

# Spectrum Brands

Global Batteries  
& Appliances



Pet, Home  
& Garden



Hardware &  
Home Improvement



Global  
Auto Care



Presentation to

J.P.Morgan Global High Yield &  
Leveraged Finance Conference

March 1, 2016 – Miami, Florida

Doug Martin  
EVP and Chief Financial Officer

## Forward-Looking Statements

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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, the combined businesses of Spectrum Brands, Inc. and Russell Hobbs, Inc.; 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](http://www.sec.gov) or at Spectrum Brands' website at [www.spectrumbrands.com](http://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

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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. Excluding the impact of current exchange rate fluctuations may provide additional meaningful reflection of underlying business trends. In addition, within this presentation, including the tables that follow, reference is made to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), free cash flow and adjusted gross profit.

Adjusted EBITDA is a metric used by management 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 of a company's ability to service debt and is one of the measures used for determining the Company's debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period.

In addition, the Spectrum Brands' management uses adjusted gross profit as one means of analyzing the Spectrum Brands' current and future financial performance and identifying trends in its financial condition and results of operations. Management believes that adjusted gross profit is a useful measure for providing further insight into Spectrum Brands' operating performance because it eliminates the effects of certain items that are not comparable from one period to the next.

Also, management believes that free cash flow is useful to both management and investors in their analysis of Spectrum Brands' ability to service and repay its debt and meet its working capital requirements. Free cash flow should not be considered in isolation or as a substitute for pretax income (loss), net income (loss), cash provided by (used in) operating activities or other statement of operations or cash flow statement data prepared in accordance with GAAP or as a measure of profitability or liquidity. In addition, the calculation of free cash flow does not reflect cash used to service debt and therefore, does not reflect funds available for investment or discretionary uses.

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

All GAAP reconciliations are available at [www.spectrumbrands.com](http://www.spectrumbrands.com)

# THE BRANDS YOU TRUST UNDER ONE ROOF

[www.spectrumbrands.com](http://www.spectrumbrands.com)



**Spectrum**  
Brands

**RAYOVAC**

**GEORGE FOREMAN**

**BLACK+DECKER**

**REMINGTON**

**Kwikset**

**Cutter**

**HOT SHOT**

**Tetra**

**DINGO**  
Meat in the Middle!

**Pfister**

**STP**

**ARMOR ALL**

## Spectrum Brands Overview

A global consumer products company with annualized sales of over \$5 billion, offering an expanding portfolio focused on:

- non-discretionary consumer products used in households daily
- market-leading brands in categories with barriers to entry
- delivering superior value to customers and consumers

Global Batteries & Appliances	Pet, Home & Garden	Hardware & Home Improvement	Global Auto Care
 <div data-bbox="180 1122 575 1235" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>FY15 Net Sales \$2,092M Adj. EBITDA \$307M</p> </div>	 <div data-bbox="632 906 1026 1008" style="border: 1px solid black; padding: 5px; text-align: center;"> <p><u>Global Pet Supplies</u> FY15 Net Sales \$758M Adj. EBITDA \$125M</p> </div> <div data-bbox="632 1122 1026 1235" style="border: 1px solid black; padding: 5px; text-align: center;"> <p><u>Home &amp; Garden</u> FY15 Net Sales \$474M Adj. EBITDA \$125M</p> </div>	 <div data-bbox="1077 1122 1472 1235" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>FY15 Net Sales \$1,206M Adj. EBITDA \$226M</p> </div>	 <div data-bbox="1522 1122 1917 1235" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>FY15 Net Sales \$436M<sup>(a)</sup> (FY15 Act \$161M) Adj. EBITDA \$136M<sup>(a)</sup> (FY15 Act \$47M)</p> </div>



(a) Global Auto Care (GAC) was acquired by Spectrum Brands on May 21, 2015. Actual results are for the period of May 21, 2015 through September 30, 2015 and pro-forma trailing 12 months for fiscal 2015.

## Spectrum Brands Highlights

- FY15 net sales of \$4,690 million and adjusted EBITDA of \$801 million
- Top 3 global market positions in most product categories
- Global footprint with presence on 6 continents and products sold in approximately 160 countries
- Strong relationships with major retailers globally
- Experienced and proven management team
- FY15 acquisitions added \$400 million of sales<sup>(a)</sup>

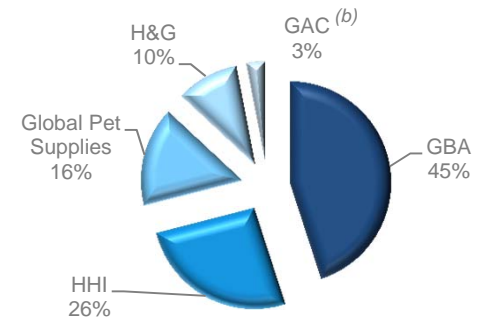
**The Spectrum Value Model drives adjusted EBITDA growth.**



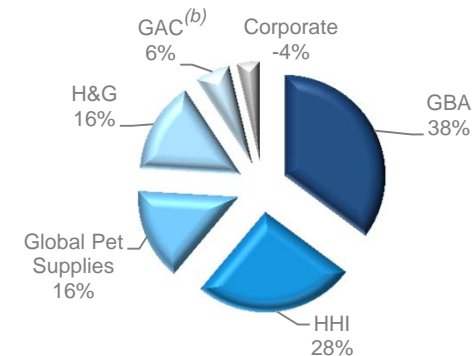
<sup>(a)</sup> Acquisitions are Tell Manufacturing, IAMS/Eukanuba European pet food, Salix Animal Health and Global Auto Care (GAC).

<sup>(b)</sup> Reflects results from acquisition date of May 21, 2015 through September 30, 2015.

**FY15 Net Sales - \$4,690 million**



**FY15 Adjusted EBITDA - \$801 million**



# Strong Financial Performance Despite a Challenged Consumer

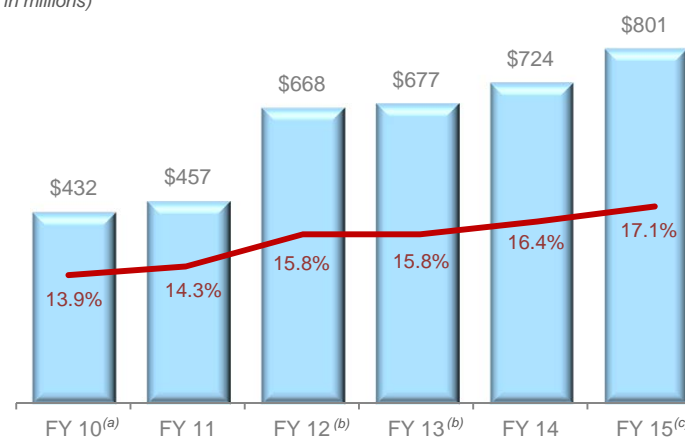
## Net Sales Performance

(\$ in millions)



## Adjusted EBITDA / Margin Performance

(\$ in millions)



Spectrum Brands has generated robust sales and adjusted EBITDA growth both organically and through acquisitions.



- (a) Reflects pro forma as if Russell Hobbs merger completed at beginning of respective period.
- (b) Reflects pro forma as if HHI acquired at beginning of respective period.  
The pre-acquisition earnings and capital expenditures of HHI do not include the TLM Taiwan business as stand alone financial data is not available for the periods presented.  
The TLM Taiwan business is not deemed material to the Company's operating results.
- (c) Reflects results for GAC from acquisition date of May 21, 2015 through September 30, 2015.

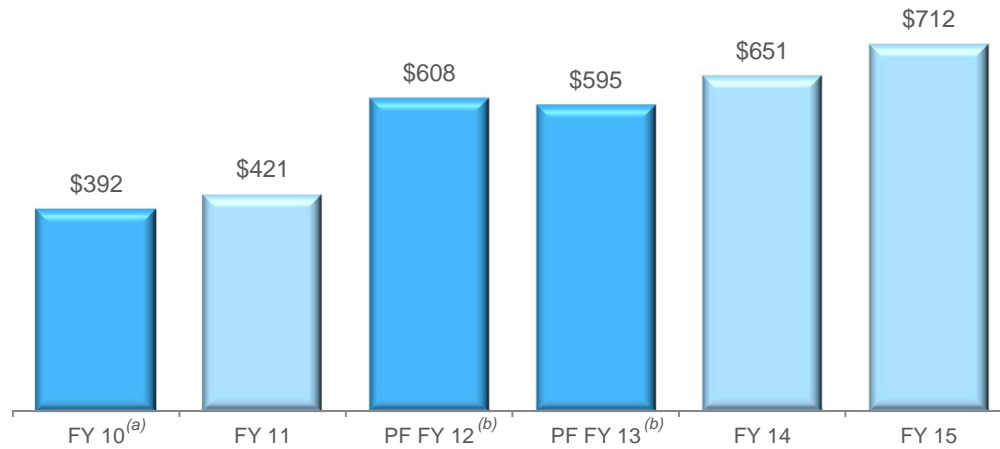
# Solid Cash Flow Generation

- FY16 free cash flow is expected to be between \$505-\$515 million, or approximately \$8.50 per share
- FY15 adjusted free cash flow was \$454 million, or nearly \$8 per share
- FY14 free cash flow was \$359 million, or \$6.75 per share
- FY13 adjusted free cash flow was \$254 million, or approximately \$5 per share

## Adjusted EBITDA less capital expenditures

(\$ in millions)

- Pro Forma
- Legacy/Organic



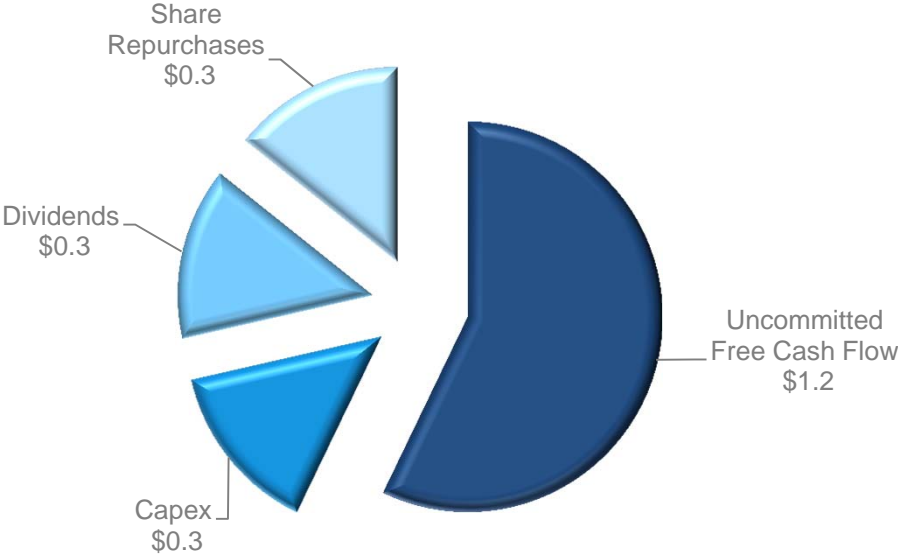
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# Strong Future Cash Flow and Value Creation Flexibility

**2016-2018 Operating Cash Flow = ~\$2.1 Billion**

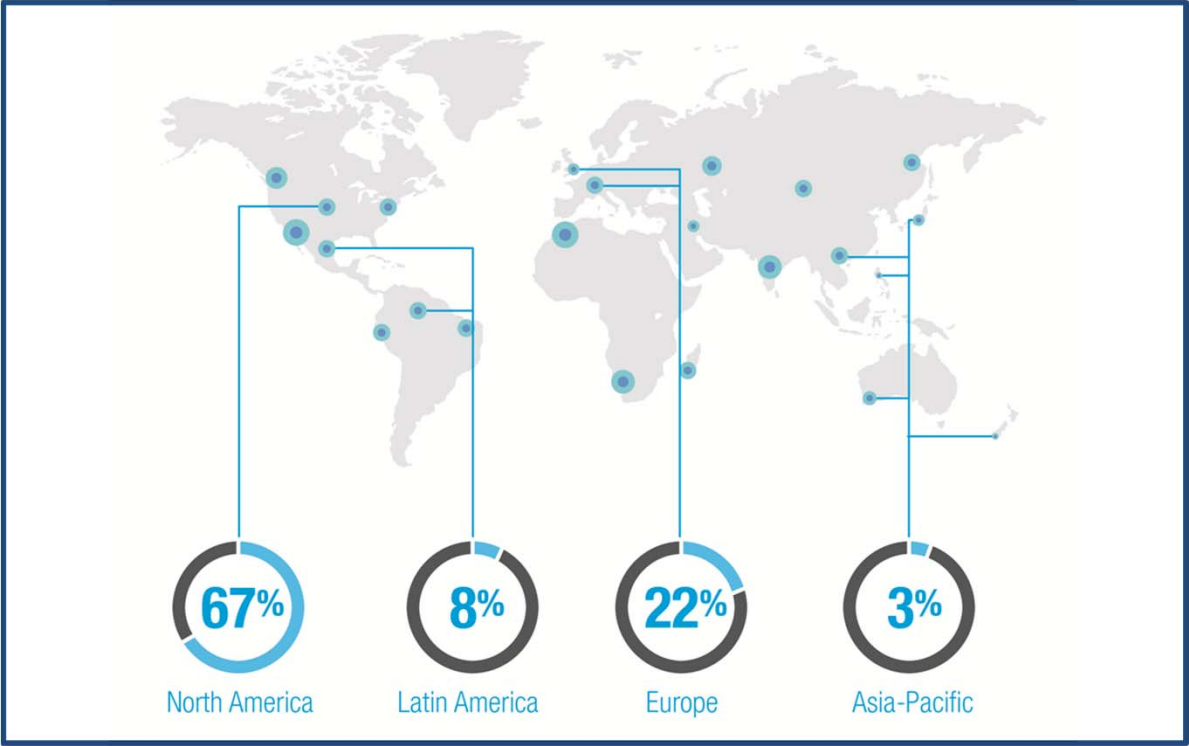
*(\$ in billions)*






































**Uncommitted Cash Optionality**

- Pay down debt
- Acquisitions
- Share repurchases
- Further increase dividends

# FY15 Net Sales by Geographic Region

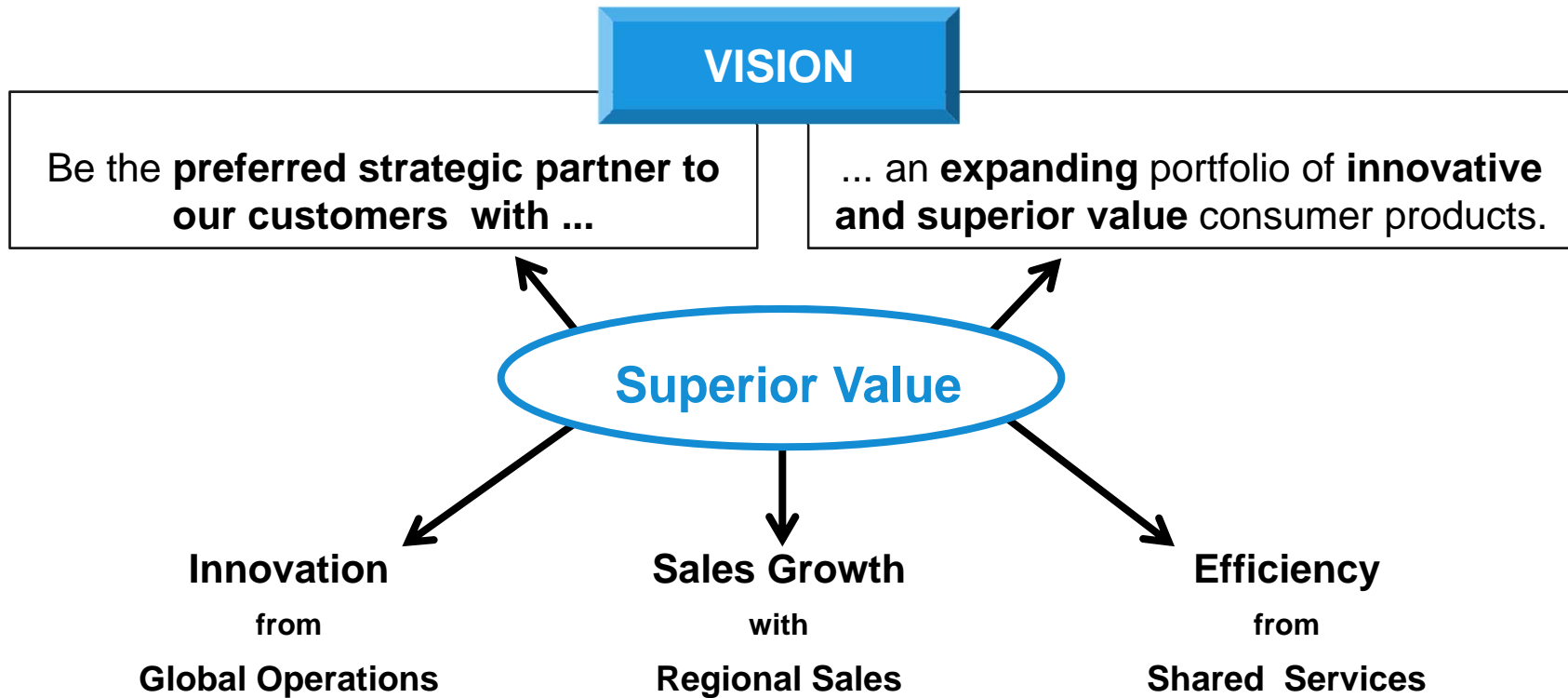


## Leading Market Share and Strong, Attractive Brands

Category	Estimated Market Position <i>(as of December 2015)</i>	Selected Key Brands
Auto Care Products	#1 (North America appearance) #1 (North America refrigerants) #2 (North America fuel & oil additives)	  
Consumer batteries	#3 (North America) #2 (Europe) #1 (Latin America)	 
Portable lighting	#2 (North America, Europe, Latin America)	
Electrical shaving and grooming	#3 (North America, Europe)	
Electrical personal care products	#3 (North America, Europe)	
Kitchen & home products	#1 (U.S. toaster ovens, toasters, grills) #1 (U.S. hand-held irons) #1 (U.K. kitchen/home products)	   
Pet supplies	#2 (Global pet care supplies) #1 (Global aquatics) #1 (U.S. rawhide)	        
Home & garden control products	#1 (U.S. pest control)	      
Residential/commercial locksets	#1 (U.S. residential locksets) #1 (Canada residential locksets) #1 (U.S. luxury locksets)	   
Builders hardware	#1 (U.S. builders hardware) #2 (Mexico hardware)	   
Plumbing & accessories	#3 in U.S. retail channel	

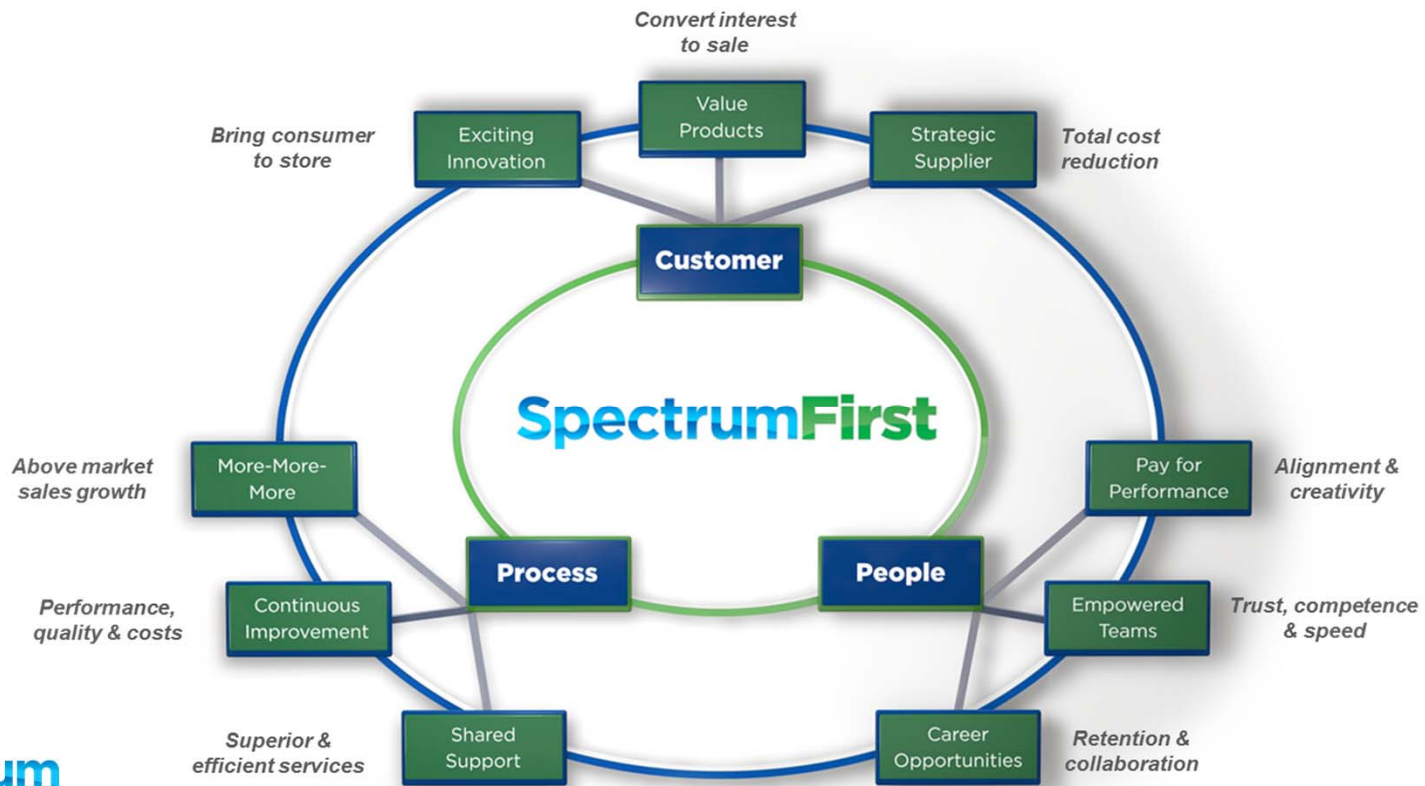
# Spectrum Brands Vision

## Platform For Lasting Customer & Consumer Relations



# Spectrum First 3x3 Growth Accelerators

## Strategic Initiative to Advance to the Top Tier



# Supporting Long-term Organic Growth Through Synergistic Bolt-on Acquisitions

## KEY ACQUISITION PRIORITIES

### Global Pet Supplies



»EUKANUBA

Digesteere™

### Home & Garden



### Hardware & Home Improvement

EZSET™



### Global Auto Care

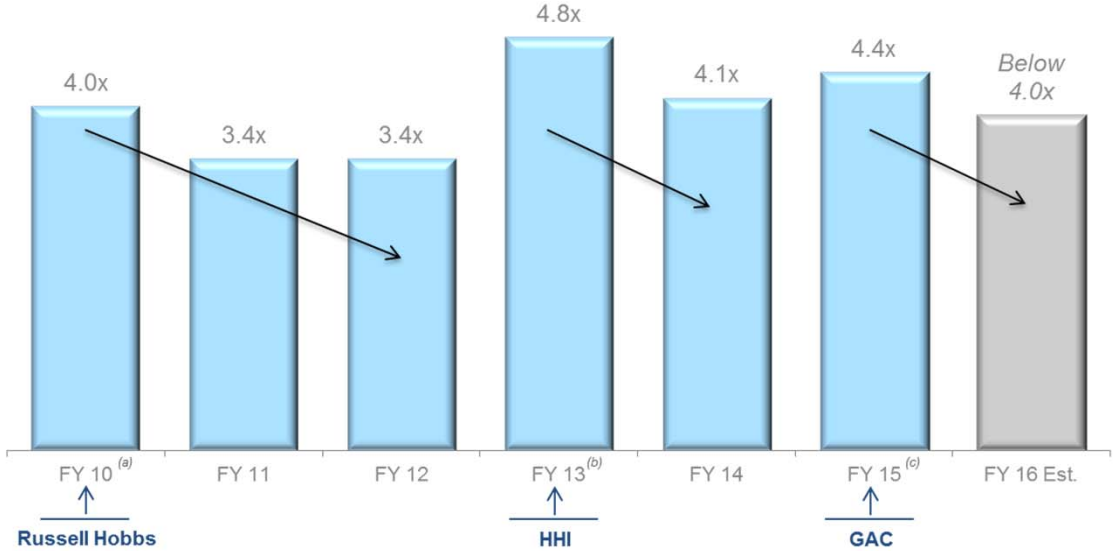


Spectrum Brands continually evaluates synergistic, bolt-on acquisitions to expand its product lines, extend market penetration and grow its geographic footprint.

# Successful Track Record of Acquisition Integration/Delevering

- Strong free cash flow used to manage capital structure and drive value
- Proven integrator – Russell Hobbs, HHI, FURminator, Black Flag/TAT, Tong Lung, Liquid Fence, Tell, Salix, IAMS/Eukanuba, Global Auto Care

**Fiscal Year-end Total Leverage**



(a) Reflects pro forma as if Russell Hobbs merger completed at beginning of respective period.  
 (b) Reflects pro forma as if HHI acquired at the beginning of respective period.  
 (c) Reflects pro forma as if GAC acquired at the beginning of respective period.

# Key New Products

## Global Batteries & Appliances



## Pet, Home & Garden



## Hardware & Home Improvement



## Global Auto Care





## Fiscal 2016 Outlook

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- Planning for 7th consecutive year of record performance
- Reported sales growth in the high-single digit range
- Continued cost improvement discipline
- FX headwinds
- Free cash flow is projected to be between \$505-\$515 million

Focus remains on growing adjusted EBITDA and maximizing sustainable free cash flow.

# Spectrum Brands

Global Batteries  
& Appliances



Pet, Home  
& Garden



Hardware &  
Home Improvement



Global  
Auto Care



NYSE: SPB

[www.spectrumbrands.com](http://www.spectrumbrands.com)

investorrelations@spectrumbrands.com

david.prichard@spectrumbrands.com

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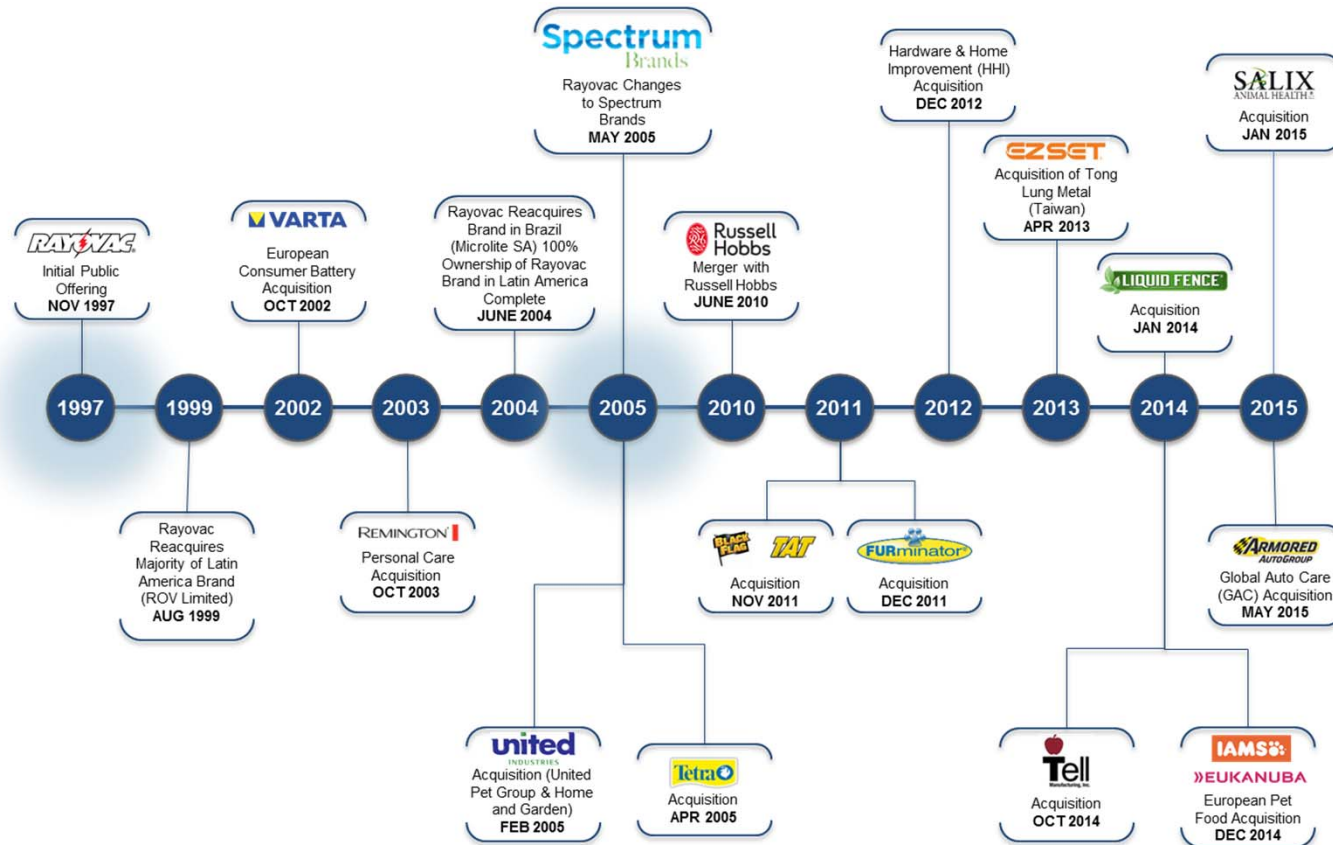


Global  
Auto Care

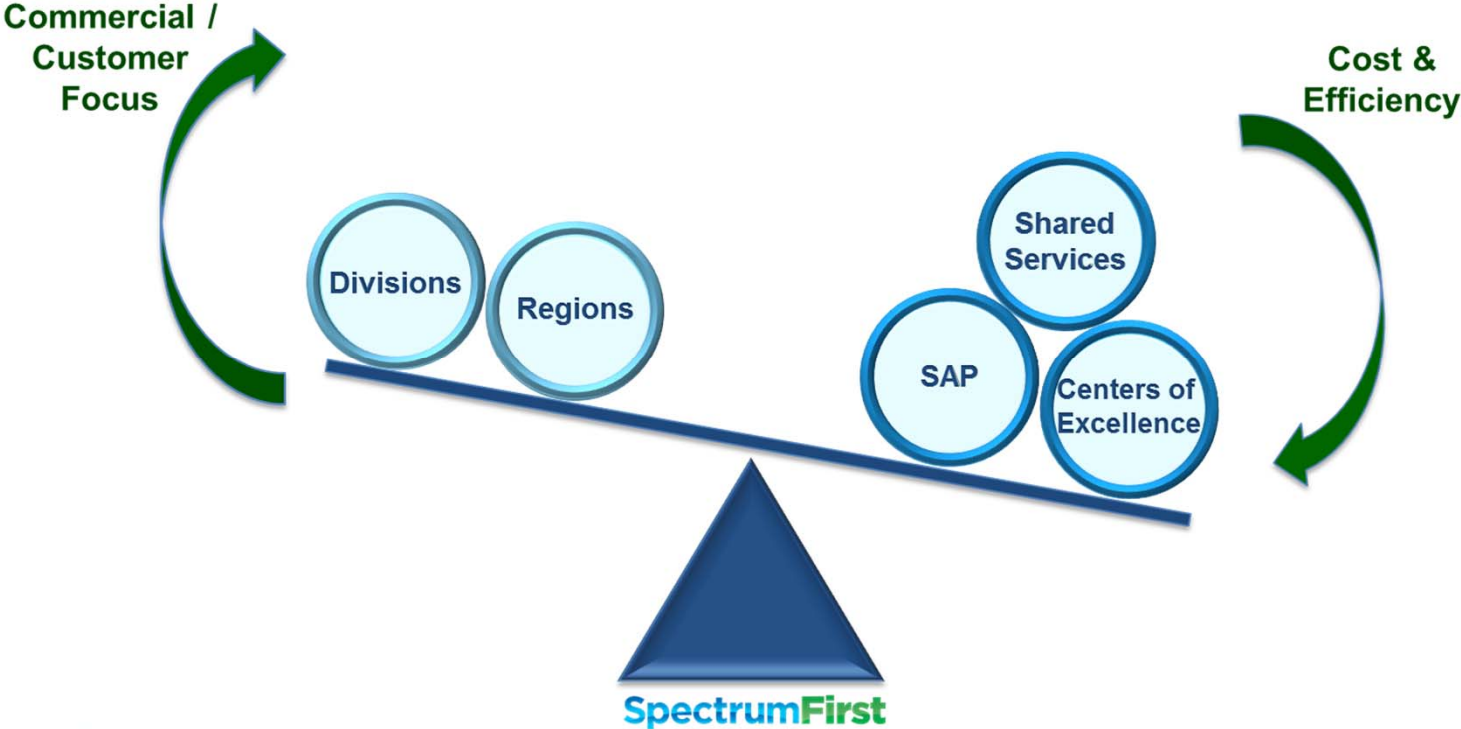


Appendix

# Long and Successful History of Acquisitions



# Global Shared Services, ERP and Centers of Excellence



# Spectrum Brands

Global Batteries  
& Appliances



Pet, Home  
& Garden



Hardware &  
Home Improvement



Global  
Auto Care



# Global Batteries & Appliances Overview

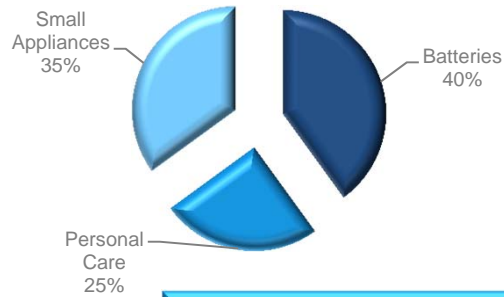
- Value brands appeal to consumers
- Capitalizing on platform with innovation and a stream of new product launches
- Strong adjusted EBITDA performance despite soft economy and volatile FX (FY15 constant currency EBITDA \$374)

## Adjusted EBITDA Performance

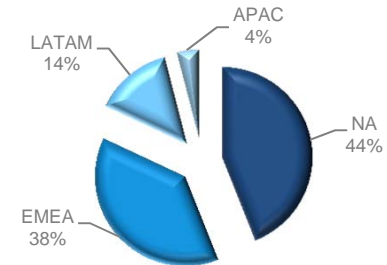


(a) Reflects pro forma as if Russell Hobbs merger completed at beginning of respective period.

## Net Sales by Segment (FY15)



## Global Net Sales by Geography (FY15)



FY15 Net Sales \$2,092M; Adj. EBITDA \$307M

# Spectrum Brands

Global Batteries & Appliances



Pet, Home & Garden



Hardware & Home Improvement



Global Auto Care





# Global Pet Supplies Overview

- Global market leader in aquatics category with a broad and innovative product line led by the Tetra brand
- Strong new product pipeline in FY16 in both aquatics and companion animal categories
- IAMS/Eukanuba European pet food and Salix dog treat acquisitions completed in FY15

## Adjusted EBITDA Performance

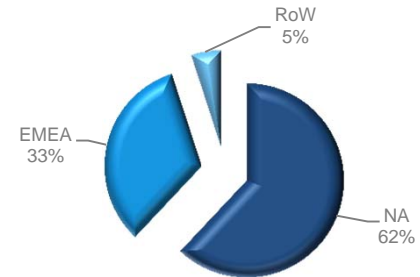


(b) Reflects pro forma as if Russell Hobbs merger completed at beginning of respective period.

## Net Sales by Segment (FY15)



## Global Net Sales by Geography (FY15)



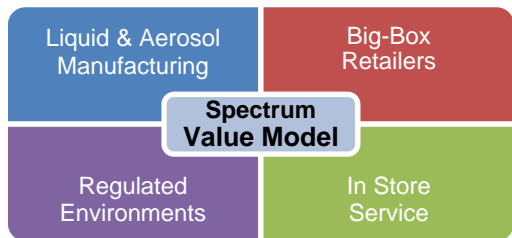
FY15 Net Sales \$758M<sup>(a)</sup>; Adj. EBITDA \$125M<sup>(a)</sup>

(a) FY15 reported results include revenues and adjusted EBITDA from IAMS/Eukanuba European pet food business acquired on December 31, 2014 and Salix Animal Health acquired on January 16, 2015.

# Home & Garden Overview

- Another record year in FY15
- High barriers to entry
- Strong new product pipeline
- Operational excellence

## Drivers of Success

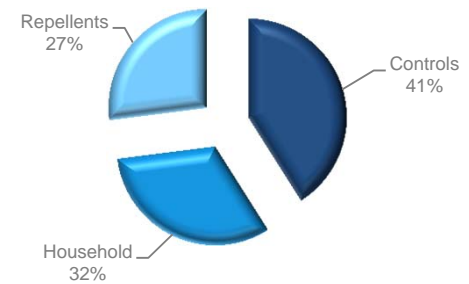


## Adjusted EBITDA Performance



(a) Reflects pro forma as if Russell Hobbs merger completed at beginning of respective period.

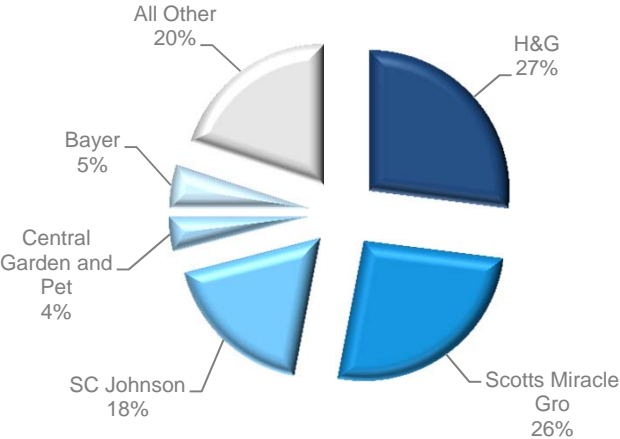
## Net Sales by Segment (FY15)



# Home & Garden Share Leadership in the Industry

## U.S. Retail Home & Garden Pest Control Market

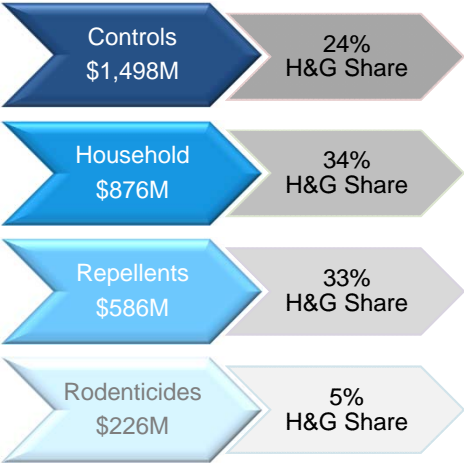
### Vendor Market Share Estimate



**H&G Change = +1 pt from 2014 to 2015**

Source: Home & Garden Management Estimates

### Home & Garden Share



**Market Change = +6 pts from 2014 to 2015**

Source: Home & Garden Management Estimates

**\$3.2 Billion Retail Category (2015 Estimate)**

# Spectrum Brands

Global Batteries & Appliances



Pet, Home & Garden



Hardware & Home Improvement



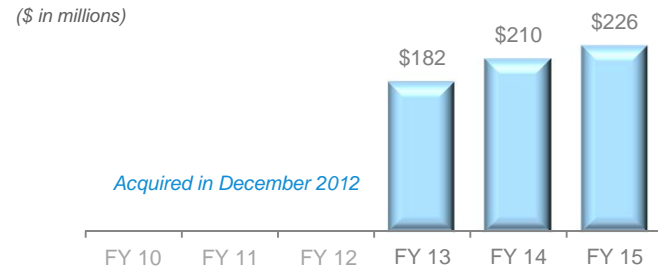
Global Auto Care



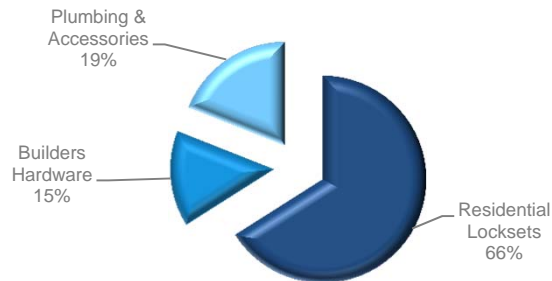
# Hardware & Home Improvement Overview

- Eleven consecutive quarters of YOY net sales and adjusted EBITDA increases since December 17, 2012 acquisition
- Leading provider of residential locksets, builders hardware and plumbing and accessories
- Diversified product portfolio with well-recognized brands characterized by outstanding new product innovation and execution
- Large installed base – about 936 million locks / 67 million households
- Long-standing and highly collaborative relationships with customers across all channels

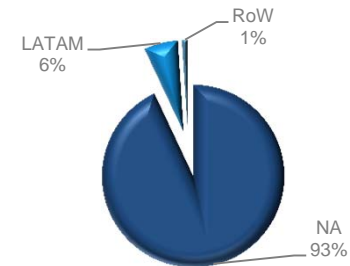
## Adjusted EBITDA Performance



## Net Sales by Segment (FY15)



## Global Net Sales by Geography (FY15)



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Global Batteries & Appliances



Pet, Home & Garden



Hardware & Home Improvement



Global Auto Care



# Global Auto Care

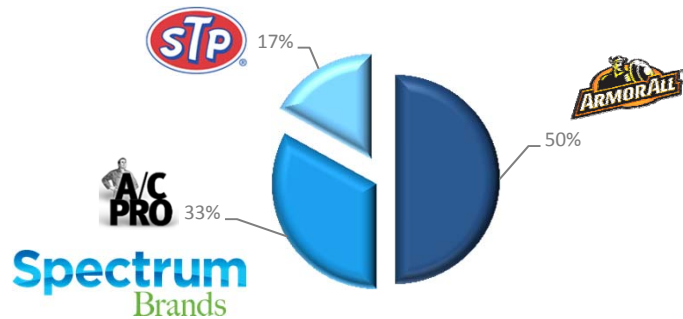
- Market-leading auto care brands, including Armor All, STP and A/C PRO
- Armor All and STP enjoy 32% and 19% unaided brand awareness while A/C PRO holds 73% market share in the North America DIY refrigerant category
- History of innovation and industry leadership
- Unmatched shelf space in auto retailers

## Adjusted EBITDA Performance

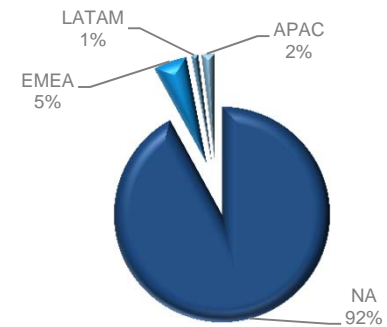


(a) Global Auto Care (GAC) was acquired by Spectrum Brands on May 21, 2015. Actual results are for the period of May 21, 2015 through September 30, 2015 and pro-forma trailing 12 months for fiscal 2015.

## Net Sales by Brand / Category (FY15)



## Global Net Sales by Geography (FY15)



# Financial Snapshot

## Pro forma net sales

(\$ in millions)



## Capital expenditures

(\$ in millions)



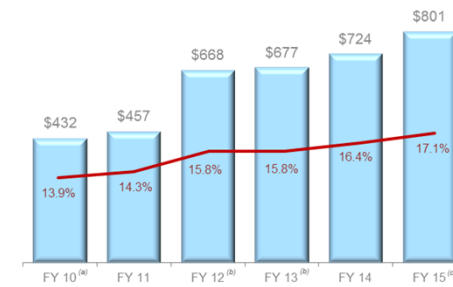
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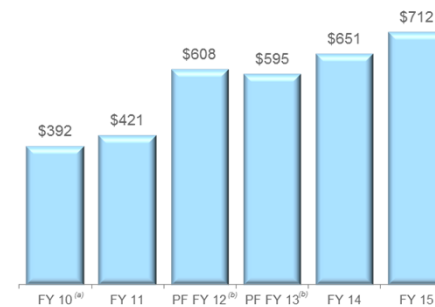
## Adjusted EBITDA

(\$ in millions)



## Adjusted EBITDA less capital expenditures

(\$ in millions)



Proven track record of top-line growth and improving profitability.



## Reconciliation of Adjusted EBITDA

	9/30 FY2010	9/30 FY2011	9/30 FY2012	PF9/30 FY2012	PF9/30 FY2013	9/30 FY2014	9/30 FY2015
<b>Net income (loss)</b>	(\$190)	(\$75)	\$49	\$49	(\$55)	\$215	\$149
Income tax expense	63	92	60	60	27	59	44
Interest expense	277	208	192	192	376	202	272
Depreciation and amortization	118	135	134	134	184	204	218
Unadjusted EBITDA	\$268	\$360	\$435	\$435	\$532	\$680	\$683
<b>Adjustments to EBITDA</b>							
Pre-acquisition earnings	66	-	-	183	30	-	-
Restructuring and related charges	24	29	20	20	34	23	29
Acquisition and integration related charges	39	37	31	31	48	20	59
Reorganization items	3	-	-	-	-	-	-
Loss from discontinued operations	3	-	-	-	-	-	-
Intangible asset impairment	-	32	-	-	-	-	-
Accelerated depreciation and amortization	(3)	(\$1)	-	-	-	-	-
Fresh-start inventory fair value adjustment	34	-	-	-	-	-	-
Purchase accounting inventory fair value adjustr	3	-	-	-	31	-	22
Venezuelan devaluation	-	-	-	-	2	-	2
Brazilian IPI credit/other	(5)	-	-	-	-	-	-
Other	-	-	-	-	-	1	6
<b>EBITDA - Adjusted</b>	<b>\$432</b>	<b>\$457</b>	<b>\$486</b>	<b>\$669</b>	<b>\$677</b>	<b>\$724</b>	<b>\$801</b>

## Reconciliation of Adjusted EBITDA by Segment

	FY 2015						
	Global Batteries & Appliances	Global Pet Supplies	Home & Garden Business	Hardware & Home Improvement	Global AutoCare	Corporate / Unallocated Items <sup>(1)</sup>	Consolidated Spectrum
<i>(\$ in millions)</i>							
<b>Net Income (Loss), as adjusted</b>	\$220	\$60	\$108	\$166	\$18	(\$423)	\$149
Interest expense	-	-	-	-	-	272	272
Income tax expense	-	-	-	-	-	44	44
Depreciation and amortization <sup>(2)</sup>	71	40	13	39	7	48	218
<b>EBITDA</b>	<b>\$291</b>	<b>\$100</b>	<b>\$121</b>	<b>\$205</b>	<b>\$25</b>	<b>(\$59)</b>	<b>\$683</b>
Restructuring and related charges	9	9	1	10	-	-	29
Acquisition and integration related charges	5	14	2	9	4	25	59
Purchase accounting for value adjustment	-	2	-	1	19	-	22
Venezuela devaluation	2	-	-	-	-	-	2
Other <sup>(3)</sup>	-	-	-	-	-	6	6
<b>Adjusted EBITDA</b>	<b>\$307</b>	<b>\$125</b>	<b>\$124</b>	<b>\$225</b>	<b>\$48</b>	<b>(\$28)</b>	<b>\$801</b>

(a) (1) It is the Company's policy to record income tax expense and interest expense on a consolidated basis. Accordingly, such amounts are not reflected in the operating results of the operating segments.

(b) (2) Included within depreciation and amortization is amortization of unearned restricted stock compensation.

(c) (3) Included in other are costs associated with onboarding for a key executive.

# Spectrum Brands

Global Batteries  
& Appliances

Pet, Home  
& Garden

Hardware  
& Home Improvement

Global  
Auto Care

