



## Oppenheimer Midwest Corporate Access Day

August 15, 2018 - Chicago

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Vice President, Investor Relations

## Forward-looking Statements

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

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

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

# Reconciliation of Non-GAAP Financial Measurements

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Management believes that certain non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior operating periods. Excluding the impact of current exchange rate fluctuations may provide additional meaningful reflection of underlying business trends. In addition, within this presentation, including the tables that follow, reference is made to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), free cash flow and adjusted gross profit.

Adjusted EBITDA is a metric used by management and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company's ability to service debt and is one of the measures used for determining the Company's debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period.

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

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

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

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

# Innovative, Superior Value Consumer Products in and around the Home



# Spectrum Brands Overview

A global consumer products company with annualized net sales of ~\$3 billion

- ✓ Focused on **non-discretionary** consumer products used in households daily
- ✓ Market-leading brands in categories with **barriers to entry**
- ✓ Delivering **superior value** to customers and consumers

## Global Auto Care

FY17 Net Sales \$447M  
Adj. EBITDA \$148M  
EBITDA Margin 33%



## Global Pet Supplies

FY17 Net Sales \$793M  
Adj. EBITDA \$143M  
EBITDA Margin 18%



## Home & Garden

FY17 Net Sales \$493M  
Adj. EBITDA \$133M  
EBITDA Margin 27%



## Hardware & Home Improvement

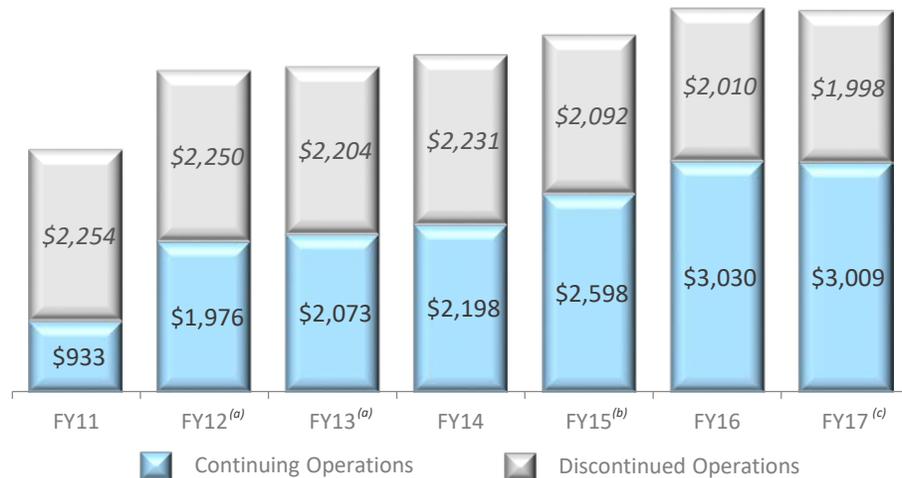
FY17 Net Sales \$1,276M  
Adj. EBITDA \$254M  
EBITDA Margin 20%



# Long-term Improvement across Key Financial Metrics

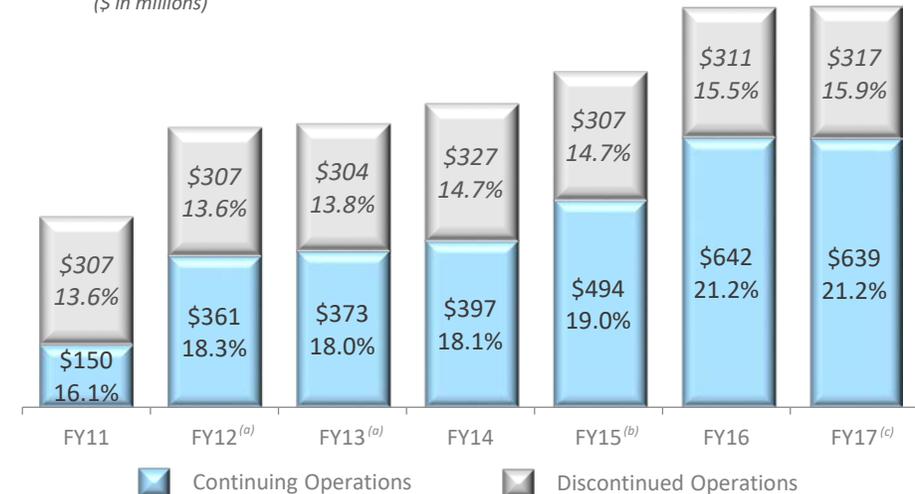
## Net Sales Performance

(\$ in millions)



## Adjusted EBITDA

(\$ in millions)



## Adjusted Free Cash Flow

(\$ in millions)



Spectrum Brands target algorithm:  
grow adjusted EBITDA and focus on high  
conversion rate to free cash flow

(a) Reflects pro forma as if HHI acquired at beginning of respective period.

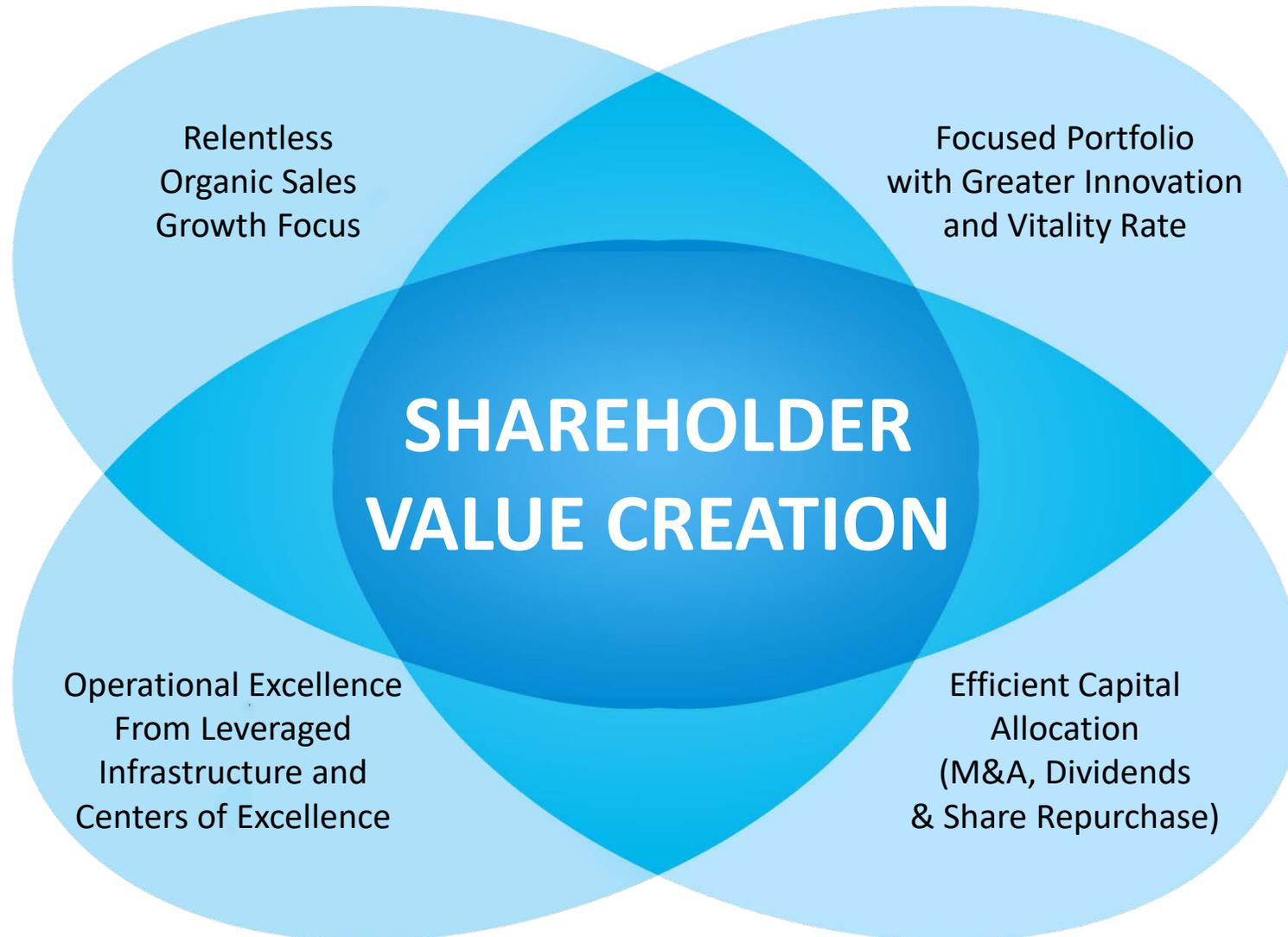
The pre-acquisition earnings and capital expenditures of HHI do not include the TLM Taiwan business as stand alone financial data is not available for the periods presented. The TLM Taiwan business is not deemed material to the Company's operating results.

(b) Reflects results for GAC from acquisition date of May 21, 2015 through September 30, 2015.

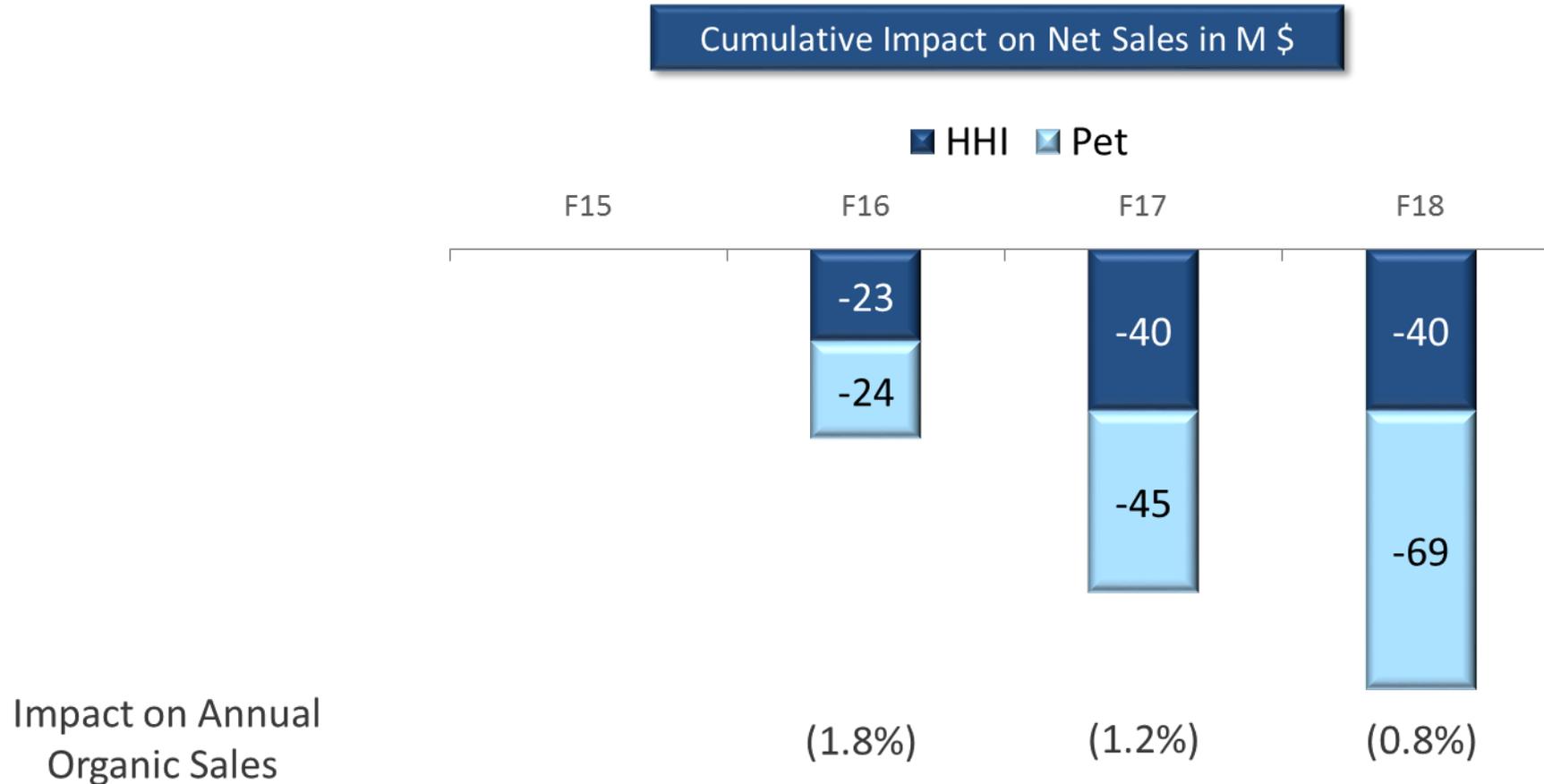
(c) Reflects results from GloFish and PetMatrix acquisitions from May and June 2017, respectively.

## Our Mission – Superior Returns

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# Exits from Unprofitable, Non-strategic Businesses



Positive impact on adjusted EBITDA from continuing operations  
Reallocate resources to better growth opportunities

# Divestiture of Global Batteries & Appliances

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## Strategic objectives

- Focus on faster growing, higher margin categories
- Increase investment in continuing businesses to gain category leadership and accelerate growth
- Utilize proceeds to reduce debt and buy back shares

## Sale of Batteries & Lighting

- Signed agreement with Energizer Holdings, Inc. on Jan. 15, 2018
- Expect regulatory approval and closing in the second half of calendar 2018
- Agreed sale price of \$2.0B



## Sale of Small Appliances & Personal Care

- Remain in active discussions to divest, and continue to market our appliances businesses



## Spectrum Brands and HRG Group Merger

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- Transaction closed on July 13, 2018
- Spectrum Brands becomes independent company with no controlling shareholder
- Widely distributed shareholder base and meaningfully increased trading liquidity
- Substantial, unlocked value from HRG tax attributes – NOLs and capital losses
- Independent governance structure
- Tax free to SPB, SPB shareholders, HRG and HRG shareholders

# Top 15 Brands Driving Customer and Consumer Value

**Kwikset**

Pfister



BALDWIN

**WEISER**

»EUKANUBA



These leading brands accounted for 75% of FY17 revenues of \$3,009 million

# Air Fresheners Launch

## Social Media



## National TV Advertising

Dedicated :30 Spot for Air Fresheners



## Digital / Online Video



## Cross-Promoting & Sampling



## In-store Merchandising



## Dedicated Website



# Nature's Miracle Expansion

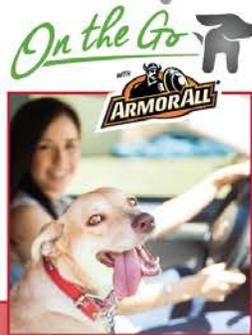
Nature's Miracle® will cover all messes in a consumer's life

**NATURE'S  
MIRACLE®**



**CURRENT**

Pet  
messes



**2018**

Car  
messes



**2019**

Life's  
messes



**2020**

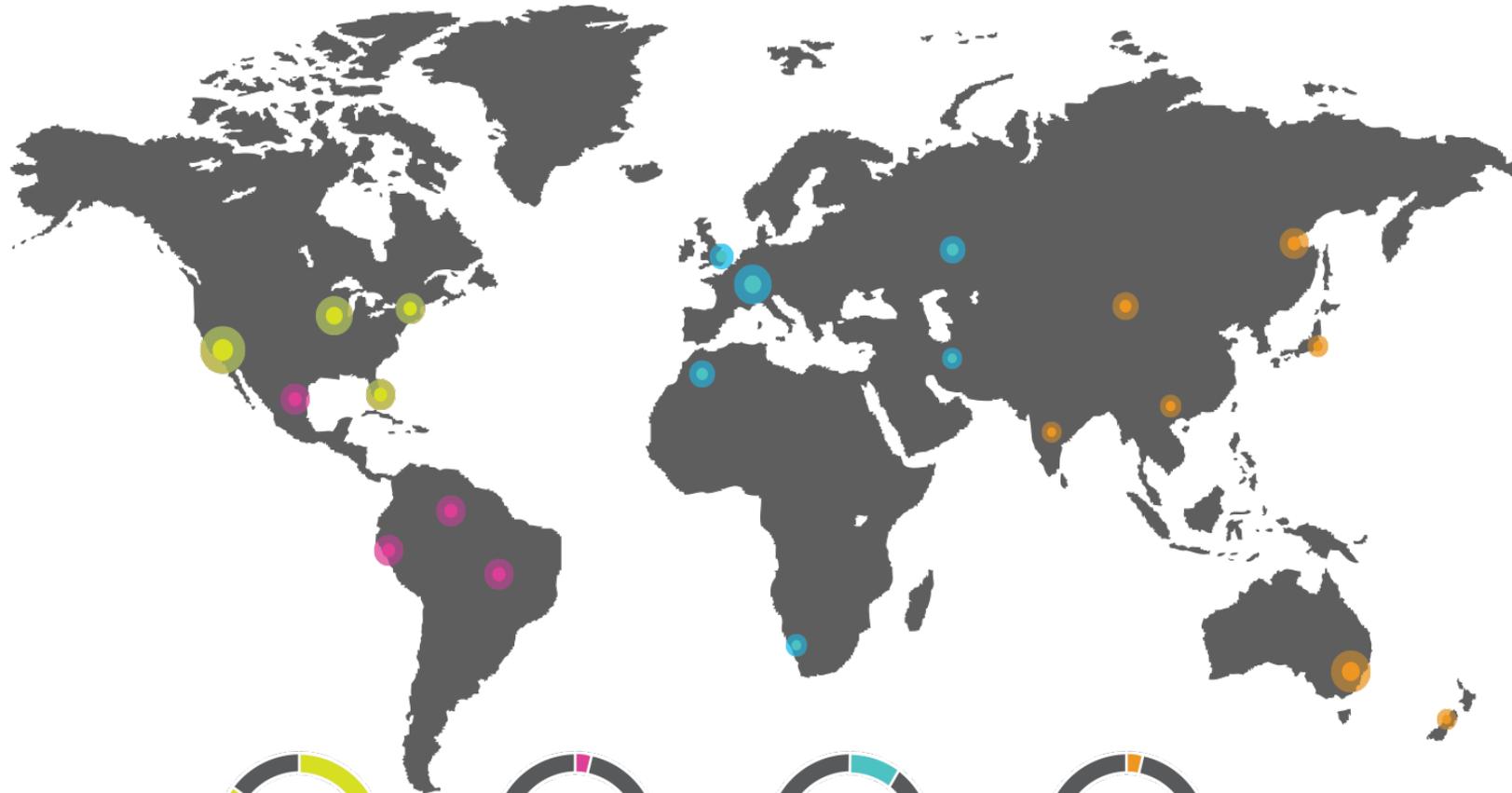
Baby  
messes



**2021**

Outdoor  
messes

# FY17 Sales By Geographic Region Post-GBA Divestiture



North America  
(\$2,558)



Latin America  
(\$90)

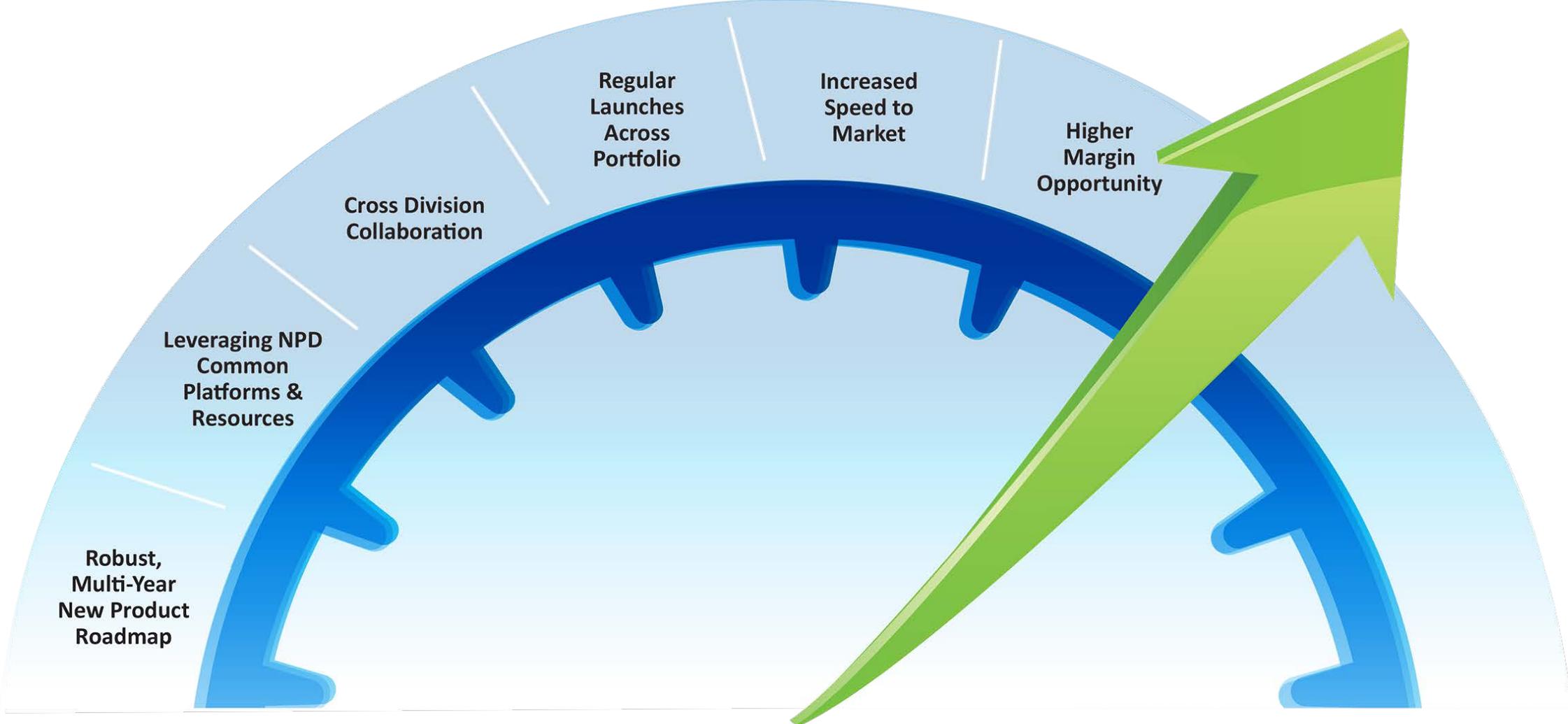


Europe  
(\$271)

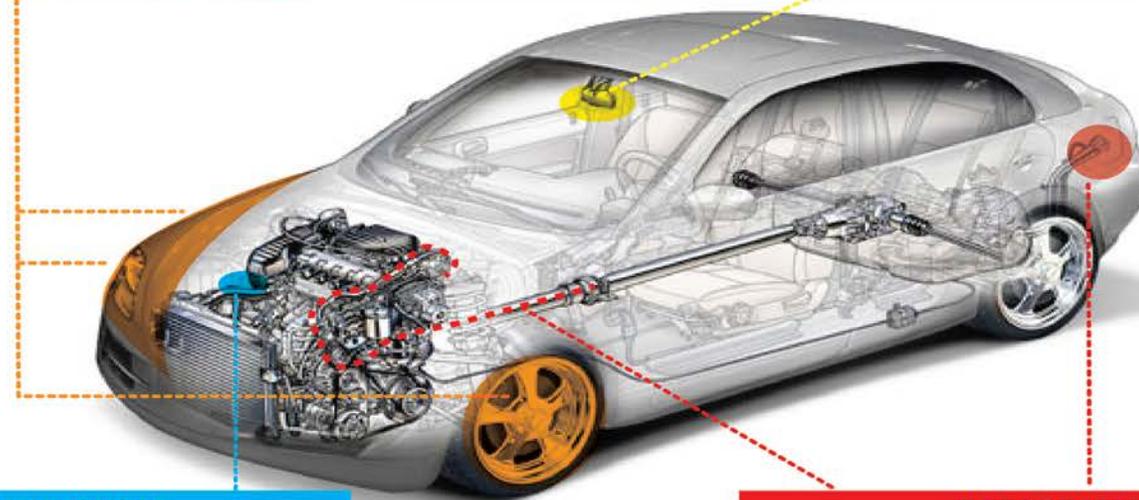


Asia-Pacific  
(\$90)

# Accelerating Innovation



# Global Auto Care – Innovation and New Products



# Pet, Home & Garden – Innovation and New Products



**GloFish**  
Experience the Glow!

**AQUATICS**

**COMpanion ANIMAL**

**HOME & GARDEN**

# Hardware & Home Improvement – Innovation and New Products

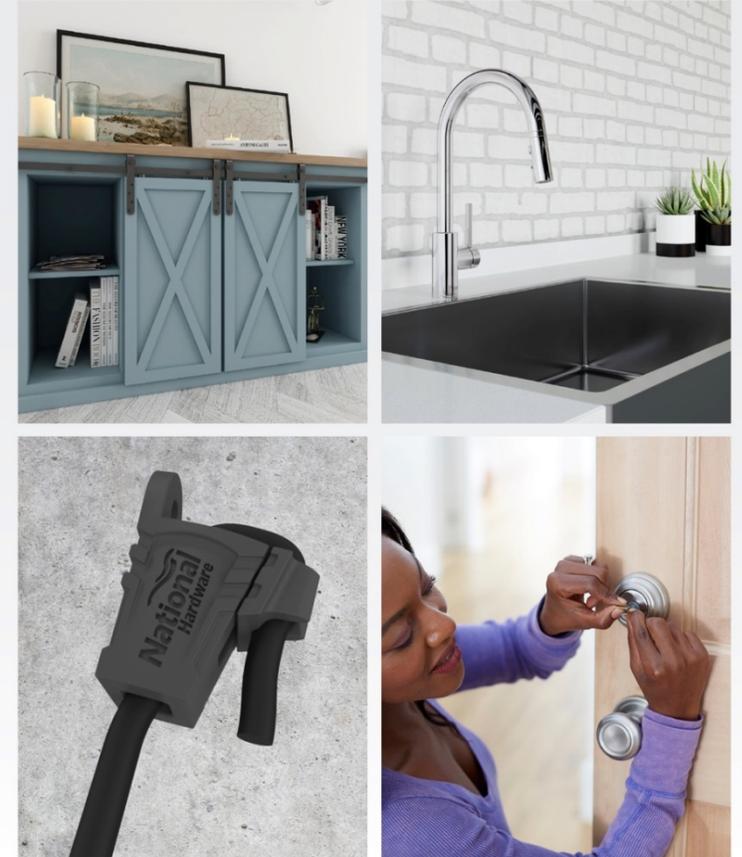
## Electronics Innovation



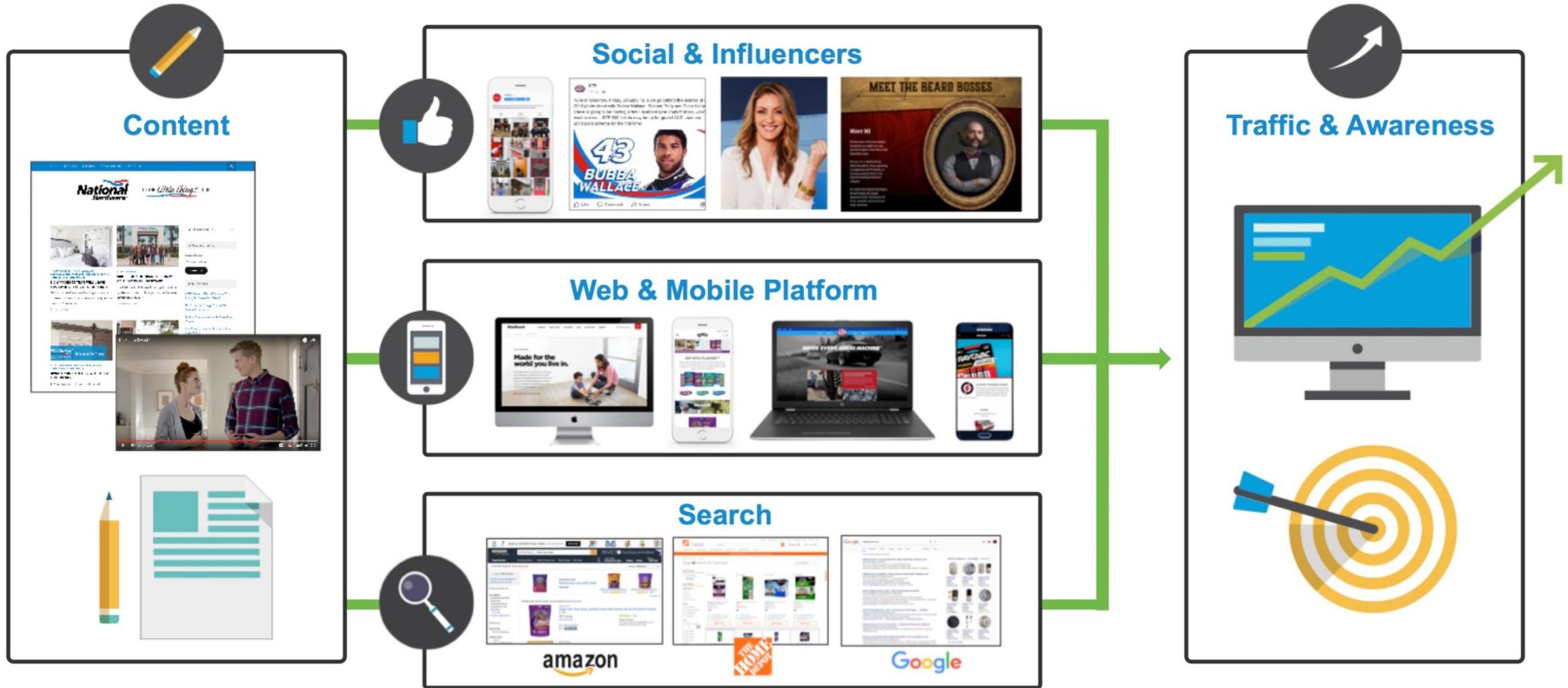
## Style & Design Innovation



## Functional Innovation

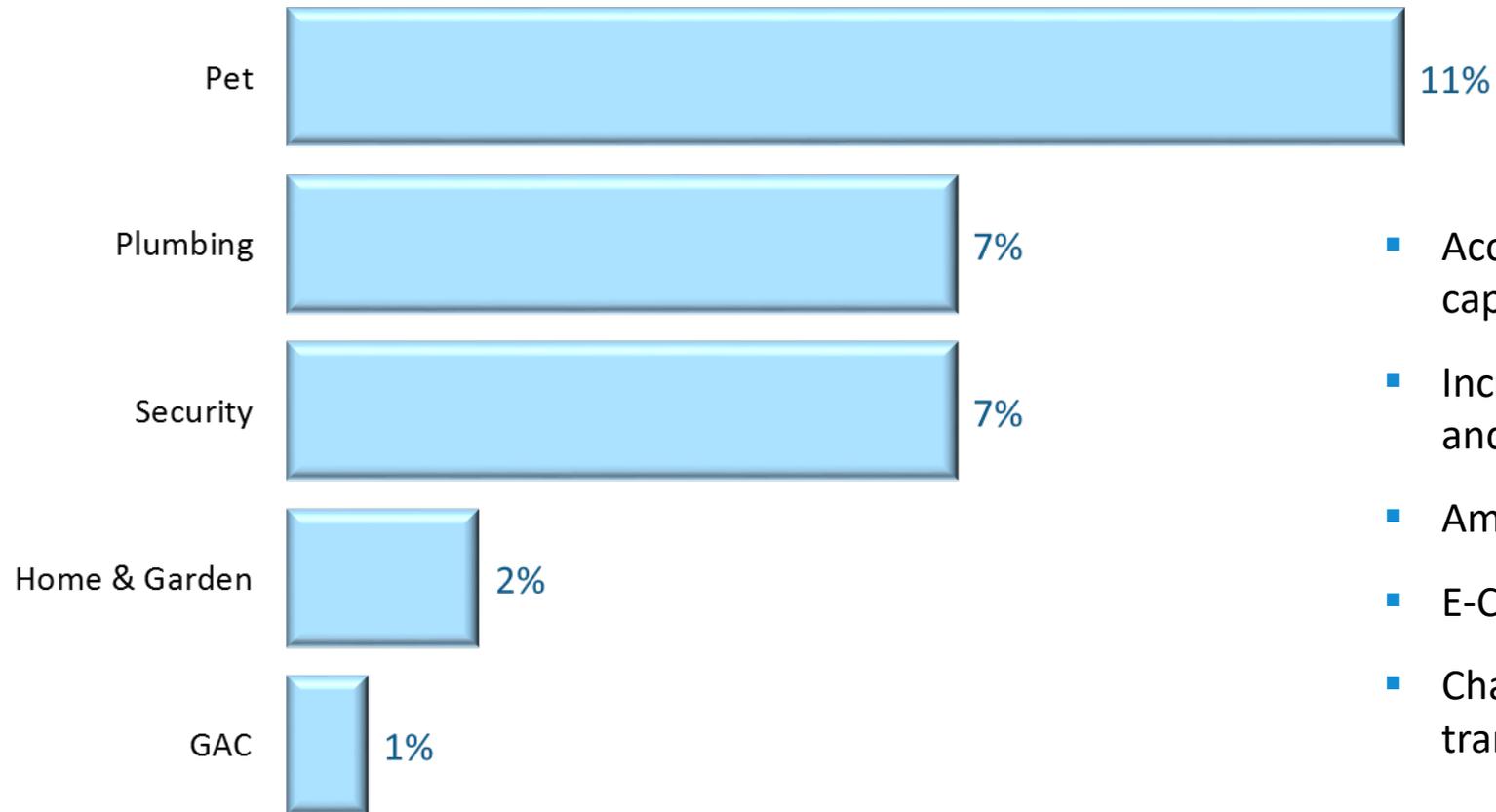


# Digital Engagement to Drive Awareness



# Heightened U.S. E-Commerce Focus

## E-Commerce Share of FY17 Net Sales:



- Accelerating investment shift into digital capabilities
- Increasing dedicated staff and expanding toolsets and cross divisional cooperation
- Amazon a top 5 customer in FY17
- E-Commerce margins are attractive
- Channel allows for greater price-value transparency, ratings and reviews

FY17 U.S. e-commerce growth = 38%  
5% of annual sales

# Supplement Organic Growth with Acquisitions



Global Auto Care



Global Pet Supplies



Home & Garden

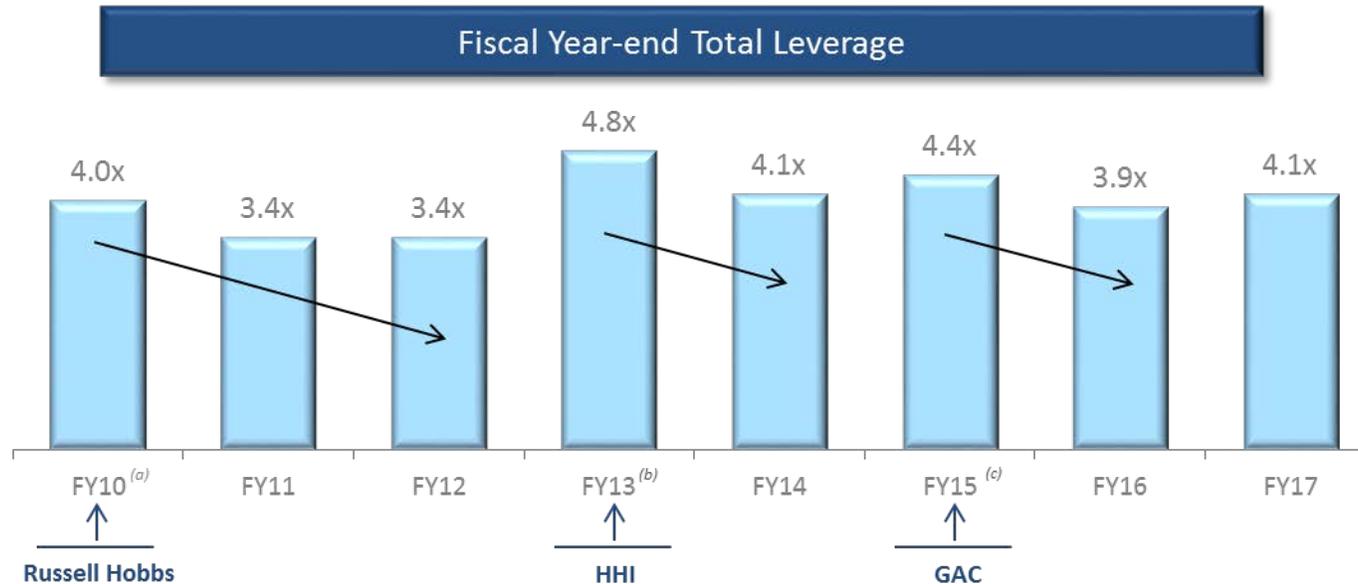


Hardware & Home Improvement

- Consolidation in fragmented industries
- Technology expansion
- Geographic expansion
- Channel expansion

# Capital Structure Priorities

- Strong free cash flow used to manage capital structure and drive value
- Focus on lowering cost of debt and extending tenor



Divestiture proceeds will be allocated to reduce debt, reinvest in businesses organically and with bolt-on acquisitions, and repurchase shares

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

# Spectrum Brands

Pfister

PROSENSE

litter  
Maid

TAT  
INSECTICIDES



FORTIS  
PURO DESIGN ITALIANO



REPEL



Kwikset



NATURE'S  
MIRACLE

WEISER



Instant Ocean

STANLEY

GloFish  
Experience the Glo!



EZSET

DINGO

Cutter

Jungle



IAMS

Excel

BALDWIN

SmartBones

DreamBone



Digesteere



»EUKANUBA

FreshResults

Balanced-By-Nature  
ecOTRITION

National  
Hardware



Healthy Hide



NYSE: SPB

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# Spectrum Brands

## Appendix

# Spectrum Brands

Consumer Products Group

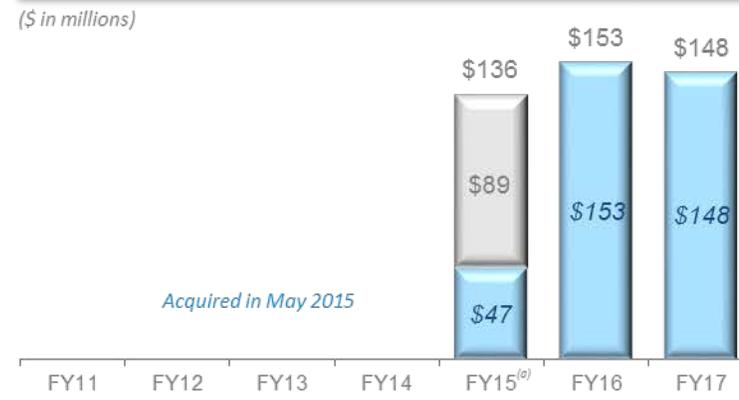
Global Auto Care  
Pet, Home & Garden



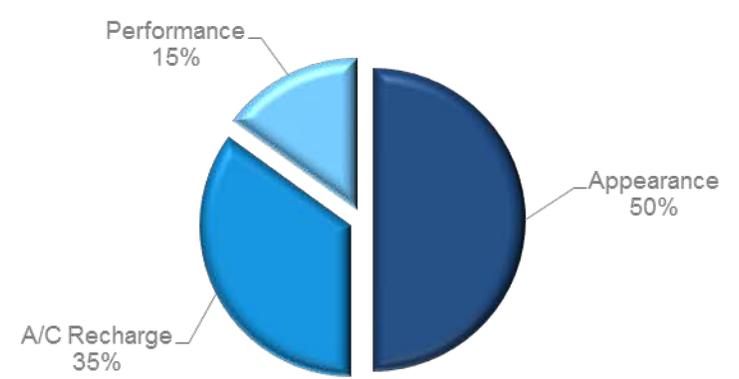
# Global Auto Care Overview

- Market-leading auto care brands, including Armor All, STP and A/C PRO
- Armor All and STP enjoy 32% and 24% unaided brand awareness
- History of innovation and industry leadership
- Unmatched shelf space in auto retailers

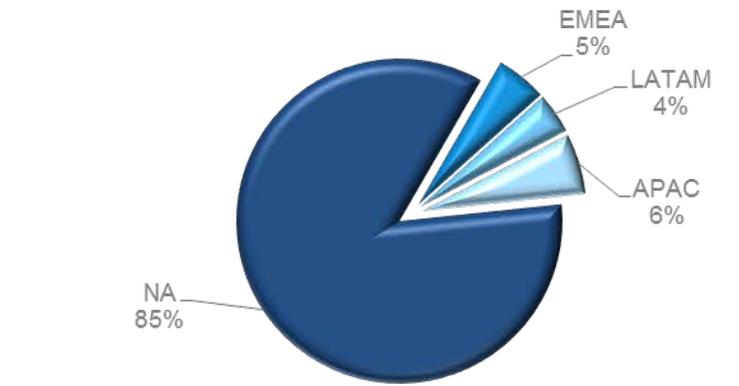
## Adjusted EBITDA Performance



## Net Sales By Product Category (FY17)



## Net Sales By Geography (FY17)



FY17 Revenue \$447M; Adj. EBITDA \$148M

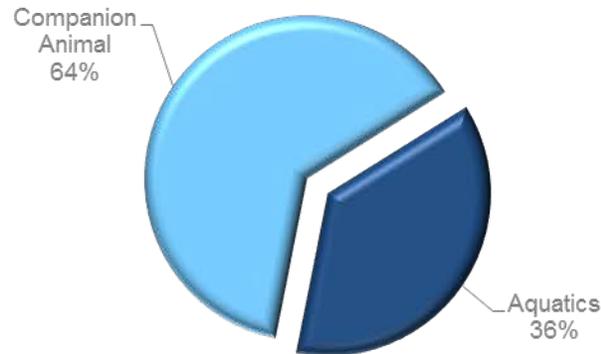
(a) Global Auto Care (GAC) was acquired by Spectrum Brands on May 21, 2015. Actual results are for the period of May 21, 2015 through September 30, 2015 and pro-forma trailing 12 months for fiscal 2015.

# Global Pet Supplies Overview

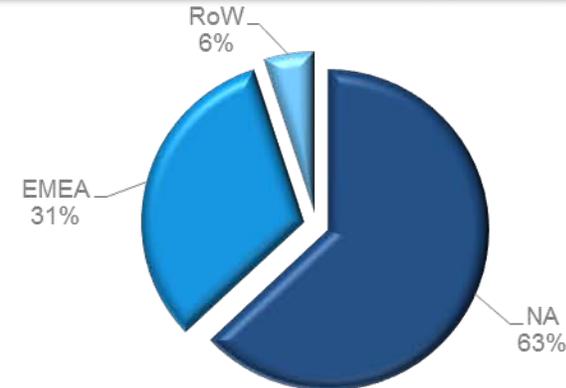
- Global market leader in aquatics category with a broad and innovative product line led by the Tetra brand
- Strong new product pipeline in FY18 in both aquatics and companion animal categories
- Largest vertically integrated supplier of rawhide dog chews and treats



**Net Sales By Product Category (FY17)**



**Net Sales By Geography (FY17)**



**FY17 Revenue \$793M; Adj. EBITDA \$143M**

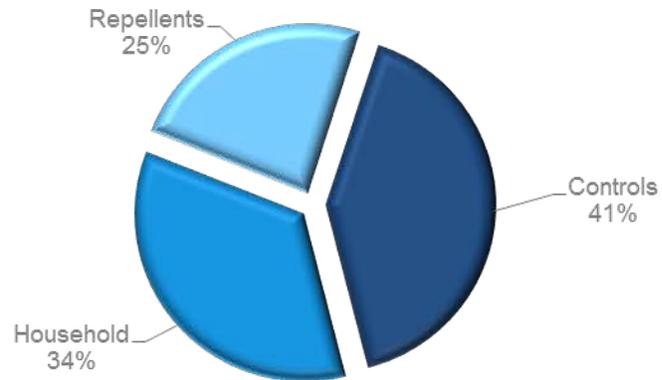
# Home & Garden Overview

- High barriers to entry
- Strong new product pipeline
- Operational excellence
- Geographic expansion in Latin America

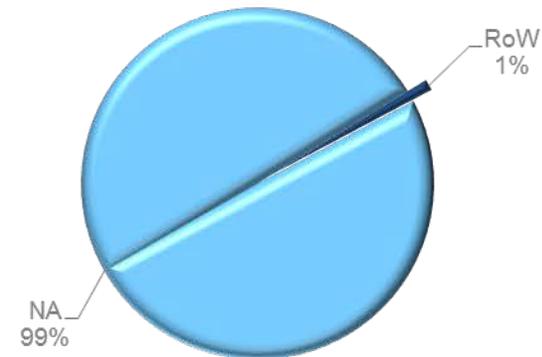
Adjusted EBITDA Performance



Net Sales By Product Category (FY17)



Net Sales By Geography (FY17)



FY17 Revenue \$493M; Adj. EBITDA \$133M

# Spectrum Brands

Hardware & Home Improvement

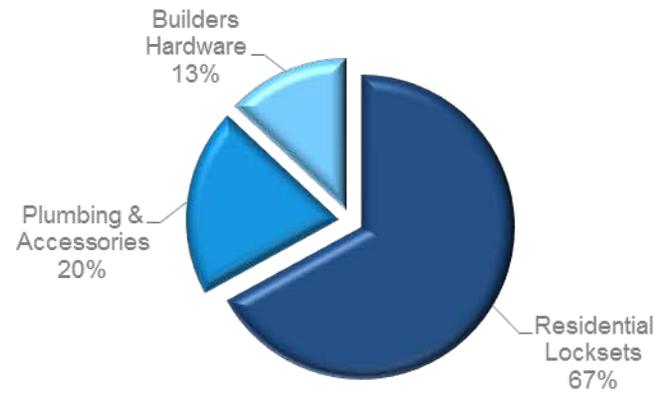


# Hardware & Home Improvement Overview

- Leading provider of residential locksets, builders hardware, and plumbing and accessories
- Diversified product portfolio with well-recognized brands characterized by outstanding new product innovation and execution
- Large installed base – about 935 million locks / 72 million households



**Net Sales By Product Category (FY17)**



**Net Sales By Geography (FY17)**



**FY17 Revenue \$1,276M; Adj. EBITDA \$254M**

(a) FY14, FY15, FY16 and FY17 include Fx impacts of \$(10)M, \$(3)M, \$(2)M and \$3.4M, respectively.

## Reconciliation of Adjusted EBITDA by Segment<sup>(a)</sup>

(\$ millions)	FY 2017							Total
	GBA	HHI	PET	H&G	GAC	Corp		
Net Income	\$ 230	\$ 184	\$ 29	\$ 114	\$ 101	\$ (361)	\$ 297	
Income tax expense	-	-	-	-	-	48	48	
Interest expense	-	-	-	-	-	211	211	
Depreciation and amortization	79	38	43	18	21	-	199	
EBITDA	309	222	72	132	122	(102)	755	
Share based compensation	-	-	-	-	-	57	57	
Acquisition and integration related charges	6	5	8	-	2	-	21	
Restructuring and related charges	2	27	9	-	24	1	63	
Write off from impairment of intangible assets	-	-	15	1	-	-	16	
Acquisition inventory step up	-	-	3	-	-	-	3	
Pet safety recall	-	-	36	-	-	-	36	
Other	-	-	-	-	-	5	5	
Adjusted EBITDA	\$ 317	\$ 254	\$ 143	\$ 133	\$ 148	\$ (39)	\$ 956	

# Spectrum Brands

