# Barclays Global Consumer Staples Conference

**Ravi Saligram** – President and Chief Executive Officer
**Chris Peterson** – Chief Financial Officer and President, Business Operations

# Forward Looking Statements

Some of the statements in this presentation and its exhibits, particularly those anticipating future financial performance, business prospects, growth, operating strategies, the impact of the COVID-19 pandemic and similar matters, are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements generally can be identified by the use of words or phrases, including, but not limited to, “intend,” “anticipate,” “believe,” “estimate,” “project,” “target,” “plan,” “expect,” “setting up,” "beginning to," “will,” “should,” “would,” “resume,” “are confident that,” "remains optimistic that," or similar statements. We caution that forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. 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:

- our ability to manage the demand, supply and operational challenges due to the actual or perceived effects of the COVID-19 pandemic;
- our dependence on the strength of retail, commercial and industrial sectors of the economy in various countries around the world;
- competition with other manufacturers and distributors of consumer products;
- major retailers’ strong bargaining power and consolidation of our customers;
- risks related to our substantial indebtedness, a potential increase in interest rates or changes in our credit ratings;
- our 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;
- our ability to remediate the material weakness in internal control over financial reporting and to consistently maintain effective internal control over financial reporting;
- our ability to develop innovative new products, to develop, maintain and strengthen end-user brands and to realize the benefits of increased advertising and promotion spend;
- the impact of costs associated with divestitures;
- our ability to effectively execute our turnaround plan;
- changes in the prices of raw materials and sourced products and our ability to obtain raw materials and sourced products in a timely manner;
- the impact of governmental investigations, inspections, lawsuits, legislative requests or other actions by third parties;
- the risks inherent to our foreign operations, including foreign exchange fluctuations, exchange controls and pricing restrictions;
- a failure of one of our key information technology systems, networks, processes or related controls or those of our service providers;
- the impact of U.S. and foreign regulations on our operations, including the escalation of tariffs on imports into the U.S. and exports to Canada, China and the European Union, environmental remediation costs and data privacy regulations;
- the potential inability to attract, retain and motivate key employees;
- the impact of new Treasury and tax regulations and the resolution of tax contingencies resulting in additional tax liabilities;
- product liability, product recalls or related regulatory actions;
- our ability to protect intellectual property rights;
- significant increases in funding obligations related to our pension plans; and
- other factors listed from time to time in our filings with the Securities and Exchange Commission, including, but not limited to, our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.

The information contained in this presentation and the tables is as of the date indicated. The company assumes no obligation to update any forward-looking statements as a result of new information, future events or developments.

This presentation and the accompanying remarks contain non-GAAP measures. An explanation of most directly comparable GAAP measures, if available, and reconciliations are contained in the Appendix after slide 27.

# Key Messages

Strong progress on restoring top line growth potential

Closing margin gaps vs. benchmarks

Significantly improving cash flow generation

Strong and experienced leadership team now in place

# Newell at a Glance

**$9.2B**
LTM sales

**~30K**
employees

**10**
countries
>90% of LTM sales

**25**
brands
~85% of LTM sales

**90%**
of U.S. households buy our brands

**18%**
of LTM sales via eCommerce

**32%**
international LTM sales

# Priorities We Have Been Executing On

**Address COVID-19 Related Challenges**

- Safety and Wellbeing of Employees
- Keep Plants and DC's Open, Where Possible
- Preserve Financial Health and Strong Liquidity

**Drive Turnaround Agenda Forward**

- Build a Winning Team
- Restart Growth Engine
- Focus on Cash, Productivity, Complexity & Overheads

# New Appointments Strengthen Leadership Team

**Mike Hayes**
Chief Customer Officer

**Kristine Malkoski**
Business Unit CEO
Food

**Lisa McCarthy**
President
Home Fragrance

**Michael McDermott**
Business Unit CEO
Commercial

**Steven Parsons**
Chief Human Resources Officer

**Jim Pisani**
Business Unit CEO
Outdoor & Recreation

**Christine Robins**
Business Unit CEO
Appliances & Cookware

# Laser Focused on Reigniting Core Sales Growth

## 1 Innovation

- Build on momentum in growth businesses
- Continue improvement in Food and Commercial
- Rebuild A&C and O&R innovation foundations
- Rejuvenate brands for today's consumer
- Capitalizing on emerging consumer needs and trends
- Enabling cross-business platforms

## 2 eCommerce and Social Marketing

- Achieve towering competitive advantage in eCommerce and Social Marketing
- Improve digital IQ of businesses and become a truly omni-channel player
- Accelerate retail.com growth

## 3 U.S. Distribution Gaps

- Close gaps in non-mass channels (e.g. Grocery, Dollar, Drug)
- Leverage Newell's scale vs. individual business units

## 4 Customer Collaboration and Execution

- Become an exemplary business partner through joint business planning and excellent customer service / fulfillment accuracy
- Top to top relationships

## 5 International

- Focus on key drive countries and categories to build scale

# Green Shoots of Underlying Progress

Restoring growth momentum of Food and Commercial business units

Fortifying innovation funnel and fast-tracking new ideas to market

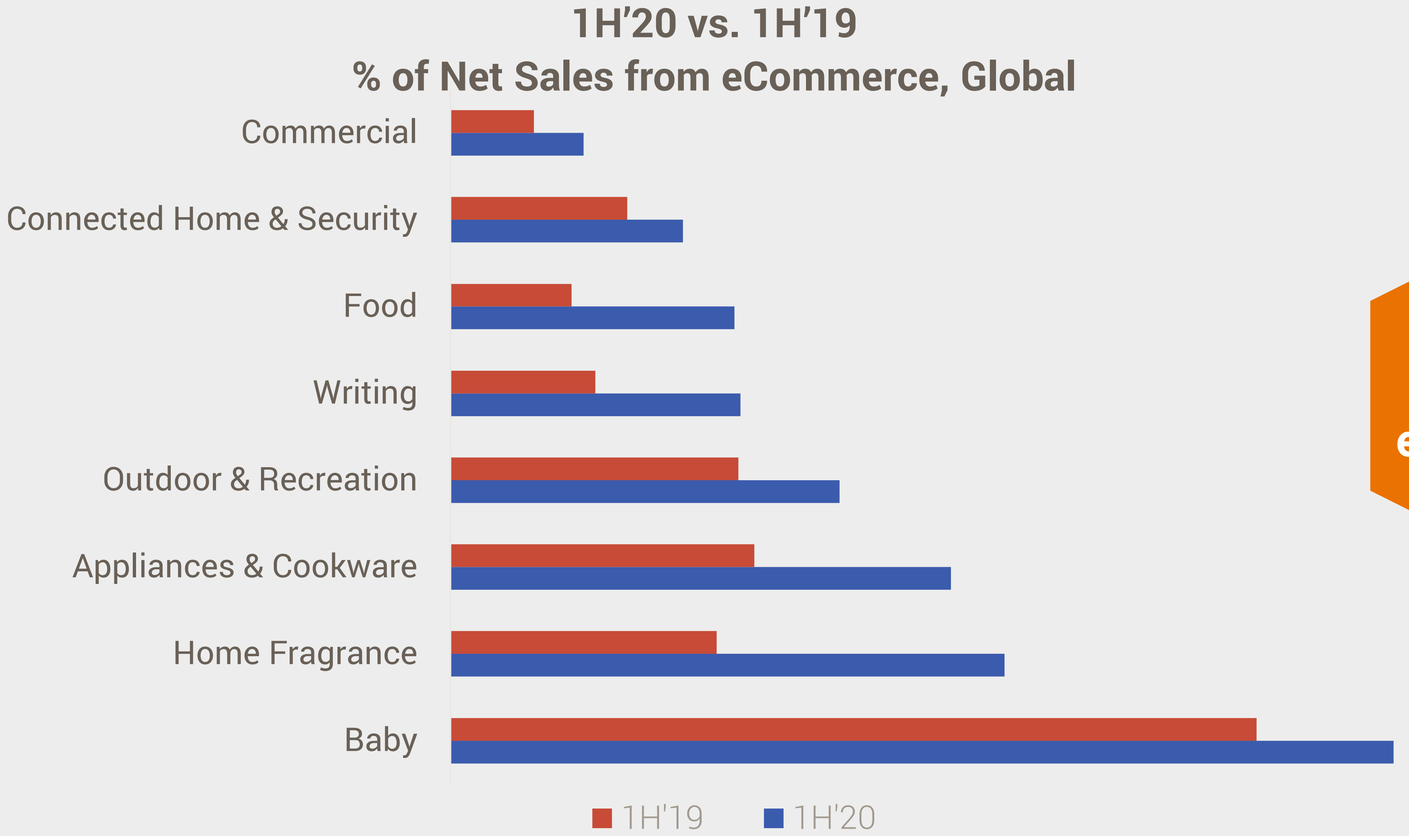
Capitalizing on consumer trends to accelerate recovery in Appliances & Cookware and Outdoor & Recreation

Elevating omni-channel capability

Strengthening customer collaboration and closing distribution gaps

- Underlying progress temporarily masked by ~9pt sales headwind from COVID-19 in 1H'20

# Expanding eCommerce Penetration Off a Solid Base




# Well Positioned for Emerging Consumer Trends

## Cooking, Baking & Grilling

## Consuming Food at Home

## Hygiene

## Outdoor Activities

## Arts & Crafts

## Coffee Consumption

## Local Road Trips

## Spending Time at Home

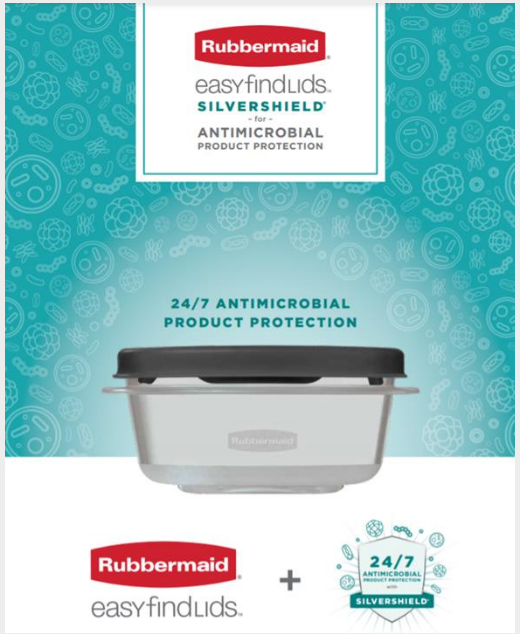
# Leaning Into Innovation to Build on Strong Growth Momentum in Food

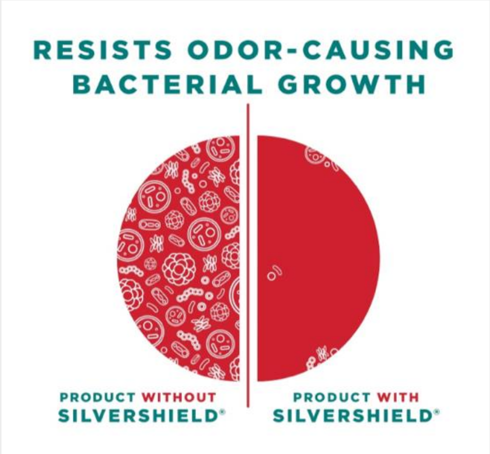
## Food

- Food has maintained core growth momentum since Q4’19
- Driving market share gains
- Strengthened new product pipeline and accelerated time to market

### Rubbermaid® Brilliance™ Glass

### Rubbermaid® EasyFindLids™ Silvershield® for Antimicrobial Product Protection





Antimicrobial properties are built in to inhibit the growth of odor-causing bacteria on the product. This product does not protect users or others against foodborne bacteria. Always clean and wash this product thoroughly before and after each use.

# Commercial Business Off to a Strong Start in 1H'20 and Rapidly Capitalizing on Emerging Trends

## Commercial

- 2 consecutive quarters of core sales growth in Q1 and Q2'20
- Improved innovation funnel and strong execution driving distribution wins

**Building a $100M Sanitizer Business Over the Next Few Years & Scaling Supply Capacity for Global Growth**


**Expected to be one of the fastest organic growth businesses for Newell Brands**

# Appliances & Cookware Leveraging the Rise of the 'Home Chef' and Increased Coffee Consumption

## Appliances & Cookware

Oster® DiamondForce™ Appliances

Oster® Blend Active Rechargeable Portable Blender


Mr. Coffee® Iced™ Coffeemaker


Appliances & Cookware business **returned to core sales growth in Q2'20** and is well positioned to **capitalize on prevailing consumer trends**, while populating the innovation funnel

# Writing Managing Through Temporary Disruption, As Innovation Delivers

## Writing

### NWL's share in gel pens +7.2 pts YOY in Q2'20


- Best-in-Class Business Gel Pen
- Hero item from 'Year of the Pen' lineup
- Sharpie® S Gel™ captured 6.9% share in Q2'20

### Writing Business - Pre-COVID Performance

- Strong footing with 6 straight quarters of core sales growth through Q4'19
- Proven strategies and execution
- Strong innovation pipeline

### Writing Business - Post-COVID Disruption

- Uncertainty about school and office re-openings driving significant category softness
- Core sales in Writing **temporarily** under pressure in 2020
- Have **full confidence** in underlying health of the business



Source: NPD.

# Enhanced Customer Collaboration Driving Early Progress on Business Wins

**ELEVATE PARTNERSHIP**

**COLLABORATION**

**CONTINUOUS IMPROVEMENT**

Expanding distribution in dollar channel for Writing and Food businesses

Increasing distribution and Awards of Category Advisorship in the home center channel for Commercial and Connected Home & Security businesses

Enhanced Joint Business Planning framework driving 2021 line reviews

# Encouraging Consumption Trends

| | L4 | L13 | L26 | YTD |
|---|---|---|---|---|
| U.S. POS | ↑ | ↑ | ↑ | ↑ |

**Company returned to core sales growth in June through August 2020**

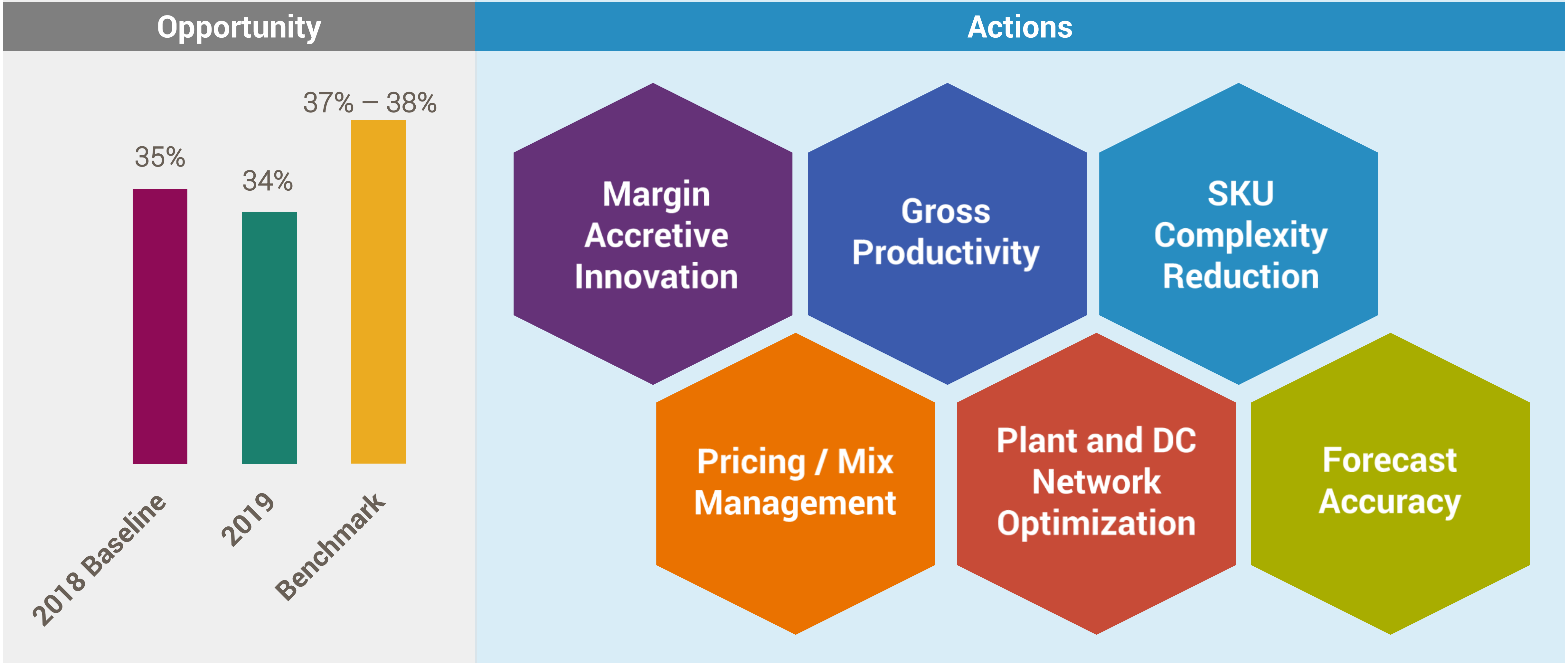
U.S. Point Of Sale (POS) through August 2020.

# Driving Operational Improvements

**Productivity**
**Cash Flow**

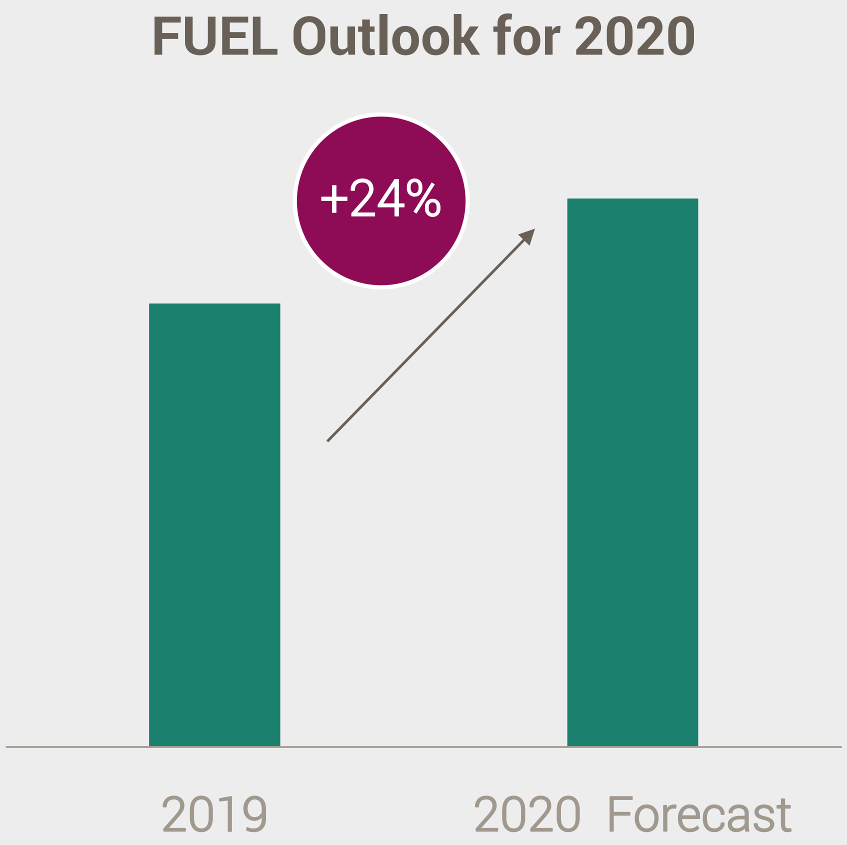
**Overhead Costs**
**Complexity**

# Building Blocks for Gross Margin Expansion




Note: 2019 figures are normalized; 2018 Baseline as presented at CAGNY 2019, prior to reclassification of Rubbermaid Commercial Products, Mapa/Spontex and Quickie to continuing operations; Benchmark based on representative peer group of consumable and durables companies.

# FUEL Off to a Strong Start in 2020

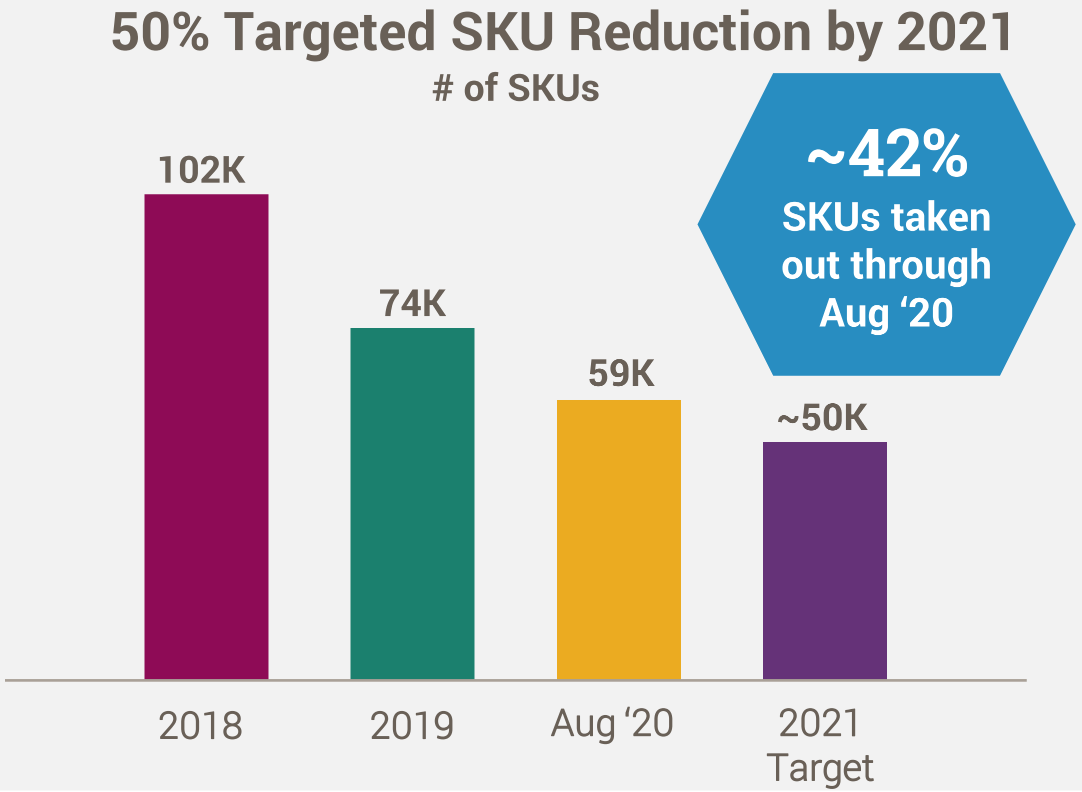


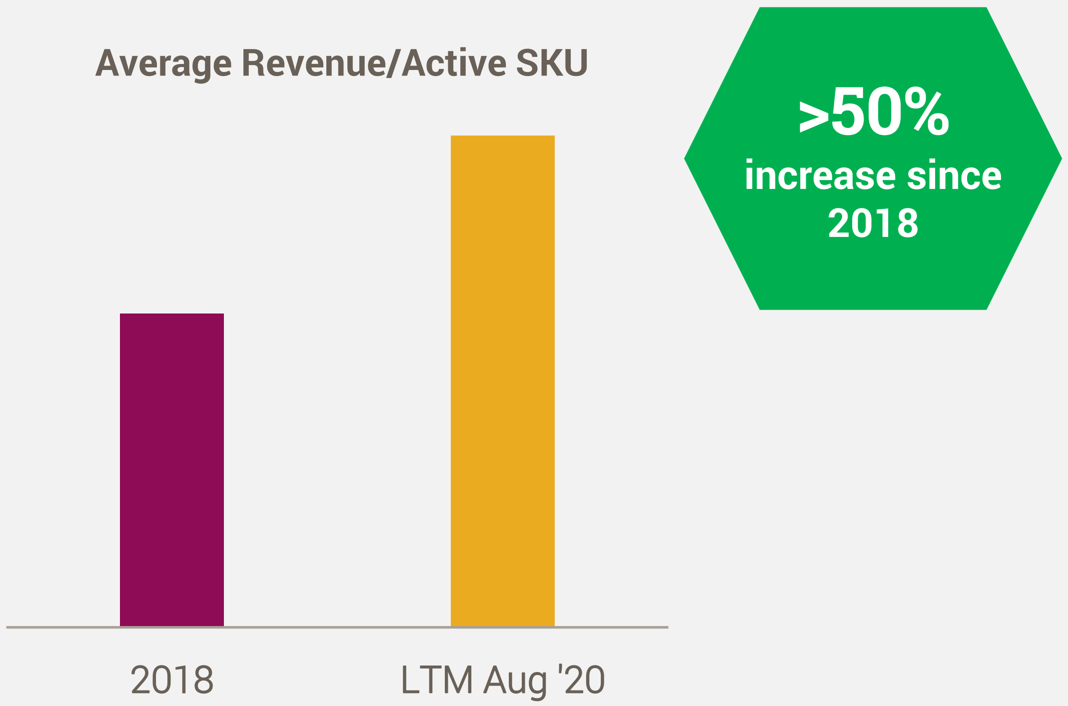

**Cross-functional and cross-business unit partnership on savings opportunities in:**

- Planning
- Product Value Engineering
- Manufacturing
- Procurement
- Distribution and Transportation

# SKU Rationalization Moving At a Rapid Pace

- Greater **focus on high velocity SKU's** further enabled by COVID-19
- Driving **more efficient** purchasing, operations, and demand planning

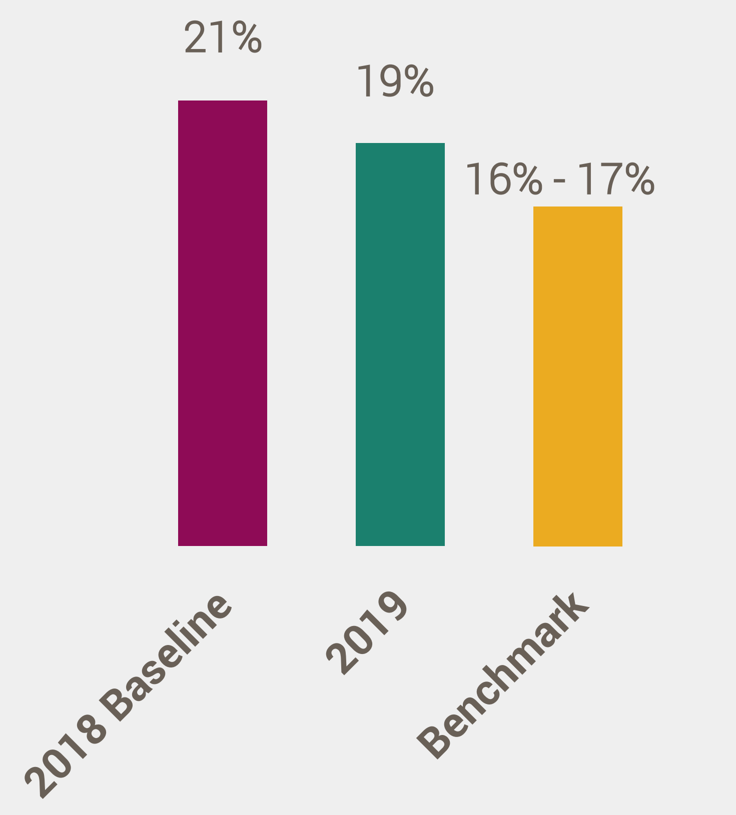



Note: Revenue/Active SKU excludes Commercial.

# Meaningful Opportunity on Overheads

**Opportunity**




**Actions**


Note: 2019 figures are normalized; 2018 Baseline as presented at CAGNY 2019, prior to reclassification of Rubbermaid Commercial Products, Mapa/Spontex and Quickie to continuing operations; Benchmark based on representative peer group of consumable and durables companies.

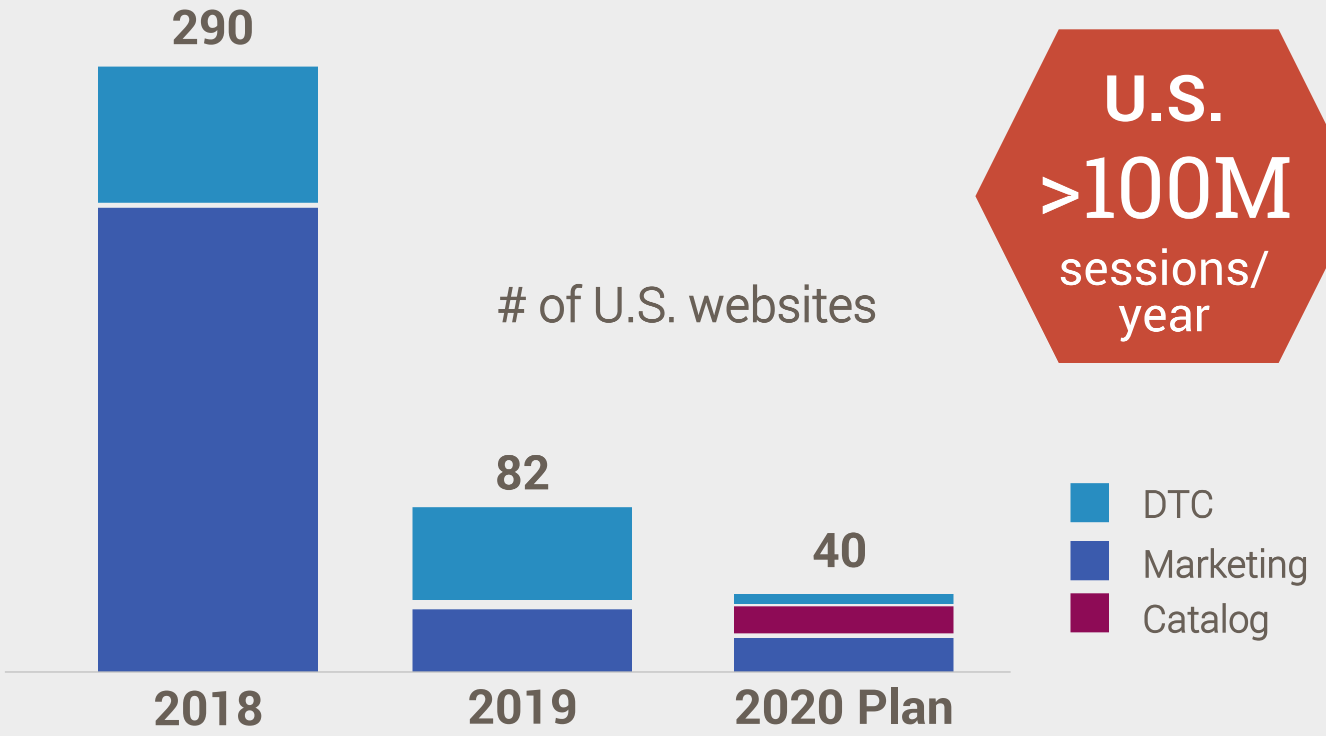
# On Track for Substantial Progress on Overhead and Complexity Reduction

| ZBB Review | Restructuring | ERP | Office Locations | Applications | Legal Entities |
|---|---|---|---|---|---|
| Tightened discretionary spending and T&E | ~4% professional headcount impacted | 2 ERP conversions to be executed in 2020 | ~5% reduction in office locations expected in 2020 | ~33% reduction in applications anticipated in 2020 | ~9% reduction in legal entities expected in 2020 |

**In 1H'20 drove $100M+ Reduction in Overhead Costs Despite Top Line Pressure, With More to Come Going Forward**

# Digital Tech Re-Platforming Progressing Well

**New platform enables significantly improved social listening, consumer insights & analytics, content management, and DTC websites**




**U.S.**
**>100M**
**sessions/ year**

- Showcasing new product innovation
- Brand storytelling focused on consumer path to purchase
- Converted ~60% of our U.S. websites to a new platform
- Expect to have all U.S. websites on the new platform by mid 2021
- Early evidence of improvement in page load time, bounce rate and checkout completion rate

**Ongoing work to replicate model outside the U.S.**

# Driving Cash Conversion Improvement

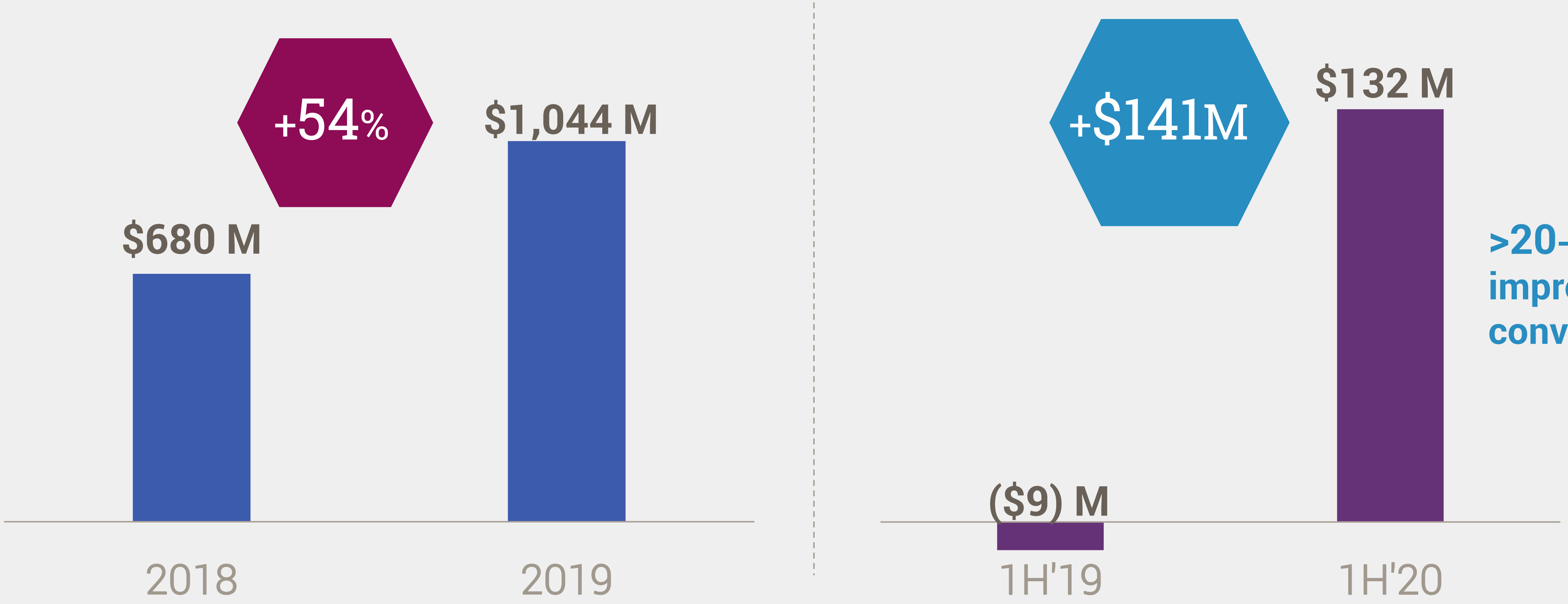
| | 2018 Baseline | 2019 | Benchmark |
|---|---|---|---|
| + Days Sales | 78 | 69 | - |
| + Days Inventory | 103 | 92 | - |
| - Days Payables | 66 | 63 | - |
| Cash Conversion | 115 | 98 | 70 |

## In 2019:

- Extended payable terms on 170 strategic suppliers and over 2,000 "tail suppliers"
- Faster deduction resolution and process improvements
- Reduced excess and obsolete inventory by 28%
- Cut 28K SKUs
- Roll out of integrated business planning and advanced analytics
- Portfolio choices: over 10 days improvement on LFL basis

Note: 2018 Baseline as presented at CAGNY 2019, prior to reclassification of Rubbermaid Commercial Products, Mapa/Spontex and Quickie to continuing operations; Benchmark based on representative peer group of consumable and durables companies.

# Building on Strong Operating Cash Flow Progress from 2019 in 1H'20, With Significant Opportunity Ahead




>20-day improvement in cash conversion cycle

# Long-Term Aspirational Targets

| Core Sales Growth |
|---|
| **Low single-digits** |

| Operating Income Margin |
|---|
| **50 bps annual increase** |

| FCF Productivity |
|---|
| **>100%** |

| Leverage Ratio |
|---|
| **3X** |

# Key Messages

Strong progress on restoring top line growth potential

Closing margin gaps vs. benchmarks

Significantly improving cash flow generation

Strong and experienced leadership team now in place

# Appendix

## Non-GAAP Reconciliations

# Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures within the meaning of Regulation G promulgated by the U.S. Securities and Exchange Commission and includes a reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP.

The company uses certain non-GAAP financial measures that are included in this press release and the additional financial information both to explain its results to stockholders and the investment community and in the internal evaluation and management of its businesses. The company's management believes that these non-GAAP financial measures and the information they provide are useful to investors since these measures (a) permit investors to view the company's performance and liquidity using the same tools that management uses to evaluate the company's past performance, reportable business segments, prospects for future performance and liquidity, and (b) determine certain elements of management incentive compensation.

The company's management believes that core sales provides a more complete understanding of underlying sales trends by providing sales on a consistent basis as it excludes the impacts of acquisitions, planned and completed divestitures, retail store openings and closings, certain market exits, and changes in foreign exchange from year-over-year comparisons. The effect of changes in foreign exchange on reported sales is calculated by applying the prior year average monthly exchange rates to the current year local currency sales amounts (excluding acquisitions and divestitures), with the difference between the 2020 reported sales and constant currency sales presented as the foreign exchange impact increase or decrease in core sales. The company's management believes that "normalized" gross margin, "normalized" SG&A expense, "normalized" overhead expense, "normalized" operating income, "normalized" operating margin, "normalized" net income, "normalized" diluted earnings per share, "normalized" income from continuing operations, "normalized" depreciation and amortization, "normalized" EBITDA, "normalized" interest and "normalized" tax benefits, which exclude restructuring and restructuring-related expenses and one-time and other events such as costs related to the extinguishment of debt, certain tax benefits and charges, impairment charges, pension settlement charges, divestiture costs, costs related to the acquisition, integration and financing of acquired businesses, amortization of acquisition-related intangible assets, inflationary adjustments, expenses related to certain product recalls and certain other items, are useful because they provide investors with a meaningful perspective on the current underlying performance of the company's core ongoing operations and liquidity. On a pro forma basis, "normalized" items give effect to the company's decision not to sell the Commercial, Mapa and Quickie businesses. "Free cash flow productivity" is calculated as the ratio of free cash flow (calculated as net cash provided by operating activities less capital expenditures) to normalized net income, and the company believes that free cash flow productivity is an important indicator of liquidity realized from the company's core ongoing operations. "Normalized EBITDA" is an ongoing liquidity measure (that excludes non-cash items) and is calculated as pro forma normalized earnings before interest, tax depreciation, amortization and stock-based compensation expense. "Leverage ratio" is a liquidity measure calculated as the ratio of total debt less cash and cash equivalents to normalized earnings before interest, tax, depreciation, amortization and stock-based compensation expense.

The company determines the tax effect of the items excluded from normalized diluted earnings per share by applying the estimated effective rate for the applicable jurisdiction in which the pre-tax items were incurred, and for which realization of the resulting tax benefit, if any, is expected. In certain situations in which an item excluded from normalized results impacts income tax expense, the company utilizes a "with" and "without" approach to determine normalized income tax benefit or expense. The company will also exclude one-time tax expenses related to a change in tax status of certain entities and the loss of GILTI tax credits as a result of utilizing the 50% IRC Section 163(j) limit resulting from the CARES Act to determine normalized income tax benefit.

While the company believes these non-GAAP financial measures are useful in evaluating the company's performance and liquidity, this information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with GAAP. Additionally, these non-GAAP financial measures may differ from similar measures presented by other companies.

The company has presented forward-looking statements regarding long-term aspirational targets for core sales growth, operating income margin, FCF productivity and leverage ratio. These non–GAAP financial measures are derived by excluding certain amounts, expenses or income from the corresponding financial measures determined in accordance with GAAP. The determination of the amounts that are excluded from these non-GAAP financial measures is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period. We are unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information is not available and management cannot reliably predict all of the necessary components of such GAAP measures without unreasonable effort or expense. In addition, we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on the company's expectations. These non-GAAP financial measures are preliminary long-term estimates and are subject to risks and uncertainties. Any variation between the company's actual results and preliminary financial data set forth above may be material.

# Reconciliation of Gross Margin in 2018

## NEWELL BRANDS INC.

### GROSS MARGIN

### FOR THE YEAR ENDED DECEMBER 31, 2018

| | | | |
|---|---|---|---|
| Net sales (1) | $ | 8,631 | |
| Adjust for the inclusion of Commercial Business, Mapa/Spontex and Quickie business (2) | | 1,523 | |
| As recasted (2) | **$** | **10,154** | |
| | | | |
| Gross profit (1) | $ | 3,009 | |
| Normalization adjustments (2) (3) | | (11) | |
| Normalized gross profit and margin (3) | | 2,998 | **34.7%** |
| | | | |
| Adjustments for the inclusion of Commercial Business, Mapa/Spontex and Quickie business (2) | | 509 | |
| Proforma adjustments (2) (4) | | (27) | |
| **As recasted, proforma gross profit and margin (2)** | **$** | **3,480** | **34.3%** |

(1) As reported on the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

(2) As recasted on the Company's Form 8-K furnished on February 10, 2020.

(3) As presented at CAGNY in 2019 and on the Company's Form 8-K for the quarter and year ended December 31, 2018, furnished on February 15, 2019.

(4) Depreciation and amortization expense related to the Commercial Business, and the Mapa and Quickie businesses that would have been recorded had they been continuously classified as held and used.

# Reconciliation of Gross Margin in 2019

## NEWELL BRANDS INC.

### GROSS MARGIN

### FOR THE YEAR ENDED DECEMBER 31, 2019

| | | | |
|---|---|---|---|
| Net sales (1) | **$** | **9,715** | |
| Gross profit (1) | $ | 3,219 | **33.1%** |
| Normalization adjustments (2) | | 89 | |
| Adjustments for the inclusion of Commercial Business, Mapa/Spontex and Quickie business (3) | | (21) | |
| Proforma adjustments (2) (3) | | 68 | |
| **As recasted, proforma gross profit and margin (2)** | **$** | **3,287** | **33.8%** |

(1) As reported on the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

(2) As reported on the Company's Form 8-K furnished on February 14, 2020.

(3) Depreciation and amortization expense related to the Commercial Business, and the Mapa and Quickie businesses that would have been recorded had they been continuously classified as held and used.

# Reconciliation of Overhead in 2019 and 2018

## NEWELL BRANDS INC.

OVERHEAD RECONCILIATION

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

| | | | | |
|---|---|---|---|---|
| **For the year ended December 31, 2018:** | | | | |
| Net sales (1) | $ 8,631 | | | |
| Adjust for the inclusion of Commercial Business, Mapa/Spontex and Quickie business (2) | 1,523 | | | |
| As recasted (2) | **$ 10,154** | | | |
| | | | | |
| Selling, general and administrative expenses - as adjusted (1) | $ 2,217 | | | |
| Less: Advertising and promotion costs (3) | (374) | | | |
| **OVERHEAD (AS ADJUSTED) (3)** | **$ 1,843** | **21.3%** | | |
| | | | | |
| Selling, general and administrative expenses - as adjusted (1) | $ 2,217 | | | |
| Adjust for the inclusion of Commercial Business, Mapa/Spontex and Quickie business (2) | 213 | | | |
| Proforma adjustments for the inclusion of Commercial Business, Mapa/Spontex and Quickie business (2) | 3 | | | ***130 bps from portfolio decisions*** |
| Proforma selling, general and administrative expenses (2) | **2,432** | | | |
| Less: Advertising and promotion costs (3) | (374) | | | |
| Less: Advertising and promotion costs related to Commercial Business, Mapa/Spontex and Quickie business | (23) | | | |
| **OVERHEAD (AS ADJUSTED)** | **$ 2,035** | **20.0%** | | |
| | | | | |
| **For the year ended December 31, 2019:** | | | | |
| Net sales (4) | $ 9,715 | | | |
| | | | | |
| Selling, general and administrative expenses - as reported (4) | $ 2,451 | | | ***100 bps operating improvement*** |
| Proforma adjustments (4) | (213) | | | |
| Proforma selling, general and administrative expenses (4) | 2,238 | | | |
| Less: Advertising and promotion costs | (388) | | | |
| **OVERHEAD (AS ADJUSTED)** | **$ 1,850** | **19.0%** | | |
| | | | **IMPROVEMENT** | ***231 bps*** |

(1) As presented on the Company's Form 8-K for the quarter and year ended December 31, 2018, furnished on February 15, 2019.

(2) As recasted on the Company's Form 8-K furnished on February 10, 2020.

(3) As presented at CAGNY in 2019.

(4) As presented on the Company's Form 8-K for the quarter and year ended December 31, 2019, furnished on February 14, 2020.