales grew a strong 15.7%
    - Significantly higher net sales were attributable to continued strong growth in U.S. companion animal, predominantly dog chews and treats, along with modest growth in U.S. aquatics
    - Net sales in Europe also grew, driven by favorable year-ago comparisons from distribution center fulfillment constraints
- Adjusted EBITDA increased 11.7% to $39.0 million with a 30 basis point margin decline to 17.6% as a result of increased volumes in companion animal and positive pricing, partially offset by higher manufacturing and distribution costs
- In Q4, we expect another solid performance in our large U.S. region with new product launches, supported by higher investments in data-driven digital marketing aimed primarily at the rapidly-growing e-commerce channel
- Pet continues to work to lower its global manufacturing and supply chain cost base and trim selective, unproductive SKUs to drive a higher long-term margin structure

Home & Garden

- The 2.6% net sales decrease was driven by unfavorable weather conditions during most of the quarter
  - Reduced sales in household insect and outdoor controls were partially offset by growth in repellents due to strong early season home center orders
- Adjusted EBITDA decreased 6.5% to $53.3 million and EBITDA margin decreased 110 basis points to 26.3% driven by input cost increases and higher marketing and advertising investments, partially offset by productivity and pricing actions
- Despite weather challenges in Q3, we continue to expect Home & Garden to grow both sales and adjusted EBITDA in 2019 behind distribution wins

Financial Review

- Spectrum Brands completed Q3 in a solid liquidity position
- $724 million available on our $800 million Cash Flow Revolver and a cash balance of $161 million. Debt outstanding was $2.3 billion, down 51% from $4.7 billion at the end of fiscal 2018
- Capital expenditures were $13.2 million in the quarter versus $18.5 million last year

FY19 Guidance

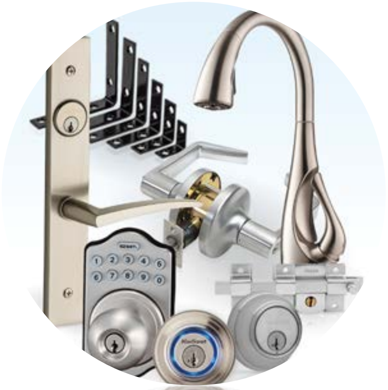
- Spectrum Brands now expects reported net sales to be comparable with the prior year, with foreign exchange to have a negative impact of approximately 150 basis points based upon current rates
- We are affirming our full-year adjusted EBITDA guidance of $560-$580 million
- Depreciation and amortization is expected to be between $230-$240 million, including stock-based compensation of approximately $55 million versus $12 million last year, with roughly $14 million expected in Q4. For adjusted EPS, the $29 million of catch-up depreciation and amortization in Q1 has been excluded
- We are now increasing restructuring and restructuring-related cash spending to between $60-$70 million
- Capital expenditures are now expected to be between $60-$65 million
- We have approximately $1 billion of usable federal NOLs remaining post the asset sales. This number has been updated to reflect the impact of recently issued regulations under the 2017 tax act previously mentioned
- For adjusted EPS we use a tax rate of 25.0%, including state taxes

Spectrum Brands

BALDWIN
BIRDOLA Wildlife feeding specialists
BLACK+DECKER
BLACK FLAG
Breadman
Cutter
DINGO
DreamBone
Balanced-By-Nature ECOTRITION
8in1
EUKANUBA
EZSET
FORTIS PURO DESIGN ITALIANO
FURminator
GEORGE FOREMAN
Garden Safe
GloFish
Good'n' Fun
Healthy Hide
HOT SHOT
IAMS
Instant Ocean
Juiceman
Jungle
Kwikset
litter Maid
LIQUID FENCE
MARINELAND
National Hardware
NATURE'S MIRACLE
Perfect COAT
Pfister
PROSENSE
REMINGTON
REPEL
Russell Hobbs
SmartBones
Spectracide
Tell Manufacturing, Inc.
Tetra
WEISER
Wild Harvest

Spectrum Brands

Appendix



SPECTRUM BRANDS HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Three Month Periods Ended		Nine Month Periods Ended	
(in millions, except per share amounts)	**June 30, 2019**	**June 30, 2018**	**June 30, 2019**	**June 30, 2018**
Net sales	$ 1,022.2	$ 1,029.4	$ 2,809.2	$ 2,834.3
Cost of goods sold	660.7	665.2	1,835.3	1,843.4
Restructuring and related charges	0.5	1.5	1.5	3.5
Gross profit	361.0	362.7	972.4	987.4
Selling	152.1	147.1	459.1	453.3
General and administrative	80.6	76.1	263.6	238.4
Research and development	10.5	10.8	32.7	33.8
Acquisition and integration related charges	4.8	5.5	16.4	20.4
Restructuring and related charges	20.2	16.4	40.7	51.9
Total operating expenses	268.2	255.9	812.5	797.8
Operating income	92.8	106.8	159.9	189.6
Interest expense	33.9	63.3	185.1	206.4
Other non-operating expense (income), net	39.4	(1.2)	64.2	(2.0)
Loss from continuing operations before income taxes	19.5	44.7	(89.4)	(14.8)
Income tax benefit	44.2	(354.2)	18.2	(476.4)
Net (loss) income from continuing operations	(24.7)	398.9	(107.6)	461.6
Income from discontinued operations, net of tax	(1.2)	33.8	699.1	526.5
Net income (loss)	(25.9)	432.7	591.5	988.1
Net income attributable to non-controlling interest	—	27.1	1.2	104.1
Net income (loss) attributable to controlling interest	$ (25.9)	$ 405.6	$ 590.3	$ 884.0
Amounts attributable to controlling interest				
Net (loss) income from continuing operations attributable to controlling interest	$ (24.7)	$ 382.9	$ (108.8)	$ 390.3
Net income from discontinued operations attributable to controlling interest	(1.2)	22.7	699.1	493.7
Net income (loss) attributable to controlling interest	$ (25.9)	$ 405.6	$ 590.3	$ 884.0
Earnings Per Share				
Basic earnings per share from continuing operations	$ (0.51)	$ 11.69	$ (2.12)	$ 12.00
Basic earnings per share from discontinued operations	(0.02)	0.70	13.62	15.17
Basic earnings per share	$ (0.53)	$ 12.39	$ 11.50	$ 27.17
Diluted earnings per share from continuing operations	$ (0.51)	$ 11.68	$ (2.12)	$ 11.94
Diluted earnings per share from discontinued operations	(0.02)	0.69	13.62	15.10
Diluted earnings per share	$ (0.53)	$ 12.37	$ 11.50	$ 27.04
Weighted Average Shares Outstanding				
Basic	48.8	32.7	51.3	32.5
Diluted	48.8	32.8	51.3	32.7

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

	Nine Month Periods Ended	
(in millions)	**June 30, 2019**	**June 30, 2018**
Cash flows from operating activities		
Net cash used by operating activities from continuing operations	$ (186.1)	$ (175.2)
Net cash (used) provided by operating activities from discontinued operations	(250.4)	118.8
Net cash used by operating activities	(436.5)	(56.4)
Cash flows from investing activities		
Purchases of property, plant and equipment	(40.3)	(56.6)
Proceeds from sales of property, plant and equipment	0.1	2.8
Proceeds from sale of discontinued operations, net of cash	2,854.4	1,546.8
Other investing activities, net	(0.2)	(0.5)
Net cash provided by investing activities from continuing operations	2,814.0	1,492.5
Net cash used by investing activities from discontinued operations	(5.4)	(194.3)
Net cash provided by investing activities	2,808.6	1,298.2
Cash flows from financing activities		
Proceeds from issuance of debt	54.0	556.8
Payment of debt , including premium on extinguishment	(2,475.1)	(1,010.6)
Payment of debt issuance costs	(0.1)	(0.4)
Treasury stock purchases	(268.5)	—
Purchases of subsidiary stock, net	—	(288.0)
Dividends paid to shareholders	(65.1)	—
Dividends paid by subsidiary to non-controlling interest	—	(28.4)
Share based award tax withholding payments, net of proceeds upon vesting	(3.3)	(24.3)
Other financing activities, net	(8.9)	20.7
Net cash used by financing activities from continuing operations	(2,767.0)	(774.2)
Net cash (used) provided by financing activities from discontinued operations	(2.2)	117.7
Net cash used by financing activities	(2,769.2)	(656.5)
Effect of exchange rate changes on cash and cash equivalents	(2.9)	(3.1)
Net change in cash, cash equivalents and restricted cash	(400.0)	582.2
Net change in cash, cash equivalents and restricted cash in discontinued operations	—	37.7
Net change in cash, cash equivalents and restricted cash in continuing operations	(400.0)	544.5
Cash, cash equivalents and restricted cash, beginning of period	561.4	254.8
Cash, cash equivalents and restricted cash, end of period	$ 161.4	$ 799.3

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

(in millions)	June 30, 2019	Sept. 30, 2018
Assets		
Cash and cash equivalents	$ 161.4	$ 552.5
Trade receivables, net	568.5	317.1
Other receivables	62.9	51.7
Inventories	718.6	583.6
Prepaid expenses and other current assets	60.4	63.2
Current assets of business held for sale	—	2,402.6
Total current assets	1,571.8	3,970.7
Property, plant and equipment, net	464.9	500.0
Deferred charges and other	28.5	231.8
Investments	204.7	—
Goodwill	1,451.0	1,454.7
Intangible assets, net	1,567.5	1,641.8
Total assets	$ 5,288.4	$ 7,799.0
Liabilities and Shareholders' Equity		
Current portion of long-term debt	$ 13.8	$ 26.9
Accounts payable	452.7	584.7
Accrued wages and salaries	65.4	55.1
Accrued interest	34.7	65.0
Other current liabilities	452.1	159.4
Current liabilities of business held for sale	—	537.6
Total current liabilities	1,018.7	1,428.7
Long-term debt, net of current portion	2,275.2	4,624.3
Deferred income taxes	35.0	35.0
Other long-term liabilities	75.5	121.4
Total liabilities	3,404.4	6,209.4
Shareholders' equity	1,874.6	1,581.3
Noncontrolling interest	9.4	8.3
Total equity	1,884.0	1,589.6
Total liabilities and equity	$ 5,288.4	$ 7,799.0

SPECTRUM BRANDS HOLDINGS, INC.

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

	Three Month Periods Ended		Nine Month Periods Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Diluted EPS from continuing operations, as reported	$ (0.51)	$ 11.68	$ (2.12)	$ 11.94
Adjustments:				
Spectrum Merger share exchange proforma adjustment	—	(4.27)	—	(3.58)
Transaction related charges	0.10	0.10	0.32	0.37
Restructuring and related charges	0.42	0.33	0.82	1.01
Debt refinancing costs	—	—	0.99	—
Unrealized loss on Energizer investment	0.68	—	0.75	—
Foreign currency loss on multicurrency divestiture loans	0.16	—	0.58	—
Purchase accounting inventory adjustment	—	—	—	0.01
Pet safety recall	—	0.10	0.01	0.29
Spectrum Merger related transaction costs	—	0.06	—	0.40
Non-recurring HRG net operating costs	—	0.03	—	0.24
Interest cost on HRG debt	—	0.37	—	1.50
Depreciation & amortization on HPC long-lived assets	—	(0.20)	0.56	(0.40)
Other	0.04	0.06	0.09	0.08
Income tax adjustment	0.46	(7.00)	(0.24)	(9.44)
Total adjustments	1.86	(10.42)	3.88	(9.52)
Diluted EPS from continuing operations, as adjusted	$ 1.35	$ 1.26	$ 1.76	$ 2.42

(in millions, except per share amounts)	Three Month Period Ended June 30, 2018	Nine Month Period Ended June 30, 2018
Spectrum weighted average shares	55.4	56.7
Spectrum weighted average shares owned by HRG	34.3	34.3
Spectrum weighted average shares owned by third parties (A)	21.1	22.4
HRG weighted average shares	203.3	202.7
HRG share conversion at 1 to 0.1613 (B)	32.8	32.7
Total weighted average shares (A + B)	53.8	55.1

SPECTRUM BRANDS HOLDINGS, INC.

TRANSACTION RELATED CHARGES

	Three Month Periods Ended		Nine Month Periods Ended	
(in millions)	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
HHI Integration	$ —	$ 0.9	$ 0.9	$ 5.5
PetMatrix Integration	—	0.8	—	4.5
HPC divestiture related charges	0.6	2.4	6.1	7.8
GBL post divestiture separation costs	3.3	—	5.8	—
GAC post divestiture separation costs	—	—	0.4	—
Other integration related charges	0.9	1.4	3.2	2.6
Total	$ 4.8	$ 5.5	$ 16.4	$ 20.4

SPECTRUM BRANDS HOLDINGS, INC.

RESTRUCTURING AND RELATED CHARGES

	Three Month Periods Ended		Nine Month Periods Ended	
(in millions)	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Global productivity improvement plan	$ 19.6	$ —	$ 38.1	$ —
HHI distribution center consolidation	—	11.6	2.3	40.4
PET rightsizing initiative	—	3.1	—	7.1
Other restructuring activities	1.1	3.2	1.8	7.9
Total restructuring and related charges	$ 20.7	$ 17.9	$ 42.2	$ 55.4

SPECTRUM BRANDS HOLDINGS, INC.
NET SALES SUMMARY

(in millions, except %)	Three Month Periods Ended June 30, 2019	Three Month Periods Ended June 30, 2018	Variance		Nine Month Periods Ended June 30, 2019	Nine Month Periods Ended June 30, 2018	Variance	
HHI	$ 354.6	$ 372.4	(17.8)	(4.8%)	$ 990.7	$ 1,016.8	(26.1)	(2.6%)
HPC	243.4	254.4	(11.0)	(4.3%)	782.3	827.5	(45.2)	(5.5%)
PET	221.7	194.7	27.0	13.9%	641.3	608.3	33.0	5.4%
H&G	202.5	207.9	(5.4)	(2.6%)	394.9	381.7	13.2	3.5%
Net Sales	$ 1,022.2	$ 1,029.4	(7.2)	(0.7%)	$ 2,809.2	$ 2,834.3	(25.1)	(0.9%)

SPECTRUM BRANDS HOLDINGS, INC.
RECONCILIATION OF GAAP NET SALES TO ORGANIC NET SALES

Three Month Periods Ended (in millions, except %)	June 30, 2019 Net Sales	June 30, 2019 Effect of Changes in Currency	June 30, 2019 Organic Net Sales	Net Sales June 30, 2018	Variance	
HHI	$ 354.6	$ 1.8	$ 356.4	$ 372.4	$ (16.0)	(4.3%)
HPC	243.4	10.3	253.7	254.4	(0.7)	(0.3%)
PET	221.7	3.5	225.2	194.7	30.5	15.7%
H&G	202.5	—	202.5	207.9	(5.4)	(2.6%)
Net Sales	$ 1,022.2	$ 15.6	$ 1,037.8	$ 1,029.4	8.4	0.8%

Nine Month Periods Ended (in millions, except %)	June 30, 2019 Net Sales	June 30, 2019 Effect of Changes in Currency	June 30, 2019 Organic Net Sales	Net Sales June 30, 2018	Variance	
HHI	$ 990.7	$ 5.7	$ 996.4	$ 1,016.8	$ (20.4)	(2.0%)
HPC	782.3	32.3	814.6	827.5	(12.9)	(1.6%)
PET	641.3	10.6	651.9	608.3	43.6	7.2%
H&G	394.9	—	394.9	381.7	13.2	3.5%
Total	$ 2,809.2	$ 48.6	$ 2,857.8	$ 2,834.3	23.5	0.8%

SPECTRUM BRANDS HOLDINGS, INC.

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

Three Month Period Ended June 30, 2019 (in millions, except %)	**HHI**	**HPC**	**PET**	**H&G**	**Corporate**	**Consolidated**
Net income (loss) from continuing operations	$ 58.2	$ 5.7	$ 25.9	$ 48.0	$ (162.5)	$ (24.7)
Income tax benefit	—	—	—	—	44.2	44.2
Interest expense	—	—	—	—	33.9	33.9
Depreciation and amortization	8.4	8.5	10.8	4.8	3.4	35.9
EBITDA	66.6	14.2	36.7	52.8	(81.0)	89.3
Share and incentive based compensation	—	—	—	—	15.6	15.6
Transaction related charges	—	0.7	0.7	—	3.4	4.8
Restructuring and related charges	1.1	3.2	1.4	0.4	14.6	20.7
Unrealized loss on Energizer investment	—	—	—	—	33.2	33.2
Foreign currency loss on multicurrency divestiture loans	—	—	—	—	7.7	7.7
Other	—	0.1	0.2	0.1	1.2	1.6
Adjusted EBITDA	$ 67.7	$ 18.2	$ 39.0	$ 53.3	$ (5.3)	$ 172.9
Net Sales	$ 354.6	$ 243.4	$ 221.7	$ 202.5	$ —	$ 1,022.2
Adjusted EBITDA Margin	19.1%	7.5%	17.6%	26.3%	—	16.9%

Three Month Period Ended June 30, 2018 (in millions, except %)	**HHI**	**HPC**	**PET**	**H&G**	**Corporate**	**Consolidated**
Net income (loss) from continuing operations	$ 52.1	$ 18.8	$ 14.4	$ 52.1	$ 261.5	$ 398.9
Income tax benefit	—	—	—	—	(354.2)	(354.2)
Interest expense	—	—	—	—	63.3	63.3
Depreciation and amortization	8.9	—	10.6	4.7	3.7	27.9
EBITDA	61.0	18.8	25.0	56.8	(25.7)	135.9
Share based compensation	—	—	—	—	5.7	5.7
Transaction related charges	0.9	2.4	1.1	—	1.1	5.5
Restructuring and related charges	12.0	0.2	3.7	0.1	1.9	17.9
Pet safety recall	—	—	5.1	—	—	5.1
Spectrum merger related transaction charges	—	—	—	—	3.1	3.1
Non-recurring HRG operating costs and interest income	—	—	—	—	1.1	1.1
Other	—	—	—	0.1	3.3	3.4
Adjusted EBITDA	$ 73.9	$ 21.4	$ 34.9	$ 57.0	$ (9.5)	$ 177.7
Net Sales	$ 372.4	$ 254.4	$ 194.7	$ 207.9	$ —	$ 1,029.4
Adjusted EBITDA Margin	19.8%	8.4%	17.9%	27.4%	—	17.3%

SPECTRUM BRANDS HOLDINGS, INC.

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

Nine Month Period Ended June 30, 2019 (in millions, except %)	**HHI**	**HPC**	**PET**	**H&G**	**Corporate**	**Consolidated**
Net income (loss) from continuing operations	$ 145.4	$ (9.0)	$ 57.3	$ 70.8	$ (372.1)	$ (107.6)
Income tax benefit	—	—	—	—	18.2	18.2
Interest expense	—	—	—	—	185.1	185.1
Depreciation and amortization	25.3	55.7	32.0	14.4	11.0	138.4
EBITDA	170.7	46.7	89.3	85.2	(157.8)	234.1
Share and incentive based compensation	—	—	—	—	38.7	38.7
Transaction related charges	0.9	6.3	1.6	—	7.6	16.4
Restructuring and related charges	4.3	4.7	6.4	1.4	25.4	42.2
Pet safety recall	—	—	0.7	—	—	0.7
Unrealized loss on Energizer investment	—	—	—	—	38.2	38.2
Foreign currency loss on multicurrency divestiture loans	—	—	—	—	29.5	29.5
Other	—	—	2.9	(0.7)	1.7	3.9
Adjusted EBITDA	$ 175.9	$ 57.7	$ 100.9	$ 85.9	$ (16.7)	$ 403.7
Net Sales	$ 990.7	$ 782.3	$ 641.3	$ 394.9	$ —	$ 2,809.2
Adjusted EBITDA Margin	17.8%	7.4%	15.7%	21.8%	—	14.4%

Nine Month Period Ended June 30, 2018 (in millions, except %)	**HHI**	**HPC**	**PET**	**H&G**	**Corporate**	**Consolidated**
Net income from continuing operations	$ 101.8	$ 65.9	$ 42.5	$ 73.5	$ 177.9	$ 461.6
Income tax benefit	—	—	—	—	(476.4)	(476.4)
Interest expense	—	—	—	—	206.4	206.4
Depreciation and amortization	31.4	8.8	31.7	14.0	10.7	96.6
EBITDA	133.2	74.7	74.2	87.5	(81.4)	288.2
Share based compensation	—	—	—	—	7.0	7.0
Transaction related charges	5.5	8.1	5.2	—	1.6	20.4
Restructuring and related charges	40.8	0.5	8.1	0.3	5.7	55.4
Inventory acquisition step-up	—	—	0.8	—	—	0.8
Pet safety recall	—	—	16.3	—	—	16.3
Spectrum merger related transaction charges	—	—	—	—	22.0	22.0
Non-recurring HRG operating costs and interest income	—	—	—	—	13.0	13.0
Other	—	—	—	(0.1)	3.3	3.2
Adjusted EBITDA	$ 179.5	$ 83.3	$ 104.6	$ 87.7	$ (28.8)	$ 426.3
Net Sales	$ 1,016.8	$ 827.5	$ 608.3	$ 381.7	$ —	$ 2,834.3
Adjusted EBITDA Margin	17.7%	10.1%	17.2%	23.0%	—	15.0%

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF FORECASTED NET INCOME TO ADJUSTED EBITDA

(in millions)		F2019
Net income	$	(104) - (70)
Income tax expense		16 - 37
Interest expense		215 - 225
Depreciation and amortization		170 - 180
EBITDA		317 - 352
Share and incentive based compensation		57
Transaction related charges		18 - 22
Restructuring and related charges		80 - 90
Pet safety recall		1
Unrealized loss on Energizer investment		38
Foreign currency loss on multicurrency divestiture loans		30
Other		4 - 5
Adjusted EBITDA	$	560 - 580

Spectrum Brands

BALDWIN
BIRDOLA PRODUCTS Wildlife feeding specialists
BLACK+DECKER
BLACK FLAG
Breadman
Cutter
DINGO
DreamBone
Balanced-By-Nature ECOTRITION
8in1
EUKANUBA
EZSET
FORTIS PURO DESIGN ITALIANO
FURminator
GEORGE FOREMAN
Garden Safe
GloFish
Good'n' Fun
Healthy Hide
HOT SHOT
IAMS
Instant Ocean
Juiceman
Jungle
Kwikset
litter Maid
LIQUID FENCE
MARINELAND
National Hardware
NATURE'S MIRACLE
Perfect COAT
Pfister
PROSENSE
REMINGTON
REPEL
Russell Hobbs
SmartBones
Spectracide
Tell Manufacturing, Inc.
Tetra
WEISER
Wild Harvest