

Spectrum Brands

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Fiscal 2024 Third Quarter Earnings Call

August 8, 2024





Agenda



- **Introduction – Joanne Chomiak**
Senior Vice President, Tax and Treasury
- **CEO Overview – David Maura**
Chairman and Chief Executive Officer
- **Financial & Business Review – Jeremy Smeltser**
Chief Financial Officer
- **Q&A – David Maura and Jeremy Smeltser**

Forward-looking Statements

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

Since these forward-looking statements are based upon our current expectations of future events and projections and are subject to a number of risks and uncertainties, many of which are beyond our control and some of which may change rapidly, actual results or outcomes may differ materially from those expressed or implied herein, and you should not place undue reliance on these statements. Important factors that could cause our actual results to differ materially from those expressed or implied herein include, without limitation: (1) the economic, social and political conditions or civil unrest, terrorist attacks, acts of war, natural disasters, other public health concerns or unrest in the United States or the international markets impacting our business, customers, employees (including our ability to retain and attract key personnel), manufacturing facilities, suppliers, capital markets, financial condition and results of operations, all of which tend to aggravate the other risks and uncertainties we face; (2) the impact of a number of local, regional and global uncertainties could negatively impact our business; (3) the negative effect of the Russia-Ukraine war and the Israel-Hamas war and their impact on those regions and surrounding regions, including the Middle East and disruptions to international trade, supply chain and shipping routes and pricing, and on our operations and those operations of our customers, suppliers and other stakeholders; (4) our increased reliance on third-party partners, suppliers and distributors to achieve our business objectives; (5) the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring and optimization activities, including changes in inventory and distribution center changes which are complicated and involve coordination among a number of stakeholders, including our suppliers and transportation and logistics handlers; (6) the impact of our indebtedness and financial leverage position on our business, financial condition and results of operations; (7) the impact of restrictions in our debt instruments on our ability to operate our business, finance our capital needs or pursue or expand business strategies; (8) any failure to comply with financial covenants and other provisions and restrictions of our debt instruments; (9) the effects of general economic conditions, including the impact of, and changes to tariffs and trade policies, inflation, recession or fears of a recession, depression or fears of a depression, labor costs and stock market volatility or monetary or fiscal policies in the countries where we do business; (10) the impact of fluctuations in transportation and shipment costs, fuel costs, commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers' willingness to advance credit; (11) interest rate fluctuations; (12) changes in foreign currency exchange rates that may impact our purchasing power, pricing and margin realization within international jurisdictions; (13) the loss of, significant reduction in or dependence upon, sales to any significant retail customer(s), including their changes in retail inventory levels and management thereof; (14) competitive promotional activity or spending by competitors, or price reductions by competitors; (15) the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands; (16) changes in consumer spending preferences and demand for our products, particularly in light of economic stress; (17) our ability to develop and successfully introduce new products, protect intellectual property and avoid infringing the intellectual property of third parties; (18) our ability to successfully identify, implement, achieve and sustain productivity improvements, cost efficiencies (including at our manufacturing and distribution operations) and cost savings; (19) the seasonal nature of sales of certain of our products; (20) the impact weather conditions may have on the sales of certain of our products; (21) the effects of climate change and unusual weather activity as well as our ability to respond to future natural disasters and pandemics and to meet our environmental, social and governance goals; (22) the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations); (23) public perception regarding the safety of products that we manufacture and sell, including the potential for environmental liabilities, product liability claims, litigation and other claims related to products manufactured by us and third parties; (24) the impact of existing, pending or threatened litigation, government regulation or other requirements or operating standards applicable to our business; (25) the impact of cybersecurity breaches or our actual or perceived failure to protect company and personal data, including our failure to comply with new and increasingly complex global data privacy regulations; (26) changes in accounting policies applicable to our business; (27) our discretion to adopt, conduct, suspend or discontinue any share repurchase program or conduct any debt repayments, redemptions, repurchases or refinancing transactions (including our discretion to conduct purchases or repurchases, if any, in a variety of manners including open-market purchases, privately negotiated transactions, tender offers, redemptions, or otherwise); (28) our ability to utilize net operating loss carry-forwards to offset tax liabilities; (29) our ability to separate the Company's Home and Personal Care ("HPC") business and create an independent Global Appliances business on expected terms, and within the anticipated time period, or at all, and to realize the potential benefits of such business; (30) our ability to create a pure play consumer products company composed of our Global Pet Care ("GPC") and Home & Garden ("H&G") business and to realize the expected benefits of such creation, and within the anticipated time period, or at all; (31) our ability to successfully implement, and realize the benefits of, acquisitions or dispositions and the impact of any such transactions on our financial performance; (32) the impact of actions taken by significant shareholders; (33) the unanticipated loss of key members of senior management and the transition of new members of our management teams to their new roles; and (34) the other risk factors set forth in Spectrum Brands Holdings, Inc. 2023 Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, and other filings with the United States Securities and Exchange Commission (the "SEC").

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

Reconciliation of Non-GAAP Financial Measures

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

Management believes that organic net sales provide for a more complete understanding of underlying business trends of regional and segment performance by excluding the impact of foreign currency exchange fluctuations and the impact of acquisitions (when applicable) when there is no comparable sales in the prior period. Organic sales growth is calculated by comparing organic net sales to net sales in the prior comparative period. The effect of changes in foreign currency exchange rates is determined by translating the period's net sales using the foreign currency exchange rates that were in effect during the prior comparative period. Adjusted EBITDA is a metric used by management to evaluate segment performance and frequently used by the financial community, which provides insight into an organization's operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure for determining the Company's debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. Adjusted EBITDA margin reflects adjusted EBITDA as a percentage of net sales. Management uses adjusted diluted EPS as a useful measure for providing further insight into our operating performance because it eliminates the effects of certain items that are not comparable from one period to the next. The tax impact on adjustments reflects the income tax effect from adjustments made to diluted EPS.

The Company provides this information to investors to assist in comparisons of past, present and future operating results and to assist in highlighting the results of ongoing operations. While the Company's management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Company's GAAP financial results and should be read in conjunction with those GAAP results. Supplemental tables have been provided within the Appendix to this document to demonstrate reconciliation of non-GAAP measurements to the most comparable GAAP measure.

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CEO Overview

David Maura



Summary

Delivered on our commitment with top line growth across all three businesses, with Net Sales improvement of 6.0% and organic sales growth of 7.1%

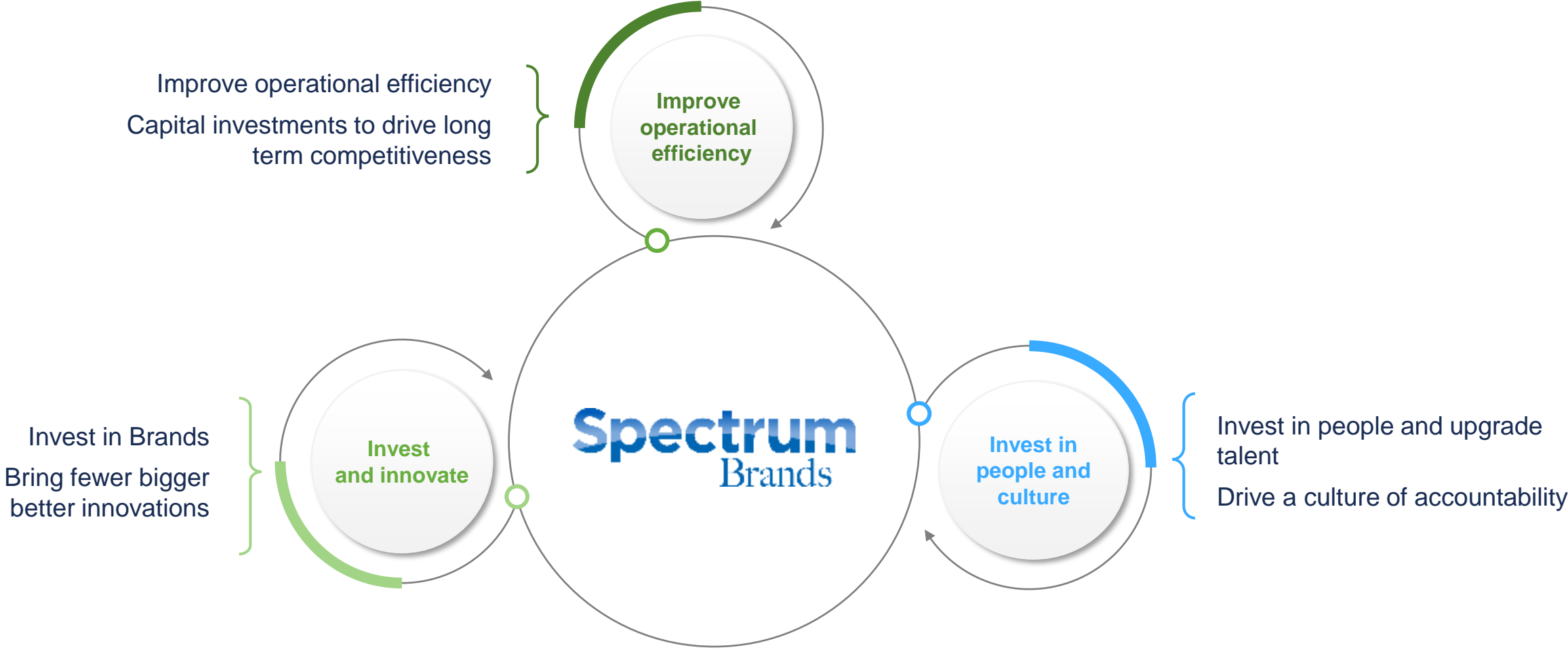
Delivered Adjusted EBITDA including investment income of \$106.3 million, up from \$99 million, while increasing investments in our brands by almost \$23 million

Launched and closed a debt tender to satisfy covenant commitment to our bondholders, retiring \$1.174 billion in bonds with no future obligations for any of the HHI proceeds

Issued \$350 million, 5-year exchangeable senior, unsecured bonds at 3.375%

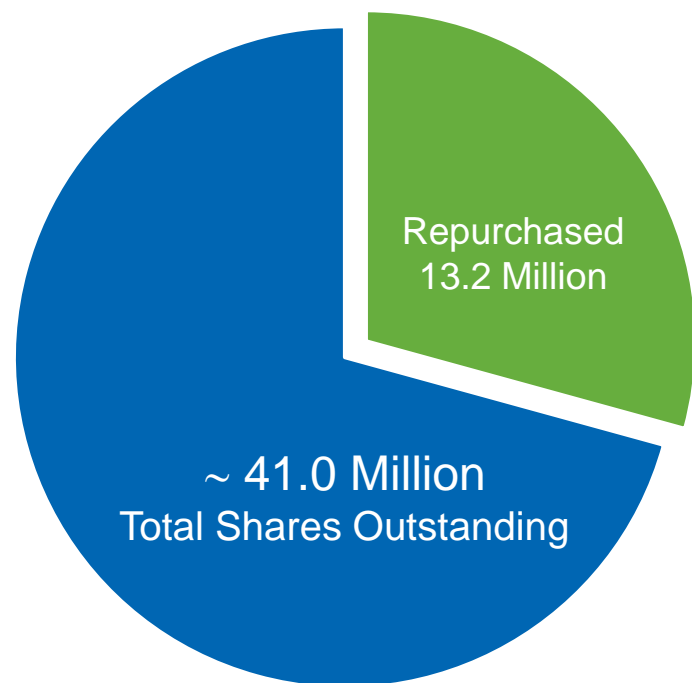
Closed the quarter with net debt of \$271.6 million

FY24 Strategic Priorities



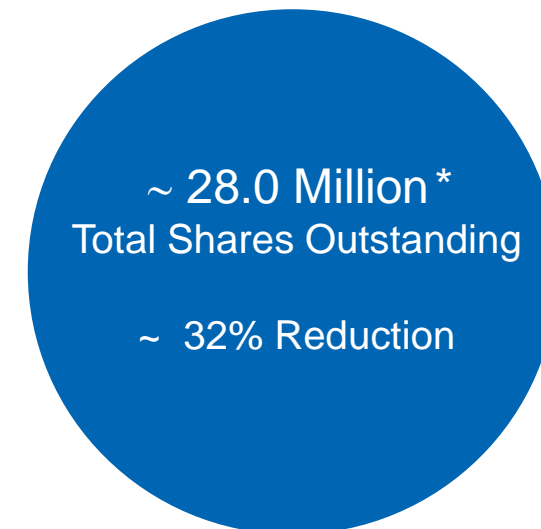
Continue to dual track separation of the HPC business, filing Form-10 in July

Outstanding Shares & Share Repurchases



Prior to HHI Sale

Share Repurchases
ASR – 6.6 Million
Open Market/10b5-1 – 6.5 Million
→
\$1,017 Million Spent



As of Now

In May 2024, Authorized \$500M Share Repurchase Plan
~\$400M Remaining on Plan as of Now

* Including vesting of equity compensation

NET SALES

Flat to prior year

Lower first half sales from consumer demand softness in small kitchen appliance category within HPC and North American Aquatics, plus SKU exits; offset by Home & Garden demand

ADJUSTED EBITDA

~ 20% growth to prior year

Lower cost inventory and operational efficiencies partially offset by investment in the business;
Excluding impact of investment income

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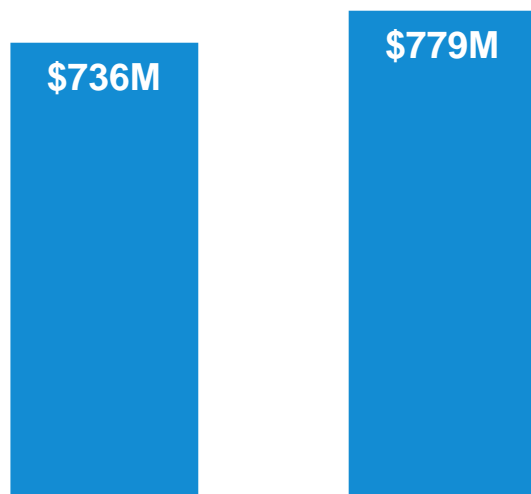
Financial and Business Review

Jeremy Smeltser



Net Sales

6.0%



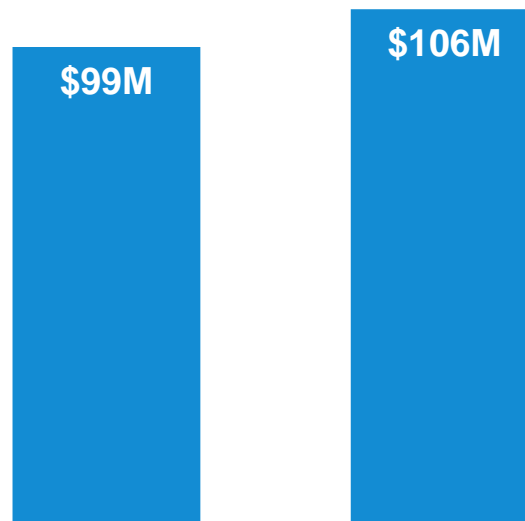
Q3 FY23

Q3 FY24

Organic Sales 7.1%

Adj. EBITDA

7.9%



Q3 FY23

Q3 FY24

GAAP Net Income \$19.1M

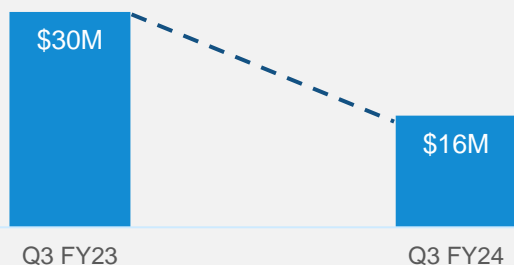
KEY TAKEAWAYS

- Growth in organic sales driven by favorable weather and improved retailer inventory health in H&G as well as e-commerce growth across all segments
- **Excluding \$13M of investment income, Adjusted EBITDA was \$94M**
- Q3 adjusted EBITDA increase driven by:
 - Opex Investments
 - Mix
 - Foreign Exchange
 - + Volume
 - + Cost Reduction Actions
 - + Investment income

Q3 FY24 Financial Review

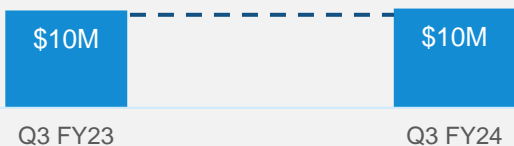
Interest Expense

-\$14.6M vs. LY



Cash strategic transactions, restructuring, and other unusual non-recurring items

+\$0.2M vs. LY



\$0.6B
Debt outstanding

\$0.3B
Cash and short-term investments⁽¹⁾

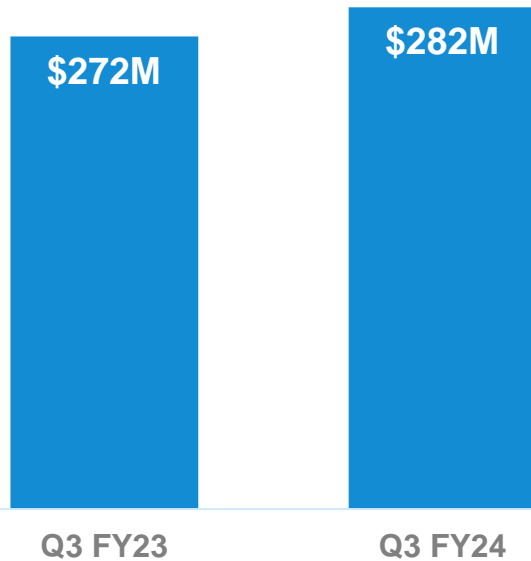


(1) Short-term investments include term deposits with maturities less than 12 months, greater than 3 months

(2) In use revolver represents \$10M of letters of credit.

Net Sales

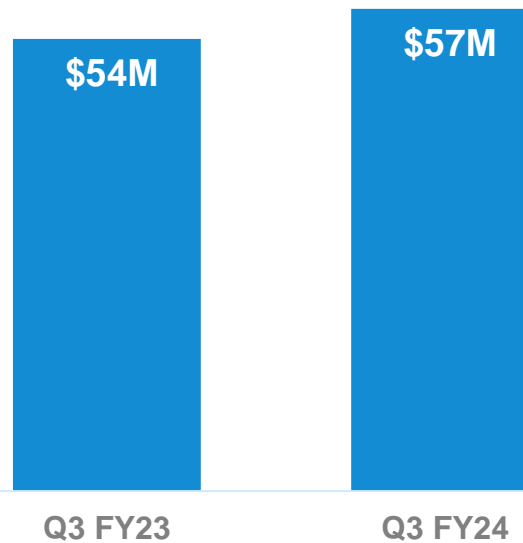
3.6%



Organic Sales 4.1%

Adj. EBITDA

5.8%



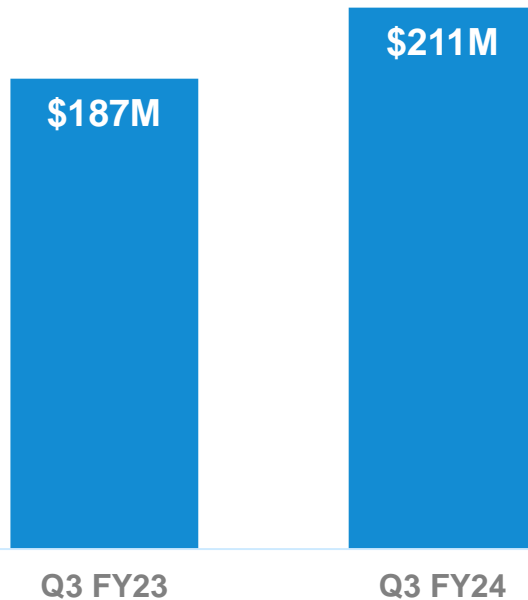
GAAP Segment Net Income +26.3%

KEY TAKEAWAYS

- Organic net sales increase driven by **strength in Companion Animal** largely due to continued **e-commerce gains**
- EBITDA increase was driven by **lower cost inventory, higher volume, favorable mix** and **operational productivity** partially offset by **increased investments in brand-building investments** and **unfavorable Foreign Exchange**

Net Sales

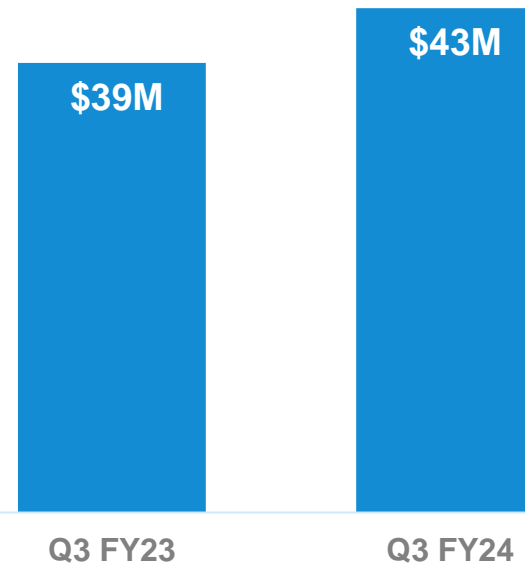
13.1%



Organic Sales +13.0%

Adj. EBITDA

12.2%



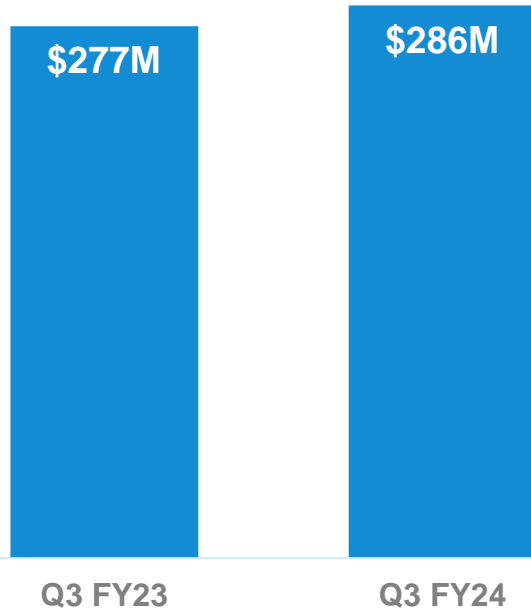
GAAP Segment Net Income +46.6%

KEY TAKEAWAYS

- Net sales increase due to **favorable weather and improved retailer inventory health** partially offset by **sales decline in Cleaning category**
- EBITDA increase was driven by **increased volume, cost improvement actions, and pricing actions** partially offset by **brand-building investments**

Net Sales

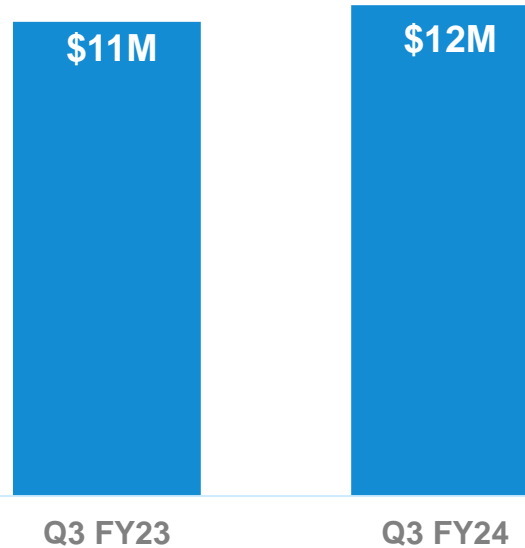
3.5%



Organic Sales 6.1%

Adj. EBITDA

3.5%



GAAP Segment Net Loss Improvement
of \$156.0M

KEY TAKEAWAYS

- Organic net sales growth driven by **e-commerce gains in Personal Care category**
- EBITDA increase was driven by **increased volume, lower cost inventory, and cost improvement initiatives** partially offset by **increased brand-building investments, pricing and unfavorable mix**

NET SALES

Flat to prior year

Lower first half sales from consumer demand softness in small kitchen appliance category within HPC and North American Aquatics, plus SKU exits; offset by Home & Garden demand

ADJUSTED EBITDA

~ 20% growth to prior year

Lower cost inventory and operational efficiencies partially offset by investment in the business;
Excluding impact of investment income

FY24 – Full Year Expectations

Cash Taxes

\$35m - \$40m

Cash Taxes

Cash transactions

~\$50m

Cash Payments of
Restructuring, Optimization
and Strategic Initiatives

CAPEX

\$45m - \$55m

Capital Expenditures

D&A

\$115m - \$125m

Depreciation and
Amortization

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CEO Takeaways

David Maura





1

STRONG YTD PERFORMANCE

- Incremental investments in business yielding results
- E-commerce continues to be an area of growth across all segments

2

CURRENT FOCUS

- Continue to lean into the opportunities in front of us
- Adapt to evolving market conditions to deliver on our financial commitments

3

FY24 EARNINGS FRAMEWORK UPDATE

- Targeting flat Net Sales versus last year and ~20% growth in adjusted EBITDA (without considering the impact of investment income)
- Preparing to manage geopolitical and macroeconomic headwinds

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Appendix



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

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

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

(in millions)	Nine Month Periods Ended	
	June 30, 2024	July 2, 2023
Cash flows from operating activities		
Net cash provided by operating activities from continuing operations	\$ 178.4	\$ 72.5
Net cash (used) provided by operating activities from discontinued operations	(96.5)	31.8
Net cash provided by operating activities	81.9	104.3
Cash flows from investing activities		
Purchases of property, plant and equipment	(31.0)	(44.3)
Proceeds from disposal of property, plant and equipment	—	3.0
Proceeds from sale of discontinued operations, net of cash	—	4,334.7
Purchases of short term investments	(848.7)	—
Proceeds from sale of short term investments	1,792.0	—
Purchase price settlement from sale of the HHI business	(26.9)	—
Other investing activity	0.2	(0.1)
Net cash provided by investing activities from continuing operations	885.6	4,293.3
Net cash used by investing activities from discontinued operations	—	(11.8)
Net cash provided by investing activities	885.6	4,281.5
Cash flows from financing activities		
Payment of debt and debt premium	(1,346.7)	(1,141.1)
Proceeds from issuance of debt	350.0	—
Payment of debt issuance costs	(15.0)	(2.3)
Premium on capped call transactions	(25.2)	—
Treasury stock purchases	(482.7)	—
Accelerated share repurchase	—	(500.0)
Dividends paid to shareholders	(38.8)	(51.6)
Share based award tax withholding payments, net of proceeds upon vesting	(5.5)	(11.3)
Net cash used by financing activities from continuing operations	(1,563.9)	(1,706.3)
Net cash used by financing activities from discontinued operations	—	(0.8)
Net cash used by financing activities	(1,563.9)	(1,707.1)
Effect of exchange rate changes on cash and cash equivalents	0.2	7.8
Net change in cash, cash equivalents and restricted cash in continuing operations	(596.2)	2,686.5
Cash, cash equivalents, and restricted cash, beginning of period	753.9	243.7
Cash, cash equivalents, and restricted cash, end of period	\$ 157.7	\$ 2,930.2

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

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

SPECTRUM BRANDS HOLDINGS, INC.

NET SALES SUMMARY (Unaudited)

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

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP NET SALES TO ORGANIC NET SALES (Unaudited)

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

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

SPECTRUM BRANDS HOLDINGS, INC.

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

Three Month Period Ended June 30, 2024 (in millions, except %)	GPC	H&G	HPC	Corporate	Consolidated
Net income (loss) from continuing operations	\$ 48.0	\$ 38.4	\$ (0.5)	\$ (66.8)	\$ 19.1
Income tax expense	—	—	—	22.4	22.4
Interest expense	—	—	—	15.7	15.7
Depreciation	3.5	2.0	2.7	5.9	14.1
Amortization	5.6	2.9	2.6	—	11.1
EBITDA	57.1	43.3	4.8	(22.8)	82.4
Share based compensation	—	—	—	4.5	4.5
HHI separation costs	—	—	—	0.9	0.9
HPC separation initiatives	—	—	—	5.4	5.4
Fiscal 2023 and 2022 restructuring	—	—	0.1	—	0.1
Global ERP transformation	—	—	—	4.3	4.3
Russia closing initiatives	—	—	(0.1)	—	(0.1)
Other project costs	—	—	0.3	—	0.3
Non-cash purchase accounting adjustments	—	—	0.2	—	0.2
Impairment of operating lease asset	—	—	5.1	—	5.1
Legal and environmental	—	—	0.8	—	0.8
Loss from early extinguishment of debt	—	—	—	2.2	2.2
HPC product recall	—	—	0.6	—	0.6
Other	(0.4)	—	—	—	(0.4)
Adjusted EBITDA	\$ 56.7	\$ 43.3	\$ 11.8	\$ (5.5)	\$ 106.3
Net sales	\$ 282.2	\$ 211.0	\$ 286.2	\$ —	\$ 779.4
Net income (loss) from continuing operations margin	17.0 %	18.2 %	(0.2)%	—	2.5 %
Adjusted EBITDA margin	20.1 %	20.5 %	4.1 %	—	13.6 %

SPECTRUM BRANDS HOLDINGS, INC.

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

Three Month Period Ended July 2, 2023 (in millions, except %)	GPC	H&G	HPC	Corporate	Consolidated
Net income (loss) from continuing operations	\$ 38.0	\$ 26.2	\$ (156.5)	\$ (79.9)	\$ (172.2)
Income tax expense	—	—	—	13.9	13.9
Interest expense	—	—	—	30.3	30.3
Depreciation	4.1	1.8	2.8	3.4	12.1
Amortization	5.6	2.8	2.1	—	10.5
EBITDA	47.7	30.8	(151.6)	(32.3)	(105.4)
Share based compensation	—	—	—	4.8	4.8
HHI divestiture and separation costs	—	—	—	4.0	4.0
HPC separation initiatives	—	—	—	0.5	0.5
Tristar integration	—	—	1.0	—	1.0
Fiscal 2023 and 2022 restructuring	0.5	—	0.4	—	0.9
Global ERP transformation	—	—	—	3.7	3.7
Russia closing initiatives	—	—	0.2	—	0.2
Other project costs	0.2	—	1.4	0.3	1.9
Non-cash purchase accounting adjustments	—	—	0.5	—	0.5
Impairment of equipment and operating lease assets	5.2	—	(1.6)	—	3.6
Impairment of goodwill	—	—	111.1	—	111.1
Impairment of intangible assets	—	8.0	45.7	—	53.7
Unallocated shared costs	—	—	—	5.3	5.3
Early settlement of foreign currency cash flow hedges	—	—	0.7	—	0.7
Legal and environmental	—	(0.2)	1.7	—	1.5
HPC product recall	—	—	1.9	—	1.9
Loss from early extinguishment of debt	—	—	—	8.6	8.6
Adjusted EBITDA	\$ 53.6	\$ 38.6	\$ 11.4	\$ (5.1)	\$ 98.5
Net sales	\$ 272.3	\$ 186.6	\$ 276.6	\$ —	\$ 735.5
Net income (loss) from continuing operations margin	14.0 %	14.0 %	(56.6)%	—	(23.4)%
Adjusted EBITDA margin	19.7 %	20.7 %	4.1 %	—	13.4 %

SPECTRUM BRANDS HOLDINGS, INC.
RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (Unaudited)

Nine Month Period Ended June 30, 2024 (in millions, except %)	GPC	H&G	HPC	Corporate	Consolidated
Net income (loss) from continuing operations	\$ 144.6	\$ 18.3	\$ 84.7	\$ (161.2)	\$ 86.4
Income tax expense	—	—	—	60.3	60.3
Interest expense	—	—	—	51.8	51.8
Depreciation	10.6	5.9	8.1	18.3	42.9
Amortization	16.8	8.6	8.0	—	33.4
EBITDA	172.0	32.8	100.8	(30.8)	274.8
Share based compensation	—	—	—	12.9	12.9
HHI separation costs	—	—	—	3.0	3.0
HPC separation initiatives	—	—	—	8.5	8.5
Fiscal 2023 and 2022 restructuring	0.2	—	0.7	—	0.9
Global ERP transformation	—	—	—	11.2	11.2
Other project costs	(0.1)	—	0.3	0.3	0.5
Non-cash purchase accounting adjustments	—	—	1.1	—	1.1
Impairment of operating lease asset	—	—	5.6	—	5.6
Impairment of intangible assets	—	39.0	4.0	—	43.0
Representation and warranty insurance proceeds	—	—	(65.0)	—	(65.0)
Legal and environmental	—	—	2.2	—	2.2
Gain from early extinguishment of debt	—	—	—	(2.6)	(2.6)
HPC product recall	—	—	6.6	—	6.6
Other	(0.3)	—	—	0.6	0.3
Adjusted EBITDA	\$ 171.8	\$ 71.8	\$ 56.3	\$ 3.1	\$ 303.0
Net sales	\$ 849.0	\$ 443.7	\$ 897.5	\$ —	\$ 2,190.2
Net income (loss) from continuing operations margin	17.0 %	4.1 %	9.4 %	—	3.9 %
Adjusted EBITDA margin	20.2 %	16.2 %	6.3 %	—	13.8 %

SPECTRUM BRANDS HOLDINGS, INC.

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

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

SPECTRUM BRANDS HOLDINGS, INC.

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

	Three Month Periods Ended		Nine Month Periods Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Diluted EPS from continuing operations, as reported	\$ 0.66	\$ (4.27)	\$ 2.78	\$ (7.06)
Adjustments:				
HHI divestiture and separation costs	0.03	0.10	0.10	0.17
HPC separation initiatives	0.19	0.01	0.27	0.10
Tristar integration	—	0.02	—	0.26
Fiscal 2023 and 2022 restructuring	—	0.02	0.03	0.15
Global ERP transformation	0.15	0.09	0.36	0.21
Russia closing initiatives	—	—	—	0.07
Other project costs	0.01	0.03	0.02	0.30
Non-cash purchase accounting adjustments	0.01	0.01	0.04	0.03
Impairment on equipment and operating leases	0.18	0.09	0.18	0.20
Impairment of goodwill	—	2.75	—	2.73
Impairment on intangible assets	—	1.33	1.38	2.96
Representation and warranty insurance proceeds	—	—	(2.08)	—
Legal and environmental	0.03	—	0.07	0.04
Loss (gain) from early extinguishment of debt	0.07	0.21	(0.08)	0.21
Debt amendment costs	—	—	—	0.06
HPC product recalls	0.02	0.04	0.21	0.09
Unallocated shared costs	—	0.13	—	0.44
Early settlement of foreign currency cash flow hedges	—	0.02	—	0.11
Gain from remeasurement contingent consideration liability	—	—	—	(0.04)
Other	(0.01)	0.05	—	0.16
Pre-tax adjustments	0.68	4.90	0.50	8.25
Tax impact of adjustments	(0.24)	0.01	(0.34)	(0.79)
Net adjustments	0.44	4.91	0.16	7.46
Diluted EPS from continuing operations, as adjusted	\$ 1.10	\$ 0.64	\$ 2.94	\$ 0.40