# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**for the Quarterly Period Ended June 30, 2019**

**Commission File Number 1-9608**

# NEWELL BRANDS INC.

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware | 36-3514169 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

221 River Street
Hoboken, New Jersey 07030
(Address of principal executive offices)
(Zip Code)
Registrant's telephone number, including area code: (201) 610-6600

**Securities registered pursuant to Section 12(b) of the Act:**

| TITLE OF EACH CLASS | TRADING SYMBOL | NAME OF EXCHANGE ON WHICH REGISTERED |
|---|---|---|
| Common stock, $1 par value per share | NWL | Nasdaq Stock Market LLC |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

| | | | |
|---|---|---|---|
| Large Accelerated Filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| Emerging growth company | ☐ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of common stock outstanding (net of treasury shares) as July 31, 2019: 423.4 million.

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## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements

**NEWELL BRANDS INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**
*(Amounts in millions, except per share data)*

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Net sales | $ 2,116.5 | $ 2,201.6 | $ 3,828.6 | $ 4,013.1 |
| Cost of products sold | 1,369.9 | 1,426.8 | 2,538.2 | 2,633.0 |
| Gross profit | 746.6 | 774.8 | 1,290.4 | 1,380.1 |
| Selling, general and administrative expenses | 558.9 | 613.6 | 1,076.8 | 1,239.9 |
| Restructuring costs, net | 6.7 | 45.7 | 17.6 | 51.1 |
| Impairment of goodwill, intangibles and other assets | 2.9 | 31.6 | 2.9 | 31.6 |
| **Operating income** | 178.1 | 83.9 | 193.1 | 57.5 |
| Non-operating expenses: | | | | |
| Interest expense, net | 78.2 | 120.5 | 158.4 | 236.6 |
| Other expense (income), net | 0.2 | (13.2) | 23.5 | (14.6) |
| Income (loss) before income taxes | 99.7 | (23.4) | 11.2 | (164.5) |
| Income tax expense (benefit) | 16.7 | 53.0 | — | (33.4) |
| Income (loss) from continuing operations | 83.0 | (76.4) | 11.2 | (131.1) |
| Income (loss) from discontinued operations, net of tax | 6.8 | 208.1 | (72.6) | 316.1 |
| **Net income (loss)** | $ 89.8 | $ 131.7 | $ (61.4) | $ 185.0 |
| Weighted average shares outstanding: | | | | |
| Basic | 423.3 | 486.2 | 423.3 | 486.1 |
| Diluted | 423.5 | 486.2 | 423.6 | 486.1 |
| **Earnings per share:** | | | | |
| Basic: | | | | |
| Income (loss) from continuing operations | $ 0.20 | $ (0.16) | $ 0.03 | $ (0.27) |
| Income (loss) from discontinued operations | 0.01 | 0.43 | (0.17) | 0.65 |
| Net income (loss) | $ 0.21 | $ 0.27 | $ (0.14) | $ 0.38 |
| Diluted: | | | | |
| Income (loss) from continuing operations | $ 0.20 | $ (0.16) | $ 0.03 | $ (0.27) |
| Income (loss) from discontinued operations | 0.01 | 0.43 | (0.17) | 0.65 |
| Net income (loss) | $ 0.21 | $ 0.27 | $ (0.14) | $ 0.38 |

*See Notes to Condensed Consolidated Financial Statements (Unaudited).*

**NEWELL BRANDS INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)**
*(Amounts in millions)*

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| **Comprehensive income (loss):** | | | | |
| Net income | $ 89.8 | $ 131.7 | $ (61.4) | $ 185.0 |
| Other comprehensive income (loss), net of tax: | | | | |
| Foreign currency translation adjustments | 24.6 | (222.3) | 22.5 | (158.2) |
| Unrecognized pension and postretirement costs | (10.5) | (7.6) | (23.7) | (23.9) |
| Derivative financial instruments | 1.1 | 14.0 | (7.3) | 17.6 |
| Total other comprehensive income (loss), net of tax | 15.2 | (215.9) | (8.5) | (164.5) |
| **Comprehensive income (loss)** | $ 105.0 | $ (84.2) | $ (69.9) | $ 20.5 |

*See Notes to Condensed Consolidated Financial Statements (Unaudited).*

**NEWELL BRANDS INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)**
*(Amounts in millions, except par values)*

| | June 30, 2019 | December 31, 2018 |
|---|---|---|
| **Assets:** | | |
| Cash and cash equivalents | $ 624.5 | $ 495.7 |
| Accounts receivable, net | 1,769.0 | 1,850.7 |
| Inventories | 1,845.2 | 1,583.1 |
| Prepaid expenses and other | 277.3 | 275.6 |
| Current assets held for sale | 2,545.7 | 3,535.2 |
| Total current assets | 7,061.7 | 7,740.3 |
| Property, plant and equipment, net | 923.1 | 925.6 |
| Operating lease assets, net | 646.0 | — |
| Goodwill | 2,966.3 | 2,970.2 |
| Other intangible assets, net | 5,496.0 | 5,579.6 |
| Deferred income taxes | 234.1 | 179.7 |
| Other assets | 339.1 | 327.0 |
| Total assets | $ 17,666.3 | $ 17,722.4 |
| **Liabilities:** | | |
| Accounts payable | $ 1,083.8 | $ 1,019.5 |
| Accrued compensation | 144.4 | 159.1 |
| Other accrued liabilities | 1,326.2 | 1,180.7 |
| Short-term debt and current portion of long-term debt | 43.4 | 318.7 |
| Current liabilities held for sale | 538.0 | 734.8 |
| Total current liabilities | 3,135.8 | 3,412.8 |
| Long-term debt | 6,707.8 | 6,696.3 |
| Deferred income taxes | 1,024.9 | 991.0 |
| Long-term operating lease liabilities | 572.7 | — |
| Other noncurrent liabilities | 1,220.5 | 1,369.1 |
| Total liabilities | 12,661.7 | 12,469.2 |
| Commitments and contingencies (Footnote 18) | | |
| **Stockholders' equity:** | | |
| Preferred stock (10.0 authorized shares, $1.00 par value, no shares issued at June 30, 2019 and December 31, 2018) | — | — |
| Common stock (800 authorized shares, $1.00 par value 446.9 shares and 446.1 shares issued at June 30, 2019 and December 31, 2018, respectively) | 446.9 | 446.1 |
| Treasury stock, at cost (23.5 and 23.3 shares at June 30, 2019 and December 31, 2018, respectively) | (589.2) | (584.7) |
| Additional paid-in capital | 8,605.0 | 8,781.1 |
| Retained deficit | (2,572.2) | (2,511.3) |
| Accumulated other comprehensive loss | (921.3) | (912.8) |
| Stockholders' equity attributable to parent | 4,969.2 | 5,218.4 |
| Stockholders' equity attributable to noncontrolling interests | 35.4 | 34.8 |
| Total stockholders' equity | 5,004.6 | 5,253.2 |
| Total liabilities and stockholders' equity | $ 17,666.3 | $ 17,722.4 |

*See Notes to Condensed Consolidated Financial Statements (Unaudited).*

**NEWELL BRANDS INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**
*(Amounts in millions)*

| | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net income (loss) | $ (61.4) | $ 185.0 |
| Adjustments to reconcile net income to net cash used in operating activities: | | |
| Depreciation and amortization | 174.3 | 254.8 |
| Impairment of goodwill, intangibles and other assets | 188.6 | 485.6 |
| (Gain) loss from sale of businesses | 1.9 | (461.8) |
| Deferred income taxes | (37.7) | (37.9) |
| Stock-based compensation expense | 20.3 | 37.7 |
| Loss on change in fair value of investments | 17.9 | — |
| Other, net | 2.6 | 2.4 |
| Changes in operating assets and liabilities, excluding the effects of acquisitions and divestitures: | | |
| Accounts receivable | 74.8 | (111.2) |
| Inventories | (294.6) | (250.3) |
| Accounts payable | 41.4 | (214.0) |
| Accrued liabilities and other | (137.2) | (280.8) |
| Net cash used in operating activities | (9.1) | (390.5) |
| **Cash flows from investing activities:** | | |
| Proceeds from sale of divested businesses | 739.8 | 2,665.4 |
| Capital expenditures | (115.2) | (201.0) |
| Other investing activities | (2.2) | (4.0) |
| Net cash provided by investing activities | 622.4 | 2,460.4 |
| **Cash flows from financing activities:** | | |
| Net short-term debt | (10.3) | (18.1) |
| Payments on current portion long-term debt | (268.2) | — |
| Payments on long-term debt | (5.4) | (1.4) |
| Debt issuance and extinguishment costs | (2.7) | — |
| Cash dividends | (195.3) | (224.9) |
| Equity compensation activity and other, net | (4.1) | (18.5) |
| Net cash used in financing activities | (486.0) | (262.9) |
| Exchange rate effect on cash and cash equivalents | 1.5 | (13.3) |
| Increase in cash and cash equivalents | 128.8 | 1,793.7 |
| Cash and cash equivalents at beginning of period | 495.7 | 485.7 |
| **Cash and cash equivalents at end of period** | $ 624.5 | $ 2,279.4 |
| Supplemental disclosures: | | |
| Net cash provided by discontinued operating activities | $ 24.4 | $ 88.3 |
| Net cash provided by discontinued investing activities | 715.4 | 2,581.7 |
| Capital expenditures for discontinued operations | (24.9) | (84.3) |

*See Notes to Condensed Consolidated Financial Statements (Unaudited).*

**NEWELL BRANDS INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (Unaudited)**
*(Amounts in millions)*

| | Common Stock | Treasury Stock | Additional Paid-In Capital | Retained Deficit | Accumulated Other Comprehensive Loss | Stockholders' Equity Attributable to Parent | Non-controlling Interests | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| Balance at March 31, 2019 | $ 446.5 | $ (587.7) | $ 8,688.1 | $ (2,662.0) | $ (936.5) | $ 4,948.4 | $ 34.7 | $ 4,983.1 |
| Comprehensive income (loss) | — | — | — | 89.8 | 15.2 | 105.0 | — | 105.0 |
| Dividends declared on common stock | — | — | (98.2) | — | — | (98.2) | — | (98.2) |
| Equity compensation, net of tax | 0.4 | (1.5) | 15.1 | — | — | 14.0 | — | 14.0 |
| Portion of net (income) loss attributable to non-controlling interests | — | — | — | — | — | — | 0.7 | 0.7 |
| Balance at June 30, 2019 | $ 446.9 | $ (589.2) | $ 8,605.0 | $ (2,572.2) | $ (921.3) | $ 4,969.2 | $ 35.4 | $ 5,004.6 |
| Balance at December 31, 2018 | $ 446.1 | $ (584.7) | $ 8,781.1 | $ (2,511.3) | $ (912.8) | $ 5,218.4 | $ 34.8 | $ 5,253.2 |
| Comprehensive income (loss) | — | — | — | (61.4) | (8.5) | (69.9) | — | (69.9) |
| Dividends declared on common stock | — | — | (195.9) | — | — | (195.9) | — | (195.9) |
| Equity compensation, net of tax | 0.8 | (4.5) | 19.8 | — | — | 16.1 | — | 16.1 |
| Impact of adoption due to change in accounting standard (see Footnote 1) | — | — | — | 0.5 | — | 0.5 | — | 0.5 |
| Portion of net (income) loss attributable to non-controlling interests | — | — | — | — | — | — | 0.6 | 0.6 |
| Balance at June 30, 2019 | $ 446.9 | $ (589.2) | $ 8,605.0 | $ (2,572.2) | $ (921.3) | $ 4,969.2 | $ 35.4 | $ 5,004.6 |

| | Common Stock | Treasury Stock | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Stockholders' Equity Attributable to Parent | Non-controlling Interests | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| Balance at March 31, 2018 | $ 508.8 | $ (580.2) | $ 10,371.5 | $ 4,542.5 | $ (711.7) | $ 14,130.9 | $ 36.4 | $ 14,167.3 |
| Comprehensive income (loss) | — | — | — | 131.7 | (215.9) | (84.2) | — | (84.2) |
| Dividends declared on common stock | — | — | — | (112.3) | — | (112.3) | — | (112.3) |
| Equity compensation, net of tax | 0.5 | (4.1) | 27.5 | — | — | 23.9 | — | 23.9 |
| Impact of adoption due to change in accounting standard | — | — | — | 62.6 | (62.6) | — | — | — |
| Portion of net (income) loss attributable to non-controlling interests | — | — | — | — | — | — | (3.5) | (3.5) |
| Balance at June 30, 2018 | $ 509.3 | $ (584.3) | $ 10,399.0 | $ 4,624.5 | $ (990.2) | $ 13,958.3 | $ 32.9 | $ 13,991.2 |
| Balance at December 31, 2017 | $ 508.1 | $ (573.5) | $ 10,362.0 | $ 4,611.2 | $ (763.1) | $ 14,144.7 | $ 36.6 | $ 14,181.3 |
| Comprehensive income (loss) | — | — | — | 185.0 | (164.5) | 20.5 | — | 20.5 |
| Dividends declared on common stock | — | — | — | (224.8) | — | (224.8) | — | (224.8) |
| Equity compensation, net of tax | 1.2 | (10.8) | 37.0 | — | — | 27.4 | — | 27.4 |
| Impact of adoption due to change in accounting standard | — | — | — | 53.1 | (62.6) | (9.5) | — | (9.5) |
| Portion of net (income) loss attributable to non-controlling interests | — | — | — | — | — | — | (3.7) | (3.7) |
| Balance at June 30, 2018 | $ 509.3 | $ (584.3) | $ 10,399.0 | $ 4,624.5 | $ (990.2) | $ 13,958.3 | $ 32.9 | $ 13,991.2 |

*See Notes to Condensed Consolidated Financial Statements (Unaudited).*

**NEWELL BRANDS INC. AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

**Footnote 1 — Basis of Presentation and Significant Accounting Policies**

The accompanying unaudited condensed consolidated financial statements of Newell Brands Inc. (formerly, Newell Rubbermaid Inc., and collectively with its subsidiaries, the "Company") have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission (the "SEC") and do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("U.S. GAAP") for complete financial statements. In the opinion of management, the unaudited condensed consolidated financial statements include all adjustments (including normal recurring accruals) considered necessary for a fair presentation of the financial position and the results of operations of the Company. It is recommended that these unaudited condensed consolidated financial statements be read in conjunction with the financial statements, and the footnotes thereto, included in the Company's most recent Annual Report on Form 10-K. The condensed consolidated balance sheet as of December 31, 2018, has been derived from the audited financial statements as of that date, but it does not include all the information and footnotes required by U.S. GAAP for complete financial statements. Certain reclassifications have been made in the Company's financial statements of the prior year to conform to the current year presentation.

***Discontinued Operations***

During 2018, the Company implemented the Accelerated Transformation Plan, which was designed in part to rationalize the organization and its portfolio of products. Pursuant to the Accelerated Transformation Plan, a number of the Company's businesses were designated for disposal. These businesses have been classified as discontinued operations as these businesses together represent a strategic shift that has a major effect on the Company's operations and financial results (see Footnotes 2 and 19). Prior periods have been reclassified to conform with the current presentation.

***Seasonal Variations***

Sales of the Company's products tend to be seasonal, with sales, operating income and operating cash flow in the first quarter generally lower than any other quarter during the year, driven principally by reduced volume and the mix of products sold in the first quarter. The seasonality of the Company's sales volume combined with the accounting for fixed costs, such as depreciation, amortization, rent, personnel costs and interest expense, impacts the Company's results on a quarterly basis. In addition, the Company tends to generate the majority of its operating cash flow in the third and fourth quarters of the year due to seasonal variations in operating results, the timing of annual performance-based compensation payments, customer program payments, working capital requirements and credit terms provided to customers. Accordingly, the Company's results of operations for the three and six months ended June 30, 2019 may not necessarily be indicative of the results that may be expected for the year ending December 31, 2019.

***Recent Accounting Pronouncements***

Changes to U.S. GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates ("ASUs") to the FASB's Accounting Standards Codification. The Company considers the applicability and impact of all ASUs.

In August 2018, the FASB issued ASU 2018-15, *"Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract."* This new guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software.
ASU 2018-15 is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2019, with early adoption permitted. ASU 2018-15 may be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Company is currently assessing the impact, including early adoption, that adoption of ASU 2018-15 will have on its consolidated financial statements. The Company is designing processes and the appropriate internal controls to ensure its readiness for adoption. The Company is currently evaluating certain global strategic business decisions within its procurement and sales functions including engaging software solution implementation partners, which will require the Company to incur costs associated with cloud computing arrangements as early as the third quarter of fiscal 2019. At this time, it is too early to determine the amount of fees that would qualify to be capitalized pursuant to ASU 2018-15.

In August 2018, the FASB issued ASU 2018-14, *"Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans."* ASU 2018-14 modifies disclosure requirements for defined benefit pension and other postretirement plans. ASU 2018-14 is effective for fiscal years ending after December 15, 2020, and early adoption is permitted. Since ASU 2018-14 only impacts the disclosure requirements related to defined benefit pension and other postretirement plans, the adoption of ASU 2018-14 will not have a material impact on the Company’s consolidated financial statements.

***Adoption of New Accounting Guidance***

The Company’s accounting policies are described in Note 1 of the Notes to Consolidated Financial Statements included in our 2018 Annual Report on Form 10-K. Such significant accounting policies are applicable for periods prior to the adoption of the following new accounting standards and updated accounting policies.

In February 2016, the FASB issued ASU 2016-02, “*Leases (Topic 842)*,” which requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. The Company adopted ASU 2016-02 prospectively starting on January 1, 2019. As part of the adoption, the Company elected the package of practical expedients permitted under the transition guidance that includes not to reassess historical lease classification, and not to recognize short-term leases on our balance sheet, nor separate lease and non-lease components for all its leases. In addition, the Company used hindsight to determine the lease term and applied its incremental borrowing rate based on the remaining term of the lease as of the adoption date. The impact upon adoption, related to operating leases in continuing operations, as of January 1, 2019, resulted in the recognition of right-of-use assets of approximately $629 million, lease liabilities of approximately $687 million and a cumulative-effect adjustment on retained deficit of approximately $0.5 million the Company's condensed consolidated balance sheet.

In August 2017, the FASB issued ASU 2017-12, “*Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities.”* ASU 2017-12 amends existing guidance to better align an entity’s risk management activities and financial reporting for hedging relationships. ASU 2017-12 also expands and refines hedge accounting for both nonfinancial and financial risk components and aligns the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. ASU 2017-12 is effective for annual reporting periods beginning after December 15, 2018, including interim periods within those annual periods. The adoption of ASU 2017-12 did not have a material impact on the Company’s consolidated financial statements.

***Updated Significant Accounting Policies Since the 2018 Annual Report on Form 10-K***

***Goodwill and Other Indefinite-Lived Intangible Assets***

The Company has historically performed its annual goodwill and indefinite-lived intangible assets assessment as of the first day of the third fiscal quarter of each year (July 1). During the second quarter of fiscal 2019, the Company decided to change the date of its annual impairment assessment from July 1 to December 1.

The Company evaluates goodwill for impairment annually at the reporting unit level. The Company also tests for impairment if events and circumstances indicate that it is more likely than not that the fair value of a reporting unit is below its carrying amount. If the carrying amount of the reporting unit is greater than the fair value, impairment will be present. The Company assesses the fair value of each reporting unit for its goodwill impairment test based on a discounted cash flow model. Estimates critical to the Company’s fair value estimates under the discounted cash flow model include projected financial performance and cash flows of the reporting unit, the discount rate, long-term sales growth rate, product and overhead costs and the working capital investment required.

The Company measures the amount of any goodwill impairment by comparing the fair value to the carrying value of the reporting unit. An impairment charge is recognized to the extent the carrying value of the reporting unit exceeds the fair value.

The Company evaluates indefinite-lived intangible assets (primarily trademarks and trade names) for impairment annually. The Company also tests for impairment if events and circumstances indicate that it is more likely than not that the fair value of an indefinite-lived intangible asset is below its carrying amount. Estimates critical to the Company’s evaluation of indefinite-lived intangible assets for impairment include the discount rate, royalty rates and assumptions on excess earnings, where applicable, used in its evaluation of trade names, projected average revenue growth and projected long-term growth rates in the determination of terminal values. An impairment charge is recorded if the carrying amount of an indefinite-lived intangible asset exceeds the estimated fair value on the measurement date.

See Footnote 7 for additional detail on goodwill and other intangible assets.

***Sales of Accounts Receivables***

In June 2019, the Company entered into a new factoring agreement with a financial institution to sell certain customer receivables at a more attractive discount rate than its previous cash discount terms offered to these customers (the "Customer Receivables Purchase Agreement"). The Company received approximately $201 million under the new agreement during the second quarter of 2019. Transactions under this agreement are accounted for as sales of accounts receivable, and the receivables are removed from the Consolidated Balance Sheet at the time of the sales transaction. The Company classifies the proceeds received from the sales of accounts receivable as an operating cash flow in the Condensed Consolidated Statement of Cash Flows. The Company records the discount as other expense (income), net in the Condensed Consolidated Statement of Operations.

***Revisions of Previously Issued Financial Statements***

During the first quarter of 2019, the Company identified that it did not utilize an accurate estimate of fair value and expected form of sale in its fourth quarter 2018 impairment assessment for one of its five disposal groups classified as held for sale. The Company did not appropriately account for the disposal group as a stock sale. Consequently, certain income tax account balances (primarily related to deferred tax liabilities) were not classified as assets and liabilities held for sale in the Company's Consolidated Balance Sheet as of December 31, 2018. As a result, the Company determined its book-over-tax outside basis differences and measured the tax effects of such difference, which resulted in an income tax expense of approximately $12.6 million. In addition, the Company did not use an accurate estimate of fair value in its 2018 impairment assessment. Collectively, the estimate of fair value and expected form of sale resulted in adjustments to the estimated fair value and carrying value of the held for sale business utilized in the Company's 2018 impairment assessment. These changes resulted in an additional impairment charge of approximately $12.0 million to write-down the carrying value of the net assets of the held for sale business to its estimated fair value at December 31, 2018. In addition, as part of the presentation of discontinued operations, the Company periodically has to reclassify the prior period presentation to conform to the current year presentation. These adjustments are reflected in the Reclassification column below. The following table presents the effect to the Company's previously reported Consolidated Balance Sheet at December 31, 2018 and Consolidated Statement of Operations for the year ended December 31, 2018:

| | As of December 31, 2018 | | | | |
|---|---|---|---|---|---|
| | As Previously Reported | Revision | As Revised | Reclassification | As Re-classed |
| Prepaid expenses and other | $ 278.0 | $ (2.4) | $ 275.6 | $ — | $ 275.6 |
| Current assets held for sale | 3,541.3 | (6.1) | 3,535.2 | — | 3,535.2 |
| Total current assets | 7,748.8 | (8.5) | 7,740.3 | — | 7,740.3 |
| Deferred income taxes (noncurrent assets) | 165.2 | 14.5 | 179.7 | — | 179.7 |
| Total assets | 17,716.4 | 6.0 | 17,722.4 | — | 17,722.4 |
| Other accrued liabilities | 1,182.3 | (0.8) | 1,181.5 | (0.8) | 1,180.7 |
| Current liabilities held for sale | 650.4 | 100.4 | 750.8 | (16.0) | 734.8 |
| Total current liabilities | 3,330.0 | 99.6 | 3,429.6 | (16.8) | 3,412.8 |
| Deferred income taxes (liabilities) | 1,041.8 | (66.7) | 975.1 | 15.9 | 991.0 |
| Other noncurrent liabilities | 1,370.5 | (2.3) | 1,368.2 | 0.9 | 1,369.1 |
| Total liabilities | 12,438.6 | 30.6 | 12,469.2 | — | 12,469.2 |
| Retained deficit | (2,486.7) | (24.6) | (2,511.3) | — | (2,511.3) |
| Stockholders' equity attributable to parent | 5,243.0 | (24.6) | 5,218.4 | — | 5,218.4 |
| Total stockholders' equity | 5,277.8 | (24.6) | 5,253.2 | — | 5,253.2 |
| Total liabilities and stockholders' equity | 17,716.4 | 6.0 | 17,722.4 | — | 17,722.4 |

| Income Statement Classification | For the year ended December 31, 2018 As Previously Reported | Revision | As Revised |
|---|---|---|---|
| Income (loss) from discontinued operations, net of tax | $ (128.3) | $ (24.6) | $ (152.9) |
| Net income (loss) | (6,917.9) | (24.6) | (6,942.5) |
| Earnings per share: | | | |
| Basic: | | | |
| Income (loss) from continuing operations | $ (14.33) | $ — | $ (14.33) |
| Income (loss) from discontinued operations | (0.27) | (0.05) | (0.32) |
| Net income (loss) | $ (14.60) | $ (0.05) | $ (14.65) |
| Diluted: | | | |
| Income (loss) from continuing operations | $ (14.33) | $ — | $ (14.33) |
| Income (loss) from discontinued operations | (0.27) | (0.05) | (0.32) |
| Net income (loss) | $ (14.60) | $ (0.05) | $ (14.65) |

The Company concluded the above referenced effects were not material to its previously issued Consolidated Statement of Operations for the year ended December 31, 2018 and Consolidated Balance Sheet as of December 31, 2018 included in the Company's Annual Report on Form 10-K filed with the SEC on March 4, 2019. As such, the Company will revise its Consolidated Statement of Operations, Consolidated Statement of Comprehensive Income (Loss), Consolidated Statement of Cash Flows and Consolidated Statement of Stockholders' Equity for the year ended December 31, 2018 and Consolidated Balance Sheet at December 31, 2018 in the Company's 2019 Annual Report on Form 10-K. The adjustments will not result in a change to net cash provided by operating activities in the Company's Consolidated Statement of Cash Flows for the year ending December 31, 2018. In addition, the Company has revised the Condensed Consolidated Balance Sheet at December 31, 2018 for the above adjustments including the effects to the Company's retained deficit and total stockholders' equity within this Quarterly Report on Form 10-Q.

**Other Items**

At June 30, 2019, the Company held a 23.4% investment in FireAngel Safety Technology Group PLC (formerly known as Sprue Aegis PLC) ("FireAngel"), which the Company accounts for under the equity method of accounting. During the three months ended March 31, 2019, the Company recorded an other-than-temporary-impairment of approximately $11.7 million. Prior to the other-than-temporary impairment FireAngel experienced a decline in its share price. In addition, during March of 2019, FireAngel publicly disclosed its intentions to raise capital through a public offering at a price per share below our investment's basis. The Company concluded these facts were indicative of an other-than-temporary-impairment and recorded the charge within other expense (income), net in the Condensed Consolidated Statement of Operations for the six months ended June 30, 2019. During the second quarter of 2019, the Company participated in FireAngel's public offering to maintain its equity interest. The Company's carrying value of its investment in FireAngel was $4.6 million as of June 30, 2019.

On March 3, 2018, the Company terminated its distribution agreement with FireAngel. During the three and six months ended June 30, 2018, the Company's related party sales to FireAngel were nil and $7.5 million, respectively. There have been no related party sales since the termination of the distribution agreement.

**Footnote 2 — Divestitures and Held for Sale**

*Discontinued Operations*

As part of the Company's Accelerated Transformation Plan, during 2018, the Company announced it was exploring strategic options for its industrial and commercial product assets, including its Waddington Group, Process Solutions, Rubbermaid Commercial Products, Rexair and Mapa/Spontex businesses, as well as non-core consumer businesses, including its Jostens, Pure Fishing, Rawlings, Rubbermaid Outdoor, Closet, Refuse and Garage, Goody Products and U.S. Playing Cards businesses. These businesses are classified as discontinued operations. Prior periods have been reclassified to conform with the current presentation. During 2018 and 2019, the Company sold Goody Products, Inc. ("Goody"), Jostens, Inc. ("Jostens"), Process Solutions, Pure Fishing, Inc. ("Pure Fishing"), the Rawlings Sporting Goods Company, Inc. ("Rawlings"), Rexair and Waddington Group, Inc. ("Waddington") and other related subsidiaries as part of the Accelerated Transformation Plan. The Company currently expects to complete the remaining divestitures by the end of 2019 (see Footnote 19).

The following table provides a summary of amounts included in discontinued operations for the periods indicated (in millions):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Net sales | $ 455.8 | $ 1,527.2 | $ 996.7 | $ 2,733.1 |
| Cost of products sold | 312.7 | 934.5 | 691.5 | 1,740.3 |
| Selling, general and administrative expenses | 65.8 | 260.0 | 142.5 | 514.1 |
| Restructuring costs, net | 1.3 | 2.5 | 1.3 | 5.0 |
| Impairment of goodwill, intangibles and other assets | 11.0 | 454.0 | 185.7 | 454.0 |
| Operating income (loss) | 65.0 | (123.8) | (24.3) | 19.7 |
| Non-operating expense (income) | 5.9 | (461.4) | 2.7 | (461.0) |
| Income (loss) before income taxes | 59.1 | 337.6 | (27.0) | 480.7 |
| Income tax expense (benefit) | 52.3 | 129.5 | 45.6 | 164.6 |
| Net income (loss) | $ 6.8 | $ 208.1 | $ (72.6) | $ 316.1 |

*Held for Sale*

The following table presents information related to the major classes of assets and liabilities that were classified as assets and liabilities held for sale in the condensed consolidated balance sheets as of the dates indicated (in millions):

| | June 30, 2019 | December 31, 2018 |
|---|---|---|
| Accounts receivable, net | $ 331.6 | $ 411.7 |
| Inventories | 218.1 | 338.7 |
| Prepaid expenses and other | 19.7 | 42.8 |
| Property, plant and equipment, net | 304.1 | 515.9 |
| Operating lease assets, net | 41.6 | — |
| Goodwill | 880.9 | 942.4 |
| Other intangible assets, net | 741.0 | 1,270.8 |
| Other assets | 8.7 | 12.9 |
| Current assets held for sale | $ 2,545.7 | $ 3,535.2 |
| | | |
| Accounts payable | $ 180.1 | $ 256.7 |
| Accrued compensation | 38.2 | 57.0 |
| Other accrued liabilities | 145.0 | 154.3 |
| Deferred income taxes | 137.1 | 251.7 |
| Operating lease liabilities | 29.3 | — |
| Other liabilities | 8.3 | 15.1 |
| Current liabilities held for sale | $ 538.0 | $ 734.8 |

***2019 Divestiture Activity***

On May 1, 2019, the Company sold its Rexair business to investment funds affiliated with Rhône Capital for approximately $235 million, subject to customary working capital and other post-closing adjustments. As a result, during the three and six months ended June 30, 2019, the Company recorded a pre-tax gain of $5.6 million, which is included in the income (loss) from discontinued operations.

On May 1, 2019, the Company sold its Process Solutions business to an affiliate of One Rock Capital Partners, LLC, for approximately $500 million, subject to customary working capital and other post-closing adjustments. As a result, during the three and six months ended June 30, 2019, the Company recorded a pre-tax loss of $22.0 million, which is included in the income (loss) from discontinued operations.

On June 4, 2019, the Company entered into a definitive agreement to sell its U.S. Playing Cards business to Cartamundi Inc. and Cartamundi España S.L. for approximately $220 million, subject to customary adjustments for working capital and other post-closing adjustments. The Company expects the transaction to be completed in the second half of 2019, subject to certain customary conditions, including regulatory approvals.

During the three and six months ended June 30, 2019, the Company recorded impairment charges totaling $11.0 million and $186 million respectively, which are included in the income (loss) from discontinued operations, related to the write-down of the carrying value of the net assets of certain held for sale businesses based on their estimated fair value.

***2018 Divestiture Activity***

On June 29, 2018, the Company sold Rawlings, its Team Sports business, to a fund managed by Seidler Equity Partners with a co-investment of Major League Baseball, for approximately $400 million, subject to customary working capital and other post-closing adjustments. As a result, during the three and six months ended June 30, 2018, the Company recorded a pretax loss of $136 million, which is included in the income (loss) from discontinued operations.

On June 29, 2018, the Company sold Waddington to Novolex Holdings LLC for approximately $2.3 billion, subject to customary working capital and other post-closing adjustments. As a result, during the three and six months ended June 30, 2018, the Company recorded a pretax gain of approximately $600 million, which is included in the income (loss) from discontinued operations.

On August 31, 2018, the Company sold its Goody business, to a fund managed by ACON Investments, LLC for approximately $110 million, subject to customary working capital and other post-closing adjustments.

On December 21, 2018, the Company sold Jostens to a fund managed by Platinum Equity, LLC for approximately $1.3 billion, subject to customary working capital and other post-closing adjustments.

On December 21, 2018, the Company sold Pure Fishing to a fund managed by Sycamore Partners L.P. for approximately $1.3 billion, subject to customary working capital and other post-closing adjustments.

**Footnote 3 — Accumulated Other Comprehensive Loss**

The following tables display the changes in Accumulated Other Comprehensive Loss (“AOCL”) by component net of tax for the six months ended June 30, 2019 (in millions):

| | Cumulative Translation Adjustment | Pension and Postretirement Costs | Derivative Financial Instruments | AOCL |
|---|---|---|---|---|
| Balance at December 31, 2018 | $ (492.6) | $ (398.1) | $ (22.1) | $ (912.8) |
| Other comprehensive loss income before reclassifications | 17.1 | (26.9) | (3.3) | (13.1) |
| Amounts reclassified to earnings | 5.4 | 3.2 | (4.0) | 4.6 |
| Net current period other comprehensive loss | 22.5 | (23.7) | (7.3) | (8.5) |
| Balance at June 30, 2019 | $ (470.1) | $ (421.8) | $ (29.4) | $ (921.3) |

For the three and six months ended June 30, 2019 and 2018, reclassifications from AOCL to the results of operations for the Company’s pension and postretirement benefit plans were a pre-tax expense of $2.2 million and $3.4 million, respectively, and $4.2 million and $6.9 million, respectively, and primarily represent the amortization of net actuarial losses (see Footnote 11). These costs are recorded in other expense (income), net. For the three and six months ended June 30, 2019 and 2018, reclassifications from AOCL to the results of operations for the Company’s derivative financial instruments for effective cash flow hedges were pre-tax (income) expense of $(1.0) million and $6.2 million, respectively, and $(5.2) million and $19.3 million, respectively (see Footnote 10). The amounts reclassified to earnings from cumulative translation adjustment is due to divestitures (see Footnote 2).

The income tax (expense) benefit allocated to the components of AOCL for the periods indicated are as follows (in millions):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Foreign currency translation adjustments | $ 0.1 | $ (8.4) | $ (0.1) | $ (0.5) |
| Unrecognized pension and postretirement costs | 3.7 | 4.0 | 7.5 | 8.0 |
| Derivative financial instruments | (0.1) | (9.8) | 2.2 | (10.0) |
| Income tax (provision) benefit related to OCI | $ 3.7 | $ (14.2) | $ 9.6 | $ (2.5) |

**Footnote 4 — Restructuring Costs**

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management and are periodically updated for changes. Restructuring amounts also include amounts recognized as incurred.

*Accelerated Transformation Plan*

The Company's Accelerated Transformation Plan, which was initiated during the first quarter of 2018, was designed in part, to divest the Company's industrial and commercial product assets and non-core consumer businesses. The Accelerated Transformation Plan also focuses on the realignment of the Company's management structure and overall cost structure as a result of the completed and planned divestitures. Restructuring costs associated with the transformation plan include employee-related costs, including severance, retirement and other termination benefits, contract termination costs and other costs.

*Other Restructuring*

In addition to the Accelerated Transformation Plan, the Company has incurred restructuring costs for various other restructuring activities.

*Restructuring Costs*

Restructuring costs incurred by reportable business segments for all restructuring activities in continuing operations for the periods indicated are as follows (in millions):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Food and Appliances | $ 2.2 | $ 3.3 | $ 4.0 | $ 3.9 |
| Home and Outdoor Living | 2.0 | 19.7 | 4.5 | 20.5 |
| Learning and Development | 0.9 | 1.8 | 4.7 | 3.9 |
| Corporate | 1.6 | 20.9 | 4.4 | 22.8 |
| | $ 6.7 | $ 45.7 | $ 17.6 | $ 51.1 |

Restructuring costs incurred during the three and six months ended June 30, 2019 and 2018 primarily relate to the Accelerated Transformation Plan and Jarden Integration.

Accrued restructuring costs activity for the six months ended June 30, 2019 are as follows (in millions):

| | Balance at December 31, 2018 | Restructuring Costs, Net | Payments | Reclassification (1) | Foreign Currency and Other | Balance at June 30, 2019 |
|---|---|---|---|---|---|---|
| Employee severance, termination benefits and relocation costs | $ 20.6 | $ 11.3 | $ (19.9) | $ — | $ (0.8) | $ 11.2 |
| Exited contractual commitments and other | 46.6 | 6.3 | (14.7) | (13.6) | (0.5) | 24.1 |
| | $ 67.2 | $ 17.6 | $ (34.6) | $ (13.6) | $ (1.3) | $ 35.3 |

(1) Reclassification due to the adoption of ASU 2016-02 (see Footnote 1)

**Footnote 5 — Inventories**

Inventories are stated at the lower of cost or market value and are comprised of the following as of the dates indicated (in millions):

| | June 30, 2019 | December 31, 2018 |
|---|---|---|
| Raw materials and supplies | $ 224.5 | $ 215.5 |
| Work-in-process | 134.2 | 130.7 |
| Finished products | 1,486.5 | 1,236.9 |
| | $ 1,845.2 | $ 1,583.1 |

**Footnote 6 — Property, Plant and Equipment, Net**

Property, plant and equipment, net, is comprised of the following as of the dates indicated (in millions):

| | June 30, 2019 | December 31, 2018 |
|---|---|---|
| Land | $ 69.7 | $ 69.9 |
| Buildings and improvements | 484.3 | 479.1 |
| Machinery and equipment | 1,579.3 | 1,575.1 |
| | 2,133.3 | 2,124.1 |
| Less: Accumulated depreciation | (1,210.2) | (1,198.5) |
| | $ 923.1 | $ 925.6 |

Depreciation expense for continuing operations was $41.4 million and $39.3 million for the three months ended June 30, 2019 and 2018, respectively, and $81.2 million and $81.6 million for the six months ended June 30, 2019 and 2018, respectively. Depreciation expense for discontinued operations was nil and $7.4 million for the three months ended June 30, 2019 and 2018, respectively, and nil and $33.1 million for the six months ended June 30, 2019 and 2018, respectively. Depreciation expense was nil for 2019 as the Company ceased depreciating property, plant and equipment relating to businesses which satisfied the criteria to be classified as held for sale during the second quarter of 2018.

During the three and six months ended June 30, 2018, the Company recorded $31.6 million of impairment charges on certain other assets, the majority of which relate to the Home and Fragrance business in the Home and Outdoor Living segment.

**Footnote 7 — Goodwill and Other Intangible Assets, Net**

Goodwill activity for the six months ended June 30, 2019 is as follows (in millions):

| Segment | Net Book Value at December 31, 2018 | Foreign Exchange | June 30, 2019 Gross Carrying Amount | June 30, 2019 Accumulated Impairment Charges | June 30, 2019 Net Book Value |
|---|---|---|---|---|---|
| Food and Appliances | $ 211.2 | $ 0.1 | $ 2,097.5 | $ (1,886.2) | $ 211.3 |
| Home and Outdoor Living | 163.8 | — | 2,148.8 | (1,985.0) | 163.8 |
| Learning and Development | 2,595.2 | (4.0) | 3,437.2 | (846.0) | 2,591.2 |
| | $ 2,970.2 | $ (3.9) | $ 7,683.5 | $ (4,717.2) | $ 2,966.3 |

Other intangible assets, net are comprised of the following as of the dates indicated (in millions):

| | June 30, 2019 | | | December 31, 2018 | | | |
|---|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net Book Value | Gross Carrying Amount | Accumulated Amortization | Net Book Value | Amortization Periods (in years) |
| Trade names — indefinite life | $ 4,089.9 | $ — | $ 4,089.9 | $ 4,093.0 | $ — | $ 4,093.0 | N/A |
| Trade names — other | 170.9 | (43.5) | 127.4 | 170.5 | (36.5) | 134.0 | 2-15 |
| Capitalized software | 531.3 | (375.3) | 156.0 | 520.0 | (348.1) | 171.9 | 3-12 |
| Patents and intellectual property | 134.2 | (89.3) | 44.9 | 136.4 | (79.2) | 57.2 | 3-14 |
| Customer relationships and distributor channels | 1,269.9 | (212.9) | 1,057.0 | 1,269.7 | (180.9) | 1,088.8 | 3-30 |
| Other | 109.0 | (88.2) | 20.8 | 109.0 | (74.3) | 34.7 | 3-5 |
| | $ 6,305.2 | $ (809.2) | $ 5,496.0 | $ 6,298.6 | $ (719.0) | $ 5,579.6 | |

Amortization expense for intangible assets for continuing operations was $46.0 million and $48.8 million for the three months ended June 30, 2019 and 2018, respectively, and $93.1 million and $98.6 million for the six months ended June 30, 2019 and 2018, respectively. Amortization expense for intangible assets for discontinued operations was nil and $9.5 million for the three months ended June 30, 2019 and 2018, respectively, and nil and $41.5 million for the six months ended June 30, 2019 and 2018, respectively. Amortization expense was nil for 2019 as the Company ceased amortizing other finite-lived intangible assets relating to businesses which satisfied the criteria to be classified as held for sale during the second quarter of 2018.

The Company has historically performed its annual goodwill impairment assessment as of the first day of the third fiscal quarter of each year (July 1). During the second quarter of fiscal 2019, the Company decided to change the date of its annual impairment assessment from July 1 to December 1. The change was made to more closely align the impairment assessment date with the Company's annual planning and budgeting process as well as its long-term planning and forecasting process. The Company has determined this change in accounting principle is preferable and will not affect the consolidated financial statements. Pursuant to the authoritative accounting literature, in 2019 the Company will perform an impairment assessment as of the first day of its third fiscal quarter of 2019 (July 1) as well as December 1 to ensure that the change in impairment assessment date did not delay or avoid an impairment charge.

### Footnote 8 — Other Accrued Liabilities

Other accrued liabilities are comprised of the following as of the dates indicated (in millions):

| | June 30, 2019 | December 31, 2018 |
|---|---|---|
| Customer accruals | $ 501.5 | $ 535.8 |
| Accruals for manufacturing, marketing and freight expenses | 38.4 | 34.3 |
| Accrued self-insurance liabilities, contingencies and warranty | 120.9 | 123.3 |
| Operating lease liabilities | 128.3 | — |
| Accrued income taxes | 94.5 | 165.2 |
| Accrued interest expense | 71.1 | 72.9 |
| Other | 371.5 | 249.2 |
| | $ 1,326.2 | $ 1,180.7 |

### Footnote 9 — Debt

Debt comprised of the following as of the dates indicated (in millions):

| | June 30, 2019 | December 31, 2018 |
|---|---|---|
| 2.60% senior notes due 2019 | $ — | $ 267.3 |
| 4.70% senior notes due 2020 | 304.7 | 304.6 |
| 3.15% senior notes due 2021 | 93.5 | 97.5 |
| 3.75% senior notes due 2021 | 348.5 | 353.2 |
| 4.00% senior notes due 2022 | 249.2 | 249.0 |
| 3.85% senior notes due 2023 | 1,741.8 | 1,740.8 |
| 5.00% senior notes due 2023 | 309.0 | 310.0 |
| 4.00% senior notes due 2024 | 496.7 | 496.4 |
| 3.90% senior notes due 2025 | 90.4 | 90.3 |
| 4.20% senior notes due 2026 | 1,985.4 | 1,984.5 |
| 5.375% senior notes due 2036 | 416.0 | 415.8 |
| 5.50% senior notes due 2046 | 657.2 | 657.2 |
| Other debt | 58.8 | 48.4 |
| Total debt | 6,751.2 | 7,015.0 |
| Short-term debt and current portion of long-term debt | (43.4) | (318.7) |
| Long-term debt | $ 6,707.8 | $ 6,696.3 |

### Senior Notes

In March 2019, the Company repaid the entire principal amount outstanding of its 2.60% senior notes due 2019 upon maturity.

The Company has designated the €300 million principal balance of the 3.75% senior notes due October 2021 as a net investment hedge of the foreign currency exposure of its net investment in certain Euro-functional currency subsidiaries with Euro-denominated net assets. At June 30, 2019, $0.6 million of deferred loss have been recorded in AOCL. See Footnote 10 for disclosures regarding the Company’s derivative financial instruments.

### Revolving Credit Facility and Commercial Paper

The Company maintains a $1.25 billion revolving credit facility that matures in December 2023 (the “Facility”). Under the Facility, the Company may borrow funds on a variety of interest rate terms. Since the Facility provides the committed backup liquidity required to issue commercial paper, the Company may issue commercial paper up to a maximum of $800 million provided there is a sufficient amount available for borrowing under the Facility. The Facility also provides for the issuance of up to $100 million of letters of credit, so long as there is a sufficient amount available for borrowing under the Facility.

**Receivables Facility**

In connection with entering into the Customer Receivables Purchase Agreement, the Company amended its existing receivables purchase agreement (the "Securitization Facility") on June 18, 2019 to remove certain customer receivables which are subject to the Customer Receivables Purchase Agreement. As a result of the amendment, the parties reduced the aggregate commitment under the Securitization Facility from $950 million to $700 million. The Securitization Facility matures in October 2019 and bears interest at a margin over a variable interest rate. At June 30, 2019, the borrowing rate margin and the unused line fee on the Securitization Facility were 0.80% and 0.40% per annum, respectively.

The Company used a portion of the cash proceeds received from the disposal of the Process Solutions and Rexair businesses (see Footnote 2) to pay down short-term debt, including approximately $269 million outstanding under the Company's Securitization Facility at March 3, 2019.

**Other**

The fair values of the Company's senior notes are based on quoted market prices and are as follows (in millions):

| | June 30, 2019 | | December 31, 2018 | |
|---|---|---|---|---|
| | **Fair Value** | **Book Value** | **Fair Value** | **Book Value** |
| Senior notes | $ 6,762.5 | $ 6,692.4 | $ 6,911.2 | $ 6,966.6 |

The carrying amounts of all other significant debt approximates fair value.

**Footnote 10—Derivatives**

From time to time, the Company enters into derivative transactions to hedge its exposures to interest rate, foreign currency rate and commodity price fluctuations. The Company does not enter into derivative transactions for trading purposes.

***Interest Rate Contracts***

The Company manages its fixed and floating rate debt mix using interest rate swaps. The Company may use fixed and floating rate swaps to alter its exposure to the impact of changing interest rates on its consolidated results of operations and future cash outflows for interest. Floating rate swaps would be used, depending on market conditions, to convert the fixed rates of long-term debt into short-term variable rates. Fixed rate swaps would be used to reduce the Company's risk of the possibility of increased interest costs. Interest rate swap contracts are therefore used by the Company to separate interest rate risk management from the debt funding decision. The cash paid and received from the settlement of interest rate swaps is included in interest expense.

***Fair Value Hedges***

At June 30, 2019, the Company had approximately $527 million notional amount of interest rate swaps that exchange a fixed rate of interest for variable rate (LIBOR) of interest plus a weighted average spread. These floating rate swaps are designated as fair value hedges against $277 million of principal on the 4.7% senior notes due 2020 and $250 million of principal on the 4.0% senior notes due 2024 for the remaining life of these notes. The effective portion of the fair value gains or losses on these swaps is offset by fair value adjustments in the underlying debt.

***Cross-Currency Contracts***

The Company uses cross-currency swaps to hedge foreign currency risk on certain intercompany financing arrangements with foreign subsidiaries. During 2018, all the Company's cross-currency interest rate swaps matured. As such, there were no cross-currency swaps outstanding at June 30, 2019 and December 31, 2018. The cross-currency interest rate swaps were intended to eliminate uncertainty in cash flows in U.S. Dollars and British Pounds in connection with the intercompany financing arrangements.

***Foreign Currency Contracts***

The Company uses forward foreign currency contracts to mitigate the foreign currency exchange rate exposure on the cash flows related to forecasted inventory purchases and sales and have maturity dates through December 2019. The derivatives used to hedge these forecasted transactions that meet the criteria for hedge accounting are accounted for as cash flow hedges. The effective portion of the gains or losses on these derivatives is deferred as a component of AOCL and is recognized in earnings at the same time that the hedged item affects earnings and is included in the same caption in the statements of operations as the underlying hedged item. At June 30, 2019, the Company had approximately $284 million notional amount outstanding of forward foreign currency contracts that are designated as cash flow hedges of forecasted inventory purchases and sales.

The Company also uses foreign currency contracts, primarily forward foreign currency contracts, to mitigate the foreign currency exposure of certain other foreign currency transactions. At June 30, 2019, the Company had approximately $758 million notional amount outstanding of these foreign currency contracts that are not designated as effective hedges for accounting purposes and have maturity dates through October 2020. Fair market value gains or losses are included in the results of operations and are classified in other expense (income), net.

***Commodity Contracts***

From time to time the Company may enter into commodity-based derivatives in order to mitigate the risk that the rising price of these commodities could have on the cost of certain of the Company's raw materials. These commodity-based derivatives provide the Company with cost certainty. At June 30, 2019, the Company had approximately $6.7 million notional amount outstanding of commodity-based derivatives that are designated as effective hedges for accounting purposes and have maturity dates through January 2020. Fair market value gains or losses are included in the results of operations and are classified in cost of products sold.

The following table presents the fair value of derivative financial instruments as of the dates indicated (in millions):

| | June 30, 2019 | | December 31, 2018 | |
|---|---|---|---|---|
| | Fair Value of Derivatives | | Fair Value of Derivatives | |
| | Asset (a) | Liability (a) | Asset (a) | Liability (a) |
| **Derivatives designated as effective hedges:** | | | | |
| Cash flow hedges: | | | | |
| Foreign currency contracts | $ 5.8 | $ 2.2 | $ 13.3 | $ 0.7 |
| Commodity contracts | — | 0.3 | — | — |
| Fair value hedges: | | | | |
| Interest rate swaps | 5.1 | 2.1 | — | 11.5 |
| **Derivatives not designated as effective hedges:** | | | | |
| Foreign currency contracts | 6.4 | 6.5 | 12.9 | 4.2 |
| Commodity contracts | — | — | — | 0.9 |
| Total | $ 17.3 | $ 11.1 | $ 26.2 | $ 17.3 |

(a) Consolidated balance sheet location:

Asset: Prepaid expenses and other, and other non-current assets

Liability: Other accrued liabilities, and current and non-current liabilities

The following tables present gain and loss activity (on a pretax basis) for the three and six months ended June 30, 2019 and 2018 related to derivative financial instruments designated or previously designated, as effective hedges (in millions):

| | | Three Months Ended June 30, 2019 | | Three Months Ended June 30, 2018 | |
|---|---|---|---|---|---|
| | | Gain/(Loss) | | Gain/(Loss) | |
| | Location of gain/(loss) recognized in income | Recognized in OCI (a) (effective portion) | Reclassified from AOCL to Income | Recognized in OCI (a) (effective portion) | Reclassified from AOCL to Income |
| Interest rate swaps | Interest expense, net | $ — | $ (1.6) | $ — | $ (1.9) |
| Foreign currency contracts | Net sales and cost of products sold | 1.6 | 2.6 | 15.3 | (6.1) |
| Commodity contracts | Cost of products sold | 0.5 | — | — | — |
| Cross-currency swaps | Other expense (income), net | — | — | 1.7 | 1.8 |
| Total | | $ 2.1 | $ 1.0 | $ 17.0 | $ (6.2) |

| | Location of gain/(loss) recognized in income | Six Months Ended June 30, 2019 Gain/(Loss) Recognized in OCI (a) (effective portion) | Six Months Ended June 30, 2019 Gain/(Loss) Reclassified from AOCL to Income | Six Months Ended June 30, 2018 Gain/(Loss) Recognized in OCI (a) (effective portion) | Six Months Ended June 30, 2018 Gain/(Loss) Reclassified from AOCL to Income |
|---|---|---|---|---|---|
| Interest rate swaps | Interest expense, net | $ — | $ (3.1) | $ — | $ (3.8) |
| Foreign currency contracts | Net sales and cost of products sold | (4.5) | 8.3 | 10.0 | (12.5) |
| Commodity contracts | Cost of products sold | (0.1) | — | — | — |
| Cross-currency swaps | Other expense (income), net | — | — | (1.7) | (3.0) |
| Total | | $ (4.6) | $ 5.2 | $ 8.3 | $ (19.3) |

(a) Represents effective portion recognized in Other Comprehensive Income (Loss) (“OCI”).

At June 30, 2019, deferred net gains of approximately $7.2 million within AOCL are expected to be reclassified to earnings over the next twelve months.

During the three and six months ended June 30, 2019, the Company recognized income (expense) of $(4.1) million and $(9.7) million, respectively, in other expense (income) , net, related to derivatives that are not designated as hedging instruments. During the three and six months ended June 30, 2018, the Company recognized income (expense) of $6.5 million and $(3.1) million, respectively, in other expense (income), net, related to derivatives that are not designated as hedging instruments. Gains and losses on these derivatives are mostly offset by foreign currency movement in the underlying exposure.

**Footnote 11 — Employee Benefit and Retirement Plans**

The components of pension and postretirement benefit expense for continuing operations for the periods indicated, are as follows (in millions):

| | Pension Benefits | | | |
|---|---|---|---|---|
| | Three Months Ended June 30, | | | |
| | U.S. | | International | |
| | 2019 | 2018 | 2019 | 2018 |
| Service cost | $ 0.2 | $ 0.2 | $ 1.4 | $ 1.3 |
| Interest cost | 12.2 | 11.6 | 3.1 | 3.1 |
| Expected return on plan assets | (14.8) | (16.8) | (3.2) | (3.9) |
| Amortization, net | 3.9 | 5.3 | 0.6 | 0.7 |
| Net periodic pension cost | $ 1.5 | $ 0.3 | $ 1.9 | $ 1.2 |

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | U.S. | | International | |
| | 2019 | 2018 | 2019 | 2018 |
| Service cost | $ 0.3 | $ 0.4 | $ 2.9 | $ 2.7 |
| Interest cost | 24.5 | 23.2 | 6.3 | 6.4 |
| Expected return on plan assets | (29.6) | (33.7) | (6.5) | (7.9) |
| Amortization, net | 7.7 | 10.7 | 1.2 | 1.3 |
| Net periodic pension cost | $ 2.9 | $ 0.6 | $ 3.9 | $ 2.5 |

| | Postretirement Benefits | | | |
|---|---|---|---|---|
| | Three Months Ended June 30, | | Six Months Ended June 30, | |
| | 2019 | 2018 | 2019 | 2018 |
| Service cost | $ 0.1 | $ — | $ 0.1 | $ 0.1 |
| Interest cost | 0.4 | 0.4 | 0.9 | 0.9 |
| Amortization, net | (2.3) | (2.5) | (4.7) | (5.1) |
| Net periodic expense | $ (1.8) | $ (2.1) | $ (3.7) | $ (4.1) |

**Footnote 12 — Income Taxes**

The Company's effective income tax rate for the three and six month periods ended June 30, 2019 was 16.8% and nil compared to (226.5)% and 20.3% for the three-month and six-month periods ended June 30, 2018, respectively. The Company's effective income tax rate fluctuates based on, among other factors, the geographic mix of income.

The difference between the U.S. federal statutory income tax rate of 21.0% and the Company's effective income tax rate for the three-month and six-month periods ended June 30, 2019 was impacted by a variety of factors, primarily resulting from the geographic mix of where the income was earned as well as certain taxable income inclusion items in the U.S. based on foreign earnings. Income tax expense for the three-month and six-month period ended June 30, 2019 included a discrete tax benefit of $(13.2) million for a withholding tax refund received from Switzerland by the Company and $(10.7) million related to change in tax status of certain entities in various non-U.S. jurisdictions, offset by discrete tax expense of $14.4 million for excess book deductions for equity-based compensation and $4.6 million for the accrual of interest related to the Company's uncertain tax liabilities. In addition, income tax expense for the six-month period ended June 30, 2019 included discrete tax adjustments of $(10.1) million for certain state tax return to provision adjustments offset by tax expense of $3.8 million for additional interest related to uncertain tax liabilities.

The difference between the U.S. federal statutory income tax rate of 21% and the Company's effective income tax rate for the three-month and six-month periods ended June 30, 2018 was primarily resulting from the geographic mix of where the income was earned, certain taxable income inclusion items in the U.S. based on foreign earnings, and the generation of excess foreign tax credits. In addition, income tax expense for the three-month and six-month period ended June 30, 2018 included a discrete tax benefit of $(0.7) million for return to provision adjustments, offset by tax expense of $3.8 million for interest related to the Company's uncertain tax liabilities and $11.0 million for excess book deductions related to equity-based compensation. In addition, income tax expense for the six-month period ended June 30, 2018 included discrete tax adjustments of $(69.4) million for a reduction in valuation allowance related to the Company's operations in France, $(5.2) million for excess tax deductions related to equity-based compensation, and $(6.8) million related to the change in tax status of certain non-U.S. operations, offset by $26.1 million of tax expense for related to certain tax audits in Europe and $2.2 million of interest related to uncertain tax liabilities.

On June 18, 2019, the U.S. Treasury and the Internal Revenue Service released temporary regulations under IRC Section 245A ("Section 245A") as enacted by the 2017 U.S. Tax Reform Legislation ("2017 Tax Reform") and IRC Section 954(c)(6) (the "Temporary Regulations") to apply retroactively to the date the 2017 Tax Reform was enacted. The Temporary Regulations seek to limit the 100% dividends received deduction permitted by Section 245A for certain dividends received from controlled foreign corporations and to limit the applicability of the look-through exception to foreign personal holding company income for certain dividends received from controlled foreign corporations. Before the retroactive application of the Temporary Regulations, the Company benefited in 2018 from both the 100% dividends received deduction and the look-through exception to foreign personal holding company income. The Company has analyzed the Temporary Regulations and concluded that the relevant Temporary Regulations were not validly issued. Therefore, the Company has not accounted for the effects of the Temporary Regulations in its Condensed Consolidated Financial Statements for the period ending June 30, 2019. The Company believes it has strong arguments in favor of its position and believes it has met the more likely than not recognition threshold that its position will be sustained. However, due to the inherent uncertainty involved in challenging the validity of regulations as well as a potential litigation process, there can be no assurances that the relevant Temporary Regulations will be invalidated or that a court of law will rule in favor of the Company. If the Company's position on the Temporary Regulations is not sustained, the Company would be required to recognize an income tax expense of approximately $180 million to $220 million related to an income tax benefit from fiscal year 2018 that was recorded based on regulations in existence at the time. In addition, the Company may be required to pay any applicable interest and penalties. The Company intends to vigorously defend its position.

**Footnote 13 — Leases**

The Company's lease portfolio mainly consists of retail stores, warehouses, distribution centers, office space, and, to a lesser extent, equipment. The Company's accounting for finance leases (previously called capital leases) remains substantially unchanged. Finance leases are generally those leases that allow the Company to substantially utilize or pay for the entire asset over its estimated life. Assets acquired under finance leases are recorded in property, plant and equipment, net. All other leases are categorized as operating leases. Operating lease assets represent the Company's right to use an underlying asset for the lease term whereas lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. These rates are assessed on a quarterly basis. The operating lease assets also include any lease payments made less lease incentives. Leases with an initial term of 12 months or less are not recorded on the balance sheet. For operating leases, expense is recognized on a straight-line basis over the lease term. For finance leases, the Company recognizes a front-loaded pattern of total lease expense recognition due to the accretion of the lease liability and the straight-line amortization of the leased asset.

Many leases include one or more options to renew, with renewal terms that can extend the lease term for three years or more. The exercise of lease renewal options is at the Company’s sole discretion. Certain leases also include options to purchase the leased assets. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Company also has lease agreements with lease and non-lease components, which are accounted for as a single lease component. Additionally, for certain non-real estate leases, the portfolio approach is used to effectively account for the operating lease assets and liabilities.

Supplemental condensed consolidated balance sheet information related to leases for the period indicated, is as follows (in millions):

| | Classification | June 30, 2019 |
|---|---|---|
| **Assets** | | |
| Operating leases | Operating lease assets, net | $ 646.0 |
| Finance leases | Property, plant and equipment, net (1) | 17.6 |
| Total lease assets | | $ 663.6 |
| **Liabilities** | | |
| Current | | |
| Operating leases | Other accrued liabilities | $ 128.3 |
| Finance leases | Short-term debt and current portion of long-term debt | 3.5 |
| Noncurrent | | |
| Operating leases | Long-term operating lease liabilities | 572.7 |
| Finance leases | Long-term debt | 11.4 |
| Total lease liabilities | | $ 715.9 |

(1) Net of accumulated depreciation of $6.1 million.

Components of lease expense as of the date indicated, are as follows (in millions):

| | Three Months Ended June 30, 2019 | Six Months Ended June 30, 2019 |
|---|---|---|
| **Operating lease cost:** | | |
| Operating lease cost (1) | $ 49.4 | $ 97.6 |
| Variable lease costs (2) | 6.0 | 12.0 |
| **Finance lease cost:** | | |
| Amortization of leased assets | 1.2 | 2.3 |
| Interest on lease liabilities | 0.1 | 0.3 |

(1) Includes short-term leases, which are immaterial.

(2) Consists primarily of additional payments for non-lease components, such as maintenance costs, payments of taxes and additional rent based on a level of the Company’s retail store sales.

Remaining lease term and discount rates as of the date indicated, are as follows:

| | June 30, 2019 |
|---|---|
| Weighted-average remaining lease term (years): | |
| Operating leases | 7 |
| Finance leases | 4 |
| Weighted-average discount rate: | |
| Operating leases | 4.3% |
| Finance leases | 3.4% |

Supplemental cash flow information related to leases for the period indicated is as follows (in millions):

| | Six Months Ended June 30, 2019 |
|---|---|
| Cash paid for amounts included in the measurement of lease liabilities: | |
| Operating cash flows from operating leases | $ 94.1 |
| Operating cash flows from finance leases | 0.3 |
| Financing cash flows from finance leases | 1.7 |
| Right of use assets obtained in exchange for lease liabilities: | |
| Operating leases | 100.6 |
| Finance leases | 6.7 |

Maturities of lease liabilities for continuing operations under the new lease standard (see Footnote 1) as of June 30, 2019, are as follows (in millions):

| | Operating Leases | Finance Leases |
|---|---|---|
| 2019 (Excludes six months ended June 30, 2019) | $ 80.3 | $ 2.2 |
| 2020 | 150.9 | 4.3 |
| 2021 | 124.5 | 4.2 |
| 2022 | 104.9 | 3.3 |
| 2023 | 84.3 | 1.5 |
| Thereafter | 283.7 | 0.4 |
| Total lease payments | 828.6 | 15.9 |
| Less: imputed interest | (127.6) | (1.0) |
| Present value of lease liabilities | $ 701.0 | $ 14.9 |

See Footnote 2 for information on lease liabilities included in discontinued operations and held for sale.

Future minimum rental payments for operating leases, prior to the adoption of the new lease standard, with initial or remaining terms in excess of one year at December 31, 2018 for the consolidated Company are as follows (in millions):

| | Operating Leases |
|---|---|
| 2019 | $ 180.0 |
| 2020 | 144.0 |
| 2021 | 117.8 |
| 2022 | 97.7 |
| 2023 | 74.0 |
| Thereafter | 263.9 |
| Total lease payments | $ 877.4 |

Rent expense under operating leases for continuing operations was $52.5 million and $105.2 million, respectively, during the three and six months ended June 30, 2018.

**Footnote 14 — Earnings Per Share**

The computations of the weighted average shares outstanding for the periods indicated are as follows (in millions):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Weighted-average shares outstanding | 423.2 | 485.8 | 423.1 | 485.6 |
| Share-based payment awards classified as participating securities (1) | 0.1 | 0.4 | 0.2 | 0.5 |
| Basic weighted-average shares outstanding | 423.3 | 486.2 | 423.3 | 486.1 |
| Dilutive securities (2) | 0.2 | — | 0.3 | — |
| Diluted weighted-average shares outstanding | 423.5 | 486.2 | 423.6 | 486.1 |

(1) For the three months ended June 30, 2019 and 2018, dividends and equivalents for share-based awards that are expected to be forfeited do not have a material effect on net income for basic and diluted earnings per share.

(2) The three and six months ended June 30, 2018 excludes 0.8 million and 0.9 million potentially dilutive share-based awards as their effect would be anti-dilutive.

At June 30, 2019, there were 1.3 million potentially dilutive restricted stock awards with performance-based vesting targets that were not met and as such, have been excluded from the computation of diluted earnings per share.

**Footnote 15 — Stockholders' Equity and Share-Based Awards**

During the first quarter of 2019, the Company awarded 1.5 million performance-based restricted stock units (RSUs), which had an aggregate grant date fair value of $25.4 million and entitle the recipients to shares of the Company's common stock primarily at the end of a three-year vesting period. The actual number of shares that will ultimately vest is dependent on the level of achievement of the specified performance conditions.

During the six months ended June 2019, the Company also awarded 1.4 million time-based RSUs with an aggregate grant date fair value of $24.9 million. These time-based RSU's entitle recipients to shares of the Company's common stock and primarily vest in equal installments over a three-year period.

On June 11, 2018, the Company announced that its Board of Directors authorized a $2.5 billion increase in the then available amount under its existing Stock Repurchase Program ("SRP"). Under the Company's Stock Repurchase Program ("SRP"), the Company is authorized to repurchase up to approximately $3.6 billion of its outstanding shares through the end of 2019. The repurchase of additional shares in the future will depend upon many factors, including the Company's financial condition, liquidity and legal requirements. During 2019, the Company has not repurchased any shares of its common stock under the SRP. At June 30, 2019, approximately $2.1 billion remains available to repurchase shares of its common stock under the SRP.

Dividends per share for both the three and six months ended June 30, 2019 and 2018 were $0.23 and $0.46, respectively.

***Other***

On March 14, 2019, the Company announced that Michael B. Polk, the Company's President and Chief Executive Officer and member of the Company's Board of Directors (the "Board"), would retire from the Company at the end of the second quarter of 2019.

In connection with Mr. Polk's retirement from the Company, on June 28, 2019 (the "Retirement Date"), the Company and Mr. Polk entered into a Retirement Agreement and General Release (the "Retirement Agreement"), pursuant to which, Mr. Polk agreed to a customary release and restrictive covenants. Pursuant to certain terms and conditions, Mr. Polk's unexercised 2011 stock options will remain exercisable until expiration in July 2021 consistent with the terms of the underlying option agreement. Additionally, Mr. Polk's unvested performance-based RSUs awarded in February 2018 will continue to vest in February 2021 (subject to the satisfaction of applicable performance conditions) and a pro-rata portion of the RSUs awarded to Mr. Polk in February 2019, reflecting four months of service and totaling 45,724 RSUs, will continue to vest in February 2022 (subject to the satisfaction of applicable performance conditions).

Furthermore, Mr. Polk forfeited his unvested performance-based RSUs awarded in February 2017. The Company accounted for the treatment of his 2018 and 2019 awards as modification of his initial awards based on the terms and conditions of such awards. As such, the cumulative compensation expense of his 2017, 2018 and 2019 awards were reversed during the first quarter of 2019 while the fair value of the modified awards will be recognized as compensation expense over the contractual service period. During the and three and six months ended June of 2019, the Company recorded a net expense (benefit) of approximately $4.3 million and $(5.0) million, respectively, based on the aforementioned terms and conditions of the Retirement Agreement.

**Footnote 16 — Fair Value Disclosures**

**Recurring Fair Value Measurements**

The following table presents the Company's non-pension financial assets and liabilities which are measured at fair value on a recurring basis (in millions):

| | June 30, 2019 | | | | December 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair Value Asset (Liability) | | | | Fair Value Asset (Liability) | | | |
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Derivatives: | | | | | | | | |
| Assets | $ — | $ 17.3 | $ — | $ 17.3 | $ — | $ 26.2 | $ — | $ 26.2 |
| Liabilities | — | (11.1) | — | (11.1) | — | (17.3) | — | (17.3) |
| Investment securities, including mutual funds | 12.1 | 3.9 | — | 16.0 | — | 1.9 | — | 1.9 |

For publicly-traded investment securities, including mutual funds, fair value is determined on the basis of quoted market prices and, accordingly, such investments are classified as Level 1. Other investment securities are primarily comprised of money market accounts that are classified as Level 2. The Company determines the fair value of its derivative instruments using standard pricing models and market-based assumptions for all significant inputs, such as yield curves and quoted spot and forward exchange rates. Accordingly, the Company's derivative instruments are classified as Level 2.

During the first quarter of 2019, the Company acquired an equity investment for $18.3 million, which is traded on an active exchange and therefore has a readily determinable fair value. At June 30, 2019, the fair value of the equity investment was $12.1 million. For equity investments with readily determinable fair values held at June 30, 2019, the Company recorded $0.8 million and $6.2 million of unrealized losses within other expense (income), net in the Condensed Consolidated Statement of Operations for the three and six months period ended June 30, 2019.

**Nonrecurring Fair Value Measurements**

The Company's nonfinancial assets that are measured at fair value on a nonrecurring basis include property, plant and equipment, operating lease assets, goodwill, intangible assets and certain other assets. In the absence of a definitive sales price for these and similar types of assets, the Company generally uses projected cash flows, discounted as necessary, or market multiples to estimate the fair values of the impaired assets using key inputs such as management's projections of cash flows on a held-and-used basis (if applicable), management's projections of cash flows upon disposition and discount rates. Key inputs into the market multiple approach include identifying companies comparable to the Company's business and estimated control premiums. Accordingly, these fair value measurements fall in Level 3 of the fair value hierarchy. These assets and certain liabilities are measured at fair value on a nonrecurring basis as part of the Company's impairment assessments and as circumstances require.

**Financial Instruments**

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, derivative instruments, notes payable and short and long-term debt. The carrying values for current financial assets and liabilities, including cash and cash equivalents, accounts receivable, accounts payable and short-term debt approximate fair value due to the short maturity of such instruments. The fair values of the Company's debt and derivative instruments are disclosed in Footnote 9 and Footnote 10, respectively.

The Company reviews property, plant and equipment for impairment whenever events or circumstances indicate that carrying amounts may not be recoverable through future undiscounted cash flows. If the Company concludes that impairment exists, the carrying amount is reduced to fair value.

The carrying value and estimated fair value measurement of assets held for sale are classified as Level 3, as the fair values utilize significant unobservable inputs (see Footnote 2).

**Footnote 17 — Segment Information**

The Company is reporting its financial results in four segments as Food and Appliances, Home and Outdoor Living, Learning and Development and Other.

The Company's three primary operating segments are as follows:

| Segment | Key Brands | Description of Primary Products |
|---|---|---|
| Food and Appliances | Ball®, Calphalon®, Crock-Pot®, FoodSaver®, Mr. Coffee®, Oster®, Rubbermaid®, Sistema® and Sunbeam® | Household products, including kitchen appliances, gourmet cookware, bakeware and cutlery, food storage and home storage products and fresh preserving products |
| Home and Outdoor Living | Chesapeake Bay Candle®, Coleman®, Contigo®, ExOfficio®, First Alert®, Marmot®, WoodWick® and Yankee Candle® | Products for outdoor and outdoor-related activities, home fragrance products and connected home and security products |
| Learning and Development | Aprica®, Baby Jogger®, Dymo®, Elmer's®, Expo®, Graco®, Mr. Sketch®, NUK®, Paper Mate®, Parker®, Prismacolor®, Sharpie®, Tigex® Waterman® and X-Acto® | Writing instruments, including markers and highlighters, pens and pencils; art products; activity-based adhesive and cutting products; labeling solutions; baby gear and infant care products |

Segment information as of and for the periods indicated is as follows (in millions):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| **Net sales (1)** | | | | |
| Food and Appliances | $ 562.2 | $ 619.8 | $ 1,066.3 | $ 1,154.0 |
| Home and Outdoor Living | 705.4 | 741.7 | 1,332.0 | 1,411.4 |
| Learning and Development | 848.9 | 838.7 | 1,430.3 | 1,445.7 |
| Other | — | 1.4 | — | 2.0 |
| | $ 2,116.5 | $ 2,201.6 | $ 3,828.6 | $ 4,013.1 |
| **Operating income (loss) (2)** | | | | |
| Food and Appliances | $ 33.5 | $ 39.5 | $ 42.8 | $ 52.9 |
| Home and Outdoor Living | 19.2 | 9.4 | 17.7 | 17.2 |
| Learning and Development | 217.0 | 195.5 | 305.5 | 261.7 |
| Other | — | 1.5 | — | 2.4 |
| Corporate | (84.9) | (116.3) | (155.3) | (225.6) |
| Restructuring | (6.7) | (45.7) | (17.6) | (51.1) |
| | $ 178.1 | $ 83.9 | $ 193.1 | $ 57.5 |

| | June 30, 2019 | December 31, 2018 |
|---|---|---|
| **Segment assets:** | | |
| Food and Appliances | $ 4,182.7 | $ 4,055.5 |
| Home and Outdoor Living | 4,429.3 | 4,103.2 |
| Learning and Development | 5,033.1 | 4,882.1 |
| Corporate | 1,475.5 | 1,146.4 |
| | $ 15,120.6 | $ 14,187.2 |

(1) All intercompany transactions have been eliminated.
(2) Operating income (loss) by segment is net sales less cost of products sold, SG&A and impairment of goodwill, intangibles and other assets for continuing operations. Certain Corporate expenses of an operational nature are allocated to business segments primarily on a net sales basis. Corporate depreciation and amortization is allocated to the segments on a percentage of sales basis, and the allocated depreciation and amortization are included in segment operating income.

The following table disaggregates revenue by major product grouping source and geography for the periods indicated (in millions):

| | Three Months Ended June 30, 2019 | | | | |
|---|---|---|---|---|---|
| | Food and Appliances | Home and Outdoor Living | Learning and Development | Other | Total |
| Appliances and Cookware | $ 362.0 | $ — | $ — | $ — | $ 362.0 |
| Food | 200.2 | — | — | — | 200.2 |
| Connected Home and Security | — | 90.6 | — | — | 90.6 |
| Home Fragrance | — | 171.8 | — | — | 171.8 |
| Outdoor and Recreation | — | 443.0 | — | — | 443.0 |
| Baby and Parenting | — | — | 289.8 | — | 289.8 |
| Writing | — | — | 559.1 | — | 559.1 |
| Other | — | — | — | — | — |
| Total | $ 562.2 | $ 705.4 | $ 848.9 | $ — | $ 2,116.5 |
| | | | | | |
| North America | $ 382.1 | $ 500.6 | $ 630.6 | $ — | $ 1,513.3 |
| International | 180.1 | 204.8 | 218.3 | — | 603.2 |
| Total | $ 562.2 | $ 705.4 | $ 848.9 | $ — | $ 2,116.5 |

| | Three Months Ended June 30, 2018 | | | | |
|---|---|---|---|---|---|
| | Food and Appliances | Home and Outdoor Living | Learning and Development | Other | Total |
| Appliances and Cookware | $ 393.0 | $ — | $ — | $ — | $ 393.0 |
| Food | 226.8 | — | — | — | 226.8 |
| Connected Home and Security | — | 87.1 | — | — | 87.1 |
| Home Fragrance | — | 175.4 | — | — | 175.4 |
| Outdoor and Recreation | — | 479.2 | — | — | 479.2 |
| Baby and Parenting | — | — | 274.8 | — | 274.8 |
| Writing | — | — | 563.9 | — | 563.9 |
| Other | — | — | — | 1.4 | 1.4 |
| Total | $ 619.8 | $ 741.7 | $ 838.7 | $ 1.4 | $ 2,201.6 |
| | | | | | |
| North America | $ 450.1 | $ 529.4 | $ 616.2 | $ 1.6 | $ 1,597.3 |
| International | 169.7 | 212.3 | 222.5 | (0.2) | 604.3 |
| Total | $ 619.8 | $ 741.7 | $ 838.7 | $ 1.4 | $ 2,201.6 |

| | Six Months Ended June 30, 2019 | | | | |
|---|---|---|---|---|---|
| | Food and Appliances | Home and Outdoor Living | Learning and Development | Other | Total |
| Appliances and Cookware | $ 691.5 | $ — | $ — | $ — | $ 691.5 |
| Food | 374.8 | — | — | — | 374.8 |
| Connected Home and Security | — | 174.7 | — | — | 174.7 |
| Home Fragrance | — | 368.5 | — | — | 368.5 |
| Outdoor and Recreation | — | 788.8 | — | — | 788.8 |
| Baby and Parenting | — | — | 526.0 | — | 526.0 |
| Writing | — | — | 904.3 | — | 904.3 |
| Other | — | — | — | — | — |
| Total | $ 1,066.3 | $ 1,332.0 | $ 1,430.3 | $ — | $ 3,828.6 |
| | | | | | |
| North America | $ 735.6 | $ 940.3 | $ 1,021.2 | $ — | $ 2,697.1 |
| International | 330.7 | 391.7 | 409.1 | — | 1,131.5 |
| Total | $ 1,066.3 | $ 1,332.0 | $ 1,430.3 | $ — | $ 3,828.6 |

| | Six Months Ended June 30, 2018 | | | | |
|---|---|---|---|---|---|
| | Food and Appliances | Home and Outdoor Living | Learning and Development | Other | Total |
| Appliances and Cookware | $ 761.3 | $ — | $ — | $ — | $ 761.3 |
| Food | 392.7 | — | — | — | 392.7 |
| Connected Home and Security | — | 177.1 | — | — | 177.1 |
| Home Fragrance | — | 387.8 | — | — | 387.8 |
| Outdoor and Recreation | — | 846.5 | — | — | 846.5 |
| Baby and Parenting | — | — | 547.3 | — | 547.3 |
| Writing | — | — | 898.4 | — | 898.4 |
| Other | — | — | — | 2.0 | 2.0 |
| Total | $ 1,154.0 | $ 1,411.4 | $ 1,445.7 | $ 2.0 | $ 4,013.1 |
| | | | | | |
| North America | $ 806.7 | $ 999.2 | $ 1,010.6 | $ 2.2 | $ 2,818.7 |
| International | 347.3 | 412.2 | 435.1 | (0.2) | 1,194.4 |
| Total | $ 1,154.0 | $ 1,411.4 | $ 1,445.7 | $ 2.0 | $ 4,013.1 |

**Footnote 18 — Litigation and Contingencies**

The Company is subject to various claims and lawsuits in the ordinary course of business, including from time to time, contractual disputes, employment and environmental matters, product and general liability claims, claims that the Company has infringed on the intellectual property rights of others, and consumer and employment class actions. Some of the legal proceedings include claims for punitive as well as compensatory damages. In the ordinary course of business, the Company is also subject to regulatory and governmental examinations, information requests and subpoenas, inquiries, investigations, and threatened legal actions and proceedings. In connection with such formal and informal inquiries, the Company receives numerous requests, subpoenas, and orders for documents, testimony, and information in connection with various aspects of its activities.

*Securities Litigation*

Certain of the Company’s current and former officers and directors have been named in shareholder derivative lawsuits. On October 29, 2018, a shareholder filed a putative derivative complaint, *Streicher v. Polk, et al.*, in the United States District Court for the District of Delaware (the “*Streicher* Derivative Action”), purportedly on behalf of the Company against certain of our current and former officers and directors. On October 30, 2018, another shareholder filed a putative derivative complaint, *Martindale v. Polk, et al*., in the United States District Court for the District of Delaware (the "*Martindale* Derivative Action"), asserting substantially similar claims purportedly on behalf of the Company against the same defendants. The complaints allege, among other things, violations of the federal securities laws, breaches of fiduciary duties, unjust enrichment, and waste of corporate assets. The factual allegations underlying these claims are similar to the factual allegations made in the *In re Newell Brands, Inc. Securities Litigation* pending in the United States District Court for the District of New Jersey, further described below. The complaints seek unspecified damages and restitution for the Company from the individual defendants, the payment of costs and attorneys' fees, and that the Company be directed to reform certain governance and internal procedures. The *Streicher* Derivative Action and the *Martindale* Derivative Action have been consolidated and the case is now known as *In re Newell Brands Inc. Derivative Litigation* (the "*Newell Brands* Derivative Action"), which is pending in the United States District Court for the District of Delaware. On January 31, 2019, the United States District Court for the District of Delaware stayed the Newell Brands Derivative Action pending the resolution of the motions to dismiss filed in *In re Newell Brands Inc. Securities Litigation and Oklahoma Firefighters Pension and Retirement System v. Newell Brands Inc., et al.* (described below).

The Company and certain of its current and former officers and directors have been named as defendants in a putative securities class action lawsuit filed in the Superior Court of New Jersey, Hudson County, on behalf of all persons who acquired Company common stock pursuant or traceable to the S-4 registration statement and prospectus issued in connection with the April 2016 acquisition of Jarden (the "Registration Statement"). The action was filed on September 6, 2018, and is captioned *Oklahoma Firefighters Pension and Retirement System v. Newell Brands Inc., et al.*, Civil Action No. HUD-L-003492-18. The operative complaint alleges certain violations of the securities laws, including, among other things, that the defendants made certain materially false and misleading statements and omissions in the Registration Statement regarding the Company's financial results, trends, and metrics. The plaintiff seeks compensatory damages and attorneys' fees and costs, among other relief, but has not specified the amount of damages being sought. The Company intends to defend the litigation vigorously.

The Company and certain of its officers have been named as defendants in two putative securities class action lawsuits, each filed in the United States District Court for the District of New Jersey, on behalf of all persons who purchased or otherwise acquired our common stock between February 6, 2017 and January 24, 2018. The first lawsuit was filed on June 21, 2018 and is captioned *Bucks County Employees Retirement Fund, Individually and on behalf of All Others Similarly Situated v. Newell Brands Inc., Michael B. Polk, Ralph J. Nicoletti, and James L. Cunningham, III*, Civil Action No. 2:18-cv-10878 (United States District Court for the District of New Jersey). The second lawsuit was filed on June 27, 2018 and is captioned *Matthew Barnett, Individually and on Behalf of All Others Similarly Situated v. Newell Brands Inc., Michael B. Polk, Ralph J. Nicoletti, and James L. Cunningham, III*, Civil Action No. 2:18-cv-11132 (United States District Court for the District of New Jersey). On September 27, 2018, the court consolidated these two cases under Civil Action No. 18-cv-10878 (JMV)(JBC) bearing the caption *In re Newell Brands, Inc. Securities Litigation*. The court also named Hampshire County Council Pension Fund as the lead plaintiff in the consolidated case. The operative complaint alleges certain violations of the securities laws, including, among other things, that the defendants made certain materially false and misleading statements and omissions regarding the Company's business, operations, and prospects between February 6, 2017 and January 24, 2018. The plaintiffs seek compensatory damages and attorneys' fees and costs, among other relief, but have not specified the amount of damages being sought. The Company intends to defend the litigation vigorously.

*Jarden Acquisition*

Under the Delaware General Corporation Law ("DGCL"), any Jarden stockholder who did not vote in favor of adoption of the Merger Agreement, and otherwise complies with the provisions of Section 262 of the DGCL, is entitled to seek an appraisal of his or her shares of Jarden common stock by the Court of Chancery of the State of Delaware as provided under Section 262 of the DGCL. As of December 31, 2018, dissenting stockholders collectively holding approximately 2.9 million shares of Jarden common stock have delivered (and not withdrawn) to Jarden written demands for appraisal. Two separate appraisal petitions, styled as *Dunham Monthly Distribution Fund v. Jarden Corporation*, Case No. 12454-VCS (Court of Chancery of the State of Delaware), and *Merion Capital LP v. Jarden Corporation*, Case No. 12456-VCS (Court of Chancery of the State of Delaware), respectively, were filed on June 14, 2016 by a total of ten purported Jarden stockholders seeking an appraisal of the fair value of their shares of Jarden common stock pursuant to Section 262 of the DGCL. A third appraisal petition, *Fir Tree Value Master Fund, LP v. Jarden Corporation*, Case No. 12546-VCS (Court of Chancery of the State of Delaware), was filed on July 8, 2016 by two purported Jarden stockholders seeking an appraisal of the fair value of their shares of Jarden common stock pursuant to Section 262 of the DGCL. A fourth appraisal petition, *Veritian Partners Master Fund LTP v. Jarden Corporation*, Case No. 12650-VCS (Court of Chancery of the State of Delaware), was filed on August 12, 2016 by two purported Jarden stockholders seeking an appraisal of the fair value of their shares of Jarden common stock pursuant to Section 262 of the DGCL. On or about October 3, 2016, the foregoing petitions were consolidated for joint prosecution under Case No. 12456-VCS, and, except as provided below, the litigation is ongoing. The holders of a total of approximately 10.6 million former Jarden shares were represented in these actions initially.

On July 5, 2017 and July 6, 2017, Jarden and eleven of the dissenting stockholders, specifically including Merion Capital ERISA LP, Merion Capital LP, Merion Capital II LP, Dunham Monthly Distribution Fund, WCM Alternatives: Event-Driven Fund, Westchester Merger Arbitrage Strategy sleeve of the JNL Multi-Manager Alternative Fund, JNL/Westchester Capital Event Driven Fund, WCM Master Trust, The Merger Fund, The Merger Fund VL and SCA JP Morgan Westchester (collectively, the “Settling Petitioners”), entered into settlement agreements with respect to approximately 7.7 million former Jarden shares (collectively, the “Settlement Agreements”). Pursuant to the Settlement Agreements in exchange for withdrawing their respective demands for appraisal of their shares of Jarden common stock and a full and final release of all claims, among other things, the Settling Petitioners received the original merger consideration provided for under the Merger Agreement, specifically (1) 0.862 of a share of Newell common stock, and (2) $21.00 in cash, per share of Jarden common stock (collectively, the “Merger Consideration”), excluding any and all other benefits, including, without limitation, the right to accrued interest, dividends, and/or distributions. Accordingly, pursuant to the terms of the Settlement Agreements, Newell issued 6.6 million shares of Newell common stock to the Settling Petitioners (representing the stock component of the Merger Consideration), and authorized payment to the Settling Petitioners of approximately $162 million (representing the cash component of the Merger Consideration). The Court of Chancery of the State of Delaware has dismissed with prejudice the appraisal claims for the Settling Petitioners.

Following the settlements, claims from the holders of approximately 2.9 million former Jarden shares remain outstanding in the proceedings. The value of the merger consideration attributable to such shares based on the Company’s stock price on the closing date of the Jarden acquisition would have been approximately $171 million in the aggregate. The fair value of the shares of Jarden common stock held by these dissenting stockholders, as determined by the court, would be payable in cash and could be lower or higher than the Merger Consideration to which such Jarden stockholders would have been entitled under the Merger Agreement. An evidentiary trial was held from June 26 through June 29, 2018. Post-trial briefing was completed in the fourth quarter of 2018 and oral argument was held on November 29, 2018.

On July 19, 2019, the Court issued an order in which it determined that the fair value of the remaining Jarden shares as of the Merger was $48.31 per share, reflecting approximately $140 million in value to be paid to the remaining dissenting shareholders. The Court also ordered the payment of accrued interest, compounded quarterly, and accruing from the date of closing to the date of payment. As of June 30, 2019, accrued interest on the Court’s award totaled approximately $35.0 million. On July 26, 2019, the remaining dissenting shareholders filed a Motion for Reargument asking the Court to amend its valuation to no less than the deal price of $59.21 per share.

*Potential Recall*

In June 2019, a subsidiary of the Company conducted an internal investigation to determine the root cause of an issue related to a product line in the Home & Outdoor Living segment that was reported to the Company by one of its retailers. The Company determined that because of an issue occurring infrequently, but on a random basis, during the manufacturing process, the product may present users with a potential safety concern. The Company reported the issue to the appropriate regulatory authorities and has stopped sales of the product. In addition, the Company issued a return authorization notice to retail customers, which resulted in a $13.0 million reduction of net revenue during the three-month period ending June 30, 2019. The Company also accrued its best estimate for the cost it is obligated to reimburse retailers for shipping and handling incurred to return the product as of June 30, 2019. The Company also accrued its best estimate for the cost it is obligated to reimburse retailers for shipping and handling incurred to return the product as of June 30, 2019. The Company is currently working with the regulators to determine the scope and timing of any potential field action. As such, no accrual has been established for potential consumer returns as of June 30, 2019, pending conclusion of this process. The Company currently estimates it may incur $10.0 million to $15.0 million in costs associated with this matter.

*Environmental Matters*

The Company is involved in various matters concerning federal and state environmental laws and regulations, including matters in which the Company has been identified by the U.S. Environmental Protection Agency (“U.S. EPA”) and certain state environmental agencies as a potentially responsible party (“PRP”) at contaminated sites under CERCLA and equivalent state laws. In assessing its environmental response costs, the Company has considered several factors, including the extent of the Company’s volumetric contribution at each site relative to that of other PRPs; the kind of waste; the terms of existing cost sharing and other applicable agreements; the financial ability of other PRPs to share in the payment of requisite costs; the Company’s prior experience with similar sites; environmental studies and cost estimates available to the Company; the effects of inflation on cost estimates; and the extent to which the Company’s, and other parties’, status as PRPs is disputed.

The Company's estimate of environmental remediation costs associated with these matters as of June 30, 2019, was $46.1 million, which is included in other accrued liabilities and other noncurrent liabilities in the Condensed Consolidated Balance Sheet. No insurance recovery was taken into account in determining the Company's cost estimates or reserves, nor do the Company's cost estimates or reserves reflect any discounting for present value purposes, except with respect to certain long-term operations and maintenance CERCLA matters. Because of the uncertainties associated with environmental investigations and response activities, the possibility that the Company could be identified as a PRP at sites identified in the future that require the incurrence of environmental response costs and the possibility that sites acquired in business combinations may require environmental response costs, actual costs to be incurred by the Company may vary from the Company's estimates.

*Lower Passaic River Matter*

U.S. EPA has issued General Notice Letters ("GNLs") to over 100 entities, including the Company and Berol Corporation, a subsidiary of the Company ("Berol"), alleging that they are PRPs at the Diamond Alkali Superfund Site, which includes a 17-mile stretch of the Lower Passaic River and its tributaries. seventy-two of the GNL recipients, including the Company on behalf of itself and its subsidiary Berol Corporation (the "Company Parties"), have taken over the performance of the remedial investigation ("RI") and feasibility study ("FS") for the Lower Passaic River. On April 11, 2014, while work on the RI/FS remained underway, U.S. EPA issued a Source Control Early Action Focused Feasibility Study ("FFS"), which proposed four alternatives for remediation of the lower 8.3 miles of the Lower Passaic River. U.S. EPA's cost estimates for its cleanup alternatives ranged from approximately $315 million to approximately $3.2 billion in capital costs plus from $0.5 million to $1.8 million in annual maintenance costs for 30 years, with its preferred alternative carrying an estimated cost of approximately $1.7 billion plus an additional $1.6 million in annual maintenance costs for 30 years. In February 2015, the participating parties submitted to the U.S. EPA a draft RI, followed by submission of a draft FS in April 2015. The draft FS sets forth various alternatives for remediating the lower 17 miles of the Passaic River, ranging from a "no action" alternative, to targeted remediation of locations along the entire lower 17 mile stretch of the river, to remedial actions consistent with U.S. EPA's preferred alternative as set forth in the FFS for the lower 8.3 miles coupled with monitored natural recovery and targeted remediation in the upper 9 miles. The cost estimates for these alternatives range from approximately $28.0 million to$2.7 billion, including related operation, maintenance and monitoring costs. The participating parties have been discussing the draft RI and FS reports with U.S. EPA and are preparing revised reports. EPA issued a conditional appraisal of the RI report in June 2019.

U.S. EPA issued its final Record of Decision for the lower 8.3 miles of the Lower Passaic River (the "ROD") in March 2016, which, in the language of the document, finalizes as the selected remedy the preferred alternative set forth in the FFS, which U.S. EPA estimates will cost $1.4 billion. Subsequent to the release of the ROD in March 2016, U.S. EPA issued GNLs for the lower 8.3 miles of the Lower Passaic River (the "2016 GNL") to numerous entities, apparently including all previous recipients of the initial GNL as well as several additional entities. As with the initial GNL, the Company Parties were among the recipients of the 2016 GNL. The 2016 GNL states that U.S. EPA would like to determine whether one entity, Occidental Chemical Corporation ("OCC"), will voluntarily perform the remedial design for the selected remedy for the lower 8.3 miles, and that following execution of an agreement for the remedial design, U.S. EPA plans to begin negotiation of a remedial action consent decree "under which OCC and the other major PRPs will implement and/or pay for U.S. EPA's selected remedy for the lower 8.3 miles of the Lower Passaic River and reimburse U.S. EPA's costs incurred for the Lower Passaic River." The letter "encourage[s] the major PRPs to meet and discuss a workable approach to sharing responsibility for implementation and funding of the remedy" without indicating who may be the "major PRPs." Finally, U.S. EPA states that it "believes that some of the parties that have been identified as PRPs under CERCLA, and some parties not yet named as PRPs, may be eligible for a cash out settlement with U.S. EPA for the lower 8.3 miles of the Lower Passaic River."

In September 2016, OCC and EPA entered into an Administrative Order on Consent for performance of the remedial design. On March 30, 2017, U.S. EPA sent a letter offering a cash settlement in the amount of $0.3 million to twenty PRPs, not including the Company Parties, for CERCLA Liability (with reservations, such as for Natural Resource Damages) in the lower 8.3 miles of the Lower Passaic River. U.S. EPA further indicated in related correspondence that a cash out settlement might be appropriate for additional parties that are "not associated with the release of dioxins, furans, or PCBs to the Lower Passaic River." Then, by letter dated September 18, 2017, U.S. EPA announced an allocation process involving all GNL recipients except those participating in the first-round cash-out settlement, and five public entities. The letter affirms that U.S. EPA anticipates eventually offering cash-out settlements to a number of parties, and that it expects "that the private PRPs responsible for release of dioxin, furans, and/or PCBs will perform the OU2 lower 8.3 mile remedial action." At this time, it is unclear how the cost of any cleanup would be allocated among any of the parties, including the Company Parties or any other entities. The site is also subject to a Natural Resource Damage Assessment.

OCC has asserted that it is entitled to indemnification by Maxus Energy Corporation ("Maxus") for its liability in connection with the Diamond Alkali Superfund Site. OCC has also asserted that Maxus's parent company, YPF, S.A., and certain other affiliates (the “YPF Entities”) similarly must indemnify OCC, including on an “alter ego” theory. On June 17, 2016, Maxus and certain of its affiliates commenced a chapter 11 bankruptcy case in the U.S. Bankruptcy Court for the District of Delaware. In connection with that proceeding, the YPF Entities are attempting to resolve any liability they may have to Maxus and the other Maxus entities undergoing the chapter 11 bankruptcy. An amended Chapter 11 plan of liquidation became effective in July 2017. In conjunction with that plan, Maxus and certain other parties, including the Company, entered into a mutual contribution release agreement (“Passaic Release”) pertaining to certain costs, but not costs associated with ultimate remedy.

On June 30, 2018, OCC sued 120 parties, including the Company and Berol, in the U.S. District Court in New Jersey (“OCC Lawsuit”). OCC subsequently filed a separate, related complaint against 5 additional defendants. The OCC Lawsuit includes claims for cost recovery, contribution, and declaratory judgement under CERCLA. The current, primary focus of the claims is on certain past and future costs for investigation, design and remediation of the lower 8.3 miles of the Passaic River, other than those subject to the Passaic Release. The complaint notes, however, that OCC may broaden its claims in the future if and when EPA selects remedial actions for other portions of the Site or completes a Natural Resource Damage Assessment. Given the uncertainties pertaining to this matter, including that U.S. EPA is still reviewing the FS, that no framework for or agreement on allocation for the investigation and ultimate remediation has been developed, and that there exists the potential for further litigation regarding costs and cost sharing, the extent to which the Company Parties may be held liable or responsible is not yet known.

Based on currently known facts and circumstances, the Company does not believe that this matter is reasonably likely to have a material impact on the Company’s results of operations, including, among other factors, because there are numerous other parties who will likely share in any costs of remediation and/or damages. However, in the event of one or more adverse determinations related to this matter, it is possible that the ultimate liability resulting from this matter and the impact on the Company’s results of operations could be material.

Because of the uncertainties associated with environmental investigations and response activities, the possibility that the Company could be identified as a PRP at sites identified in the future that require the incurrence of environmental response costs and the possibility that sites acquired in business combinations may require environmental response costs, actual costs to be incurred by the Company may vary from the Company’s estimates.

*Frederick County, Virginia*

In February 2019, Rubbermaid Commercial Products LLC, a subsidiary of the Company (“Rubbermaid Commercial Products”), was sued in Frederick County, Virginia by the Virginia Director of the Department of Environmental Quality and the State Air Pollution Control Board. The complaint alleged that Rubbermaid Commercial Products unlawfully constructed and operated certain equipment at one of its facilities prior to obtaining an air permit and failed to comply with certain reporting obligations under the permit once issued and sought unspecified civil penalties and injunctive relief. The Company expects that once finalized, the civil penalties will exceed $0.1 million.

*Other Matters*

Although management of the Company cannot predict the ultimate outcome of these proceedings with certainty, it believes that the ultimate resolution of the Company’s proceedings, including any amounts it may be required to pay in excess of amounts reserved, will not have a material effect on the Company’s Consolidated Financial Statements, except as otherwise described above.

In the normal course of business and as part of its acquisition and divestiture strategy, the Company may provide certain representations and indemnifications related to legal, environmental, product liability, tax or other types of issues. Based on the nature of these representations and indemnifications, it is not possible to predict the maximum potential payments under all of these agreements due to the conditional nature of the Company’s obligations and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the Company under these agreements did not have a material effect on the Company’s business, financial condition or results of operations.

As of June 30, 2019, the Company had approximately $64 million in standby letters of credit primarily related to the Company’s self-insurance programs, including workers’ compensation, product liability and medical expenses.

**Footnote 19 — Subsequent Events**

As part of the Company’s Accelerated Transformation Plan, during 2018, the Company approved a plan to market for sale its Rubbermaid Commercial Products, Rubbermaid Outdoor, Closet, Refuse, Garage and Cleaning businesses (the “Rubbermaid Business”). This business has been classified as held for sale in the Company's Condensed Consolidated Balance Sheets as of June 30, 2019 and December 31, 2018 and as a discontinued operation in the Company’s Condensed Consolidated Statement of Operations for both the three and six month periods ended June 30, 2019 and June 30, 2018. Due to a change in strategy, management recommended and the Company’s Board of Directors approved the decision in July 2019 not to continue pursuing the sale of the majority of the Rubbermaid Business. The decision to keep the business was based on the strength of the Rubbermaid Commercial Products brand, its competitive position in a large and growing category, and its track record of cash flow generation, revenue growth and margin expansion. The current management team believes that retaining this business will further enhance the value creation opportunity for the Company. Commencing in the third quarter of 2019, the Rubbermaid Business to be retained will no longer be classified as held for sale in the Company's Condensed Consolidated Balance Sheets as of September 30, 2019 and December 31, 2018 nor be presented as discontinued operations in the Company’s Condensed Consolidated Statement of Operations for the three-and nine-month periods ended September 30, 2019 and September 30, 2018. The Company anticipates recording a charge of approximately $40 million in the third quarter of 2019 relating to the amount of depreciation and amortization expense that would have been recorded had the asset been continuously classified as held and used. The Rubbermaid Business to be retained generated revenue of $243 million and $459 million and operating income of $49.1 million and $95.8 million for the three and six month periods ended June 30, 2019, respectively, which were presented in income (loss) from discontinued operations, net of tax within the Company’s Condensed Consolidated Statements of Operations. As of June 30, 2019, the Rubbermaid Business to be retained had assets of $1.3 billion and liabilities of $162 million, which were classified in assets and liabilities held for sale in the Company’s Condensed Consolidated Balance Sheet. The Company is still evaluating the segment in which the retained Rubbermaid Business will be included. The Company continues to explore possible divestiture of the Quickie® cleaning tools business (“Quickie”), which was formerly part of the same disposal group as the Rubbermaid Business and is expected to remain classified in discontinued operations. A divestiture of Quickie could result in an additional charge in the range of $70 million to $110 million. However, the ultimate amount of the charge will depend on a number of factors including the selling price and expected form of sale.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of Newell Brands Inc.’s (“Newell Brands,” the “Company,” “we,” “us” or “our”) consolidated financial condition and results of operations. The discussion should be read in conjunction with the accompanying condensed consolidated financial statements and notes thereto.

### Business Overview

Newell Brands is a leading global consumer goods company with a strong portfolio of well-known brands, including Paper Mate®, Sharpie®, Dymo®, EXPO®, Parker®, Elmer’s®, Coleman®, Marmot®, Oster®, Sunbeam®, FoodSaver®, Mr. Coffee®, Graco®, Baby Jogger®, NUK®, Calphalon®, Rubbermaid®, Contigo®, First Alert® and Yankee Candle®. For hundreds of millions of consumers, Newell Brands makes life better every day, where they live, learn, work and play.

### Business Strategy

In 2018, Newell Brands announced its Accelerated Transformation Plan, designed to accelerate value creation and more rapidly transform the portfolio to one best positioned to leverage the company’s advantaged capabilities in innovation, design and e-commerce. The Accelerated Transformation Plan is designed to significantly increase shareholder value through both meaningful returns of capital to shareholders and strengthened operational and financial performance, while simultaneously deleveraging the balance sheet.

As part of the Company’s Accelerated Transformation Plan, during 2018, the Company announced it was exploring strategic options for its industrial and commercial product assets, including its Waddington Group, Process Solutions, Rubbermaid Commercial Products, Rexair and Mapa/Spontex businesses, as well as non-core consumer businesses, including its Jostens, Pure Fishing, Rawlings, Rubbermaid Outdoor, Closet, Refuse and Garage, Goody Products and U.S. Playing Cards businesses. These businesses are classified as discontinued operations. Prior periods have been reclassified to conform with the current presentation. During 2018 and 2019, the Company sold Goody Products, Inc. (“Goody”), Jostens, Inc. (“Jostens”), Pure Fishing, Inc. (“Pure Fishing”), Process Solutions, the Rawlings Sporting Goods Company, Inc. (“Rawlings”), Rexair and Waddington Group, Inc. (“Waddington”) and other related subsidiaries as part of the Accelerated Transformation Plan. The Company currently expects to complete the remaining divestitures by the end of 2019.

The Company expects to incur costs and expenses in connection with the transformation of the portfolio of businesses as part of the Accelerated Transformation Plan.

As part of the Company's Accelerated Transformation Plan, during 2018, the Company approved a plan to market for sale its Rubbermaid Commercial Products, Rubbermaid Outdoor, Closet, Refuse, Garage and Cleaning businesses (the "Rubbermaid Business"). This business has been classified as held for sale in the Company's Condensed Consolidated Balance Sheets as of June 30, 2019 and December 31, 2018 and as a discontinued operation in the Company's Condensed Consolidated Statement of Operations for both the three and six month periods ended June 30, 2019 and June 30, 2018. Due to a change in strategy, management recommended and the Company's Board of Directors approved the decision in July 2019 not to continue pursuing the sale of the majority of the Rubbermaid Business. The decision to keep the business was based on the strength of the Rubbermaid Commercial Products brand, its competitive position in a large and growing category, and its track record of cash flow generation, revenue growth and margin expansion. The current management team believes that retaining this business will further enhance the value creation opportunity for the Company.

Commencing in the third quarter of 2019, the Rubbermaid Business to be retained will no longer be classified as held for sale in the Company's Condensed Consolidated Balance Sheets as of September 30, 2019 and December 31, 2018 nor be presented as a discontinued operations in the Company's Condensed Consolidated Statement of Operations for the three-and nine-month periods ended September 30, 2019 and September 30, 2018. The Company anticipates recording a charge of approximately $40.0 million in the third quarter of 2019 relating to the amount of depreciation and amortization expense that would have been recorded had the asset been continuously classified as held and used. The Rubbermaid Business to be retained generated revenue of $243 million and $459 million and operating income of $49.1 million and $95.8 million for the three and six month periods ended June 30, 2019, respectively, which were presented in income (loss) from discontinued operations, net of tax within the Company's Condensed Consolidated Statements of Operations. As of June 30, 2019, the Rubbermaid Business to be retained had assets of $1.3 billion and liabilities of $162 million, which were classified in assets and liabilities held for sale in the Company's Condensed Consolidated Balance Sheet. The Company is still evaluating the segment in which the retained Rubbermaid Business will be included.

The Company continues to explore possible divestiture of the Quickie® cleaning tools business ("Quickie"), which was formerly part of the same disposal group as the Rubbermaid Business and is expected to remain classified in discontinued operations. A divestiture of Quickie could result in an additional charge in the range of $70 million to $110 million. However, the ultimate amount of the charge will depend on a number of factors including the selling price and expected form of sale.

## Organizational Structure

The Company is reporting its financial results in four segments as Food and Appliances, Home and Outdoor Living, Learning and Development and Other.

The Company's three primary operating segments are as follows:

| Segment | Key Brands | Description of Primary Products |
|---|---|---|
| Food and Appliances | Ball®, Calphalon®, Crock-Pot®, FoodSaver®, Mr. Coffee®, Oster®, Rubbermaid®, Sistema® and Sunbeam® | Household products, including kitchen appliances, gourmet cookware, bakeware and cutlery, food storage and home storage products and fresh preserving products |
| Home and Outdoor Living | Chesapeake Bay Candle®, Coleman®, Contigo®, ExOfficio®, First Alert®, Marmot®, WoodWick® and Yankee Candle® | Products for outdoor and outdoor-related activities, home fragrance products and connected home and security products |
| Learning and Development | Aprica®, Baby Jogger®, Dymo®, Elmer's®, Expo®, Graco®, Mr. Sketch®, NUK®, Paper Mate®, Parker®, Prismacolor®, Sharpie®, Tigex® Waterman® and X-Acto® | Writing instruments, including markers and highlighters, pens and pencils; art products; activity-based adhesive and cutting products; labeling solutions; baby gear and infant care products |

## Divestitures

### *2019 Activity*

On May 1, 2019, the Company sold its Rexair business to investment funds affiliated with Rhône Capital for approximately $235 million, subject to customary working capital and other post-closing adjustments. As a result, during the three and six months ended June 30, 2019, the Company recorded a pretax gain of $5.6 million, which is included in the income (loss) from discontinued operations.

On May 1, 2019, the Company sold its Process Solutions business to an affiliate of One Rock Capital Partners, LLC, for approximately $500 million, subject to customary working capital and other post-closing adjustments. As a result, during the three and six months ended June 30, 2019, the Company recorded a pretax loss of $22.0 million, which is included in the income (loss) from discontinued operations.

On June 4, 2019, the Company entered into a definitive agreement to sell its U.S. Playing Cards business to Cartamundi Inc. and Cartamundi España S.L. for approximately $220 million, subject to customary working capital and other post-closing adjustments. The Company expects the transaction to be completed in the second half of 2019, subject to certain customary conditions, including regulatory approvals.

During the three and six months ended June 30, 2019, the Company recorded impairment charges totaling $11.0 million and $186 million, respectively, which are included in the income (loss) from discontinued operations, related to the write-down of the carrying value of the net assets of certain held for sale businesses based on their estimated fair value.

***2018 Activity***

On June 29, 2018, the Company sold Rawlings, its Team Sports business, to a fund managed by Seidler Equity Partners with a co-investment of Major League Baseball, for approximately $400 million, subject to customary working capital and other post-closing adjustments. As a result, during the three and six months ended June 30, 2018, the Company recorded a pretax loss of $136 million, which is included in the income (loss) from discontinued operations.

On June 29, 2018, the Company sold Waddington to Novolex Holdings LLC for approximately $2.3 billion, subject to customary working capital and other post-closing adjustments. As a result, during the three and six months ended June 30, 2018, the Company recorded a pretax gain of approximately $600 million, which is included in the income (loss) from discontinued operations.

On August 31, 2018, the Company sold its Goody business, to a fund managed by ACON Investments, L.L.C. for approximately $110 million, subject to customary working capital and other post-closing adjustments.

On December 21, 2018, the Company sold Jostens to a fund managed by Platinum Equity, LLC for approximately $1.3 billion, subject to customary working capital and other post-closing adjustments.

On December 21, 2018, the Company sold Pure Fishing to a fund managed by Sycamore Partners L.P. for approximately $1.3 billion, subject to customary working capital and other post-closing adjustments.

See Footnote 2 of the Notes to the Consolidated Financial Statements for further information.

**Ongoing Restructuring Initiatives**

***Accelerated Transformation Plan***

The Company’s Accelerated Transformation Plan, which was initiated during the first quarter of 2018, was designed in part, to divest the Company’s industrial and commercial product assets and non-core consumer businesses. The Accelerated Transformation Plan also focuses on the realignment of the Company’s management structure and overall cost structure as a result of the completed and planned divestitures. Restructuring costs associated with the transformation plan include employee-related costs, including severance, retirement and other termination benefits, contract termination costs and other costs.

See Footnote 4 of the Notes to Condensed Consolidated Financial Statements for further information.

**Impacts of Tariffs and New Treasury Regulations**

The U.S. presidential administration has implemented punitive tariffs on some Chinese goods imported into the U.S. The administration has also enacted punitive tariffs on other trading partners, which has resulted in those trading partners establishing retaliatory tariffs on the U.S. However, the impact on the Company is primarily from the China tariffs, resulting in increased costs for the Company. The Company has been successful at negotiating an exception for most of the U.S. tariffs on baby gear, which represents a substantial portion of the Company’s tariff exposure. The Company’s annualized gross tariff cost exposure from the existing punitive tariffs on China goods is estimated at approximately $92 million. The Company is working to mitigate the tariff exposure, in part through pricing, productivity and in some cases relocation. These actions in 2019 have substantially mitigated the Company's exposure. If the U.S. presidential administration were to extend the tariffs to additional categories of goods made in China, as the administration has suggested, such additional tariffs could have a material impact on the Company.

On June 18, 2019, the U.S. Treasury and the Internal Revenue Service released temporary regulations under IRC Section 245A ("Section 245A") as enacted by the 2017 U.S. Tax Reform Legislation ("2017 Tax Reform") and IRC Section 954(c)(6) (the "Temporary Regulations") to apply retroactively to the date the 2017 Tax Reform was enacted. The Temporary Regulations seek to limit the 100% dividends received deduction permitted by Section 245A for certain dividends received from controlled foreign corporations and to limit the applicability of the look-through exception to foreign personal holding company income for certain dividends received from controlled foreign corporations. Before the retroactive application of the Temporary Regulations, the Company benefited in 2018 from both the 100% dividends received deduction and the look-through exception to foreign personal holding company income. The Company has analyzed the Temporary Regulations and concluded that the relevant Temporary Regulations were not validly issued. Therefore, the Company has not accounted for the effects of the Temporary Regulations in its Condensed Consolidated Financial Statements for the period ending June 30, 2019. The Company believes it has strong arguments in favor of its position and believes it has met the more likely than not recognition threshold that its position will be sustained. However, due to the inherent uncertainty involved in challenging the validity of regulations as well as a potential litigation process, there can be no assurances that the relevant Temporary Regulations will be invalidated or that a court of law will rule in favor of the Company. If the Company's position on the Temporary Regulations is not sustained, the Company would be required to recognize an income tax expense of approximately $180 million to $220 million related to an income tax benefit from fiscal year 2018 that was recorded based on regulations in existence at the time. In addition, the Company may be required to pay any applicable interest and penalties. The Company intends to vigorously defend its position.

## Results of Operations

### *Three Months Ended June 30, 2019 vs. Three Months Ended June 30, 2018*

### *Consolidated Operating Results*

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| (in millions) | 2019 | 2018 | Increase (Decrease) | % Change |
| Net sales | $ 2,116.5 | $ 2,201.6 | $ (85.1) | (3.9)% |
| Cost of products sold | 1,369.9 | 1,426.8 | (56.9) | (4.0)% |
| Gross profit | 746.6 | 774.8 | (28.2) | (3.6)% |
| Selling general and administrative expenses ("SG&A") | 558.9 | 613.6 | (54.7) | (8.9)% |
| Restructuring costs, net | 6.7 | 45.7 | (39.0) | (85.3)% |
| Impairment of goodwill, intangibles and other assets | 2.9 | 31.6 | (28.7) | (90.8)% |
| Operating income (loss) | 178.1 | 83.9 | 94.2 | 112.3 % |
| Interest expense, net | 78.2 | 120.5 | (42.3) | (35.1)% |
| Other expense (income), net | 0.2 | (13.2) | 13.4 | 101.5 % |
| Income (loss) before income taxes | $ 99.7 | $ (23.4) | $ 123.1 | NM |

NM – Not meaningful

The decrease in net sales for the three months ended June 30, 2019 was primarily due to a decline in sales in the Food and Appliances and Home and Outdoor Living segments (approximately 4%), partially offset by growth in the Learning and Development segment. These changes are inclusive of unfavorable changes in foreign currency (approximately 2%).

The decrease in cost of products sold for the three months ended June 30, 2019 was primarily driven by lower sales (approximately $31 million) and foreign currency translation (approximately $24 million). Reported gross profit margin was 35.3% versus 35.2% in the prior year period. The change was in part due to improved pricing and productivity savings, mostly offset by the unfavorable impact of lower sales and inflation related to input costs and tariffs.

The decrease in SG&A for the three months ended June 30, 2019 was primarily due to a reduction in overhead costs (approximately $26 million) and foreign currency translation (approximately $9 million), including the benefits derived from cost savings initiatives.

The restructuring costs for the three months ended June 30, 2019 and 2018 were mostly comprised of costs related to the Accelerated Transformation Plan, primarily consisting of severance costs.

Consolidated operating income as a percentage of net sales for the three months ended June 30, 2019 and 2018 was approximately

8.4% and 3.8% respectively. The change is primarily due to lower impairment charges, benefits derived from cost savings initiatives and other reductions in overhead costs, partially offset by the unfavorable impact of lower sales, inflation related to input costs and tariffs.

The decrease in interest expense for the three months ended June 30, 2019 was primarily due to lower debt levels. The weighted average interest rate for the three months ended June 30, 2019 and 2018 was approximately 4.5% and 4.2%, respectively.

See Footnote 12 of the Notes to Condensed Consolidated Financial Statements for information regarding income taxes.

***Business Segment Operating Results***

| | Net Sales | | | | Operating Income (Loss) | | | |
|---|---|---|---|---|---|---|---|---|
| | Three Months Ended June 30, | | | | Three Months Ended June 30, | | | |
| (in millions) | 2019 | 2018 | Increase (Decrease) | % Change | 2019 | 2018 | Increase (Decrease) | % Change |
| Food and Appliances | $ 562.2 | $ 619.8 | $ (57.6) | (9.3)% | $ 33.5 | $ 39.5 | $ (6.0) | (15.2)% |
| Home and Outdoor Living | 705.4 | 741.7 | (36.3) | (4.9)% | 19.2 | 9.4 | 9.8 | 104.3 % |
| Learning and Development | 848.9 | 838.7 | 10.2 | 1.2 % | 217.0 | 195.5 | 21.5 | 11.0 % |
| Other | — | 1.4 | (1.4) | (100.0)% | — | 1.5 | (1.5) | (100.0)% |
| Corporate | — | — | — | — % | (84.9) | (116.3) | 31.4 | 27.0 % |
| Restructuring | — | — | — | — % | (6.7) | (45.7) | 39.0 | 85.3 % |
| | $ 2,116.5 | $ 2,201.6 | $ (85.1) | (3.9)% | $ 178.1 | $ 83.9 | $ 94.2 | 112.3 % |

***Three Months Ended June 30, 2019 versus the Three Months Ended June 30, 2018***

**Food and Appliances**

The decrease in net sales for the three months ended June 30, 2019 was primarily due to declines at certain major domestic retailers in the Appliance and Cookware business, softness in the fresh preserving category, the timing of sales and unfavorable changes in foreign currency.

Operating income (loss) as a percentage of net sales for the three months ended June 30, 2019 and 2018 was approximately 6.0% and 6.5%. The decrease was primarily due to the unfavorable impact of lower sales and cost of goods inflation, partially offset by a decrease in SG&A.

**Home and Outdoor Living**

The decrease in net sales for the three months ended June 30, 2019 was primarily driven by decline in the Coleman and Beverage categories, due in part to by lost distribution at a key U.S. retailer, unfavorable weather conditions customer, returns associated with an expected product recall, unfavorable changes in foreign currency and the exit of underperforming Yankee Candle retail stores, partially offset by growth in Home Fragrance in the U.S. mass channel and EMEA and in the Connected Home and Security business, in part due to increased promotional activity.

Operating income as a percentage of net sales for the three months ended June 30, 2019 and 2018 was approximately 2.7% and 1.3%, respectively. The increase was primarily driven by a decrease in impairment charges, partially offset by the negative impact of lower sales and cost of goods inflation.

**Learning and Development**

The increase in net sales for the three months ended June 30, 2019 was primarily due to growth in the Baby Gear category, largely attributable increased point of sale and retail inventory build; partially offset by a slight decline in the Writing category due to unfavorable foreign currency.

Operating income as a percentage of net sales for the three months ended June 30, 2019 and 2018 was approximately 25.6% and 23.3%, respectively. The increase was due to the gross profit impact of higher sales, a decrease in SG&A and impairment charges and productivity savings.

***Six Months Ended June 30, 2019 vs. Six Months Ended June 30, 2018***

***Consolidated Operating Results***

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| (in millions) | 2019 | 2018 | Increase (Decrease) | % Change |
| Net sales | $ 3,828.6 | $ 4,013.1 | $ (184.5) | (4.6)% |
| Cost of products sold | 2,538.2 | 2,633.0 | (94.8) | (3.6)% |
| Gross profit | 1,290.4 | 1,380.1 | (89.7) | (6.5)% |
| Selling general and administrative expenses | 1,076.8 | 1,239.9 | (163.1) | (13.2)% |
| Restructuring costs, net | 17.6 | 51.1 | (33.5) | (65.6)% |
| Impairment of goodwill, intangibles and other assets | 2.9 | 31.6 | (28.7) | (90.8)% |
| Operating income (loss) | 193.1 | 57.5 | 135.6 | 235.8 % |
| Interest expense, net | 158.4 | 236.6 | (78.2) | (33.1)% |
| Other expense (income), net | 23.5 | (14.6) | 38.1 | 261.0 % |
| Income (loss) before income taxes | $ 11.2 | $ (164.5) | $ 175.7 | 106.8 % |

The decrease in net sales for the six months ended June 30, 2019 was primarily due to a decline in sales across all segments, inclusive of unfavorable changes in foreign currency (approximately 2%).

The decrease in cost of products sold for the six months ended June 30, 2019 was primarily driven by lower sales (approximately $67 million) and foreign currency translation (approximately $54 million), partially offset by impact of a slight decrease in gross profit margin. Reported gross profit margin was 33.7% versus 34.4% in the prior year period. The change was primarily due to the unfavorable impact of lower sales, inflation related to input costs and tariffs.

The decrease in SG&A for the six months ended June 30, 2019 was primarily due to a reduction in overhead costs (approximately $75 million) and foreign currency translation (approximately $20 million), including the benefits derived from cost savings initiatives.

The restructuring costs for the six months ended June 30, 2019 and 2018 were mostly comprised of costs related to the Accelerated Transformation Plan, primarily consisting of severance costs.

Consolidated operating income as a percentage of net sales for the six months ended June 30, 2019 and 2018 was approximately 5.0% and 1.4% respectively. The change is primarily due to lower impairment charges, benefits derived from cost savings initiatives and other reductions in overhead costs, partially offset by the unfavorable impact of lower sales, inflation related to input costs and tariffs.

The decrease in interest expense for the six months ended June 30, 2019 was primarily due to lower debt levels. The weighted average interest rate for the six months ended June 30, 2019 and 2018 was approximately 4.5% and 4.2%, respectively.

See Footnote 12 of the Notes to Condensed Consolidated Financial Statements for information regarding income taxes.

***Business Segment Operating Results***

| | Net Sales | | | | Operating Income (Loss) | | | |
|---|---|---|---|---|---|---|---|---|
| | Six Months Ended June 30, | | | | Six Months Ended June 30, | | | |
| (in millions) | 2019 | 2018 | Increase (Decrease) | % Change | 2019 | 2018 | Increase (Decrease) | % Change |
| Food and Appliances | $ 1,066.3 | $ 1,154.0 | $ (87.7) | (7.6)% | $ 42.8 | $ 52.9 | $ (10.1) | (19.1)% |
| Home and Outdoor Living | 1,332.0 | 1,411.4 | (79.4) | (5.6)% | 17.7 | 17.2 | 0.5 | 2.9 % |
| Learning and Development | 1,430.3 | 1,445.7 | (15.4) | (1.1)% | 305.5 | 261.7 | 43.8 | 16.7 % |
| Other | — | 2.0 | (2.0) | (100.0)% | — | 2.4 | (2.4) | (100.0)% |
| Corporate | — | — | — | — % | (155.3) | (225.6) | 70.3 | 31.2 % |
| Restructuring | — | — | — | — % | (17.6) | (51.1) | 33.5 | 65.6 % |
| | $ 3,828.6 | $ 4,013.1 | $ (184.5) | (4.6)% | $ 193.1 | $ 57.5 | $ 135.6 | 235.8 % |

***Six Months Ended June 30, 2019 versus the Six Months Ended June 30, 2018***

**Food and Appliances**

The decrease in net sales for the six months ended June 30, 2019 was primarily due to declines at certain major domestic retailers in the Appliance and Cookware category, softness in the fresh preserving and food storage categories, unfavorable changes in foreign currency and weakness in Latin America, in part due to economic challenges.

Operating income (loss) as a percentage of net sales for the six months ended June 30, 2019 and 2018 was approximately 4.0% and 4.7%. The decrease is primarily due to the unfavorable impact of lower sales and cost of goods inflation, partially offset by a decrease in SG&A.

**Home and Outdoor Living**

The decrease in net sales for the six months ended June 30, 2019 was primarily driven by lost distribution for Coleman at a key U.S. retailer, unfavorable weather conditions, customer returns associated with an expected product recall, unfavorable changes in foreign currency and the exit of underperforming Yankee Candle retail stores.

Operating income as a percentage of net sales for the six months ended June 30, 2019 and 2018 was approximately 1.3% and 1.2%, respectively. The increase was primarily driven by a decrease in SG&A and impairment charges, partially offset by the negative impact of lower sales and cost of goods inflation.

**Learning and Development**

The decrease in net sales for the six months ended June 30, 2019 was primarily due to weakness in the Baby and Parenting business largely attributable to the liquidation of a major customer, which was announced in March 2018 and unfavorable foreign currency, partially offset by a sales shift to other major retailers, and growth in the Writing business, in part due to U.S. strength largely driven by increased demand at certain major retailers.

Operating income (loss) as a percentage of net sales for the six months ended June 30, 2019 and 2018 was approximately 21.4% and 18.1%, respectively. The increase was mostly due to a decrease in SG&A and productivity savings.

## Liquidity and Capital Resources

***Liquidity***

At June 30, 2019, the Company had cash and cash equivalents of approximately $625 million, of which approximately $359 million was held by the Company's non-U.S. subsidiaries. Overall, the Company believes that available cash and cash equivalents, cash flows generated from future operations, divestiture proceeds, access to capital markets, and availability under its Facility (defined hereafter) and Securitization Facility (defined hereafter) will be adequate to support the cash needs of the Company. The Company intends to use available cash, borrowing capacity, cash flows from future operations, divestiture proceeds and alternative financing arrangements to invest in capital expenditures in support of the Company's growth platforms, to maintain its dividend per share, to pay down debt and debt maturities as they come due, to complete its ongoing restructuring initiatives and to invest in share repurchase.

Cash and cash equivalents increased as follows for the six months ended June 30, 2019 and 2018 (in millions):

| ***Continuing Operations*** | 2019 | 2018 | Increase (Decrease) |
|---|---|---|---|
| Cash used in operating activities | $ (33.5) | $ (478.8) | $ 445.3 |
| Cash used in investing activities | (93.0) | (121.3) | 28.3 |
| Cash provided by financing activities | 253.8 | 2,402.4 | (2,148.6) |
| ***Discontinued Operations*** | | | |
| Cash provided by operating activities | $ 24.4 | $ 88.3 | $ (63.9) |
| Cash provided by investing activities | 715.4 | 2,581.7 | (1,866.3) |
| Cash used in financing activities | (739.8) | (2,665.3) | 1,925.5 |
| ***Total Company*** | | | |
| Cash used in operating activities | $ (9.1) | $ (390.5) | $ 381.4 |
| Cash provided by investing activities | 622.4 | 2,460.4 | (1,838.0) |
| Cash used in financing activities | (486.0) | (262.9) | (223.1) |
| Currency effect on cash and cash equivalents | 1.5 | (13.3) | 14.8 |
| Increase in cash and cash equivalents | $ 128.8 | $ 1,793.7 | $ (1,664.9) |

The Company tends to generate the majority of its operating cash flow in the third and fourth quarters of the year due to seasonal variations in operating results, the timing of annual performance-based compensation payments, customer program payments, working capital requirements and credit terms provided to customers.

***Cash Flows from Operating Activities***

The change in net cash used in operating activities from continuing operations is primarily due to favorable working capital management. There was a decrease in payments to suppliers, as a result of negotiating extended payment terms with key suppliers. In addition, accounts receivable decreased due to better terms compliance as a result of improvements in the Company's dispute resolution process and accounts receivable sold under the new Customer Receivables Purchase Agreement (see "Capital Resources").

***Cash Flows from Investing Activities***

The change in cash used in investing activities from continuing operations was primarily due to a decrease in capital expenditures. For the six months ended June 30, 2019 and 2018, capital expenditures from continuing operations were $90.3 million and $116.7 million, respectively.

***Cash Flows from Financing Activities***

The change in net cash provided by financing activities from continuing operations was primarily due to an increase in payments of the current portion of long-term debt (approximately $268 million).

***CAPITAL RESOURCES***

The Company maintains a $1.25 billion revolving credit facility that matures in December 2023 (the "Facility"). Under the Facility, the Company may borrow funds on a variety of interest rate terms. Since the Facility provides the committed backup liquidity required to issue commercial paper, the Company may issue commercial paper up to a maximum of $800 million provided there is a sufficient amount available for borrowing under the Facility. The Facility also provides for the issuance of up to $100 million of letters of credit, so long as there is a sufficient amount available for borrowing under the Facility. At June 30, 2019, there was no commercial paper outstanding, there were approximately $27.0 million of outstanding standby letters of credit issued against the Facility and there were no borrowings outstanding under the Facility. The net availability under the Facility was approximately $1.2 billion (See Footnote 9 of the Notes to Condensed Consolidated Financial Statements).

In June 2019, the Company entered into a new factoring agreement with a financial institution to sell certain customer receivables at a more attractive discount rate than its previous cash discount terms offered to these customers (the "Customer Receivables

Purchase Agreement”). Transactions under this agreement are accounted for as sales of accounts receivable, and the receivables are removed from the Consolidated Balance Sheet at the time of the sales transaction. The Company classifies the proceeds received from the sales of accounts receivable as an operating cash flow in the Condensed Consolidated Statement of Cash Flows.

In connection with entering into the Customer Receivables Purchase Agreement, the Company amended its existing receivables purchase agreement (the “Securitization Facility”) on June 18, 2019 to remove certain customer receivables which are subject to the Customer Receivables Purchase Agreement. As a result of the amendment, the parties reduced the aggregate commitment under the Securitization Facility from $950 million to $700 million. The Securitization Facility matures in October 2019 and bears interest at a margin over a variable interest rate. At June 30, 2019, the borrowing rate margin and the unused line fee on the Securitization Facility were 0.80% and 0.40% per annum, respectively. At June 30, 2019, there were no outstanding amounts under the Securitization Facility.

The Company was not in default of any of its debt covenants at June 30, 2019.

At June 30, 2018, there were approximately 2.5 million shares of the Company’s common stock that had not been issued and $61 million in cash that had not been paid to the former holders of Jarden shares who are exercising their right to judicial appraisal under Delaware law. Absent consent by the Company, these dissenting shareholders are no longer entitled to the merger consideration, but are instead entitled only to the judicially determined fair value of their shares, plus interest accruing from the date of the Jarden Acquisition, payable in cash. However, it is possible that the Company could issue a consent to or reach agreement with one or more of these shareholders resulting in the issuance of Company shares (in lieu of or along with the payment of cash) in settlement of the dissenters’ claims. (See Footnote 18 of the Notes to Condensed Consolidated Financial Statements). At June 30, 2019, the Company has accrued approximately $174 million of unpaid consideration related to these former shares of Jarden common stock.

## Risk Management

From time to time, the Company enters into derivative transactions to hedge its exposures to interest rate, foreign currency rate and commodity price fluctuations. The Company does not enter into derivative transactions for trading purposes.

### *Interest Rate Contracts*

The Company manages its fixed and floating rate debt mix using interest rate swaps. The Company may use fixed and floating rate swaps to alter its exposure to the impact of changing interest rates on its consolidated results of operations and future cash outflows for interest. Floating rate swaps would be used, depending on market conditions, to convert the fixed rates of long-term debt into short-term variable rates. Fixed rate swaps would be used to reduce the Company’s risk of the possibility of increased interest costs. Interest rate swap contracts are therefore used by the Company to separate interest rate risk management from the debt funding decision. The cash paid and received from the settlement of interest rate swaps is included in interest expense.

### *Fair Value Hedges*

At June 30, 2019, the Company had approximately $527 million notional amount of interest rate swaps that exchange a fixed rate of interest for variable rate (LIBOR) of interest plus a weighted average spread. These floating rate swaps are designated as fair value hedges against $277 million of principal on the 4.7% senior notes due 2020 and $250 million of principal on the 4.0% senior notes due 2024 for the remaining life of these notes. The effective portion of the fair value gains or losses on these swaps is offset by fair value adjustments in the underlying debt.

### *Cross-Currency Contracts*

The Company uses cross-currency swaps to hedge foreign currency risk on certain intercompany financing arrangements with foreign subsidiaries. During 2018, all the Company’s cross-currency interest rate swaps matured. The cross-currency interest rate swaps were intended to eliminate uncertainty in cash flows in U.S. Dollars and British Pounds in connection with the intercompany financing arrangements.

***Foreign Currency Contracts***

The Company uses forward foreign currency contracts to mitigate the foreign currency exchange rate exposure on the cash flows related to forecasted inventory purchases and sales and have maturity dates through December 2019. The derivatives used to hedge these forecasted transactions that meet the criteria for hedge accounting are accounted for as cash flow hedges. The effective portion of the gains or losses on these derivatives is deferred as a component of AOCL and is recognized in earnings at the same time that the hedged item affects earnings and is included in the same caption in the statements of operations as the underlying hedged item. At June 30, 2019, the Company had approximately $284 million notional amount outstanding of forward foreign currency contracts that are designated as cash flow hedges of forecasted inventory purchases and sales.

The Company also uses foreign currency contracts, primarily forward foreign currency contracts, to mitigate the foreign currency exposure of certain other foreign currency transactions. At June 30, 2019, the Company had approximately $758 million notional amount outstanding of these foreign currency contracts that are not designated as effective hedges for accounting purposes and have maturity dates through October 2020. Fair market value gains or losses are included in the results of operations and are classified in other (income) expense, net.

***Commodity Contracts***

To a lesser extent, the Company also enters into commodity-based derivatives in order to mitigate the risk that the rising price of these commodities could have on the cost of certain of the Company’s raw materials. These commodity-based derivatives provide the Company with cost certainty. At June 30, 2019, the Company had approximately $6.7 million notional amount outstanding of commodity-based derivatives that are designated as effective hedges for accounting purposes and have maturity dates through January 2020. Fair market value gains or losses are included in the results of operations and are classified in cost of products sold.

The following table presents the fair value of derivative financial instruments as of June 30, 2019 (in millions):

| | June 30, 2019 Asset (Liability) |
|---|---|
| **Derivatives designated as effective hedges:** | |
| Cash flow hedges: | |
| Foreign currency contracts | $ 3.6 |
| Commodity contracts | (0.3) |
| Fair value hedges: | |
| Interest rate swaps | 3.0 |
| **Derivatives not designated as effective hedges:** | |
| Foreign currency contracts | (0.1) |
| Total | $ 6.2 |

**<u>Forward-Looking Statements</u>**

Forward-looking statements in this Quarterly Report on Form 10-Q (this “Quarterly Report”) are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements generally can be identified by the use of words such as “intend,” “anticipate,” “believe,” “estimate,”, “explore”, “project,” “target,” “plan,” “expect,” “setting up,” “beginning to,” “will,” “should,” “would,” “resume,” or similar statements. The Company cautions that forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. In addition, there are no assurances that the Company will complete any or all of the potential transactions, or other initiatives referenced here. Actual results may differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to:

- the Company’s dependence on the strength of retail, commercial and industrial sectors of the economy in various parts of the world;
- competition with other manufacturers and distributors of consumer products;
- major retailers’ strong bargaining power and consolidation of the Company’s customers;
- the Company’s ability to improve productivity, reduce complexity and streamline operations;

- future events that could adversely affect the value of our assets and/or stock price and require additional impairment charges;
- the Company's ability to remediate the material weakness in internal control over financial reporting and to maintain effective internal control over financial reporting;
- the Company's ability to develop innovative new products, to develop, maintain and strengthen end user brands and to realize the benefits of increased advertising promotion and spend;
- risks related to the Company's substantial indebtedness, potential increases in interest rates or additional adverse changes in the Company's credit ratings;
- the Company's ability to effectively accelerate its transformation plan and execute its divestitures of the remaining assets held for sale;
- the Company's ability to complete planned divestitures, and other unexpected costs or expenses associated with dispositions;
- changes in the prices of raw materials and sourced products and the Company's ability to obtain raw materials and sourced products in a timely manner;
- the impact of governmental investigations, lawsuits or other activities by third parties;
- the risks inherent to the Company's foreign operations, including currency fluctuations, exchange controls and pricing restrictions;
- a failure of one of the Company's key information technology systems, networks, processes or related controls or those of the Company's services providers;
- the impact of United States or foreign regulations on the Company's operations, including the escalation of tariffs on imports into the U.S. and exports to Canada, China and the European Union and environmental remediation costs;
- the potential inability to attract, retain and motivate key employees;
- new Treasury or tax regulations and the resolution of tax contingencies resulting in additional tax liabilities;
- product liability, product recalls or related regulatory actions;
- the Company's ability to protect its intellectual property rights;
- significant increases in the funding obligations related to the Company's pension plans; and
- other factors listed from time to time in our SEC filings, including but not limited to our Annual Report on Form 10-K and Item 1A. Risk Factors below.

The information contained in this Report is as of the date indicated. The Company assumes no obligation to update any forward-looking statements contained in this Report as a result of new information or future events or developments. In addition, there can be no assurance that the Company has correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information the Company receives with respect to these factors is complete or correct.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk**

There have been no material changes from the information previously reported under Part II, Item 7A. in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

**Item 4. Controls and Procedures**

The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be disclosed by the issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating such controls and procedures, the Company recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

As required by Rule 13a-15(b) of the Exchange Act, the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based on that evaluation, the Company's Interim Chief Executive Officer and Chief Financial Officer has concluded that the Company's disclosure controls and procedures are not effective as of June 30, 2019, due to the material weakness in internal control over financial reporting described below.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

We continue to have a material weakness in our internal control over financial reporting as disclosed in Management's Assessment of Internal Control over Financial Reporting in Item 9A., Controls and Procedures, of our Annual Report on Form 10-K for the year ended December 31, 2018 (the "Form 10-K") in that the Company has not designed and maintained effective controls over the accounting for the impact of the divestitures. Specifically, the Company did not design and maintain effective controls to ensure that deferred taxes were included completely and accurately in the carrying values of assets held for sale and that the intraperiod tax allocation between continuing and discontinued operations was accurate. In addition, the Company did not design and maintain effective controls to ensure that the current and noncurrent classification of assets and liabilities held for sale was accurate.

During the first quarter of 2019, management identified that the Company did not maintain effective controls to ensure changes in the underlying data utilized in determining the estimated fair value were complete and accurate and to ensure that the expected form of sale of the disposal groups were appropriately reflected in the Company's impairment assessments prior to filing the 2018 Form 10-K.

Collectively, these deficiencies resulted in the revision of the Company's Consolidated Financial Statements for the year ended December 31, 2018, and adjustments to the assets and liabilities held for sale; loss from discontinued operations, net of tax; net loss and deferred income taxes accounts to the Company's condensed consolidated financial statements for the quarter ended September 30, 2018 as well as the income tax benefit to continuing operations; loss from continuing operations and loss from discontinued operations, net of tax for the quarter and year ended December 31, 2018; assets and liabilities held for sale and other balance sheet accounts primarily deferred income taxes at December 31, 2018 as well as in the current and noncurrent classification of assets and liabilities held for sale in the prior year balance sheet as presented in the December 31, 2018 financial statements. Additionally, any of these control deficiencies could result in a misstatement of the Company's aforementioned accounts and disclosures that would result in a material misstatement of the annual or interim consolidated financial statements that would not be prevented or detected. Accordingly, the Company's management has determined that these control deficiencies constitute a material weakness.

Because of this material weakness, management concluded that the Company did not maintain effective internal control over financial reporting as of June 30, 2019.

**Remediation Plan**

Management is in the process of developing a full remediation plan and has begun enhancing certain controls to include refinements and improvements to the controls over the inputs used in divestiture calculations as follows:

- enhancing the level of review of deferred tax balances for each business held for sale;
- supplementing the review of deferred tax balances by legal entity to ensure proper presentation for financial reporting purposes;
- enhancing the review of the intraperiod tax allocation between continuing and discontinued operations;
- enhancing the held for sale footnote reconciliation process; and
- enhancing the review and approval process for the underlying data utilized in determining the estimated fair value and expected form of sale reflected in the Company's impairment assessment.

The material weakness will not be considered remediated until management designs and implements effective controls that operate for a sufficient period of time and management has concluded, through testing, that these controls are effective. The Company will monitor the effectiveness of its remediation plan and will refine its remediation plan as appropriated.

**Changes in Internal Control Over Financial Reporting**

There have been no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2019, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

Information required under this Item is contained above in Part I. Financial Information, Item 1 and is incorporated herein by reference.

### Item 1A. Risk Factors

Other than as stated below, there have been no material changes in our risk factors from those disclosed in Part I, Item 1A. of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

**The Company's businesses and operations are subject to regulation in the U.S. and abroad.**

Changes in laws, regulations and related interpretations may alter the environment in which the Company does business. This includes changes in environmental, competitive and product-related laws, as well as changes in accounting standards, taxation and other regulations. Accordingly, the Company's ability to manage regulatory, tax and legal matters (including environmental, human resource, product liability, patent and intellectual property matters), and to resolve pending legal and environmental matters without significant liability could require the Company to record significant reserves in excess of amounts accrued to date or pay significant fines during a reporting period, which could materially impact the Company's results. In addition, new regulations may be enacted in the U.S. or abroad that may require the Company to incur additional personnel-related, environmental or other costs on an ongoing basis, significantly restrict the Company's ability to sell certain products, or incur fines or penalties for noncompliance, any of which could adversely affect the Company's results of operations.

As a U.S.-based multinational company, the Company is also subject to tax regulations in the U.S. and multiple foreign jurisdictions, some of which are interdependent. For example, certain income that is earned and taxed in countries outside the U.S. may not be taxed in the U.S. until those earnings are actually repatriated or deemed repatriated. If these or other tax regulations should change, the Company's financial results could be impacted.

On June 18, 2019, the U.S. Treasury and the Internal Revenue Service released temporary regulations under IRC Section 245A ("Section 245A") as enacted by the 2017 U.S. Tax Reform Legislation ("2017 Tax Reform") and IRC Section 954(c)(6) (the "Temporary Regulations") to apply retroactively to the date the 2017 Tax Reform was enacted. The Temporary Regulations seek to limit the 100% dividends received deduction permitted by Section 245A for certain dividends received from controlled foreign corporations and to limit the applicability of the look-through exception to foreign personal holding company income for certain dividends received from controlled foreign corporations. Before the retroactive application of the Temporary Regulations, the Company benefited in 2018 from both the 100% dividends received deduction and the look-through exception to foreign personal holding company income. The Company has analyzed the Temporary Regulations and concluded that the relevant Temporary Regulations were not validly issued. Therefore, the Company has not accounted for the effects of the Temporary Regulations in its Condensed Consolidated Financial Statements for the period ending June 30, 2019. The Company believes it has strong arguments in favor of its position and believes it has met the more likely than not recognition threshold that its position will be sustained. However, due to the inherent uncertainty involved in challenging the validity of regulations as well as a potential litigation process, there can be no assurances that the relevant Temporary Regulations will be invalidated or that a court of law will rule in favor of the Company. If the Company's position on the Temporary Regulations is not sustained, the Company would be required to recognize an income tax expense of approximately $180 million to $220 million related to an income tax benefit from fiscal year 2018 that was recorded based on regulations in existence at the time. In addition, the Company may be required to pay any applicable interest and penalties. The Company intends to vigorously defend its position.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

### Issuer Purchases of Equity Securities

The following table provides information about the Company's purchases of equity securities during the three months ended June 30, 2019:

| Calendar Month | Total Number of Shares Purchased (2) | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2) | Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1) |
|---|---|---|---|---|
| April | 701 | $ 21.69 | — | $ 2,096,216,000 |
| May | 91,086 | 15.36 | — | $ 2,096,216,000 |
| June | 8,702 | 13.63 | — | $ 2,096,216,000 |
| Total | 100,489 | $ 15.25 | — | |

(1) Under the Company's share repurchase program ("SRP"), the Company may repurchase shares of its common stock through a combination of 10b5-1 automatic trading plans, discretionary market purchases or in privately negotiated transactions. On June 11, 2018, the Company announced that its Board of Directors authorized a $2.5 billion increase in the then available amount under its existing SRP. Under the updated SRP, the Company is authorized to repurchase up to approximately $3.6 billion of its outstanding shares through the end of 2019.

(2) All shares during the three months ended June 30, 2019, were acquired to satisfy employees' tax withholding and payment obligations in connection with the vesting of awards of restricted stock units, which were purchased by the Company based on their fair market value on the vesting date.

**Item 6. Exhibits**

| Exhibit Number | | Description of Exhibit |
|---|---|---|
| 10.1 | | Certificate of Amendment of Restated Certificate of Incorporation of Newell Brands Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated May 10, 2019). |
| 10.2 | | By-Laws, as Amended Effective as of May 7, 2019 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated May 10, 2019). |
| 10.3* | | Seventh Omnibus Amendment, dated as of June 18, 2019, by and among Jarden Receivables, LLC, as Borrower, Newell Brands Inc., as Servicer, the Managing Agents named therein, PNC Bank, National Association, as Administrative Agent, and Wells Fargo Bank, National Association, as Issuing Lender, to Loan and Servicing Agreement, dated as of October 3, 2016, and Receivables Contribution and Sale Agreement, dated as of October 3, 2016. |
| 10.4† | | Interim CEO Offer Letter dated June 25, 2019 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 25, 2019). |
| 10.5† | | Interim CEO Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated June 25, 2019). |
| 18.1* | | Letter from PricewaterhouseCoopers LLP regarding change in Accounting Principle, dated August 2, 2019. |
| 31.1* | | Certification of Interim Chief Executive Officer and Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1* | | Certification of Interim Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.SCH | | XBRL Taxonomy Extension Schema |
| 101.CAL | | XBRL Taxonomy Extension Calculation Linkbase |
| 101.DEF | | XBRL Taxonomy Extension Definition Linkbase |
| 101.LAB | | XBRL Taxonomy Extension Label Linkbase |
| 101.PRE | | XBRL Taxonomy Extension Presentation Linkbase |

* Filed herewith
† Represents management contracts and compensatory plans and arrangements.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEWELL BRANDS INC.
Registrant

| | | |
|---|---|---|
| Date: | August 2, 2019 | /s/ Christopher H. Peterson |
| | | Christopher H. Peterson |
| | | Interim Chief Executive Officer and Chief Financial Officer |
| Date: | August 2, 2019 | /s/ Robert A. Schmidt |
| | | Robert A. Schmidt |
| | | Senior Vice President, Chief Accounting Officer |

EXHIBIT 10.3

**SEVENTH OMNIBUS AMENDMENT**

THIS SEVENTH OMNIBUS AMENDMENT, dated as of June 18, 2019 (the *"Amendment"*) is entered into among JARDEN RECEIVABLES, LLC (the *"Borrower"*), the Originators party hereto (the *"Originators"*), NEWELL BRANDS INC., as Servicer (the *"Servicer"*), PNC BANK, NATIONAL ASSOCIATION (*"PNC"*), as Administrative Agent (in such capacity, the *"Administrative Agent"*) and as a Managing Agent, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Issuing Lender (the *"Issuing Lender"*) and each Managing Agent party hereto.

**W I T N E S S E T H :**

WHEREAS, the Borrower, as borrower, the Servicer, the commercial paper conduits from time to time party thereto, the financial institutions from time to time party thereto as Committed Lenders, the financial institutions from time to time party thereto as Managing Agents, the Issuing Lender, the Administrative Agent, and PNC Capital Markets, as Structuring Agent, have entered into that certain Loan and Servicing Agreement, dated as of October 3, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the *"Loan Agreement"*);

WHEREAS, the Borrower, as Buyer, and the Originators from time to time party thereto have entered into that certain Receivables Contribution and Sale Agreement, dated as of October 3, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the *"Sale Agreement"*);

WHEREAS, subject to the terms and conditions set forth herein, the parties hereto have agreed to amend certain provisions of the Loan Agreement and the Sale Agreement as described below; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

*Section 1.* *Defined Terms*. Unless otherwise amended by the terms of this Amendment, terms used in this Amendment shall have the meanings assigned in the Loan Agreement, and if not defined therein, in the Sale Agreement.

*Section 2.* *Amendments to the Loan Agreement*. Subject to the satisfaction of the conditions precedent set forth in Section 5 below, the Loan Agreement shall be and hereby is amended as follows:

(a) The defined term "Facility Limit" appearing in Section 1.01 of the Loan Agreement is hereby amended and restated in its entirety and as so amended and restated shall read as follows:

"Facility Limit" means $700,000,000, adjusted as necessary to give effect to the application of any Joinder Agreement, any reduction pursuant to Section 2.01(b) and any change in the amount of any Lender Group Limit.

(b) Section 1.01 of the Loan Agreement is amended to insert the following new definitions in appropriate alphabetical order:

"Seventh Omnibus Amendment Effective Date" means June 18, 2019.

"Seventh Omnibus Amendment Excluded Receivables" means any Receivable originated (either before or after the Seventh Omnibus Amendment Effective Date) by Sunbeam Products, Inc., Graco Children's Products Inc., Rubbermaid Incorporated, Ignite USA, LLC, Rubbermaid Commercial Products LLC, or Sanford, L.P. for which the Obligor is any of (i) Walmart Inc. or any of its affiliates, (ii) Sam's West Inc. or any of its affiliates, (iii) Sam's East, Inc. or any of its affiliates, (iv) Target Corporation or any of its affiliates, or (v) Amazon.com, Inc. or any of its affiliates.

(c) The last sentence of Section 4.01(l) of the Loan Agreement is amended and restated to read as follows:

Except for (i) amounts owing to Newell Puerto Rico, Ltd. (which shall be electronically swept or otherwise transferred out of such Deposit Account within one (1) Business Day of being identified as such in accordance with Section 5.01(j)), (ii) for a period not to exceed the earliest of (x) the related number of months agreed to by the applicable Business Sellers and the final purchaser of the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, by which collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, shall no longer be deposited therein and (y) twenty-five (25) months after the consummation of the Lehigh Business Sale, the Winter Sports Business Sale, the Goody Business Sale, the Rawlings Business Sale, the Miken Business Sale, the Lifoam Business Sale, the Playing Card Business Sale, the Pure Fishing Business Sale, the Hearthmark Business Sale or the Shakespeare Business Sale, as applicable, collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively (which, in each case, shall be electronically swept or otherwise transferred out of such Deposit Account no later than the earliest of (x) the related number of days agreed to by the applicable Business Sellers and the final purchaser of the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, by which Newell is required to transfer collections of accounts receivable relating to the Lehigh Business, the Winter Sports

Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, out of such Deposit Account and (y) ten (10) Business Days of being deposited therein), (iii) for a period not to exceed twenty-five (25) months after the consummation of the Decor Business Sale, collections of accounts receivable relating to the Decor Business (which shall be electronically swept or otherwise transferred out of such Deposit Account within ten (10) Business Days of being deposited therein), (iv) for a period not to exceed twenty-five (25) months after the consummation of the Tool Business Sale, collections of accounts receivable relating to the Tool Business (which shall be electronically swept or otherwise transferred out of such Deposit Account within five (5) Business Days of being deposited therein), (v) for a period not to exceed twelve (12) months after the consummation of the Triathlon Business Sale, collections of accounts receivable relating to the Triathlon Business (which shall be electronically swept or otherwise transferred out of such Deposit Account within five (5) Business Days of being deposited therein), (vi) for a period not to exceed eighteen (18) months after the consummation of the Consumer Storage Business Sale, collections of accounts receivable relating to the Consumer Storage Business (which shall be electronically swept or otherwise transferred out of such Deposit Account within five (5) Business Days of being deposited therein), (vii) for a period not to exceed nine (9) months after the Seventh Omnibus Amendment Effective Date, collections of accounts receivable relating to the Seventh Omnibus Amendment Excluded Receivables (which shall be electronically swept or otherwise transferred out of such Deposit Account within five (5) Business Days of being deposited therein), and (viii) amounts deposited in the Collection Account in error, so long as the Servicer withdraws such amounts as contemplated in Section 6.06, no funds other than the proceeds of Receivables are deposited to any Deposit Account.

(d) Clause (2) of the second sentence of Section 5.01(j) of the Loan Agreement is amended and restated to read as follows:

(2) all amounts deposited into any Deposit Account to be identified as either Collections or non-Collections and all non-Collections, if any, to be identified (i) in the case of amounts owing to Newell Puerto Rico, Ltd., within four (4) days of being deposited therein, (ii) for a period not to exceed the earliest of (x) the related number of months agreed to by the applicable Business Sellers and the final purchaser of the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, by which collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, shall no longer be deposited therein and (y) twenty-five (25) months

after the consummation of the Lehigh Business Sale, the Winter Sports Business Sale, the Goody Business Sale, the Rawlings Business Sale, the Miken Business Sale, the Lifoam Business Sale, the Playing Card Business Sale, the Pure Fishing Business Sale, the Hearthmark Business Sale or the Shakespeare Business Sale, as applicable, in the case of collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, no later than the earliest of (x) the related number of days agreed to by the applicable Business Sellers and the final purchaser of the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, by which Newell is required to transfer collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, out of such Deposit Account and (y) ten (10) Business Days of being deposited therein, (iii) for a period not to exceed twenty-five (25) months after the consummation of the Decor Business Sale, in the case of collections of accounts receivable relating to the Decor Business, within ten (10) Business Days of being deposited therein, (iv) for a period not to exceed twenty-five (25) months after the consummation of the Tool Business Sale, in the case of collections of accounts receivable relating to the Tool Business, within five (5) Business Days of being deposited therein, (v) for a period not to exceed twelve (12) months after the consummation of the Triathlon Business Sale, in the case of collections of accounts receivable relating to the Triathlon Business, within five (5) Business Days of being deposited therein, (vi) for a period not to exceed eighteen (18) months after the consummation of the Consumer Storage Business Sale, in the case of collections of accounts receivable relating to the Consumer Storage Business, within five (5) Business Days of being deposited therein, (vii) for a period not to exceed nine (9) months after the Seventh Omnibus Amendment Effective Date, in the case of collections of accounts receivable relating to the Seventh Omnibus Amendment Excluded Receivables, within five (5) Business Days of being deposited therein, and (viii) in the case of all other amounts, within one (1) Business Day of being deposited therein.

(e) Subsection (h) of Section 5.02 of the Loan Agreement is amended and restated to read as follows:

(h) *Collections*. No Borrower Party will deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Deposit Account cash or cash proceeds other than Collections and (i) amounts owing to Newell Puerto Rico, Ltd. in an amount not to exceed $2,000,000 in the aggregate in any calendar month, (ii) in each case, for a period not to exceed twenty-five (25) months (or, in the case of the Lehigh Business Sale, the Winter Sports Business Sale, the Goody Business Sale, the Miken Business Sale, the Rawlings Business Sale, the Lifoam Business Sale, the Playing Card Business Sale, the Pure Fishing Business Sale, the Hearthmark Business Sale and the Shakespeare Business Sale, for a period not to exceed the earliest of (x) the related number of months agreed to by the applicable Business Sellers and the final purchaser of such business by which collections of accounts receivable relating to such business shall no longer be deposited therein and (y) twenty-five (25) months) after consummation of the Lehigh Business Sale, the Decor Business Sale, the Tool Business Sale, the Winter Sports Business Sale, the Goody Business Sale, the Miken Business Sale, the Lifoam Business Sale, the Playing Card Business Sale, the Pure Fishing Business Sale, the Shakespeare Business Sale, the Hearthmark Business Sale or the Rawlings Business Sale, as applicable, collections of accounts receivable relating to the Lehigh Business, the Decor Business, the Tool Business, the Winter Sports Business, the Goody Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Shakespeare Business, the Hearthmark Business or the Rawlings Business, respectively, (iii) for a period not to exceed twelve (12) months after consummation of the Triathlon Business Sale, collections of accounts receivable relating to the Triathlon Business, (iv) for a period not to exceed eighteen (18) months after consummation of the Consumer Storage Business Sale, collections of accounts receivable relating to the Consumer Storage Business, (v) for a period not to exceed nine (9) months after the Seventh Omnibus Amendment Effective Date, collections of accounts receivable relating to the Seventh Omnibus Amendment Excluded Receivables, and (vi) amounts deposited in the Collection Account in error, in each case, so long as the Servicer withdraws such amounts as contemplated in Section 6.06. Except as provided in Section 5.01(j) hereof or as may be required by the Administrative Agent pursuant to the last sentence of Section 6.02(b), no Borrower Party will deposit or otherwise credit, or cause or permit to be so deposited or credited, any Collections or proceeds thereof to any lock-box account or to any other account not covered by a Blocked Account Agreement.

(f) The first sentence of Section 6.06 of the Loan Agreement is amended and restated to read as follows:

In the case of any remittances received in any Lock-Box or Deposit Account that shall have been identified to the satisfaction of, or determined by, the Servicer, to not constitute Collections or other proceeds of the Receivables or the Related Security, the Servicer shall, as applicable, remit such items to the Person identified to, or determined by, it as being the owner of such remittances (i) for a period not to exceed the earliest of (x) the related number of months agreed to by the applicable Business Sellers and the final purchaser of the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, by which collections of accounts receivable relating to the Lehigh Business, the Winter Sports

Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, shall no longer be deposited therein and (y) twenty-five (25) months after the consummation of the Lehigh Business Sale, the Winter Sports Business Sale, the Goody Business Sale, the Rawlings Business Sale, the Miken Business Sale, the Lifoam Business Sale, the Playing Card Business Sale, the Pure Fishing Business Sale, the Hearthmark Business Sale and the Shakespeare Business Sale, as applicable, in the case of collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, as applicable, no later than the earliest of (x) the related number of days agreed to by the applicable Business Sellers and the final purchaser of the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, by which Newell is required to transfer collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, out of such Lock-Box or Deposit Account and (y) ten (10) Business Days of being deposited therein, (ii) for a period not to exceed twenty-five (25) months after the consummation of the Decor Business Sale, in the case of collections of accounts receivable relating to the Decor Business, within ten (10) Business Days of being deposited therein, (iii) for a period not to exceed twenty-five (25) months after the consummation of the Tool Business Sale, in the case of collections of accounts receivable relating to the Tool Business, within five (5) Business Days of being deposited therein, (iv) for a period not to exceed twelve (12) months after the consummation of the Triathlon Business Sale, in the case of collections of accounts receivable relating to the Triathlon Business, within five (5) Business Days of being deposited therein, (v) for a period not to exceed eighteen (18) months after the consummation of the Consumer Storage Business Sale, in the case of collections of accounts receivable relating to the Consumer Storage Business, within five (5) Business Days of being deposited therein, (vi) for a period not to exceed nine (9) months after the Seventh Omnibus Amendment Effective Date, in the case of collections of accounts receivable relating to the Seventh Omnibus Amendment Excluded Receivables, within five (5) Business Days of being deposited therein, and (vii) in the case of all other amounts, within one (1) Business Day after such identification or determination.

(g) Schedule I to the Loan Agreement shall be and hereby is amended and restated in its entirety as set forth on Exhibit A attached hereto.

*Section 3. Amendments to the Sale Agreement*. Subject to the satisfaction of the conditions precedent set forth in Section 5 below, the Sale Agreement shall be and hereby is amended as follows:

(a) The last sentence of Section 2.1(l) of the Sale Agreement is amended and restated to read as follows:

Except for (i) amounts owing to Newell Puerto Rico, Ltd. (which shall be electronically swept or otherwise transferred out of such Deposit Account within four (4) Business Days of being identified as such in accordance with Section 4.1(i)), (ii) in each case, for a period not to exceed the earliest of (x) the related number of months agreed to by the applicable Business Sellers and the final purchaser of the Lehigh Business, the Winter Sports Business, the Goody Business , the Miken Business, the Rawlings Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, by which collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, shall no longer be deposited therein and (y) twenty-five (25) months after the consummation of the Lehigh Business Sale, the Winter Sports Business Sale, the Goody Business Sale, the Miken Business Sale, the Rawlings Business Sale, the Lifoam Business Sale, the Playing Card Business Sale, the Pure Fishing Business Sale, the Hearthmark Business Sale and the Shakespeare Business Sale, respectively, collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively (which, in each case, shall be electronically swept or otherwise transferred out of such Deposit Account no later than the earliest of (x) the related number of days agreed to by the applicable Business Sellers and the final purchaser of the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, by which Newell is required to transfer collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, out of such Deposit Account and (y) ten (10) Business Days of being deposited therein), (iii) for a period not to exceed twenty-five (25) months after the consummation of the Decor Business Sale, collections of accounts receivable relating to the Decor Business (which shall be electronically swept or otherwise transferred out of such Deposit Account within ten (10) Business Days of being deposited therein), (iv) for a period not to exceed twenty-five (25) months after the consummation of the Tool Business Sale, collections of accounts receivable relating to the Tool Business (which shall be electronically swept or otherwise transferred out of such Deposit Account within five (5) Business Days of being deposited therein, (v) for a period not to exceed twelve (12) months after the consummation of the Triathlon Business Sale, collections of accounts receivable relating to the Triathlon Business (which shall be electronically swept or otherwise transferred out of such Deposit Account within five (5) Business Days of being deposited therein), (vi) for a period not to exceed eighteen (18) months after the consummation of the Consumer Storage Business Sale, collections of accounts receivable relating to the Consumer Storage Business (which shall be electronically swept or otherwise transferred out of such Deposit Account within five (5) Business Days of being deposited therein), (vii) for a period not to exceed nine (9) months after the Seventh Omnibus Amendment Effective Date, collections of accounts receivable relating to the Seventh Omnibus Amendment Excluded Receivables (which shall be electronically swept or otherwise transferred out of such Deposit Account within five (5) Business Days of being deposited therein), and (viii) amounts deposited in any Deposit Account in error, no funds other than the proceeds of Receivables of such Originator are deposited to any Deposit Account of such Originator.

(b) Clause (2) of the second sentence of Section 4.1(i) of the Sale Agreement is amended and restated to read as follows:

(2) all amounts deposited into any Deposit Account to be identified as either Collections or non-Collections and all non-Collections, if any, to be identified (i) in the case of amounts owing to Newell Puerto Rico, Ltd., within four (4) days of receipt or deposit, (ii) for a period not to exceed the earliest of (x) the related number of months agreed to by the applicable Business Sellers and the final purchaser of the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, by which collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, shall no longer be deposited therein and (y) twenty-five (25) months after the consummation of the Lehigh Business Sale, the Winter Sports Business Sale, the Goody Business Sale, the Miken Business Sale, the Rawlings Business Sale, the Lifoam Business Sale, the Playing Card Business Sale, the Pure Fishing Business Sale, the Hearthmark Business Sale and the Shakespeare Business Sale, respectively, in the case of collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, no later than the earliest of (x) the related number of days agreed to by the applicable Business Sellers and the final purchaser of the Lehigh Business, the

Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, by which Newell is required to transfer collections of accounts receivable relating to the Lehigh Business, the Winter Sports Business, the Goody Business, the Rawlings Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Hearthmark Business and the Shakespeare Business, respectively, out of such Deposit Account and (y) ten (10) Business Days of being deposited therein, (iii) for a period not to exceed twenty-five (25) months after the consummation of the Decor Business Sale, in the case of collections of accounts receivable relating to the Decor Business, within ten (10) Business Days of being deposited therein, (iv) for a period not to exceed twenty-five (25) months after the consummation of the Tool Business Sale, in the case of collections of accounts receivable relating to the Tool Business, within five (5) Business Days of being deposited therein, (v) for a period not to exceed twelve (12) months after the consummation of the Triathlon Business Sale, in the case of collections of accounts receivable relating to the Triathlon Business, within five (5) Business Days of being deposited therein, (vi) for a period not to exceed eighteen (18) months after the consummation of the Consumer Storage Business Sale, in the case of collections of accounts receivable relating to the Consumer Storage Business, within five (5) Business Days of being deposited therein, (vii) for a period not to exceed nine (9) months after the Seventh Omnibus Amendment Effective Date, in the case of collections of accounts receivable relating to the Seventh Omnibus Amendment Excluded Receivables, within five (5) Business Days of being deposited therein, and (viii) in the case of all other amounts, within one (1) Business Day of being deposited therein.

(c) Subsection (f) of Section 4.2 of the Sale Agreement is amended and restated to read as follows:

(f) *Collections*. Except for (i) amounts owing to Newell Puerto Rico, Ltd. in an amount not to exceed $2,000,000 in the aggregate in any calendar month, (ii) in each case, for a period not to exceed twenty-five (25) months (or, in the case of the Lehigh Business Sale, the Decor Business Sale, the Tool Business Sale, the Winter Sports Business Sale, the Goody Business Sale, the Miken Business Sale, the Rawlings Business Sale, the Lifoam Business Sale, the Playing Card Business Sale, the Pure Fishing Business Sale, the Hearthmark Business Sale and the Shakespeare Business Sale, for a period not to exceed the earliest of (x) the related number of months agreed to by the applicable Business Sellers and the final purchaser of such business by which collections of accounts receivable relating to such business shall no longer be deposited therein and (y) twenty-five (25) months) after consummation of the Lehigh Business Sale, the Decor Business Sale, the Tool Business Sale, the Winter Sports Business Sale, the Goody Business Sale, the Miken Business Sale, the Lifoam Business Sale, the Playing Card Business Sale, the Pure Fishing Business Sale, the Shakespeare Business Sale, the Hearthmark Business Sale or the Rawlings Business

Sale, as applicable, collections of accounts receivable relating to the Lehigh Business, the Decor Business, the Tool Business, the Winter Sports Business, the Goody Business, the Miken Business, the Lifoam Business, the Playing Card Business, the Pure Fishing Business, the Shakespeare Business, the Hearthmark Business or the Rawlings Business, respectively, (iii) in each case, for a period not to exceed twelve (12) months after consummation of the Triathlon Business Sale, collections of accounts receivable relating to the Triathlon Business (iv) for a period not to exceed eighteen (18) months after consummation of the Consumer Storage Business Sale, collections of accounts receivable relating to the Consumer Storage Business, (v) for a period not to exceed nine (9) months after the Seventh Omnibus Amendment Effective Date, collections of accounts receivable relating to the Seventh Omnibus Amendment Excluded Receivables, and (vi) amounts deposited in the Collection Account in error, such Originator will not deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Deposit Account cash or cash proceeds other than Collections. Except as provided under Section 4.1(i) or as may be required by the Administrative Agent, such Originator will not deposit or otherwise credit, or cause or permit to be so deposited or credited, any Collections or proceeds thereof to any lock-box account or to any other account not covered by a Blocked Account Agreement.

(e) Schedule D to the Sale Agreement shall be and hereby is amended and restated in its entirety as set forth on Exhibit B attached hereto.

*Section 4. Consent to Sale of Designated Receivables.* Pursuant to Section 5.02(d) of the Loan Agreement, the Borrower shall not sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Receivable, Related Security, Collections, Letter of Credit Collateral or other Collateral or upon or with respect to any Contract under which any Receivable arises (the *"Sale Prohibition"*). The Borrower has notified the Administrative Agent and each of the Managing Agents that it intends to sell all Seventh Omnibus Amendment Excluded Receivables to one or more of its Affiliates (the *"Designated Receivables Sale"*). Notwithstanding the Sale Prohibition or any provision of the Loan Agreement to the contrary, each of the Administrative Agent and each Managing Agent hereby consents to the Designated Receivables Sale so long as (i) such sale is for a purchase price at least equal to the Outstanding Balance of the Seventh Omnibus Amendment Excluded Receivables, (ii) such sale is made for cash; *provided, however* that any excess of the Outstanding Balance of a Seventh Omnibus Amendment Excluded Receivable over the fair market value with respect to such Seventh Omnibus Amendment Excluded Receivable shall be deemed to decrease the amount outstanding under the applicable Subordinated Note, (iii) such sale is without recourse to the Borrower, and (iv) such sale is conducted on an arm's length basis and on material terms no less favorable to the Borrower and the Secured Parties than would be the case if the purchaser thereof was not an Affiliate of the Borrower.

*Section 5. Conditions to Amendment*. This Amendment shall become effective and be deemed effective as of the date first written above (the *"Amendment Effective Date"*) upon the satisfaction of the following conditions precedent:

(a) The Borrower, each Originator, the Servicer, the Administrative Agent, the Issuing Lender and the Managing Agents party hereto shall have executed and delivered this Amendment.

(b) The Administrative Agent shall have received a duly executed Reaffirmation, Consent and Acknowledgment of the Performance Undertaking in the form attached hereto.

(c) The Administrative Agent shall have received a duly executed Reconveyance and Release Agreement (the *"Reconveyance and Release Agreement"*).

(d) The Administrative Agent and each Managing Agent shall have received an updated Monthly Report giving effect to this Amendment and the release of the Released Assets as defined in the Reconveyance and Release Agreement.

(e) The Administrative Agent shall have received such other agreements, instruments, documents, certificates, and opinions as the Administrative Agent may reasonably request.

*Section 6. Agreement in Full Force and Effect/Effectiveness of Amendment*. Except as expressly set forth herein, all terms and conditions of the Loan Agreement and the Sale Agreement, as amended, shall remain in full force and effect. Upon the effectiveness of this Amendment, (i) the Borrower and the Servicer each hereby reaffirms all covenants, representations and warranties made by it in the Loan Agreement and the Sale Agreement, as applicable, to the extent the same are not amended hereby and agrees that all such covenants, representations and warranties shall be deemed to have been remade as of the Amendment Effective Date (except for those representations and warranties that are expressly made only as of a different date, which representations and warranties shall be correct as of the date made) and (ii) each reference in the Loan Agreement or the Sale Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be, and any references to such agreement in any other document, instrument or agreement executed and/or delivered in connection therewith shall mean and be, a reference to such agreement as amended hereby.

*Section 7. Execution in Counterparts, Effectiveness*. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be executed by the parties hereto and be deemed an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic means shall be effective as delivery of a manually executed counterpart of this Amendment.

*Section 8. Governing Law*. This Amendment shall be construed in accordance with the laws of the State of New York, without reference to conflict of law principles, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with the laws of the State of New York.

*Section 9. Notice of Reduction of Commitments*. The Administrative Agent and each Managing Agent hereby acknowledge and agree that the amendment set forth in Section 2(a) above shall be in lieu of any notice required under Section 2.01(b) of the Loan Agreement, and each hereby waives the giving of such notice.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their duly authorized officers as of the date hereof.

JARDEN RECEIVABLES, LLC

BY: SUNBEAM PRODUCTS, INC.
ITS: MANAGER AND SOLE MEMBER

By: /s/ Bradford R. Turner
Name: Bradford R. Turner
Title: Chief Legal and Administrative Officer and Corporate Secretary

NEWELL BRANDS INC.,
as Servicer

By: /s/ Bradford R. Turner
Name: Bradford R. Turner
Title: Chief Legal and Administrative Officer and Corporate Secretary

THE ORIGINATORS:

BRK BRANDS, INC.
THE COLEMAN COMPANY, INC.
GRACO CHILDREN'S PRODUCTS INC.
IGNITE USA, LLC
MARMOT MOUNTAIN, LLC
NEWELL BRANDS INC.
RUBBERMAID COMMERCIAL PRODUCTS LLC
RUBBERMAID INCORPORATED
SANFORD, L.P.
SUNBEAM PRODUCTS, INC.
THE YANKEE CANDLE COMPANY, INC.

By: /s/ Bradford R. Turner
Name: Bradford R. Turner
Title: Chief Legal and Administrative Officer and Corporate Secretary

THE UNITED STATES PLAYING CARD COMPANY,
as an Originator

By: /s/ Bradford R. Turner
Name: Bradford R. Turner
Title: Secretary

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent and as
a Managing Agent

By: /s/ Christopher Blaney
Name: Christopher Blaney
Title: Senior Vice President

SIGNATURE PAGE TO SEVENTH OMNIBUS AMENDMENT

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Issuing Lender and as a Managing Agent

By: /s/ Isaac Washington
Name: Isaac Washington
Title: Vice President

ROYAL BANK OF CANADA,
as a Managing Agent

By: /s/ Veronica L. Gallagher
Name: Veronica L. Gallagher
Title: Authorized Signatory

MUFG BANK, LTD. F/K/A THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
NEW YORK BRANCH,
as a Managing Agent

By: /s/ Eric Williams
Name: Eric Williams
Title: Managing Director

SUNTRUST BANK,
as a Managing Agent

By: /s/ Emily Shields
Name: Emily Shields
Title: FVP

SIGNATURE PAGE TO SEVENTH OMNIBUS AMENDMENT

**REAFFIRMATION, ACKNOWLEDGEMENT, AND CONSENT OF PERFORMANCE GUARANTOR**

The undersigned, Newell Brands Inc., heretofore executed and delivered to the Administrative Agent a Performance Undertaking dated October 3, 2016. The undersigned hereby acknowledges and consents to the Seventh Omnibus Amendment dated as of the date hereof, and confirms that its Performance Undertaking, and all obligations of the undersigned thereunder, remains in full force and effect. The undersigned further agrees that the consent of the undersigned to any other amendment or modification to the Loan Agreement or the Sale Agreement or any of the Facility Documents referred to therein (each as existing on the date hereof) shall not be required as a result of this consent having been obtained. The undersigned acknowledges that the administrative agent, the Issuing Lender and the Managing Agents are relying on the assurances provided herein in entering into the Amendment set forth above.

Dated As of June 18, 2019.

NEWELL BRANDS INC.

BY: /s/ Bradford R. Turner
NAME: Bradford R. Turner
TITLE: Chief Legal and Administrative
Officer and Corporate Secretary

EXHIBIT 18.1

8/2/2019

Board of Directors

Newell Brands Inc.
221 River St.
Hoboken, NJ 07030

Dear Directors:

We are providing this letter to you for inclusion as an exhibit to Newell Brands Inc.'s (the "Company") Quarterly Report on Form 10-Q for the period ended June 30, 2019 (the "Form 10-Q") pursuant to Item 601 of Regulation S-K.

We have been provided a copy of the Company's Form 10-Q. Note 1 therein describes a change in accounting principle related to the testing date of the annual goodwill impairment assessment from July 1 to December 1. It should be understood that the preferability of one acceptable method of accounting over another for a change in the date of the annual goodwill impairment assessment has not been addressed in any authoritative accounting literature, and in expressing our concurrence below we have relied on management's determination that this change in accounting principle is preferable. Based on our reading of management's stated reasons and justification for this change in accounting principle related to the testing date of the goodwill annual impairment assessment in the Form 10-Q, and our discussions with management as to their judgment about the relevant business planning factors relating to the change, we concur with management that such change represents, in the Company's circumstances, a change to a preferable accounting principle in conformity with Accounting Standards Codification 250, *Accounting Changes and Error Corrections*.

We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2018. Accordingly, our comments are subject to change upon completion of an audit of the financial statements covering the period of the accounting change.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

EXHIBIT 31.1

**CERTIFICATION**

I, Christopher H. Peterson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Newell Brands Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2019

/s/ Christopher H. Peterson

Christopher H. Peterson

Interim Chief Executive Officer and Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Newell Brands Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Christopher H. Peterson, Interim Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher H. Peterson

Christopher H. Peterson
Interim Chief Executive Officer and Chief Financial Officer
August 2, 2019