

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): August 8, 2024

SPECTRUM BRANDS HOLDINGS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of incorporation)

001-4219
(Commission File Number)

74-1339132
(I.R.S. Employer Identification No.)

3001 Deming Way
Middleton, Wisconsin 53562
(Address of principal executive offices)

(608) 275-3340
(Registrant's telephone number, including area code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Registrant	Title of Each Class	Trading Symbol	Name of Exchange On Which Registered
Spectrum Brands Holdings, Inc.	Common Stock, \$0.01 par value	SPB	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§232.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

The following information, including the Exhibit 99.1 referenced in this Item 2.02 to the extent the Exhibit discusses financial results of Spectrum Brands Holdings, Inc. (the “Company”) for the fiscal third quarter ended June 30, 2024 is being furnished pursuant to this Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

On August 8, 2024, the Company issued a press release (the “Earnings Press Release”) discussing, among other things, its financial results for its fiscal third quarter ended June 30, 2024. A copy of the Earnings Press Release is furnished as Exhibit 99.1 to this report.

Forward Looking Information

We have made, implied or incorporated by reference certain forward-looking statements in this document and may make additional oral forward-looking statements from time to time. All statements, other than statements of historical facts included or incorporated by reference in this document, without limitation, statements or expectations regarding our business strategy, future operations, financial condition, estimated revenues, projected costs, inventory management, earnings power, projected synergies, prospects, plans and objectives of management, outcome of any litigation and information concerning expected actions of third parties are forward looking statements. When used in this document, the words future, anticipate, pro forma, seeks, intend, plan, envision, estimate, believe, belief, expect, project, forecast, outlook, goal, target, could, would, will, can, should, may and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words, although not all forward-looking statement contain such identifying words.

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

(1) the economic, social and political conditions or civil unrest, terrorist attacks, acts of war, natural disasters, other public health concerns or unrest in the United States (“U.S.”) or the international markets impacting our business, customers, employees (including our ability to retain and attract key personnel), manufacturing facilities, suppliers, capital markets, financial condition and results of operations, all of which tend to aggravate the other risks and uncertainties we face; (2) the impact of a number of local, regional and global uncertainties could negatively impact our business; (3) the negative effect of the Russia-Ukraine war and the Israel-Hamas war and its impact on those regions and surrounding regions, including the Middle East and disruptions to international trade, supply chain and shipping routes and pricing, and on our operations and those of our customers, suppliers and other stakeholders; (4) our increased reliance on third-party partners, suppliers and distributors to achieve our business objectives; (5) the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring and optimization activities, including changes in inventory and distribution center changes which are complicated and involve coordination among a number of stakeholders, including our suppliers and transportation and logistics handlers; (6) the impact of our indebtedness and financial leverage position on our business, financial condition and results of operations; (7) the impact of restrictions in our debt instruments on our ability to operate our business, finance our capital needs or pursue or expand business strategies; (8) any failure to comply with financial covenants and other provisions and restrictions of our debt instruments; (9) the effects of general economic conditions, including the impact of, and changes to tariffs and trade policies, inflation, recession or fears of a recession, depression or fears of a depression, labor costs and stock market volatility or monetary or fiscal policies in the countries where we do business; (10) the impact of fluctuations in transportation and shipment costs, fuel costs, commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers’ willingness to advance credit; (11) interest rate fluctuations; (12) changes in foreign currency exchange rates that may impact our purchasing power, pricing and margin realization within international jurisdictions; (13) the loss of, significant reduction in or dependence upon, sales to any significant retail customer(s), including their changes in retail inventory levels and management thereof; (14) competitive promotional activity or spending by competitors, or price reductions by competitors; (15) the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands; (16) changes in consumer spending preferences and demand for our products, particularly in light of economic stress; (17) our ability to develop and successfully introduce new products, protect intellectual property and avoid infringing the intellectual property of third parties; (18) our ability to successfully identify, implement, achieve and sustain productivity improvements, cost efficiencies (including at our manufacturing and distribution operations) and cost savings; (19) the seasonal nature of sales of certain of our products; (20) the impact weather conditions may have on the sales of certain of our products; (21) the effects of climate change and unusual weather activity as well as our ability to respond to future natural disasters and pandemics and to meet our environmental, social and governance goals; (22) the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations); (23) public perception regarding the safety of products that we manufacture and sell, including the potential for environmental liabilities, product liability claims, litigation and other claims related to products manufactured by us and third

parties; (24) the impact of existing, pending or threatened litigation, government regulation or other requirements or operating standards applicable to our business; (25) the impact of cybersecurity breaches or our actual or perceived failure to protect company and personal data, including our failure to comply with new and increasingly complex global data privacy regulations; (26) changes in accounting policies applicable to our business; (27) our discretion to adopt, conduct, suspend or discontinue any share repurchase program or conduct any debt repayments, redemptions, repurchases or refinancing transactions (including our discretion to conduct purchases, if any, in a variety of manners including open-market purchases, privately negotiated transactions, tender offers, redemptions, or otherwise); (28) our ability to utilize net operating loss carry-forwards to offset tax liabilities; (29) our ability to separate the Company's Home and Personal Care ("HPC") business and create an independent Global Appliances business on expected terms, and within the anticipated time period, or at all, and to realize the potential benefits of such business; (30) our ability to create a pure play consumer products company composed of our Global Pet Care ("GPC") and Home & Garden ("H&G") business and to realize the expected benefits of such creation, and within the anticipated time period, or at all; (31) our ability to successfully implement, and realize the benefits of, acquisitions or dispositions and the impact of any such transactions on our financial performance; (32) the impact of actions taken by significant stockholders; (33) the unanticipated loss of key members of senior management and the transition of new members of our management teams to their new roles; and (34) the other risk factors set forth in Spectrum Brands Holdings, Inc. 2023 Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q and other filings within the United States Securities and Exchange Commission (the "SEC").

Some of the above-mentioned factors are described in further detail in the sections entitled "Risk Factors" in our annual and quarterly reports, as applicable. You should assume the information appearing in this document is accurate only as of the date hereof, or as otherwise specified, as our business, financial condition, results of operations and prospects may have changed since such date. Except as required by applicable law, including the securities laws of the U.S. and the rules and regulations of the SEC, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

The following exhibits are being filed with this Current Report on Form 8-K.

Exhibit No.	Description
99.1	Earnings Press Release, dated August 8, 2024
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 8, 2024

SPECTRUM BRANDS HOLDINGS, INC.

By: /s/ Jeremy W. Smeltser

Name: Jeremy W. Smeltser

Title: Executive Vice President and Chief Financial Officer

3001 Deming Way
 Middleton, WI 53562-1431
 P.O. Box 620992
 Middleton, WI 53562-0992
 (608) 275-3340



For Immediate Release

Investor/Media Contact:
 Joanne Chomiak 608-275-4458

Spectrum Brands Holdings Reports Fiscal 2024 Third Quarter Results

- **Net Sales Increased 6.0% Driven by Favorable Weather Conditions and Improved Retailer Inventory Health in Our Home & Garden Business Along with Continued Strength in E-Commerce**
- **Net Income From Continuing Operations of \$19.1 Million and Adjusted EBITDA of \$106.3 Million Improved by \$191.3 million and \$7.8 million, Respectively**
- **Excluding Investment Income of \$12.7 million, Adjusted EBITDA was \$93.6 million**
- **Improved and Simplified Capital Structure with Repayment of \$1.174 Billion of Senior, Unsecured Bonds and Issuance of \$350 Million Senior, Unsecured Exchangeable Bond with 3.375% Coupon; All Bond Covenants for HHI Proceeds Fully Satisfied**
- **New \$500 Million Share Repurchase Authorization Approved; Repurchased 1.6 million Shares in Q3 for \$142 million**
- **Updating Fiscal 2024 Earnings Framework, Continue to Expect Net Sales to be Relatively Flat Compared to Prior Year; However Excluding Investment Income, Adjusted EBITDA is Now Expected to Grow Approximately 20%**

Middleton, WI, August 8, 2024 - Spectrum Brands Holdings, Inc. (NYSE: SPB; "Spectrum Brands" or the "Company"), a leading global branded consumer products and home essentials company focused on driving innovation and providing exceptional customer service, today reported results from continuing operations for the third quarter of fiscal 2024 ended June 30, 2024.

"We are pleased to report a strong third quarter of fiscal 2024, building off the operating momentum we drove in the first half of the year. Each business delivered reported and organic net sales growth, and year-to-date our net sales growth is now positive. This quarter, our operations produced a gross margin of 38.9%, a 310 basis point improvement over last year. Our net income increased \$191.3 million and our Adjusted EBITDA, excluding investment income, was \$93.6 million despite almost \$23 million of incremental brand and innovation-focused investments we made in the quarter. Net income margins increased to 2.5% and Adjusted EBITDA margins, excluding investment income, were 12.0%. Given our performance and expectations for the remainder of the year, we are updating our full year Earnings Framework. While we continue to expect net sales to be relatively flat, Adjusted EBITDA is now expected to grow approximately 20%," said David Maura, Chairman and Chief Executive Officer of Spectrum Brands.

Mr. Maura continued, "I am particularly pleased with each of our business' performance in e-commerce this quarter. We had another quarter of growth in e-commerce across all three business units, with each business growing sales by double-digits and total company e-commerce sales growing by over 20%. E-commerce sales represented over 21% of our quarterly sales. Our Home and Personal Care ("HPC")

business continued to deliver improving financial performance, reinforcing our confidence that the time is right to separate this business unit. Our teams, together with outside advisors, have now launched a multi-track process pursuing the sale, merger or spin-off of this business, and we filed an initial Form 10 registration statement with the SEC."

Fiscal 2024 Third Quarter Highlights

(in millions, except per share and %)	Three Month Periods Ended		Variance	
	June 30, 2024	July 2, 2023		
Net sales	\$ 779.4	\$ 735.5	\$ 43.9	6.0 %
Gross profit	302.8	263.5	39.3	14.9 %
Gross profit margin	38.9 %	35.8 %	310 bps	
Operating income (loss)	\$ 47.7	\$ (124.7)	\$ 172.4	n/m
Net income (loss) from continuing operations	19.1	(172.2)	191.3	n/m
Net income (loss) from continuing operations margin	2.5 %	(23.4)%	2,590 bps	
Diluted earnings per share from continuing operations	\$ 0.66	\$ (4.27)	\$ 4.93	n/m
Non-GAAP Operating Metrics				
Adjusted EBITDA from continuing operations	\$ 106.3	\$ 98.5	\$ 7.8	7.9 %
Adjusted EBITDA margin	13.6 %	13.4 %	20 bps	
Adjusted EPS from continuing operations	\$ 1.10	\$ 0.93	\$ 0.17	n/m

n/m = not meaningful

- Net sales increased 6.0% with an increase in organic net sales of 7.1%, excluding the impact of \$8.5 million of unfavorable foreign exchange rates. Net sales increased due to improved sales volume and distribution across all segments.
- Gross profit and gross profit margin increased from the sale of lower cost inventory, lower inventory-related expenses and cost improvements.
- Operating income increased due to improved gross profit and the recognition of goodwill and intangible asset impairments in the prior year, offset by increased investments in advertising and marketing.
- Net income from continuing operations and diluted earnings per share Increased from the increase in operating income, higher investment income, lower interest costs, and lower share count.
- Adjusted EBITDA increased 7.9% and adjusted EBITDA margin increased 20 basis points attributable to higher sales volumes and gross profit improvement partially offset by increased investment in advertising and marketing spend.
- Adjusted diluted EPS increased to \$1.10 due to higher Adjusted EBITDA and a reduction in outstanding shares.

Fiscal 2024 Third Quarter Segment Level Data

Global Pet Care (GPC)

(in millions, except %)	Three Month Periods Ended		Variance	
	June 30, 2024	July 2, 2023		
Net sales	\$ 282.2	\$ 272.3	\$ 9.9	3.6 %
Segment net income	48.0	38.0	10.0	26.3 %
Segment net income margin	17.0 %	14.0 %	300 bps	
Adjusted EBITDA	\$ 56.7	\$ 53.6	\$ 3.1	5.8 %
Adjusted EBITDA margin	20.1 %	19.7 %	40 bps	

Net sales increased 3.6%, with an increase in organic net sales of 4.1%, excluding unfavorable foreign currency impacts of \$1.2 million.

The increase in net sales was driven by growth in global Companion Animal sales in both North America and internationally. North American Companion Animal sales benefited from strong e-commerce sales offset by some softness in the mass and dollar channels. E-commerce sales also drove EMEA Companion Animal sales growth. Global Aquatics organic sales were flat to last year, with growth in nutrition and consumables offset by softness in new environments and other hard goods. North American Aquatics sales were lower than last year while overall EMEA aquatics sales increased compared to last year.

Segment net income, Adjusted EBITDA and margins increased due to volume growth, lower input costs, savings from operational productivity investments, and favorable mix, partially offset by increased investments and unfavorable FX.

Home & Garden (H&G)

(in millions, except %)	Three Month Periods Ended		Variance	
	June 30, 2024	July 2, 2023		
Net sales	\$ 211.0	\$ 186.6	\$ 24.4	13.1 %
Segment net income	38.4	26.2	12.2	46.6 %
Segment net income margin	18.2 %	14.0 %	420 bps	
Adjusted EBITDA	\$ 43.3	\$ 38.6	\$ 4.7	12.2 %
Adjusted EBITDA margin	20.5 %	20.7 %	(20) bps	

Net sales and organic net sales increased 13.0%. The net sales increase was primarily driven by higher sales volumes in the Controls, Household, and Repellents categories due to favorable weather conditions and lower retail inventory levels compared to last year, partially offset by declines in the Cleaning category.

The improved segment net income, Adjusted EBITDA, and margins were driven by higher sales, operational cost reductions from cost improvement initiatives and pricing, offset by increased investments in advertising, marketing and innovation.

Home & Personal Care (HPC)

(in millions, except %)	Three Month Periods Ended				Variance
	June 30, 2024		July 2, 2023		
Net sales	\$	286.2	\$	276.6	\$ 9.6 3.5 %
Segment net loss		(0.5)		(156.5)	156.0 n/m
Segment net loss margin		(0.2)%		(56.6)%	5,640 bps
Adjusted EBITDA	\$	11.8	\$	11.4	\$ 0.4 3.5 %
Adjusted EBITDA margin		4.1 %		4.1 %	— bps

n/m = not meaningful

Net sales increased 3.5%, with an increase in organic net sales of 6.1%, excluding unfavorable foreign currency impacts of \$7.4 million. The increase in net sales is attributable to growth in Personal Care, driven by strong growth e-commerce sales. North American sales grew in both Personal Care and Home Appliances. Sales in EMEA increased, with growth in Personal Care offsetting sales declines in small Home Appliances. Sales in LATAM Personal Care increased while small Home Appliances were flat.

The improvement in the segment's net loss and Adjusted EBITDA were driven by higher sales volume, lower inventory related expenses and cost improvement initiatives, offset by higher brand-focused investments, unfavorable mix and pricing.

Liquidity and Debt

As of the end of the quarter, the Company had a cash balance of \$158 million plus \$149 million of short-term investments consisting of term deposits with a maturity greater than 3 months but less than 12 months, and total liquidity of \$797 million, including undrawn capacity on its cash flow revolver. The Company also had \$578 million of debt outstanding, consisting of \$496 million of senior unsecured notes and \$82 million of finance leases, and ended the quarter with net debt of approximately \$272 million.

Fiscal 2024 Earnings Framework

Spectrum Brands continues to expect reported net sales to be relatively flat to Fiscal 2023. Fiscal 2024 Adjusted EBITDA, excluding investment income, is now expected to increase by approximately 20%.

The Company continues to target a long-term net leverage ratio of 2.0 - 2.5 times.

Conference Call/Webcast Scheduled for 9:00 A.M. Eastern Time Today

Spectrum Brands will host an earnings conference call and webcast at 9:00 a.m. Eastern Time today, August 8, 2024. The live webcast and related presentation slides will be available by visiting the Event Calendar page in the Investor Relations section of Spectrum Brands' website at www.spectrumbrands.com. Participants may register **here**. Instructions will be provided to ensure the necessary audio applications are downloaded and installed. Users can obtain these at no charge.

A replay of the live broadcast will be accessible through the Event Calendar page in the Investor Relations section of the Company's website.

About Spectrum Brands Holdings, Inc.

Spectrum Brands Holdings is a home-essentials company with a mission to make living better at home. We focus on delivering innovative products and solutions to consumers for use in and around the home through our trusted brands. We are a leading supplier of specialty pet supplies, lawn and garden and home pest control products, personal insect repellents, shaving and grooming products, personal care products, and small household appliances. Helping to meet the needs of consumers worldwide, we offer a broad portfolio of market-leading, well-known and widely trusted brands including Tetra®, DreamBone®, SmartBones®, Nature's Miracle®, 8-in-1®, FURminator®, Healthy-Hide®, Good Boy®, Meowee!®, OmegaOne®, Spectracide®, Cutter®, Repel®, Hot Shot®, Rejuvenate®, Black Flag®, Liquid Fence®, Remington®, George Foreman®, Russell Hobbs®, Black + Decker®, PowerXL®, Emeril Lagasse®, and Copper Chef®. For more information, please visit www.spectrumbrands.com. Spectrum Brands – A Home Essentials Company™

Non-GAAP 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 document, including the tables that follow, reference is made to organic net sales, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA margin, and adjusted earnings per share (EPS). 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 foreign currency exchange fluctuations and the impact of acquisitions (when applicable) when there is no comparable sales in the prior period. Organic sales growth is calculated by comparing organic net sales to net sales in the prior comparative period. The effect of changes in foreign currency exchange rates is determined by translating the period's net sales using the foreign currency exchange rates that were in effect during the prior comparative period. 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 the Company's 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. 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. The tax impact on adjustments reflect the income tax effect from adjustments made to diluted EPS. The Company 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 the Company's management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Company's GAAP financial results and should be read in conjunction with those GAAP results. Supplemental tables have been provided within the Appendix to this document to demonstrate reconciliation of non-GAAP measurements to the most comparable GAAP measure.

Forward-Looking Statements

We have made or implied certain forward-looking statements in this document and may make additional oral forward-looking statements from time to time. All statements, other than statements of historical facts included or incorporated by reference in this document, including, without limitation, statements or expectations regarding our business strategy, future operations, financial condition, estimated revenues, projected costs, inventory management, earnings power, projected synergies, prospects, plans and objectives of management, outcome of any litigation and information concerning expected actions of third parties are forward-looking statements. When used in this document, the words future, anticipate, pro forma, seek, intend, plan, envision, estimate, believe, belief, expect, project, forecast, outlook, earnings framework, goal, target, could, would, will, can, should, may and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

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advance credit; (11) interest rate fluctuations; (12) changes in foreign currency exchange rates that may impact our purchasing power, pricing and margin realization within international jurisdictions; (13) the loss of, significant reduction in or dependence upon, sales to any significant retail customer(s), including their changes in retail inventory levels and management thereof; (14) competitive promotional activity or spending by competitors, or price reductions by competitors; (15) the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands; (16) changes in consumer spending preferences and demand for our products, particularly in light of economic stress; (17) our ability to develop and successfully introduce new products, protect intellectual property and avoid infringing the intellectual property of third parties; (18) our ability to successfully identify, implement, achieve and sustain productivity improvements, cost efficiencies (including at our manufacturing and distribution operations) and cost savings; (19) the seasonal nature of sales of certain of our products; (20) the impact weather conditions may have on the sales of certain of our products; (21) the effects of climate change and unusual weather activity as well as our ability to respond to future natural disasters and pandemics and to meet our environmental, social and governance goals; (22) the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations); (23) public perception regarding the safety of products that we manufacture and sell, including the potential for environmental liabilities, product liability claims, litigation and other claims related to products manufactured by us and third parties; (24) the impact of existing, pending or threatened litigation, government regulation or other requirements or operating standards applicable to our business; (25) the impact of cybersecurity breaches or our actual or perceived failure to protect company and personal data, including our failure to comply with new and increasingly complex global data privacy regulations; (26) changes in accounting policies applicable to our business; (27) our discretion to adopt, conduct, suspend or discontinue any share repurchase program or conduct any debt repayments, redemptions, repurchases or refinancing transactions (including our discretion to conduct purchases or repurchases, if any, in a variety of manners including open-market purchases, privately negotiated transactions, tender offers, redemptions, or otherwise); (28) our ability to utilize net operating loss carry-forwards to offset tax liabilities; (29) our ability to separate the Company's Home and Personal Care ("HPC") business and create an independent Global Appliances business on expected terms, and within the anticipated time period, or at all, and to realize the potential benefits of such business; (30) our ability to create a pure play consumer products company composed of our Global Pet Care ("GPC") and Home & Garden ("H&G") business and to realize the expected benefits of such creation, and within the anticipated time period, or at all; (31) our ability to successfully implement, and realize the benefits of, acquisitions or dispositions and the impact of any such transactions on our financial performance; (32) the impact of actions taken by significant shareholders; and (33) the unanticipated loss of key members of senior management and the transition of new members of our management teams to their new roles; and (34) the other risk factors set forth in Spectrum Brands Holdings, Inc. 2023 Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, and other filings within the United States Securities and Exchange Commission (the "SEC").

Some of the above-mentioned factors are described in further detail in the sections entitled Risk Factors in our annual and quarterly reports, as applicable. You should assume the information appearing in this document is accurate only as of the end of the period covered by this document, or as otherwise specified, as our business, financial condition, results of operations and prospects may have changed since that date. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the SEC, we undertake no obligation to publicly update or revise any forward-looking

statement, whether as a result of new information, future events or otherwise, to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

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

(in millions, except per share amounts)	Three Month Periods Ended		Nine Month Periods Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Net sales	\$ 779.4	\$ 735.5	\$ 2,190.2	\$ 2,178.1
Cost of goods sold	476.6	472.0	1,369.0	1,498.2
Gross profit	302.8	263.5	821.2	679.9
Selling, general & administrative	255.1	223.4	694.6	671.4
Impairment of goodwill	—	111.1	—	111.1
Impairment of intangible assets	—	53.7	43.0	120.7
Representation and warranty insurance proceeds	—	—	(65.0)	—
Gain from remeasurement of contingent consideration liability	—	—	—	(1.5)
Total operating expenses	255.1	388.2	672.6	901.7
Operating income (loss)	47.7	(124.7)	148.6	(221.8)
Interest expense	15.7	30.3	51.8	95.3
Interest income	(13.4)	(5.4)	(54.3)	(5.6)
Loss (gain) from early extinguishment of debt	2.2	8.6	(2.6)	8.6
Other non-operating expense, net	1.7	0.1	7.0	0.1
Income (loss) from continuing operations before income taxes	41.5	(158.3)	146.7	(320.2)
Income tax expense (benefit)	22.4	13.9	60.3	(33.0)
Net income (loss) from continuing operations	19.1	(172.2)	86.4	(287.2)
(Loss) income from discontinued operations, net of tax	(13.1)	2,031.8	9.6	2,072.7
Net income	6.0	1,859.6	96.0	1,785.5
Net (loss) income from continuing operations attributable to non-controlling interest	(0.1)	0.2	(0.2)	0.5
Income from discontinued operations attributable to non-controlling interest, net of tax	—	0.2	—	0.3
Net income attributable to controlling interest	\$ 6.1	\$ 1,859.2	\$ 96.2	\$ 1,784.7
Amounts attributable to controlling interest				
Net income (loss) from continuing operations attributable to controlling interest	\$ 19.2	\$ (172.4)	\$ 86.6	\$ (287.7)
(Loss) income from discontinued operations attributable to controlling interest, net of tax	(13.1)	2,031.6	9.6	2,072.4
Net income attributable to controlling interest	\$ 6.1	\$ 1,859.2	\$ 96.2	\$ 1,784.7
Earnings Per Share				
Basic earnings per share from continuing operations	\$ 0.66	\$ (4.27)	\$ 2.79	\$ (7.06)
Basic earnings per share from discontinued operations	(0.45)	50.34	0.31	50.87
Basic earnings per share	\$ 0.21	\$ 46.07	\$ 3.10	\$ 43.81
Diluted earnings per share from continuing operations	\$ 0.66	\$ (4.27)	\$ 2.78	\$ (7.06)
Diluted earnings per share from discontinued operations	(0.45)	50.34	0.31	50.87
Diluted earnings per share	\$ 0.21	\$ 46.07	\$ 3.09	\$ 43.81
Weighted Average Shares Outstanding				
Basic	28.9	40.4	31.0	40.7
Diluted	29.1	40.4	31.2	40.7

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

(in millions)	Nine Month Periods Ended	
	June 30, 2024	July 2, 2023
Cash flows from operating activities		
Net cash provided by operating activities from continuing operations	\$ 178.4	\$ 72.5
Net cash (used) provided by operating activities from discontinued operations	(96.5)	31.8
Net cash provided by operating activities	81.9	104.3
Cash flows from investing activities		
Purchases of property, plant and equipment	(31.0)	(44.3)
Proceeds from disposal of property, plant and equipment	—	3.0
Proceeds from sale of discontinued operations, net of cash	—	4,334.7
Purchases of short term investments	(849.3)	—
Proceeds from sale of short term investments	1,792.0	—
Purchase price settlement from sale of the HHI business	(26.9)	—
Other investing activity	0.2	(0.1)
Net cash provided by investing activities from continuing operations	885.0	4,293.3
Net cash used by investing activities from discontinued operations	—	(11.8)
Net cash provided by investing activities	885.0	4,281.5
Cash flows from financing activities		
Payment of debt and debt premium	(1,346.7)	(1,141.1)
Proceeds from issuance of debt	350.0	—
Payment of debt issuance costs	(15.0)	(2.3)
Premium on capped call transactions	(25.2)	—
Treasury stock purchases	(482.7)	—
Accelerated share repurchase	—	(500.0)
Dividends paid to shareholders	(38.8)	(51.6)
Share based award tax withholding payments, net of proceeds upon vesting	(5.5)	(11.3)
Net cash used by financing activities from continuing operations	(1,563.9)	(1,706.3)
Net cash used by financing activities from discontinued operations	—	(0.8)
Net cash used by financing activities	(1,563.9)	(1,707.1)
Effect of exchange rate changes on cash and cash equivalents	0.8	7.8
Net change in cash, cash equivalents and restricted cash in continuing operations	(596.2)	2,686.5
Cash, cash equivalents, and restricted cash, beginning of period	753.9	243.7
Cash, cash equivalents, and restricted cash, end of period	\$ 157.7	\$ 2,930.2

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

(in millions)	June 30, 2024	September 30, 2023
Assets		
Cash and cash equivalents	\$ 157.7	\$ 753.9
Short term investments	149.1	1,103.3
Trade receivables, net	619.2	477.1
Other receivables	85.3	84.5
Inventories	439.9	462.8
Prepaid expenses and other current assets	41.8	44.3
Total current assets	1,493.0	2,925.9
Property, plant and equipment, net	266.5	275.1
Operating lease assets	105.4	110.8
Deferred charges and other	41.7	31.8
Goodwill	858.1	854.7
Intangible assets, net	990.6	1,060.1
Total assets	\$ 3,755.3	\$ 5,258.4
Liabilities and Shareholders' Equity		
Current portion of long-term debt	\$ 9.1	\$ 8.6
Accounts payable	369.4	396.6
Accrued wages and salaries	61.0	46.1
Accrued interest	3.1	20.6
Income tax payable	41.3	114.5
Other current liabilities	170.2	178.4
Total current liabilities	654.1	764.8
Long-term debt, net of current portion	551.4	1,546.9
Long-term operating lease liabilities	92.2	95.6
Deferred income taxes	175.3	174.8
Other long-term liabilities	197.2	158.0
Total liabilities	1,670.2	2,740.1
Shareholders' equity	2,084.6	2,517.6
Non-controlling interest	0.5	0.7
Total equity	2,085.1	2,518.3
Total liabilities and equity	\$ 3,755.3	\$ 5,258.4

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

NET SALES AND ORGANIC NET SALES

The following is a summary of net sales by segment for the three and nine month periods ended June 30, 2024 and July 2, 2023:

(in millions, except %)	Three Month Periods Ended			Nine Month Periods Ended		
	June 30, 2024	July 2, 2023	Variance	June 30, 2024	July 2, 2023	Variance
GPC	\$ 282.2	\$ 272.3	\$ 9.9 3.6 %	\$ 849.0	\$ 846.5	\$ 2.5 0.3 %
H&G	211.0	186.6	24.4 13.1 %	443.7	411.3	32.4 7.9 %
HPC	286.2	276.6	9.6 3.5 %	897.5	920.3	(22.8) (2.5)%
Net Sales	\$ 779.4	\$ 735.5	43.9 6.0 %	\$ 2,190.2	\$ 2,178.1	12.1 0.6 %

We define organic net sales as reported net sales excluding the effect of changes in foreign currency exchange rates and acquisitions. We believe this non-GAAP measure provides useful information to investors because it reflects regional and operating segment performance from our activities without the effect of changes in currency exchange rate and acquisitions. We use organic net sales as one measure to monitor and evaluate our regional and segment performance. Organic growth is calculated by comparing organic net sales to reported net sales in the prior year. The effect of changes in currency exchange rates is determined by translating the current period net sales using the currency exchange rates that were in effect during the prior period. Net sales are attributed to the geographic regions based on the country of destination. We exclude net sales from acquired businesses in the current year for which there are no comparable sales in the prior period. The following is a reconciliation of reported sales to organic sales for the three and nine month period ended June 30, 2024 compared to reported net sales for the three and nine month periods ended July 2, 2023:

Three Month Periods Ended (in millions, except %)	June 30, 2024			Net Sales July 2, 2023		Variance	
	Net Sales	Effect of Changes in Currency	Organic Net Sales				
GPC	\$ 282.2	\$ 1.2	\$ 283.4	\$ 272.3	\$ 11.1	4.1 %	
H&G	211.0	(0.1)	210.9	186.6	24.3	13.0 %	
HPC	286.2	7.4	293.6	276.6	17.0	6.1 %	
Total	\$ 779.4	\$ 8.5	\$ 787.9	\$ 735.5	52.4	7.1 %	

Nine Month Periods Ended (in millions, except %)	June 30, 2024			Net Sales July 2, 2023		Variance	
	Net Sales	Effect of Changes in Currency	Organic Net Sales				
GPC	\$ 849.0	\$ (6.0)	\$ 843.0	\$ 846.5	\$ (3.5)	(0.4)%	
H&G	443.7	(0.1)	443.6	411.3	32.3	7.9 %	
HPC	897.5	1.7	899.2	920.3	(21.1)	(2.3)%	
Total	\$ 2,190.2	\$ (4.4)	\$ 2,185.8	\$ 2,178.1	7.7	0.4 %	

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization) is a non-GAAP metric used by management that we believe provides useful information to investors because it reflects ongoing operating performance and trends of our segments excluding certain non-cash based expenses and non-recurring items during each of the comparable periods and facilitates comparisons between peer companies since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Further, adjusted EBITDA is a measure used for determining the Company's debt covenant. EBITDA is calculated by excluding the Company's income tax expense, interest expense, depreciation expense and amortization expense from intangible assets from net income. Adjusted EBITDA further excludes the following:

- Share based compensation costs consist of costs associated with long-term incentive compensation arrangements that generally consist of non-cash, stock-based compensation;
- Incremental project costs associated with strategic transactions, restructuring and optimization initiatives including, but not limited to, the acquisition or divestitures of a business, costs to effect and facilitate a transaction, including such cost to integrate or separate the respective business, development and implementation of strategies to optimize operations, reduce costs, increase revenues, improve profit margins, including recognition of one-time exit or disposal costs. These amounts are excluded from our performance metrics as they are reflective of incremental investment by the Company towards strategic initiatives and business development activities, incremental costs directly attributable to such initiatives and are not considered recurring or reflective of the continuing ongoing operations of the consolidated group or segments;
- Non-cash purchase accounting adjustments recognized in earnings from continuing operations subsequent to an acquisition, including, but not limited to, the costs attributable to the step-up in inventory value, and the incremental value in operating lease assets with below market rent, among others. During the three and nine month periods ended June 30, 2024 and July 2, 2023, the Company recognized non-cash expense due to the incremental value recognized as part of the Tristar Business acquisition on right of use operating leases with below market rent;
- Non-cash asset impairments or write-offs realized and recognized in earnings from continuing operations, including impairments from property, plant and equipment, operating and finance leases, and goodwill and other intangible assets, when applicable. During the three month period ended June 30, 2024, the Company recognized impairment charges on a right of use operating lease asset associated with a HPC facility that was exited prior to the end of its term. During the nine month period ended June 30, 2024, the Company recognized impairments of its Rejuvenate® and a non-core HPC tradename indefinite lived intangible assets, along with impairment charges on right of use operating lease assets associated with HPC distribution facilities that were exited prior to end of its term. During the three and nine periods ended July 2, 2023, the Company recognized impairment of indefinite lived intangible assets for its Rejuvenate® and PowerXL® indefinite lived tradenames, along with an impairment on idle equipment associated with the early exit of a GPC warehouse lease and impairments on right of use operating lease assets associated with GPC and HPC facilities that were exited prior to the end of their term;
- Gain realized from proceeds received on the representation and warranties insurance policies associated with the Tristar Business acquisition realized during the nine month period ended June 30, 2024;
- Incremental reserves for non-recurring litigation or environmental remediation activity attributable to significant and unusual nonrecurring matters with no previous history or precedent. During the three and nine month periods ended June 30, 2024 and July 2, 2023, such costs were directly attributable to legal costs incurred for the proceeds received from the representation and warranties insurance policies associated with the Tristar Business acquisition;
- Gain or loss from the early extinguishment of debt realized through the repurchase or early redemption of outstanding debt obligations, net write-off of unamortized deferred debt issuance costs during the three and nine month periods ended June 30, 2024 and July 2, 2023;
- Incremental costs associated with the recognition of product recall costs incurred by the HPC segment in collaboration with the CPSC, initiated at the end of the year ended September 30 2022 and during the year ended September 30, 2023, resulting in the accrual and recognition of incremental costs for the recall, product returns from customers, write-off of inventory on hand, and other costs such as notification, shipping and handling, rework and destruction of affected products, and consumer refunds, as needed. Such costs are not recurring and directly attributable to the recall event, excluding all other costs associated with product warranty and returns;
- Unallocated shared costs reflect the costs associated with certain shared and center-led administrative functions such as information technology, human resources, finance and accounting, supply chain and commercial operations, supporting the HHI business during the period the Company owned and operated the business through the close of the HHI divestiture on June 20, 2023. Such costs are excluded from income from discontinued operations as they are not a direct cost of the discontinued business but a result of indirect allocations in accordance of US GAAP, but reflected as part of income from continuing operations for all periods presented, and requiring retroactive adjustment for all periods presented. HHI was previously a segment of the consolidated group and was excluded from the consolidated Adjusted EBITDA since being recognized as discontinued operations. As a result, for all periods in which HHI was owned and operated by the Company, including comparable periods requiring retroactive adjustment, the adjustment is recognized to reconcile net income from continuing operations to Adjusted EBITDA of the remaining segments of the consolidated group. With the close of the HHI divestiture on June 20, 2023, there is no adjustment recognized as such shared costs are mitigated through income from TSAs during the transition period post-separation, with subsequent restructuring initiatives to rightsize extraneous costs;
- Non-cash gain from the remeasurement in the contingent consideration liability associated with the Tristar Business acquisition during the nine month period ended July 2, 2023;
- For the three and nine month periods ended July 2, 2023, the impact from the early settlement of foreign currency cash flow hedges during the year ended September 30, 2022, resulting in assumed losses at the original stated maturities of foreign currency cash flow hedges in our EMEA region that were settled early due to changes in the Company's legal entity organizational structure and forecasted purchasing strategy of HPC finished goods inventory within the region, resulting in excluded gains intended to mitigate costs during the year ending September 30, 2023; and
- Other adjustments are attributable to: (1) key executive severance and other one-time compensatory costs; and (2) non-recurring unusual insurable losses, including the receipt of related insurance proceeds.

Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of reported net sales for the respective periods.

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (continued)

The following is a reconciliation of reported net income (loss) from continuing operations to adjusted EBITDA and adjusted EBITDA margin for the three month period ended June 30, 2024.

(in millions, except %)	GPC	H&G	HPC	Corporate	Consolidated
Net income (loss) from continuing operations	\$ 48.0	\$ 38.4	\$ (0.5)	\$ (66.8)	\$ 19.1
Income tax expense	—	—	—	22.4	22.4
Interest expense	—	—	—	15.7	15.7
Depreciation	3.5	2.0	2.7	5.9	14.1
Amortization	5.6	2.9	2.6	—	11.1
EBITDA	57.1	43.3	4.8	(22.8)	82.4
Share based compensation	—	—	—	4.5	4.5
HHI separation costs	—	—	—	0.9	0.9
HPC separation initiatives	—	—	—	5.4	5.4
Fiscal 2023 and 2022 restructuring	—	—	0.1	—	0.1
Global ERP transformation	—	—	—	4.3	4.3
Russia closing initiatives	—	—	(0.1)	—	(0.1)
Other project costs	—	—	0.3	—	0.3
Non-cash purchase accounting adjustments	—	—	0.2	—	0.2
Impairment of operating lease asset	—	—	5.1	—	5.1
Legal and environmental	—	—	0.8	—	0.8
Loss from early extinguishment of debt	—	—	—	2.2	2.2
HPC product recall	—	—	0.6	—	0.6
Other	(0.4)	—	—	—	(0.4)
Adjusted EBITDA	\$ 56.7	\$ 43.3	\$ 11.8	\$ (5.5)	\$ 106.3
Net sales	\$ 282.2	\$ 211.0	\$ 286.2	\$ —	\$ 779.4
Net income (loss) from continuing operations margin	17.0 %	18.2 %	(0.2)%	— %	2.5 %
Adjusted EBITDA margin	20.1 %	20.5 %	4.1 %	— %	13.6 %

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (continued)

The following is a reconciliation of reported net income (loss) from continuing operations to adjusted EBITDA and adjusted EBITDA margin for the three month period ended July 2, 2023.

(in millions, except %)	GPC	H&G	HPC	Corporate	Consolidated
Net income (loss) from continuing operations	\$ 38.0	\$ 26.2	\$ (156.5)	\$ (79.9)	\$ (172.2)
Income tax expense	—	—	—	13.9	13.9
Interest expense	—	—	—	30.3	30.3
Depreciation	4.1	1.8	2.8	3.4	12.1
Amortization	5.6	2.8	2.1	—	10.5
EBITDA	47.7	30.8	(151.6)	(32.3)	(105.4)
Share based compensation	—	—	—	4.8	4.8
HHI divestiture and separation costs	—	—	—	4.0	4.0
HPC separation initiatives	—	—	—	0.5	0.5
Tristar integration	—	—	1.0	—	1.0
Fiscal 2023 and 2022 restructuring	0.5	—	0.4	—	0.9
Global ERP transformation	—	—	—	3.7	3.7
Russia closing initiatives	—	—	0.2	—	0.2
Other project costs	0.2	—	1.4	0.3	1.9
Non-cash purchase accounting adjustments	—	—	0.5	—	0.5
Impairment of equipment and operating lease assets	5.2	—	(1.6)	—	3.6
Impairment of goodwill	—	—	111.1	—	111.1
Impairment of intangible assets	—	8.0	45.7	—	53.7
Unallocated shared costs	—	—	—	5.3	5.3
Early settlement of foreign currency cash flow hedges	—	—	0.7	—	0.7
Legal and environmental	—	(0.2)	1.7	—	1.5
HPC product recall	—	—	1.9	—	1.9
Loss from early extinguishment of debt	—	—	—	8.6	8.6
Adjusted EBITDA	\$ 53.6	\$ 38.6	\$ 11.4	\$ (5.1)	\$ 98.5
Net sales	\$ 272.3	\$ 186.6	\$ 276.6	\$ —	\$ 735.5
Net income (loss) from continuing operations margin	14.0 %	14.0 %	(56.6)%	— %	(23.4)%
Adjusted EBITDA margin	19.7 %	20.7 %	4.1 %	— %	13.4 %

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (continued)

The following is a reconciliation of reported net income (loss) from continuing operations to adjusted EBITDA and adjusted EBITDA margin for the nine month period ended June 30, 2024.

(in millions, except %)	GPC	H&G	HPC	Corporate	Consolidated
Net income (loss) from continuing operations	\$ 144.6	\$ 18.3	\$ 84.7	\$ (161.2)	\$ 86.4
Income tax expense	—	—	—	60.3	60.3
Interest expense	—	—	—	51.8	51.8
Depreciation	10.6	5.9	8.1	18.3	42.9
Amortization	16.8	8.6	8.0	—	33.4
EBITDA	172.0	32.8	100.8	(30.8)	274.8
Share based compensation	—	—	—	12.9	12.9
HHI separation costs	—	—	—	3.0	3.0
HPC separation initiatives	—	—	—	8.5	8.5
Fiscal 2023 and 2022 restructuring	0.2	—	0.7	—	0.9
Global ERP transformation	—	—	—	11.2	11.2
Other project costs	(0.1)	—	0.3	0.3	0.5
Non-cash purchase accounting adjustments	—	—	1.1	—	1.1
Impairment of operating lease asset	—	—	5.6	—	5.6
Impairment of intangible assets	—	39.0	4.0	—	43.0
Representation and warranty insurance proceeds	—	—	(65.0)	—	(65.0)
Legal and environmental	—	—	2.2	—	2.2
Gain from early extinguishment of debt	—	—	—	(2.6)	(2.6)
HPC product recall	—	—	6.6	—	6.6
Other	(0.3)	—	—	0.6	0.3
Adjusted EBITDA	\$ 171.8	\$ 71.8	\$ 56.3	\$ 3.1	\$ 303.0
Net sales	\$ 849.0	\$ 443.7	\$ 897.5	\$ —	\$ 2,190.2
Net income (loss) from continuing operations margin	17.0 %	4.1 %	9.4 %	— %	3.9 %
Adjusted EBITDA margin	20.2 %	16.2 %	6.3 %	— %	13.8 %

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (continued)

The following is a reconciliation of reported net income (loss) from continuing operations to adjusted EBITDA and adjusted EBITDA margin for the nine month period ended July 2, 2023.

(in millions, except %)	GPC	H&G	HPC	Corporate	Consolidated
Net income (loss) from continuing operations	\$ 91.3	\$ (20.8)	\$ (198.2)	\$ (159.5)	\$ (287.2)
Income tax benefit	—	—	—	(33.0)	(33.0)
Interest expense	—	—	—	95.3	95.3
Depreciation	11.6	5.4	9.0	10.2	36.2
Amortization	16.6	8.6	6.2	—	31.4
EBITDA	119.5	(6.8)	(183.0)	(87.0)	(157.3)
Share based compensation	—	—	—	12.5	12.5
HHI divestiture and separation costs	—	—	—	6.9	6.9
HPC separation initiatives	—	—	—	4.0	4.0
Tristar integration	—	—	10.7	—	10.7
Fiscal 2023 and 2022 restructuring	2.6	0.2	2.8	0.4	6.0
Global ERP transformation	—	—	—	8.5	8.5
Russia closing initiatives	—	—	2.9	—	2.9
Other project costs	3.8	2.1	3.0	4.8	13.7
Non-cash purchase accounting adjustments	—	—	1.4	—	1.4
Impairment of equipment and operating lease assets	7.9	—	0.2	—	8.1
Impairment of goodwill	—	—	111.1	—	111.1
Impairment of intangible assets	—	56.0	64.7	—	120.7
Unallocated shared costs	—	—	—	18.1	18.1
Legal and environmental	—	(0.2)	1.7	—	1.5
Early settlement of foreign currency cash flow hedges	—	—	4.6	—	4.6
Gain from remeasurement of contingent consideration liability	—	—	(1.5)	—	(1.5)
HPC product recall	—	—	3.8	—	3.8
Loss from early extinguishment of debt	—	—	—	8.6	8.6
Other	3.3	0.1	0.3	1.3	5.0
Adjusted EBITDA	\$ 137.1	\$ 51.4	\$ 22.7	\$ (21.9)	\$ 189.3
Net sales	\$ 846.5	\$ 411.3	\$ 920.3	\$ —	\$ 2,178.1
Net income (loss) from continuing operations margin	10.8 %	(5.1)%	(21.5)%	— %	(13.2)%
Adjusted EBITDA margin	16.2 %	12.5 %	2.5 %	— %	8.7 %

**SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)**

ADJUSTED DILUTED EPS

We define adjusted diluted earnings per share (EPS) as reported diluted EPS excluding the effect of one-time, non-recurring activity and volatility associated with our income tax expense. The Company believes that adjusted diluted EPS provides further insight and comparability in operating performance as it eliminates the effects of certain items that are not comparable from one period to the next. Tax impact on adjustments reflects the income tax effect of the other adjustments further summarized below. Adjustments to diluted EPS include the following:

- Incremental project costs associated with strategic transactions, restructuring and optimization initiatives including, but not limited to, the acquisition or divestitures of a business, costs to effect and facilitate a transaction, including such cost to integrate or separate the respective business, development and implementation of strategies to optimize operations, reduce costs, increase revenues, improve profit margins, including recognition of one-time exit or disposal costs. These amounts are excluded from our performance metrics as they are reflective of incremental investment by the Company towards strategic initiatives and business development activities, incremental costs directly attributable to such initiatives and are not considered recurring or reflective of the continuing ongoing operations of the consolidated group or segments;
- Non-cash purchase accounting adjustments recognized in earnings from continuing operations subsequent to an acquisition, including, but not limited to, the costs attributable to the step-up in inventory value, and the incremental value in operating lease assets with below market rent, among others. During the three and nine month periods ended June 30, 2024 and July 2, 2023, the Company recognized non-cash expense due to the incremental value recognized as part of the Tristar Business acquisition on right of use operating leases with below market rent;
- Non-cash asset impairments or write-offs realized and recognized in earnings from continuing operations, including impairments from property, plant and equipment, operating and finance leases, and goodwill and other intangible assets, when applicable. During the three month period ended June 30, 2024, the Company recognized impairment charges on a right of use operating lease asset associated with a HPC facility that was exited prior to the end of its term. During the nine month period ended June 30, 2024, the Company recognized impairments of its Rejuvenate® and a non-core HPC tradename indefinite lived intangible assets, along with impairment charges on right of use operating lease assets associated with HPC distribution facilities that were exited prior to end of its term. During the three and nine periods ended July 2, 2023, the Company recognized impairment of indefinite lived intangible assets for its Rejuvenate® and PowerXL® indefinite lived tradenames, along with an impairment on idle equipment associated with the early exit of a GPC warehouse lease and impairments on right of use operating lease assets associated with GPC and HPC facilities that were exited prior to the end of their term;
- Gain realized from proceeds received on the representation and warranties insurance policies associated with the Tristar Business acquisition realized during the nine month period ended June 30, 2024;
- Incremental reserves for non-recurring litigation or environmental remediation activity attributable to significant and unusual nonrecurring matters with no previous history or precedent. During the three and nine month periods ended June 30, 2024 and July 2, 2023, such costs were directly attributable to legal costs incurred for the proceeds received from the representation and warranties insurance policies associated with the Tristar Business acquisition;
- Gain or loss from the early extinguishment of debt realized through the repurchase or early redemption of outstanding debt obligations, net write-off of unamortized deferred debt issuance costs during the three and nine month periods ended June 30, 2024 and July 2, 2023;
- Incremental costs associated with the recognition of product recall costs incurred by the HPC segment in collaboration with the CPSC, initiated at the end of the year ended September 30 2022 and during the year ended September 30, 2023, resulting in the accrual and recognition of incremental costs for the recall, product returns from customers, write-off of inventory on hand, and other costs such as notification, shipping and handling, rework and destruction of affected products, and consumer refunds, as needed. Such costs are not recurring and directly attributable to the recall event, excluding all other costs associated with product warranty and returns;
- Unallocated shared costs reflect the costs associated with certain shared and center-led administrative functions such as information technology, human resources, finance and accounting, supply chain and commercial operations, supporting the HHI business during the period the Company owned and operated the business through the close of the HHI divestiture on June 20, 2023. Such costs are excluded from income from discontinued operations as they are not a direct cost of the discontinued business but a result of indirect allocations in accordance of US GAAP, but reflected as part of income from continuing operations for all periods presented, and requiring retroactive adjustment for all periods presented. HHI was previously a segment of the consolidated group and was excluded from the consolidated Adjusted EBITDA since being recognized as discontinued operations. As a result, for all periods in which HHI was owned and operated by the Company, including comparable periods requiring retroactive adjustment, the adjustment is recognized to reconcile net income from continuing operations to Adjusted EBITDA of the remaining segments of the consolidated group. With the close of the HHI divestiture on June 20, 2023, there is no adjustment recognized as such shared costs are mitigated through income from TSAs during the transition period post-separation, with subsequent restructuring initiatives to rightsize extraneous costs;
- Non-cash gain from the remeasurement in the contingent consideration liability associated with the Tristar Business acquisition during the nine month period ended July 2, 2023;
- For the three and nine month periods ended July 2, 2023, the impact from the early settlement of foreign currency cash flow hedges during the year ended September 30, 2022, resulting in assumed losses at the original stated maturities of foreign currency cash flow hedges in our EMEA region that were settled early due to changes in the Company's legal entity organizational structure and forecasted purchasing strategy of HPC finished goods inventory within the region, resulting in excluded gains intended to mitigate costs during the year ending September 30, 2023; and
- Other adjustments are attributable to: (1) key executive severance and other one-time compensatory costs; and (2) non-recurring unusual insurable losses, including the receipt of related insurance proceeds.

SPECTRUM BRANDS HOLDINGS, INC.
OTHER SUPPLEMENTAL INFORMATION (Unaudited)

ADJUSTED DILUTED EPS (continued)

The following is a reconciliation of reported diluted EPS from continuing operations to adjusted diluted EPS from continuing operations for the three and nine month periods ended June 30, 2024 and July 2, 2023.

(amounts per share)	Three Month Periods Ended		Nine Month Periods Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Diluted EPS from continuing operations, as reported	\$ 0.66	\$ (4.27)	\$ 2.78	\$ (7.06)
Adjustments:				
HHI divestiture and separation costs	0.03	0.10	0.10	0.17
HPC separation initiatives	0.19	0.01	0.27	0.10
Tristar integration	—	0.02	—	0.26
Fiscal 2023 and 2022 restructuring	—	0.02	0.03	0.15
Global ERP transformation	0.15	0.09	0.36	0.21
Russia closing initiatives	—	—	—	0.07
Other project costs	0.01	0.03	0.02	0.30
Non-cash purchase accounting adjustments	0.01	0.01	0.04	0.03
Impairment on equipment and operating leases	0.18	0.09	0.18	0.20
Impairment of goodwill	—	2.75	—	2.73
Impairment on intangible assets	—	1.33	1.38	2.96
Representation and warranty insurance proceeds	—	—	(2.08)	—
Legal and environmental	0.03	0.04	0.07	0.04
Loss (gain) from early extinguishment of debt	0.07	0.21	(0.08)	0.21
Debt amendment costs	—	—	—	0.06
HPC product recalls	0.02	0.05	0.21	0.09
Unallocated shared costs	—	0.13	—	0.44
Early settlement of foreign currency cash flow hedges	—	0.02	—	0.11
Gain from remeasurement contingent consideration liability	—	—	—	(0.04)
Other	(0.01)	0.02	—	0.16
Pre-tax adjustments	\$ 0.68	\$ 4.92	\$ 0.50	\$ 8.25
Tax impact of adjustments	(0.24)	0.28	(0.34)	(0.79)
Net adjustments	\$ 0.44	\$ 5.20	\$ 0.16	\$ 7.46
Diluted EPS from continuing operations, as adjusted	\$ 1.10	\$ 0.93	\$ 2.94	\$ 0.40