Fortune Brands Separation Announcement Presentation

April 28, 2022

Disclosures

Forward-Looking Statements

- This contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical statements of fact and those regarding our intent, belief, or expectations, including, but not limited to: statements regarding our and the ultimate spin-off company's ("SpinCo") businesses and their relationship following the business separation; the anticipated timing, structure, benefits, and tax treatment of the spin-off; benefits and synergies of the spin-off; strategic and competitive advantages of each of us and SpinCo; future financing plans and opportunities; our and SpinCo's credit profiles following the spin-off; our and SpinCo's capital allocation strategies following the spin-off; and business strategies, prospects and projected operating and financial results. In addition, there is also no assurance that the spin-off will be completed, that our Board of Directors will continue to pursue the spin-off (even if there are no impediments to completion), that we will be able to separate its businesses or that the spin-off will be the most beneficial alternative considered. We caution investors not to place undue reliance on any such forward-looking statements. Statements that include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans" 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 the expectations, estimates, assumptions and projections about the spin-off, our industry, our businesses and future financial results available at the time this report is filed with the SEC. 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. Except as required by law, we undertake no obligation to, and expressly disclaim any such obligation to, update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events, new information or changes to future results over time or otherwise. The risks, uncertainties and other factors that prospective investors should consider include, but are not limited to, the following: our reliance on the North American home improvement, repair and remodel and new home construction activity levels; the North American and global economies; our ability to remain competitive, innovative and protect our intellectual property; risk associated with the disruption of operations; our ability to improve organizational productivity and global supply chain efficiency and flexibility; global commodity and energy availability and price volatility, as well as sustained inflation; the risk of doing business internationally; risk associated with the imposition of additional tariffs and taxes related to our imported inputs and finished goods; our reliance on key customers and suppliers; the cost and availability associated with our supply chains and the availability of raw materials; risks associated with entering into potential strategic acquisitions and joint ventures, and integrating acquired businesses; our ability to attract and retain qualified personnel and other labor constraints; any delays or outages in our information technology systems and computer networks, including breaches of our information technology systems; compliance with tax, environmental (including climate change regulation) and federal, state and international laws and industry regulatory standards; reputational risk associated with our ability to successfully meet stakeholder expectations on our performance of environmental, social and governance matters; the potential costs and disruption to our business of implementing the spin-off; our ability to consummate the spin-off and achieve the expected benefits of the spin-off transaction; the loss of synergies from operating the businesses that could negatively impact the balance sheet, profit margins or earnings of both businesses; the combined value of the common stock of the two publicly-traded companies do not equal or exceed the value that the Company's common stock could have had if the spin-off not occurred; the expected timing of the completion of the spin-off transaction and the transaction terms, as well as the risks described under "Risk Factors" in Part I, Item 1A of our most recent Annual Report on Form 10-K, which is incorporated by reference herein.

Use of Non-GAAP Financial Information

- This presentation includes measures not derived in accordance with U.S. generally accepted accounting principles (GAAP), including EBITDA before charges/gains, operating income before charges/gains, free cash flow, operating margin before charges/gains, and return on invested capital. We offer these measures to assist investors in assessing our financial performance and liquidity under GAAP, but investors should not rely on these measures as a substitute for any GAAP measure, including net income or operating income. In addition, these measures may be inconsistent with similarly titled measures presented by other companies.

Overview of Separation Announcement

- Fortune Brands will pursue a separation into two world class companies via a tax-free spin-off of our Cabinets business
- Doing so will create two independent, industry-leading public companies with the scale, winning strategies, capabilities, and leadership to sustain and accelerate value creation:

The New Fortune Brands

- Exceptional long-term growth and margins in super-charged home, security and building products categories
- Supported by powerful secular consumer and ESG tailwinds
- Defined by iconic brands, innovation and brand management excellence

The Cabinets Business

- Industry leader with a track record of top-tier performance and delivering results through strategic transformation and operational excellence

- We expect the spin-off to deliver value for our investors, customers and employees
- As all our businesses continue to deliver exceptional results with multiple paths to long-term value creation, now is the right time to continue our transformation

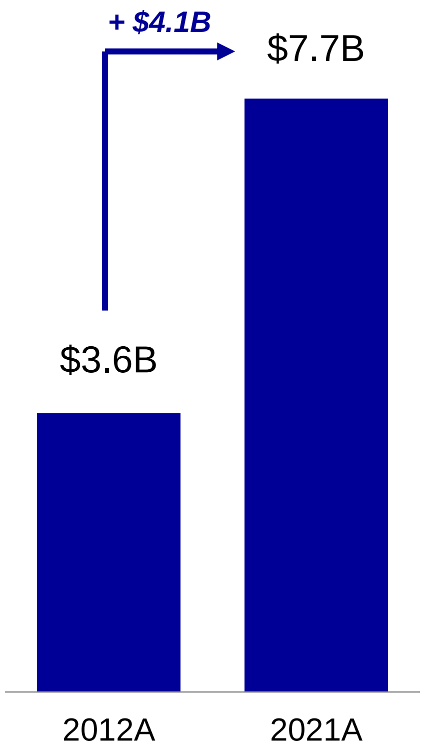
Creating two leading independent public companies positioned for long-term success

A Decade of Industry-Leading Growth and Margin Expansion

FBHS has invested behind compelling secular trends to support sustained, profitable and leveraged growth across its businesses

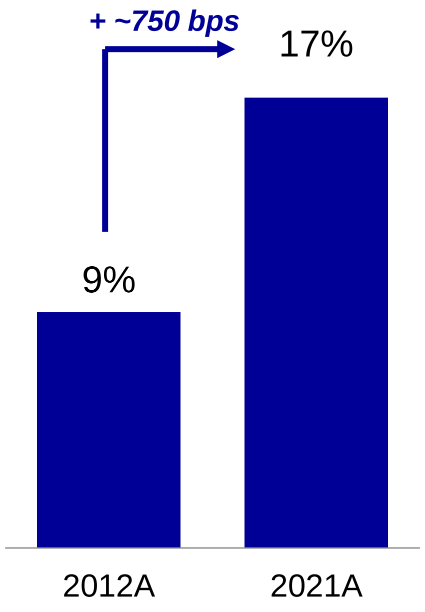
Net Sales

9% Net Sales CAGR



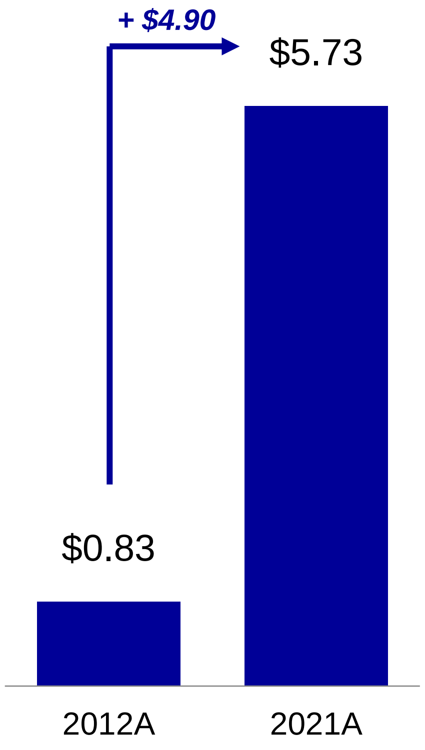
EBITDA Margin

18% EBITDA CAGR



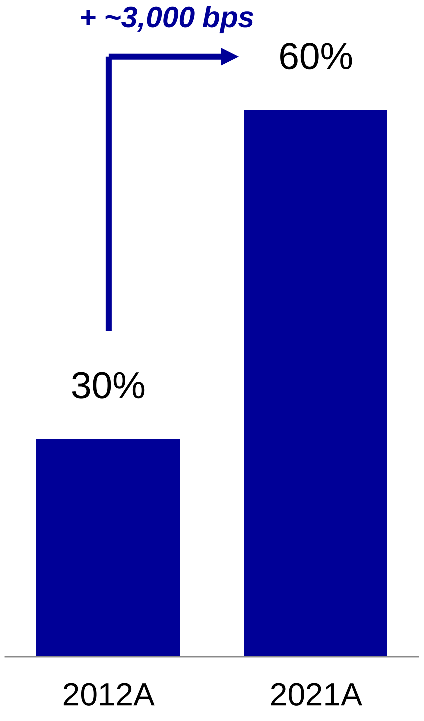
EPS

24% EPS CAGR

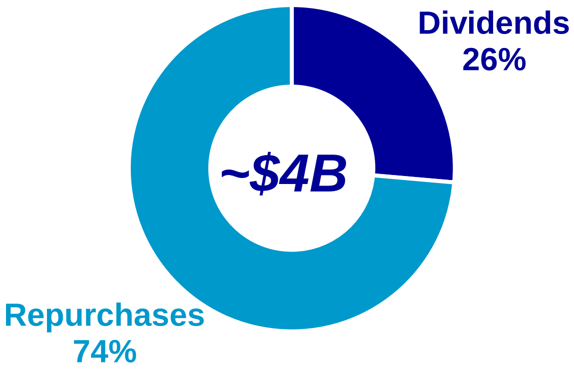


OI RONTA

+3,000 bps



Capital Returned to Shareholders



Strategic Acquisitions

~$3B[1] Deployed

House of Rohl
Larson
fiberon
Wood Crafters

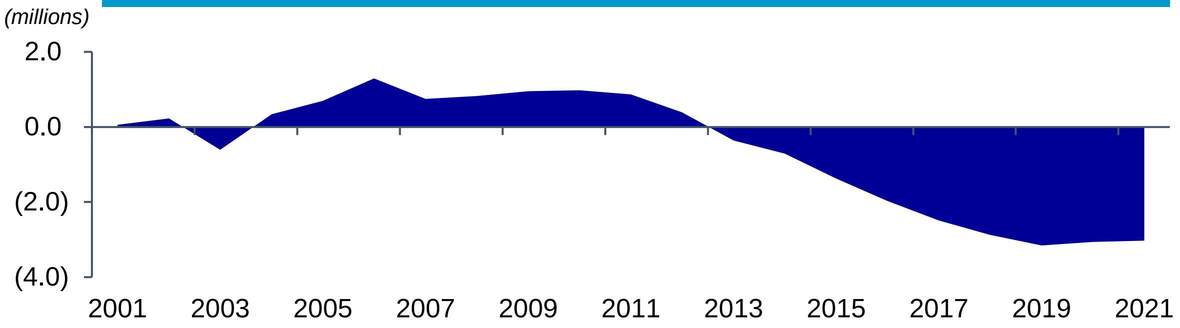
Note: EBITDA and margin shown before charges / gains and include corporate expense. Refer to Appendix for reconciliation.
OI RONTA calculated as Operating Income Before Charges / Gains divided by average Net Tangible Assets. This metric demonstrates the improved operating productivity without the benefit 2017 tax reform. Refer to Appendix.
1. Cost of acquisitions, net of cash acquired.

Fortune Brands
A home and security company

Businesses Underpinned by Favorable Housing Market Fundamentals

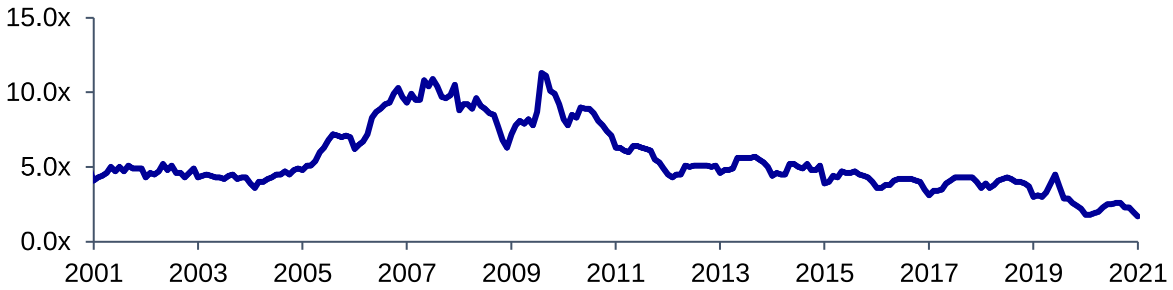
Significant Housing Under-Build

Cumulative under-build of 3M homes



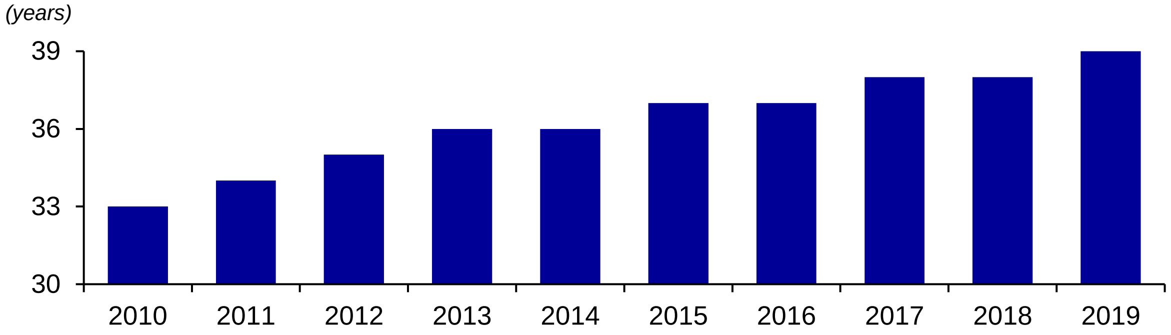
Limited Existing Homes Available for Sale

< 2 months of existing home inventory



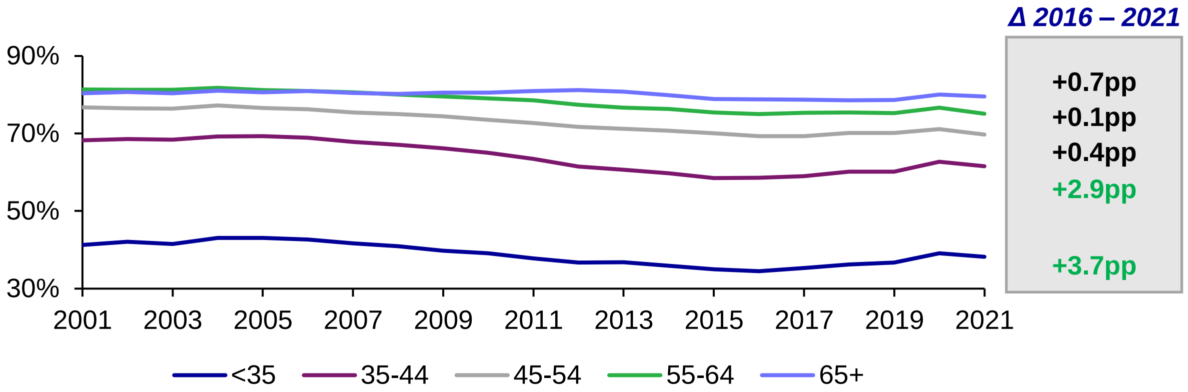
Large Installed Base of Aging Homes

Median home age increased to 39 years



Homeownership Rate Rising Across Age Cohorts

Homeownership rate rising faster with younger cohorts



A History of Strong Performance and Value Creation

"Category Outperformance And Expansion Through The Housing Market Recovery"

- *Capacity & Distribution*
- *Brand & Innovation*
- *Category Expansion*

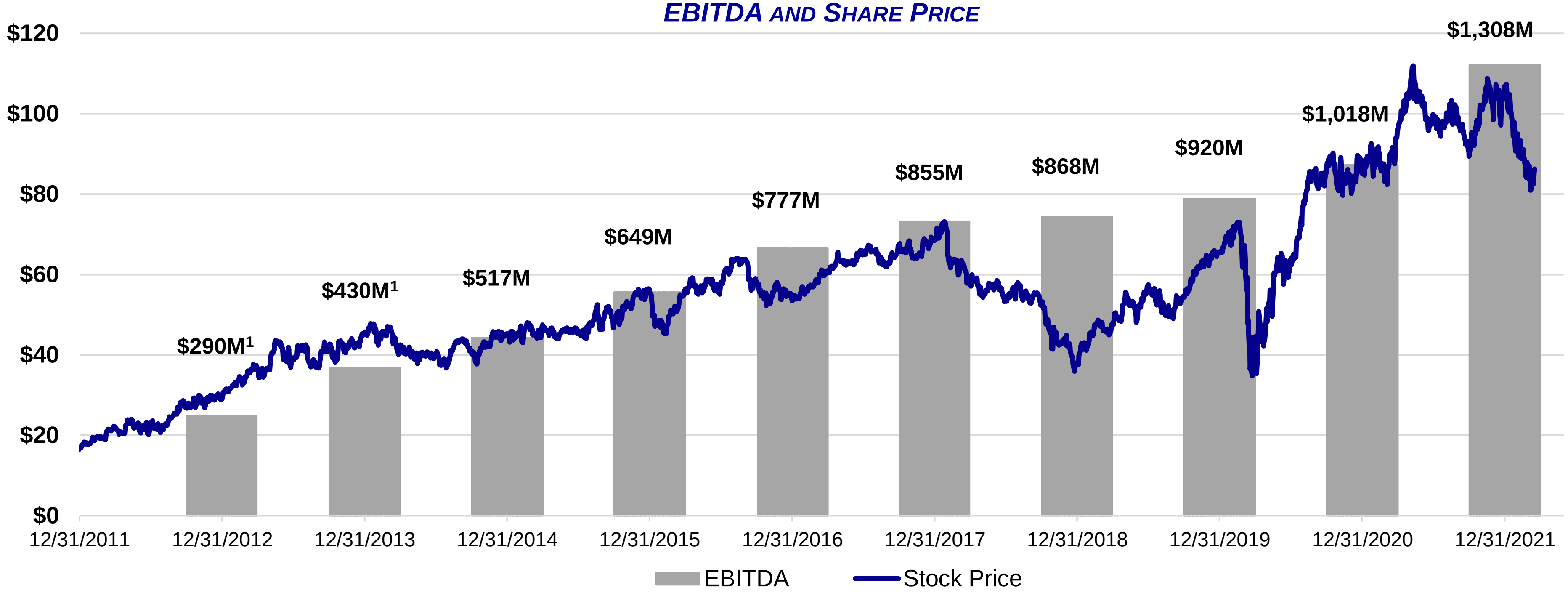
"Execution Excellence Through Global Disruptions"

- *Complexity Reduction*
- *Category Management*
- *Supply Chain Resilience*

"Winning Brands in Super-Charged Categories"

- *Digital Transformation*
- *Omni-Channel Approach*
- *Impactful Sustainability*

FBHS Financial Performance
EBITDA and Share Price



+9%
Net Sales CAGR

+18%
EBITDA CAGR

+24%
EPS CAGR

Note: EBITDA and margin shown before charges / gains and include corporate expense. Refer to Appendix for reconciliation.

1. 2012 & 2013 EBITDA adjusted to exclude divestitures and discontinued ops.

Compelling Rationale and Timing for Separation

- Highlights two high-performing businesses with scale and favorable tailwinds
- Enhances strategic and management focus
- Maximizes independent paths to growth and value creation
- Optimizes organic and inorganic investments to support distinct priorities
- Drives tailored, efficient capital allocation for each business
- Aligns investor base for each business with distinct investment opportunity

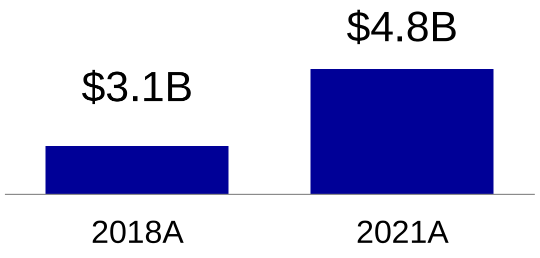
Two Highly-Attractive Investment Profiles

Strong performance and momentum in both businesses continuing into 2022

New Fortune Brands

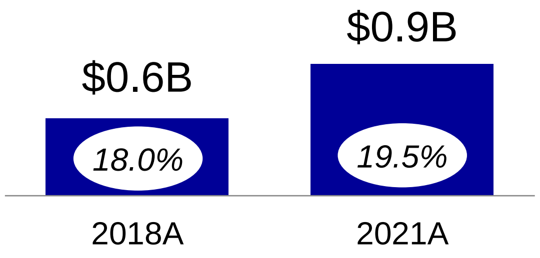
Net Sales

*2018 – 2021 CAGR: **16.1%***



Operating Income & Margin[2]

*2018 – 2021 CAGR: **19.4%***

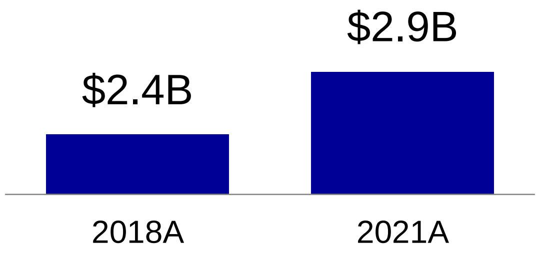


- ✓ **Track record of mid-teens growth**
- ✓ **~22% EBITDA margin[1] (Water ~25%, O&S ~19%)**
- ✓ **2021 OI RONTA of ~79%[3]**
- ✓ **Digital and M&A investments to drive accelerated growth**

Cabinets Business

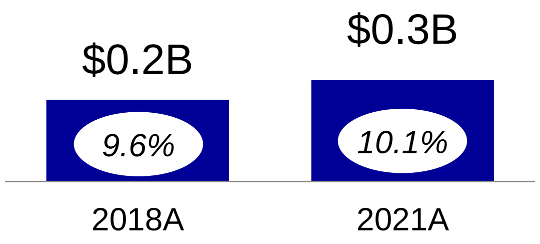
Net Sales

*2018 – 2021 CAGR: **5.7%***



Operating Income & Margin[2]

*2018 – 2021 CAGR: **7.3%***



- ✓ **Strong growth with expanding margins**
- ✓ **Leveraged path to mid-teens operating margin**
- ✓ **2021 OI RONTA of ~42%[3]**
- ✓ **Significant free cash flow generation**

Fortune Brands
A home and security company

1. EBITDA and margin shown before charges / gains and exclude corporate expense. Refer to Appendix for reconciliation.
2. Operating income and margin shown before charges / gains and exclude corporate expense. Refer to Appendix for reconciliation.
3. OI RONTA calculated as Operating Income Before Charges / Gains divided by average Net Tangible Assets. This metric demonstrates the improved operating productivity without the benefit 2017 tax reform. Refer to Appendix.

New Fortune Brands | Brand and Innovation Leader Driving Accelerated Growth in Super-Charged Categories in Home, Security and Building Products

- ✓ Investing behind iconic consumer brands with leading category positions and a proven innovation engine
- ✓ Outperforming in large and expanding addressable markets with powerful secular tailwinds
- ✓ Accelerating growth realization through smart home innovations, digital transformation, advanced materials and category expansion
- ✓ Fueling growth and margin expansion through Fortune Brands Advantage capabilities

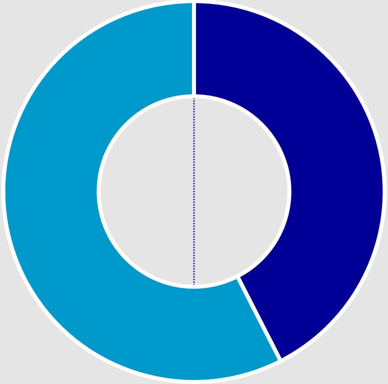
$4.8B 2021 Net Sales	**#1 Brands** N.A. Consumer Faucets, Entry and Storm Doors*, Padlocks and Consumer Safes
~22% 2021 EBITDA Margin[1]	**~79%** 2021 OI RONTA[2]

Water Innovations (~58% of 2021 Net Sales)

$2.8B	$633M	23%
Net Sales	Operating Income[3]	OI Margin[3]

MOEN

HOUSE OF ROHL



Outdoors & Security (~42% of 2021 Net Sales)

$2.0B	$305M	15%
Net Sales	Operating Income[3]	OI Margin[3]

THERMA TRU DOORS

LARSON

fiberon

Master Lock

SentrySafe

1. EBITDA and margin shown before charges / gains and exclude corporate expense. Refer to Appendix for reconciliation.
2. Operating income and margin shown before charges / gains and exclude corporate expense. Refer to Appendix for reconciliation.
3. OI RONTA calculated as Operating Income Before Charges / Gains divided by average Net Tangible Assets. This metric demonstrates the improved operating productivity without the benefit 2017 tax reform. Refer to Appendix.

*Therma-Tru awarded No. 1 most-used entry door brand in U.S. among residential building professionals. Storm door leader in U.S.

New Fortune Brands | Innovative Global Water Technology Platform

- ✓ Compelling portfolio of iconic brands and unique value propositions across mainstream, premium and luxury segments with Moen and House of Rohl
- ✓ Best-in-class net sales growth, operating margins and cash generation
- ✓ Broad distribution strength and expansion in key markets, adjacent categories, and digital technologies
- ✓ Products that enhance how consumers experience water while conserving Earth's most precious resource through Mission Moen

$2.8B 2021 Net Sales	**#1 Brand** N.A. Consumer Faucets
~14% 2018 – 2021 Net Sales CAGR	**~25%** 2021 EBITDA Margin[2]

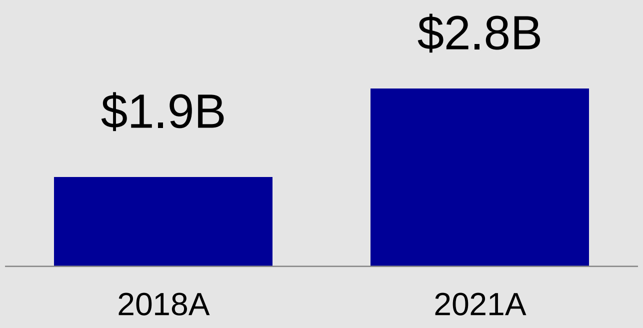
KEY BRANDS

MOEN®

HOUSE OF ROHL

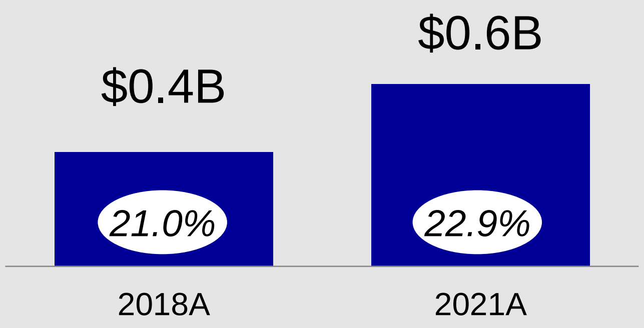
NET SALES & GROWTH

13.6% CAGR



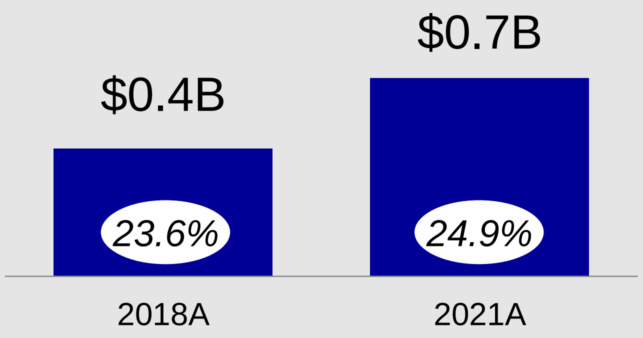
OPERATING INCOME & MARGIN[1]

16.9% CAGR



EBITDA & MARGIN[2]

15.7% CAGR



Fortune Brands
A home and security company

1. Operating income and margin shown before charges / gains and excludes corporate expense. Refer to Appendix for reconciliation.
2. EBITDA and margin shown before charges / gains and excludes corporate expense. Refer to Appendix for reconciliation.

New Fortune Brands | Leading Outdoor Living and Security Platform

- ✓ Attractive and complementary portfolio of Outdoor and Security Brands – Therma-Tru, Larson, Fiberon, Master Lock, and SentrySafe
- ✓ Above-market growth with strong leverage and margin performance
- ✓ Enhanced growth potential from powerful secular tailwinds in outdoor living, material conversion and science, connected products, and safety
- ✓ Positive category conversion with enhanced sustainability and safety – energy-efficient doors and storm doors, decking from recycled materials, commercial safety, and personal security

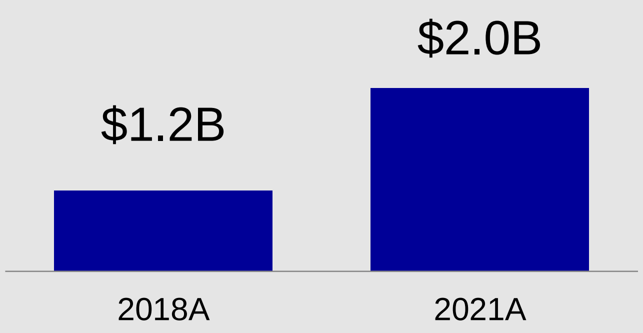
\$2.0B 2021 Net Sales	**#1 Brands** Entry and Storm Doors, Padlocks and Consumer Safes*
~20% 2018 – 2021 Net Sales CAGR	**~19%** 2021 EBITDA Margin[2]

KEY BRANDS

THERMA-TRU DOORS
fiberon
LARSON
Master Lock
SentrySafe

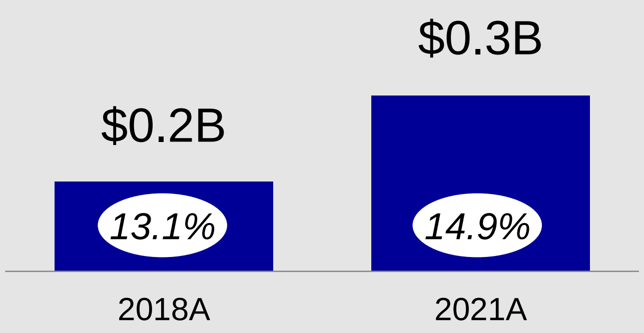
NET SALES & GROWTH

19.9% CAGR



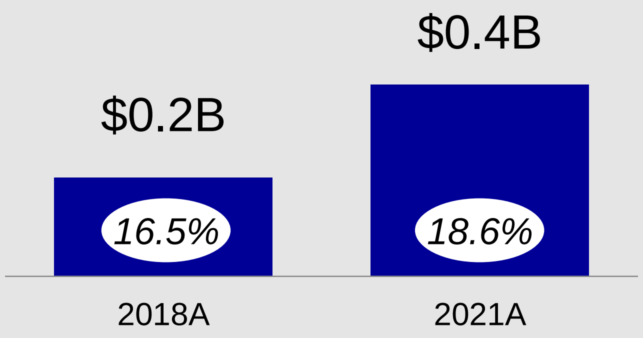
OPERATING INCOME & MARGIN[1]

25.2% CAGR



EBITDA & MARGIN[2]

24.9% CAGR



1. Operating income and margin shown before charges / gains and excludes corporate expense. Refer to Appendix for reconciliation.
2. EBITDA and margin shown before charges / gains and excludes corporate expense. Refer to Appendix for reconciliation.

*Therma-Tru awarded No. 1 most-used entry door brand in U.S. among residential building professionals. Storm door leader in U.S. Padlocks and safes leader in N.A.

Powerful Growth Accelerants & Sustainability Tailwinds

WATER MANAGEMENT

MATERIAL CONVERSION AND SCIENCE

OUTDOOR LIVING

CONNECTED PRODUCTS

GLOBAL SUSTAINABILITY

Cabinets Business | The Industry Leader in North American Cabinets

- ✓ Track record of above-market performance in the most attractive segments
- ✓ Leading national dealer network and customer relationships with strong service support and multi-branded go-to-market proposition
- ✓ Manufacturing scale, global supply chain, and operational agility to pivot with market demand
- ✓ Clear path to margin expansion with lean operational excellence, strategic transformation to platforms, and smart manufacturing

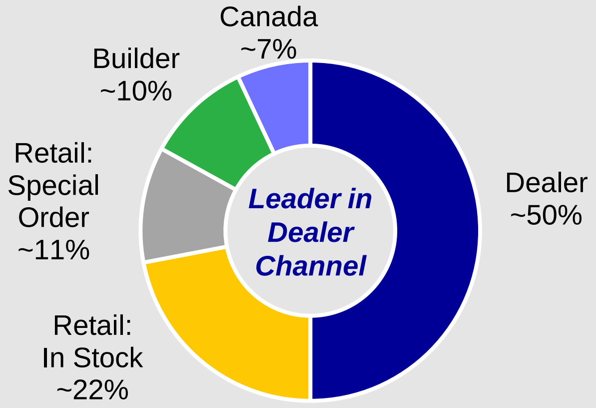
$2.9B	**#1**
2021 Net Sales	N.A. Cabinets
~12%	**~42%**
2021 EBITDA Margin[1]	2021 OI RONTA[2]

Multi-Branded Strategy across Price Points, Products and Channels[3]

Price Range

- *Luxury*
- *Premium*
- *Semi-Custom*
- *Value Semi-Custom*
- *Stock / In-Stock*

Aristokraft Cabinetry · Diamond cabinetry by · Schrock · KitchenCraft Cabinetry · Mantra · Kemper · Omega Cabinetry · Decorá Cabinetry by · Starmark Cabinetry



Fortune Brands
A home and security company

1. EBITDA margin shown before charges / gains and excludes corporate expense. Refer to Appendix for reconciliation.
2. OI RONTA calculated as Operating Income Before Charges / Gains divided by average Net Tangible Assets. This metric demonstrates the improved operating productivity without the benefit 2017 tax reform. Refer to Appendix.
3. Channel percentages reflects breakdown of 2021 net sales.

Transforming Platform to Deliver Accelerating Results

Significant investments and execution of business transformation driving accelerated growth and margin expansion

Broad Distribution and National Dealer Network

4,000+ Dealer Network

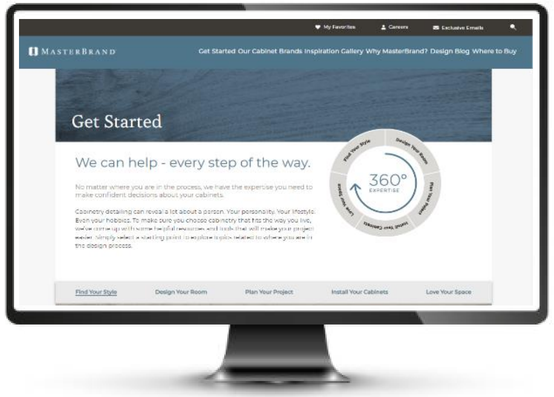
Flexible Supply Chain and Lean Operational Excellence

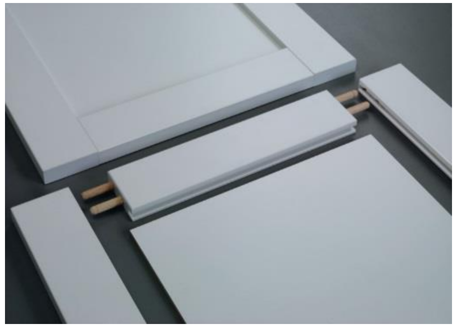
The MasterBrand Way
Lean Practices

Enhanced End-To-End Consumer Experience

Elevated customer Service

MasterBrand Cabinets, Inc.
The MasterBrand Way





Two Compelling Companies With Industry-Leading Positions

New Fortune Brands	Cabinets Business
Brand and Innovation Leader Focused on Super-Charged Categories in Home, Security and Building Products	*The Industry Leader in North American Cabinets Driving Strategic Transformation to Deliver Top-Tier Performance*
Iconic Consumer Brands	Industry Leader Capitalizing on Scale Advantages
Secular Tailwinds in Water Management, Material Conversion and Science, and Outdoor Living	Transforming Platform to Deliver Outsized Growth and Margin Expansion
Fortune Brands Advantage Driving Best-in-Class Capabilities, Margins and Returns	Executing Multi-Brand Strategy to Drive Unmatched Value Proposition Across Industry's Largest Dealer Network
ESG Leader with Water Conservation, Recycled Materials, Energy Savings, and Safety	Driving Operational Excellence with Flexible Supply Chain and Lean Manufacturing Capabilities
Creating New Value Streams with Digitally-Enabled Products, Platforms and Services	Enhancing the Consumer Experience through Investment and Innovation
Significant M&A Opportunities in High Growth Categories	Compelling Investment Opportunities within Core and Adjacent Markets

Transaction Details

Transaction Structure	• Tax-free spin-off of the Cabinets Business to FBHS shareholders
Financial Implications	• Both companies are expected to be independently well-capitalized with the flexibility to invest for growth – Anticipate Cabinets Business to have an appropriate standalone capital structure following completion of the spin-off – Expect no diminution of current and future Fortune Brands credit profile following completion of the tax-free spin-off • Expect to continue to pay a strong quarterly dividend with no anticipated change to FBHS' near-term dividend policy[1] • Costs necessary to create two public companies are expected to be discrete and manageable with opportunities to improve SG&A over time
Timing	• Expect transaction to be completed in approximately 12 months
Approvals	• Subject to final FBHS Board and other customary approvals
Other	• New Fortune Brands will continue to be led by Nicholas Fink (CEO), and Dave Banyard will continue leading the Cabinets Business as CEO following the separation

1. Dividend policy and declaration of dividends are subject to approval by each company's Board of Directors.

Appendix

Reconciliation of 2021 Operating Income Before Charges / Gains to GAAP Operating Income

(In millions)
(Unaudited)

	Twelve Months Ended December 31, 2021					
	WATER INNOVATIONS (3)	OUTDOORS & SECURITY (4)	NEW FORTUNE BRANDS (3+4)	CABINETS	FBHS CORPORATE	FBHS CONSOLIDATED
Operating income (loss) before charges/gains [d] (1)	$ 632.7	$ 305.0	$ 937.7	$ 287.2	$ (108.6)	$ 1,116.3
Restructuring charges [a]	1.1	(10.4)	(9.3)	(4.2)	-	(13.5)
Other charges [a]						
Cost of products sold	(2.0)	(3.4)	(5.4)	(3.7)	-	(9.1)
Selling, general and administrative expenses	(2.1)	0.7	(1.4)	-	(1.9)	(3.3)
Operating income (loss) (GAAP)	$ 629.7	$ 291.9	$ 921.6	$ 279.3	$ (110.5)	$ 1,090.4
Net Sales (2)	$ 2,761.2	$ 2,039.9	$ 4,801.1	$ 2,855.0	$ -	$ 7,656.1
Before charges/gains operating margin [e] (1/2)	22.9%	14.9%	19.5%	10.1%		14.6%

(a) (b) (c) (d) (e) For definitions of Non-GAAP measures, see Definitions of Terms page in the Appendix.

Reconciliation of 2018 Operating Income Before Charges / Gains to GAAP Operating Income

(In millions)
(Unaudited)

	Twelve Months Ended December 31, 2018					
	WATER INNOVATIONS (3)	OUTDOORS & SECURITY (4)	NEW FORTUNE BRANDS (3+4)	CABINETS	FBHS CORPORATE	FBHS CONSOLIDATED
Operating income (loss) before charges/gains [d] (1)	$ 396.0	$ 155.3	$ 551.3	$ 232.3	$ (78.9)	$ 704.7
Restructuring charges [a]	(2.6)	(4.7)	(7.3)	(16.8)	-	(24.1)
Other charges [a]						
Cost of products sold	(6.0)	(7.3)	(13.3)	(9.1)	-	(22.4)
Selling, general and administrative expenses	(8.3)	1.2	(7.1)	(0.3)	(0.3)	(7.7)
Change in inventory costing method [b]	(3.8)	11.1	7.3	-	-	7.3
Asset impairment charges [c]	-	-	-	(62.6)	-	(62.6)
Operating income (GAAP)	$ 375.3	$ 155.6	$ 530.9	$ 143.5	$ (79.2)	$ 595.2
Net Sales (2)	$ 1,883.3	$ 1,183.2	$ 3,066.5	$ 2,418.6	$ -	$ 5,485.1
Before charges/gains operating margin [e] (1/2)	21.0%	13.1%	18.0%	9.6%		12.8%

(a) (b) (c) (d) (e) For definitions of Non-GAAP measures, see Definitions of Terms page in the Appendix.

Reconciliation of 2012 Operating Income Before Charges / Gains to GAAP Operating Income

(In millions)

(Unaudited)

	Twelve Months Ended December 31, 2012*
	FBHS CONSOLIDATED
Operating income (loss) before charges/gains [d] (1)	$ 210.6
Restructuring charges [a]	(4.7)
Other charges [a]	
Cost of products sold	(8.9)
Selling, general and administrative expenses	-
Asset impairment charges [c]	(13.2)
Operating income (GAAP)	$ 183.8
Net Sales (2)	$ 3,134.8
Before charges/gains operating margin [e] (1/2)	6.7%

*Revised to exclude businesses classified as discontinued operations in 2014 and to reflect the adoption of ASU 2017-17, which occurred during the first quarter of 2018.

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

Reconciliation of 2021 EBITDA Before Charges / Gains to Income From Continuing Operations, Net of Tax

(In millions)

(Unaudited)

	Twelve Months Ended December 31, 2021					
	WATER INNOVATIONS	OUTDOORS & SECURITY	NEW FORTUNE BRANDS	CABINETS	FBHS CORPORATE	FBHS CONSOLIDATED
EBITDA before charges/gains [f]	$ 687.7	$ 379.9	$ 1,067.6	$ 346.9	$ (106.3)	$ 1,308.2
Depreciation *	(35.2)	(40.7)	(75.9)	(42.4)	(2.8)	(121.1)
Amortization of intangible assets	(14.9)	(31.5)	(46.4)	(17.7)	-	(64.1)
Restructuring and other charges [a]	(3.0)	(13.1)	(16.1)	(7.9)	(4.1)	(28.1)
Other (income) expense, net	(7.3)	(3.1)	(10.4)	(1.7)	13.0	0.9
(Loss) gain on equity investments [g]	(1.7)	-	(1.7)	-	(2.8)	(4.5)
Defined benefit plan actuarial losses (gains)	4.1	0.4	4.5	2.1	(7.5)	(0.9)
Operating income (loss) (GAAP)	$ 629.7	$ 291.9	$ 921.6	$ 279.3	$ (110.5)	$ 1,090.4
Interest expense						(84.4)
Other income (expense), net						(0.9)
Income taxes						(232.7)
Income from continuing operations, net of tax						772.4
Net Sales (2)	$ 2,761.2	$ 2,039.9	$ 4,801.1	$ 2,855.0	$ -	$ 7,656.1
Before charges/gains EBITDA margin [h] **(1/2)**	24.9%	18.6%	22.2%	12.2%		17.1%

* Depreciation excludes accelerated depreciation expense of ($3.9) million for the twelve months ended December 31, 2021 . Accelerated depreciation is included in restructuring and other charges.

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

Reconciliation of 2018 EBITDA Before Charges / Gains to Income From Continuing Operations, Net of Tax

(In millions)

(Unaudited)

	Twelve Months Ended December 31, 2018					
	WATER INNOVATIONS	OUTDOORS & SECURITY	NEW FORTUNE BRANDS	CABINETS	FBHS CORPORATE	FBHS CONSOLIDATED
EBITDA before charges/gains [f]	$ 443.9	$ 194.8	$ 638.7	$ 298.4	$ (68.8)	$ 868.3
Depreciation *	(29.1)	(30.2)	(59.3)	(44.7)	(3.3)	(107.3)
Amortization of intangible assets	(10.4)	(6.1)	(16.5)	(19.6)	-	(36.1)
Restructuring and other charges [a]	(16.9)	(10.8)	(27.7)	(26.2)	(0.3)	(54.2)
Change in inventory costing method [b]	(3.8)	11.1	7.3	-	-	7.3
Asset impairment charges [c]	-	-	-	(62.6)	-	(62.6)
Other (income) expense, net	(8.4)	(3.1)	(11.5)	(1.7)	(3.1)	(16.3)
Defined benefit plan actuarial losses (gains)		(0.1)	(0.1)	(0.1)	(3.7)	(3.9)
Operating income (loss) (GAAP)	$ 375.3	$ 155.6	$ 530.9	$ 143.5	$ (79.2)	$ 595.2
Interest expense						(74.5)
Other income (expense), net						16.3
Income taxes						(147.0)
Income from continuing operations, net of tax						390.0
Net Sales (2)	$ 1,883.3	$ 1,183.2	$ 3,066.5	$ 2,418.6	$ -	$ 5,485.1
Before charges/gains EBITDA margin [h] (1/2)	23.6%	16.5%	20.8%	12.3%		15.8%

* Depreciation excludes accelerated depreciation expense of ($6.2) million for the twelve months ended December 31, 2018. Accelerated depreciation is included in restructuring and other charges.

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

Reconciliation of 2012 – 2021 EBITDA Before Charges / Gains to Income From Continuing Operations, Net of Tax

(In millions)

(Unaudited)

	Twelve Months Ended December 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013***	2012***
EBITDA BEFORE CHARGES/GAINS [(f)]	$ 1,308.2	$ 1,017.6	$ 919.9	$ 868.3	$ 854.7	$ 776.5	$ 649.2	$ 517.0	$ 430.0	$ 289.7
Depreciation *	$ (121.1)	$ (113.0)	$ (109.4)	$ (107.3)	$ (98.6)	$ (92.1)	$ (93.5)	$ (72.8)	$ (66.7)	$ (69.6)
Amortization of intangible assets	(64.1)	(42.0)	(41.4)	(36.1)	(31.7)	(28.1)	(21.6)	(13.1)	(9.4)	(7.4)
Interest expense**	(84.4)	(83.9)	(94.2)	(74.5)	(49.4)	(49.1)	(31.9)	(10.4)	(7.2)	(8.5)
Restructuring and other charges [(a)]	(28.1)	(33.2)	(24.0)	(54.2)	(23.0)	(23.2)	(22.7)	(13.5)	(3.7)	(13.6)
Change in inventory costing method [(b)]	-	-	-	7.3	-	-	-	-	-	-
Asset impairment charges [(c)]	-	(22.5)	(41.5)	(62.6)	(15.3)	-	-	(1.6)	(27.4)	(13.2)
Equity in losses of affiliate	-	(7.6)	-	-	-	-	-	-	-	-
(Loss) gain on equity investments [(g)]	(4.5)	11.0	-	-	-	-	-	-	-	-
Loss on sale of product line	-	-	-	-	(2.4)	-	-	-	-	-
Defined benefit plan actuarial losses	(0.9)	(3.2)	(34.1)	(3.9)	0.5	(1.9)	(2.5)	(13.7)	(5.1)	(42.2)
Norcraft transaction costs [(i)]	-	-	-	-	-	-	(17.1)	-	-	-
Income taxes	(232.7)	(168.8)	(144.0)	(147.0)	(159.5)	(169.7)	(153.4)	(118.3)	(101.5)	(26.9)
Income from continuing operations, net of tax	$ 772.4	$ 554.4	$ 431.3	$ 390.0	$ 475.3	$ 412.4	$ 306.5	$ 273.6	$ 209.0	$ 108.3

* Depreciation excludes accelerated depreciation expense of ($3.9) million, ($8.5) million, ($1.9) million, ($6.2) million, ($2.5) million, ($0.2) million and ($8.7) million for the twelve months ended December 31, 2021, December 31, 2020, December 31, 2019, December 31, 2018, December 31, 2016, December 31, 2013 and December 31, 2012, respectively. Accelerated depreciation is included in restructuring and other charges.

** Interest expense includes the write-off of prepaid debt issuance costs of ($1.3) million for the twelve months ended December 31, 2016.

***Revised to exclude businesses classified as discontinued operations during 2014.

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

Diluted EPS Before Charges / Gains Reconciliation

(In millions)

(Unaudited)

	Twelve Months Ended December 31,		
	2021	2012*	% Change 2021 vs 2012
Earnings Per Common Share - Diluted			
Diluted EPS before charges/gains [j]	$ 5.73	$ 0.83	590
Restructuring and other charges [a]	(0.17)	(0.05)	240
Asset impairment charges [c]	-	(0.05)	(100)
Tax items	-	0.08	(100)
Loss on sale of product line	-	-	-
(Loss) gain on equity investments [g]	(0.02)	-	-
Defined benefit plan actuarial losses	-	(0.16)	(100)
Diluted EPS - continuing operations	$ 5.54	$ 0.65	752

For the twelve months ended December 31, 2021, diluted EPS before charges/gains is net income less noncontrolling interests calculated on a diluted per-share basis excluding $28.1 million ($22.9 million after tax or $0.17 per diluted share) of restructuring and other charges; including $2.2 million of mark-to-market expense classified in the other expense, net associated with the acquisition of the remaining outstanding shares of Flo, which occurred in January 2022, loss on equity investments of $4.5 million ($3.4 million net of tax or $0.02 per diluted share), the impact from actuarial losses associated with our defined benefit plans of $1.0 million ($0.7 million net of tax) and a net tax expense of $0.2 million.

For the twelve months ended December 31, 2012, diluted EPS before charges/gains is income from continuing operations, net of tax less noncontrolling interests calculated on a diluted per-share basis excluding $13.6 million ($8.9 million after tax or $0.05 per diluted share) of restructuring and other charges, asset impairment charges of $13.2 million ($8.1 million after tax or $0.05 per diluted share) pertaining to the impairment of certain indefinite lived trade names, income tax gains pertaining to the favorable resolution of tax audits of $12.7 million ($0.08 per diluted share) and the impact from actuarial losses associated with our defined benefit plans of $42.2 million ($26.2 million after tax or $0.16 per diluted share).

*****Revised to exclude businesses classified as discontinued operations during 2014.

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

Calculation of Return on Net Tangible Assets

(In millions)
(Unaudited)

CALCULATION OF RETURN ON NET TANGIBLE ASSETS

	NEW FORTUNE BRANDS		CABINETS		FBHS CONSOLIDATED			
	Twelve months ended December 31, 2021		Twelve months ended December 31, 2021		Twelve months ended			
					December 31, 2021		December 31, 2012**	
Operating income (loss) before charges/gains [d] (1)		937.7		287.2		1,116.3		210.6
Net Tangible Assets[l] as of End of Year	1,329.5		742.8		2,043.1		669.4	
Net Tangible Assets[l] as of Beginning of Year	1,038.4		636.5		1,688.8		743.8	
Average Net Tangible Assets[l] (2)		1,184.0		689.7		1,866.0		706.6
Return on Net Tangible Assets [k] (1/2)		79.2%		41.6%		59.8%		29.8%

RECONCILIATION OF NET TANGIBLE ASSETS TO TOTAL ASSETS

	NEW FORTUNE BRANDS		CABINETS		FBHS CONSOLIDATED			
	As of December 31,		As of December 31,		As of December 31,			
	2021	2020	2021	2020	2021	2020	2012**	2011**
Net Tangible Assets [l]	1,329.5	1,038.4	742.8	636.5	2,043.1	1,688.8	669.4	743.8
Plus:								
Cash & Restricted Cash	284.9	241.3	45.9	66.0	476.1	425.0	332.3	116.8
Intangible Assets	2,507.1	2,455.7	1,341.8	1,359.4	3,848.9	3,815.1	1,842.9	1,776.8
Current liabilities	1,275.7	1,079.3	420.9	363.5	1,971.1	1,345.1	563.8	521.5
Less:								
Excluded (Liabilities) / Assets*	(163.1)	(98.0)	(61.7)	(58.6)	(403.0)	84.7	27.7	(33.9)
Total Assets, as reported	5,234.1	4,716.7	2,489.7	2,366.8	7,936.2	7,358.7	3,436.1	3,125.0

*Excluded (Liabilities) / Assets includes the current portion of long-term debt, income taxes, self-insurance reserves, restructuring accruals and deferred compensation plans.

**Revised to exclude businesses classified as discontinued operations in 2014 and to reflect the adoption of ASU 2017-17, which occurred during the first quarter of 2018.

(d) (k) (l) For definitions of Non-GAAP measures, see Definitions of Terms page

Definitions of Terms: Non-GAAP Measures

(a) Restructuring charges are costs incurred to implement significant cost reduction initiatives and include workforce reduction costs. "Other charges" represent pre-tax charges directly related to restructuring initiatives that cannot be reported as restructuring under GAAP. Such costs may include losses on disposal of inventories, trade receivables allowances from exiting product lines, accelerated depreciation resulting from the closure of facilities and gains or losses on the sale of previously closed facilities.

In addition, for the twelve months ended December 31, 2021, in our Outdoors & Security segment, other charges includes an acquisition-related inventory step-up expense (LARSON) of $3.4 million classified as cost of products sold. At Corporate, other charges includes $1.3 million of external costs directly related to evaluation of acquisition targets during the twelve months ended December 31, 2021. These external costs include expenditures for accounting, tax and other similar services. Also, other charges for the twelve months ended December 31, 2021 include $0.3 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 $0.2 million for a loss on sale of a Corporate asset.

In addition, for the twelve months ended December 31, 2020, other charges 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.

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

In addition, for the twelve months ended December 31, 2018, other charges also includes an acquisition-related inventory step-up expense (Fiberon) classified in cost of products sold of $4.9 million in our Outdoors & Security segment. In our Plumbing 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 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.

In addition, for the twelve months ended December 31, 2017, other charges include acquisition related inventory stepup expense of $2.0 million in our Water Innovations segment, $1.6 million of compensation expense related to deferred purchase price consideration payable to certain former Victoria + Albert shareholders contingent on their employment through October 2018 and $0.7 million of transaction related U.K. stamp duty resulting from our acquisition of Victoria + Albert.

In addition, for the twelve months ended December 31, 2016, other charges include acquisition related inventory stepup expense of $3.8 million in our Water Innovations segment.

For the twelve months ended December 31, 2015, other charges in Cabinets includes the Norcraft purchase accounting impact of expense related to our estimated inventory step up. For Corporate, other charges of $17.1 million represent external costs directly related to the acquisition of Norcraft and primarily include expenditures for banking, legal, accounting and other similar services.

(b) 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 during the three months ended December 31, 2018.

(c) Asset impairment charges for the twelve months ended December 31, 2020 represent impairment charges of $22.5 million related to indefinite-lived tradenames within our Plumbing and Cabinets segments. Asset impairment charges for the twelve months ended December 31, 2019 includes a pre-tax impairments of $41.5 million related to indefinite-lived tradenames in our Cabinets segment and a $1.7 million impairment classified in cost of products sold associated with an idle manufacturing facility in our Outdoors & Security segment. Asset impairment charges for the twelve months ended December 31, 2018 represent pre-tax impairment charges of $35.5 million and $62.6 million, respectively, related to two indefinite-lived tradenames within our Cabinets segment. Asset impairment charges for twelve months ended December 31, 2017 represents an impairment of a cost investment in a developmental stage home security company classified in other expense, net, an impairment of a long-lived Corporate asset classified in selling, general and administrative expenses, and impairments related to our decision during the first quarter of 2017 to sell the Field ID product line. Asset impairment charges for the twelve months ended December 31, 2014 represents $1.2 million associated with other-than-temporary declines in the fair value of a cost investment. Asset impairment charges for the twelve months ended December 31, 2013 represents impairment charges of $21.2 million in our Cabinets segment associated with the abandonment of internal use software and $6.2 million associated with other-than-temporary declines in the fair value of a cost investment. Asset impairment charges for the twelve months ended December 31, 2012 represents impairment charges of $13.2 related to indefinite-lived tradenames within our Outdoors & Security and Cabinets segments.

(d) Operating income (loss) before charges/gains is operating income derived in accordance with GAAP excluding restructuring and other charges and asset impairment charges. Operating income (loss) before charges/gains does not include any allocation of Corporate or other expenses to New Fortune Brands or Cabinets required to operate as a stand-alone entity. 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.

Definitions of Terms: Non-GAAP Measures (cont.)

(e) Before charges/gains operating margin is operating income (loss) before charges gains (see (d) above) divided by GAAP net sales. Before charges/gains operating margin does not include any allocation of Corporate or other expenses to New Fortune Brands or Cabinets required to operate as a stand-alone entity. Before charges/gains operating margin is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the returns generated by FBHS 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.

(f) EBITDA before charges/gains is net income derived in accordance with GAAP, excluding depreciation, amortization of intangible assets, restructuring and other charges, interest expense, asset impairment charges, equity in losses of affiliate, gain (loss) on equity investments, defined benefit plan actuarial losses and income taxes. EBITDA before charges/gains does not include any allocation of Corporate or other expenses to New Fortune Brands or Cabinets required to operate as a stand-alone entity. 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.

(g) Gain (loss) on equity investments is related to our investment in Flo Technologies.

(h) Before charges/gains EBITDA margin is EBITDA before charges/gains (see (f) above) divided by GAAP net sales. Before charges/gains EBITDA margin does not include any allocation of Corporate or other expenses to New Fortune Brands or Cabinets required to operate as a stand-alone entity. Before charges/gains EBITDA margin is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the returns generated by FBHS 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.

(i) Represents external costs directly related to the acquisition of Norcraft and primarily includes expenditures for banking, legal, accounting and other similar services. In addition, it includes the impact of expense related to our estimated purchase accounting inventory step up.

(j) Diluted EPS before charges/gains is net income less noncontrolling interests calculated on a diluted per-share basis, excluding restructuring and other charges, asset impairment charges, gain (loss) on equity investments, mark-to-market expense for equity investments, defined benefit plan actuarial gains (losses) and tax items. Diluted EPS before charges/gains is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the overall performance of the Company and 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.

(k) Return on Net Tangible Assets ("RONTA") is operating income (loss) before charges/gains (see (d) above) divided by Net Tangible Assets (see (l) below). RONTA does not include any allocation of Corporate or other expenses to New Fortune Brands or Cabinets required to operate as a stand-alone entity. RONTA is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the returns generated by FBHS 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.

(l) Net Tangible Assets is total assets derived in accordance with GAAP excluding Cash, Restricted Cash, income tax receivables and deferred compensation assets, net of Current Liabilities excluding income tax payables and self-insurance reserves. Net Tangible Assets does not include any allocation of Corporate or other net assets to New Fortune Brands or Cabinets required to operate as a stand-alone entity. Net Tangible Assets is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the returns generated by FBHS 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.