FORTUNE BRANDS INNOVATIONS, INC.

(In millions)

(Unaudited)

Net sales (GAAP)	Thirteen Weeks Ended December 30, 2023	Three Months Ended December 31, 2022	$ Change	% Change	Fifty-two Weeks Ended December 30, 2023	Twelve Months Ended December 31, 2022	$ Change	% Change
Water	$ 663.0	$ 641.5	$ 21.5	3	$ 2,562.2	$ 2,570.2	$ (8.0)	-
Outdoors	309.2	333.0	(23.8)	(7)	1,341.1	1,517.4	(176.3)	(12)
Security	189.1	157.4	31.7	20	722.9	635.4	87.5	14
Total net sales	$ 1,161.3	$ 1,131.9	$ 29.4	3	$ 4,626.2	$ 4,723.0	$ (96.8)	(2)

RECONCILIATIONS OF GAAP OPERATING INCOME TO OPERATING INCOME BEFORE CHARGES/GAINS

(In millions)

(Unaudited)

	Thirteen Weeks Ended December 30, 2023	Three Months Ended December 31, 2022	$ Change	% Change	Fifty-two Weeks Ended December 30, 2023	Twelve Months Ended December 31, 2022	$ Change	% Change
WATER								
Operating income (GAAP)	$ 139.7	$ 151.9	$ (12.2)	(8)	$ 574.3	$ 614.6	$ (40.3)	(7)
Restructuring charges	0.9	2.5	(1.6)	(64)	2.2	6.3	(4.1)	(65)
Other charges/(gains)								
Cost of products sold	2.2	(0.1)	2.3	(2,300)	2.6	(0.2)	2.8	(1,400)
Selling, general and administrative expenses	-	-	-	-	-	0.8	(0.8)	(100)
Amortization of inventory step-up [f]	1.5	-	1.5	NM	3.5	1.3	2.2	169
Operating income before charges/gains [a]	$ 144.3	$ 154.2	$ (9.9)	(6)	$ 582.6	$ 622.8	$ (40.2)	(6)
OUTDOORS								
Operating income (GAAP)	$ 7.3	$ 39.6	$ (32.3)	(82)	$ 133.5	$ 194.2	$ (60.7)	(31)
Restructuring charges	1.2	6.1	(4.9)	(80)	4.3	24.5	(20.2)	(82)
Other charges/(gains)								
Cost of products sold	0.3	-	0.3	NM	(0.1)	(5.4)	5.3	(98)
Selling, general and administrative expenses	-	-	-	-	0.1	0.2	(0.1)	(50)
Solar compensation [e]	0.6	0.3	0.3	100	2.7	2.1	0.6	29
Asset impairment charges [g]	33.5	-	33.5	NM	33.5	-	33.5	NM
Operating income before charges/gains [a]	42.9	46.0	$ (3.1)	(7)	174.0	215.6	$ (41.6)	(19)
SECURITY								
Operating income (GAAP)	$ 24.6	$ 26.7	$ (2.1)	(8)	$ 62.4	$ 95.4	$ (33.0)	(35)
Restructuring charges	1.5	0.1	1.4	1,400	25.3	0.6	24.7	4,117
Other charges/(gains)								
Cost of products sold	6.5	-	6.5	NM	19.2	-	19.2	NM
Amortization of inventory step-up [f]	-	-	-	-	8.9	-	8.9	NM
Operating income before charges/gains [a]	$ 32.6	$ 26.8	$ 5.8	22	$ 115.8	$ 96.0	$ 19.8	21
CORPORATE								
Corporate expense (GAAP)	$ (37.6)	$ (35.9)	$ (1.7)	5	$ (155.3)	$ (129.9)	$ (25.4)	20
Restructuring charges	-	1.5	(1.5)	(100)	0.7	1.0	(0.3)	(30)
Other charges/(gains)							-	-
Selling, general and administrative expenses	0.3	0.2	0.1	50	0.5	0.9	(0.4)	(44)
ASSA transaction expenses [d]	1.1	3.3	(2.2)	(67)	19.7	3.3	16.4	497
General and administrative expenses before charges/gains [a]	$ (36.2)	$ (30.9)	$ (5.3)	17	$ (134.4)	$ (124.7)	$ (9.7)	8
TOTAL COMPANY								
Operating income (GAAP)	$ 134.0	$ 182.2	$ (48.2)	(26)	$ 614.9	$ 774.3	$ (159.4)	(21)
Restructuring charges	3.6	10.2	(6.6)	(65)	32.5	32.4	0.1	-
Other charges/(gains)								
Cost of products sold	9.0	(0.1)	9.1	(9,100)	21.7	(5.6)	27.3	(488)
Selling, general and administrative expenses	0.3	0.2	0.1	50	0.6	1.9	(1.3)	(68)
Solar compensation [e]	0.6	0.3	0.3	100	2.7	2.1	0.6	29
ASSA transaction expenses [d]	1.1	3.3	(2.2)	(67)	19.7	3.3	16.4	497
Amortization of inventory step-up [f]	1.5	-	1.5	NM	12.4	1.3	11.1	854
Asset impairment charges [g]	33.5	-	33.5	NM	33.5	-	33.5	NM
Operating income before charges/gains [a]	$ 183.6	$ 196.1	$ (12.5)	(6)	$ 738.0	$ 809.7	$ (71.7)	(9)

NM - Not Meaningful

(a) (d) (e) (f) (g) For definitions of Non-GAAP measures, see Definitions of Terms page

FORTUNE BRANDS INNOVATIONS, INC.
(In millions)
(Unaudited)

RECONCILIATIONS OF INCOME FROM CONTINUING OPERATIONS, NET OF TAX TO EBITDA BEFORE CHARGES/GAINS

	Fifty-two Weeks Ended December 30, 2023	Twelve Months Ended December 31, 2022	% Change
Income from continuing operations, net of tax	$ 405.5	$ 539.9	(25)
Depreciation *	$ 90.4	$ 82.7	9
Amortization of intangible assets	62.1	48.3	29
Restructuring charges	32.5	32.4	-
Other charges/(gains)	22.3	(3.7)	(703)
ASSA transaction expenses [(d)]	19.7	3.3	497
Solar compensation [(e)]	2.7	2.1	29
Amortization of inventory step-up [(f)]	12.4	1.3	854
Asset impairment charges [(g)]	33.5	-	NM
Interest expense	116.5	119.2	(2)
Defined benefit plan actuarial (gains)/losses	(0.5)	(1.2)	(58)
Income taxes	112.4	127.2	(12)
EBITDA before charges/gains [(c)]	$ 909.5	$ 951.5	(4)

* Depreciation excludes accelerated depreciation expense of $16.3 million for the fifty-two weeks ended December 30, 2023. Accelerated depreciation is included in restructuring and other charges/gains.

CALCULATION OF NET DEBT-TO-EBITDA BEFORE CHARGES/GAINS RATIO

Short-term debt **	$ -
Long-term debt **	2,670.1
Total debt	2,670.1
Less:	
Cash and cash equivalents **	366.4
Net debt (1)	$ 2,303.7
For the twelve months ended December 30, 2023	
EBITDA before charges/gains (2) [(c)]	$ 909.5
Net debt-to-EBITDA before charges/gains ratio (1/2)	2.5

** Amounts are per the Unaudited Condensed Consolidated Balance Sheet as of December 30,

NM - Not Meaningful
(c) (d) (e) (f) (g) For definitions of Non-GAAP measures, see Definitions of Terms page

RECONCILIATION OF DILUTED EPS FROM CONTINUING OPERATIONS BEFORE CHARGES/GAINS

For the thirteen weeks ended December 30, 2023, the diluted EPS before charges/gains is calculated as income from continuing operations on a diluted per-share basis, excluding $3.6 million ($2.8 million after tax or $0.02 per diluted share) of restructuring charges, $9.3 million ($7.2 million after tax or $0.06 per diluted share) of other charges/gains, $1.1 million ($0.8 million after tax or $0.01 per diluted share) of expenses directly related to our ASSA transaction, $0.6 million ($0.5 million after tax) related to the compensation agreement with the former owner of Solar, $1.5 million ($1.1 million after tax or $0.01 per diluted share) of amortization of inventory step-up related to acquisition of the ASSA businesses, $33.5 million ($25.4 million after tax or $0.20 per diluted share) of asset impairment charges and the impact from actuarial losses associated with our defined benefit plans of $1.9 million ($1.4 million after tax or $0.01 per diluted share).

For the fifty-two weeks ended December 30, 2023, the diluted EPS before charges/gains is calculated as income from continuing operations on a diluted per-share basis, excluding $32.5 million ($24.8 million after tax or $0.20 per diluted share) of restructuring charges, $23.3 million ($17.0 million after tax or $0.13 per diluted share) of other charges/gains, $18.7 million ($15.1 million after tax or $0.12 per diluted share) of expenses directly related to our ASSA transaction, $2.7 million ($2.0 million after tax or $0.02 per diluted share) related to the compensation agreement with the former owner of Solar, $12.4 million ($9.5 million after tax or $0.07 per diluted share) of amortization of inventory step-up related to acquisition of the ASSA businesses, $33.5 million ($25.4 million after tax or $0.20 per diluted share) of asset impairment charges and the impact from actuarial gains associated with our defined benefit plans of $0.5 million ($0.4 million after tax).

For the three months ended December 31, 2022, the diluted EPS before charges/gains is calculated as income from continuing operations on a diluted per-share basis, excluding $10.2 million ($7.7 million after tax or $0.07 per diluted share) of restructuring charges, $0.1 million ($0.1 million after tax) of other charges/gains, $3.3 million ($2.5 million after tax or $0.02 per diluted share) of expenses directly related to our ASSA transaction, $0.3 million ($0.2 million after tax) related to the compensation agreement with the former owner of Solar and the impact for actuarial gains associated with our defined benefit plans of $1.6 million ($1.2 million after tax or $0.01 per diluted share).

For the twelve months ended December 31, 2022, the diluted EPS before charges/gains is calculated as income from continuing operations on a diluted per-share basis, excluding $32.4 million ($24.3 million after tax or $0.19 per diluted share) of restructuring charges, $0.4 million ($3.3 million after tax or $0.02 per diluted share) of other charges/gains, $3.3 million ($2.5 million after tax or $0.02 per diluted share) of expenses directly related to our ASSA transaction, $2.1 million ($1.8 million after tax or $0.01 per diluted share) related to the compensation agreement with the former owner of Solar, the impact for actuarial gains associated with our defined benefit plans of $1.2 million ($0.9 million after tax or $0.01 per diluted share) and a tax benefit of $8.4 million ($0.06 per diluted share).

	Thirteen Weeks Ended December 30, 2023	Three Months Ended December 31, 2022	% Change	Fifty-two Weeks Ended December 30, 2023	Twelve Months Ended December 31, 2022	% Change
Earnings per common share (EPS) - Diluted						
Diluted EPS from continuing operations (GAAP)	$ 0.64	$ 0.99	(35)	$ 3.17	$ 4.11	(23)
Restructuring charges	0.02	0.07	(71)	0.20	0.19	5
Other charges/(gains)	0.06	-	NM	0.13	(0.02)	(750)
ASSA transaction expenses (d)	0.01	0.02	(50)	0.12	0.02	500
Solar compensation (e)	-	-	-	0.02	0.01	100
Amortization of inventory step-up (f)	0.01	-	NM	0.07	-	NM
Asset impairment charges (g)	0.20	-	NM	0.20	-	NM
Defined benefit plan actuarial (gains)/losses	0.01	(0.01)	(200)	-	(0.01)	(100)
Tax items	-	-	-	-	(0.06)	(100)
Diluted EPS from continuing operations before charges/gains (b)	$ 0.95	$ 1.07	(11)	$ 3.91	$ 4.24	(8)

NM - Not Meaningful
(b) (d) (e) (f) (g) For definitions of Non-GAAP measures, see Definitions of Terms page

FORTUNE BRANDS INNOVATIONS, INC.
(In millions, except per share amounts)
(Unaudited)

	Thirteen Weeks Ended December 30, 2023	Three Months Ended December 31, 2022	% Change	Fifty-two Weeks Ended December 30, 2023	Twelve Months Ended December 31, 2022	% Change
Net sales (GAAP)						
Water	$ 663.0	$ 641.5	3	$ 2,562.2	$ 2,570.2	-
Outdoors	309.2	333.0	(7)	1,341.1	1,517.4	(12)
Security	189.1	157.4	20	722.9	635.4	14
Total net sales	$ 1,161.3	$ 1,131.9	3	$ 4,626.2	$ 4,723.0	(2)
Operating income (loss)						
Water	$ 139.7	$ 151.9	(8)	$ 574.3	$ 614.6	(7)
Outdoors	7.3	39.6	(82)	133.5	194.2	(31)
Security	24.6	26.7	(8)	62.4	95.4	(35)
Corporate expenses	(37.6)	(35.9)	5	(155.3)	(129.9)	20
Total operating income (GAAP)	$ 134.0	$ 182.2	(26)	$ 614.9	$ 774.3	(21)
OPERATING INCOME BEFORE CHARGES/GAINS RECONCILIATION						
Total operating income (GAAP)	$ 134.0	$ 182.2	(26)	$ 614.9	$ 774.3	(21)
Restructuring charges (1)	3.6	10.2	(65)	32.5	32.4	-
Other charges/(gains) (2)	9.3	0.1	9,200	22.3	(3.7)	(703)
ASSA transaction expenses (d)	1.1	3.3	(67)	19.7	3.3	497
Solar compensation (e)	0.6	0.3	100	2.7	2.1	29
Amortization of inventory step-up (f)	1.5	-	NM	12.4	1.3	854
Asset impairment charges (g)	33.5	-	NM	33.5	-	NM
Operating income (loss) before charges/gains (a)	$ 183.6	$ 196.1	(6)	$ 738.0	$ 809.7	(9)
Water	$ 144.3	$ 154.3	(6)	$ 582.6	$ 622.8	(6)
Outdoors	42.9	46.0	(7)	174.0	215.6	(19)
Security	32.6	26.8	22	115.8	96.0	21
Corporate expenses	(36.2)	(30.9)	17	(134.4)	(124.7)	8
Total operating income before charges/gains (a)	$ 183.6	196.1	(6)	738.0	809.7	(9)

(1) Restructuring charges, which include costs incurred for significant cost reduction initiatives and workforce reduction costs by segment, totaled $3.6 million and $32.5 million for the thirteen weeks ended and twelve months ended December 30, 2023, respectively, and $10.2 million and $32.4 million for the three and twelve months ended December 30, 2022, respectively.

(2) Other charges/gains represent costs that are directly related to restructuring initiatives but cannot be reported as restructuring costs under GAAP. These costs can include losses from disposing of inventories, trade receivables allowances from discontinued product lines, accelerated depreciation due to the closure of facilities, and gains or losses from selling previously closed facilities. During the thirteen weeks and twelve months ended December 30, 2023, total other charges were $9.3 million and $22.3 million, respectively. For the three and twelve months ended December 30, 2022, total charges were $0.1 million and $(3.7) million, respectively.

NM - Not Meaningful
(a) (d) (e) (f) (g) For definitions of Non-GAAP measures, see Definitions of Terms page

FORTUNE BRANDS INNOVATIONS, INC.
OPERATING MARGIN TO BEFORE CHARGES/GAINS OPERATING MARGIN
(Unaudited)

	Thirteen Weeks Ended	Three Months Ended		Fifty-two Weeks Ended	Twelve Months Ended	
	December 30, 2023	December 31, 2022	Change	December 30, 2023	December 31, 2022	Change
WATER						
Operating margin	21.1%	23.7%	(260) bps	22.4%	23.9%	(150) bps
Restructuring charges	0.1%	0.3%		0.1%	0.2%	
Other charges/(gains)				-	-	
Cost of products sold	0.3%	-		0.1%	-	
Amortization of inventory step-up (f)	0.3%	-		0.1%	0.1%	
Before charges/gains operating margin	21.8%	24.0%	(220) bps	22.7%	24.2%	(150) bps
OUTDOORS						
Operating margin	2.4%	11.9%	(950) bps	10.0%	12.8%	(280) bps
Restructuring charges	0.4%	1.8%		0.3%	1.6%	
Other charges/(gains)				-	-	
Cost of products sold	0.1%	-		-	(0.3%)	
Selling, general and administrative expenses	-	-		-	-	
Solar compensation (e)	0.2%	0.1%		0.2%	0.1%	
Asset Impairment charges (g)	10.8%	-		2.5%	-	
Before charges/gains operating margin	13.9%	13.8%	10 bps	13.0%	14.2%	(120) bps
SECURITY						
Operating margin	13.0%	16.9%	(390) bps	8.6%	15.0%	(640) bps
Restructuring charges	0.8%	0.1%		3.5%	0.1%	
Other charges/(gains)				-	-	
Cost of products sold	3.4%	-		2.7%	-	
Amortization of inventory step-up (f)	-	-		1.2%	-	
Before charges/gains operating margin	17.2%	17.0%	20 bps	16.0%	15.1%	90 bps
TOTAL COMPANY						
Operating margin	11.5%	16.1%	(460) bps	13.3%	16.4%	(310) bps
Restructuring charges	0.3%	0.9%		0.7%	0.7%	
Other charges/(gains)						
Cost of products sold	0.8%	-		0.5%	(0.1%)	
Selling, general and administrative expenses	-	-		-	-	
Solar compensation (e)	0.1%	-		0.1%	-	
ASSA transaction expenses (d)	0.1%	0.3%		0.4%	0.1%	
Amortization of inventory step-up (f)	0.1%	-		0.3%	-	
Asset Impairment charges (g)	2.9%	-		0.7%	-	
Before charges/gains operating margin	15.8%	17.3%	(150) bps	16.0%	17.1%	(110) bps

Operating margin is calculated as the operating income in accordance with GAAP, divided by the GAAP net sales. The before charges/gains operating margin is calculated as the operating income, excluding restructurings charges and other charges/gains, Solar compensation arrangement, ASSA transaction expenses, amortization of inventory step-up associated with the acquisition of the ASSA businesses and asset impairment charges, divided by the GAAP net sales. This before charges/gains operating margin is not a measure derived in accordance with GAAP. Management uses this measure to evaluate the returns generated by the Company and its business segments. Management believes that this measure provides investors with helpful supplemental information about the Company's underlying performance from period to period. However, this measure may not be consistent with similar measures presented by other companies.

(d) (e) (f) (g) For definitions of Non-GAAP measures, see Definitions of Terms page

FORTUNE BRANDS INNOVATIONS, INC.
RECONCILIATION OF GAAP NET SALES TO ORGANIC NET SALES EXCLUDING THE IMPACT OF ACQUISITIONS, A 53rd WEEK & THE IMPACT OF FX

(Unaudited)

	Thirteen Weeks Ended December 30, 2023	Three Months Ended December 31, 2022	% Change	Fifty-two Weeks Ended December 30, 2023	Twelve Months Ended December 31, 2022	% Change
WATER						
Net sales (GAAP)	$ 663.0	$ 641.5	3%	$ 2,562.2	$ 2,570.2	(0%)
Impact of Aqualisa Acquisition	-	-		31.4	-	
Impact of Emtek and Schaub Acquisition	59.3	-		133.8	-	
Organic net sales excluding impact of acquisitions	$ 603.7	$ 641.5	(6%)	$ 2,397.0	$ 2,570.2	(7%)
Impact of 53rd week	24.8	-		24.8	-	
Impact of FX	(0.6)	-		24.4	-	
Organic net sales excluding impact of acquisitions, 53rd week & FX	$ 627.9	$ 641.5	(2%)	$ 2,446.2	$ 2,570.2	(5%)
OUTDOORS						
Net sales (GAAP)	$ 309.2	$ 333.0	(7%)	$ 1,341.1	$ 1,517.4	(12%)
Organic net sales	$ 309.2	$ 333.0	(7%)	$ 1,341.1	$ 1,517.4	(12%)
Impact of 53rd week	3.4	-		3.4	-	
Impact of FX	-	-		-	-	
Organic net sales excluding impact of acquisitions, 53rd week & FX	$ 312.6	$ 333.0	(6%)	$ 1,344.5	$ 1,517.4	(11%)
SECURITY						
Net sales (GAAP)	$ 189.1	$ 157.4	20%	$ 722.9	$ 635.4	14%
Impact of Yale and August Acquisition	40.2	-		81.2	-	
Organic net sales excluding impact of an acquisition	$ 148.9	$ 157.4	(5%)	$ 641.7	$ 635.4	1%
Impact of 53rd week	10.3	-		10.3	-	
Impact of FX	3.8	-		(0.4)	-	
Organic net sales excluding impact of acquisitions, 53rd week & FX	$ 163.0	$ 157.4	4%	$ 651.6	$ 635.4	3%
TOTAL COMPANY						
Net sales (GAAP)	$ 1,161.3	$ 1,131.9	3%	$ 4,626.2	$ 4,723.0	(2%)
Impact of Aqualisa Acquisition	-	-		31.4	-	
Impact of Emtek and Schaub Acquisition	59.3	-		133.8	-	
Impact of Yale and August Acquisition	40.2	-		81.2	-	
Organic net sales excluding impact of acquisitions	$ 1,061.8	$ 1,131.9	(6%)	$ 4,379.8	$ 4,723.0	(7%)
Impact of 53rd week	38.5	-		38.5	-	
Impact of FX	3.2	-		24.0	-	
Organic net sales excluding impact of acquisitions, 53rd week & FX	$ 1,103.5	$ 1,131.9	(3%)	$ 4,442.3	$ 4,723.0	(6%)

Reconciliation of GAAP Net sales to organic net sales excluding the impact of acquisitions, the impact of a 53rd week and the impact of FX on net sales is net sales derived in accordance with GAAP excluding impact of the acquisitions of Aqualisa and Emtek and Schaub in our Water segment, the acquisition of Yale and August in our Security segment on net sales, a 53rd week in 2022 and the impact of FX. Management uses this measure to evaluate the overall performance of its segments and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the segment from period to period. This measure may be inconsistent with similar measures presented by other companies.

FORTUNE BRANDS INNOVATIONS, INC.
CASH FLOW FROM OPERATIONS (GAAP) TO FREE CASH FLOW
(In millions)
(Unaudited)

	Fifty-two Weeks Ended December 30, 2023	Twelve Months Ended December 31, 2022	2024 Full Year Estimate
Cash flow from operations (GAAP)	$ 1,055.8	$ 566.3	$ 715.0
Less:			
Capital expenditures	256.5	246.1	$ 195.0
Free cash flow*	$ 799.3	$ 320.2	$ 520.0

* Free cash flow is cash flow from operations calculated in accordance with U.S. generally accepted accounting principles ("GAAP") less capital expenditures. Free cash flow does not include adjustments for certain non-discretionary cash flows such as mandatory debt repayments. Free cash flow is a measure not derived in accordance with GAAP. Management believes that free cash flow provides investors with helpful supplemental information about the Company's ability to fund internal growth, make acquisitions, repay debt and related interest, pay dividends and repurchase common stock. This measure may be inconsistent with similar measures presented by other companies.

The Free Cash Flow presented above include cash flows from continuing and discontinued operations.

FORTUNE BRANDS INNOVATIONS, INC.
CASH FLOW FROM OPERATIONS (GAAP) TO FREE CASH FLOW
(In millions)
(Unaudited)

	Thirteen Weeks Ended December 30, 2023
Cash flow from operations (GAAP)	$ 220.2
Less:	
Capital expenditures	80.8
Free cash flow*	$ 139.4

* Free cash flow is cash flow from operations calculated in accordance with U.S. generally accepted accounting principles ("GAAP") less capital expenditures. Free cash flow does not include adjustments for certain non-discretionary cash flows such as mandatory debt repayments. Free cash flow is a measure not derived in accordance with GAAP. Management believes that free cash flow provides investors with helpful supplemental information about the Company's ability to fund internal growth, make acquisitions, repay debt and related interest, pay dividends and repurchase common stock. This measure may be inconsistent with similar measures presented by other companies.

FORTUNE BRANDS INNOVATIONS, INC.

RECONCILIATION OF TOTAL COMPANY GAAP NET SALES CAGR TO TOTAL COMPANY NET SALES CAGR EXCLUDING ACQUISITIONS
(Unaudited)

	Fifty-two Weeks Ended December 30, 2023 vs Twelve Months Ended December 31, 2019
	CAGR %
TOTAL COMPANY	
Total Company net sales (GAAP) - CAGR	8%
Acquisitions net sales	(4%)
Total Company net sales excluding acquisitions (organic) - CAGR	4%

Compound Annual Growth Rate (CAGR) for Total Company net sales excluding acquisitions (organic) is CAGR for Total Company net sales derived in accordance with GAAP, excluding Aqualisa net sales, Flo net sales, Emtek & Schaub net sales, Solar Innovations net sales, LARSON net sales and Yale and August net sales. Management uses this measure to evaluate the overall performance of the Total Company and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Total Company from period to period. This measure may be inconsistent with similar measures presented by other companies.

FORTUNE BRANDS INNOVATIONS, INC.
RECONCILIATIONS OF GAAP NET SALES CAGR TO NET SALES CAGR BY SEGMENT EXCLUDING ACQUISITIONS
(Unaudited)

	Fifty-two Weeks Ended December 30, 2023 vs Twelve Months Ended December 31, 2019
	CAGR %
WATER	
Water net sales (GAAP) - CAGR	6%
Acquisitions net sales	(2%)
Water net sales excluding acquisitions (organic) - CAGR	4%

Compound Annual Growth Rate (CAGR) for Water net sales excluding acquisitions (organic) is CAGR for Water net sales derived in accordance with GAAP, excluding Aqualisa net sales, Flo net sales and Emtek and Schaub net sales. Management uses this measure to evaluate the overall performance of the Water segment and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Water segment from period to period. This measure may be inconsistent with similar measures presented by other companies.

	Fifty-two Weeks Ended December 30, 2023 vs Twelve Months Ended December 31, 2019
	CAGR %
OUTDOORS	
Total Outdoors net sales (GAAP) - CAGR	15%
Acquisitions net sales	(9%)
Outdoors net sales excluding acquisitions (organic) - CAGR	6%

Compound Annual Growth Rate (CAGR) for Outdoors net sales excluding acquisitions (organic) is CAGR for Outdoors net sales derived in accordance with GAAP, excluding Solar Innovationsnet sales and LARSON net sales. Management uses this measure to evaluate the overall performance of the Outdoors segment and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Outdoors segment from period to period. This measure may be inconsistent with similar measures presented by other companies.

	Fifty-two Weeks Ended December 30, 2023 vs Twelve Months Ended December 31, 2019
	CAGR %
SECURITY	
Total Security net sales (GAAP) - CAGR	6%
Acquisitions net sales	(3%)
Security net sales excluding acquisitions (organic) - CAGR	3%

Compound Annual Growth Rate (CAGR) for Security net sales excluding acquisitions (organic) is CAGR for Security net sales derived in accordance with GAAP, excluding Yale & August net sales. Management uses this measure to evaluate the overall performance of the Security segment and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Security segment from period to period. This measure may be consistent with similar measures presented by other companies.

FORTUNE BRANDS INNOVATIONS, INC.

RECONCILIATION OF DILUTED EPS FROM CONTINUING OPERATIONS (GAAP) CAGR TO DILUTED EPS FROM CONTINUING OPERATIONS BEFORE CHARGES GAINS CAGR

(Unaudited)

	Fifty-two Weeks Ended December 30, 2023 vs Twelve Months Ended December 31, 2019
	CAGR %
TOTAL COMPANY	
Diluted EPS from continuing operations (GAAP) - CAGR	8%
Restructuring and other charges/gains	5%
Diluted EPS from continuing operations before charges/gains - CAGR	13%

Compound Annual Growth Rate (CAGR) for diluted EPS from continuing operations before charges/gains is CAGR for diluted EPS from continuing operations derived in accordance with GAAP excluding restructuing and other chagres/gains. Management uses this measure to evaluate the overall performance of the Total Company and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Total Company from period to period. This measure may be inconsistent with similar measures presented by other companies.

FORTUNE BRANDS INNOVATIONS, INC.
OPERATING MARGIN TO BEFORE CHARGES/GAINS OPERATING MARGIN
(Unaudited)

	Fifty-two Weeks Ended December 30, 2023	Twelve Months Ended December 31, 2019	Change
WATER			
Operating margin	22.4%	21.1%	130 bps
Restructuring charges	0.1%	0.2%	
Other charges/(gains)	-	-	
Cost of products sold	0.1%	0.1%	
Selling, general and administrative expenses	-	0.1%	
Amortization of inventory step-up [(f)]	0.1%	-	
Before charges/gains operating margin	22.7%	21.5%	120 bps
Impact of acquisitions	0.1%	-	
Before charges/gains operating margin (organic)	22.8%	21.5%	130 bps
OUTDOORS			
Operating margin	10.0%	13.2%	(320) bps
Restructuring charges	0.3%	0.2%	
Other charges/(gains)	-	-	
Cost of products sold	-	0.2%	
Selling, general and administrative expenses	-	-	
Solar compensation [(e)]	0.2%	-	
Asset Impairment charges [(g)]	2.5%	-	
Before charges/gains operating margin	13.0%	13.6%	(60) bps
Impact of acquisitions	3.0%	-	
Before charges/gains operating margin (organic)	16.0%	13.6%	240 bps
SECURITY			
Operating margin	8.6%	12.2%	(360) bps
Restructuring charges	3.5%	-	
Other charges/(gains)	-	-	
Cost of products sold	2.7%	0.3%	
Selling, general and administrative expenses	-	-	
Amortization of inventory step-up [(f)]	1.2%	-	
Before charges/gains operating margin	16.0%	12.5%	350 bps
Impact of acquisitions	0.3%	-	
Before charges/gains operating margin (organic)	16.3%	12.5%	380 bps

Operating margin is calculated as the operating income in accordance with GAAP, divided by the GAAP net sales. The before charges/gains operating margin is calculated as the operating income, excluding restructurings charges and other charges/gains, Solar compensation arrangement, ASSA transaction expenses, amortization of inventory step-up associated with the acquisition of the ASSA businesses and asset impairment charges, divided by the GAAP net sales. This before charges/gains operating margin is not a measure derived in accordance with GAAP. Management uses this measure to evaluate the returns generated by the Company and its business segments. Management believes that this measure provides investors with helpful supplemental information about the Company's underlying performance from period to period. However, this measure may not be consistent with similar measures presented by other companies.

(d) (e) (f) (g) For definitions of Non-GAAP measures, see Definitions of Terms page

Definitions of Terms: Non-GAAP Measures

(a) Operating income (loss) before charges/gains is calculated as operating income derived in accordance with GAAP, excluding restructuring, other charges/gains, ASSA transaction expenses, amortization of inventory step-up associated with acquisition of the ASSA businesses, asset impairment charges and charges for a compensation arrangement with the former owner of Solar. Operating income (loss) before charges/gains is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the returns generated by the Company and its business segments. Management believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Company from period to period. This measure may be inconsistent with similar measures presented by other companies.

(b) Diluted earnings per share from continuing operations before charges/gains is calculated as income from continuing operations on a diluted per-share basis, excluding restructuring and other charges/gains, ASSA transaction expenses, amortization of inventory step-up associated with acquisition of the ASSA businesses, asset impairment charges, charges for a compensation arrangement with the former owner of Solar, actuarial gains/losses associated with our defined benefit plans and tax items. This measure is not in accordance with GAAP. Management uses this measure to evaluate the Company's overall performance and believes it provides investors with helpful supplemental information about the Company's underlying performance from period to period. However, this measure may not be consistent with similar measures presented by other companies.

(c) EBITDA before charges/gains is calculated as income from continuing operations, net of tax in accordance with GAAP, excluding depreciation, amortization of intangible assets, restructuring and other charges/gains, ASSA transaction expenses, amortization of inventory step-up associated with acquisition of the ASSA businesses, asset impairment charges, charges for a compensation arrangement with the former owner of Solar, actuarial gains/losses associated with our defined benefit plans, interest expense and income taxes. EBITDA before charges/gains is a measure not derived in accordance with GAAP. Management uses this measure to assess returns generated by the Company. Management believes this measure provides investors with helpful supplemental information about the Company's ability to fund internal growth, make acquisitions and repay debt and related interest. This measure may be inconsistent with similar measures presented by other companies.

(d) At Corporate, other charges also include expenditures of $1.1 million and $19.7 million for the thirteen weeks and fifty-two weeks ended December 30, 2023, respectively, for external banking, legal, accounting, and other similar services directly related to our ASSA transaction. For the three months and twelve months ended December 31, 2022, other charges include expenditures of $3.3 million for external banking, legal, accounting and other similiar services directly related to our ASSA transaction.

(e) In Outdoors, other charges include charges for a compensation arrangement with the former owner of Solar classified in selling, general and administrative expenses of $0.6 million and $2.7 million for the thirteen weeks and fifty-two weeks ended December 30, 2023, respectively. For the three months and twelve months ended December 31, 2022, other charges for a compensation agreement with the former owner of Solar classified in selling, general and administrative expenses of $0.3 million and $2.1 million, respectively.

(f) For the thirteen and fifty-two weeks ended December 30, 2023, the amortization of inventory step-up associated with the acquisition of the ASSA business was $1.5 million and $3.5 million for the Water segment, respectively and $8.9 million for the fifty-two weeks ended December 30, 2023 for the Security segment.

(g) Asset impairment charges for the thirteen weeks and fifty-two weeks ended December 30, 2023 represent pre-tax impairment charges of $33.5 million related to indefinite-lived tradenames in our Outdoor segment.

Additional Information:

In January 2023, the Board of Directors of the Company approved a change to the Company’s fiscal year end from December 31 to a 52-or 53-week fiscal year ending on the Saturday closest but not subsequent to December 31, effective as of the commencement of the Company’s fiscal year on January 1, 2023. This change was made in order to align the Company’s fiscal year with that of its operating businesses and to align the Company’s reporting calendar with how the Company evaluates its businesses. There was no material impact to any of our previously disclosed financial information.

In February 2023, we publicly announced an internal reorganization to separate our Outdoors & Security segment under separate leadership to drive innovation, accelerate product development, and enhance investments and business processes. In conjunction with the reorganization, we changed how our chief operating decision maker evaluates and allocates the resources for the combined business. Separate reporting for the new Outdoors and Security segments began in the first quarter of 2023 and historical financial segment information has been restated to conform to the new segment presentation.

On December 14, 2022, the Company completed the previously announced spin-off of its Cabinets business, MasterBrand, Inc. ("MasterBrand") (the "Spin-off"), in a tax-free transaction to the Company and our stockholders for U.S. federal income tax purposes, creating two independent, publicly traded companies. In addition, the Company's name changed from "Fortune Brands Home & Security, Inc." to "Fortune Brands Innovations, Inc." and its stock ticker changed from "FBHS" to "FBIN" each of which became effective subsequent to the completion of the Spin-off. The operating results of the Cabinets business are reported as discontinued operations for all periods presented.

In July 2022, we acquired 100% of the outstanding equity of Aqualisa, a leading U.K. manufacturer of shower products known for premium, innovative, smart digital shower systems, for a purchase price of $156.0 million, net of cash acquired of $4.8 million. The results of Aqualisa are reported as part of the Water Innovations segment. Its product offerings will enable us to continue to leverage growing trends in water management and connected products. We financed the transaction with borrowings under our existing credit facilities. We have not included pro forma financial information as it is immaterial to our condensed consolidated statements of comprehensive income. The fair value allocated to assets acquired and liabilities assumed as of July 29, 2022, was $156.0 million.

In the first quarter of 2022, our Plumbing segment was renamed Water Innovations in order to better align with our key brands and organizational purpose. The Plumbing segment name change is to the name only and had no impact on the Company’s historical financial position, results of operations, cash flow or segment level results previously reported.

In 2018, our Water Innovations segment entered into a strategic partnership with, and acquired non-controlling equity interests in, Flo, a U.S. manufacturer of comprehensive water monitoring and shut-off systems with leak detection technologies. In January 2020, we entered into an agreement to acquire the remaining outstanding shares of Flo in a multi-phase transaction. As part of this agreement, we acquired a majority of Flo’s outstanding shares during 2020 and entered into a forward contract to purchase all remaining shares of Flo during the first quarter of 2022 for a price based on a multiple of Flo’s 2021 sales and adjusted earnings before interest and taxes. On January 30, 2022, we made a final cash payment of $16.7 million to the legacy minority shareholders to acquire such shares which is reflected within Other financing, net in our consolidated statements of cash flows.

In January 2022, we acquired 100% of the outstanding equity of Solar Innovations, a leading producer of wide-opening exterior door systems and outdoor enclosures, for a purchase price of $61.6 million, net of cash acquired of $4.8 million. We financed the transaction using cash on hand and borrowings under our revolving credit facility. The results of Solar are reported as part of the Outdoors segment. Its complementary product offerings support the segment’s outdoor living strategy.

For certain forward-looking non-GAAP measures (as used in this press release, operating margin before charges/gains, EPS before charges/gains and cash conversion), the Company is unable to provide a reconciliation to the most comparable GAAP financial measure because the information needed to reconcile these measures is unavailable due to the inherent difficulty of forecasting the timing and/or amount of various items that have not yet occurred, including the high variability and low visibility with respect to gains and losses associated with our defined benefit plans, which are excluded from our diluted EPS before charges/gains and cash conversion, and restructuring and other charges, which are excluded from our operating margin before charges/gains, diluted EPS before charges/gains and cash conversion. Additionally, estimating such GAAP measures and providing a meaningful reconciliation consistent with the Company’s accounting policies for future periods requires a level of precision that is unavailable for these future periods and cannot be accomplished without unreasonable effort. Forward-looking non-GAAP measures are estimated consistent with the relevant definitions and assumptions.