

Spectrum Brands

Deutsche Bank Leveraged Finance Conference

September 24, 2019



Forward-Looking Statements

This presentation contains, and certain oral and written statements made by our representatives from time to time may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements made regarding the ability of Spectrum Brands Holdings, Inc. (and together with its subsidiaries, the “Company”, “us”, “we” or “our”) to meet its future financial expectations or guidance, product innovation or other business investment initiatives and the Company’s share repurchase program, for which the manner of purchase, the number of shares to be purchased and the timing of purchases will be based on a number of factor including the price of the Company’s common stock, general business and market conditions and applicable legal requirements, and is subject to the discretion of the Company’s management and may be discontinued at any time. We have tried, whenever possible, to identify these statements by using words like “future,” “anticipate”, “intend,” “plan,” “estimate,” “believe,” “belief,” “expect,” “project,” “forecast,” “could,” “would,” “should,” “will,” “may,” and similar expressions of future intent or the negative of such terms. 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. Actual results may differ materially as a result of (1) the impact of our indebtedness on our business, financial condition and results of operations; (2) 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; (3) any failure to comply with financial covenants and other provisions and restrictions of our debt instruments; (4) the impact of actions taken by significant stockholders; (5) the impact of fluctuations in commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers’ willingness to advance credit; (6) interest rate and exchange rate fluctuations; (7) the loss of significant reduction in, or dependence upon, sales to any significant retail customer(s); (8) competitive promotional activity or spending by us or our competitors, or price reductions by us or our competitors; (9) the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands; (10) the effects of general economic conditions, including inflation, recession or fears of a recession, depression or fears of a depression, labor costs and stock market volatility or changes in trade, tariff, monetary or fiscal policies in the countries where we do business; (11) changes in consumer spending preferences and demand for our products; (12) our ability to develop and successfully introduce new products, protect our intellectual property and avoid infringing the intellectual property of third parties; (13) our ability to successfully implement, achieve and sustain manufacturing and distribution cost efficiencies and improvements, and fully realize anticipated cost savings; (14) the seasonal nature of sales of certain of our products; (15) the effects of climate change and unusual weather activity; (16) the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations); (17) 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; (18) the impact of pending or threatened litigation; (19) the impact of cybersecurity breaches or our actual or perceived failure to protect company and personal data; (20) changes in accounting policies applicable to our business; (21) our ability to utilize net operating loss carry-forwards to offset tax liabilities from future taxable income; (22) government regulations; (23) the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring activities; (24) our inability to successfully integrate and operate new acquisitions at the level of financial performance anticipated; (25) the unanticipated loss of key members of senior management; (26) the effects of political or economic conditions, terrorist attacks, acts of war or other unrest in international markets; and (27) the other risk factors set forth in our securities filings, including the most recently filed Annual Report on Form 10-K and any Quarterly Reports on Form 10-Q filed thereafter.

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. 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 rate fluctuations and the impact of acquisitions. In addition, within this release, including the supplemental information attached hereto, reference is made to adjusted diluted EPS, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), and adjusted EBITDA margin. 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, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA also is one of the measures used for determining compliance with the Company's debt covenants. 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 of the Company. Organic adjusted EBITDA excludes the impact of currency exchange rate fluctuations and acquisitions. The Company's management uses adjusted diluted EPS as one means of analyzing the Company's current and future financial performance and identifying trends in its financial condition and results of operations. Management believes that adjusted diluted EPS is 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. 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 on-going 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. Other Supplemental Information has been provided to demonstrate reconciliation of non-GAAP measurements discussed above to most relevant GAAP financial measurements.

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.

All GAAP reconciliations are available at www.spectrumbrands.com

Portfolio of Leading Brands





The New Spectrum Brands



TTM Financials

| | |
|-------------------------|---------------|
| Net Sales | \$3.8 billion |
| Adjusted EBITDA* | \$559 million |

* Total Company Adjusted EBITDA includes (5%) of corporate costs not allocated to the segments.

The New Spectrum Brands*

Hardware & Home Improvement

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

Home & Personal Care

- **28%** of Net Sales
- **17%** of Adjusted EBITDA**

Global Pet Care

- **22%** of Net Sales
- **24%** of Adjusted EBITDA**

Home & Garden

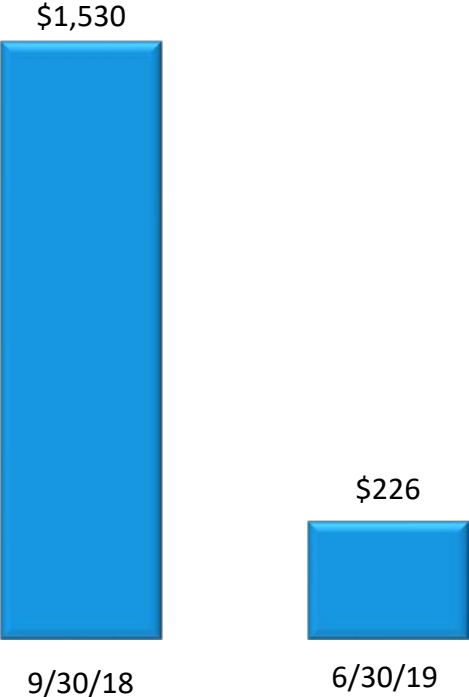
- **14%** of Net Sales
- **19%** of Adjusted EBITDA**



Strong Capital Structure

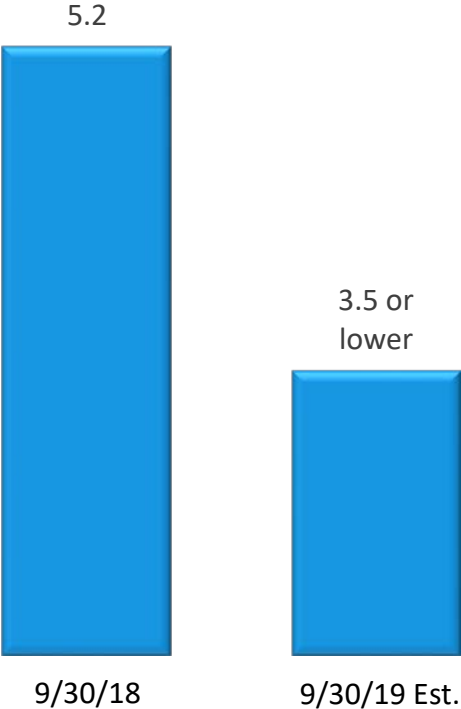
SECURED DEBT ↓

ELIMINATED TERM LOAN
REDUCED CAPITAL LEASES



NET LEVERAGE ↓

STRENGTHENED BALANCE SHEET



Capital Structure Overview

SB/RH Pro Forma Capitalization

| (\$ in millions) | Current capitalization | | | PF capitalization | |
|---|------------------------|---------------------------|-------|---------------------|---------------------------|
| | 6/30/2019 Amount | x6/30/2019 Adj. EBITDA | Adj. | Pro forma Amount | x6/30/2019 Adj. EBITDA |
| Cash | \$156 | | 15 | 171 | |
| Revolver (\$800m) | 54 | | | 54 | |
| Capitalized leases and other debt | 172 | | | 172 | |
| Total secured debt | \$226 | 0.4x | | \$226 | 0.4x |
| 6.625% Senior Notes due 2022 | 285 | | (285) | – | |
| 6.125% Senior Notes due 2024 | 250 | | | 250 | |
| 5.750% Senior Notes due 2025 | 1,000 | | | 1,000 | |
| 4.000% EUR Senior Notes due 2026 | 483 | | | 483 | |
| New Senior Notes due 2029 | – | | 300 | 300 | |
| Total debt | \$2,244 | 4.0x | | \$2,259 | 4.0x |
| Net debt | \$2,088 | 3.7x | | \$2,088 | 3.7x |
| Total shareholders' equity (book value) | 1,579 | | | 1,579 | |
| Total capitalization | \$3,824 | 6.8x | | \$3,839 | 6.8x |
| LTM Adjusted EBITDA | \$560 | | | \$560 | |

(1) Balances reflected at par.

(2) Reflects (i) estimated gross proceeds of \$300 million from this offering, without deduction for initial purchasers' discounts and other fees and expenses and (ii) estimated cash to balance sheet of \$15 million. We intend to use the net proceeds from the sale of the notes for working capital and other general corporate purposes. We also intend to use certain of the proceeds from our divestiture of the GAC business to fund the Tender Offer and related redemption. Such proceeds have been temporarily used to reduce borrowings under our Revolving Credit Facility and will be re-borrowed to fund the Tender Offer and related redemption. Our Adjusted Revolving Credit Facility balance assumes a portion of the proceeds of this offering are used to repay such re-borrowed amounts.

(3) As of June 30, 2019, we had capacity to incur approximately \$724.4 million of additional secured indebtedness under our Revolving Credit Facility.

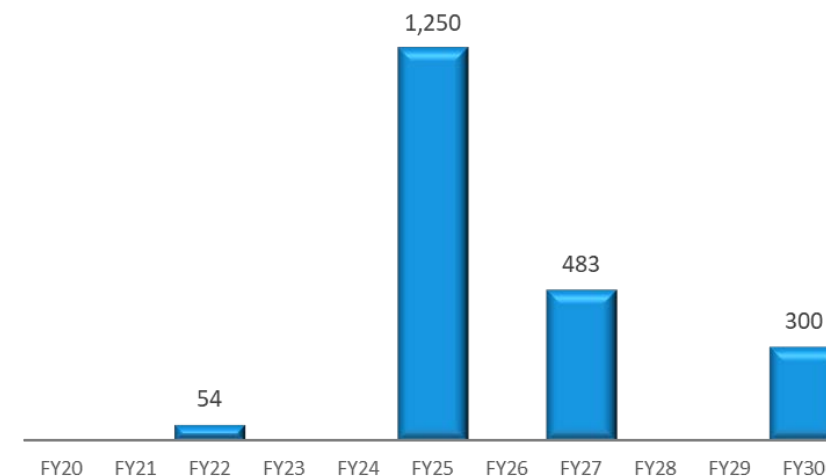
(4) Assumes all outstanding 2022 Senior Notes are tendered in the Tender Offer.

(5) The 4.000% Senior Notes due 2026 are denominated in Euros. The principal outstanding reflects the June 30, 2019 USD/Euro conversion rate of approximately 1.136.

Ratings Overview

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

Debt Maturities

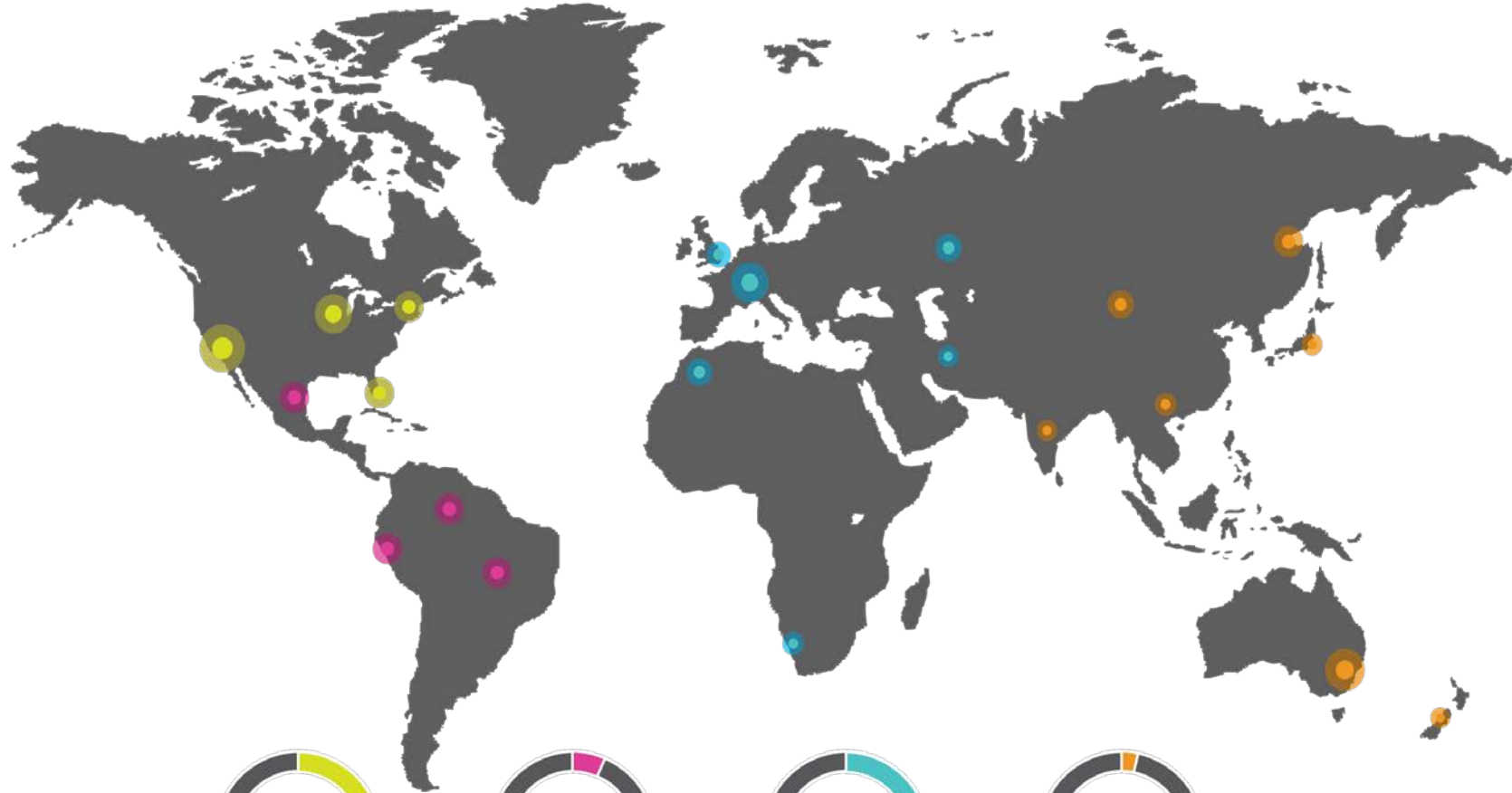


Top 15 Brands Driving Customer and Consumer Value



Represents ~80% of FY18 pro forma* revenues of \$3.8 billion from continuing operations

Global Reach



North America
(\$2,806 million*)



Latin America
(\$203 million*)



Europe
(\$654 million*)



Asia-Pacific
(\$121 million*)

Significant FY 2019 Innovation

Hardware & Home Improvement



Home & Personal Care



Global Pet Care



Home & Garden



aura

BLUETOOTH KEYPAD SMART LOCK

Kwikset

SMARTCODE 955

COMMERCIAL GRADE LEVER

Smarter Living

Aura Bluetooth smart lock gives you control of your door with your smartphone – it's as simple as that.

Durable Commercial Grade Hardware

Introducing the SmartCode 955 commercial grade electronic lever. SmartCode's 955 durability and convenience allows you to focus on your day to day.



Bluetooth
Enabled



Works with the
Kwikset App

250

User
Codes

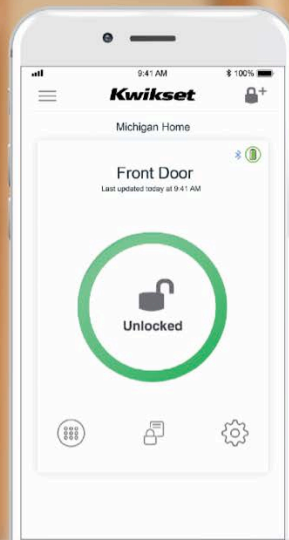


30

User
Codes



ADA
Compliant



PfISTER.

Tenet

The modern Tenet collection is for the true minimalist who finds beauty in simplicity and values precise functionality. Each fixture sits tightly flush, a feat of inner engineering that allows for crisp lines and a tidy footprint.

PfISTER
PROFESSIONAL GRADE



PUSH&SEAL™
DRAIN INNOVATION



Rhen

The Rhen collection's initial muse was an heirloom wedding gown interwoven with flowing drapery details. Its sculptural design, artisan craftsmanship and attention to detail work together to deliver a breathtaking effect.

PfISTER
PROFESSIONAL GRADE



PUSH&SEAL™
DRAIN INNOVATION



INTRODUCING

AIRFRY TOASTER OVEN



Anniversary 2018 BLACK+DECKER Air Fry Toaster Oven Success

#5 Toaster Oven SKU in total market 2018

NEW Air Fry Toaster Oven SKUs launching in 2019

Fall 2019 on-shelf for Holiday



*#1 Brand in Toaster Ovens in the USA— Source: NPD POS, data as of Nov. 2018.

REMINGTON®

EST. NEW YORK 1937

- 3x more protection for healthier hair and less damage*
- Patented heat protection sensor and micro-conditioning coating infused with Keratin and almond oil
- Launched AW17 EU & AW18 UK
- Continued YoY growth of circa 40% Net Sales Value
- Supported two years running with full Above-The-Line campaign support
- Estimated **\$20m annual Net Sales Value**



*Vs standard Remington Straightener

Keratin Protect



Nature's Miracle Advanced Platinum Disinfectant Line

TRUST *the* MIRACLE™

- ❖ Disinfectant formulas that *specifically target pet viruses*
- ❖ June 2019 on-shelf
- ❖ Estimated **\$3M Annual POS**
- ❖ Search, social and influencer campaigns, and in-store displays & videos to support



INTRODUCING DREAMBONE® GRILL MASTERS

- 🐾 Patented, innovative design in pet treats
- 🐾 Entire line listed at U.S. mass channel and others
- 🐾 April 2019 on-shelf
- 🐾 Estimated **\$3M Annual POS**
- 🐾 Social, digital & influencer media to support the launch



Hot Shot Ant, Roach & Spider Killer



- Our strongest formula ever!
- Providing customers and consumers with exactly what they need
- TV, digital, search and social campaigns, online content and videos, along with in-store displays & support
- Launched in April 2019, driving total ant & roach aerosol segment growth



Spectracide Weed Stop For Lawns

- Our fastest-working lawn weed killer ever!
- Broad national distribution and additional in-store displays & support
- TV, digital, search and social campaigns, online content and videos
- Launched in March 2019, driving total selective herbicide segment growth

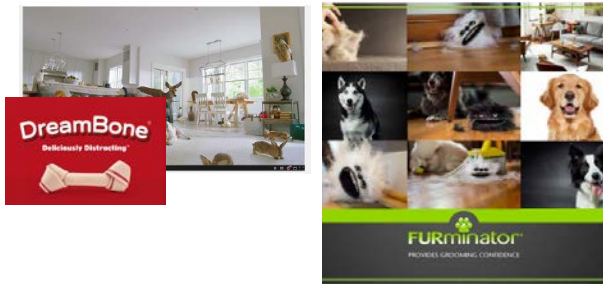
YOU HOLD THE
POWER™



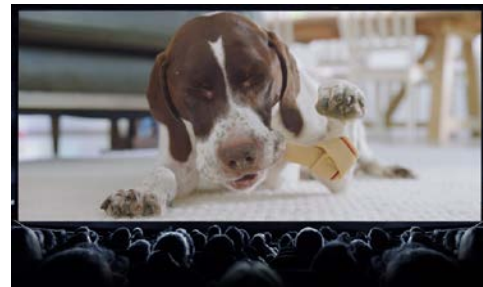
Global Pet Care Marketing Initiatives

- Full-circle online campaigns engage consumers to build awareness and drive trial
- Best-in-class content drives partnership with omni-channel retailers

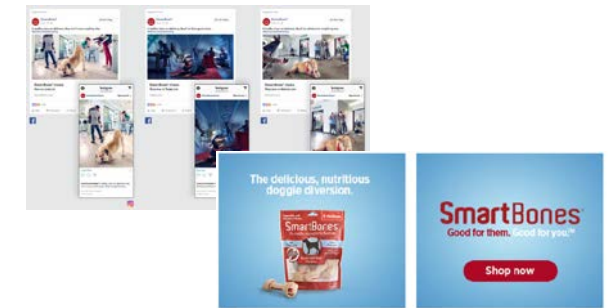
Video Display



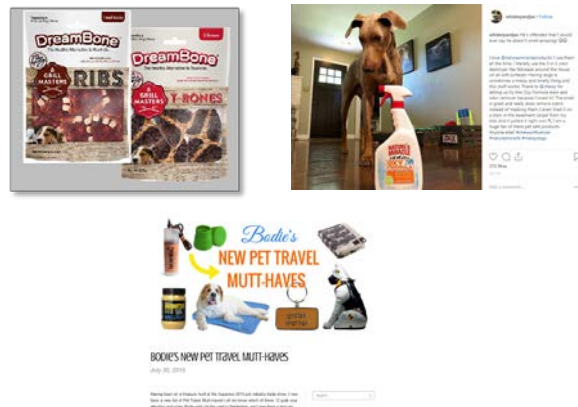
Movie Theatre



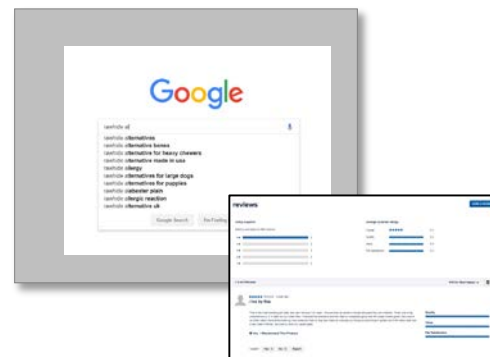
Social



Influencer



Paid Search/Ratings



Website



Major FY 2019 Distribution Wins

Home & Garden

- **Category:** Outdoor controls
- **Channels:** Big box, mass and food
- **Region:** U.S.



Global Pet Care

- **Category:** Dog chews/treats
 - **Channel:** Mass
 - **Region:** U.S.
-
- **Category:** Aquatics
 - **Channels:** Mass, pet specialty, online
 - **Region:** U.S.



Major FY 2019 Distribution Wins (cont'd)

Hardware & Home Improvement

- **Category:** Builders' hardware
- **Channel:** Big box
- **Region:** U.S.



Home & Personal Care

- **Category:** Appliances
- **Channel:** Mass
- **Region:** Europe



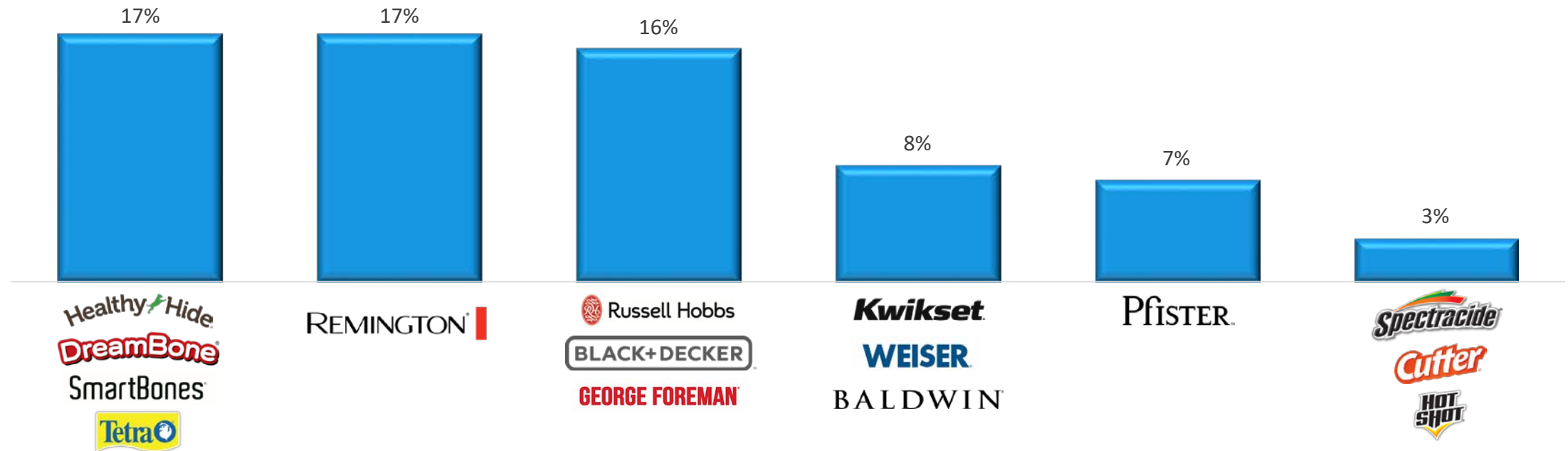
- **Category:** Hair care & grooming
- **Channel:** Food
- **Region:** Europe



Accelerating E-Commerce Sales by Enhancing Internal Capabilities

- Increasing dedicated staff and expanding toolsets and cross-divisional cooperation
- Amazon a top 5 customer in FY 2018
- Attractive margin structure
- Greater price-value transparency, ratings and reviews

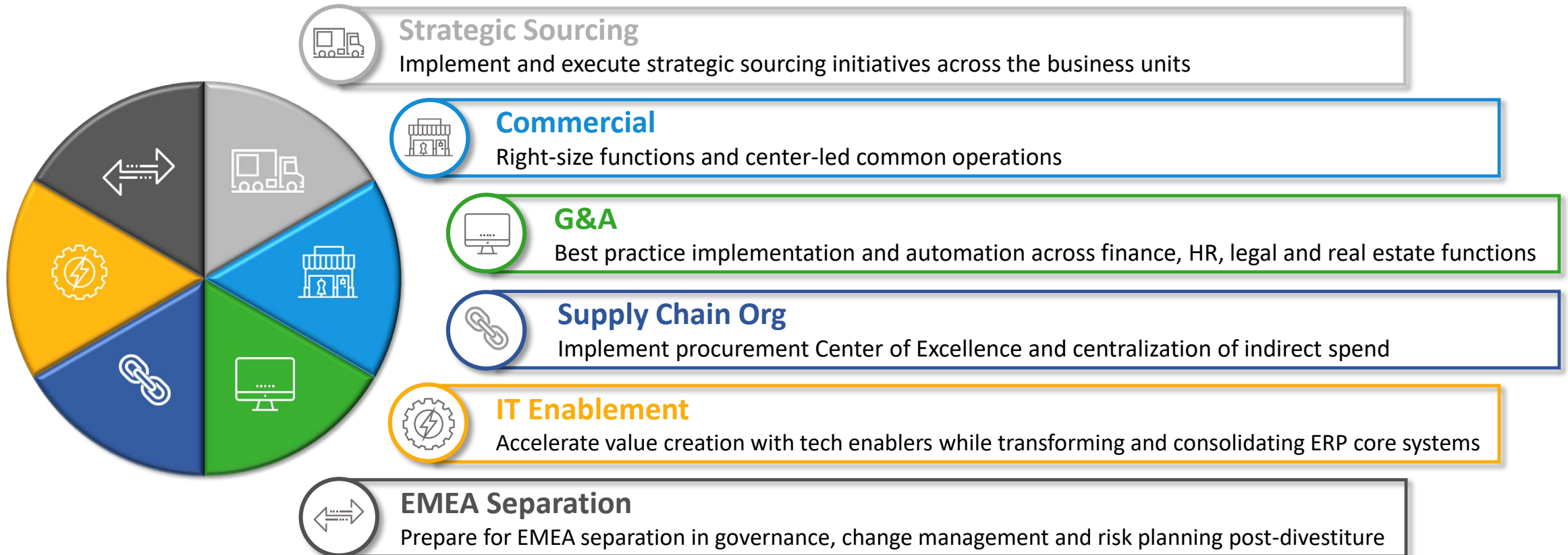
E-Commerce Share of TTM U.S. Sales



TTM U.S. e-commerce growth of ~8% representing ~10% of annual U.S. sales from continuing operations

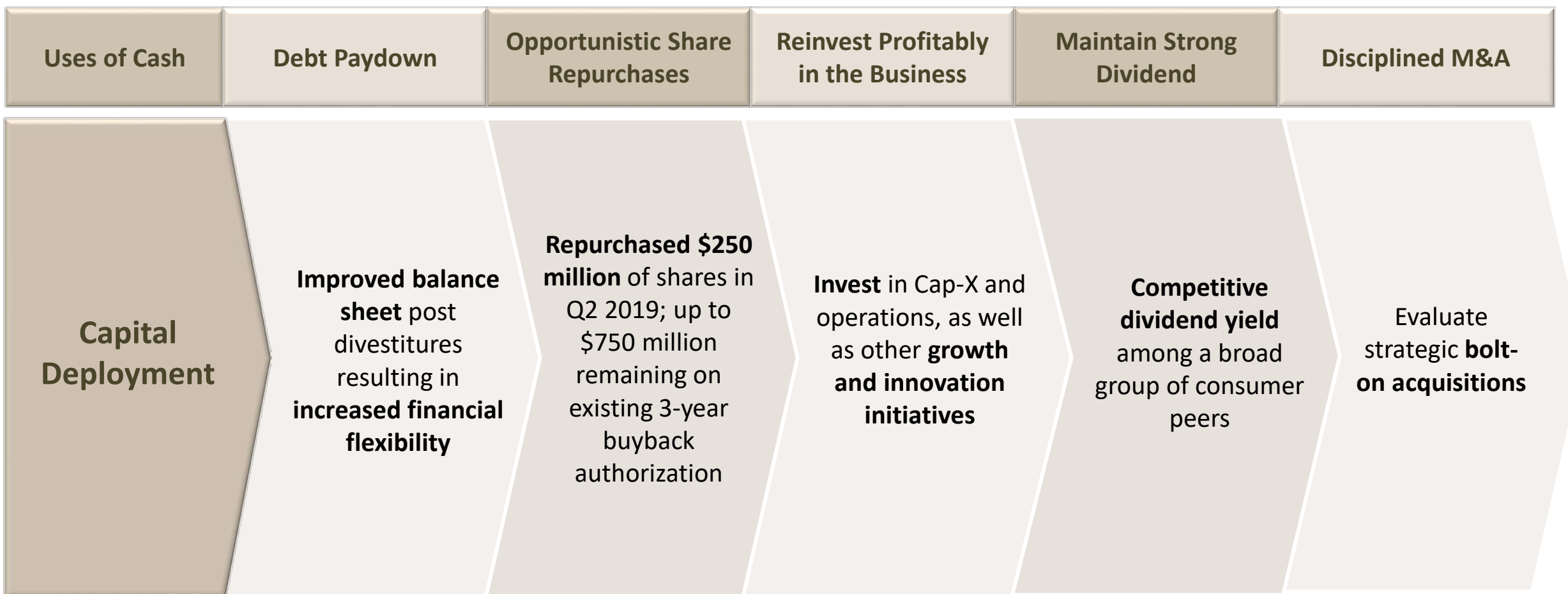
Global Productivity Improvement Plan (GPIP)

- 24-to-36 month initiative with substantial portion of the savings reinvested in the business
- \$20 million Phase I investment captured about \$35 million of annualized sourcing savings primarily to be realized in FY20



Capital Allocation Priorities

- Strong cash flow generation and improved balance sheet resulting in capital allocation optionality



FY 2019 Outlook

- Year of **stabilization and focus** following transformational and transitional FY 2018
- **Adjusted EBITDA** from continuing operations expected to be between **\$560–\$580 million**
- Significant **increase in advertising, marketing, selling, R&D and innovation spending**
- **Cap-X** from continuing operations now expected to be between \$60–\$65 million

Spectrum Brands

Appendix

Reconciliations

Spectrum Brands Holdings, Inc.
Reconciliation of Pre-Tax Income From Continuing Operations to Adjusted EBITDA
For the Fiscal Year Ended September 30, 2018
(in millions, unaudited)

| | <u>HHI</u> | <u>HPC</u> | <u>PET</u> | <u>H&G</u> | <u>CORP</u> | <u>TOTAL</u> |
|---|------------|------------|------------|----------------|-------------|--------------|
| Pre-tax income from continuing operations | \$ 156 | \$ 94 | \$ 35 | \$ 88 | \$ (407) | \$ (34) |
| Interest expense | - | - | - | - | 264 | 264 |
| Depreciation and amortization | 40 | 9 | 42 | 19 | 15 | 125 |
| EBITDA | 196 | 103 | 77 | 107 | (128) | 355 |
| Share based compensation | - | - | - | - | 12 | 12 |
| Acquisition and integration related charges | 6 | 5 | 7 | - | - | 18 |
| Restructuring and related charges | 53 | 1 | 13 | 1 | 8 | 76 |
| HPC divestitures charges | - | 10 | - | - | - | 10 |
| Write-off from impairment of intangible assets | - | - | 20 | - | - | 20 |
| Inventory acquisition step-up | - | - | 1 | - | - | 1 |
| Pet safety recall | - | - | 19 | - | - | 19 |
| Spectrum merger related transaction costs | - | - | - | - | 46 | 46 |
| Non-recurring HRG operating costs and interest income | - | - | - | - | 20 | 20 |
| Other | - | - | - | - | 4 | 4 |
| Adjusted EBITDA | \$ 255 | \$ 119 | \$ 137 | \$ 108 | \$ (38) | \$ 581 |

Spectrum Brands Q3 2019 Overview

SPB Q3 2019 Financials



Net Sales

\$1.022 billion

0.7% decrease

Adjusted EBITDA

\$172.9 million

2.7% decrease

- **Organic sales increased 0.8%**
 - **Strong Global Pet Care sales** were partially offset by lower revenues from HHI, HPC and H&G
- **We affirmed our full-year adjusted EBITDA guidance of \$560-\$580 million**
- **We also expect to improve leverage from net debt of 5.2x last year-end to 3.5x or lower by this year-end**

Hardware & Home Improvement Q3 2019 Overview

HHI Q3 2019 Financials

Net Sales

\$354.6 million

4.8% decrease

Adjusted EBITDA

\$67.7 million

8.4% decrease

- **Lower U.S. residential security and builders' hardware sales** were negatively impacted by \$20 million of higher Kansas backlog shipments in the prior year, while **plumbing grew modestly**
- **Adjusted EBITDA declined** due to higher input costs, partially offset by positive pricing
- **In Q4, we plan to introduce new products and continue to invest** behind cloud technology, mobile apps and access control

Home & Personal Care Q3 2019 Overview

HPC Q3 2019 Financials



Net Sales

\$243.4 million

4.3% decrease

Adjusted EBITDA

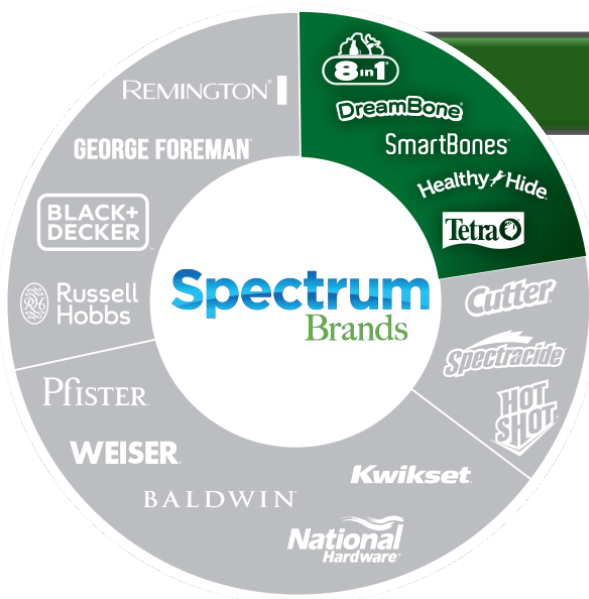
\$18.2 million

15.0% decrease

- **Organic sales were essentially flat**
- **Adjusted EBITDA declined** due to higher transaction foreign exchange and input costs, partially offset by productivity
- The newly installed leadership team will continue to **focus on innovation across core product categories**, coupled with financial recovery initiatives in organizational streamlining, business simplification and rationalization

Global Pet Care Q3 2019 Overview

GPC Q3 2019 Financials



Net Sales

\$221.7 million

13.9% increase

Adjusted EBITDA

\$39.0 million

11.7% increase

- **Organic sales grew a strong 15.7%**
 - Significantly higher sales were attributable to **continued strong growth in U.S. companion animal** along with modest growth in U.S. aquatics. Sales in Europe grew from favorable year-ago comparisons from distribution center fulfillment constraints
- **Adjusted EBITDA increased** as a result of increased volumes in companion animal and positive pricing, partially offset by higher manufacturing and distribution costs

Home & Garden Q3 2019 Overview

H&G Q3 2019 Financials



Net Sales

\$202.5 million

2.6% decrease

Adjusted EBITDA

\$53.3 million

6.5% decrease

- **Sales decreased** from unfavorable weather conditions during most of the quarter
 - **Reduced sales in household insect and outdoor controls** were partially offset by **growth in repellents**
- **Adjusted EBITDA decreased** due to input cost increases and higher marketing and advertising investments, partially offset by productivity and pricing actions
- **We continue to expect H&G to grow both sales and adjusted EBITDA in 2019** behind distribution wins

Spectrum Brands

