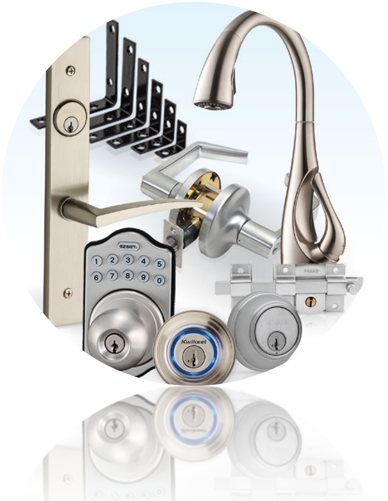
Spectrum Brands

Fiscal 2020 First Quarter Earnings Call

January 30, 2020




Agenda

• **Introduction**	Kevin Kim Divisional Vice President, Investor Relations
• **CEO Overview and Outlook**	David Maura Chairman and Chief Executive Officer
• **Financial Review**	Jeremy Smeltser Chief Financial Officer
• **Business Review**	Randy Lewis Chief Operating Officer
• **Q&A**	David Maura Jeremy Smeltser Randy Lewis

Forward-Looking Statements

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

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

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

Reconciliation of Non-GAAP Financial Measurements

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

Management believes that organic net sales provide for a more complete understanding of underlying business trends of regional and segment performance by excluding the impact of currency exchange fluctuations and the impact of acquisitions (when applicable) when there is no comparable sales in the prior period. Organic growth is calculated by comparing organic net sales to net sales in the prior year. The effect of changes in currency exchange rates is determined by translating the period's net sales using the currency exchange rates that were in effect during the prior comparative period. Management uses adjusted diluted EPS as a useful measure for providing further insight into our operating performance because it eliminates the effects of certain items that are not comparable from one period to the next. An income tax adjustment is included in adjusted diluted EPS to exclude the impact of the valuation allowance against deferred taxes and other tax-related items in order to reflect a normalized ongoing effective tax rate. For the three-month period ended December 29, 2019, the normalized ongoing effective tax rate was updated to 25.0%. Adjusted EBITDA is a metric used by management to evaluate segment performance and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure for determining Spectrum Brands' debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. Adjusted EBITDA margin reflects adjusted EBITDA as a percentage of net sales. Adjusted free cash flow provides useful information to investors regarding our ability to generate cash from business operations that is available for acquisitions and other investments, service of debt principal, dividends and share repurchases and meet its working capital requirements. Our definition of adjusted free cash flow takes into consideration capital investments required to maintain operations of our businesses and execute our strategy.

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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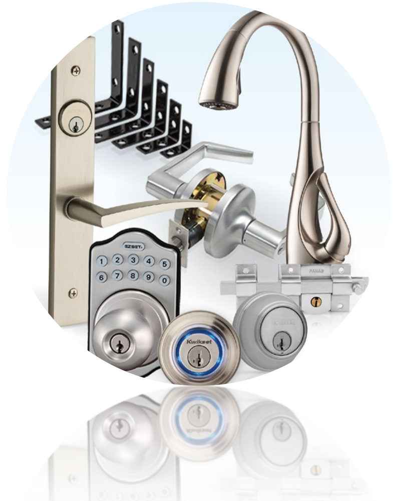
CEO Overview and Outlook

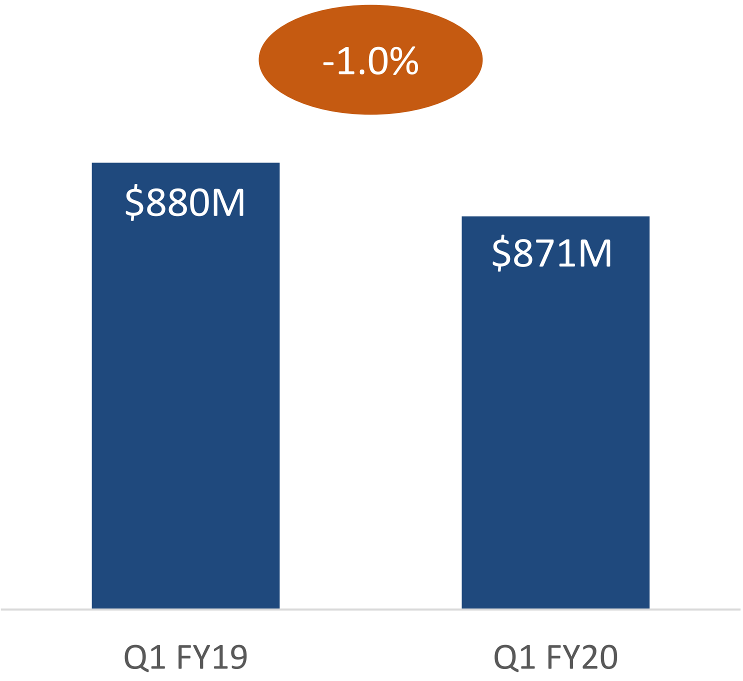
David Maura

Chairman and Chief Executive Officer

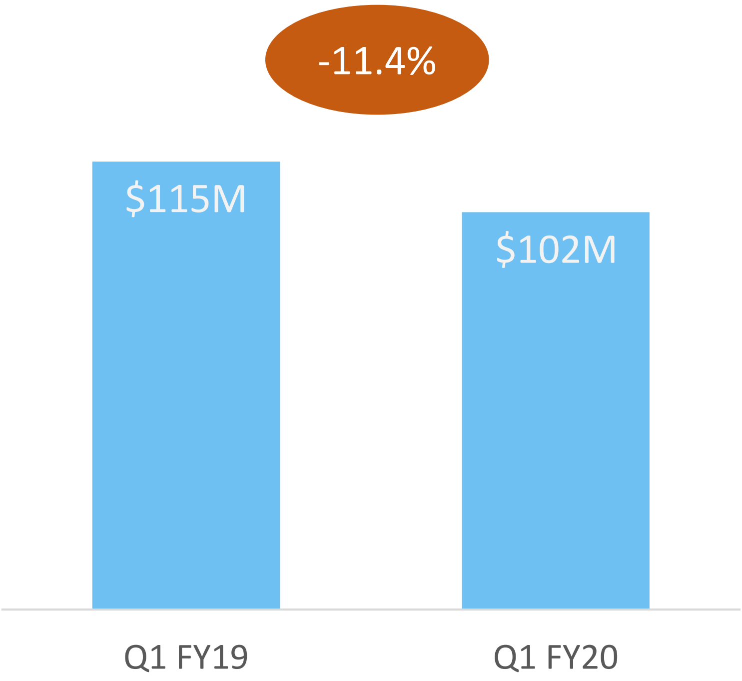


First Quarter 2020 – Total SPB

Net Sales



Adj. EBITDA



Operating Income ↓

KEY TAKEWAYS

- **Organic net sales** decreased 0.3%
  - Organic growth in HPC and Global Pet Care, while timing issues in Home & Garden and HHI drove us flat overall
- **Q1 2020 adjusted EBITDA** decline was in line with our expectations
  - Tariffs exceeded the ramp-up of our productivity improvements

CEO Overview and Outlook

- **We reaffirm fiscal 2020 net sales, adjusted EBITDA and adjusted free cash flow targets**
- **Home & Personal Care** had a standout quarter and reported its first quarterly growth in over a year
- **Global Pet Care**: fifth consecutive quarter of topline growth and third consecutive quarter of bottom line growth
- We continued to make progress on a number of fronts in the first quarter
  - We entered into an agreement for the sale of our **dog and cat food operations in Coevorden**, Netherlands. This action represents progress against our plan in Global Pet Care to exit non-core assets and focus on our core growth brands
  - We rewarded shareholders by executing a **$125 million ASR and repurchasing 1.3 million shares** of common stock for $81.4 million through open market repurchases during the quarter
  - We made significant progress on our plans to **generate over $100 million of run-rate savings** from our Global Productivity Improvement Plan (GPIP)

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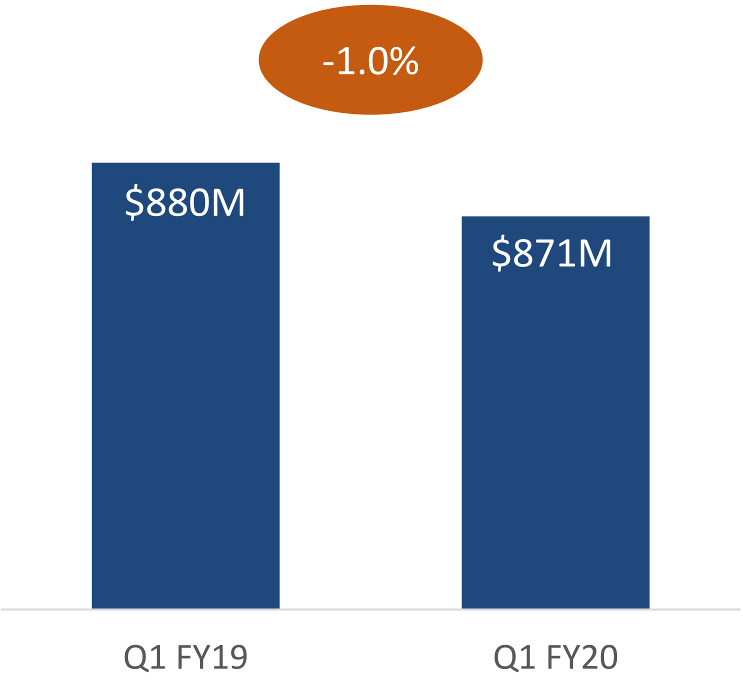
Financial Review

Jeremy Smeltser

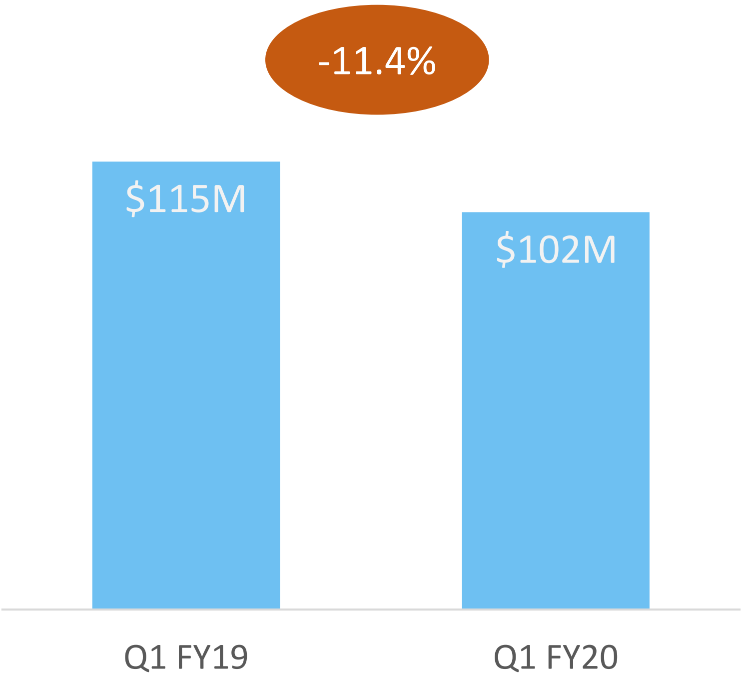
Chief Financial Officer

First Quarter 2020 – Consolidated Results

Net Sales



Adj. EBITDA



Operating Income ↓

KEY TAKEWAYS

- **Organic net sales** decreased 0.3%
- **Adjusted EBITDA** grew in Global Pet Care and HPC, but were offset by declines in Home & Garden and HHI
- **Adjusted EBITDA margin drivers:**
  - **Headwinds:** higher tariff, timing of capitalized manufacturing variances and stranded costs
  - **Tailwinds:** productivity and positive pricing

Q1 Financial Review *(cont'd)*

- **Q1 interest expense** from continuing operations of $34.8 million decreased $22.2 million driven by lower debt levels
- **Depreciation and amortization** from continuing operations impacted by $29.3 million in higher non-cash depreciation and amortization charges recorded last year due primarily to the segment being removed as held for sale (U.S. GAAP only)
- Cash payments for **transaction** related charges were $4.6 million, down from $20.0 million last year. **Restructuring & related** charges for Q1, Global Productivity Improvement Plan and including discontinued operations, were $38.6 million versus $9.9 million last year.
- We **completed Q1 in a strong liquidity position**, including $678 million available on cash flow revolver and a cash balance of $142 million
- First quarter ending **inventory was lower by $95 million**, as our operating teams continue to drive more discipline and improved process into our working capital management, enabled by our continued investments in capacity and automation
- **Debt outstanding was $2.4 billion, down 50%** from $4.8 billion at the same time last year
  - In January 2020, we paid the previously disclosed payment to Energizer in connection with the divestiture of the VARTA business

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FY20 Guidance

- ***Unchanged:*** Net sales growth of low single-digits, with foreign exchange to have a slightly negative impact based upon current rates

- ***Unchanged:*** Adjusted EBITDA of $570-$590 million

- ***Unchanged:*** Adjusted free cash flow from continuing operations is expected to be between $240 million and $260 million
  - *Updated:* Depreciation and amortization (D&A) is expected to be $145-$150 million
  - *Updated:* Stock-based compensation of approximately $55-60 million, now excluded from D&A
  - *Unchanged:* Full-year interest expense is expected to be between $140 and $150 million, including approximately $10 million of non-cash items. Cash interest payments are expected to be between $130 and $140 million
  - *Unchanged:* Restructuring and transaction-related cash spending is expected to be between $90-$100 million
  - *Unchanged:* Capital expenditures are expected to be between $90-$100 million
  - *Unchanged:* Cash taxes are expected to be $45-$55 million
  - *Unchanged:* We started FY20 with approximately $800 million of usable federal NOLs
  - *Unchanged:* For adjusted EPS we use a tax rate of 25.0%, including state taxes

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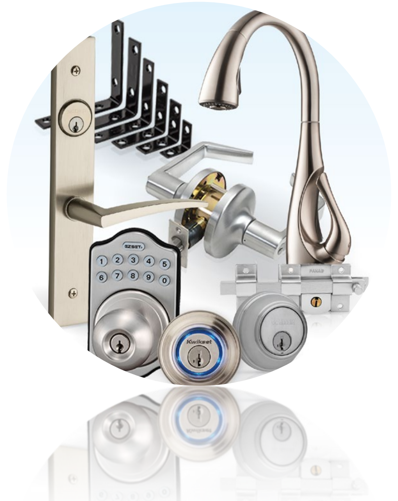
Business Review

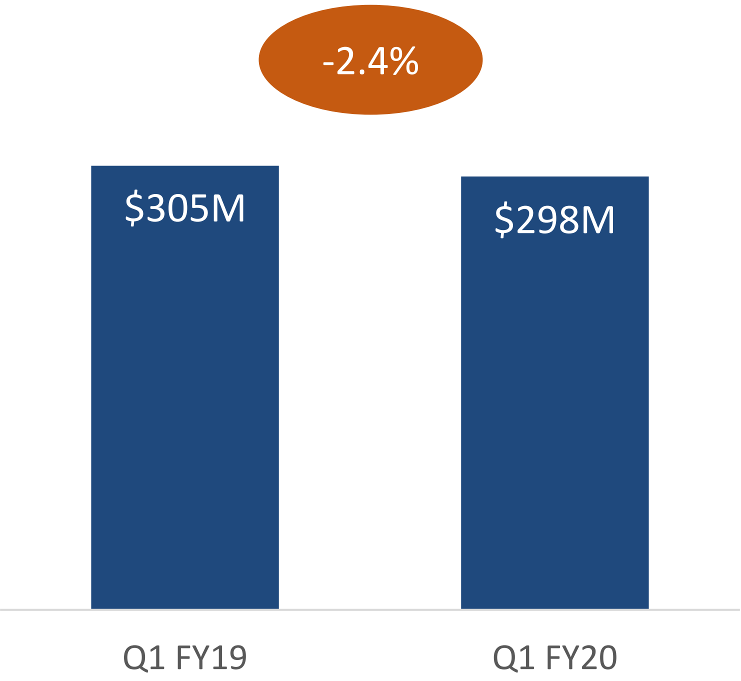
Randy Lewis

Chief Operating Officer

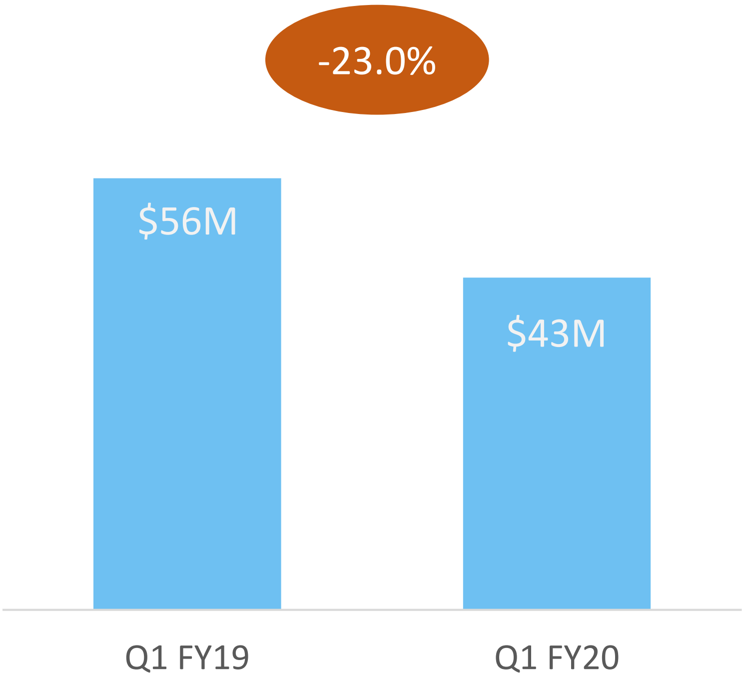


First Quarter 2020 – Hardware & Home Improvement

Net Sales



Adj. EBITDA



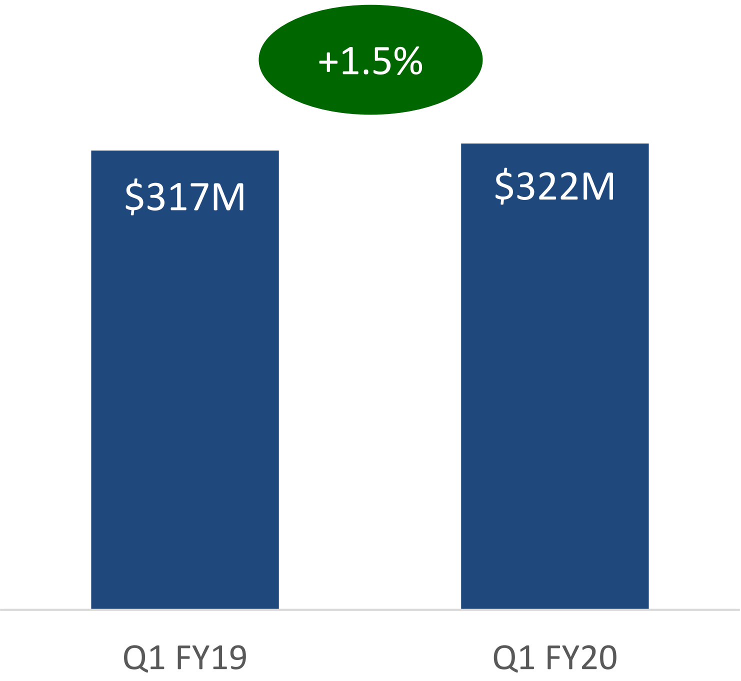
Operating Income ↓

KEY TAKEAWAYS

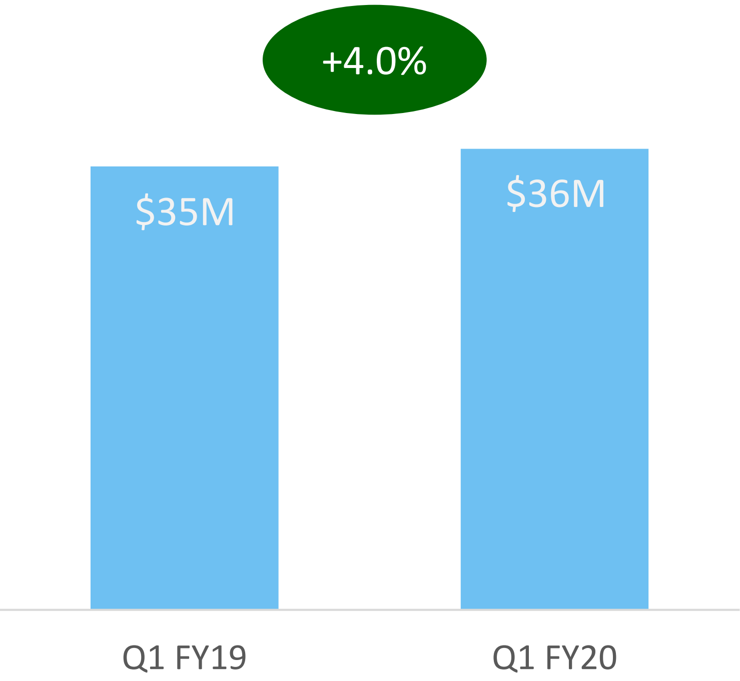
- **Organic net sales** decreased 2.5% with a decline in **residential security** driven by lower builder volume and **builder's hardware** driven by timing of orders from a large customer
- **Adjusted EBITDA** decreased 23.0%
- Recently Introduced the **Halo Touch** Wi-Fi Smart Lock

First Quarter 2020 – Home & Personal Care

Net Sales



Adj. EBITDA



Operating Income ↑

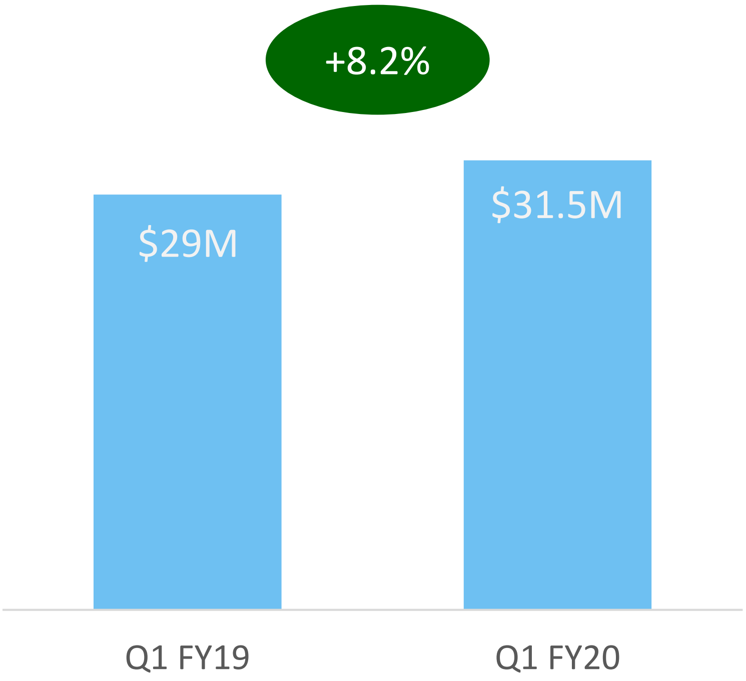
KEY TAKEWAYS

- **Organic net sales** increased 3.2%
  - Sales grew in **Europe**
  - Sales in the **U.S.** experienced a more moderate rate of decline compared to 2019
- **Adjusted EBITDA** increased 4.0%
- Our consumer-driven mindset in **Europe continues to pay dividends** with topline growth

First Quarter 2020 – Global Pet Care

Net Sales

Adj. EBITDA



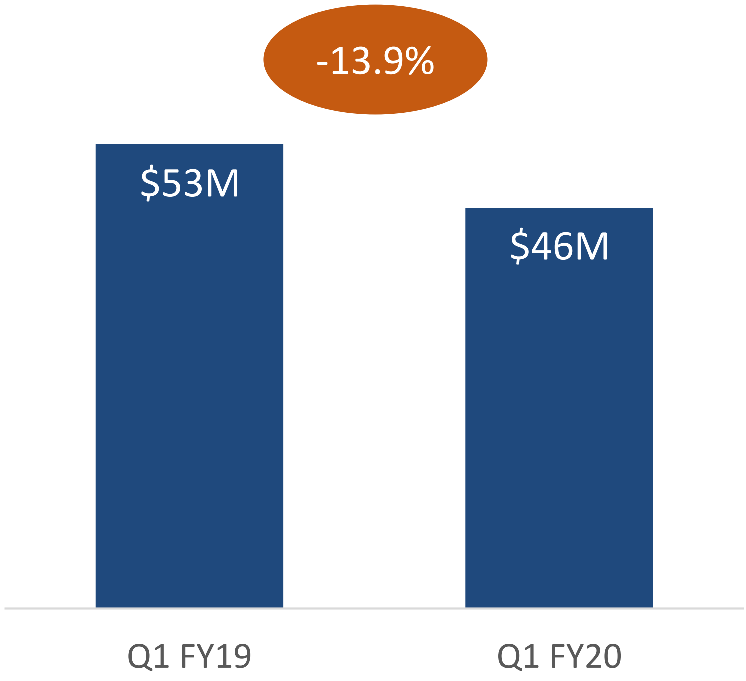
Operating Income ↓

KEY TAKEWAYS

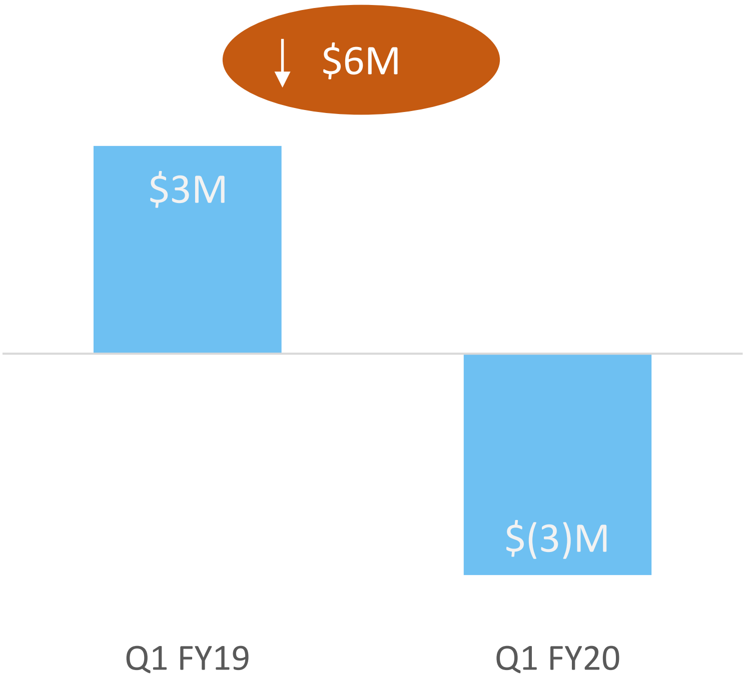
- **Organic net sales** increased 1.1%
    - Continued growth in **U.S. companion animal**
- **Adjusted EBITDA** increased 8.2%
- Successful exiting of Latin America rawhide facility & announced divestiture of European dog and cat food manufacturing operations
- Continue to position our Pet Care business for future **category growth**

First Quarter 2020 – Home & Garden

Net Sales



Adj. EBITDA



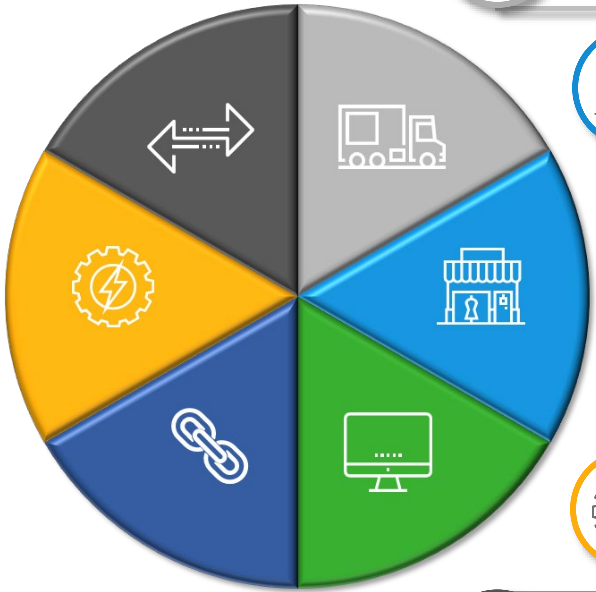
Operating Income ↓

KEY TAKEWAYS

- **Net sales** decreased 13.9%
- **Adjusted EBITDA** decreased $6.4 million
- **Q1 revenue and adjusted EBITDA were below last year**
  - Historically represents the smallest revenue quarter
  - Sales were impacted by higher than normal inventories at customers
- Continued to **grow market share** (last 12 months)

Global Productivity Improvement Plan (GPIP)

- We continue to expect the gross, annualized savings from sourcing and other GPIP cost improvements to be at least $100 million and that these saving will be at full run rate within the next 15 to 18 months



Strategic Sourcing
Implement and execute strategic sourcing initiatives across the business units

Commercial
Right-size functions and center-led common operations

G&A
Best practice implementation and automation across finance, HR, legal and real estate functions

Supply Chain Org
Implement procurement Center of Excellence and centralization of indirect spend

IT Enablement
Accelerate value creation with tech enablers while transforming and consolidating ERP core systems

EMEA Separation
Prepare for EMEA separation in governance, change management and risk planning post-divestiture

Expected to increase operating efficiency and effectiveness
Expected to enable growth investments in consumer insights, research and development and marketing

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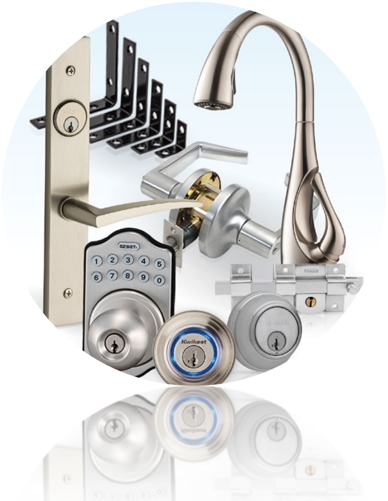
Appendix



SPECTRUM BRANDS HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Three Month Periods Ended			
(in millions, except per share amounts)	**December 29, 2019**		**December 30, 2018**	
Net sales	$	871.5	$	880.3
Cost of goods sold		592.5		573.7
Restructuring and related charges		9.9		0.9
Gross profit		269.1		305.7
Selling		146.1		155.6
General and administrative		80.4		99.3
Research and development		9.9		11.1
Restructuring and related charges		17.5		8.2
Transaction related charges		4.1		6.3
Write-off from impairment of intangible assets		24.2		—
Loss on assets held for sale		32.8		—
Total operating expenses		315.0		280.5
Operating (loss) income		(45.9)		25.2
Interest expense		34.8		57.0
Other non-operating (income) expense, net		(43.7)		0.7
Loss from continuing operations before income taxes		(37.0)		(32.5)
Income tax expense (benefit)		0.7		(3.4)
Net loss from continuing operations		(37.7)		(29.1)
Income (Loss) from discontinued operations, net of tax		2.8		(83.2)
Net loss		(34.9)		(112.3)
Income attributable to non-controlling interest		0.9		0.2
Net loss attributable to controlling interest	$	(35.8)	$	(112.5)
Amounts attributable to controlling interest				
Net loss from continuing operations attributable to controlling interest	$	(38.6)	$	(29.3)
Net income (loss) from discontinued operations attributable to controlling interest		2.8		(83.2)
Net loss attributable to controlling interest	$	(35.8)	$	(112.5)
Earnings Per Share				
Basic earnings per share from continuing operations	$	(0.81)	$	(0.56)
Basic earnings per share from discontinued operations		0.06		(1.55)
Basic earnings per share	$	(0.75)	$	(2.11)
Diluted earnings per share from continuing operations	$	(0.81)	$	(0.56)
Diluted earnings per share from discontinued operations		0.06		(1.55)
Diluted earnings per share	$	(0.75)	$	(2.11)
Weighted Average Shares Outstanding				
Basic		47.7		53.4
Diluted		47.7		53.4

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

	Three Month Periods Ended	
(in millions)	December 29, 2019	December 30, 2018
Cash flows from operating activities		
Net cash used by operating activities from continuing operations	$ (196.7)	$ (283.6)
Net cash used by operating activities from discontinued operations	—	(28.3)
Net cash used by operating activities	(196.7)	(311.9)
Cash flows from investing activities		
Purchases of property, plant and equipment	(18.7)	(13.5)
Proceeds from sales of property, plant and equipment	—	0.1
Net cash used by investing activities from continuing operations	(18.7)	(13.4)
Net cash used by investing activities from discontinued operations	—	(5.1)
Net cash used by investing activities	(18.7)	(18.5)
Cash flows from financing activities		
Payment of debt, including premium on extinguishment	(127.5)	(45.6)
Proceeds from issuance of debt	103.0	124.3
Payment of debt issuance costs	(0.8)	—
Treasury stock purchases	(90.6)	(18.5)
Accelerated share repurchase pending final settlement	(125.0)	—
Dividends paid to shareholders	(19.9)	(22.4)
Share based award tax withholding payments, net of proceeds upon vesting	(12.2)	(2.2)
Net cash (used) provided by financing activities from continuing operations	(273.0)	35.6
Net cash used by financing activities from discontinued operations	—	(2.3)
Net cash (used) provided by financing activities	(273.0)	33.3
Effect of exchange rate changes on cash and cash equivalents	3.5	(2.9)
Net change in cash, cash equivalents and restricted cash in continuing operations	(484.9)	(300.0)
Cash, cash equivalents and restricted cash, beginning of period	627.1	561.3
Cash, cash equivalents and restricted cash, end of period	$ 142.2	$ 261.3

SPECTRUM BRANDS HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)

(in millions)	December 29, 2019	September 30, 2019
Assets		
Cash and cash equivalents	$ 142.2	$ 627.1
Trade receivables, net	510.0	356.7
Other receivables	54.7	74.2
Inventories	627.8	548.4
Prepaid expenses and other current assets	62.0	53.5
Current assets of business held for sale	29.0	—
Total current assets	1,425.7	1,659.9
Property, plant and equipment, net	403.4	452.9
Operating lease assets	98.5	—
Investments	269.3	230.8
Deferred charges and other	52.1	51.7
Goodwill	1,321.5	1,328.1
Intangible assets, net	1,472.6	1,507.1
Total assets	$ 5,043.1	$ 5,230.5
Liabilities and Shareholders' Equity		
Current portion of long-term debt	$ 13.9	$ 136.9
Accounts payable	471.0	456.8
Accrued wages and salaries	48.0	72.1
Accrued interest	36.7	29.3
Indemnification payable to Energizer	231.1	230.8
Other current liabilities	191.0	216.0
Current liabilities of business held for sale	9.3	—
Total current liabilities	1,001.0	1,141.9
Long-term debt, net of current portion	2,324.3	2,214.4
Long term operating lease liability	85.6	—
Deferred income taxes	50.8	55.9
Other long-term liabilities	108.1	112.0
Total liabilities	3,569.8	3,524.2
Shareholders' equity	1,464.3	1,698.3
Noncontrolling interest	9.0	8.0
Total equity	1,473.3	1,706.3
Total liabilities and equity	$ 5,043.1	$ 5,230.5

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP DILUTED EARNINGS PER SHARE TO ADJUSTED DILUTED EARNINGS PER SHARE (Unaudited)

	Three Month Periods Ended	
	December 29, 2019	December 30, 2018
Diluted EPS from continuing operations, as reported	$ (0.81)	$ (0.56)
Adjustments:		
Transaction related charges	0.09	0.12
Restructuring and related charges	0.57	0.17
Debt refinancing costs	0.05	—
Unrealized gain on Energizer investment	(0.81)	—
Write-off from impairment of intangible assets	0.69	—
Loss on assets held for sale	0.51	—
Foreign currency change on multicurrency divestiture loans	(0.05)	—
Salus	0.01	—
GPC safety recall	—	0.01
Depreciation & amortization on HPC long-lived assets	—	0.54
Other	—	0.06
Income tax adjustment	(0.05)	(0.13)
Total adjustments	1.01	0.77
Diluted EPS from continuing operations, as adjusted	$ 0.20	$ 0.21

SPECTRUM BRANDS HOLDINGS, INC.
TRANSACTION RELATED CHARGES (Unaudited)

	Three Month Periods Ended	
(in millions)	December 29, 2019	December 30, 2018
Coevorden operations divestiture	$ 0.2	$ —
GBL divestiture	2.3	—
Other	1.6	6.3
Total transaction-related charges	$ 4.1	$ 6.3

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

	Three Month Periods Ended	
(in millions)	December 29, 2019	December 30, 2018
Global productivity improvement plan	$ 26.6	$ 5.9
Other	0.8	3.2
Total restructuring and related charges	$ 27.4	$ 9.1

SPECTRUM BRANDS HOLDINGS, INC.
NET SALES SUMMARY (Unaudited)

(in millions, except %)	Three Month Periods Ended December 29, 2019		December 30, 2018		Variance	
HHI	$	297.7	$	305.1	(7.4)	(2.4%)
HPC		322.1		317.2	4.9	1.5%
GPC		205.8		204.7	1.1	0.5%
H&G		45.9		53.3	(7.4)	(13.9%)
Net Sales	$	871.5	$	880.3	(8.8)	(1.0%)

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

Three Month Periods Ended (in millions, except %)	December 29, 2019 Net Sales		Effect of Changes in Currency		Organic Net Sales		Net Sales December 30, 2018		Variance		
HHI	$	297.7	$	(0.1)	$	297.6	$	305.1	$	(7.5)	(2.5%)
HPC		322.1		5.2		327.3		317.2		10.1	3.2%
GPC		205.8		1.2		207.0		204.7		2.3	1.1%
H&G		45.9		—		45.9		53.3		(7.4)	(13.9%)
Net Sales	$	871.5	$	6.3	$	877.8	$	880.3		(2.5)	(0.3%)

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (Unaudited)

Three Month Period Ended December 29, 2019 (in millions, except %)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Net income (loss) from continuing operations	$ 34.2	$ 24.9	$ (53.3)	$ (8.6)	$ (34.9)	$ (37.7)
Income tax expense	—	—	—	—	0.7	0.7
Interest expense	—	—	—	—	34.8	34.8
Depreciation and amortization	8.1	8.8	16.1	5.2	3.5	41.7
EBITDA	42.3	33.7	(37.2)	(3.4)	4.1	39.5
Share and incentive based compensation	—	—	—	—	14.5	14.5
Restructuring and related charges	0.5	1.1	10.3	0.1	15.4	27.4
Transaction related charges	—	1.6	1.4	—	1.1	4.1
Unrealized gain on Energizer investment	—	—	—	—	(38.5)	(38.5)
Loss on assets held for sale	—	—	32.8	—	—	32.8
Write-off from impairment of intangible assets	—	—	24.2	—	—	24.2
Foreign currency change on multicurrency divestiture loans	—	—	—	—	(2.5)	(2.5)
Salus	—	—	—	—	0.3	0.3
Other	—	—	—	—	0.4	0.4
Adjusted EBITDA	$ 42.8	$ 36.4	$ 31.5	$ (3.3)	$ (5.2)	$ 102.2
Net Sales	$ 297.7	$ 322.1	$ 205.8	$ 45.9	$ —	$ 871.5
Adjusted EBITDA Margin	14.4%	11.3%	15.3%	-7.2%	—	11.7%

Three Month Period Ended December 30, 2018 (in millions, except %)	**HHI**	**HPC**	**GPC**	**H&G**	**Corporate**	**Consolidated**
Net income (loss) from continuing operations	$ 43.7	$ (8.1)	$ 11.8	$ (2.0)	$ (74.5)	$ (29.1)
Income tax benefit	—	—	—	—	(3.4)	(3.4)
Interest expense	—	—	—	—	57.0	57.0
Depreciation and amortization	8.6	38.1	10.6	4.8	3.9	66.0
EBITDA	52.3	30.0	22.4	2.8	(17.0)	90.5
Share based compensation	—	—	—	—	6.0	6.0
Transaction related charges	0.5	4.7	0.7	—	0.4	6.3
Restructuring and related charges	2.8	0.2	2.6	0.7	2.8	9.1
Other	—	0.1	3.4	(0.4)	0.3	3.4
Adjusted EBITDA	$ 55.6	$ 35.0	$ 29.1	$ 3.1	$ (7.5)	$ 115.3
Net Sales	$ 305.1	$ 317.2	$ 204.7	$ 53.3	$ —	$ 880.3
Adjusted EBITDA Margin	18.2%	11.0%	14.2%	5.8%	—	13.1%

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF FORECASTED NET INCOME TO ADJUSTED EBITDA (Unaudited)

(in millions)		F2020
Net income	$	53 - 93
Income tax expense		13 - 23
Interest expense		140 - 150
Depreciation and amortization		145 - 150
EBITDA		366 - 401
Share and incentive based compensation		55 - 60
Transaction related charges		12
Restructuring and related charges		65 - 75
Loss on assets held for sale		33
Write-off from impairment of intangible assets		24
Adjusted EBITDA	$	570 - 590

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF FORECASTED CASH FLOW FROM OPERATING ACTIVITIES TO FORECASTED ADJUSTED FREE CASH FLOW (Unaudited)

(in millions)		F2020
Net cash flow from operating activities	$	290 - 310
Purchases of property, plant and equipment		(90) - (100)
Divestiture related separation costs and taxes		40 - 50
Adjusted free cash flow	$	240 - 260

Spectrum Brands

BALDWIN
Spectracide
BLACK+DECKER
Breadman
Cutter
NATURE'S MIRACLE
GloFish

DreamBone
Balanced-By-Nature ECOTRITION
8in1
EUKANUBA
EZSET
Tetra
FARBERWARE

FORTIS PURO DESIGN ITALIANO
FURminator
BETTER BELLY
GEORGE FOREMAN
Garden Safe
Good'n' Fun
SmartBones
HOT SHOT

IAMS
Instant Ocean
Juiceman
Jungle
Kwikset
litter Maid
LIQUID FENCE

MARINELAND
National Hardware
BLACK FLAG
Pfister
PROSENSE
REMINGTON
REPEL

Russell Hobbs
DINGO
EcoLogic
Perfect Coat
Wild Harvest
Tell Manufacturing, Inc.
WEISER
BIRDOLA Wildlife feeding specialists