Spectrum Brands

Fiscal 2018 Second Quarter Earnings Call

April 26, 2018

Agenda

• **Introduction**	Dave Prichard Vice President, Investor Relations
• **CEO Overview and Outlook**	David Maura Executive Chairman and Chief Executive Officer
• **Financial and Business Unit Review**	Doug Martin Chief Financial Officer
• **Q&A**	David Maura Doug Martin

Forward-Looking Statements

Certain matters discussed in this presentation, with the exception of historical matters, may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, regarding our business strategy, future operations, financial condition, estimated revenues, projected costs, projected synergies, prospects, plans and objectives of management, as well as information concerning expected actions of third parties, are forward-looking statements. These statements are subject to a number of risks and uncertainties that could cause results to differ materially from those anticipated as of the date of this presentation. Important factors that could cause our actual results to differ materially from those expressed or implied herein include, without limitation: our ability to manage and otherwise comply with our covenants with respect to our significant outstanding indebtedness or maintain our credit ratings; changes and developments in external competitive market factors, such as introduction of new product features or technological developments; development of new competitors or competitive brands or competitive promotional activity or spending or industry consolidation; the cost and effect of unanticipated legal, tax or regulatory proceedings or new accounting policies, laws or regulations (including environmental, public health and consumer protection regulations); seasonality of our products and changes in consumer demand for the various types of products we offer resulting in the loss of, or a significant reduction in, sales to significant retail customers; our ability to develop and successfully introduce new products, protect our intellectual property and avoid infringing the intellectual property of third parties; public perception regarding the safety of our products, including the potential for environmental liabilities, product liability claims, litigation and other claims; unfavorable developments in the global credit markets; the impact of overall economic conditions, terrorist attacks, acts of war or other unrest in international markets on consumer spending; fluctuations in commodities prices, supply shortages, the costs or availability of raw materials or terms and conditions available from suppliers; changes in the general economic conditions in countries and regions where we do business, such as stock market prices, interest rates, currency exchange rates, inflation and consumer spending; our ability to successfully implement manufacturing, distribution and other cost efficiencies and to continue to benefit from our cost-cutting initiatives; the impact of expenses resulting from the implementation of new business strategies, divestitures or restructuring activities; our ability to integrate, and to realize synergies from acquisitions; 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 31, 2017, the normalized ongoing effective tax rate was updated to 24.5% to reflect a lower effective tax rate from 35% in the three-month period ended January 1, 2017 due to changes in the enacted corporate tax rate in the U.S. 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 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. In addition, the calculation of adjusted free cash flow does not reflect cash used to service debt and therefore, does not reflect funds available for investment or discretionary uses.

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

All GAAP reconciliations are available at www.spectrumbrands.com

CEO Overview and Outlook

David Maura
Executive Chairman and Chief Executive Officer

CEO Overview and Outlook

- On behalf of the Board, I'm here today with a clear message that the recent inconsistent performance capped off by the disappointing second quarter results must come to an end; we intend to deliver the growth and long-term shareholder value you are expecting from us and that we are more than capable of delivering
- This Company will in no way be defined by this quarter's results 12 months from now, but this Company will be refined by actions taken today and over the coming months
- Spectrum Brands is going through a transformational year that will result in a much less leveraged entity with 4 core operating units, with greater growth potential and higher margin structures
- Actions announced this morning include the establishment of a new, more efficient operating structure for Pet, Home & Garden and Auto Care and a new Board authorization for a three-year, $1 billion share repurchase program
- The challenges related to our HHI and GAC consolidation projects were meaningfully greater than expected, resulting in a short-term degradation of our sales, margins and free cash flow
- We took swift and decisive actions in recent weeks to steady the HHI and GAC facilities with new front-line management, along with improvement plans and aggressive oversight
- I believe that the longer term strategic merits of these consolidations will result in improved operating efficiency, reduced costs and lower inventories

CEO Overview and Outlook

- We are combining the leadership of our Pet, Home & Garden and Auto Care divisions into a newly formed Consumer Products group under Randy Lewis to drive efficiency and better leverage the shared manufacturing and distribution expertise across these businesses
- Randy Lewis is a seasoned and highly capable operational leader, and he will now oversee the corrective actions being implemented in our Auto Care facility in Dayton
- While it will take some time to achieve full efficiency levels at this facility, I have every confidence that Randy and his team will accomplish the task
- To be clear, this quarter and our resulting lower 2018 guidance are major disappointments to all of us at Spectrum Brands, but they will in no way define our Company a year from now
- We have much to be excited about and with major proceeds to come from our GBA asset sales and the benefits of the resolution of the HRG Group ownership structure, we are on the way to building a smarter, stronger and more focused Spectrum Brands for the future
- I am confident you will see positive momentum and growth restored in the back half of the year

Financial and Business Unit Review

Doug Martin
Chief Financial Officer

FY18 Financial Summary

- Internal operating challenges and external headwinds combined to weigh heavily on our top line and margins in the second quarter

- We expect the second half of FY18 will produce greater adjusted EBITDA from continuing operations

- However, the magnitude of our late Q2 shortfall, and manufacturing and distribution center start-up inefficiencies, have caused us to revise downward our guidance for full-year adjusted EBITDA from continuing operations at the midpoint by $57 million and adjusted free cash flow on a total Company basis by $135 million

Q2 Net Sales Review

- Q2 reported net sales growth of 1.3% was driven by our two Pet acquisitions; excluding Pet acquisition sales of $25 million and $12.3 million of favorable currency, organic net sales fell 3.7% with several discrete items to consider for the decline
- About $21 million of HHI customer orders and $9 million of GAC orders, or $30 million in total, were in-house but not shipped before quarter-end due to higher order backlogs that developed in March as we worked to complete the HHI and GAC U.S. facility consolidations and return to normal operating efficiency levels
  - We expect to ship most of these orders in Q3 and complete the return to normal operating rhythms by fiscal year-end
- Unusually cold and wet months of February and especially March adversely affected the planned timing of our Home & Garden revenues by an estimated $10 million as customer POS declined significantly in Q2 versus prior year with retailers delaying and/or reducing pre-season orders; this created unfavorable mix as certain major private label load-in orders shipped in Q2 whereas branded orders were delayed due to weather
  - With most of the traditional season still ahead of us, we expect Home & Garden to continue to build on its multi-year share gain performance through the balance of the year
- Pet sales were reduced, as expected, from the continuing, planned exit of a European pet food customer tolling agreement which had a Q2 impact of $7 million, or 0.9%, and is still expected to total about $24 million in FY18
- Pet U.S. sales also continued to be impacted by lost rawhide distribution of about $5 million in Q2 from last June’s recall that we have not yet lapped or been able to fully gain back, as well as from sluggishness in pet specialty channels

Q2 Results and Second Half Outlook

- Q2 adjusted EBITDA and margin declines were more pronounced than our revenue shortfall
- Biggest drivers were the major manufacturing and distribution center operating inefficiencies in the HHI and GAC consolidation projects which materially hampered our distribution capabilities in March and unfavorable product/price mix; broad-based, rising commodity input costs, and higher U.S. freight costs also contributed to the decline
- We believe the HHI and GAC operating inefficiencies are transitory in nature and the adverse margin impact is largely behind us; in the short-term, however, we were unable to offset these headwinds
- We do not believe Q2 margins are representative of the underlying margins of each business longer-term; however, but given these first half challenges, we do not expect to realize our annual 20-40 basis point margin expansion ambition in FY18
- We are optimistic about delivering a significant increase in net sales and adjusted EBITDA in the second half versus the first half; more than 70% of Home & Garden's and GAC's seasons are ahead
- Given recent actions to improve operational efficiency, we are confident that HHI and GAC customer order backlogs will come down as the facilities improve their on-time shipment levels , which is expected to create a tailwind in shipments for these businesses
- Operational impacts of the Pet recall are essentially behind us; the three South American rawhide plants affected are now back to operating at pre-recall capacity

FY18 Guidance and Corporate Actions Update

- FY18 adjusted EBITDA guidance for continuing operations lowered to between $600-$617 million due to the significant EBITDA miss in late Q2 and despite the sequential improvement expected in the second half of this year
  - We are reiterating FY18 adjusted EBITDA guidance for discontinued operations of $300-$310 million
- FY18 adjusted free cash flow guidance for total Company lowered to between $485-$505 million due to decreased adjusted EBITDA from continuing operations, coupled with higher cash restructuring and acquisition costs largely driven by the HHI and GAC consolidation projects, increased cash interest payments primarily related to borrowings to fund our recent $250 million share repurchase, and higher than planned year-end inventory expectations
- Regarding our pending battery business sale for $2 billion in cash proceeds, the U.S. Federal Trade Commission allowed the expiration of the 30-day Hart-Scott-Rodino waiting period, which in effect provides U.S. regulatory approval; we are proceeding with a handful of required international regulatory approvals and expect the transaction to close during the second half of calendar 2018
- In addition, the Appliances sales process remains ongoing
- We are on track to complete the merger with our majority shareholder, HRG Group, which is estimated to be around the end of June 2018
  - Now in review process with the SEC after our preliminary prospectus/proxy statement for the merger was filed on April 10
  - Merger requires the approval of a majority of shareholders of both Spectrum Brands and HRG Group
  - We do not anticipate needing any regulatory approvals in connection with the transaction

Q2 Financial Review *(1/2)*

- Q2 reported gross margin of 35.0% decreased 560 basis points from 40.6% last year primarily due to operating start-up inefficiencies in the HHI and GAC facility consolidation projects, along with input cost increases, weather-driven unfavorable mix, and the negative impact of the Pet U.S. rawhide safety recall

- Reported SG&A expense of $193.3 million, or 25.2% of sales, compared to $187.7 million, or 24.8% of sales, last year primarily due to acquisitions, increased marketing investments to support new product launches including Project Alpha investments, and costs associated with the HRG Group merger

- Reported operating margin of 5.6% decreased 830 basis points versus 13.9% last year largely driven by unfavorable mix, and increases in marketing investments, distribution costs, HRG Group transaction costs, and restructuring charges

- Q2 reported diluted EPS from continuing operations of $0.02 decreased compared to $0.68 last year primarily due to higher production costs and higher operating expenses from HRG Group incremental transaction costs, and restructuring expenses

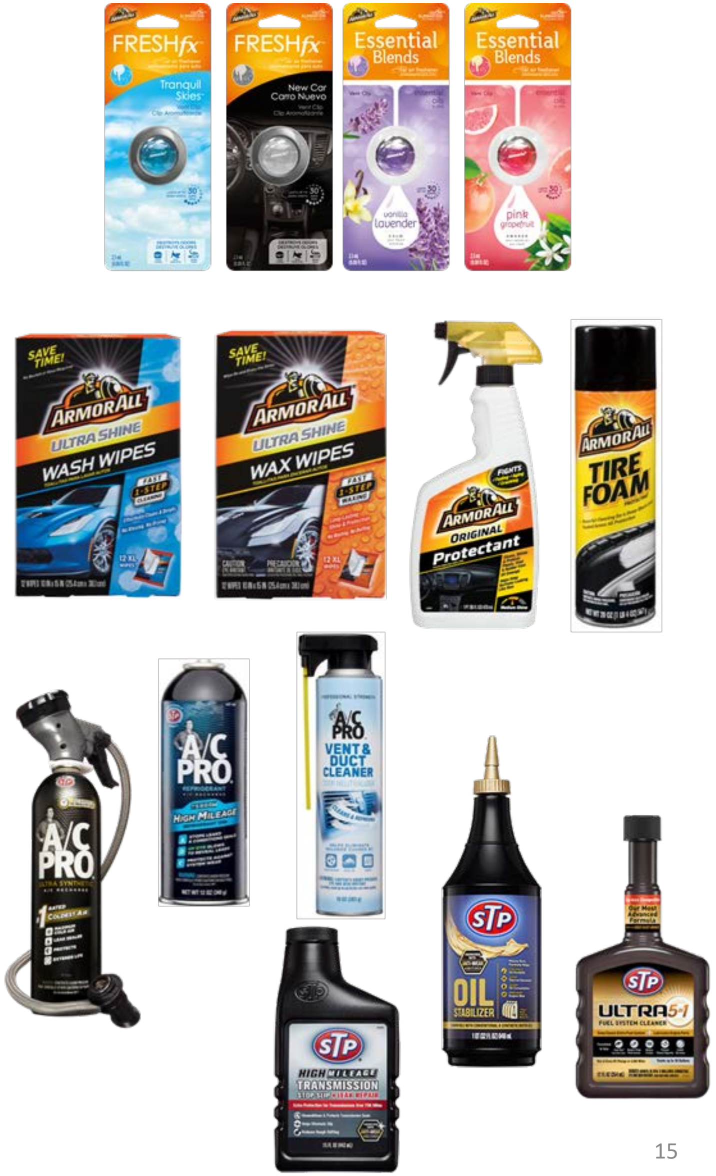
- Adjusted EPS from continuing operations of $0.56 decreased 34.9% compared to $0.86 last year primarily due to lower gross profit and higher interest expense; we are using a 24.5% blended annual rate for fiscal 2018 versus 35% last year due to changes in the U.S. corporate tax rate

Q2 Financial Review *(2/2)*

- Q2 reported interest expense from continuing operations of $42.1 million increased $3.3 million from $38.8 million last year
- Cash interest payments of $46.4 million in Q2 were $6.2 million lower than last year driven by the timing of payments on the Euro-denominated notes
- Cash taxes of $14.8 million increased compared to $8.6 million in 2017 due to timing of payments and refund s worldwide
- Depreciation, amortization and share-based compensation from continuing operations of $30.7 million decreased from $43.4 million last year due to lower expected equity incentive compensation
- Q2 cash payments for acquisition & integration and restructuring & related charges were $12.6 million and $25.1 million, respectively, versus $4 million and $7.5 million, respectively, last year
  - Restructuring charge increases were primarily the result of operating inefficiencies in the HHI distribution center consolidation project
  - Higher acquisition cash costs related to our battery and appliances divestiture process

Global Auto Care

- Q2 reported net sales fell 0.6% and 1.7% organically excluding favorable Fx of $1.3 million
  - Higher U.S. appearance product revenues offset by lower performance product and refrigerant sales
  - Approximately $9 million of in-house orders were unable to be shipped at the end of March due to higher order backlogs that developed during work to complete the Dayton facility consolidation project
- Reported adjusted EBITDA decreased 56.4% with a margin decline to 16.7%, driven principally by major operating inefficiencies related to the Dayton facility start-up which became apparent as we ramped up seasonal production and distribution in March; lower volumes, unfavorable product mix, and higher refrigerant and other input costs also contributed to the decline
- GAC is benefiting from the second year of its Armor All Ultra Shine Wash and Wax Wipes which were successfully launched in 2017, and two new exterior wipes have been added this year
- FY18 U.S. introduction of a full line of Armor All automotive air fresheners has been well-accepted, and we are pleased with its overall prospects including more innovation in 2019



Hardware & Home Improvement

- Q2 reported net sales increased 1.5% due to continued strong demand largely offset by distribution constraints and temporarily higher order backlogs related to the U.S. distribution center consolidation project; organic net sales increased 0.7% excluding favorable Fx of $2.5 million

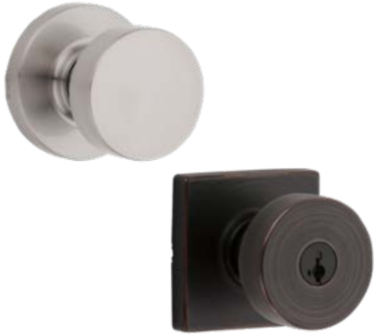
- Large sequential top-line growth decline from 12% in Q1 to 1.5% in Q2 was driven by temporarily higher customer order backlogs following the closure of the East Coast distribution center in late February

- Reported adjusted EBITDA fell 19.6% and margins decreased 370 basis points due principally to costs associated with work to complete the distribution center consolidation and unfavorable product mix, as well as higher commodity costs for zinc, copper and steel

- Once completed, the Kansas consolidation will result in a more streamlined footprint and lower inventory levels

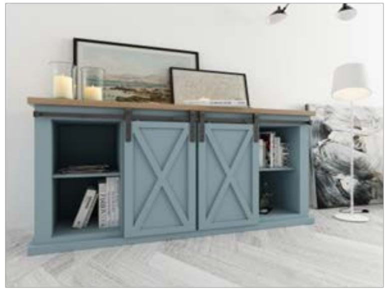
Kwikset

Pismo Contemporary Knob



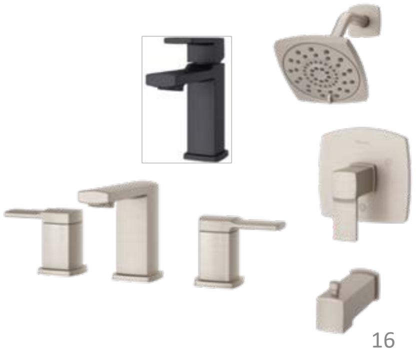
National Hardware

Interior Sliding Door Mini Kits



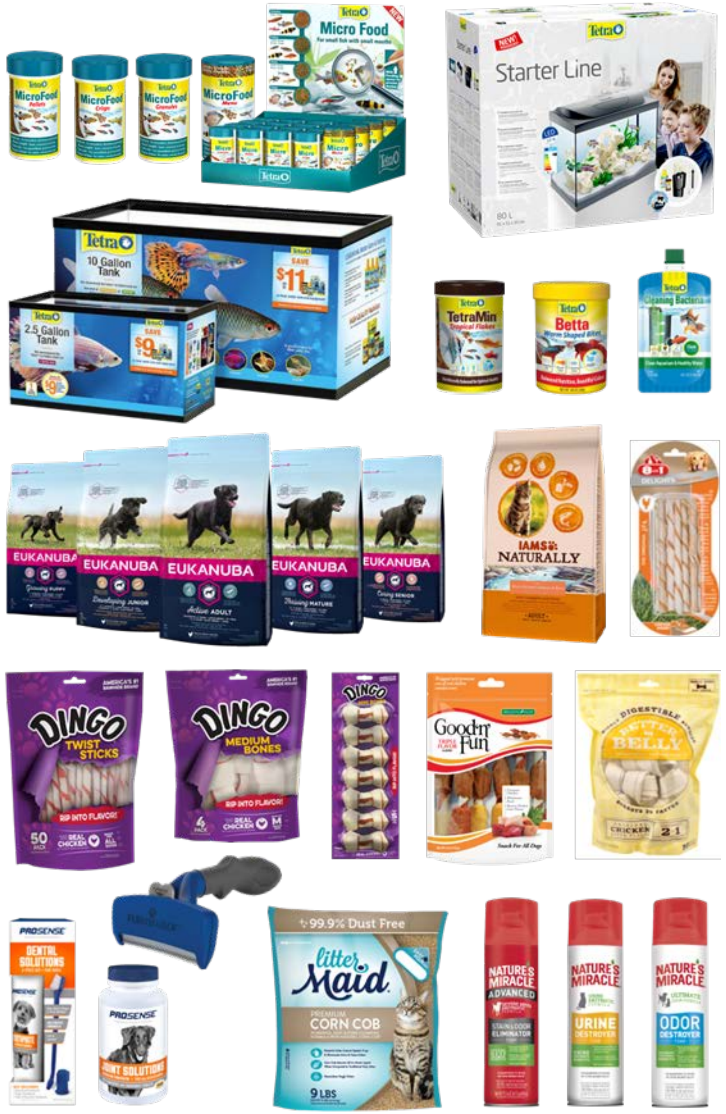
Pfister

Deckard Showroom Collection



Global Pet Supplies

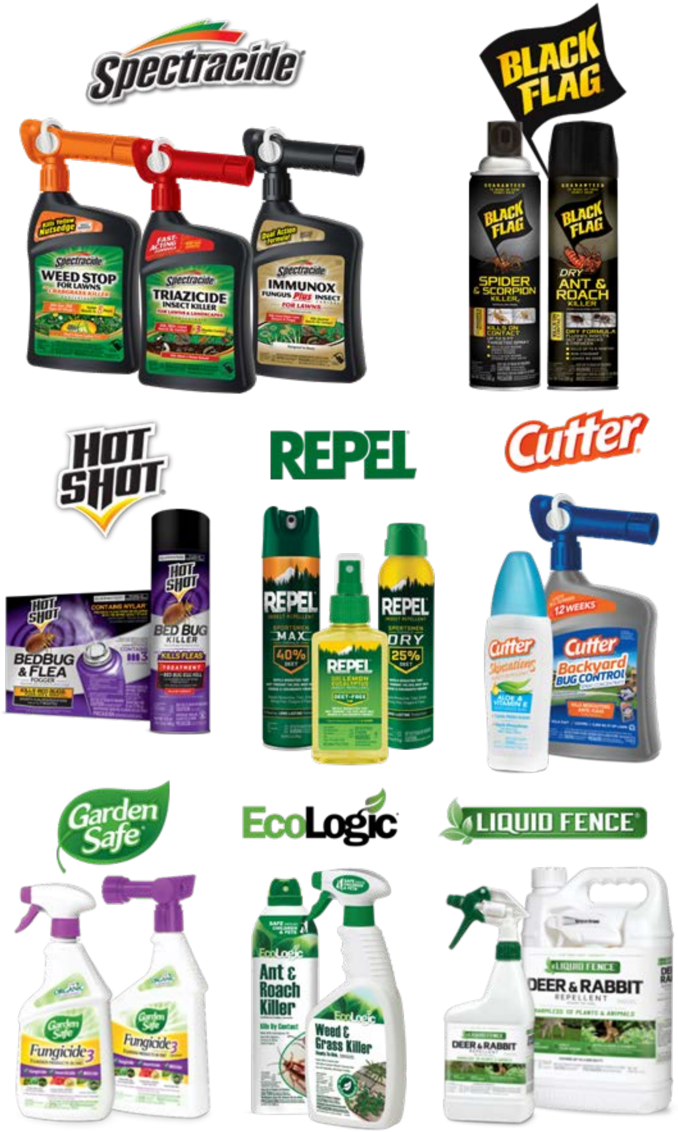
- Q2 reported net sales grew 10.1% driven by $25.2 million of acquisition sales; organic net sales fell 7.5% excluding acquisition revenues and favorable Fx of $8.5 million
  - Sales negatively impacted by a decline in European pet food sales of $7.1 million, or 3.7%, from the planned exit of a customer tolling agreement as well as lost rawhide distribution of about $5 million, or 2.6%, from last June's rawhide recall that we will lap in June
- Reported adjusted EBITDA improved 11.9% due to the acquisitions with a 30 basis point margin expansion
- U.S. companion animal sales were adversely impacted by the rawhide product recall, as well as continued, sluggish pet specialty channel traffic
- FY18 results will continue to be boosted by the full-year impact of acquisitions; innovation is being introduced across grooming, health aids, rawhide chews and further expansion of Nature's Miracle into non-pet channels
- Negative impact of European pet food customer tolling agreement exit estimated at $24 million in FY18
- Pet recall impacts will lessen as the 3 affected South American plants have now returned to pre-recall production levels



Spectrum Brands

Home and Garden

- Q2 reported net sales fell 10.5% and adjusted EBITDA decreased 28.9% with a margin decline of 560 basis points to 21.4%
- The lower Q2 net sales were primarily driven by significantly reduced POS and resulting retailer order and promotional delays due to unfavorable weather in March, slightly offset by growth in Latin America
- More than 70% of POS remains in the U.S. in the 3rd and 4th quarters, the traditionally strongest part of the season
- Overall, we believe the unfavorable weather impacted Home and Garden Q2 sales by about $10 million



Financial Review

- Ample liquidity position at the end of Q2 FY18
- $210 million available on our $800 million Cash Flow Revolver, a cash balance of $135 million and debt outstanding of $4.5 billion
- Our peak working capital borrowing season is now behind us and we expect to pay down the revolver through fiscal year-end
- Q2 capital expenditures including discontinued operations of $23.4 million were comparable to $23.1 million last year

FY18 Guidance

- Reported net sales from continuing operations expected to grow above category rates for most categories, including the anticipated modest positive impacts from Fx based on current rates
- Adjusted free cash flow guidance lowered to between $485-$505 million versus prior range of between $620-$640 million; the following estimated ranges include discontinued operations:
  - Full-year interest expense now expected to be between $215-$225 million, including approximately $10 million of non-cash items with cash interest payments expected to be between $200-$210 million
  - D&A now expected to be between $205-$215 million, including approximately $10 million for amortization of stock-based compensation
  - FY18 effective tax rate expected to be between 27%-32% prior to the impact of U.S. tax changes and any sale of the GBA segment; 24.5% blended rate now used for adjusted earnings versus 35% in prior years
  - Cash taxes expected to be approximately $60-$70 million without the impact of any dispositions; we do not anticipate being a significant U.S. federal cash taxpayer during FY18 as net operating loss carryforwards continue to be used
  - Cash payments for acquisition & integration and restructuring & related charges expected to be between $80-$90 million
  - Capital expenditures expected to be between $110-$120 million

Spectrum Brands

Pfister
PROSENSE
litter Maid
TAT INSECTICIDES
8in1
FORTIS PURO DESIGN ITALIANO
LIQUID FENCE
HOT SHOT
Spectracide
BLACK FLAG
REPEL
Tetra
Kwikset
Garden Safe
NATURE'S MIRACLE
WEISER
MARINELAND
Instant Ocean
STANLEY
GloFish Experience the Glo!
FURminator
A/C PRO
Wild Harvest
EZSET
DINGO
Cutter
Jungle
Perfect Coat Every Dog Has Its Perfect Style
IAMS
Excel
BALDWIN
SmartBones
DreamBone
Tell Manufacturing, Inc.
STP
Digesteeze
ARMORALL
EUKANUBA
FreshResults
Balanced-By-Nature ECOTRITION
National Hardware
FANAL
Healthy Hide
BIRDOLA PRODUCTS Wildlife feeding specialists

Appendix

SPECTRUM BRANDS HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)

(in millions, except per share amounts)	Three Month Periods Ended April 1, 2018	Three Month Periods Ended April 2, 2017	Six Month Periods Ended April 1, 2018	Six Month Periods Ended April 2, 2017
Net sales	$ 766.1	$ 756.5	$ 1,412.6	$ 1,358.7
Cost of goods sold	494.8	445.6	898.6	807.7
Restructuring and related charges	3.1	4.1	5.0	5.2
Gross profit	268.2	306.8	509.0	545.8
Selling	126.6	119.3	239.9	225.9
General and administrative	66.7	68.4	129.5	128.5
Research and development	7.2	7.0	14.2	13.6
Acquisition and integration related charges	4.5	3.2	9.7	6.5
Restructuring and related charges	20.0	3.8	38.6	5.0
Total operating expenses	225.0	201.7	431.9	379.5
Operating income	43.2	105.1	77.1	166.3
Interest expense	42.1	38.8	80.6	81.9
Other non-operating expense, net	1.4	2.0	2.7	0.9
(Loss) Income from continuing operations before income taxes	(0.3)	64.3	(6.2)	83.5
Income tax (benefit) expense	(1.1)	24.4	(127.2)	31.1
Net income from continuing operations	0.8	39.9	121.0	52.4
Income from discontinued operations, net of tax	0.7	18.7	41.6	71.5
Net income	1.5	58.6	162.6	123.9
Net income (loss) attributable to non-controlling interest	0.1	(0.2)	1.0	(0.2)
Net income attributable to controlling interest	$ 1.4	$ 58.8	$ 161.6	$ 124.1
Amounts attributable to controlling interest				
Net income from continuing operations attributable to controlling interest	$ 0.8	$ 39.9	$ 120.2	$ 52.4
Net Income from discontinued operations attributable to controlling interest	0.6	18.9	41.4	71.7
Net Income attributable to controlling interest	$ 1.4	$ 58.8	$ 161.6	$ 124.1
Earnings Per Share				
Basic earnings per share from continuing operations	$ 0.02	$ 0.68	$ 2.09	$ 0.89
Basic earnings per share from discontinued operations	0.01	0.32	0.72	1.21
Basic earnings per share	$ 0.03	$ 1.00	$ 2.81	$ 2.10
Diluted earnings per share from continuing operations	$ 0.02	$ 0.68	$ 2.09	$ 0.88
Diluted earnings per share from discontinued operations	0.01	0.32	0.72	1.21
Diluted earnings per share	$ 0.03	$ 1.00	$ 2.81	$ 2.09
Dividends per share	$ 0.42	$ 0.42	$ 0.85	$ 0.80
Weighted Average Shares Outstanding				
Basic	57.1	58.8	57.4	59.1
Diluted	57.2	59.0	57.4	59.3

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

(in millions)	Six Month Periods Ended April 1, 2018	Six Month Periods Ended April 2, 2017
Cash flows from operating activities		
Net income	$ 162.6	$ 123.9
Income from discontinued operations, net of tax	41.6	71.5
Net income from continuing operations	121.0	52.4
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	67.1	61.3
Share based compensation	0.4	19.5
Amortization of debt issuance costs	4.1	3.6
Write-off of unamortized discount and debt issuance costs	—	1.9
Purchase accounting inventory adjustment	0.8	—
Non-cash debt accretion	0.5	0.4
Pet safety recall inventory write-off	1.6	—
Deferred tax (benefit) expense	(151.6)	0.6
Net changes in operating assets and liabilities	(198.1)	(185.2)
Net cash used by operating activities from continuing operations	(154.2)	(45.5)
Net cash (used) provided by operating activities from discontinued operations	(48.5)	75.6
Net cash (used) provided by operating activities	(202.7)	30.1
Cash flows from investing activities		
Purchases of property, plant and equipment	(34.2)	(37.1)
Proceeds from sales of property, plant and equipment	0.9	0.2
Other investing activities	—	(1.2)
Net cash used by investing activities from continuing operations	(33.3)	(38.1)
Net cash used by investing activities from discontinued operations	(14.2)	(13.6)
Net cash used by investing activities	(47.5)	(51.7)
Cash flows from financing activities		
Proceeds from issuance of debt	573.2	211.5
Payment of debt	(37.8)	(145.8)
Payment of debt issuance costs	(0.3)	(2.7)
Payment of cash dividends	(48.5)	(47.3)
Treasury stock purchases	(258.0)	(103.1)
Share based tax withholding payments, net of proceeds upon vesting	(22.4)	(23.9)
Net cash provided (used) by financing activities from continuing operations	206.2	(111.3)
Net cash provided (used) by financing activities from discontinued operations	7.8	(1.2)
Net cash provided (used) by financing activities	214.0	(112.5)
Effect of exchange rate changes on cash and cash equivalents	3.2	(4.0)
Net change in cash and cash equivalents	(33.0)	(138.1)
Cash and cash equivalents, beginning of period	168.2	275.3
Cash and cash equivalents, end of period	$ 135.2	$ 137.2

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

(in millions)	April 1, 2018	September 30, 2017
Assets		
Cash and cash equivalents	$ 135.2	$ 168.2
Trade receivables, net	337.6	266.0
Other receivables	24.6	19.4
Inventories	610.5	496.3
Prepaid expenses and other current assets	58.7	54.2
Current assets of business held for sale	1,976.0	603.0
Total current assets	3,142.6	1,607.1
Property, plant and equipment, net	503.9	503.1
Deferred charges and other	60.6	43.5
Goodwill	2,280.2	2,277.1
Intangible assets, net	1,589.5	1,612.0
Noncurrent assets of business held for sale	—	1,376.9
Total assets	$ 7,576.8	$ 7,419.7
Liabilities and Shareholders' Equity		
Current portion of long-term debt	$ 20.3	$ 19.4
Accounts payable	359.6	371.6
Accrued wages and salaries	33.6	49.9
Accrued interest	47.5	48.5
Other current liabilities	119.6	123.4
Current liabilities of business held for sale	558.6	500.6
Total current liabilities	1,139.2	1,113.4
Long-term debt, net of current portion	4,314.4	3,752.3
Deferred income taxes	285.8	493.2
Other long-term liabilities	131.9	58.0
Noncurrent liabilities of business held for sale	—	156.1
Total liabilities	5,871.3	5,573.0
Shareholders' equity	1,695.2	1,837.9
Noncontrolling interest	10.3	8.8
Total equity	1,705.5	1,846.7
Total liabilities and equity	$ 7,576.8	$ 7,419.7

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP DILUTED EARNINGS PER SHARE TO ADJUSTED DILUTED EARNINGS PER SHARE

	Three Month Period Ended April 1, 2018			Three Month Period Ended April 2, 2017		
	Cont. Ops	Disc. Ops	Total	Cont. Ops	Disc. Ops	Total
Diluted earnings per share, as reported	$ 0.02	$ 0.01	$ 0.03	$ 0.68	$ 0.32	$ 1.00
Adjustments:						
Acquisition and integration related charges	0.08	0.39	0.47	0.06	0.03	0.09
Restructuring and related charges	0.40	0.01	0.41	0.13	0.01	0.14
Pet safety recall	0.07	—	0.07	—	—	—
Other adjustments	0.20	—	0.20	0.04	—	0.04
Income tax adjustment	(0.21)	(0.11)	(0.32)	(0.05)	(0.03)	(0.08)
Total Adjustments	0.54	0.29	0.83	0.18	0.01	0.19
Diluted earnings per share, as adjusted	$ 0.56	$ 0.30	$ 0.86	$ 0.86	$ 0.33	$ 1.19

	Six Month Period Ended April 1, 2018			Six Month Period Ended April 2, 2017		
	Cont. Ops	Disc. Ops	Total	Cont. Ops	Disc. Ops	Total
Diluted earnings per share, as reported	$ 2.09	$ 0.72	$ 2.81	$ 0.88	$ 1.21	$ 2.09
Adjustments:						
Acquisition and integration related charges	0.17	0.44	0.61	0.11	0.05	0.16
Restructuring and related charges	0.76	0.02	0.78	0.17	0.02	0.19
Debt refinancing costs	—	—	—	0.12	—	0.12
Purchase accounting inventory adjustment	0.01	—	0.01	—	—	—
Pet safety recall	0.19	—	0.19	—	—	—
Other adjustments	0.25	—	0.25	0.04	—	0.04
Income tax adjustment	(2.52)	(0.13)	(2.65)	(0.12)	(0.08)	(0.20)
Total Adjustments	(1.14)	0.33	(0.81)	0.32	(0.01)	0.31
Diluted earnings per share, as adjusted	$ 0.95	$ 1.05	$ 2.00	$ 1.20	$ 1.20	$ 2.40

SPECTRUM BRANDS HOLDINGS, INC.
ACQUISITION AND INTEGRATION RELATED CHARGES

	Three Month Periods Ended April 1, 2018			Three Month Periods Ended April 2, 2017		
(in millions)	**Cont. Ops**	**Disc. Ops**	**Total**	**Cont. Ops**	**Disc. Ops**	**Total**
HHI Business	$ 1.9	$ —	$ 1.9	$ 2.0	$ —	$ 2.0
PetMatrix	2.1	—	2.1	—	—	—
Armored AutoGroup	0.4	—	0.4	0.6	0.1	0.7
Other	0.1	22.3	22.4	0.6	1.8	2.4
Total acquisition and integration related charges	$ 4.5	$ 22.3	$ 26.8	$ 3.2	$ 1.9	$ 5.1

	Six Month Periods Ended April 1, 2018			Six Month Periods Ended April 2, 2017		
(in millions)	**Cont. Ops**	**Disc. Ops**	**Total**	**Cont. Ops**	**Disc. Ops**	**Total**
HHI Business	$ 4.6	$ —	$ 4.6	$ 3.8	$ —	$ 3.8
PetMatrix	3.7	—	3.7	—	—	—
Armored AutoGroup	0.6	—	0.6	1.9	0.5	2.4
Other	0.8	25.1	25.9	0.8	2.2	3.0
Total acquisition and integration related charges	$ 9.7	$ 25.1	$ 34.8	$ 6.5	$ 2.7	$ 9.2

SPECTRUM BRANDS HOLDINGS, INC.
RESTRUCTURING AND RELATED CHARGES

	Three Month Period Ended April 1, 2018			Three Month Period Ended April 2, 2017		
(in millions)	**Cont. Ops**	**Disc. Ops**	**Total**	**Cont. Ops**	**Disc. Ops**	**Total**
HHI distribution center consolidation	$ 13.6	$ —	$ 13.6	$ 1.2	$ —	$ 1.2
GAC business rationalization initiative	3.1	—	3.1	5.5	—	5.5
PET rightsizing initiative	3.3	—	3.3	0.6	—	0.6
Other restructuring activities	3.1	0.3	3.4	0.6	0.3	0.9
Total restructuring and related charges	$ 23.1	$ 0.3	$ 23.4	$ 7.9	$ 0.3	$ 8.2

	Six Month Period Ended April 1, 2018			Six Month Period Ended April 2, 2017		
(in millions)	**Cont. Ops**	**Disc. Ops**	**Total**	**Cont. Ops**	**Disc. Ops**	**Total**
HHI distribution center consolidation	$ 28.8	$ —	$ 28.8	$ 1.2	$ —	$ 1.2
GAC business rationalization initiative	7.1	—	7.1	7.0	—	7.0
PET rightsizing initiative	4.0	—	4.0	0.6	—	0.6
Other restructuring activities	3.7	1.0	4.7	1.4	1.3	2.7
Total restructuring and related charges	$ 43.6	$ 1.0	$ 44.6	$ 10.2	$ 1.3	$ 11.5

SPECTRUM BRANDS HOLDINGS, INC.
NET SALES SUMMARY

(in millions, except %)	Three Month Periods Ended April 1, 2018	Three Month Periods Ended April 2, 2017	Variance		Six Month Periods Ended April 1, 2018	Six Month Periods Ended April 2, 2017	Variance	
HHI	$ 318.5	$ 313.7	4.8	1.5%	$ 644.4	$ 602.5	41.9	7.0%
PET	211.2	191.8	19.4	10.1%	413.6	386.0	27.6	7.2%
H&G	118.1	132.0	(13.9)	(10.5%)	167.4	181.7	(14.3)	(7.9%)
GAC	118.3	119.0	(0.7)	(0.6%)	187.2	188.5	(1.3)	(0.7%)
Total	$ 766.1	$ 756.5	9.6	1.3%	$ 1,412.6	$ 1,358.7	53.9	4.0%

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

Three month periods ended (in millions, except %)	April 1, 2018 Net Sales	Effect of Changes in Currency	Net Sales Excluding Effect of Changes in	Effect of Acquisitions	Organic Net Sales	Net Sales April 2, 2018	Variance	
HHI	318.5	(2.5)	316.0	—	316.0	313.7	2.3	0.7%
PET	211.2	(8.5)	202.7	(25.2)	177.5	191.8	(14.3)	(7.5%)
H&G	118.1	—	118.1	—	118.1	132.0	(13.9)	(10.5%)
GAC	118.3	(1.3)	117.0	—	117.0	119.0	(2.0)	(1.7%)
Total	$ 766.1	$ (12.3)	$ 753.8	$ (25.2)	$ 728.6	$ 756.5	(27.9)	(3.7%)

Six month periods ended (in millions, except %)	April 1, 2018 Net Sales	Effect of Changes in Currency	Net Sales Excluding Effect of Changes in	Effect of Acquisitions	Organic Net Sales	Net Sales April 2, 2018	Variance	
HHI	644.4	(4.6)	639.8	—	639.8	602.5	37.3	6.2%
PET	413.6	(13.3)	400.3	(50.0)	350.3	386.0	(35.7)	(9.2%)
H&G	167.4	—	167.4	—	167.4	181.7	(14.3)	(7.9%)
GAC	187.2	(1.9)	185.3	—	185.3	188.5	(3.2)	(1.7%)
Total	$ 1,412.6	$ (19.8)	$ 1,392.8	$ (50.0)	$ 1,342.8	$ 1,358.7	(15.9)	(1.2%)

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN, ORGANIC ADJUSTED EBITDA

Three month period ended April 1, 2018 (in millions, except %)	**HHI**	**PET**	**H&G**	**GAC**	**Corporate**	**Consolidated**
Net income from continuing operations	$ 18.5	$ 15.2	$ 20.4	$ 12.3	$ (65.6)	$ 0.8
Income tax benefit	—	—	—	—	(1.1)	(1.1)
Interest expense	—	—	—	—	42.1	42.1
Depreciation and amortization	11.5	10.7	4.7	4.0	3.3	34.2
EBITDA	30.0	25.9	25.1	16.3	(21.3)	76.0
Share based compensation	—	—	—	—	(3.5)	(3.5)
Acquisition and integration related charges	1.9	2.1	—	0.4	0.1	4.5
Restructuring and related charges	13.6	3.8	0.2	3.1	2.4	23.1
Pet safety recall	—	3.9	—	—	—	3.9
Other	—	—	—	—	11.6	11.6
Adjusted EBITDA	$ 45.5	$ 35.7	$ 25.3	$ 19.8	$ (10.7)	$ 115.6
Net Sales	318.5	211.2	118.1	118.3	—	766.1
Adjusted EBITDA Margin	14.3%	16.9%	21.4%	16.7%	—	15.1%

Three month period ended April 2, 2017 (in millions, except %)	**HHI**	**PET**	**H&G**	**GAC**	**Corporate**	**Consolidated**
Net income from continuing operations	$ 44.0	$ 20.2	$ 31.4	$ 34.5	$ (90.2)	$ 39.9
Income tax expense	—	—	—	—	24.4	24.4
Interest expense	—	—	—	—	38.8	38.8
Depreciation and amortization	9.2	10.2	4.2	4.9	2.8	31.3
EBITDA	53.2	30.4	35.6	39.4	(24.2)	134.4
Share based compensation	—	—	—	—	12.1	12.1
Acquisition and integration related charges	2.0	0.5	—	0.5	0.2	3.2
Restructuring and related charges	1.4	1.0	—	5.5	—	7.9
Other	—	—	—	—	2.6	2.6
Adjusted EBITDA	$ 56.6	$ 31.9	$ 35.6	$ 45.4	$ (9.3)	$ 160.2
Net Sales	313.7	191.8	132.0	119.0	—	756.5
Adjusted EBITDA Margin	18.0%	16.6%	27.0%	38.2%	—	21.2%

Organic Adjusted EBITDA (in millions, except %)	**HHI**	**PET**	**H&G**	**GAC**	**Corporate**	**Consolidated**
Adjusted EBITDA - three month period ended April 1, 2018	$ 45.5	$ 35.7	$ 25.3	$ 19.8	$ (10.7)	$ 115.6
Effect of change in foreign currency	0.6	(0.7)	—	(0.6)	0.4	(0.3)
Net EBITDA Excluding Effect of Changes in Currency	46.1	35.0	25.3	19.2	(10.3)	115.3
Effect of acquisitions	—	(8.5)	—	—	—	(8.5)
Organic Adjusted EBITDA	46.1	26.5	25.3	19.2	(10.3)	106.8
Adjusted EBITDA - three month period ended April 2, 2017	56.6	31.9	35.6	45.4	(9.3)	160.2
Increase (Decrease) in Organic Adjusted EBITDA	$ (10.5)	$ (5.4)	$ (10.3)	$ (26.2)	$ (1.0)	$ (53.4)
Increase (Decrease) in Organic Adjusted EBITDA (%)	(18.6%)	(16.9%)	(28.9%)	(57.7%)	(10.8%)	(33.3%)

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN, ORGANIC ADJUSTED EBITDA

Six month period ended April 1, 2018 (in millions, except %)	HHI	PET	H&G	GAC	Corporate	Consolidated
Net income from continuing operations	$ 49.7	$ 28.1	$ 21.1	$ 18.9	$ 3.2	$ 121.0
Income tax benefit	—	—	—	—	(127.2)	(127.2)
Interest expense	—	—	—	—	80.6	80.6
Depreciation and amortization	22.4	21.1	9.4	7.8	6.4	67.1
EBITDA	72.1	49.2	30.5	26.7	(37.0)	141.5
Share based compensation	—	—	—	—	0.4	0.4
Acquisition and integration related charges	4.6	4.2	—	0.6	0.3	9.7
Restructuring and related charges	28.8	4.4	0.2	7.2	3.0	43.6
Inventory acquisition step-up	—	0.8	—	—	—	0.8
Pet safety recall	—	11.1	—	—	—	11.1
Other	—	—	—	—	14.2	14.2
Adjusted EBITDA	$ 105.5	$ 69.7	$ 30.7	$ 34.5	$ (19.1)	$ 221.3
Net Sales	644.4	413.6	167.4	187.2	—	1,412.6
Adjusted EBITDA Margin	16.4%	16.9%	18.3%	18.4%	—	15.7%

Six month period ended April 2, 2017 (in millions, except %)	HHI	PET	H&G	GAC	Corporate	Consolidated
Net income from continuing operations	$ 92.4	$ 39.6	$ 33.1	$ 47.5	$ (160.2)	$ 52.4
Income tax expense	—	—	—	—	31.1	31.1
Interest expense	—	—	—	—	81.9	81.9
Depreciation and amortization	18.1	20.9	8.2	8.9	5.2	61.3
EBITDA	110.5	60.5	41.3	56.4	(42.0)	226.7
Share based compensation	—	—	—	—	19.5	19.5
Acquisition and integration related charges	3.7	0.6	—	1.8	0.4	6.5
Restructuring and related charges	1.6	1.6	—	7.0	—	10.2
Other	—	—	—	—	2.5	2.5
Adjusted EBITDA	$ 115.8	$ 62.7	$ 41.3	$ 65.2	$ (19.6)	$ 265.4
Net Sales	602.5	386.0	181.7	188.5	—	1,358.7
Adjusted EBITDA Margin	19.2%	16.2%	22.7%	34.6%	—	19.5%

Organic Adjusted EBITDA (in millions, except %)	HHI	PET	H&G	GAC	Corporate	Consolidated
Adjusted EBITDA - six month period ended April 1, 2018	$ 105.5	$ 69.7	$ 30.7	$ 34.5	$ (19.1)	$ 221.3
Effect of change in foreign currency	2.0	(1.1)	—	(0.3)	0.7	1.3
Net EBITDA Excluding Effect of Changes in Currency	107.5	68.6	30.7	34.2	(18.4)	222.6
Effect of acquisitions	—	(17.3)	—	—	—	(17.3)
Organic Adjusted EBITDA	107.5	51.3	30.7	34.2	(18.4)	205.3
Adjusted EBITDA - six month period ended April 1, 2017	115.8	62.7	41.3	65.2	(19.6)	265.4
Increase (Decrease) in Organic Adjusted EBITDA	$ (8.3)	$ (11.4)	$ (10.6)	$ (31.0)	$ 1.2	$ (60.1)
Increase (Decrease) in Organic Adjusted EBITDA (%)	(7.2%)	(18.2%)	(25.7%)	(47.5%)	(6.1%)	(22.6%)

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

(in millions)	Cont. Ops	Disc Ops	Total
Net income	$ 235 - 249	$ 93 - 101	$ 328 - 350
Income tax (benefit) expense	(58) - (55)	17 - 19	(41) - (36)
Interest expense	161 - 167	54 - 58	215 - 225
Depreciation and amortization	122 - 127	73 - 78	195 - 205
EBITDA	468 - 485	243 - 253	711 - 738
Share based compensation	9	1	10
Acquisition and integration related charges	12 - 13	54 - 56	66 - 69
Restructuring and related charges	56 - 60	1	57 - 61
Inventory acquisition step-up	1	—	1
Pet safety recall	13 - 15	—	13 - 15
Other	37 -3 9	—	37 - 39
Adjusted EBITDA	$ 600 - 617	$ 300 - 310	$ 900 - 927

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP CASH FLOW FROM OPERATING ACTIVITIES TO FORECASTED ADJUSTED FREE CASH FLOW

(in millions)	September 30, 2018	September 30, 2017
Net cash flow from operating activities	$ 510 - 535	$ 665
GBA divestiture transaction costs	40 - 45	—
HRG merger transaction costs	30 - 35	—
Cash interest charges related to refinancing	—	5
Stanley settlement payment	—	23
Rawhide recall	10 - 15	9
Purchases of property, plant and equipment	(110) - (120)	(115)
Adjusted free cash flow	$ 485 - 505	$ 587