

FORTUNE BRANDS INNOVATIONS, INC.

(In millions)

(Unaudited)

	Period Ending:				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Net sales (GAAP)					
Water Innovations	\$ 643.6	\$ 650.0	\$ 635.1	\$ 641.5	\$ 2,570.2
Outdoors	343.6	437.2	403.6	333.0	1,517.4
Security	153.0	168.2	156.8	157.4	635.4
Total net sales	\$ 1,140.2	\$ 1,255.4	\$ 1,195.5	\$ 1,131.9	\$ 4,723.0

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

	Period Ending:				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
WATER INNOVATIONS					
Operating income before charges/gains ^(a)	\$ 150.1	\$ 161.6	\$ 156.9	\$ 154.2	\$ 622.8
Restructuring charges ^(b)	-	(0.9)	(2.9)	(2.5)	(6.3)
Other (charges)/gains ^(b)					
Cost of products sold	-	-	(1.3)	0.1	(1.1)
Selling, general and administrative expenses	(0.8)	-	-	-	(0.8)
Operating income (GAAP)	\$ 149.3	\$ 160.7	\$ 152.7	\$ 151.9	\$ 614.6
OUTDOORS					
Operating income before charges/gains ^(a)	\$ 35.2	\$ 68.1	\$ 66.4	\$ 46.0	\$ 215.6
Restructuring charges ^(b)	(0.6)	(0.1)	(17.7)	(6.1)	(24.5)
Other (charges)/gains ^(b)					
Cost of products sold	5.4	-	-	-	5.5
Selling, general and administrative expenses	(0.2)	(0.6)	(1.3)	(0.3)	(2.4)
Operating income (GAAP)	\$ 39.8	\$ 67.4	\$ 47.4	\$ 39.6	\$ 194.2
SECURITY					
Operating income before charges/gains ^(a)	\$ 20.4	\$ 25.1	\$ 23.7	\$ 26.8	\$ 96.0
Restructuring charges ^(b)	-	-	(0.5)	(0.1)	(0.6)
Operating income (GAAP)	\$ 20.4	\$ 25.1	\$ 23.2	\$ 26.7	\$ 95.4
CORPORATE					
General and administrative expenses before charges/gains ^(a)	\$ (29.7)	\$ (33.5)	\$ (30.7)	\$ (30.9)	\$ (124.7)
Restructuring charges ^(b)	-	-	0.5	(1.5)	(1.0)
Other (charges)/gains ^(b)					
Selling, general and administrative expenses	-	(0.2)	(0.4)	(3.5)	(4.2)
Corporate expense (GAAP)	\$ (29.7)	\$ (33.7)	\$ (30.6)	\$ (35.9)	\$ (129.9)
TOTAL COMPANY					
Operating income before charges/gains ^(a)	\$ 176.0	\$ 221.3	\$ 216.3	\$ 196.1	\$ 809.7
Restructuring charges ^(b)	(0.6)	(1.0)	(20.6)	(10.2)	(32.4)
Other (charges)/gains ^(b)					
Cost of products sold	5.4	-	(1.3)	0.1	4.4
Selling, general and administrative expenses	(1.0)	(0.8)	(1.7)	(3.8)	(7.4)
Operating income (GAAP)	\$ 179.8	\$ 219.5	\$ 192.7	\$ 182.2	\$ 774.3

(a) (b) For definitions of Non-GAAP measures, see Definitions of Terms page

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

(Unaudited)

	Period Ending:				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
WATER INNOVATIONS					
Before charges/gains operating margin	23.3%	24.9%	24.7%	24.0%	24.2%
Restructuring charges ^(b)	-	(0.2%)	(0.5%)	(0.3%)	(0.3%)
Other (charges)/gains ^(b)					
Cost of products sold	-	-	(0.2%)	-	-
Selling, general and administrative expenses	(0.1%)	-	-	-	-
Operating margin	23.2%	24.7%	24.0%	23.7%	23.9%
OUTDOORS					
Before charges/gains operating margin	10.2%	15.6%	16.5%	13.8%	14.2%
Restructuring charges ^(b)	(0.2%)	(0.0%)	(4.4%)	(1.8%)	(1.6%)
Other (charges)/gains ^(b)					
Cost of products sold	1.7%	-	-	-	0.4%
Selling, general and administrative expenses	(0.1%)	(0.1%)	(0.3%)	(0.1%)	(0.2%)
Operating margin	11.6%	15.4%	11.7%	11.9%	12.8%
SECURITY					
Before charges/gains operating margin	13.3%	14.9%	15.1%	17.0%	15.1%
Restructuring charges ^(b)	-	-	(0.3%)	(0.1%)	(0.1%)
Operating margin	13.3%	14.9%	14.8%	16.9%	15.0%
TOTAL COMPANY					
Before charges/gains operating margin	15.4%	17.6%	18.1%	17.3%	17.1%
Restructuring charges ^(b)	(0.1%)	(0.1%)	(1.8%)	(0.9%)	(0.6%)
Other (charges)/gains ^(b)					
Cost of products sold	0.6%	-	(0.1%)	-	0.1%
Selling, general and administrative expenses	(0.1%)	-	(0.1%)	(0.3%)	(0.2%)
Operating margin	15.8%	17.5%	16.1%	16.1%	16.4%

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 restructuring and other charges/gains, 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.

(b) For definitions of Non-GAAP measures, see Definitions of Terms page

FORTUNE BRANDS INNOVATIONS, INC.

(In millions)

(Unaudited)

	Period Ending:				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Net sales (GAAP)					
Water Innovations	\$ 621.6	\$ 694.6	\$ 741.4	\$ 703.6	\$ 2,761.2
Outdoors	322.7	373.7	365.5	354.6	1,416.5
Security	138.8	161.8	163.0	159.8	623.4
Total net sales	\$ 1,083.1	\$ 1,230.1	\$ 1,269.9	\$ 1,218.0	\$ 4,801.1

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

	Period Ending:				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
WATER INNOVATIONS					
Operating income before charges/gains ^(a)	\$ 149.4	\$ 169.0	\$ 167.7	\$ 146.6	\$ 632.7
Restructuring charges ^(b)	-	-	-	1.2	1.2
Other (charges)/gains ^(b)					
Cost of products sold	(1.5)	0.1	-	(0.6)	(2.1)
Selling, general and administrative expenses	-	(0.2)	(1.2)	(0.7)	(2.1)
Operating income (GAAP)	\$ 147.9	\$ 168.9	\$ 166.5	\$ 146.5	\$ 629.7
OUTDOORS					
Operating income before charges/gains ^(a)	\$ 39.4	\$ 56.2	\$ 61.0	\$ 59.7	\$ 216.3
Restructuring charges ^(b)	(4.0)	-	(2.4)	(1.9)	(8.3)
Other (charges)/gains ^(b)					
Cost of products sold	(3.4)	-	-	-	(3.3)
Selling, general and administrative expenses	-	-	0.4	0.2	0.6
Operating income (GAAP)	\$ 32.0	\$ 56.2	\$ 59.0	\$ 58.0	\$ 205.3
SECURITY					
Operating income before charges/gains ^(a)	\$ 22.9	\$ 22.3	\$ 21.4	\$ 22.1	\$ 88.7
Restructuring charges ^(b)	(2.1)	-	-	-	(2.1)
Operating income (GAAP)	\$ 20.8	\$ 22.3	\$ 21.4	\$ 22.1	\$ 86.6
CORPORATE					
General and administrative expenses before charges/gains ^(a)	\$ (24.4)	\$ (26.9)	\$ (26.1)	\$ (31.2)	\$ (108.5)
Other (charges)/gains ^(b)					
Selling, general and administrative expenses	(0.5)	-	(1.4)	-	(1.9)
Corporate expense (GAAP)	\$ (24.9)	\$ (26.9)	\$ (27.5)	\$ (31.2)	\$ (110.5)
TOTAL COMPANY					
Operating income before charges/gains ^(a)	\$ 187.3	\$ 220.6	\$ 224.0	\$ 197.2	\$ 829.2
Restructuring charges ^(b)	(6.1)	-	(2.4)	(0.7)	(9.2)
Other (charges)/gains ^(b)					
Cost of products sold	(4.9)	0.1	-	(0.6)	(5.4)
Selling, general and administrative expenses	(0.5)	(0.2)	(2.2)	(0.5)	(3.4)
Operating income (GAAP)	\$ 175.8	\$ 220.5	\$ 219.4	\$ 195.4	\$ 811.1

(a) (b) For definitions of Non-GAAP measures, see Definitions of Terms page

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

(Unaudited)

	Period Ending:				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
WATER INNOVATIONS					
Before charges/gains operating margin	23.9%	24.3%	22.6%	20.8%	22.9%
Restructuring charges ^(b)	-	-	-	0.2%	-
Other (charges)/gains ^(b)					
Cost of products sold	(0.1%)	-	-	(0.1%)	(0.1%)
Selling, general and administrative expenses	-	-	(0.1%)	(0.1%)	-
Operating margin	23.8%	24.3%	22.5%	20.8%	22.8%
OUTDOORS					
Before charges/gains operating margin	12.2%	15.0%	16.7%	16.8%	15.3%
Restructuring charges ^(b)	(1.3%)	-	(0.7%)	(0.5%)	(0.6%)
Other (charges)/gains ^(b)					
Cost of products sold	(1.1%)	-	-	-	(0.2%)
Selling, general and administrative expenses	-	-	0.1%	0.1%	-
Operating margin	9.9%	15.0%	16.1%	16.4%	14.5%
SECURITY					
Before charges/gains operating margin	16.5%	13.8%	13.1%	13.8%	14.2%
Restructuring charges ^(b)	(1.5%)	-	-	-	(0.3%)
Operating margin	15.0%	13.8%	13.1%	13.8%	13.9%
TOTAL COMPANY					
Before charges/gains operating margin	17.3%	17.9%	17.6%	16.2%	17.3%
Restructuring charges ^(b)	(0.6%)	-	(0.2%)	(0.2%)	(0.2%)
Other (charges)/gains ^(b)					
Cost of products sold	(0.5%)	-	-	-	(0.1%)
Selling, general and administrative expenses	-	-	(0.2%)	-	(0.1%)
Operating margin	16.2%	17.9%	17.3%	16.0%	16.9%

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 restructuring and other charges/gains, 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.

(b) For definitions of Non-GAAP measures, see Definitions of Terms page

FORTUNE BRANDS INNOVATIONS, INC.

(In millions)

(Unaudited)

	Twelve Months Ended December 31,		
	2020	2019	2018
Net sales (GAAP)			
Water Innovations	\$ 2,202.1	\$ 2,027.2	\$ 1,883.3
Outdoors	875.6	775.1	616.8
Security	543.6	573.8	566.4
Total net sales	\$ 3,621.3	\$ 3,376.1	\$ 3,066.5

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

	Twelve Months Ended December 31,		
	2020	2019	2018
WATER INNOVATIONS			
Operating income before charges/gains ^(a)	\$ 489.6	\$ 435.8	\$ 396.0
Restructuring charges ^(e)	(6.0)	(2.8)	(2.6)
Other (charges)/gains ^(e)			
Cost of products sold	(4.4)	(2.6)	(6.0)
Selling, general and administrative expenses	1.7	(2.8)	(8.3)
Asset impairment charges ^(c)	(13.0)	-	-
Change in inventory costing method ^(d)	-	-	(3.8)
Operating income (GAAP)	\$ 467.9	\$ 427.6	\$ 375.3

OUTDOORS

Operating income before charges/gains ^(a)	\$ 138.2	\$ 105.4	\$ 87.9
Restructuring charges ^(e)	(1.2)	(1.5)	(0.8)
Other (charges)/gains ^(e)			
Cost of products sold	(0.2)	(1.8)	(5.0)
Selling, general and administrative expenses	-	-	-
Operating income (GAAP)	\$ 136.8	\$ 102.1	\$ 82.1

SECURITY

Operating income before charges/gains ^(a)	\$ 67.0	\$ 72.0	\$ 67.4
Restructuring charges ^(e)	(1.7)	(0.2)	(3.9)
Other (charges)/gains ^(e)			
Cost of products sold	(0.8)	(1.6)	(2.3)
Selling, general and administrative expenses	-	-	1.2
Change in inventory costing method ^(d)	-	-	11.1
Operating income (GAAP)	\$ 64.5	\$ 70.2	\$ 73.5

CORPORATE

General and administrative expenses before charges/gains ^(a)	\$ (91.7)	\$ (79.7)	\$ (78.9)
Restructuring charges ^(e)	(1.4)	-	-
Other (charges)/gains ^(e)			
Selling, general and administrative expenses	(8.4)	-	(0.3)
Corporate expense (GAAP)	\$ (101.5)	\$ (79.7)	\$ (79.2)

TOTAL COMPANY

Operating income before charges/gains ^(a)	\$ 603.1	\$ 533.5	\$ 472.4
Restructuring charges ^(e)	(10.3)	(4.5)	(7.3)
Other (charges)/gains ^(e)			
Cost of products sold	(5.4)	(6.0)	(13.3)
Selling, general and administrative expenses	(6.7)	(2.8)	(7.4)
Asset impairment charges ^(c)	(13.0)	-	-
Change in inventory costing method ^(d)	-	-	7.3
Operating income (GAAP)	\$ 567.7	\$ 520.2	\$ 451.7

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

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

(Unaudited)

Twelve Months Ended December 31,		
2020	2019	2018

WATER INNOVATIONS

Before charges/gains operating margin

Restructuring charges ^(e)	(0.3%)	(0.2%)	(0.1%)
Other (charges)/gains ^(e)			
Cost of products sold	(0.2%)	(0.1%)	(0.4%)
Selling, general and administrative expenses	0.1%	(0.1%)	(0.4%)
Asset impairment charges ^(c)	(0.6%)	-	-
Change in inventory costing method ^(d)	-	-	(0.2%)
Operating margin	21.2%	21.1%	19.9%

OUTDOORS

Before charges/gains operating margin

Restructuring charges ^(e)	(0.2%)	(0.2%)	(0.1%)
Other (charges)/gains ^(e)			
Cost of products sold	-	(0.2%)	(0.9%)
Operating margin	15.6%	13.2%	13.3%

SECURITY

Before charges/gains operating margin

Restructuring charges ^(e)	(0.3%)	-	(0.7%)
Other (charges)/gains ^(e)			
Cost of products sold	(0.1%)	(0.3%)	(0.4%)
Selling, general and administrative expenses	-	-	0.2%
Change in inventory costing method ^(d)	-	-	2.0%
Operating margin	11.9%	12.2%	13.0%

TOTAL COMPANY

Before charges/gains operating margin

Restructuring charges ^(e)	(0.3%)	(0.1%)	(0.2%)
Other (charges)/gains ^(e)			
Cost of products sold	(0.1%)	(0.2%)	(0.4%)
Selling, general and administrative expenses	(0.2%)	(0.1%)	(0.3%)
Asset impairment charges ^(c)	(0.4%)	-	-
Change in inventory costing method ^(d)	-	-	0.2%
Operating margin	15.7%	15.4%	14.7%

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 restructuring and other charges/gains, asset impairment charges and a change in inventory costing method, 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.

(c) (d) (e) 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 and other charges/gains, asset impairment charges and a change in inventory costing method. 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) Restructuring charges, which include costs incurred for significant cost reduction initiatives and workforce reduction costs by segment, totaled \$32.4 million for the twelve months ended December 31, 2022. Restructuring charges were \$9.2 million for the twelve months ended December 31, 2021. 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. For the three months ended March 31, 2022 and 2021, total other charges were (\$5.5) million and \$1.5 million, respectively. For the three months ended June 30, 2021, total other charges were \$0.1 million. During the three months ended September 30, 2021, total other charges were \$0.8 million. During the three and twelve months ended December 31, 2022, total other charges were (\$0.1) million and (\$5.6) million, respectively. During the three and twelve months ended December 31, 2021, total other charges were \$1.0 million and \$3.5 million, respectively.

In the Water Innovations segment, other charges also include an acquisition-related inventory step-up expense of \$1.1 million for the three months ended September 30, 2022 and \$0.1 million and \$1.3 million for Aqualisa for the three and twelve months ended December 31, 2022, respectively, classified in the cost of products sold.

In the Outdoors segment, other charges also include an acquisition-related inventory step-up expense of \$0.7 million for Solar Innovations and its affiliated entity for the three months ended March 31, 2022 and for the twelve months ended December 31, 2022, classified in the cost of products sold. Other charges also include an acquisition-related inventory step-up expense of \$3.4 million for Solar Innovations and its affiliated entity for the three months ended March 31, 2021 and for the twelve months ended December 31, 2021, classified in the cost of products sold. Additionally, there were charges for a compensation arrangement with the former owner of Solar of \$0.4 million for the three months ended March 31, 2022, \$0.6 million for the three months ended June 30, 2022, \$0.9 million for the three months ended September 30, 2022, and \$0.3 million and \$2.1 million for the three and twelve months ended December 31, 2022, respectively, classified in selling, general, and administrative expenses.

At the Corporate level, other charges also include expenditures of \$1.0 million for the three months ended September 30, 2022, and \$0.2 million and \$1.2 million for the three and twelve months ended December 31, 2022, respectively, for banking, legal, accounting, and other similar services directly related to the acquisition of Aqualisa. Additionally, there were expenditures of \$3.4 million for the three and twelve months ended December 31, 2022, for banking, legal, accounting, and other similar services directly related to the planned acquisition of the Emtek and Schaub premium and luxury door and hardware business, as well as the U.S. and Canadian Yale and August residential smart home lock businesses. During the three months ended September 30, 2021, and twelve months ended December 31, 2021, there were \$1.4 million in external costs directly related to evaluating acquisition targets, which included expenditures for accounting, tax, and other similar services. Furthermore, for the three months ended March 31, 2021 and twelve months ended December 31, 2021, there were \$0.3 million in banking, legal, accounting, and other similar services directly related to the acquisition of Larson classified in selling, general, and administrative expenses, and a pre-tax charge of \$0.2 million for a loss on sale of a Corporate asset.

(c) Asset impairment charges for the twelve months ended December 31, 2020 represent impairment charges of \$13.0 million related to indefinite-lived tradenames in our Water Innovations segment.

(d) During the fourth quarter of 2018, we determined that it was preferable to change our accounting policy for product groups in which metals inventory comprise a significant portion of inventories from last-in, first-out ("LIFO") to first-in, first-out ("FIFO"). As a result, we recorded a pre-tax benefit of \$7.3 million within cost of products sold for the twelve months ended December 31, 2018.

(e) Restructuring charges, which include costs incurred for significant cost reduction initiatives and workforce reduction costs by segment totaled \$10.3 million, \$4.5 million, and \$7.3 million for the twelve months ended December 31, 2020, 2019 and 2018, respectively. 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. In total we recognized total charges of \$3.9 million, \$7.0 million, and \$2.0 million for the twelve months ended December 31, 2020, 2019 and 2018, respectively.

In our Water Innovations segment, other charges also includes an acquisition-related inventory step-up expense (Victoria + Albert) classified in cost of products sold of \$5.5 million for the twelve months ended December 31, 2018, and compensation expense classified in selling, general and administrative expense of \$8.1 million for the twelve months ended December 31, 2018, related to deferred purchase price consideration payable to certain former Victoria + Albert shareholders contingent on their employment through October 2018.

In our Outdoors segment, other charges also includes an acquisition-related inventory step-up expense (Fibron) classified in cost of products sold of \$1.8 million for the twelve months ended December 31, 2019 and \$4.9 million for the twelve months ended December 31, 2018.

In Corporate, other charges also includes \$0.3 million of expense associated with our assessment of the impact on the Company from the Tax Cuts and Jobs Act of 2017, for the twelve months ended December 31, 2018. Other charges for the twelve months ended December 31, 2020 include expenditures of \$4.5 million for banking, legal, accounting and other similar services directly related to the acquisition of Larson classified in selling, general and administrative expenses and a charge of \$3.6 million for an impairment of a Corporate asset.