



Fortune Brands Signs Agreement to Acquire Fiberon; Marks Entry into Fast Growing Outdoor Living Market within New Doors & Security Segment

August 23, 2018

DEERFIELD, Ill.--(BUSINESS WIRE)--Aug. 23, 2018-- Fortune Brands Home & Security, Inc. (NYSE: FBHS), an industry-leading home and security products company, today announced it has signed an agreement to acquire Fiberon, LLC, a leading manufacturer of outdoor performance materials used primarily in decking, railing and fencing products. Fiberon will join Fortune Brands' new Doors & Security segment on closing and has agreed to be acquired for approximately \$470 million.

"The acquisition of Fiberon provides exciting category expansion and product extension opportunities for our Doors & Security segment into the outdoor living space— one of the fastest growing areas of the home," said Chris Klein, chief executive officer, Fortune Brands. "Fiberon brings leadership in performance materials sustainably made in the U.S.A. from recycled materials. Similar to Therma-Tru's leadership in advanced material doors, Fiberon has built its business in the most attractive segment of the decking category— non-wood, capped composites."

The \$2.5 billion decking market is a critical part of outdoor living spaces with growing conversion to non-wood materials. Capped composite non-wood products where Fiberon has focused its business are growing at nearly 10% annually and now represent approximately one quarter of the decking market. This exceptional growth is driven by demand for innovations in finishes, textures, colors and styles coupled with low maintenance and lasting durability versus traditional wood.

"Our Doors & Security platform has the scale and capabilities to further Fiberon's penetration of the market across our existing customers and distribution channels in this growing market segment," said Klein. "Our execution and momentum within our Therma-Tru door brand coupled with Fiberon's successful business model and product line create an exciting opportunity to accelerate growth and value creation. The acquisition is expected to be accretive to earnings by approximately 5-6 cents in 2019 and approximately 9-10 cents in 2020."

"Fortune Brands' strong distribution, commitment to brands, innovation and design, and superior execution are a powerful combination to drive sales and profit growth," said Doug Mancosh, chief executive officer and president, Fiberon. "We are excited to join Fortune Brands and create new opportunities for Fiberon to thrive."

In 2017, Fiberon had approximately \$200 million in annual sales. Fiberon has approximately 475 associates with offices and operations in Meridian, Idaho and New London, North Carolina. The Company plans for Fiberon to operate as a part of the Doors & Security segment.

The closing of the transaction is subject to regulatory approval and is expected to occur within the next 30 days.

About Fortune Brands

Fortune Brands Home & Security, Inc. (NYSE: FBHS), headquartered in Deerfield, Ill., creates products and services that fulfill the dreams of homeowners and help people feel more secure. The Company's operating segments are Plumbing, Cabinets and Doors & Security. Its trusted brands include Moen, Perrin & Rowe, Riobel, Rohl, Shaws and Victoria + Albert under the Global Plumbing Group (GPG); more than a dozen core brands under MasterBrand Cabinets; Therma-Tru entry door systems; and Master Lock and SentrySafe security products under The Master Lock Company. Fortune Brands holds market leadership positions in all of its segments. Fortune Brands is part of the S&P 500 Index. For more information, please visit www.FBHS.com.

Cautionary Statement Concerning Forward-Looking Statements

This release contains certain "forward-looking statements" regarding future financial performance and the effects of the Fiberon acquisition. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is based on the current plans and expectations of our management. Although we believe that these statements are based on reasonable assumptions, they are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those indicated in such statements including the factors discussed in Item 1A of the Fortune Brands Home & Security, Inc. Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Securities and Exchange Commission. In addition, this release contains forward-looking statements that involve risks and uncertainties associated with the acquisition. These include: the satisfaction of closing conditions for the transaction, market conditions and the impact of any failure to complete the transaction. The forward-looking statements included in this release are made as of the date hereof, and except as required by law, we undertake no obligation to update, amend or clarify any forward-looking statements to reflect events, new information or circumstances occurring after the date hereof.

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