

Fiscal 2024 Q1 Earnings

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February 6, 2024



Forward-Looking Statements

This document contains both historical and forward-looking statements. Forward-looking statements are not based on historical facts but instead reflect our expectations, estimates or projections concerning future results or events, including, without limitation, the future sales, gross margins, costs, earnings, cash flows, tax rates and performance of the Company. These statements generally can be identified by the use of forward-looking words or phrases such as "believe," "expect," "expectation," "anticipate," "may," "could," "will," "intend," "belief," "estimate," "plan," "target," "predict," "likely," "should," "forecast," "outlook," or other similar words or phrases. These statements are not guarantees of performance and are inherently subject to known and unknown risks, uncertainties and assumptions that are difficult to predict and could cause our actual results to differ materially from those indicated by those statements. We cannot assure you that any of our expectations, estimates or projections will be achieved. The forward-looking statements included in this document are only made as of the date of this document and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements, including, without limitation:

Global economic and financial market conditions beyond our control might materially and negatively impact us. Competition in our product categories might hinder our ability to execute our business strategy, achieve profitability, or maintain relationships with existing customers. Changes in the retail environment and consumer preferences could adversely affect our business, financial condition and results of operations. We must successfully manage the demand, supply, and operational challenges brought on by any disease outbreak, including epidemics, pandemics, or similar widespread public health concerns. Loss or impairment of the reputation of our Company or our leading brands or failure of our marketing plans could have an adverse effect on our business. Loss of any of our principal customers could significantly decrease our sales and profitability. Our ability to meet our growth targets depends on successful product, marketing and operations innovation and successful responses to competitive innovation and changing consumer habits. We are subject to risks related to our international operations, including currency fluctuations, which could adversely affect our results of operations. If we fail to protect our intellectual property rights, competitors may manufacture and market similar products, which could adversely affect our market share and results of operations. Changes in production costs, including raw material prices and transportation costs, from inflation or otherwise, have adversely affected, and in the future could erode, our profit margins and negatively impact operating results. Our reliance on certain significant suppliers subjects us to numerous risks, including possible interruptions in supply, which could adversely affect our business. Our business is vulnerable to the availability of raw materials, our ability to forecast customer demand and our ability to manage production capacity. The manufacturing facilities, supply channels or other business operations of the Company and our suppliers may be subject to disruption from events beyond our control. The Company's future results may be affected by its operational execution, including its ability to achieve cost savings as a result of any current or future restructuring events. If our goodwill and indefinite-lived intangible assets become impaired, we will be required to record impairment charges, which may be significant. A failure of a key information technology system could adversely impact our ability to conduct business. We rely significantly on information technology and any inadequacy, interruption, theft or loss of data, malicious attack, integration failure, failure to maintain the security, confidentiality or privacy of sensitive data residing on our systems or other security failure of that technology could harm our ability to effectively operate our business and damage the reputation of our brands. We have significant debt obligations that could adversely affect our business and our ability to meet our obligations. If we pursue strategic acquisitions, divestitures or joint ventures, we might experience operating difficulties, dilution, and other consequences that may harm our business, financial condition, and operating results, and we may not be able to successfully consummate favorable transactions or successfully integrate acquired businesses. Our business involves the potential for product liability claims, labeling claims, commercial claims and other legal claims against us, which could affect our results of operations and financial condition and result in product recalls or withdrawals. Our business is subject to increasing government regulations in both the U.S. and abroad that could impose material costs. Increased focus by governmental and non-governmental organizations, customers, consumers and shareholders on environmental, social and governance (ESG) issues, including those related to sustainability and climate change, may have an adverse effect on our business, financial condition and results of operations and damage our reputation. We are subject to environmental laws and regulations that may expose us to significant liabilities and have a material adverse effect on our results of operations and financial condition.

In addition, other risks and uncertainties not presently known to us or that we consider immaterial could affect the accuracy of any such forward-looking statements. The list of factors above is illustrative, but by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Additional risks and uncertainties include those detailed from time to time in our publicly filed documents, including those described under the heading "Risk Factors" in our Form 10-K filed with the Securities and Exchange Commission on November 14, 2023.

Non-GAAP Financial Measures

The Company reports its financial results in accordance with accounting principles generally accepted in the U.S. ("GAAP"). However, management believes that certain non-GAAP financial measures provide users with additional meaningful comparisons to the corresponding historical or future period, and are used for management incentive compensation. These non-GAAP financial measures exclude items that are not reflective of the Company's on-going operating performance, such as restructuring and related costs, acquisition and integration costs, the Loss/(gain) on extinguishment of debt and the December 2023 Argentina Economic Reform. In addition, these measures help investors to analyze year over year comparability when excluding currency fluctuations as well as other Company initiatives that are not on-going. We believe these non-GAAP financial measures are an enhancement to assist investors in understanding our business and in performing analysis consistent with financial models developed by research analysts. Investors should consider non-GAAP measures in addition to, not as a substitute for, or superior to, the comparable GAAP measures. In addition, these non-GAAP measures may not be the same as similar measures used by other companies due to possible differences in methods and in the items being adjusted.

We provide the following non-GAAP measures and calculations, as well as the corresponding reconciliation to the closest GAAP measure in the appendix:

- **Organic.** This is the non-GAAP financial measurement of the change in revenue or segment profit that excludes or otherwise adjusts for the change in Argentina operations and impact of currency from the changes in foreign currency exchange rates as defined below:
 - **Change in Argentina Operations.** The Company is presenting separately all changes in sales and segment profit from our Argentina affiliate due to the designation of the economy as highly inflationary as of July 1, 2018.
 - **Impact of currency.** The Company evaluates the operating performance of our Company on a currency neutral basis. The Impact of Currency is the change in foreign currency exchange rates year-over-year on reported results, which is calculated by comparing the value of current year foreign operations at the current period USD exchange rate versus the value of current year foreign operations at the prior period USD exchange rate. The impact of currency also includes gains/(losses) of currency hedging programs, and it excludes hyper-inflationary markets.
- **Adjusted Comparisons.** Detail for adjusted gross profit and adjusted gross margin are also supplemental non-GAAP measure disclosures. These measures exclude the impact of restructuring and related costs and acquisition and integration costs.
- **Free Cash Flow.** Free Cash Flow is defined as net cash provided by operating activities reduced by capital expenditures, net of the proceeds from asset sales.
- **EBITDA and Adjusted EBITDA.** EBITDA is defined as net earnings before income tax provision, interest, the loss/(gain) on extinguishment of debt, and depreciation and amortization. Adjusted EBITDA further excludes the impact of the costs related to restructuring, acquisition and integration costs, the costs of exiting the Russian market, gain on capital lease termination, the costs of the May 2022 Brazilian flood, an acquisition earn out, the settlement loss on US pension annuity buy out, the December 2023 Argentina Economic Reform and share based payments.
- **Net Debt.** Net Debt is defined as total Company debt, less cash and cash equivalents. Net leverage is defined as Net debt divided by Adjusted EBITDA for the last twelve month period (LTM).

Financial Results

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First Quarter 2024



Key Metrics – First Quarter 2024

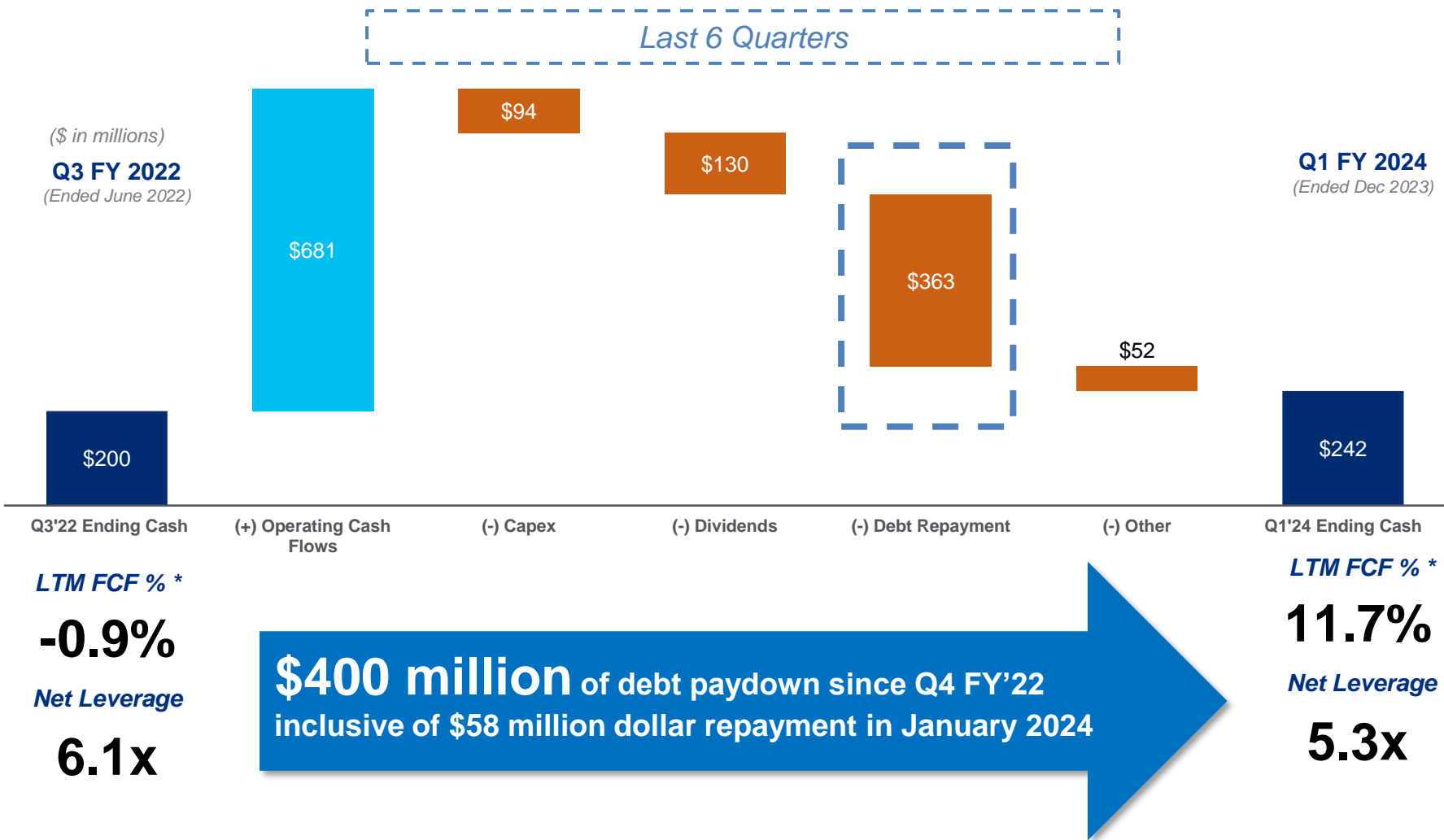
METRIC	First Quarter 2024
Net Sales*	Net sales on a reported basis of \$716.6 million , down 6.3% <ul style="list-style-type: none">Organic net sales decline of 7.4%
Adjusted Gross Margin*	Adjusted gross margin was 39.5% ⁽¹⁾ , up 50 basis points from the prior year
Free Cash Flow*	Free cash flow was \$152.6 million ⁽²⁾ , or 21.3% of net sales, up from 19.9% of net sales in the prior year
Adjusted EBITDA*	Adjusted EBITDA was \$132.9 million ⁽³⁾ , or 18.5% of net sales
Debt Paydown	First quarter debt paydown of \$78 million <ul style="list-style-type: none">Additional \$58M of debt paydown after quarter end

All comparisons are to Fiscal 2023 comparable reported results.

* See non-GAAP reconciliations in the Appendix.

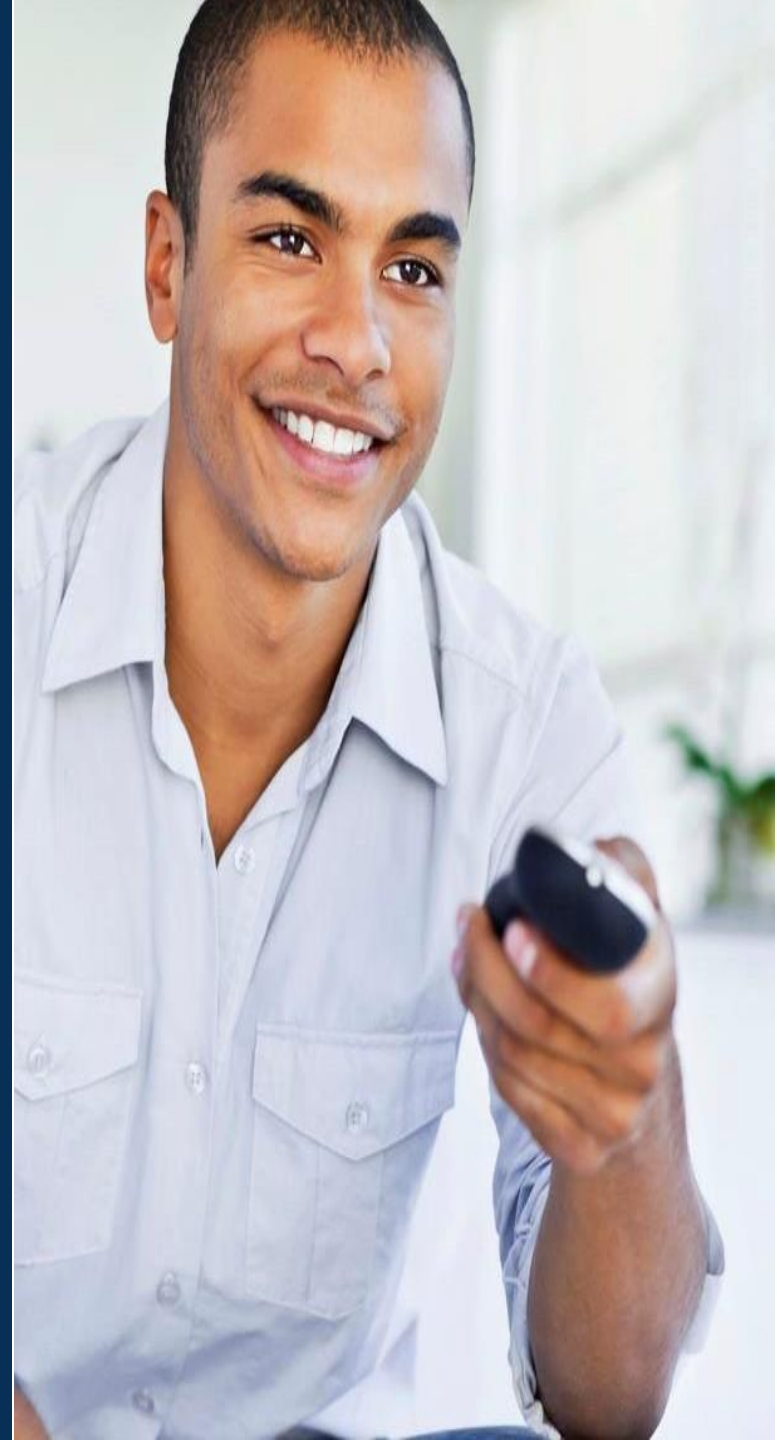
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| (1) | GAAP gross margin of 37.3% |
| (2) | Operating cash flow of \$178.1 million |
| (3) | GAAP net earnings of \$1.9 million |

Strong free cash flow and debt paydown over the past six quarters



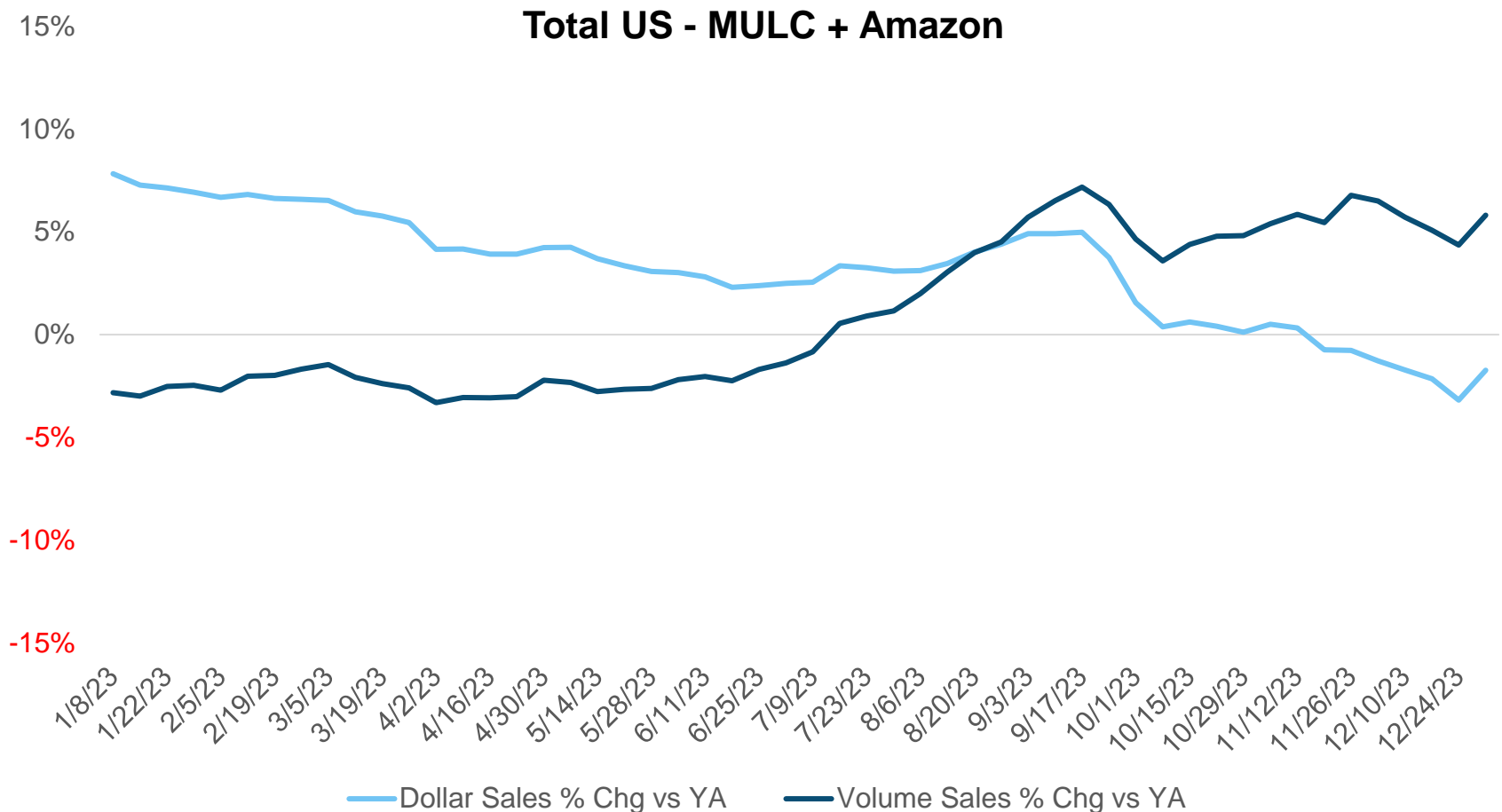
* See non-GAAP reconciliations in the Appendix.

Battery Category



Battery Category Volume & Value – Rolling 13 Week

Volume recovery continued into Fiscal 2024 with value impacted by the cycling of price increases



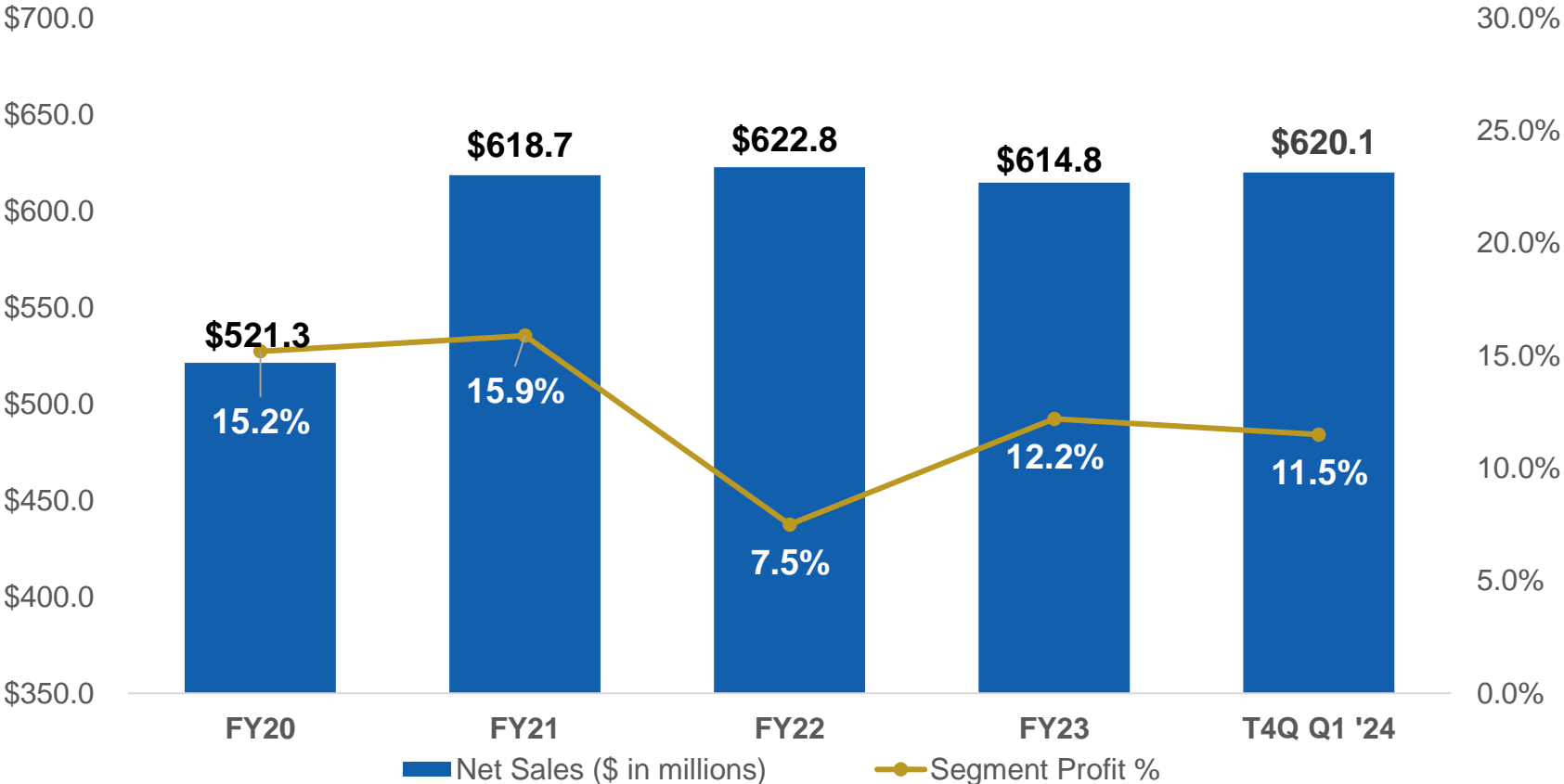
Auto Care



We have made progress restoring the profitability of the auto business in the last 18 months while maintaining topline stability

Gross Margin expected to continue to improve in full year 2024

Auto Net Sales & Segment Profit %



Outlook

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Q2 FY2024



Key Metrics – Maintaining Fiscal 2024 Outlook

METRIC

Fiscal 2024 Outlook

Net Sales

Organic net sales projected flat to down low single digits

- Q2 organic net sales projected to decline 2 – 3%

Adjusted Gross Margin

Adjusted gross margin of approximately 40%; 100 basis point consolidated improvement, with improvement expected in both Battery and Auto Care

- Q2 improvement of approximately 150 basis points versus prior year

Adjusted EBITDA*

\$600 - \$620 million

- Savings from Project Momentum initiatives and lower input cost are expected to offset decline in net sales

Adjusted EPS*

\$3.10 to \$3.30

- Q2 Adjusted EPS of \$0.65 - \$0.70, up mid- single digits at the midpoint versus the prior year quarter

Free Cash Flow & Net Leverage

Free Cash Flow expected to be in excess of 10% of net sales

Reduce Net Leverage to below 5.0x's

- Targeted debt pay down of \$150 - \$200 million

All comparisons are to Fiscal 2023 comparable reported results.

¹² * See non-GAAP reconciliations in the Appendix.

Increased Momentum savings target by \$30M, taking the savings range to \$160M -180M

\$160
to
\$180
MILLION

In Run Rate Benefits

anticipated to be achieved by end of FY25

\$55M - \$65M in FY'24 (unchanged)
\$50M - \$60M in FY'25

\$150
MILLION

In Working Capital Improvements

\$140
to
\$150
MILLION

One-time Cash Pre-tax Expense

Funded via working capital improvements

Appendix Materials: Non-GAAP Reconciliations

Non-GAAP Reconciliation: Consolidated Net Sales

(in millions)

	First Quarter	% Chg
Net sales - FY'23	\$ 765.1	
Organic	(56.3)	(7.4)%
Change in Argentina Operations	(0.9)	(0.1)%
Impact of currency	8.7	1.2 %
Net sales - FY'24	\$ 716.6	(6.3)%

Organic. This is the non-GAAP financial measurement of the change in revenue or segment profit that excludes or otherwise adjusts for the change in Argentina operations and impact of currency from the changes in foreign currency exchange rates as defined below:

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Non-GAAP Reconciliation: Adjusted Gross Margin

(in millions)

Gross profit	Q1'24	Q1'23
Net sales	\$ 716.6	\$ 765.1
Reported Cost of products sold	449.6	466.8
Gross profit	\$ 267.0	\$ 298.3
Gross margin	37.3 %	39.0 %
<i>Adjustments</i>		
Restructuring and related costs	12.8	0.3
Acquisition and integration costs	2.9	—
Cost of products sold - adjusted	433.9	466.5
Adjusted Gross profit	\$ 282.7	\$ 298.6
Adjusted Gross margin	39.5 %	39.0 %

Adjusted gross margin as a percent of sales excludes any charges related to restructuring programs and acquisition and integration costs.

Non-GAAP Reconciliation: Free Cash Flow

(in millions)

	Nine Months Ended	Twelve Months Ended	Nine Months Ended	LTM	Three Months Ended	Twelve Months Ended	Three Months Ended	LTM
	6/30/2021	9/30/2021	6/30/2022	6/30/2022	12/31/2022	9/30/2023	12/31/2023	12/31/2023
Free Cash Flow								
Net cash from operating activities	\$ 17.5	\$ 179.7	\$ (106.2)	\$ 56.0	\$ 161.0	\$ 395.3	\$ 178.1	\$ 412.4
Capital expenditures	(42.7)	(64.9)	(65.8)	(88.0)	(9.5)	(56.8)	(25.5)	(72.8)
Proceeds from sale of assets	-	5.7	0.5	6.2	0.7	0.7	-	-
Free cash flow	\$ (25.2)	\$ 120.5	\$ (171.5)	\$ (25.8)	\$ 152.2	\$ 339.2	\$ 152.6	\$ 339.6
Net sales	\$ 2,259.7	\$ 3,021.5	\$ 2,259.7	\$ 3,021.5	\$ 765.1	\$ 2,959.7	\$ 716.6	\$ 2,911.2
Free cash flow % of Net sales				-0.9%	19.9%		21.3%	11.7%

Free Cash Flow is defined as net cash provided by operating activities reduced by capital expenditures, net of the proceeds from asset sales.

Non-GAAP Reconciliation: Adjusted EBITDA - December 31, 2023

(in millions)

	Q1'24	Q4'23	Q3'23	Q2'23	LTM 12/31/23 (1)	Q1'23
Net earnings	\$ 1.9	\$ 19.7	\$ 31.8	\$ 40.0	\$ 93.4	\$ 49.0
Income tax provision	7.5	2.9	8.6	10.4	29.4	13.3
Earnings before income taxes	9.4	22.6	40.4	50.4	122.8	62.3
Interest expense	40.7	41.6	42.2	42.0	166.5	42.9
Loss/(gain) on extinguishment of debt	0.5	0.2	0.3	0.9	1.9	(2.9)
Depreciation & Amortization	30.0	29.7	30.5	30.4	120.6	32.1
EBITDA	\$ 80.6	\$ 94.1	\$ 113.4	\$ 123.7	\$ 411.8	\$ 134.4
Adjustments:						
Restructuring and related costs	22.4	36.5	9.1	7.5	75.5	6.6
Acquisition and integration costs	2.6	—	—	—	2.6	—
Settlement loss on US pension annuity buy out	—	50.2	—	—	50.2	—
December 2023 Argentina Economic Reform	21.0	—	—	—	21.0	—
Share-based payments	6.3	4.6	4.3	8.3	23.5	4.6
Adjusted EBITDA	\$ 132.9	\$ 185.4	\$ 126.8	\$ 139.5	\$ 584.6	\$ 145.6

EBITDA is defined as net earnings before income tax provision, interest, the loss/(gain) on extinguishment of debt, and depreciation and amortization. Adjusted EBITDA further excludes the impact of the costs related to restructuring, acquisition and integration costs, the settlement loss on US pension annuity buy out, the December 2023 Argentina Economic Reform and share based payments.

Non-GAAP Reconciliation: Adjusted EBITDA - June 30, 2022

(in millions)

	Q3'22	Q2'22	Q1'22	Q4'21	LTM 06/30/22 (1)
Net earnings	\$ 52.4	\$ 19.0	\$ 60.0	\$ 83.2	\$ 214.6
Income tax provision	12.7	9.0	16.5	(26.2)	12.0
Earnings before income taxes	65.1	28.0	76.5	57.0	226.6
Interest expense	41.1	38.3	37.0	36.8	153.2
Loss on extinguishment of debt	—	—	—	—	—
Depreciation & Amortization	30.4	29.2	29.4	29.8	118.8
EBITDA	\$ 136.6	\$ 95.5	\$ 142.9	\$ 123.6	\$ 498.6
Adjustments:					
Acquisition and integration costs	—	—	16.5	14.3	30.8
Exit of Russian market	—	14.0	—	—	14.0
Gain on capital lease termination	(4.5)	—	—	—	(4.5)
Brazil flood damage	9.9	—	—	—	9.9
Acquisition earn out	—	—	1.1	1.1	2.2
Share-based payments	3.5	5.1	1.3	(3.1)	6.8
Adjusted EBITDA	\$ 145.5	\$ 114.6	\$ 161.8	\$ 135.9	\$ 557.8

(1) LTM defined as the latest 12 months for the period ending June 30, 2022.

EBITDA is defined as net earnings before income tax provision, interest, the loss on extinguishment of debt, and depreciation and amortization.

Adjusted EBITDA further excludes the impact of acquisition and integration costs, the costs of exiting the Russian market, Gain on capital lease termination, the loss from the May 2022 Brazil flood damage, an acquisition earn out and share based payments.

Non-GAAP Reconciliation: Net Debt and Net Leverage

(in millions)

Net debt	6/30/2022	12/31/2023
Current maturities of long-term debt	\$ 12.0	\$ 12.0
Current portion of finance leases	0.6	0.9
Notes payable	61.4	2.2
Long-term debt	3,544.6	3,303.3
Total debt per the balance sheet	\$ 3,618.6	\$ 3,318.4
Cash and cash equivalents	199.5	241.7
Net debt	\$ 3,419.1	\$ 3,076.7
LTM Adjusted EBITDA	\$ 557.8	\$ 584.6
Net leverage	6.1x	5.3x

Net Debt is defined as total Company debt, less cash and cash equivalents.

Net leverage is Net debt divided by the last twelve months Adjusted EBITDA.

LTM is the last twelve months for June 30, 2022 and December 31, 2023, respectively.

Non-GAAP Reconciliation: Adjusted EBITDA - December 31, 2023

(in millions)

	Q1'24	Q4'23	Q3'23	Q2'23	LTM 12/31/23 (1)	Q1'23
Net earnings	\$ 1.9	\$ 19.7	\$ 31.8	\$ 40.0	\$ 93.4	\$ 49.0
Income tax provision	7.5	2.9	8.6	10.4	29.4	13.3
Earnings before income taxes	9.4	22.6	40.4	50.4	122.8	62.3
Interest expense	40.7	41.6	42.2	42.0	166.5	42.9
Loss/(gain) on extinguishment of debt	0.5	0.2	0.3	0.9	1.9	(2.9)
Depreciation & Amortization	30.0	29.7	30.5	30.4	120.6	32.1
EBITDA	\$ 80.6	\$ 94.1	\$ 113.4	\$ 123.7	\$ 411.8	\$ 134.4
Adjustments:						
Restructuring and related costs	22.4	36.5	9.1	7.5	75.5	6.6
Acquisition and integration costs	2.6	—	—	—	2.6	—
Settlement loss on US pension annuity buy out	—	50.2	—	—	50.2	—
December 2023 Argentina Economic Reform	21.0	—	—	—	21.0	—
Share-based payments	6.3	4.6	4.3	8.3	23.5	4.6
Adjusted EBITDA	\$ 132.9	\$ 185.4	\$ 126.8	\$ 139.5	\$ 584.6	\$ 145.6

EBITDA is defined as net earnings before income tax provision, interest, the loss/(gain) on extinguishment of debt, and depreciation and amortization. Adjusted EBITDA further excludes the impact of the costs related to restructuring, acquisition and integration costs, the settlement loss on US pension annuity buy out, the December 2023 Argentina Economic Reform and share based payments.

Non-GAAP Reconciliation: FY 2024 Outlook

(in millions – except per share data)

Fiscal 2024 Outlook Reconciliation - Adjusted Gross Margin

	Fiscal Q2 2024 Outlook			Fiscal Year 2024 Outlook		
Gross Margin	37.2%	to	37.8%	38.3%	to	38.5%
Restructuring and related costs	2.0%	to	1.8%	1.6%	to	1.4%
Acquisition and integration costs	0.2%	to	0.0%	0.1%	to	0.1%
Adjusted Gross Margin	39.4%	to	39.6%	~ 40.0%		

Fiscal 2024 Outlook Reconciliation - Adjusted earnings and Adjusted diluted net earnings per common share (EPS)

(in millions, except per share data)	Fiscal Q2 2024 Outlook			Fiscal Year 2024 Outlook								
	Adjusted Net earnings		Adjusted EPS	Adjusted Net earnings		Adjusted EPS						
Fiscal 2024 - GAAP Outlook	\$26	to	\$38	\$0.36	to	\$0.52	\$141	to	\$167	\$1.93	to	\$2.29
<i>Impacts:</i>												
Restructuring and related costs	17	to	13	0.24	to	0.18	57	to	50	0.78	to	0.68
Acquisition and integration costs	1	to	—	0.01	to	—	3	to	2	0.04	to	0.03
December 2023 Argentina Economic Reform	2	to	—	0.03	to	—	23	to	21	0.32	to	0.29
Loss on extinguishment of debt	1	to	—	0.01	to	—	2	to	1	0.03	to	0.01
Fiscal 2024 - Adjusted Outlook	\$47	to	\$51	\$0.65	to	\$0.70	\$226	to	\$241	\$3.10	to	\$3.30

Non-GAAP Reconciliation: FY 2024 Outlook

(in millions)

Fiscal 2024 Outlook Reconciliation - Adjusted EBITDA

(in millions, except per share data)

Net earnings	\$141	to	\$167
Income tax provision	34	to	64
Earnings before income taxes	\$175	to	\$231
Interest expense	163	to	156
Loss on extinguishment of debt	2	to	1
Amortization	60	to	55
Depreciation	70	to	65
EBITDA	\$470	to	\$508

Adjustments:

Restructuring and related costs	75	to	65
Acquisition and integration costs	4	to	3
December 2023 Argentina Economic Reform	23	to	21
Share-based payments	28	to	23
Adjusted EBITDA	\$600	to	\$620