



Fortune Brands  
Innovations

MAY 7, 2026

# Q1 Earnings

All references to earnings per share, operating margin, operating income, and EBITDA are on a before charges/gains basis



## FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements that are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include all statements that are not historical statements of fact and those regarding our intent, belief or expectations for our business, operations, financial performance or financial condition in addition to statements regarding our expectations for the markets in which we operate, general business strategies, expected impacts from recently-announced organizational and leadership changes and ongoing succession planning, the market potential of our brands, trends in the housing market, the potential impact of costs, including material and labor costs, the other potential impacts of inflation, including on consumer spending, expected capital spending, expected pension contributions or de-risking initiatives, the expected impact of acquisitions, dispositions and other strategic transactions, the anticipated impact of recently issued accounting standards on our financial statements, and other matters that are not historical in nature. Statements preceded by, followed by or that otherwise include the words “believes,” “expects,” “anticipates,” “intends,” “projects,” “estimates,” “plans,” “outlook,” “positioned,” “confident,” “opportunity,” “focus,” “on track” and similar expressions or future or conditional verbs such as “will,” “should,” “would,” “may,” and “could” are generally forward-looking in nature and not historical facts. 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 current expectations, estimates, assumptions and projections of our management about our industry, business and future financial results, available at the time this press release is issued. 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 but not limited to: (i) our reliance on the North American and Chinese home improvement, repair and remodel and new home construction activity levels, (ii) the housing market, downward changes in the general economy, unfavorable interest rates or other business conditions, (iii) the competitive nature of consumer and trade brand businesses, (iv) our ability to execute on our strategic plans and the effectiveness of our strategies in the face of business competition, (v) our reliance on key customers and suppliers, including wholesale distributors and dealers and retailers, (vi) risks associated with our recent leadership changes and our search process to identify our next CEO and CFO (vii) risks relating to rapidly evolving technological change, (viii) risks associated with our ability to improve organizational productivity and global supply chain efficiency and flexibility, (ix) risks associated with global commodity and energy availability and price volatility, as well as the possibility of sustained inflation, (x) delays or outages in our information technology systems or computer networks or breaches of our information technology systems or other cybersecurity incidents, (xi) risks associated with doing business globally, including changes in trade-related tariffs (including recent U.S. tariffs announced or imposed on China, Canada, Mexico and other countries and any reciprocal actions taken by such countries) and risks with uncertain trade environments, (xii) risks associated with the disruption of operations, including as a result of severe weather events, (xiii) our inability to obtain raw materials and finished goods in a timely and cost-effective manner, (xiv) risks associated with strategic acquisitions, divestitures and joint ventures, including difficulties integrating acquired companies and the inability to achieve the expected financial results and benefits of transactions, (xv) impairments in the carrying value of goodwill or other acquired intangible assets, (xvi) risks of increases in our defined benefit-related costs and funding requirements, (xvii) our ability to attract and retain qualified personnel and other labor constraints, (xviii) the effect of climate change and the impact of related changes in government regulations and consumer preferences, (xix) risks associated with environmental, social and governance matters, (xx) potential liabilities and costs from claims and litigation, (xxi) changes in government and industry regulatory standards, (xxii) future tax law changes or the interpretation of existing tax laws, and (xxiii) our ability to secure and protect our intellectual property rights. These and other factors are discussed in Part I, Item 1A “Risk Factors” of our Annual Report on Form 10-K for the year ended December 27, 2025. The forward-looking statements included in this presentation are made as of the date hereof, and except as required by law, we undertake no obligation to, and expressly disclaim any such obligation to, update, amend or clarify any forward-looking statements to reflect events, new information or circumstances occurring after the date of this presentation.

## USE OF NON-GAAP FINANCIAL INFORMATION

This presentation includes measures not derived in accordance with generally accepted accounting principles (“GAAP”), such as diluted earnings per share before charges / gains, operating income before charges / gains, operating margin before charges / gains, net debt, net debt to EBITDA before charges / gains, net sales excluding the impact of China and free cash flow. These non-GAAP measures should not be considered in isolation or as a substitute for any measure derived in accordance with GAAP and may also be inconsistent with similar measures presented by other companies. Reconciliations of these measures to the applicable most directly comparable GAAP measures, and reasons for the Company’s use of these measures, are attached as an appendix hereto.

# On the Call



**Susan Kilsby**

Board Chair



**David Barry**

Interim Chief Executive Officer



**Ashley George**

Interim Chief Financial Officer

# Key Messages



## Engaged with Shareholders and Responded to Feedback

Commenced comprehensive CEO search process

## Fully Empowered to Drive Strategy in the Interim

Leadership team is acting with urgency to enhance execution, optimize structure to drive efficiencies and focus resources on the highest return opportunities

## Delivered Q1 2026 EPS<sup>1</sup> Results In Line with Expectations

Entire organization remained focused in an uncertain market environment to make progress against strategic priorities

## Updating Full Year 2026 Guidance




Reduced sales to be in line with market outlook; implementing commercial and operational actions to offset intensifying inflationary and macroeconomic headwinds

# CEO Observations and Near-Term Priorities




Acting with Urgency to Build Momentum Across the Organization



## Solid Foundation for Growth

-  Leading, Well-Recognized Brands
-  Talented Workforce
-  Favorable Long-Term Industry Fundamentals

## Near-Term Priorities

-  Increase Operational Rigor and Discipline
-  Optimize our Structure to Drive Efficiencies
-  Focus Resources on the Highest Return Opportunities

# Market Backdrop



## **Macroeconomic Uncertainty Impacting Near-Term Demand**

Affordability, declining consumer confidence and inflationary pressures are impacting housing activity

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## **Rising Raw Materials and Commodity Costs**

Mitigating increasing inflation through targeted commercial and operational initiatives

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## **Long-Term Fundamentals Remain Strong**

Underbuilt and aging housing stock and solid home equity levels reinforce confidence in above-market growth over time

# Q1 2026 Results

## Total Company Results

	Net Sales	Operating Income <sup>1</sup>	Operating Margin <sup>1</sup>	EPS <sup>1</sup>
Q1 2026	\$1,011.3	\$112.1	11.1%	\$0.53
Change	(2.1%) Net Sales excluding impact of China <sup>2</sup> were (1.2%)	(17.5%)	(200) bps	(19.7%)



Net sales reflect lower volumes, partially offset by higher price realization and favorable inventory trends compared to Q1 2025



Operating Income<sup>1</sup> negatively impacted by lower sales volume, higher raw material and freight costs and the flow through of peak tariff rates

Q1 2026 SUMMARY

# Water

## Segment Results

\$ in millions

	Net Sales	Operating Income <sup>1</sup>	Operating Margin <sup>1</sup>
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Q1 2026	\$563.7	\$106.1	18.8%
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Change	(0.3%)	(6.3%)	(120) bps
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Net sales excluding impact of China<sup>2</sup> were +1.5%

## Quarter Highlights

Sales growth in both Moen and House of Rohl was offset by weakness in China

Channel inventory was stable sequentially, but lapped large drawdown in Q1 2025

Decline in Operating Income<sup>1</sup> primarily driven by lower volume and higher tariff and freight costs

<sup>1</sup> Operating income and operating margin are on a before charges/gains basis. Operating income before charges/gains and operating margin before charges/gains are non-GAAP financial measures. Please see the appendix hereto for reconciliations to their most directly comparable GAAP financial measures.

<sup>2</sup> Net sales excluding the impact of China is a non-GAAP financial measure. Please see the appendix hereto for the reconciliation to the most directly comparable GAAP financial measure.

## Q1 2026 SUMMARY

# Outdoors

### Segment Results

\$ in millions

	Net Sales	Operating Income <sup>1</sup>	Operating Margin <sup>1</sup>
Q1 2026	\$294.4	\$21.8	7.4%
Change	(3.4%)	(31.2%)	(300) bps

### Quarter Highlights

Strong sales demand at Therma-Tru was offset by Fiberon

Channel inventory was a modest headwind, as seasonal builds were lower than prior year

Decline in Operating Income<sup>1</sup> primarily driven by lower volume, higher tariff and commodity costs

## Q1 2026 SUMMARY

# Security

### Segment Results

\$ in millions

	Net Sales	Operating Income <sup>1</sup>	Operating Margin <sup>1</sup>
Q1 2026	\$153.2	\$21.7	14.2%
Change	(6.0%)	(6.5%)	0 bps

### Quarter Highlights

Growth in the commercial channel was offset by weaker retail and e-commerce demand

Channel inventory declined LSD, as channel partners managed working capital

Decline in Operating Income<sup>1</sup> primarily driven by lower volume and higher tariff costs

## Q1 2026 SUMMARY

# Balance Sheet and Cash Flow

### Cash

**\$223 M**

Decrease of \$41 M vs Q4 2025

### Total liquidity

**\$918 M**

\$695 M available under \$1.25 B revolving credit facility

### Net debt <sup>1</sup>

**\$2.5 B**

Up from \$2.3 B vs Q4 2025

### Net debt / EBITDA <sup>1</sup>

**2.9x**

Reflects seasonal increase in Q1; remain committed to Net debt / EBITDA <2.5x in near term

### Working capital <sup>2</sup>

**\$852 M**

19.2% of LTM Net sales

### Capex

**\$20 M**

Updating full year Capex to a range of \$110 M - \$125 M

### Returns to shareholders

**\$75 M**

\$44 M in share repurchases and \$31 M in dividends

### Free cash flow <sup>1</sup>

**(\$140) M**

Reflects normal Q1 seasonality

# 2026 Full-Year Guidance & Assumptions

	Prior*	Updated	
<b>Guidance</b>	<b>Net Sales Growth</b>	Flat to 2.0%	Down low single digits
	<b>EPS<sup>1</sup></b>	\$3.35 to \$3.65	\$3.00 to \$3.30
	Prior*	Updated	
<b>Market Assumptions</b>	<b>Global Market</b>	Down low single digits	Down low single digits
	<b>U.S. R&amp;R</b>	Down low single digits	Down low single digits
	<b>U.S. SFNC</b>	Down mid single digits	Down mid single digits
<b>Total Company Financial Assumptions</b>	<b>Operating Margin<sup>1</sup></b>	14.5% to 15.5%	13.5% to 14.5%
	<b>Cash Flow From Operations</b>	\$540 million to \$560 million	\$475 million to \$510 million
	<b>Free Cash Flow</b>	\$400 million to \$450 million	\$350 million to \$400 million
<b>Other Assumptions</b>	<b>Interest Expense</b>	\$110 million to \$115 million	\$110 million to \$115 million
	<b>Capex</b>	\$110 million to \$140 million	\$110 million to \$125 million
	<b>Tax Rate</b>	24.0% to 24.5%	24.0% to 24.5%
	<b>Share Count</b>	120 million to 120.5 million	120 million to 120.5 million

\* As provided in Q4 2025 Earnings Call on February 12, 2026

<sup>1</sup> Operating margin and EPS are on a before charges/gains basis. EPS before charges / gains and Operating margin before charges / gains are non-GAAP financial measures. Please see the appendix hereto for detail on why the Company is unable to provide a reconciliation to the most directly comparable GAAP financial measure for these forward-looking non-GAAP measures.





# Q&A



# Appendix

## Fortune Brands Innovations, Inc.

(In millions)  
(Unaudited)

	Thirteen Weeks Period		\$ Change	% Change
	March 28, 2026	March 29, 2025		
<b>Net sales (GAAP)</b>				
Water	\$ 563.7	\$ 565.4	\$ (1.7)	(0.3)
Outdoors	294.4	304.7	(10.3)	(3.4)
Security	153.2	163.0	(9.8)	(6.0)
<b>Total net sales</b>	<b>\$ 1,011.3</b>	<b>\$ 1,033.1</b>	<b>\$ (21.8)</b>	<b>(2.1)</b>

## Reconciliations Of GAAP Operating Income To Operating Income Before Charges/Gains

(In millions)  
(Unaudited)

	Thirteen Weeks Period		\$ Change	% Change
	March 28, 2026	March 29, 2025		
<b>WATER</b>				
<b>Operating income (GAAP)</b>	\$ 103.7	\$ 103.2	\$ 0.5	0.5
Restructuring charges	2.3	9.6	(7.3)	(76.0)
Other charges/(gains)				
Cost of products sold	-	0.4	(0.4)	(100.0)
Selling, general and administrative expenses	0.1	-	0.1	100.0
<b>Operating income before charges/(gains) <sup>(a)</sup></b>	<b>\$ 106.1</b>	<b>\$ 113.2</b>	<b>\$ (7.1)</b>	<b>(6.3)</b>
<b>OUTDOORS</b>				
<b>Operating (loss) income (GAAP)</b>	\$ 17.4	\$ 22.6	\$ (5.2)	(23.0)
Restructuring charges	0.1	2.5	(2.4)	(96.0)
Other charges/(gains)				
Cost of products sold	0.8	5.6	(4.8)	(85.7)
Selling, general and administrative expenses	-	1.0	(1.0)	(100.0)
Manufacturing facility fire <sup>(a)</sup>	3.5	-	3.5	100.0
<b>Operating income before charges/(gains) <sup>(a)</sup></b>	<b>\$ 21.8</b>	<b>\$ 31.7</b>	<b>\$ (9.9)</b>	<b>(31.2)</b>
<b>SECURITY</b>				
<b>Operating income (GAAP)</b>	\$ 21.7	\$ 16.0	\$ 5.7	35.6
Restructuring charges	0.1	3.9	(3.8)	(97.4)
Other charges/(gains)				
Cost of products sold	0.1	3.3	(3.2)	(97.0)
Selling, general and administrative expenses	(0.2)	-	(0.2)	(100.0)
<b>Operating income before charges/(gains) <sup>(a)</sup></b>	<b>\$ 21.7</b>	<b>\$ 23.2</b>	<b>\$ (1.5)</b>	<b>(6.5)</b>
<b>TOTAL COMPANY</b>				
<b>Operating income (GAAP)</b>	\$ 60.2	\$ 97.0	\$ (36.8)	(37.9)
Restructuring charges	4.3	24.8	(20.5)	(82.7)
Other charges/(gains)				
Cost of products sold	0.9	9.3	(8.4)	(90.3)
Selling, general and administrative expenses	0.8	4.7	(3.9)	(82.2)
Manufacturing facility fire <sup>(a)</sup>	3.5	-	3.5	100.0
Governance advisory services and leadership transitions <sup>(i)</sup>	42.4	-	42.4	100.0
<b>Operating income before charges/(gains) <sup>(a)</sup></b>	<b>\$ 112.1</b>	<b>\$ 135.8</b>	<b>\$ (23.7)</b>	<b>(17.5)</b>

# Fortune Brands Innovations, Inc.

## Condensed Consolidated Balance Sheets (GAAP)

(In millions)  
(Unaudited)

	March 28, 2026	December 27, 2025
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 223.1	\$ 264.0
Accounts receivable, net	584.7	513.1
Inventories	1,038.1	1,024.9
Other current assets	177.8	172.2
<b>Total current assets</b>	<b>2,023.7</b>	<b>1,974.2</b>
Property, plant and equipment, net	804.8	805.9
Goodwill	2,002.7	2,006.4
Other intangible assets, net of accumulated amortization	1,211.4	1,231.7
Assets held for sale	104.0	113.8
Other assets	399.2	388.6
<b>Total assets</b>	<b>\$ 6,545.8</b>	<b>\$ 6,520.6</b>
<b>Liabilities and equity</b>		
Current liabilities		
Accounts payable	507.3	524.6
Other current liabilities	441.7	547.0
<b>Total current liabilities</b>	<b>949.0</b>	<b>1,071.6</b>
Long-term debt	2,713.7	2,544.9
Deferred income taxes	159.2	146.9
Other non-current liabilities	367.0	368.6
<b>Total liabilities</b>	<b>4,188.9</b>	<b>4,132.0</b>
Stockholders' equity	2,356.9	2,388.6
<b>Total equity</b>	<b>2,356.9</b>	<b>2,388.6</b>
<b>Total liabilities and equity</b>	<b>\$ 6,545.8</b>	<b>\$ 6,520.6</b>

# Fortune Brands Innovations, Inc.

## Condensed Consolidated Statements Of Cash Flows

(In millions)  
(Unaudited)

### Operating activities

Net income  
Depreciation and amortization  
Non-cash lease expense  
Deferred taxes  
Other non-cash items  
Changes in assets and liabilities, net

### Net cash used in operating activities

### Investing activities

Capital expenditures  
Proceeds from the disposition of assets

### Net cash used in investing activities

### Financing activities

Increase in debt, net  
Proceeds from the exercise of stock options  
Treasury stock purchases  
Dividends to stockholders  
Other items, net

### Net cash provided by financing activities

Effect of foreign exchange rate changes on cash

Net decrease in cash and cash equivalents

Cash, cash equivalents and restricted cash\* at beginning of period

### Cash, cash equivalents and restricted cash\* at end of period

Thirteen Weeks Period	
March 28, 2026	March 29, 2025
\$ 24.2	\$ 51.4
42.1	51.3
9.9	9.4
11.9	1.7
0.2	8.3
(207.5)	(205.5)
\$ (119.2)	\$ (83.4)
\$ (20.3)	\$ (29.2)
9.8	-
\$ (10.5)	\$ (29.2)
\$ 168.3	\$ 280.0
4.5	0.6
(43.5)	(175.0)
(31.2)	(30.5)
(7.7)	(7.1)
\$ 90.4	\$ 68.0
\$ (1.7)	\$ 3.0
\$ (41.0)	\$ (41.6)
267.5	385.5
\$ 226.5	\$ 343.9

### FREE CASH FLOW

### Cash flow from operations (GAAP)

Less:  
Capital expenditures

### Free cash flow <sup>(b)</sup>

Thirteen Weeks Period		2026 Full Year
March 28, 2026	March 29, 2025	Estimate
\$ (119.2)	\$ (83.4)	\$500 to \$535
\$ 20.3	\$ 29.2	\$110 to \$125
\$ (139.5)	\$ (112.6)	\$375 to \$425

\* Restricted cash of \$1.4 million and \$2.0 million is included in Other current assets and Other assets, respectively, as of March 28, 2026, and \$1.3 million and \$2.6 million is included in Other current assets and Other assets, respectively, as of March 29, 2025.

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

## Fortune Brands Innovations, Inc. Condensed Consolidated Statements Of Income (GAAP)

(In millions, except per share amounts)  
(Unaudited)

	Thirteen Weeks Period		% Change
	March 28, 2026	March 29, 2025	
<b>Net sales</b>	\$ 1,011.3	\$ 1,033.1	(2.1)
Cost of products sold	575.6	578.4	(0.5)
Selling, general and administrative expenses	352.7	314.9	12.0
Amortization of intangible assets	18.5	18.0	2.8
Restructuring charges	4.3	24.8	(82.7)
<b>Operating income</b>	60.2	97.0	(37.9)
Interest expense	26.5	28.6	(7.3)
Other (income)/expense, net	(0.1)	(1.0)	(90.0)
<b>Income before taxes</b>	33.8	69.4	(51.3)
Income tax	9.6	18.0	(46.7)
<b>Net income</b>	\$ 24.2	\$ 51.4	(52.9)
<b>Diluted earnings per common share</b>	\$ 0.20	\$ 0.42	(51.8)
<b>Diluted average number of shares outstanding</b>	120.2	123.0	(2.3)

# Fortune Brands Innovations, Inc.

(In millions)  
(Unaudited)

## Reconciliations Of Income From Continuing Operations, Net Of Tax To EBITDA Before Charges/Gains

	Thirteen Weeks Period		% Change
	March 28, 2026	March 29, 2025	
<b>Net income</b>	\$ 24.2	\$ 51.4	(52.9)
Depreciation *	\$ 23.7	\$ 24.8	(4.4)
Amortization of intangible assets	18.5	18.0	2.8
Restructuring charges	4.3	24.8	(82.7)
Other charges/(gains)	1.7	14.0	(87.6)
Interest expense	26.5	28.6	(7.3)
Manufacturing facility fire <sup>(g)</sup>	3.5	-	NM
Governance advisory services and leadership transitions <sup>(i)</sup>	42.4	-	NM
Income taxes	9.6	18.0	(46.7)
<b>EBITDA before charges/(gains) <sup>(e)</sup></b>	<b>154.4</b>	<b>179.6</b>	<b>(14.0)</b>

\* Depreciation excludes accelerated depreciation expense of \$(0.2) million for the thirteen weeks ended March 28, 2026, and \$8.5 million for the thirteen weeks ended March 29, 2025. Accelerated depreciation is included in restructuring and other charges/gains.

## Calculation Of Net Debt-to-EBITDA Before Charges/Gains Ratio

### As of March 28, 2026

Long-term debt **	\$ 2,713.7
Total debt	2,713.7
Less:	
Cash and cash equivalents **	223.1
Net debt (1)	\$ 2,490.6
<b>For the fifty-two weeks ended March 28, 2026</b>	
EBITDA before charges/(gains) (2) <sup>(c)</sup>	\$ 853.2
<b>Net debt-to-EBITDA before charges/(gains) ratio (1/2)</b>	<b>2.9</b>

\*\* Amounts are per the Unaudited Condensed Consolidated Balance Sheet as of March 28, 2026.

	Thirty-Nine Weeks Ended	Thirteen Weeks Period	Fifty-Two Weeks Ended
	December 27, 2025	March 28, 2026	March 28, 2026
<b>Net income</b>	\$ 247.5	\$ 24.2	\$ 271.7
Depreciation***	\$ 74.9	\$ 23.7	\$ 98.6
Amortization of intangible assets	57.3	18.5	75.8
Restructuring charges	27.6	4.3	31.9
Other charges/(gains)	39.1	1.7	40.8
Interest expense	86.6	26.5	113.1
Asset impairment charge <sup>(f)</sup>	53.6	-	53.6
Manufacturing facility fire <sup>(g)</sup>	21.1	3.5	24.6
Transformation costs <sup>(h)</sup>	3.0	-	3.0
Governance advisory services and leadership transitions <sup>(i)</sup>	-	42.4	42.4
Income taxes	88.1	9.6	97.7
<b>EBITDA before charges/(gains) <sup>(e)</sup></b>	<b>\$ 698.8</b>	<b>\$ 154.4</b>	<b>\$ 853.2</b>

\*\*\* Depreciation excludes accelerated depreciation expense of \$10.7 million for the thirty-nine weeks ended December 27, 2025, and \$(0.2) million for the thirteen weeks ended March 27, 2026. Accelerated depreciation is included in restructuring and other charges/gains.

(c) (f) (g) (h) (i) For definitions of Non-GAAP measures, see Definitions of Terms page  
NM = Not meaningful

## Reconciliation Of Diluted EPS From Continuing Operations Before Charges/Gains

For the thirteen weeks ended March 28, 2026, diluted EPS before charges/gains is calculated as income from continuing operations on a diluted per-share basis, excluding \$4.3 million (\$3.3 million after tax or \$0.03 per diluted share) of restructuring charges, \$1.7 million (\$1.3 million after tax or \$0.01 per diluted share) of other charges/gains, \$3.5 million (\$2.6 million after tax or \$0.02 per diluted share) of net costs relating to a manufacturing facility fire and \$42.4 million (\$32.4 million after tax or \$0.27 per diluted share) of costs associated with governance advisory services and leadership changes.

For the thirteen weeks ended March 29, 2025, the diluted EPS before charges/gains is calculated as income from continuing operations on a diluted per-share basis, excluding \$24.8 million (\$17.0 million after tax or \$0.14 per diluted share) of restructuring charges and \$14.0 million (\$12.7 million after tax or \$0.10 per diluted share) of other charges/gains.

Thirteen Weeks Period		
March 28, 2026	March 29, 2025	% Change

### Earnings per common share (EPS) - Diluted

#### Diluted EPS from continuing operations (GAAP)

Diluted EPS from continuing operations (GAAP)	\$ 0.20	\$ 0.42	(51.8)
Restructuring charges	0.03	0.14	(78.6)
Other charges/(gains)	0.01	0.10	(90.0)
Manufacturing facility fire <sup>(g)</sup>	0.02	-	NM
Governance advisory services and leadership transitions <sup>(i)</sup>	0.27	-	NM
Diluted EPS from continuing operations before charges/(gains) <sup>(d)</sup>	\$ 0.53	\$ 0.66	(19.7)

\$	0.20	\$	0.42	(51.8)
	0.03		0.14	(78.6)
	0.01		0.10	(90.0)
	0.02		-	NM
	0.27		-	NM
\$	0.53	\$	0.66	(19.7)

## Fortune Brands Innovations, Inc. Operating Margin To Operating Margin Before Charges/Gains

(Unaudited)

	Thirteen Weeks Period		Change
	March 28, 2026	March 29, 2025	
<b>WATER</b>			
<b>Operating margin</b> <sup>(e)</sup>	18.4%	18.3%	10 bps
Restructuring charges	0.4%	1.7%	
<b>Before charges/(gains) operating margin</b> <sup>(e)</sup>	18.8%	20.0%	(120) bps
<b>OUTDOORS</b>			
<b>Operating margin</b> <sup>(e)</sup>	5.9%	7.4%	(150) bps
Restructuring charges	-	0.8%	
Other charges/(gains)			
Cost of products sold	0.4%	1.9%	
Selling, general and administrative expenses	-	0.3%	
Manufacturing facility fire <sup>(g)</sup>	1.2%	-	
<b>Before charges/(gains) operating margin</b> <sup>(e)</sup>	7.4%	10.4%	(300) bps
<b>SECURITY</b>			
<b>Operating margin</b> <sup>(e)</sup>	14.2%	9.8%	440 bps
Restructuring charges	0.1%	2.4%	
Other charges/(gains)			
Cost of products sold	-	2.0%	
Selling, general and administrative expenses	(0.1%)	-	
<b>Before charges/(gains) operating margin</b> <sup>(e)</sup>	14.2%	14.2%	0 bps
<b>TOTAL COMPANY</b>			
<b>Operating margin</b> <sup>(e)</sup>	6.0%	9.4%	(340) bps
Restructuring charges	0.4%	2.3%	
Other charges/(gains)			
Cost of products sold	0.1%	0.9%	
Selling, general and administrative expenses	0.1%	0.5%	
Manufacturing facility fire <sup>(g)</sup>	0.4%	-	
Governance advisory services and leadership transitions <sup>(i)</sup>	4.2%	-	
<b>Before charges/(gains) operating margin</b> <sup>(e)</sup>	11.1%	13.1%	(200) bps

## Fortune Brands Innovations, Inc. Reconciliation Of GAAP Net Sales To Net Sales Excluding The Impact Of China Sales

(Unaudited)

### Water

Percentage change in net sales (GAAP)

Excluding China sales

Net sales excluding impact of China <sup>(i)</sup>

Thirteen Weeks Ended March 28, 2026 vs Thirteen Weeks Ended March 29, 2025	
% Change	
	(0.3%)
	1.8%
	1.5%

### Total Company

Percentage change in net sales (GAAP)

Excluding China sales

Net sales excluding impact of China <sup>(i)</sup>

Thirteen Weeks Ended March 28, 2026 vs Thirteen Weeks Ended March 29, 2025	
% Change	
	(2.1%)
	0.9%
	(1.2%)

## Fortune Brands Innovations, Inc. Calculation Of Working Capital As Percentage Of LTM Net Sales

(In millions)  
(Unaudited)

### As of March 28, 2026 \*\*

Accounts receivable, net	\$	584.7
Inventories		1,038.1
Other current assets		177.8
Accounts payable		(507.3)
Other current liabilities		(441.7)
Working capital (1)	\$	851.6

### For the fifty-two weeks ended March 28, 2026

Net sales (2)	\$	4,441.4
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### Working capital as percentage of LTM net sales (1/2)

	19.2%
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\*\* Amounts are per the Unaudited Condensed Consolidated Balance Sheet as of March 28, 2026

Thirty-Nine Weeks Ended	Thirteen Weeks Period	Fifty-Two Weeks Ended
December 27, 2025	March 28, 2026	March 28, 2026

Net sales	\$	3,430.1	\$	1,011.3	\$	4,441.4
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## Definition 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. 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) 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.
- (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, 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) 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. 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.
- (e) Operating margin is calculated as the operating income in accordance with GAAP, divided by the GAAP net sales. The operating margin before charges/gains is calculated as the operating income, excluding restructuring and other charges/gains, divided by the GAAP net sales. The operating margin before charges/gains 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.
- (f) For the thirty-nine weeks ended December 27, 2025, impairment charges of \$53.6 million were recorded related to the classification of certain assets to equal their fair value, less estimated costs to sell.
- (g) We recognized \$3.5 million and \$21.1 million of losses, net of probable insurance recoveries, related to a fire at one of our manufacturing facilities within the Outdoors segment for the thirteen weeks ended March 28, 2026 and thirty-nine weeks ended December 27, 2025.
- (h) For the thirty-nine weeks ended December 27, 2025, professional fees incurred related to ongoing transformation initiatives was \$3.0 million at Corporate.
- (i) For the thirteen weeks ended March 28, 2026, the Company incurred charges of \$42.4 million associated with governance advisory services and leadership transitions.
- (j) Net sales excluding the impact of China sales is net sales derived in accordance with GAAP excluding the impact of China sales. 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 Company and its reportable segments from period to period. This measure may be inconsistent with similar measures presented by other companies.

## Additional Information:

For certain forward-looking non-GAAP measures (as used in this presentation, operating margin before charges / gains, EPS before charges / gains and net debt to EBITDA before charges / gains), the Company is unable to provide a reconciliation to the most comparable GAAP financial measure because the information needed to reconcile the non-GAAP financial measure to the GAAP financial measure 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 EPS before charges / gains, along with net debt to EBITDA before charges / gains and restructuring and other charges, which are excluded from operating margin before charges / gains, EPS before charges / gains and net debt to EBITDA before charges / gains. 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.