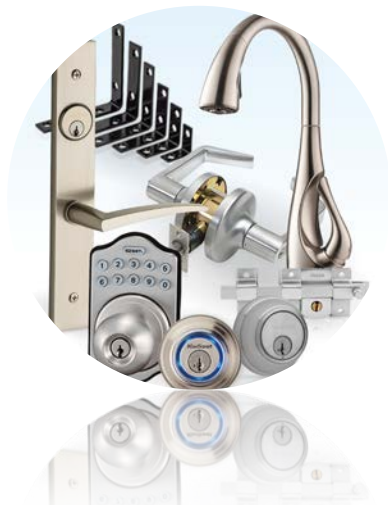


# Spectrum Brands

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

February 25, 2020

Jeremy Smeltser  
Joanne Chomiak



# 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, including plans to repurchase Company shares, all of which remain subject to the discretion of management and the Company's Board of Directors, 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); our discretion to conduct, suspend or discontinue our share repurchase program (including our discretion to conduct purchases, if any, in a variety of manners such as open-market purchases or privately negotiated transactions); 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, natural disasters, public health concerns (including the impact of COVID-19) 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](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. 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.

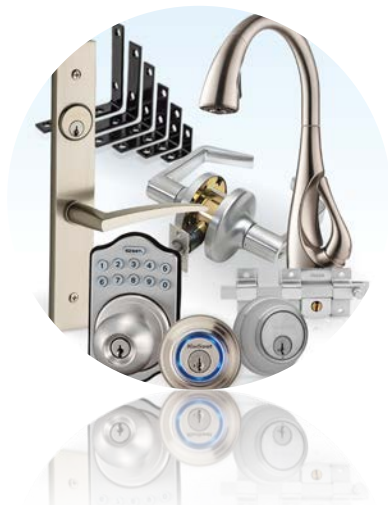
Spectrum Brands provides this information to investors to assist in comparisons of past, present and future operating results and to assist in highlighting the results of on-going operations. While Spectrum Brands' management believes that non-GAAP measurements are useful supplemental information, such 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](http://www.spectrumbrands.com)

# Spectrum Brands

Jeremy Smeltser

EVP – Chief Financial Officer



# The New Spectrum Brands



## 2019 Financials<sup>(1)</sup>

Net Sales	<b>\$3.8 billion</b>
Adjusted EBITDA <sup>(2)</sup>	<b>\$567 million</b>

### Hardware & Home Improvement

**36%** of Net Sales  
**45%** of Adjusted EBITDA<sup>(2)</sup>

### Global Pet Care

**23%** of Net Sales  
**25%** of Adjusted EBITDA<sup>(2)</sup>

### Home & Personal Care

**28%** of Net Sales  
**15%** of Adjusted EBITDA<sup>(2)</sup>

### Home & Garden

**13%** of Net Sales  
**19%** of Adjusted EBITDA<sup>(2)</sup>

# Who We Are

## DIVERSE BUSINESS UNITS

### Hardware & Home Improvement

36% of Net Sales  
45% of Adjusted EBITDA\*

### Home & Personal Care

28% of Net Sales  
15% of Adjusted EBITDA\*

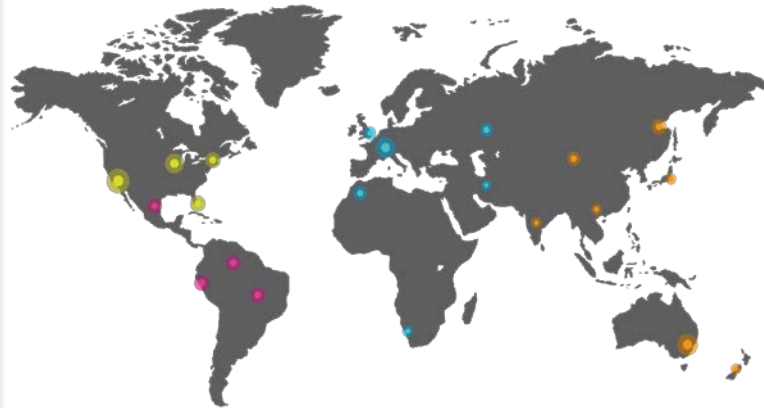
### Global Pet Care

23% of Net Sales  
25% of Adjusted EBITDA\*

### Home & Garden

13% of Net Sales  
19% of Adjusted EBITDA\*

## GEOGRAPHIC CONCENTRATION



North America  
(\$2,818 million)



Latin America  
(\$205 million)



Europe  
(\$657 million)



Asia-Pacific  
(\$122 million)

## PRODUCT CONCENTRATION\*

Top 15 Brands = 80% of FY19 Revenue



# Business Initiatives



## Global Productivity Improvement Plan (GPIP)

- Establish new operating model to drive efficiency & effectiveness
- Enhance business tools to facilitate top-line growth
- Expect to generate at least \$100 million of run-rate savings within 15 to 18 months to reinvest in growth-focused initiatives



## Investing in Innovation, R&D and Marketing

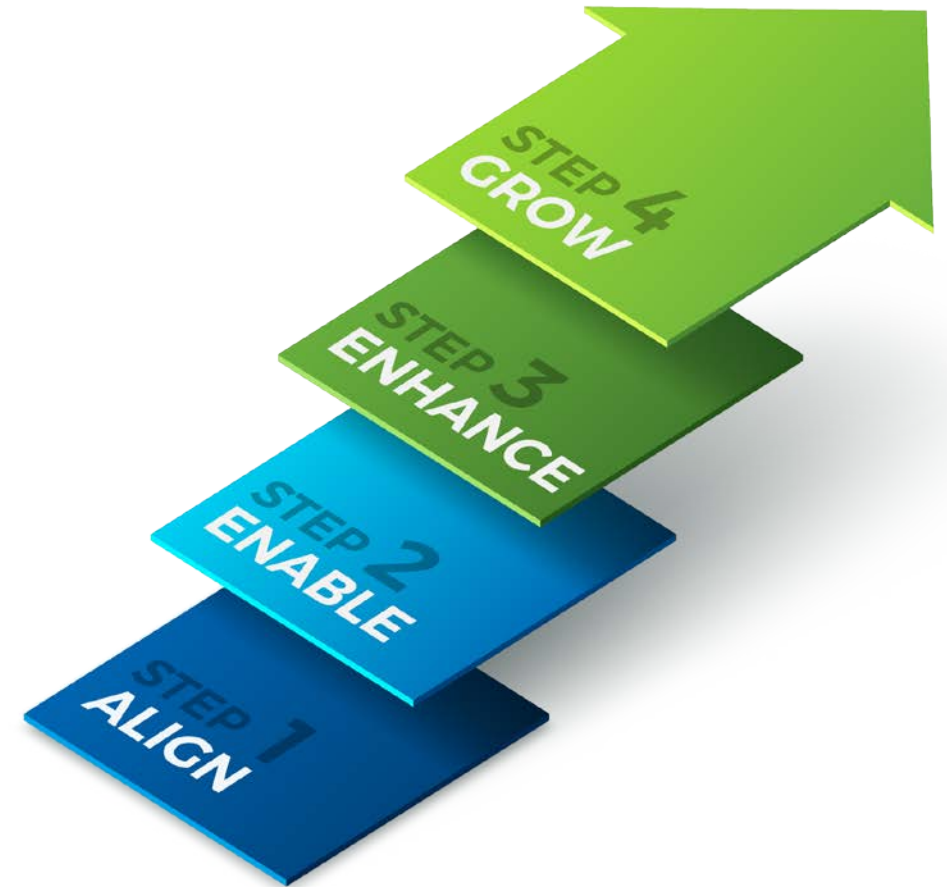
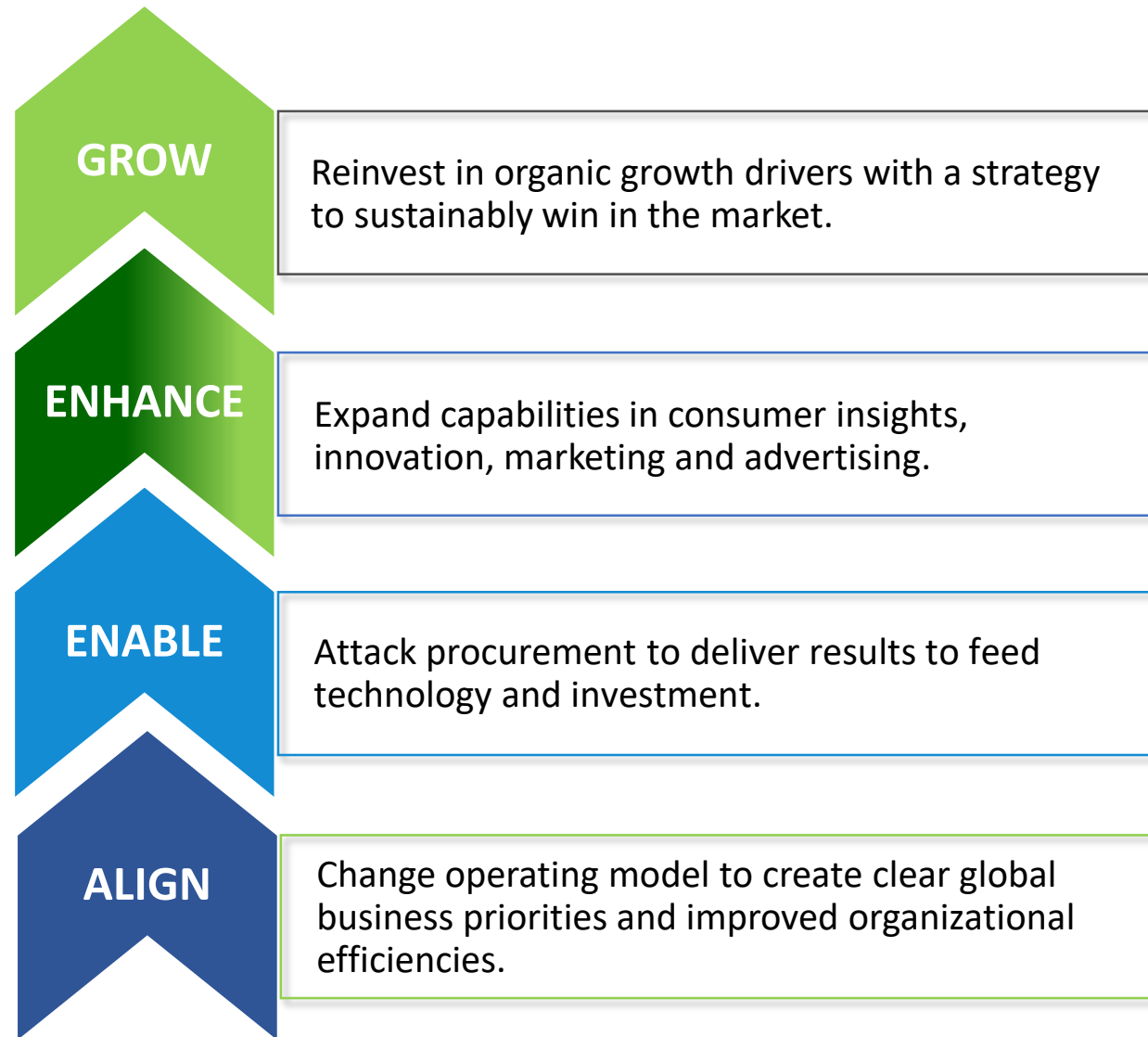
- Investments and focus on innovation, R&D and Marketing are starting to pay off



## Committing to Environmental, Social and Governance

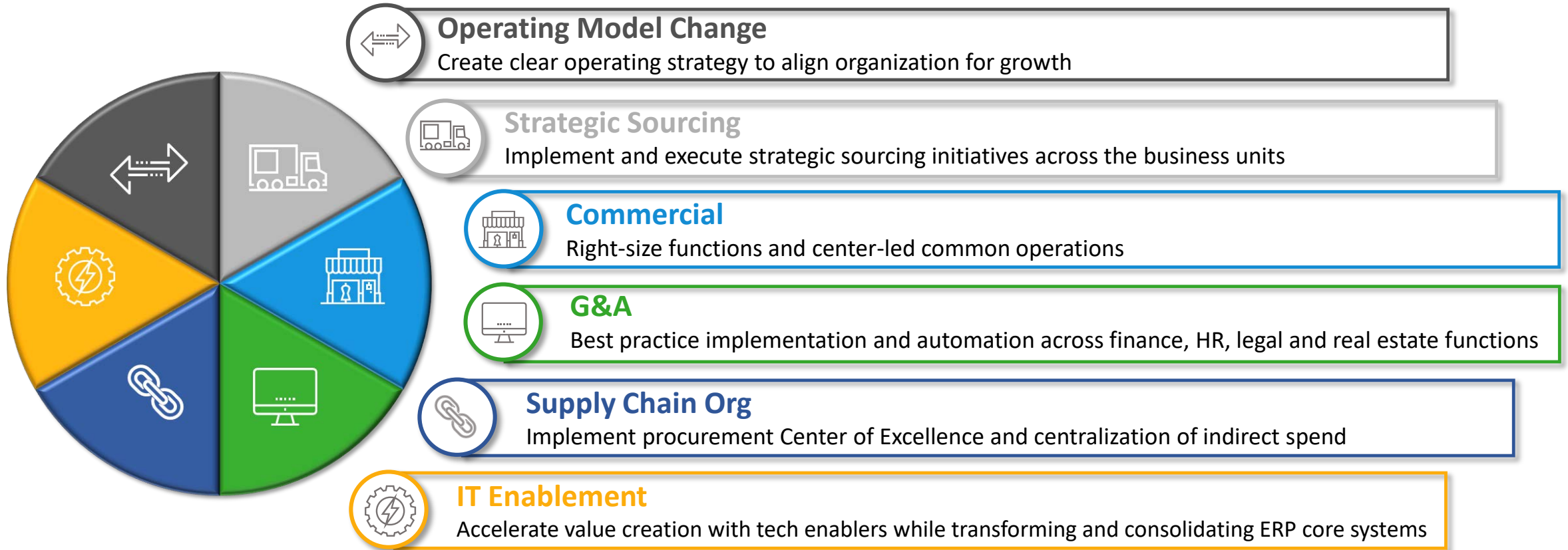
- Focus on constant improvement

# GPIP is Relentlessly Focused on Delivering Organic Growth for Spectrum Brands





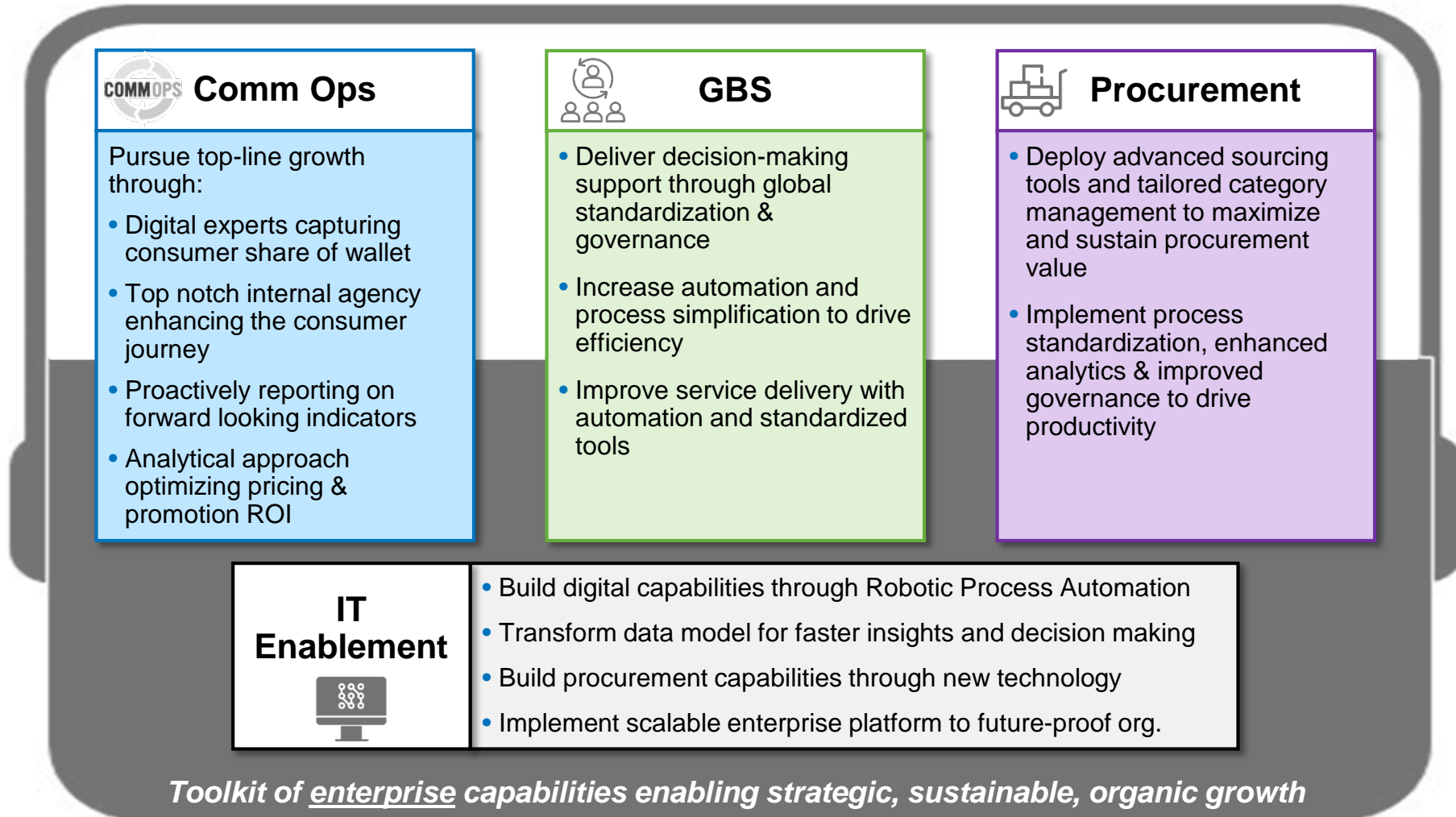
# Global Productivity Improvement Plan (GPIP)



We continue to expect the gross, annualized savings from sourcing and other GPIP cost improvements to be at least \$100 million at full run rate within the next 15 to 18 months and that these savings will be used to increase investments in growth drivers

# Investment in Strategic Capabilities Across the Operating Model to Improve our Competitive Advantage

## Capability Development Areas



# Hardware & Home Improvement

## Hardware & Home Improvement

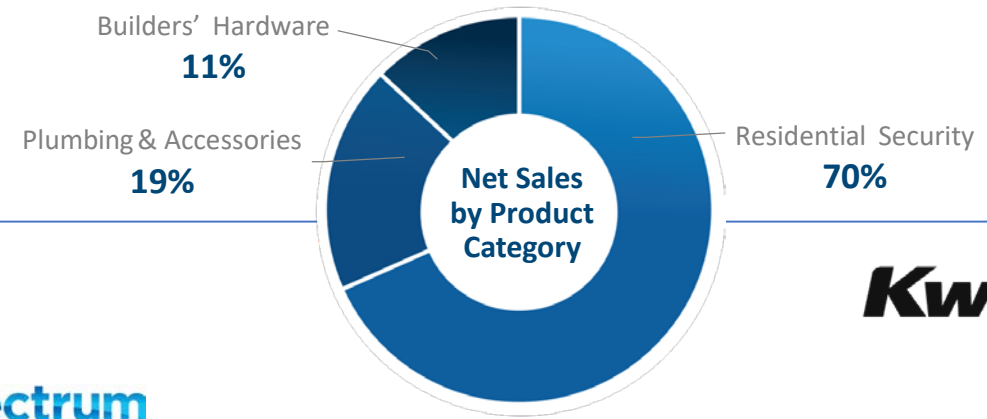


**36%** of Net Sales<sup>(1)</sup>  
**45%** of Adjusted EBITDA<sup>(1) (2)</sup>

### 2019 Financials

<b>Net Sales</b> <sup>(1)</sup>	\$1.4 billion
<b>Adjusted EBITDA</b> <sup>(1) (2)</sup>	\$254 million

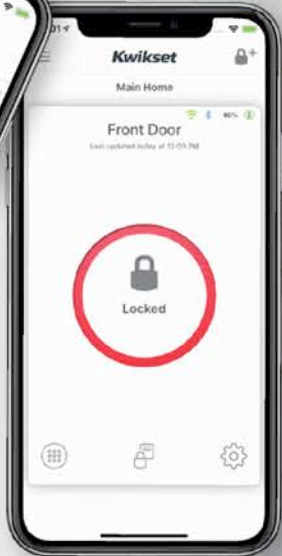
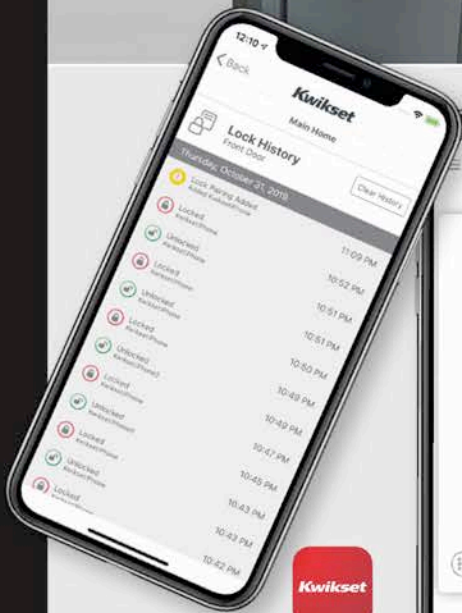
- Leading provider of residential **security**, builders' **hardware**, and **plumbing** fixtures
- Leading market positions:
  - **#1** in U.S. residential and luxury security
  - **#1** in U.S. builders' hardware
  - **#1** in Canada residential security
  - **#3** in U.S. retail plumbing fixtures
- **Well-recognized brands** with outstanding new product **innovation and execution**
- **Large installed lock base** with positive market trends in **home automation**
- **Vertically Integrated** global supply chain



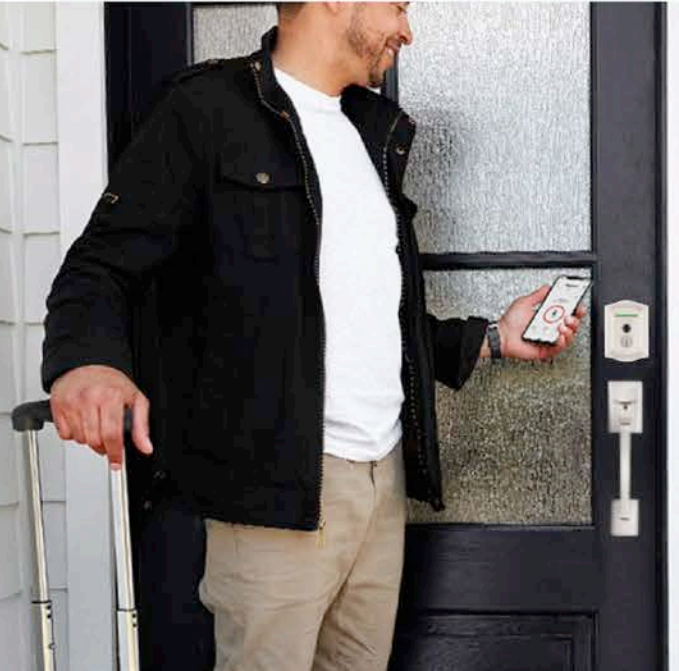
<sup>(1)</sup> FY 2019 financials  
<sup>(2)</sup> Total Company Adjusted EBITDA includes (4%) of corporate costs not allocated to the segments.



**HALO**  
TOUCH  
WI-FI ENABLED SMART LOCK

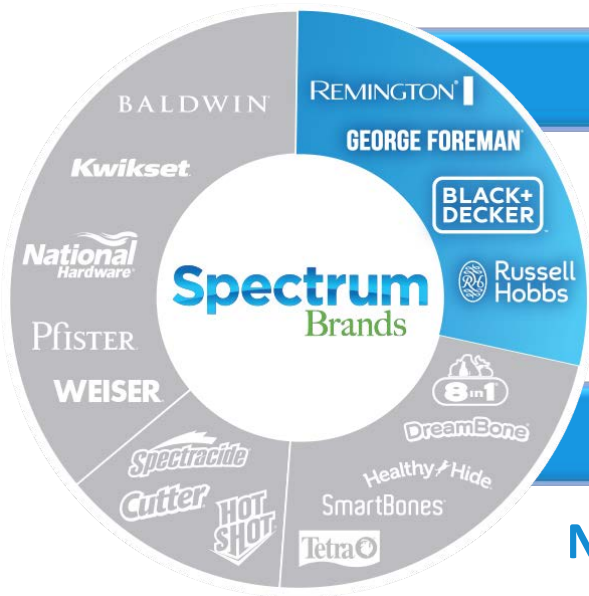


**Kwikset**  
Works with the  
Kwikset App



# Home & Personal Care

## Home & Personal Care



**28%** of Net Sales<sup>(1)</sup>  
**15%** of Adjusted EBITDA<sup>(1) (2)</sup>

### 2019 Financials

**Net Sales<sup>(1)</sup>** | \$1.1 billion

**Adjusted EBITDA<sup>(1) (2)</sup>** | \$87 million

- A **global** provider of **Home and Personal Care** appliances
- **Leading market positions:**
  - **#1** brand in indoor grills worldwide
  - **#1** brand in toaster ovens, garment care in US
  - **#1** brand in kitchen/home products in UK
  - **#1** hair appliance brand in Europe, Australasia and several Latin American markets
- **Trusted brands** with a history of delivering **approachable Innovation** that simplifies consumer's everyday lives
- Proven agile and efficient **new product development and supply chain** capabilities delivering competitive high quality products



(1) FY 2019 financials  
 (2) Total Company Adjusted EBITDA includes (4%) of corporate costs not allocated to the segments.

# GEORGE FOREMAN®

Launching Mid-March At

**Walmart** 

**MORE ACCOUNT ANNOUNCEMENTS**  
COMING SOON!



**SMOKELESS** GRILL SERIES

# ALL SIZZLE, WITHOUT THE SMOKE

up to 85% LESS SMOKE\* for  
Smokeless Indoor Cooking



UP TO **3X**  
**FASTER COOKING**  
with contact grill plates

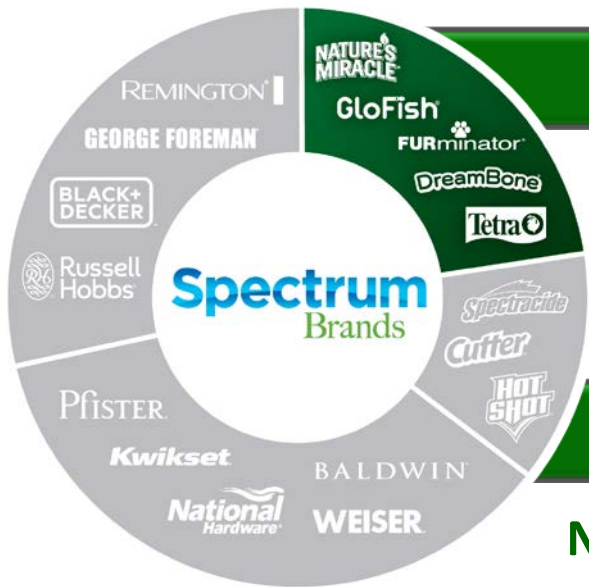
**REMOVES**  
UP TO **50%**  
OF FAT\*\*

**3X MORE DURABLE**  
Advanced George Tough™  
nonstick coated grill plates

**DISHWASHER SAFE**   
Removable plates  
and drip tray

\*Than George Foreman model RFGC3994 when grilling 1/4 lb beef burgers (20% fat, 80% lean) with a clean grill and drip tray \*\* from 1/4 lb uncooked 80/20 ground chuck 1 1/4 lb, 80/20 ground beef to 160°F vs. the Power Smokeless Grill™ PG1500 with the lid off. † Compared to standard George Tough™ non-stick coating

# Global Pet Care



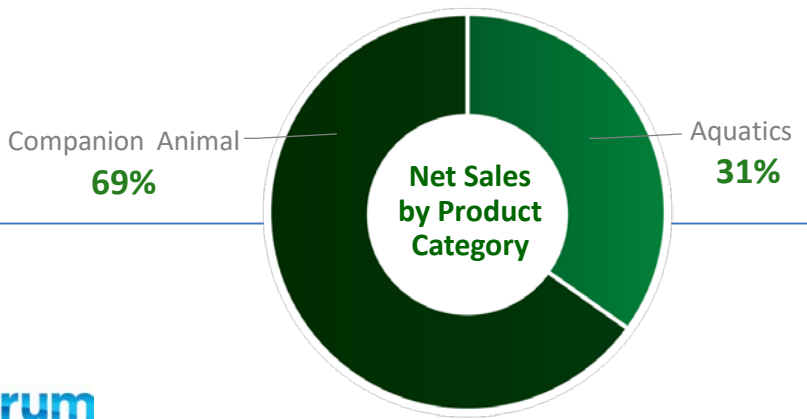
## Global Pet Care

**23%** of Net Sales<sup>(1)</sup>  
**25%** of Adjusted EBITDA<sup>(1) (2)</sup>

## 2019 Financials

<b>Net Sales<sup>(1)</sup></b>	\$870 million
<b>Adjusted EBITDA<sup>(1) (2)</sup></b>	\$143 million

- **Global Market Leader**
  - #1 in Aquatics
  - #1 in Dog Chews
  - #1 in Pet Grooming
  - #1 in Pet Stain & Odor
- **Large Portfolio of Recognized Brands**
- **Diverse & Growing Categories**
- **Strong Global IP Portfolio**



(1) FY 2019 financials  
 (2) Total Company Adjusted EBITDA includes (4%) of corporate costs not allocated to the segments.

# GloFish®



## BRILLIANT BETTAS

There's a new fish in town – GloFish® Bettas will be making a splash at pet stores nationwide over the next few weeks as they make their retail debut!

Find GloFish® Bettas at PetSmart and Petco in  
**FEBRUARY**



GloFish® Bettas are available in Electric Green®, with more colors to come.

Be part of the excitement with  
**THE GREAT GLOFISH® EXPERIENCE**  
this spring, stopping at:

**26-28**  
FEB.

Global Pet Expo  
in Orlando

**11**  
MAR.

Spectrum Brands  
Blacksburg office

**16**  
APR.

Spectrum Brands  
St. Louis-  
Rider Trail office

AND MORE!



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# Home & Garden



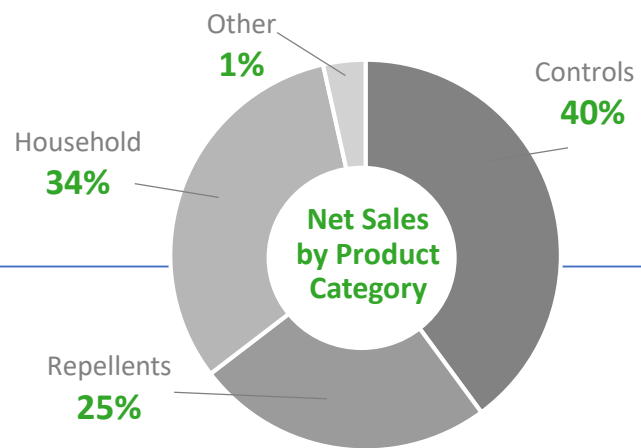
## Home & Garden

## 2019 Financials

**13%** of Net Sales<sup>(1)</sup>  
**19%** of Adjusted EBITDA<sup>(1) (2)</sup>

**Net Sales<sup>(1)</sup>** | \$508 million  
**Adjusted EBITDA<sup>(1) (2)</sup>** | \$106 million

- **Leading provider** of consumer pest control solutions in the US
- **Leading market positions:**
  - **#1** in Outdoor Insect control
  - **#1** in Mosquito Area Repellents
  - **#1** in Bed Bug control
- **Strong new product pipeline** developed from consumer-led innovation process
- **Growing distribution** from **new products** and core product **expansion**
- **Agile and efficient, US-centric manufacturing**



<sup>(1)</sup> FY 2019 financials  
<sup>(2)</sup> Total Company Adjusted EBITDA includes (4%) of corporate costs not allocated to the segments.

# RAISING THE BAR THROUGH INVESTMENT IN EFFICACY



**Kills More Weeds**  
than any other brand



**Kills Queen & Colony**  
in as little as **48 hours**



**Kills 7X Faster**  
than our previous formula

# Our Commitment to Environmental, Social and Governance (ESG)

## OUR 2019 RESULTS

### ENERGY

**8%**

Per revenue **energy** reduction<sup>(1)</sup>

### WATER

**11%**

Decrease per USD revenue in **water** withdrawals<sup>(1)</sup>

## OUR 2022 GOALS

### ENERGY

**3%**

Reduction of our **carbon footprint** year over year on a per revenue basis

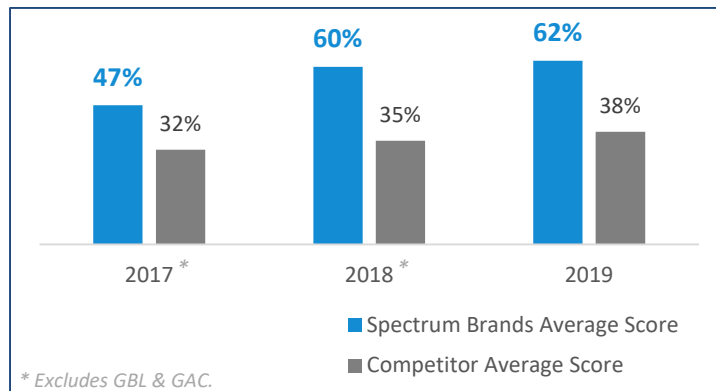
### WATER

**3%**

To improve our **water efficiency** by, on a per revenue basis

**3 YEARS**  
of consistent  
improvement

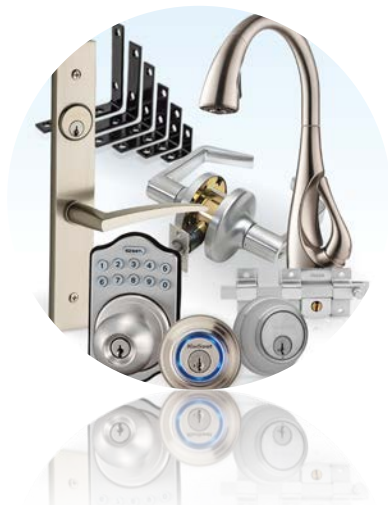
Source: Walmart's Sustainability Insight System (THESIS Index).



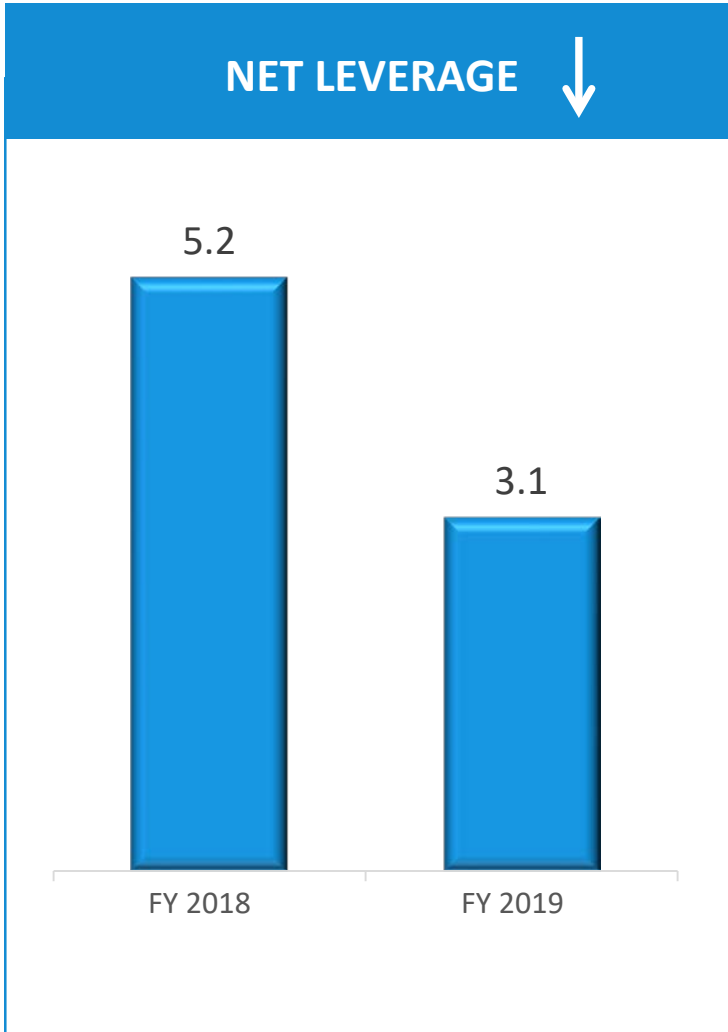
# Spectrum Brands

Joanne Chomiak

SVP, Treasurer and Global Tax Leader

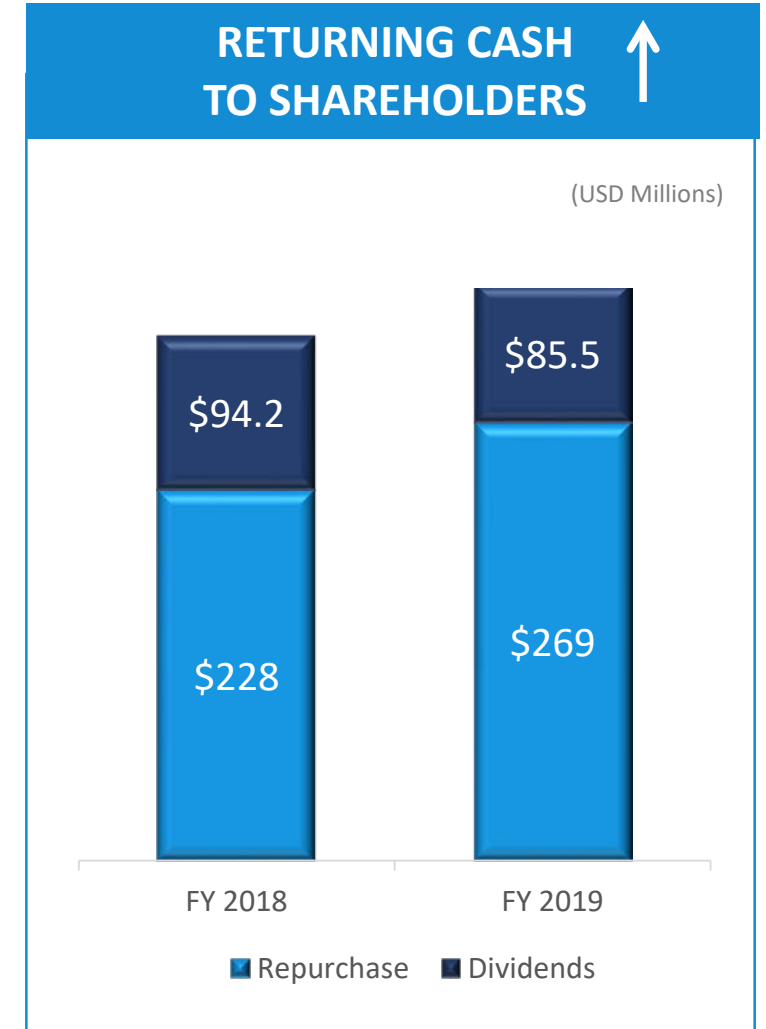


# 2019 Progress: Leverage Reduced, Targets Attained and Value Delivered



**\$567M**  
Adjusted  
E B I T D A  
near midpoint of Guidance

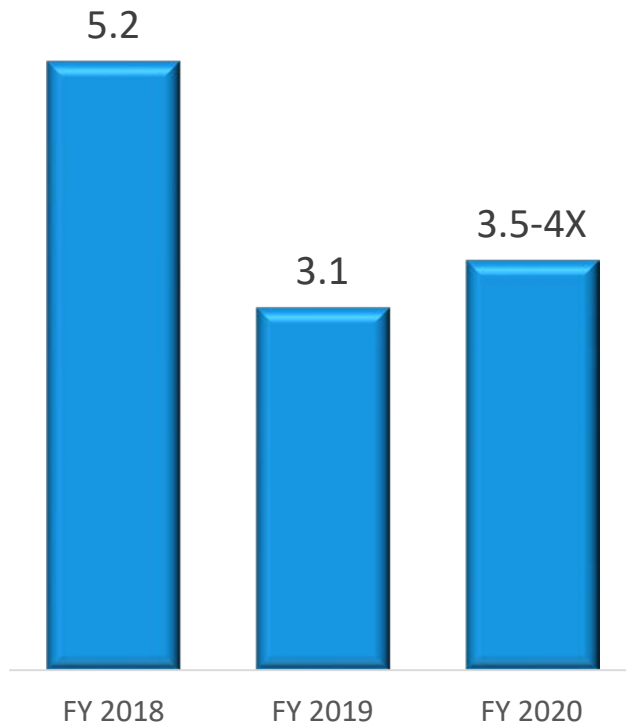
**+1.4%**  
Organic  
Sales Growth



*Note: Cash returned to shareholders for fiscal 2018 includes dividends to, and share repurchases from, SPB legacy shareholders prior to the merger.*

## 2020 Targets

### NET LEVERAGE



**\$570M**

**\$590M**

Adjusted  
E B I T D A

**\$240M**

**\$260M**

Adjusted  
Free Cash Flow

### RETURNING CASH TO SHAREHOLDERS

- Executed **\$125M ASR** in Q1 2020
- **\$81M** of open market repurchases in Q1 2020
- **~\$544M** remaining authorization
- Available Option: **~\$270M\*** of Energizer Stock

\* Approximate Energizer share value as of 2/14/20.

# Capital Structure Overview

## Spectrum Brands Holdings, Inc.

As of December 29, 2019	Amount	xLTM EBITDA
Cash	\$142	
Revolver (\$800M)	103	
Capitalized Leases and Other Debt	168	
<b>Secured Debt</b>	<b>\$271</b>	<b>0.5x</b>
6.125% Senior Notes (due 2024)	250	
5.750% Senior Notes (due 2025)	1,000	
4.000% EUR Senior Notes (due 2026)	472	
5.000% Senior Notes (due 2029)	300	
<b>Total OpCo Debt</b>	<b>\$2,293</b>	<b>4.1x</b>
Net OpCo Debt	\$2,151	3.9x
Salus CLO Debt	77	
<b>Total Debt</b>	<b>\$2,370</b>	<b>4.3x</b>
Net Debt	\$2,228	4.0x
Market Capitalization (12/29/19) <sup>(1)</sup>	2,934	
<b>Total Equity</b>	<b>\$2,934</b>	<b>5.3x</b>
<b>Total Capitalization</b>	<b>\$5,304</b>	<b>9.6x</b>
<b>Enterprise Value</b> <sup>(2)</sup>	<b>\$4,903</b>	<b>8.8x</b>
<b>LTM Adjusted EBITDA (as of 12/29/19)</b>		<b>\$554</b>

Source: Management, Capital IQ and company filings.

Note: Market data as of 12/29/19. Does not reflect risk-sharing payment for Varta.

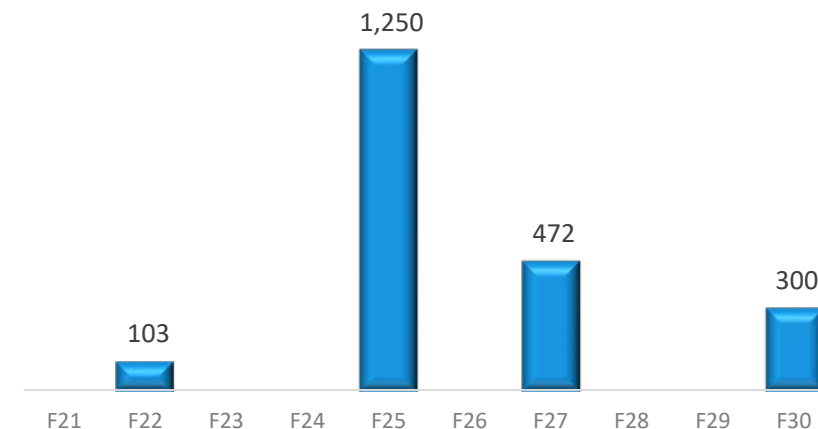
(1) Reflects share count and closing price on 12/29/19 - 46.1 million shares at \$63.66

(2) Reflects non-controlling interest and Spectrum's ~\$270M stake in Energizer.

## Ratings Overview

	Moody's	S&P
Corporate Family Rating	B1	B+
Senior Secured / RR	Ba1	BB
Senior Unsecured / RR	B2	B+
Outlook	Stable	Negative

## Debt Maturities



## LEVERAGE TARGET of 3.5x-4x net debt to EBITDA

### 1. ORGANIC GROWTH

We intend to allocate capital internally to our highest return opportunities: R&D, Innovation, New products and advertising/marketing. Drive vitality and profitable organic growth.

### 2. RETURN OF CAPITAL

We intend to aggressively repurchase our shares when our management team and Board of Directors believe that our shares are trading at a material discount to our long term intrinsic value.

### 3. MERGERS & ACQUISITIONS

We intend to pursue tuck in strategic acquisitions that are synergistic and help drive shareholder value creation.



# Key Investment Considerations

**Strong Balance Sheet with Ample Liquidity**

**Balanced and Disciplined Capital Allocation**

**Strong Cash Flow Generation and Valuable NOLs (~\$800 Million)**

**Increased Innovation and Marketing Investments behind our Leading Brands with Barriers to Entry**



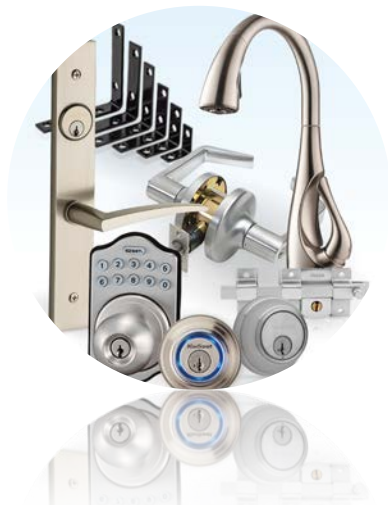
## **LONG-TERM SUSTAINABLE GROWTH**

### 2020 Targets

- **+LSD Net Sales Growth**
- **\$570M-\$590M Adj. EBITDA**
- **\$240M-\$260M Adj. Free Cash Flow**

# Spectrum Brands

## Appendix



SPECTRUM BRANDS HOLDINGS, INC.

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

<b>Twelve Month Period Ended Sept. 30, 2019 (in millions, except %)</b>	<b>HHI</b>	<b>HPC</b>	<b>GPC</b>	<b>H&amp;G</b>	<b>Corporate</b>	<b>Consolidated</b>
Net income (loss) from continuing operations	\$ 214.6	\$ (127.8)	\$ 63.4	\$ 84.9	\$ (421.8)	\$ (186.7)
Income tax expense	—	—	—	—	(7.1)	(7.1)
Interest expense	—	—	—	—	222.1	222.1
Depreciation and amortization	33.5	64.6	48.8	19.3	14.6	180.8
EBITDA	248.1	(63.2)	112.2	104.2	(192.2)	209.1
Share and incentive based compensation	—	—	—	—	53.7	53.7
Restructuring and related charges	4.7	8.1	7.6	1.8	43.5	65.7
Transaction related charges	0.9	7.4	2.5	—	11.0	21.8
Write-off from impairment of goodwill	—	116.0	—	—	—	116.0
Write-off from impairment of intangible assets	—	18.8	16.6	—	—	35.4
Unrealized loss on Energizer investment	—	—	—	—	12.1	12.1
Foreign currency loss on multicurrency divestiture loans	—	—	—	—	36.2	36.2
Legal and environmental remediation reserves	—	—	—	—	10.0	10.0
GPC safety recall	—	—	0.7	—	—	0.7
Salus	—	—	—	—	1.6	1.6
Other	—	0.1	3.0	(0.5)	2.1	4.7
Adjusted EBITDA	\$ 253.7	\$ 87.2	\$ 142.6	\$ 105.5	\$ (22.0)	\$ 567.0
Net Sales	\$ 1,355.7	\$ 1,068.1	\$ 870.2	\$ 508.1	\$ —	\$ 3,802.1
Adjusted EBITDA Margin	18.7%	8.2%	16.4%	20.8%	—	14.9%
<b>Twelve Month Period Ended Sept. 30, 2018 (in millions, except %)</b>	<b>HHI</b>	<b>HPC</b>	<b>GPC</b>	<b>H&amp;G</b>	<b>Corporate</b>	<b>Consolidated</b>
Net income from continuing operations	\$ 155.9	\$ 93.7	\$ 34.9	\$ 88.0	\$ 54.5	\$ 427.0
Income tax benefit	—	—	—	—	(462.7)	(462.7)
Interest expense	—	—	—	—	264.0	264.0
Depreciation and amortization	40.0	8.8	42.3	18.8	15.4	125.3
EBITDA	195.9	102.5	77.2	106.8	(128.8)	353.6
Share based compensation	—	—	—	—	11.9	11.9
Restructuring and related charges	52.8	0.7	13.2	0.8	8.1	75.6
Transaction related charges	6.0	15.2	6.2	—	2.8	30.2
Write-off from impairment of intangible assets	—	—	20.3	—	—	20.3
Inventory acquisition step-up	—	—	0.8	—	—	0.8
GPC safety recall	—	—	18.9	—	—	18.9
Spectrum merger related transaction charges	—	—	—	—	45.9	45.9
Non-recurring HRG operating costs and interest income	—	—	—	—	18.9	18.9
Salus	—	—	—	—	1.1	1.1
Other	—	0.4	—	(0.1)	3.8	4.1
Adjusted EBITDA	\$ 254.7	\$ 118.8	\$ 136.6	\$ 107.5	\$ (36.3)	\$ 581.3
Net Sales	\$ 1,377.7	\$ 1,110.4	\$ 820.5	\$ 500.1	\$ —	\$ 3,808.7
Adjusted EBITDA Margin	18.5%	10.7%	16.6%	21.5%	—	15.3%

**SPECTRUM BRANDS HOLDINGS, INC.**  
**RECONCILIATION OF FORECASTED NET INCOME TO ADJUSTED EBITDA (Unaudited)**

<b>(in millions)</b>	<b>F2020</b>
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)**

<b>(in millions)</b>	<b>F2020</b>
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

