

Spectrum Brands

Global Batteries
& Appliances



Pet, Home
& Garden



Hardware &
Home Improvement



Global
Auto Care



Fiscal 2016 Third Quarter Earnings Call

July 28, 2016

Agenda

- **Introduction**
Dave Prichard
Vice President, Investor Relations
- **FY16 Q3 Highlights and Full Year Outlook**
Andreas Rouvé
Chief Executive Officer
- **Financial and Business Unit Review**
Doug Martin
Chief Financial Officer
- **Q&A**
Andreas Rouvé
Doug Martin

Forward-Looking Statements

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

Spectrum Brands management uses adjusted diluted EPS as a useful measure for providing further insight into our operating performance because it eliminates the effects of certain items that are not comparable from one period to the next. An income tax adjustment is included in adjusted diluted EPS to exclude the impact of the valuation allowance against deferred taxes and other tax-related items in order to reflect a normalized ongoing effective tax rate of 35%.

Adjusted EBITDA is a metric used by management to evaluate segment performance and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company's ability to service debt and is one of the measures used 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.

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, net income, 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. 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

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FY16 Q3 Highlights and Full Year Outlook

Andreas Rouvé

Chief Executive Officer

FY16 Q3 Highlights

- Solid Q3 sales and earnings growth, together with strong first half, continues the momentum required to deliver 7th straight year of record performance in FY16
- Adjusted EBITDA grew \$43 million or 18% despite continued, but moderating Fx headwinds; excluding negative Fx of \$15 million and acquisition EBITDA of \$28 million, organic EBITDA growth was a strong 13%
- Solid organic sales growth of 3.7% despite mixed weather in the U.S. and Europe that impacted POS and triggered retailer inventory adjustment programs
 - Record Home & Garden and HHI results and excellent battery growth globally
 - Personal care and small appliance sales declined from intense competition, category softness and retailer inventory tightening
 - Pet results challenged in Q3 in Europe from poor weather, change in go-to-market and exit of non-strategic private label. Good progress to position for long-term, profitable growth
- Primary objective is long-term EBITDA growth and a key component to achieve this target is our focus on driving sales growth – but will exit unprofitable, non-strategic business, which had a negative impact on net sales in Q3 of \$5 million
- Solid regional results in the U.S. as well as in Europe, Latin America and Canada despite currency challenges

Full Year Outlook

- Q4 will be impacted by weather conditions, and strength and timing of POS takeaway will affect the timing and magnitude of retailer reorders
- Important new products launching in Q4 and progress will continue with our “more, more, more” sales growth strategy
- Operating roadmap to drive Spectrum Brands to the next level of performance is embodied in Spectrum First
 - Pace of new product development improving with faster delivery of innovation to the marketplace
 - Retailers and consumers increasingly receptive to our focus on innovation combined with superior value, which helps strengthen our retailer relationships and brands
- Improving processes to leverage our global infrastructure and shared services platform to accelerate cross-selling through strong divisional collaboration and to improve efficiencies
- Consolidating warehouses in the U.S. in GAC and Pet
- Consolidated Asian and Australian commercial and shared services teams under a common leadership to better leverage our regional expertise, resources and partners



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Financial and Business Unit Review

Doug Martin

Chief Financial Officer

Financial Review (1/2)

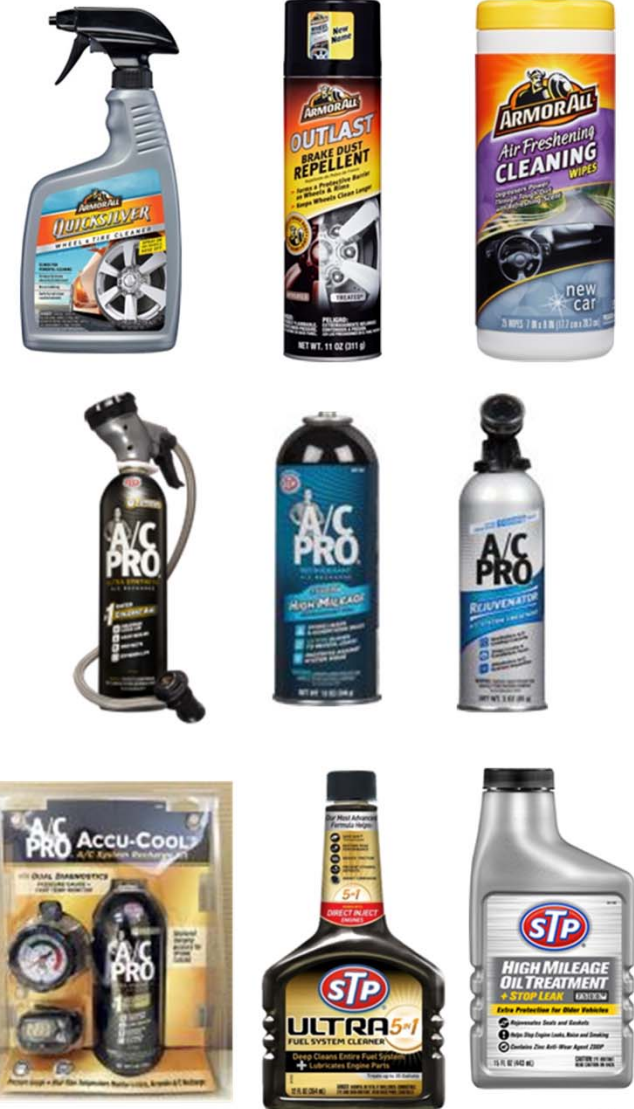
- Q3 reported net sales increased 9.1%
- Organic net sales grew 3.7% excluding negative Fx of \$15.8 million and acquisition-related net sales of \$84.1 million
- Reported gross margin of 39.0% increased by 230 basis points from 36.7% primarily due to the impact of the GAC acquisition, favorable mix and strong productivity, partially offset by negative Fx
- Reported SG&A expense of \$295.9 million, or 21.7% of sales, improved by 30 basis points vs. 22.0% last year
- Reported operating margin of 15.2% improved by 430 basis points compared to 10.9% last year largely driven by expanding gross margin, SG&A leverage, and lower restructuring and acquisition and integration spending
- Higher reported EPS of \$1.71 compared to 79 cents last year primarily due to the impact of the GAC acquisition, volume, improved mix, reduced acquisition and restructuring activity, one-time debt refinancing costs, and a change in income tax provision from the prior period
- Adjusted EPS of \$1.73 increased from \$1.42 last year primarily due to the GAC acquisition, volume and improved mix, partially offset by higher common shares outstanding

Financial Review (2/2)

- Q3 interest expense of \$60 million decreased \$53 million from last year driven by non-recurring acquisition financing and capital structure refinancing items in FY15
- Cash interest payments of \$66 million were \$88 million below last year
 - Last year's payments of \$154 million included \$74 million of non-recurring items related to acquisition financing and capital structure refinancing
- Q3 reported tax rate of 29.4% increased from (113%) last year
 - This year's quarterly rate included the tax impact of recording a tax contingency for tax exposures in Europe, while last year's quarterly rate was unusually low because of the release of a U.S. valuation allowance resulting from the GAC acquisition
- Cash taxes in Q3 of \$7 million were \$7 million below last year
- Q3 depreciation and amortization of \$61 million was unchanged compared to last year
- Cash payments for acquisition & integration and restructuring & related charges were \$9.7 million and \$3.4 million, respectively, in Q3

Global Auto Care

- Q3 reported net sales and adjusted EBITDA of \$159.8 million and \$54.2 million, respectively, resulting in an adjusted EBITDA margin of 33.9%
- Warmer late June weather and strong U.S. growth in refrigerants drove the performance
- First-year synergies also contributed to the strong bottom line
- GAC integration is complete and first-year savings surpassed expectations
- New supply chain efficiencies will bring GAC closer to its U.S. customer base, provide more vertical integration, and reduce supply chain cost and complexity
- Work continues on international growth and cross-selling opportunities



Hardware & Home Improvement

- Record Q3 results driven by solid growth in U.S. residential security, builders' hardware and plumbing
- Reported net sales growth of 4.8% and 5.8% excluding negative Fx
- Continued and planned exits from unprofitable businesses and customer tolling arrangement expiration negatively impacted sales by 0.9%
- Q3 adjusted EBITDA grew 4.2% and the margin fell 20 basis points to 19.8% due to incremental investments in selling and marketing to drive future revenue
- Robust innovation and solid 2016 new product roadmap
- "Smart chassis" lock simplification project is progressing
- 3-year global transformation program under way to reduce costs, increase capacity and improve automation

Kwikset

The
National
Locksmith



kēvo 2



Pfister



**National
Hardware**

True Value



Global Pet Supplies

- Q3 reported net sales fell slightly; organic sales decreased nearly 1.0% excluding slightly favorable Fx
- Aquatics revenues were lower, while North American companion animal increases were offset by European softness
- Q3 reported adjusted EBITDA fell 1.8% with 20 basis point margin decline to 18.2%
- Legacy business turnaround continues
 - Operational and process improvements, SKU rationalization, improving product and customer mix, and consolidating distributors
- Pace of innovation remains strong
 - IAMS rawhide dog treats introduced in Europe
 - IAMS Naturally wet and dry dog and cat food launched, as well as 8-in-1 pet food line for mid-tier segment
 - Tetra My Aquarium app introduced in North America



Home and Garden

- Record Q3 results with reported net sales growth of 4.8%
 - Continued growth in repellents along with higher sales in lawn and garden and household controls categories
 - Distribution gains, the impact of the Zika virus, innovation, and effective merchandising and marketing contributed to the improvement
- Adjusted EBITDA of \$67.0 million grew 7.4%, with an 80 basis point margin improvement to 31.6%
- Exclusive, multi-year agreement announced in July for our Cutter brand to be official insect repellent of U.S. soccer, including the U.S. men's and women's national teams, and the national women's soccer league
- Aerosol capacity expansion project on schedule for completion this fall, which will approximately double filling capacity and reduce inventory levels and production costs in FY17



Personal Care (Remington)

- Q3 reported net sales fell 3.0% but were essentially unchanged excluding unfavorable Fx
- Adjusted EBITDA declined as pricing and productivity were unable to offset Fx
- Growth in Europe and a double-digit increase in constant currency in Latin America were more than offset by lower North American results
- North American decline primarily due to tighter retailer inventory levels and category softness in hair care against strong growth last year
- E-commerce growth was solid, demonstrating Remington's increasing online presence
- Important new product launches in shaving, grooming and hair care set for this fall
- Continuous improvement savings remain healthy and are helping to overcome negative Fx impacts



Small Appliances

- Q3 reported net sales decreased 6.3% and 2.7% excluding negative Fx impacts
- Currency headwinds strongest in this business
- Growth in Europe on currency neutral basis more than offset by lower North American sales driven by retailer inventory reductions and soft POS largely in food prep and beverage categories
- Adjusted EBITDA declined as continuous improvement savings and pricing were unable to offset Fx and lower volumes
- Q4 new product launches planned to gain incremental listings ahead of the important holiday season, while continuing to deliver solid level of cost savings
- Expansion in e-commerce channel continues



Global Batteries

- Q3 reported net sales grew 5.0% and 7.2% excluding negative Fx impacts
- Adjusted EBITDA increased double-digit on a reported and currency neutral basis with solid margin expansion
- Higher North American results driven by alkaline distribution growth largely in non-scanned channels
- Strong European growth was due to alkaline and hearing aid battery gains, while higher Latin American results on a currency neutral basis were attributable to alkaline and specialty battery increases
- Higher volumes and better mix offset negative Fx, while continuous improvement savings were healthy
- New go-to-market strategy rolling out in North America
 - Modernized Rayovac logo, clearer price and usage segmentation, improved packaging, and campaigns to increase brand awareness
- Growth continues in the U.S. DIY channel along with gains across broader channels in effort to serve a wider portion of the market



Financial Review

- Strong liquidity position at the end of Q3
- Expect to reduce total leverage by approximately $\frac{1}{2}$ turn to end FY16 at 4 turns or below
- Free cash flow in Q3 was \$241 million which was used to make \$250 million of discretionary term loan payments in June
- Q3 capital expenditures were \$21 million compared to \$20 million last year

FY16 Guidance

- Reported net sales expected to increase in high-single digit range, including acquisitions, and partially offset by anticipated negative Fx impacts of approximately 280-300 basis points based on current spot rates
- Expect to deliver free cash flow between \$505-\$515 million:
 - Full-year interest expense expected to be between \$230-\$240 million, including approximately \$15 million of non-cash items resulting in cash interest payments between \$220-\$230 million
 - D&A expected to be between \$240-\$250 million, including approximately \$60 million for amortization of stock-based compensation
 - Effective tax rate expected to be between 10%-15%; 35% tax rate used for adjusted earnings
 - Cash taxes expected to be approximately \$40 million; we do not anticipate being a regular U.S. federal cash taxpayer for the next 2-3 years as net operating losses continue to be used
 - Cash payments for acquisition & integration and restructuring & related charges expected to be between \$50-\$55 million
 - Capital expenditures expected to be between \$100-\$110 million
 - Incremental investments include impact of full-year expenditures supporting recent acquisitions, a major aerosol capacity expansion, and to support technology and innovation

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Appendix

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

(in millions, except per share amounts)	Three Month Period Ended		Nine Month Period Ended	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
Net sales	\$ 1,361.5	\$ 1,247.5	\$ 3,790.0	\$ 3,382.3
Cost of goods sold	830.8	789.5	2,355.5	2,179.0
Restructuring and related charges	0.1	—	0.4	0.4
Gross profit	530.6	458.0	1,434.1	1,202.9
Selling	201.7	184.8	578.3	517.7
General and administrative	94.2	89.9	276.2	242.5
Research and development	14.6	12.9	42.9	36.9
Acquisition and integration related charges	8.0	24.2	31.2	44.2
Restructuring and related charges	5.4	10.5	7.8	21.9
Total operating expenses	323.9	322.3	936.4	863.2
Operating income	206.7	135.7	497.7	339.7
Interest expense	59.9	112.9	175.8	206.5
Other non-operating expense, net	2.2	1.7	6.5	5.6
Income from operations before income taxes	144.6	21.1	315.4	127.6
Income tax expense (benefit)	42.5	(23.8)	46.8	4.8
Net income	102.1	44.9	268.6	122.8
Net income attributable to non-controlling interest	0.2	—	0.4	0.3
Net income attributable to controlling interest	\$ 101.9	\$ 44.9	\$ 268.2	\$ 122.5
Earnings Per Share				
Basic earnings per share	\$ 1.72	\$ 0.79	\$ 4.52	\$ 2.26
Diluted earnings per share	\$ 1.71	\$ 0.79	\$ 4.51	\$ 2.26
Dividends per share	\$ 0.38	\$ 0.33	\$ 1.09	\$ 0.96
Weighted Average Shares Outstanding				
Basic	59.4	56.5	59.3	54.2
Diluted	59.6	56.5	59.5	54.3

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

(in millions)	Nine Month Period Ended	
	July 3, 2016	June 28, 2015
Cash flows from operating activities		
Net income	\$ 268.6	\$ 122.8
Adjustments to reconcile net income to net cash used by operating activities:		
Amortization of intangible assets	70.5	64.0
Depreciation	66.2	58.7
Share based compensation	47.4	36.3
Non-cash inventory adjustment from acquisitions	—	7.7
Non-cash restructuring and related charges	2.8	15.0
Amortization of debt issuance costs	8.4	7.7
Write-off of debt issuance costs on retired debt	—	11.2
Non-cash debt accretion	1.6	1.4
Write-off of una amortized discount on retired debt	—	1.7
Deferred tax (benefit) expense	(3.1)	(32.0)
Net changes in operating assets and liabilities, net of effects of acquisitions	(344.5)	(453.7)
Net cash provided (used) by operating activities	117.9	(159.2)
Cash flows from investing activities		
Purchases of property, plant and equipment	(59.6)	(49.5)
Business acquisitions, net of cash acquired	—	(1,193.2)
Proceeds from sales of property, plant and equipment	0.8	1.3
Other investing activities	(1.9)	(0.9)
Net cash used by investing activities	(60.7)	(1,242.3)
Cash flows from financing activities		
Proceeds from issuance of debt	203.9	3,143.5
Payment of debt	(270.2)	(2,275.2)
Payment of debt issuance costs	(1.6)	(42.7)
Payment of cash dividends	(64.6)	(51.0)
Treasury stock purchases	(40.2)	(8.4)
Payment of contingent consideration	(3.2)	—
Share based tax withholding payments, net of proceeds upon vesting	(10.5)	(1.9)
Net proceeds from issuance of common stock	—	562.8
Net cash provided by financing activities	(186.4)	1,327.1
Effect of exchange rate changes on cash and cash equivalents	(1.7)	(13.0)
Net decrease in cash and cash equivalents	(130.9)	(87.4)
Cash and cash equivalents, beginning of period	247.9	194.6
Cash and cash equivalents, end of period	\$ 117.0	\$ 107.2

SPECTRUM BRANDS HOLDINGS, INC.
RECONCILIATION OF GAAP DILUTED EARNINGS PER SHARE TO ADJUSTED DILUTED EARNINGS PER SHARE (Unaudited)

	Three Month Period Ended		Nine Month Period Ended	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
Diluted earnings per share, as reported	\$ 1.71	\$ 0.79	\$ 4.51	\$ 2.26
Adjustments:				
Acquisition and integration related charges	0.13	0.43	0.53	0.81
Restructuring and related charges	0.09	0.19	0.14	0.41
Debt refinancing costs	—	1.04	—	1.08
Purchase accounting inventory adjustment	—	0.08	—	0.14
Other adjustments	—	0.08	0.02	0.13
Income tax adjustment	(0.20)	(1.19)	(1.31)	(1.63)
	0.02	0.63	(0.62)	0.94
Diluted earnings per share, as adjusted	\$ 1.73	\$ 1.42	\$ 3.89	\$ 3.20

SPECTRUM BRANDS HOLDINGS, INC.
ACQUISITION AND INTEGRATION RELATED CHARGES (Unaudited)

(in millions)	Three Month Period Ended		Nine Month Period Ended	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
Armored AutoGroup	\$ 2.6	\$ 17.8	\$ 13.2	\$ 17.8
HHI Business	4.4	2.1	12.0	8.3
European IAMS and Eukanuba	0.4	1.0	2.4	6.0
Salix	0.2	3.3	1.7	8.4
Other	0.4	—	1.9	3.7
Total acquisition and integration related charges	\$ 8.0	\$ 24.2	\$ 31.2	\$ 44.2

SPECTRUM BRANDS HOLDINGS, INC.
RESTRUCTURING AND RELATED CHARGES (Unaudited)

(in millions)	Three Month Period Ended		Nine Month Period Ended	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
HHI business rationalization initiatives	\$ —	\$ 6.3	\$ (0.5)	\$ 7.7
GAC business rationalization initiatives	3.6	—	3.6	—
Global expense rationalization initiatives	1.1	3.9	3.3	13.9
Other restructuring activities	0.8	0.3	1.8	0.7
Total restructuring and related charges	\$ 5.5	\$ 10.5	\$ 8.2	\$ 22.3

SPECTRUM BRANDS HOLDINGS, INC.
NET SALES SUMMARY AND RECONCILIATION OF ORGANIC SALES (Unaudited)

(in millions, except %)	Three Month Period Ended				Nine Month Period Ended			
	July 3, 2016	June 28, 2015	Variance		July 3, 2016	June 28, 2015	Variance	
Consumer batteries	\$ 187.2	\$ 178.3	\$ 8.9	5.0%	\$ 618.0	\$ 600.3	\$ 17.7	2.9%
Small appliances	151.1	161.3	(10.2)	(6.3%)	479.3	536.7	(57.4)	(10.7%)
Personal care	115.8	119.4	(3.6)	(3.0%)	393.0	402.3	(9.3)	(2.3%)
Global Batteries & Appliances	454.1	459.0	(4.9)	(1.1%)	1490.3	1539.3	(49.0)	(3.2%)
Hardware & Home Improvement	328.5	313.5	15.0	4.8%	912.9	874.1	38.8	4.4%
Global Pet Supplies	207.1	208.3	(1.2)	(0.6%)	619.0	538.8	80.2	14.9%
Home and Garden	212.0	202.3	9.7	4.8%	414.7	365.7	49.0	13.4%
Global Auto Care	159.8	64.4	95.4	148.1%	353.1	64.4	288.7	448.3%
Total	\$ 1,361.5	\$ 1,247.5	114.0	9.1%	\$ 3,790.0	\$ 3,382.3	407.7	12.1%

July 3, 2016

Three Month Period Ended (in millions, except %)	July 3, 2016							Net Sales June 28, 2015	Variance
	Net Sales	Effect of Changes in Currency	Net Sales Excluding Effect of Changes in Currency	Effect of Acquisitions	Organic Net Sales	Effect of Changes in Currency	Effect of Acquisitions		
Consumer batteries	\$ 187.2	\$ 3.9	\$ 191.1	\$ —	\$ 191.1	\$ 178.3	\$ 12.8	7.2%	
Small appliances	151.1	5.8	156.9	—	156.9	161.3	(4.4)	(2.7%)	
Personal care	115.8	3.1	118.9	—	118.9	119.4	(0.5)	(0.4%)	
Global Batteries & Appliances	454.1	12.8	466.9	—	466.9	459.0	7.9	1.7%	
Hardware & Home Improvement	328.5	3.3	331.8	—	331.8	313.5	18.3	5.8%	
Global Pet Supplies	207.1	(0.7)	206.4	—	206.4	208.3	(1.9)	(0.9%)	
Home and Garden	212.0	—	212.0	—	212.0	202.3	9.7	4.8%	
Global Auto Care	159.8	0.4	160.2	(84.1)	76.1	64.4	11.7	18.2%	
Total	\$ 1,361.5	\$ 15.8	\$ 1,377.3	\$ (84.1)	\$ 1,293.2	\$ 1,247.5	45.7	3.7%	

July 3, 2016

Nine Month Period Ended (in millions, except %)	July 3, 2016							Net Sales June 28, 2015	Variance
	Net Sales	Effect of Changes in Currency	Net Sales Excluding Effect of Changes in Currency	Effect of Acquisitions	Organic Net Sales	Effect of Changes in Currency	Effect of Acquisitions		
Consumer batteries	\$ 618.0	\$ 38.2	\$ 656.2	\$ —	\$ 656.2	\$ 600.3	\$ 55.9	9.3%	
Small appliances	479.3	27.2	506.5	—	506.5	536.7	(30.2)	(5.6%)	
Personal care	393.0	24.4	417.4	—	417.4	402.3	15.1	3.8%	
Global Batteries & Appliances	1490.3	89.8	1580.1	—	1580.1	1539.3	40.8	2.7%	
Hardware & Home Improvement	912.9	13.4	926.3	—	926.3	874.1	52.2	6.0%	
Global Pet Supplies	619.0	5.7	624.7	(74.5)	550.2	538.8	11.4	2.1%	
Home and Garden	414.7	—	414.7	—	414.7	365.7	49.0	13.4%	
Global Auto Care	353.1	0.3	353.4	(277.3)	76.1	64.4	11.7	18.2%	
Total	\$ 3,790.0	\$ 109.2	\$ 3,899.2	\$ (351.8)	\$ 3,547.4	\$ 3,382.3	165.1	4.9%	

SPECTRUM BRANDS HOLDINGS, INC.
RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (Unaudited)

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

Three month period ended June 28, 2015 (in millions)	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Home & Garden	Global Auto Care	Corporate / Unallocated Items	Consolidated
Net income (loss)	\$ 40.6	\$ 44.6	\$ 20.2	\$ 59.9	\$ 12.2	\$ (132.6)	\$ 44.9
Income tax expense	—	—	—	—	—	(23.8)	(23.8)
Interest expense	—	—	—	—	—	112.9	112.9
Depreciation and amortization	17.6	9.9	11.3	3.2	1.8	—	43.8
EBITDA	58.2	54.5	31.5	63.1	14.0	(43.5)	177.8
Stock based compensation expense	—	—	—	—	—	16.9	16.9
Acquisition and integration related charges	0.9	1.8	3.8	(0.8)	0.5	18.0	24.2
Restructuring and related charges	1.0	6.3	3.1	0.1	—	—	10.5
Purchase accounting inventory adjustment	—	—	—	—	4.7	—	4.7
Other	—	—	—	—	—	2.1	2.1
Adjusted EBITDA	\$ 60.1	\$ 62.6	\$ 38.4	\$ 62.4	\$ 19.2	\$ (6.5)	\$ 236.2
Net Sales	459.0	313.5	208.3	202.3	64.4	—	1,247.5
Adjusted EBITDA Margin	13.1%	20.0%	18.4%	30.8%	29.8%	—	18.9%

SPECTRUM BRANDS HOLDINGS, INC.
RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (Unaudited)

Nine months ended July 3, 2016 (in millions)	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Home & Garden	Global Auto Care	Corporate / Unallocated Items	Consolidated
Net income (loss)	\$ 171.7	\$ 133.4	\$ 59.8	\$ 106.1	\$ 92.0	\$ (294.4)	\$ 268.6
Income tax expense	—	—	—	—	—	46.8	46.8
Interest expense	—	—	—	—	—	175.8	175.8
Depreciation and amortization	53.0	26.8	32.0	11.3	13.6	—	136.7
EBITDA	224.7	160.2	91.8	117.4	105.6	(71.8)	627.9
Stock based compensation expense	—	—	—	—	—	47.4	47.4
Acquisition and integration related charges	16	11.9	3.9	0.5	12.8	0.5	31.2
Restructuring and related charges	12	0.4	2.6	0.4	3.6	—	8.2
Other	0.6	—	—	—	—	0.6	1.2
Adjusted EBITDA	\$ 228.1	\$ 172.5	\$ 98.3	\$ 118.3	\$ 122.0	\$ (23.3)	\$ 715.9
Net Sales	1,490.3	912.9	619.0	414.7	353.1	—	3,790.0
Adjusted EBITDA Margin	15.3%	18.9%	15.9%	28.5%	34.6%	—	18.9%

Nine months ended June 28, 2015 (in millions)	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Home & Garden	Global Auto Care	Corporate / Unallocated Items	Consolidated
Net income (loss)	\$ 166.8	\$ 115.5	\$ 35.6	\$ 88.7	\$ 12.2	\$ (296.0)	\$ 122.8
Income tax expense	—	—	—	—	—	4.8	4.8
Interest expense	—	—	—	—	—	206.5	206.5
Depreciation and amortization	52.5	29.8	28.9	9.7	1.8	—	122.7
EBITDA	219.3	145.3	64.5	98.4	14.0	(84.7)	456.8
Stock based compensation expense	—	—	—	—	—	36.3	36.3
Acquisition and integration related charges	3.5	6.3	8.2	1.3	0.5	24.4	44.2
Restructuring and related charges	6.4	7.8	7.5	0.3	—	0.3	22.3
Purchase accounting inventory adjustment	—	0.8	2.2	—	4.7	—	7.7
Other	—	—	—	—	—	3.9	3.9
Adjusted EBITDA	\$ 229.2	\$ 160.2	\$ 82.4	\$ 100.0	\$ 19.2	\$ (18.8)	\$ 571.2
Net Sales	1,539.3	874.1	538.8	365.7	64.4	—	3,382.3
Adjusted EBITDA Margin	14.9%	18.3%	15.3%	27.3%	29.8%	—	16.9%

SPECTRUM BRANDS HOLDINGS, INC.
RECONCILIATION OF ORGANIC ADJUSTED EBITDA (Unaudited)

July 3, 2016									
Three Month Period Ended (in millions, except %)	Adjusted EBITDA Excluding Effect of Changes in					Organic Adjusted EBITDA	Adjusted EBITDA June 28, 2015	Variance	
	Adjusted EBITDA	Effect of Changes in Currency	Currency	Effect of Acquisitions	Currency				
Global Batteries & Appliances	\$ 64.3	\$ 16.2	\$ 80.5	\$ —	\$ 80.5	\$ 80.5	\$ 60.1	\$ 20.4	33.9%
Hardware & Home Improvement	65.2	(0.7)	64.5	—	64.5	64.5	62.6	19	3.0%
Global Pet Supplies	37.7	(0.9)	36.8	—	36.8	36.8	38.4	(16)	(4.2%)
Home and Garden	67.0	—	67.0	—	67.0	67.0	62.4	4.6	7.4%
Global Auto Care	54.2	0.1	54.3	(27.8)	26.5	26.5	19.2	7.3	38.0%
Corporate	(9.2)	0.1	(9.1)	—	(9.1)	(9.1)	(6.5)	(2.6)	40.0%
Total	\$ 279.2	\$ 14.8	\$ 294.0	\$ (27.8)	\$ 266.2	\$ 266.2	\$ 236.2	30.0	12.7%

July 3, 2016									
Nine Month Period Ended (in millions, except %)	Adjusted EBITDA Excluding Effect of Changes in					Organic Adjusted EBITDA	Adjusted EBITDA June 28, 2015	Variance	
	Adjusted EBITDA	Effect of Changes in Currency	Currency	Effect of Acquisitions	Currency				
Global Batteries & Appliances	\$ 228.1	\$ 63.2	\$ 291.3	\$ —	\$ 291.3	\$ 291.3	\$ 229.2	\$ 62.1	27.1%
Hardware & Home Improvement	172.5	1.3	173.8	—	173.8	173.8	160.2	13.6	8.5%
Global Pet Supplies	98.3	0.8	99.1	(10.8)	88.3	88.3	82.4	5.9	7.2%
Home and Garden	118.3	—	118.3	—	118.3	118.3	100.0	18.3	15.3%
Global Auto Care	122.0	0.1	122.1	(95.6)	26.5	26.5	19.2	7.3	38.0%
Corporate	(23.3)	0.4	(22.9)	—	(22.9)	(22.9)	(19.8)	(3.1)	15.7%
Total	\$ 715.9	\$ 65.8	\$ 781.7	\$ (106.4)	\$ 675.3	\$ 675.3	\$ 571.2	104.1	15.2%

SPECTRUM BRANDS HOLDINGS, INC.
RECONCILIATION OF FORECASTED GAAP CASH FLOW FROM OPERATING ACTIVITIES TO FORECASTED FREE CASH FLOW
(Unaudited)

Forecasted range (in millions)	F 2016
Net Cash provided from Operating Activities, as adjusted	\$ 605 - 625
Purchases of property, plant and equipment	<u>(100) - (110)</u>
Free cash flow	<u>\$ 505 - 515</u>

SPECTRUM BRANDS HOLDINGS, INC.
SUPPLEMENTAL BALANCE SHEET DATA (Unaudited)

(in millions)	July 3, 2016	September 30, 2015
Cash and cash equivalents	\$ 117.0	\$ 247.9
Trade receivables, net	\$ 588.9	\$ 498.8
Days Sales Outstanding	40.0	33.8
Inventory	\$ 842.3	\$ 780.8
Inventory Turnover	3.7	3.8
Total debt	\$ 3,875.5	\$ 3,905.9