Spectrum Brands

Fiscal 2019 First Quarter Earnings Call

February 7, 2019

Agenda

- **Introduction** — Dave Prichard, Vice President, Investor Relations
- **CEO Overview and Outlook** — David Maura, 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), and adjusted EBITDA margin.

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, 2018, 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.

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

Chairman and Chief Executive Officer

CEO Overview and Outlook

- We want to highlight some of our strategic achievements as we exit a period of significant transition and enter a period of stability with meaningful operational opportunities
- In January we made major progress in completing our transformation of Spectrum Brands into a meaningfully less leveraged and more focused consumer products business with increased financial strength and flexibility to drive long-term growth
- We closed on the divestitures of both our Global Battery and Lighting business and our Global Auto Care business, bringing us combined gross cash proceeds of approximately $2.9 billion along with 5.3 million shares of Energizer Holdings common stock
- We also were able to utilize capital and net operating losses to minimize cash taxes on these transactions
- Using battery and auto care proceeds, we moved quickly in January to repay in full all of our Cash Flow Revolver for $114 million, prepay in full all U.S. term loans of $1.23 billion, and redeem all $890 million of our 7.75% bonds
- These actions reduced our debt by more than $2.2 billion and represent major progress to achieve our goal to significantly delever our balance sheet, reduce cash interest payments in FY19 and beyond, and further improve our tenor
- As a result of these steps early in the year, we are on track to achieve our leverage target of approximately 3.5x at the end of FY19
- As we have delevered our balance sheet, we may look to repurchase shares under our repurchase agreement in the open market or otherwise from time to time

CEO Overview and Outlook

- We delivered results generally in line with our expectations in Q1, traditionally the smallest quarter of our year
- Second half of FY19 is expected to be larger than the first half for sales and adjusted EBITDA, driven by the seasonality of Home & Garden and typically a strong back half for HHI
- We are pleased by the strong start for Pet in Q1 with 2% organic sales growth, led by double-digit growth in the U.S. as the turnaround of this business is under way in FY19; we continue to focus our efforts to improve Pet performance in Europe, primarily in the dog and cat food business
- HHI faced a difficult comparison with 13% sales growth last year driven largely by strong hurricane-recovery revenue, two significant, non-repeating promotional load-ins a year ago, and impacts this year from a softer housing market we began to see in late November
  - We must work with our retail customers to drive this business forward despite recent trends in new housing markets we began to see in late November
  - We still expect a strong performance from HHI driven by strong innovation such as the unveiling of a new line of Wi-Fi Halo smart locks in January at the Consumer Electronics Show
- Home & Personal Care started slowly, as we expected, as we reintegrated and stood the business back up, focused on improving business fundamentals, and are lapping difficult first half comparisons; additionally, we are increasing investment spending to drive innovation this year and into 2020, and we are stabilizing Home & Personal Care and expect improving performance as we move through FY19
- As a terrific example of our new thinking about the business, we were excited to announce today a new global, 5-year partnership between our Remington personal care brand and Manchester United football team, an alliance we believe will showcase the depth and strength of our Remington line worldwide and begin the process of further strengthening the amazing brand equity of this business
- Home & Garden’s slightly lower sales were due to strong prior-year sales in Puerto Rico in the aftermath of Hurricane Maria
- Q1 is Home & Garden’s seasonally smallest quarter, only representing about 10% of full-year sales; we expect sales and adjusted EBITDA growth for Home & Garden this year driven by new distribution wins and improved mix

CEO Overview and Outlook

- We reiterate fiscal 2019 adjusted EBITDA guidance of $560-$580 million versus fiscal 2018 pro forma adjusted EBITDA of $581 million for the same 4 continuing businesses
- This guidance includes the impact of a significant increase in targeted and impactful investments in advertising, new product development and marketing to improve both the vitality and strength of our product offering and put Spectrum Brands on a meaningful growth trajectory beginning in 2020
- Fiscal 2019 is a year of focus for Spectrum Brands, a step-up in investment spending behind our major brands, and continued alignment of our organizational structure and operating processes to streamline our activities and reduce waste, establish clearer lines of accountability, and provide for quicker decision-making, all behind a much stronger balance sheet with ample liquidity
- In closing, our team is singularly focused on creating shareholder value by strengthening and innovating behind our strong portfolio of leading consumer brands, delivering operational excellence in our manufacturing facilities and supply chain, and providing exceptional customer service

Financial and Business Unit Review

Doug Martin
Chief Financial Officer

Q1 Financial Review *(1/2)*

- Q1 reported net sales from continuing operations of $874.6 million decreased 4.9% versus last year; excluding unfavorable Fx of $13.6 million, organic net sales fell 3.4%
- Reported gross margin of 34.9% increased 30 basis points from 34.6% last year primarily due to product mix
- Reported SG&A expense of $259.6 million, or 29.7% of sales, compared to $233.5 million, or 25.4% of sales, last year primarily due to the one-time recapture of $29.0 million of non-cash depreciation and amortization charges that were not recorded last year due to the Home & Personal Care segment's discontinued operations status, as well as lower acquisition and integration and restructuring and related costs
    - The D&A catch-up is a non-cash adjustment required as we put the HPC business back into continuing operations and for D&A that would have been recorded in Q2, Q3 and Q4 of FY18 in Q1 of FY19; this will also impact year-over-year continuing operations results for the remainder of the year by roughly $10 million per quarter
- Reported operating margin of 2.8% compared to a margin of 5.6% last year
- Reported diluted loss per share from continuing operations of $(0.56) decreased compared to diluted income per share of $1.24 last year primarily due to the Home & Personal Care depreciation and amortization recapture of $29.0 million, lower interest expense, a tax benefit last year attributable to U.S. tax reform, and higher shares outstanding this year as a result of the HRG merger
- Spectrum adjusted diluted loss per share from continuing operations of $(0.20) decreased versus adjusted diluted EPS of $0.68 last year primarily due to the Home & Personal Care depreciation and amortization recapture mentioned earlier which contributed about $0.41 to the decline, as well as lower volume and an income tax benefit in last year's first quarter due to U.S. tax reform

Q1 Financial Review *(2/2)*

- Spectrum reported interest expense from continuing operations of $57.0 million decreased $18.4 million from $75.4 million last year due to the paydown of HRG-related debt
- Spectrum only cash interest payments, including discontinued operations, of $56.0 million were $1.5 million lower than last year driven by the timing of payments on the Cash Flow Revolver
- Spectrum only cash taxes of $10.0 million were flat compared to last year; in addition, $11.9 million of taxes were paid for activities related to our battery business carve-out
- Spectrum only depreciation, amortization and share-based compensation from continuing operations of $72.0 million increased from $43.0 million last year primarily due to the recapture of depreciation and amortization for the Home & Personal Care businesses as a result of their continuing operations classification in Q1 of FY19
- Spectrum cash payments for acquisition and integration and restructuring and related charges in Q1, including discontinued operations, were $6.1 million and $9.9 million, respectively, versus $5.3 million and $24.8 million, respectively, last year
    - The reduced costs were driven by the absence of last year's operating inefficiencies in the HHI Kansas DC facility, acquisition cash costs last year related to our battery and appliances divestiture processes, and HRG merger costs

Hardware & Home Improvement (HHI)

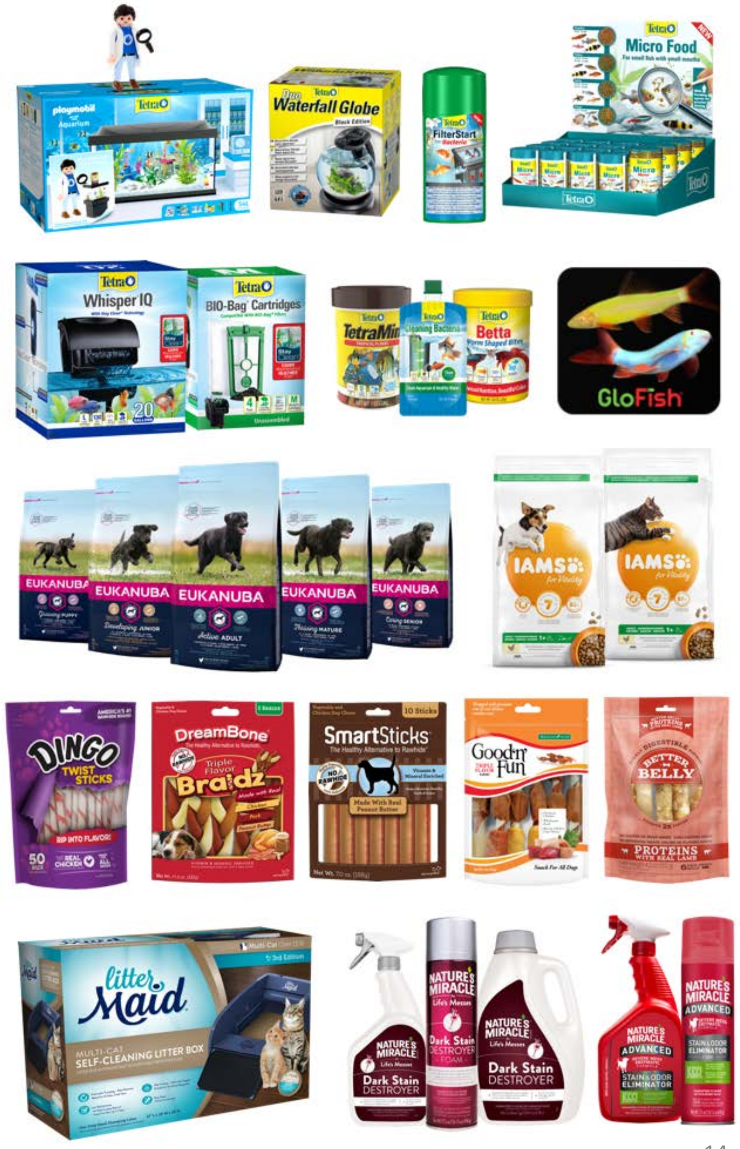
- Q1 reported net sales of $305.1 million decreased 6.4% versus last year driven predominantly by the absence of strong prior-year U.S. hurricane recovery revenues in the retail channel across residential security, plumbing and builders' hardware, two significant, non-repeating promotional load-ins from customer wins last year in residential security, and recent housing market softness
  - Excluding unfavorable Fx of $1.6 million, organic net sales fell 5.9%
- Reported adjusted EBITDA of $55.6 million decreased 7.3% with a reported margin decline of 20 basis points due to lower volumes and unfavorable operating expense leverage
- New product introductions continued at a steady pace in Q1, reflecting HHI's strong vitality rate
- We expect a solid performance from HHI in fiscal 2019

Home & Personal Care (HPC)

- Q1 reported net sales of $317.2 million fell 7.3%, while organic revenues of $327.4 million decreased 4.3% excluding unfavorable Fx of $10.2 million
- For personal care, strong growth in Latin America was more than offset by decreases in the U.S. primarily from the impact of prior-year losses, retailer distribution adjustments in mass and drug, e-commerce channel softness, and in Europe due mainly to Brexit-related, soft consumer demand in the U.K.
- For small appliances, growth in Latin America, Canada and Asia-Pacific was more than offset by lower U.S. results primarily from e-commerce channel softness and in Europe also driven by Brexit-related, soft consumer demand in the U.K.
- Reported adjusted EBITDA of $35.0 million fell 16.1% with a 120 basis point reported margin decrease driven by reduced volumes and unfavorable product mix
- HPC expects an improved second half with new product introductions in the U.S. and Europe and expanding distribution
- Remington today announced a global, 5-year partnership with Manchester United to provide significant brand exposure and support given the Club's worldwide reach and following; this is a good example of the step-up in investment spending we are planning across our Company this year and into the future

Global Pet Supplies (Pet)

- Q1 reported net sales of $204.7 million grew 1.1% primarily due to a double-digit increase in U.S. companion animal revenues, predominantly dog chews and treats, partially offset by lower U.S. aquatics and European companion animal sales
    - Excluding unfavorable Fx of $1.8 million, organic net sales increased a solid 2.0%
- Reported adjusted EBITDA fell 14.7% to $29.1 million with a 260 basis point reported margin decline to 14.2% driven by unfavorable product mix and higher distribution costs
- Pet expects solid performance in its largest region, the U.S., in FY19 as it continues turnaround work to improve the profitability of its European operations, primarily the branded dog and cat food business



Home & Garden

- Q1 reported net sales of $47.6 million decreased 3.4% as a result of the absence of strong prior-year household control and repellent revenues in Puerto Rico in the aftermath of Hurricane Maria
- Home & Garden's first quarter is its seasonally smallest quarter, typically comprising about 10% of full-year revenue
- Reported adjusted EBITDA of $3.1 million decreased 42.6% and reported margin of 6.5% fell 450 basis points due to the timing of seasonal production, unfavorable product mix and higher input costs
- Home & Garden continues to expect sales and adjusted EBITDA growth in FY19 driven by new distribution wins, improved mix and strong continuous improvement savings

Financial Review

- Solid liquidity position at the end of Q1
- $664 million available on our $800 million Cash Flow Revolver, a cash balance of $252 million and debt outstanding of $4.8 billion
- Our liquidity and capital structure position then experienced a step-change improvement in January as our Company prepaid in full all of its U.S. term loans totaling $1.23 billion, repaid $114 million on its Cash Flow Revolver, and redeemed all $890 million of our 7.75% bonds using proceeds from our battery and auto care divestitures
- As a result of this debt reduction of more than $2.2 billion, pro forma as of December 30, 2018 using trailing 4 fiscal-quarter EBITDA for continuing operations, our gross leverage and net leverage were approximately 4.6x and 3.1x, respectively, down from 5.8x and 5.2x at the end of FY18
- Q1 capital expenditures from continuing operations were $13.5 million versus $20.3 million a year ago

FY19 Guidance

- Reported net sales from continuing operations are expected to grow in FY19 driven by innovation, increased marketing investments, pricing actions (including tariff-related increases now expected to go into effect on March 1), and market share gains
- We now expect Fx to have a negative impact on sales of approximately 150 basis points based on current rates
- We reaffirm our guidance for adjusted EBITDA from continuing operations to be between $560-$580 million as we stabilize operations and increase revenue-generating investments in an inflationary environment, including the anticipated impact of tariffs and input cost increases, partially offset by pricing actions
- We have $1.3 billion of usable federal NOLs remaining post the asset sales and have used all capital losses
- For adjusted earnings, we now use a tax rate of 25.0%, including state taxes

Spectrum Brands

BALDWIN · BIRDOLA Wildlife feeding specialists · BLACK+DECKER · BLACK FLAG · Breadman · Cutter · DINGO · Digest-eeze

DreamBone · Balanced-By-Nature ECOTRITION · 8in1 · EUKANUBA · EZSET · Excel · FARBERWARE

FORTIS PURO DESIGN ITALIANO · FreshResults · FURminator · GEORGE FOREMAN · Garden Safe · GloFish Experience the Glo! · Healthy Hide · HOT SHOT

IAMS · Instant Ocean · Juiceman · Jungle · Kwikset · litter Maid · LIQUID FENCE

MARINELAND · National Hardware · NATURE'S MIRACLE · Perfect Coat Every Dog Has Its Perfect Style · Pfister · PROSENSE · REMINGTON · REPEL

Russell Hobbs · SmartBones · Spectracide · TAT INSECTICIDES · Tell Manufacturing, Inc. · Tetra · WEISER · Wild Harvest

Appendix

SPECTRUM BRANDS HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Month Periods Ended	
(in millions, except per share amounts)	**Dec. 30, 2018**	**Dec. 31, 2017**
Revenue	874.6	919.6
Cost of goods sold	568.4	600.9
Restructuring and related charges	0.9	0.3
Gross profit	305.3	318.4
Selling	155.6	153.8
General and administrative	104.0	79.7
Research and development	11.1	11.5
Acquisition and integration related charges	1.6	5.3
Restructuring and related charges	8.2	16.8
Total operating expenses	280.5	267.1
Operating income	24.8	51.3
Interest expense	57.0	75.4
Other non-operating expense (income) , net	0.7	(0.8)
Loss from continuing operations before income taxes	(32.9)	(23.3)
Income tax benefit	(3.4)	(120.5)
Net (loss) income from continuing operations	(29.5)	97.2
(Loss) Income from discontinued operations, net of tax	(82.8)	481.6
Net (loss) income	(112.3)	578.8
Net income attributable to non-controlling interest	0.2	71.4
Net (loss) income attributable to controlling interest	$ (112.5)	$ 507.4
Amounts attributable to controlling interest		
Net (loss) income from continuing operations attributable to controlling interest	$ (29.7)	$ 40.0
Net (loss) income from discontinued operations attributable to controlling interest	(82.8)	467.4
Net (loss) income attributable to controlling interest	$ (112.5)	$ 507.4
Earnings Per Share		
Basic earnings per share from continuing operations	$ (0.56)	$ 1.24
Basic earnings per share from discontinued operations	(1.55)	14.45
Basic earnings per share	$ (2.11)	$ 15.69
Diluted earnings per share from continuing operations	$ (0.56)	$ 1.23
Diluted earnings per share from discontinued operations	(1.55)	14.32
Diluted earnings per share	$ (2.11)	$ 15.55
Weighted Average Shares Outstanding		
Basic	53.4	32.3
Diluted	53.4	32.6

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

(in millions)	Three Month Periods Ended Dec. 30, 2018	Dec. 31, 2017
Cash flows from operating activities		
Net (loss) income	$ (112.3)	$ 578.8
(Loss) income from discontinued operations, net of tax	(82.8)	481.6
Net (loss) income from continuing operations	(29.5)	97.2
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	66.0	38.5
Share based compensation	6.0	4.5
Purchase accounting inventory adjustment	—	0.8
Pet safety recall inventory write-off	—	1.6
Amortization of debt issuance costs and debt discount	4.7	4.3
Dividends from subsidiaries classified as discontinued operations	—	3.1
Deferred tax benefit	(26.5)	(128.7)
Net changes in operating assets and liabilities	(304.7)	(202.8)
Net cash used by operating activities from continuing operations	(284.0)	(181.5)
Net cash (used) provided by operating activities from discontinued operations	(27.9)	120.7
Net cash used by operating activities	(311.9)	(60.8)
Cash flows from investing activities		
Purchases of property, plant and equipment	(13.5)	(20.3)
Proceeds from sales of property, plant and equipment	0.1	0.9
Proceeds from sale of HRG Insurance Operations	—	1,490.2
Net cash (used) provided by investing activities from continuing operations	(13.4)	1,470.8
Net cash used by investing activities from discontinued operations	(5.1)	(179.6)
Net cash (used) provided by investing activities	(18.5)	1,291.2
Cash flows from financing activities		
Proceeds from issuance of debt	124.3	231.4
Payment of debt	(45.6)	(123.4)
Payment of debt issuance costs	—	(0.1)
Treasury stock purchases	(18.5)	—
Purchases of subsidiary stock, net	—	(8.2)
Dividends paid to shareholders	(22.4)	—
Dividends paid by subsidiary to non-controlling interest	—	(9.8)
Share based award tax withholding payments, net of proceeds upon vesting	(2.2)	(22.2)
Other financing activities, net	—	1.4
Net cash used by financing activities from continuing operations	35.6	69.1
Net cash (used) provided by financing activities from discontinued operations	(2.3)	116.5
Net cash provided by financing activities	33.3	185.6
Effect of exchange rate changes on cash and cash equivalents	(2.9)	(0.2)
Net change in cash, cash equivalents and restricted cash	(300.0)	1,415.8
Net change in cash, cash equivalents and restricted cash in discontinued operations	—	38.3
Net change in cash, cash equivalents and restricted cash in continuing operations	(300.0)	1,377.5
Cash, cash equivalents and restricted cash, beginning of period	561.3	285.4
Cash, cash equivalents and restricted cash, end of period	$ 261.3	$ 1,662.9

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

(in millions)	Dec. 30, 2018	Sept. 30, 2018
Assets		
Cash and cash equivalents	$ 252.4	$ 552.5
Trade receivables, net	414.0	316.9
Other receivables	68.7	51.8
Inventories	723.2	583.6
Prepaid expenses and other current assets	62.6	63.2
Current assets of business held for sale	2,283.4	2,406.3
Total current assets	3,804.3	3,974.3
Property, plant and equipment, net	477.7	499.1
Deferred charges and other	219.0	230.5
Goodwill	1,447.4	1,454.7
Intangible assets, net	1,603.1	1,641.8
Total assets	$ 7,551.5	$ 7,800.4
Liabilities and Shareholders' Equity		
Current portion of long-term debt	$ 2,138.2	$ 26.9
Accounts payable	471.4	585.0
Accrued wages and salaries	48.2	55.3
Accrued interest	76.9	65.0
Other current liabilities	203.5	158.7
Current liabilities of business held for sale	463.2	539.1
Total current liabilities	3,401.4	1,430.0
Long-term debt, net of current portion	2,589.3	4,624.3
Deferred income taxes	35.0	35.0
Other long-term liabilities	119.9	121.5
Total liabilities	6,145.6	6,210.8
Shareholders' equity	1,397.4	1,581.3
Noncontrolling interest	8.5	8.3
Total equity	1,405.9	1,589.6
Total liabilities and equity	$ 7,551.5	$ 7,800.4

SPECTRUM BRANDS HOLDINGS, INC.

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

	Three Month Periods Ended	
	Dec. 30, 2018	Dec. 31, 2017
Diluted earnings per share from continuing operations, as reported	$ (0.56)	$ 1.23
Adjustments:		
HRG Merger share exchange proforma adjustment	—	0.49
Acquisition, divestiture and integration related charges	0.12	0.10
Restructuring and related charges	0.17	0.31
Purchase accounting inventory adjustment	—	0.01
Pet safety recall	0.01	0.13
HRG merger related transaction costs	—	0.05
Non-recurring HRG net operating costs	—	0.09
Interest cost on HRG debt	—	0.66
Other	0.06	—
Income tax adjustment	—	(2.39)
Total adjustments	0.36	(0.55)
Diluted earnings per share from continuing operations, as adjusted	$ (0.20)	$ 0.68

Three month period ended **(in millions, except per share amounts)**	**December 31, 2017**
Spectrum weighted average shares	57.7
Spectrum weighted average shares owned by HRG	34.3
Spectrum weighted average shares owned by third parties (A)	23.4
HRG weighted average shares	202.3
HRG share conversion at 1 to 0.1613 (B)	32.6
Total weighted average shares (A + B)	56.0

SPECTRUM BRANDS HOLDINGS, INC.
ACQUISITION, DIVESTITURE AND INTEGRATION RELATED CHARGES

	Three Month Periods Ended	
(in millions)	Dec. 30, 2018	Dec. 31, 2017
HHI	$ 0.5	$ 2.7
PetMatrix	0.6	1.6
Glofish	—	0.4
Other integration related charges	0.5	0.6
HPC divestiture related charges	4.7	—
Total	$ 6.3	$ 5.3

SPECTRUM BRANDS HOLDINGS, INC.
RESTRUCTURING AND RELATED CHARGES

	Three Month Periods Ended	
(in millions)	Dec. 30, 2018	Dec. 31, 2017
Project Ignite	$ 5.9	$ 1.1
HHI distribution center consolidation	2.4	15.2
PET rightsizing initiative	—	0.6
Other restructuring activities	0.8	0.2
Total restructuring and related charges	$ 9.1	$ 17.1

SPECTRUM BRANDS HOLDINGS, INC.
NET SALES SUMMARY

(in millions, except %)	Three Month Periods Ended December 30, 2018		December 31, 2017		Variance	
HHI	$	305.1	$	325.9	(20.8)	(6.4%)
HPC		317.2		342.0	(24.8)	(7.3%)
PET		204.7		202.4	2.3	1.1%
H&G		47.6		49.3	(1.7)	(3.4%)
Net Sales	$	874.6	$	919.6	(45.0)	(4.9%)

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

Three Month Periods Ended (in millions, except %)	December 30, 2018 Net Sales		Effect of Changes in Currency		Organic Net Sales		Net Sales December 31, 2017		Variance	
HHI		305.1		1.6		306.7		325.9	(19.2)	(5.9%)
HPC		317.2		10.2		327.4		342.0	(14.6)	(4.3%)
PET		204.7		1.8		206.5		202.4	4.1	2.0%
H&G		47.6		—		47.6		49.3	(1.7)	(3.4%)
Net Sales	$	874.6	$	13.6	$	888.2	$	919.6	(31.4)	(3.4%)

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

Three Month Period Ended Dec. 30, 2018 (in millions, except %)	HHI	HPC	PET	H&G	Corporate	Consolidated
Net income (loss) from continuing operations	$ 43.7	$ (8.1)	$ 11.8	$ (2.4)	$ (74.5)	$ (29.5)
Income tax benefit	—	—	—	—	(3.4)	(3.4)
Interest expense	—	—	—	—	57.0	57.0
Depreciation and amortization	8.6	38.1	10.6	4.8	3.9	66.0
EBITDA	52.3	30.0	22.4	2.4	(17.0)	90.1
Share based compensation	—	—	—	—	6.0	6.0
Acquisition and integration related charges	0.5	—	0.7	—	0.4	1.6
Restructuring and related charges	2.8	0.2	2.6	0.7	2.8	9.1
HPC divestiture related charges	—	4.7	—	—	—	4.7
Pet safety recall	—	—	0.6	—	—	0.6
Other	—	0.1	2.8	—	0.3	3.2
Adjusted EBITDA	$ 55.6	$ 35.0	$ 29.1	$ 3.1	$ (7.5)	$ 115.3
Net Sales	$ 305.1	$ 317.2	$ 204.7	$ 47.6	$ —	$ 874.6
Adjusted EBITDA Margin	18.2%	11.0%	14.2%	6.5%	—	13.2%

Three Month Period Ended Dec. 31, 2017 (in millions, except %)	HHI	HPC	PET	H&G	Corporate	Consolidated
Net income from continuing operations	$ 31.1	$ 32.6	$ 12.9	$ 0.7	$ 19.9	$ 97.2
Income tax benefit	—	—	—	—	(120.5)	(120.5)
Interest expense	—	—	—	—	75.4	75.4
Depreciation and amortization	11.0	8.8	10.4	4.7	3.6	38.5
EBITDA	42.1	41.4	23.3	5.4	(21.6)	90.6
Share based compensation	—	—	—	—	4.5	4.5
Acquisition and integration related charges	2.7	0.3	2.1	—	0.2	5.3
Restructuring and related charges	15.2	—	0.6	—	1.3	17.1
Inventory acquisition step-up	—	—	0.8	—	—	0.8
Pet safety recall	—	—	7.3	—	—	7.3
Spectrum merger related transaction charges	—	—	—	—	2.8	2.8
Non-recurring HRG operating costs and interest income	—	—	—	—	4.3	4.3
Adjusted EBITDA	$ 60.0	$ 41.7	$ 34.1	$ 5.4	$ (8.5)	$ 132.7
Net Sales	$ 325.9	$ 342.0	$ 202.4	$ 49.3	$ —	$ 919.6
Adjusted EBITDA Margin	18.4%	12.2%	16.8%	11.0%	—	14.4%

SPECTRUM BRANDS HOLDINGS, INC.

RECONCILIATION OF FORECASTED NET INCOME TO ADJUSTED EBITDA

(in millions)		**F2019**
Net income	$	40 - 72
Income tax expense		40 - 51
Interest expense		180 - 190
Depreciation and amortization		175 - 185
EBITDA		455 - 478
Share based compensation		55
Acquisition and integration related charges		3 - 5
Restructuring and related charges		34 - 36
Inventory acquisition step-up		5
Pet safety recall		1
Other		3- 4
Adjusted EBITDA	$	560 - 580