

The ASSA ABLOY Group is the global leader in access solutions. Every day we help people feel safe, secure and experience a more open world.

ASSA ABLOY

Acquisition of the Hardware and Home Improvement (“HHI”) division of Spectrum Brands

Experience a safer and more open world

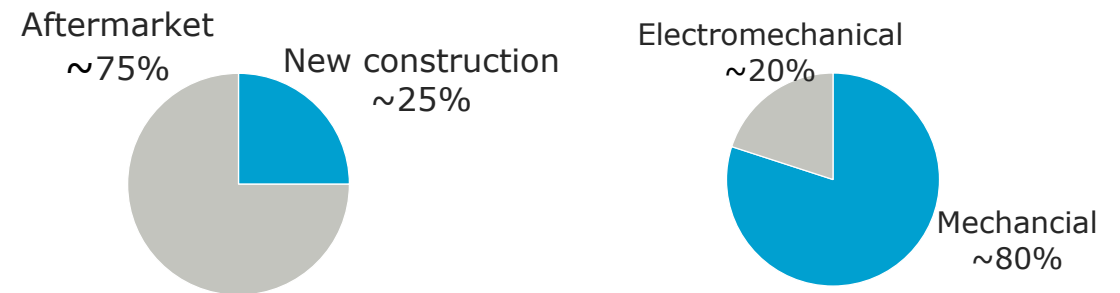
ASSA ABLOY

HHI – a strong provider of residential access products in North America

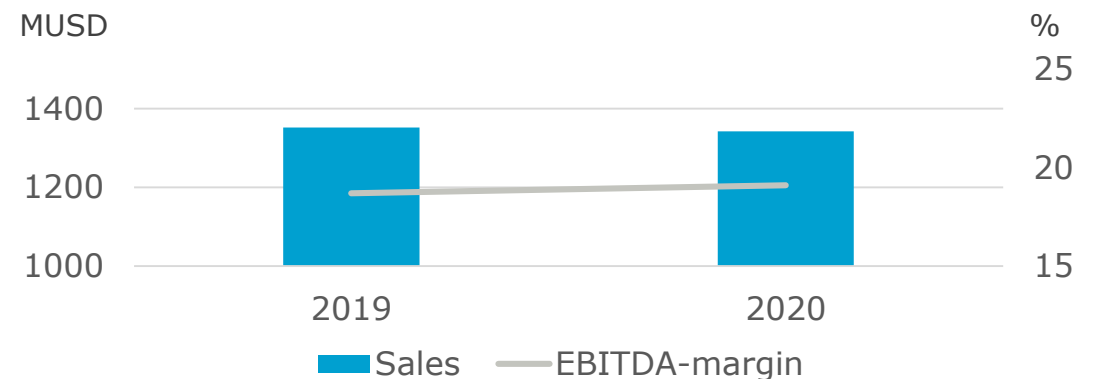
Key highlights

- 7,500 employees with headquarters in Lake Forest, California, with an attractive manufacturing footprint
- Strong platform in the North American residential segment with large mechanical base
- Portfolio of innovative products, including patented SmartKey technology and electronic, smart and biometric locks
- Well established customer relationships:
 - Large home improvement centers
 - Wholesale distributors
 - Homebuilders
 - Online retail providers

Revenue Breakdown (locksets)










Sales and EBITDA-margin*



* Fiscal year is October-September

Strong brands and product portfolio

	Security	Plumbing	Builders' Hardware
Description	<ul style="list-style-type: none"> Provides residential, electronic and traditional security products including locks, knobs, handlesets, deadbolts and accessories 	<ul style="list-style-type: none"> Offers a broad range of plumbing fittings for kitchen, bath, shower and other applications 	<ul style="list-style-type: none"> Produces a wide array of builders' hardware products across more than 15 product categories and over 6,000 SKUs for sale
Key brands	Kwikset BALDWIN WEISER	Pfister	National Hardware
Selected products	 Smart Locksets  Electronic Locksets  Traditional Locksets	 Kitchen and Bathroom Faucets  Shower Faucets	 Barn Door Hardware  Hinges

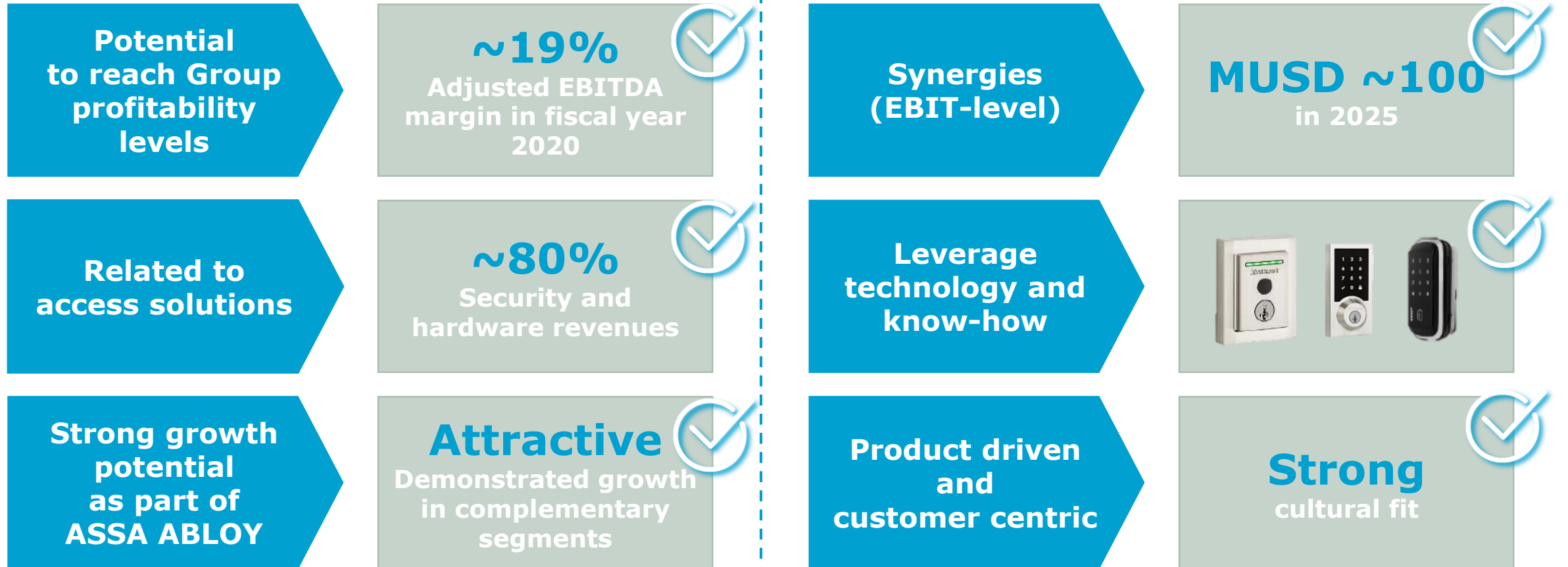
Strong strategic rationale for the acquisition

- Strategic step in developing ASSA ABLOY's residential business in North America with complementary products and technology
- Opportunity to transition large existing mechanical customer base to digital solutions
- Strong position in residential DIY retail and homebuilders channels
- International growth opportunities
- Strong financial performance
- Skilled and passionate employees and management



**Accelerating
profitable growth**

Delivering on ASSA ABLOY's M&A strategy



Financial impact and funding

Impact on income statement

- Accretive to EPS from year 1
- Operating margin effect initially expected to be dilutive by around 60bps*
- Adds ~14% to ASSA ABLOY's consolidated sales

Synergies

- MUSD ~100 in EBIT-synergies
- Expected to be achieved in 2025

Step-up of tax basis

- Benefits from a step-up in the tax basis expected to be realized
- Estimated annual tax savings of MUSD 50-60 expected over a 15 year period

Funding

- Transaction fully funded by existing cash and new debt
- Commitment to a maintained strong investment grade credit rating profile

* Subject to final purchase price allocation

Transaction details

- Purchase price of MUSD 4,300 on a cash and debt-free basis
- Multiple of 14x EV / EBITDA (2021E*)
- Multiple of 10x EV / EBITDA (2021E*) adjusted for synergies and tax benefits
- Closing expected in Q4 2021, subject to regulatory approval



* Fiscal year is October-September

A great addition to the ASSA ABLOY Group

- ✓ **Highly complementary to ASSA ABLOY's business in North America**
- ✓ **Together we can accelerate the transition from mechanical to digital products and solutions**
- ✓ **Great people**
- ✓ **Strong financial performance**



Thank you
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