

ENERGIZER HOLDINGS, INC.

Form 424B5

January 14, 2019

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**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is part of an effective registration statement filed with the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and neither we nor the selling stockholders are soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-229244**

**Subject to Completion, dated January 14, 2019**

## **PROSPECTUS SUPPLEMENT**

**(To Prospectus dated January 14, 2019)**

**\$187.5 million**

**Common Stock**

**\$      per share**

We are offering \$187.5 million of shares of our common stock, par value \$0.01 per share. The public offering price is \$      per share.

Our common stock is listed on the New York Stock Exchange ( NYSE ) under the symbol ENR. At an assumed offering price of \$47.15, the closing price of our common stock on the NYSE on January 11, 2019, we would expect to sell 3,976,670 shares of our common stock.

Concurrently with this offering, we are making a public offering (the Preferred Stock Offering ) of \$187.5 million of shares of common stock amount (and up to an additional \$28.125 million if the underwriters in the Preferred Stock Offering exercise their option to purchase additional shares to cover over-allotments in full) of shares of our % Series A Mandatory Convertible Preferred Stock, par value \$0.01 per share, which we refer to as the Mandatory Convertible Preferred Stock , pursuant to a separate prospectus supplement and accompanying prospectus. We cannot assure you that the offering of shares of our Mandatory Convertible Preferred Stock will be completed or, if completed, on what terms it will be completed. The offering of shares of our common stock pursuant to this prospectus supplement and the accompanying prospectus is not contingent upon the closing of the Preferred Stock Offering, and the Preferred Stock Offering is not contingent upon the closing of the offering of shares of our common

stock hereunder.

We intend to use the net proceeds of this offering and if completed, the Preferred Stock Offering and \$600 million of debt financing (the **Additional Financing** ), as well as cash on hand, to fund the cash portion of the Acquisition Consideration (as defined herein) for the Auto Care Acquisition (as defined herein) and to pay fees and expenses related to the Transactions (as defined herein). See **Summary The Financing Transactions** and **Use of Proceeds**.

The closing of this offering is not conditioned on the consummation of the Auto Care Acquisition, which, if consummated, will occur subsequent to the closing of this offering. Accordingly, if you decide to purchase shares of our common stock in this offering, you should be willing to do so whether or not we complete the Auto Care Acquisition.

**Investing in our common stock involves risks. You should carefully consider the risk factors beginning on page S-36 of this prospectus supplement and page 8 of our 2018 Form 10-K (as defined herein) before purchasing our common stock.**

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds to Energizer Holdings, Inc., before expenses	\$	\$

We have granted the underwriters an option for a period of 30 days from the date of this prospectus supplement to purchase up to \$28.125 million of additional shares of our common stock at the public offering price, less the underwriting discounts and commissions.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the shares of common stock on or about January , 2019.

***Joint Book-Running Managers***

**J.P. Morgan**

**Barclays**

**Citigroup**

**BofA Merrill Lynch**

**Evercore ISI**

**MUFG**

*Co-Manager*

**TD Securities**

**, 2019.**

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We have not, and the underwriters have not, authorized anyone else to provide you with any information other than that contained in this prospectus supplement, any accompanying prospectus or any free writing prospectus that we authorize. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer of these securities or soliciting an offer to buy these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus or

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any free writing prospectus we have authorized for use in connection with this offering is accurate on any date subsequent to the date set forth on the front of this prospectus supplement, the date of the document incorporated by reference, or the date of any such free writing prospectus, as the case may be, even though this prospectus supplement, the accompanying prospectus or any free writing prospectus is delivered or securities are sold on a later date.

In this prospectus supplement, except as otherwise indicated or as the context requires, all references to:

Acquired Auto Care Business or Spectrum Auto Care refers to Spectrum's global auto care business.

Acquired Battery Business refers to Spectrum's global battery, portable lighting and power business after giving effect to the disposition of the Varta Divestment Business.

Acquired Businesses refers collectively to the Acquired Battery Business and the Acquired Auto Care Business.

Acquisition Consideration refers to the consideration that we agreed to pay Spectrum for the Acquired Auto Care Business, consisting of an aggregate of \$937.5 million in cash, subject to adjustments described in more detail in the Auto Care Acquisition Agreement, plus stock consideration equal to that number of shares of our common stock that is equal to, subject to certain adjustments, \$312.5 million divided by the volume-weighted average sales price per share of our common stock for the 10 consecutive trading days immediately preceding the date of the Auto Care Acquisition Agreement, which equals 5,278,921 shares. Among other adjustments, pursuant to the Auto Care Acquisition Agreement, the cash portion of the Acquisition Consideration will be adjusted based on any difference between the volume-weighted average sales price per share of our common stock for the 10 consecutive trading day period used for determining the number of shares issuable to Spectrum at closing, and the volume weighted average sales price per share of our common stock for the 20 consecutive trading day period beginning on the 10th trading day immediately preceding the date of the Auto Care Acquisition Agreement. Such adjustment will result in an additional payment by Energizer of approximately \$36.8 million.

Additional Financing refers to our planned issuance of \$600 million of debt financing (the Acquisition Debt Financing) or, to the extent any of this offering, the Preferred Stock Offering and the Acquisition Debt Financing are unsuccessful or fail to raise sufficient proceeds, borrowings under our Backstop Facilities, as described in this prospectus supplement, to finance the remaining portion of the Auto Care Acquisition and associated transaction costs.

Auto Care Acquisition refers to the acquisition of the Acquired Auto Care Business by Energizer pursuant to the terms and conditions of the Acquisition Agreement, dated as of November 15, 2018, by and between Energizer and Spectrum (as may be amended from time to time, the Auto Care Acquisition Agreement).

**Battery Acquisition** refers to the acquisition of Spectrum Batteries by Energizer which was consummated on January 2, 2019 (collectively with the Auto Care Acquisition, the **Acquisitions** ) and the related disposition of the Varta Divestment Business, pursuant to the terms and conditions of the Acquisition Agreement, dated as of January 15, 2018, by and between Energizer and Spectrum, as amended as of November 15, 2018 (the **Battery Amended Agreement** and as may be further amended from time to time, the **Battery Acquisition Agreement** ).

**Capped call transactions** refers to one or more privately negotiated capped call option transactions with the option counterparties we expect to enter into in connection with the Preferred Stock Offering.

**Common Stock Offering** refers to the public offering and issuance of the Company's Common Stock pursuant to this prospectus supplement.

**Credit Agreement** refers to the credit agreement dated as of December 17, 2018 by and among Energizer Gamma Acquisition, Inc. and succeeded by the Company, the lenders and issuing banks

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from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, as amended, restated, supplemented, modified, renewed, refunded, replaced (whether at maturity or thereafter) or refinanced from time to time in one or more agreements (in each case with the same or new agents, lenders or institutional investors), including any agreement adding or changing the borrower or any guarantor or extending the maturity thereof or otherwise restructuring all or any portion of the indebtedness thereunder or increasing the amount loaned or issued thereunder or altering the maturity thereof.

Unless the context otherwise requires, Energizer, the Company, we, us, our and ours refer to Energizer Holdings, Inc. and its consolidated subsidiaries, together with the entities that will be its consolidated subsidiaries following the Auto Care Acquisition.

Financing Transactions refers to (a) the Common Stock Offering, (b) the Preferred Stock Offering together with the capped call transactions and (c) the Additional Financing.

Fiscal Year refers to in any given year, the 12-month period ended September 30 of such year.

Preferred Stock Offering refers to the concurrent public offering and issuance of the Mandatory Convertible Preferred Stock.

Spectrum refers to Spectrum Brands Holdings, Inc., a Delaware corporation, and its consolidated subsidiaries.

Spectrum Batteries refers to the global battery, portable lighting and power business of Spectrum, prior to giving effect to the Battery Acquisition and the divestiture of the Varta Divestment Business.

Transactions refers to (a) the consummation of the Auto Care Acquisition, including the expected issuance of 5,278,921 shares of Common Stock to Spectrum Brands as part of the Acquisition Consideration, (b) the consummation of the Battery Acquisition and the divestiture of the Varta Divestment Business and subsequent repayment of a portion of the term loans outstanding under the Credit Agreement, (c) the Financing Transactions and (d) all other transactions related or incidental to, or in connection with, any of the foregoing (including, without limitation, the payment of fees and expenses in connection with each of the foregoing).

Varta Divestment Business refers to the Varta consumer battery, chargers, portable power and portable lighting business in the Europe, the Middle East and Africa region, including manufacturing and distribution facilities in Germany.

Energizer's historical assets, liabilities, products, businesses or activities generally refer to the historical assets, liabilities, products, businesses or activities of Energizer as conducted prior to the completion of



either of the Acquisitions.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering, and other matters relating to us. The second part, the attached prospectus, gives more general information about us, the other securities we may offer from time to time, some of which does not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. If the description of the shares of common stock in this prospectus supplement differs from the description of the shares of common stock in the accompanying prospectus, you should rely on the information in this prospectus supplement.

This document may only be used where it is legal to sell the shares of common stock. Certain jurisdictions may restrict the distribution of these documents and the offering of the shares of common stock. We require persons receiving these documents to inform themselves about and to observe any such restrictions. We have not taken any action that would permit an offering of the shares of common stock or the distribution of these documents in any jurisdiction that requires such action.

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**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference information into this prospectus supplement. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this prospectus supplement, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (other than the portions provided pursuant to Item 2.02 or Item 7.01 of Form 8-K or other information furnished to the SEC) after the date of this prospectus supplement and before the end of the offering of the securities pursuant to this prospectus supplement:

our Annual Report on Form 10-K for the fiscal year ended September 30, 2018, filed with the SEC on November 16, 2018 (the 2018 Form 10-K );

our Current Reports on Form 8-K, filed with the SEC on November 15, 2018 (Film No. 181188121), December 17, 2018 and January 2, 2019 (together with an amendment filed with the SEC on January 14, 2019); and

the description of our common stock contained in our Registration Statement on Form 10, as amended, declared effective on June 1, 2015, provided under the heading Description of New Energizer Capital Stock in the information statement attached as Exhibit 99.1 to our Registration Statement on Form 10, together with the descriptions of amendments to our organizational documents filed with our Current Reports on Form 8-K, filed with the SEC on January 31, 2017, January 29, 2018, and any other amendments or reports filed with the SEC for the purpose of updating such description.

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**MARKET AND INDUSTRY INFORMATION**

Unless indicated otherwise, the information concerning our industry contained in this prospectus supplement is based on Energizer's general knowledge of and expectations concerning the industry. Energizer's and the Acquired Business market position, market share and industry market size are based on estimates using Energizer's internal data and estimates, based on data from various industry sources and analyses, its internal research and adjustments and assumptions that it believes to be reasonable as well as from industry and general publications and research, surveys and studies conducted by third parties, including copyrighted information from 1010data, IRI, NPD Group, 4i and Nielsen. Third-party industry and general publications, research, surveys and studies generally state that the information contained therein has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. Energizer has not independently verified data from industry analyses and cannot guarantee their accuracy or completeness. In addition, Energizer believes that data regarding the industry, market size and its market position and market share within such industry provide general guidance but are inherently imprecise. Further, Energizer's estimates and assumptions involve risks and uncertainties and are subject to change based on various factors, including those discussed in the Risk Factors and Cautionary Statement Concerning Forward-Looking Statements sections. These and other factors could cause results to differ materially from those expressed in the estimates and assumptions.

**TRADEMARKS AND TRADE NAMES**

Energizer owns or has rights to use the trademarks and trade names that we use in conjunction with the operation of our business. Two of the more important trademarks that we own or have rights to use that appear in this prospectus supplement are Energizer® and Eveready®. As of September 30, 2018 the Energizer trademark was registered in 169 jurisdictions, and the Eveready trademark was registered in 143 jurisdictions, including, in each case, in the United States. Additionally, the Energizer Bunny design trademark was registered in 48 jurisdictions, including in the United States, and the Mr. Energizer design trademark was registered in 69 jurisdictions, including the European Union. As of September 30, 2018, the total number of registered Energizer, Eveready, Energizer Bunny design and Mr. Energizer design trademarks, including related designs, slogans and sub-brands in their portfolios, was over 2,700. With respect to our auto care business, as of September 30, 2018, the Refresh Your Car!® trademark was registered in 26 jurisdictions, the California Scents® trademark was registered in 28 jurisdictions, the Driven® trademark was registered in 25 jurisdictions, the Bahama & Co.® trademark was registered in 24 jurisdictions, the LEXOL® trademark was registered in eight jurisdictions, the Eagle One® trademark was registered in 101 jurisdictions and the Nu Finish trademark registered in 19 jurisdictions, including in each case, in the United States. The primary trademarks acquired in connection with the Battery Acquisition include Rayovac® and Varta® (subject to the exclusions that relate to our obligation to divest the Varta Divestment Business). The primary trademarks included in the Auto Care Acquisition include Armor All®, STP® and A/C Pro®. Solely for convenience, we only use the TM or ® symbols the first time any trademark or trade name is mentioned. Each trademark or trade name of any other company appearing in this prospectus supplement is, to our knowledge, owned by such other company.

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**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the documents incorporated by reference herein contain certain forward-looking statements regarding business strategies, market potential, future financial performance, including synergies, and other matters that are forward-looking statements under the Private Securities Litigation Reform Act of 1995 and that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by that Act. The words believe, expect, expectation, anticipate, may, could, intend, belief, estimate, plan, target, forecast, outlook, or other similar words or phrases, among others, generally identify forward-looking statements, which speak only as of the date the statements were made. The matters discussed in these forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those projected, anticipated or implied in the forward-looking statements. In particular, information included under Summary, Risk Factors, Business, Use of Proceeds, Capitalization, Unaudited Pro Forma Condensed Combined Financial Statements, Preferred Stock Offering, and The Acquisitions contain forward looking statements. Where, in any forward-looking statement, an expectation or belief as to future results or events is expressed, such expectation or belief is based on the current plans and expectations of our management and expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. Except as may be required by law, we undertake no obligation to modify or revise any forward-looking statements to reflect events or circumstances occurring after the date of this prospectus supplement. Factors that could cause actual results or events to differ materially from those anticipated include, without limitation, the matters described under Risk Factors in addition to the following other factors:

market and economic conditions;

market trends in the categories in which we compete;

our ability to close the Auto Care Acquisition on the contemplated terms, which may be delayed or may not close at all due to the failure to satisfy closing conditions;

our ability to obtain financing for the Auto Care Acquisition on favorable terms;

our ability to acquire and integrate businesses and to realize the projected results of acquisitions, including our ability to promptly and effectively integrate the Acquired Battery Business and the Acquired Auto Care Business after the Auto Care Acquisition has closed, and to obtain expected cost savings, synergies and other anticipated benefits of the Acquisitions within the expected timeframe or at all;

the impact of the Battery Acquisition and the pending Auto Care Acquisition on the business operations of ours and the Acquired Businesses;

our ability to divest the Varta Divestment Business on terms favorable to us in the time frame required by regulators;

the success of new products and the ability to continually develop and market new products;

our ability to attract, retain and improve distribution with key customers;

our ability to continue planned advertising and other promotional spending;

our ability to timely execute strategic initiatives, including restructurings, and international go-to-market changes in a manner that will positively impact our financial condition and results of operations and does not disrupt our business operations;

the impact of strategic initiatives, including restructurings, on our relationships with employees, customers and vendors;

our ability to maintain and improve market share in the categories in which we operate despite heightened competitive pressure;

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our ability to improve operations and realize cost savings;

the impact of foreign currency exchange rates and currency controls, as well as offsetting hedges;

the impact of the United Kingdom's announced intention to exit the European Union;

the impact of raw materials and other commodity costs;

the impact of legislative changes or regulatory determinations or changes by federal, state and local, and foreign authorities, including customs and tariff determinations, as well as the impact of potential changes to tax laws, policies and regulations;

costs and reputational damage associated with cyber-attacks or information security breaches or other events;

the impact of advertising and product liability claims and other litigation; and

compliance with debt covenants and maintenance of credit ratings as well as the impact of interest and principal repayment of our existing and any future debt.

In addition, other risks and uncertainties not presently known to us or that we consider immaterial could affect the accuracy of any such forward-looking statements. The list of factors described above is illustrative, but by no means exhaustive.

All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Additional risks and uncertainties include those detailed in this prospectus supplement, the documents incorporated by reference herein and in Energizer's other publicly filed documents.

**NON-GAAP FINANCIAL MEASURES AND**

**PRESENTATION OF CERTAIN FINANCIAL INFORMATION**

While Energizer reports financial results in accordance with accounting principles generally accepted in the U.S. ( GAAP ), this prospectus supplement includes certain non-GAAP measures, including, without limitation, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Margin, Free Cash Flow, Adjusted Free Cash Flow, pro forma Adjusted Free Cash Flow including synergies, Combined Business Adjusted Free Cash Flow, and organic revenue or net sales, and ratios or calculations derived therefrom for the Company (including on pro forma basis), Spectrum Auto Care, Spectrum Batteries and the Acquired Businesses. Energizer's adjusted EBITDA measure removes the impact of the Company's, Spectrum's and the Acquired Businesses' restructurings, spin-off costs and restructuring, gain on sale of real estate, acquisition and integration items, the addition of HandStands EBITDA (EBITDA attributable to the acquisition of HandStands Holding Corporation), the settlement loss on pension plan termination, share-based payments, the carve out allocations made to the Acquired Businesses' historical results by Spectrum, the write-off for impairment of goodwill for the Acquired Auto Care Business and certain other

adjustments as set forth under Summary Historical and Pro Forma Financial Data of the Company Supplemental Non-GAAP Financial Information. Energizer believes non-GAAP measures provide a meaningful comparison to the corresponding historical or future period, assist investors in performing their analysis, and provide investors with visibility into the underlying financial performance of Energizer's business. Energizer believes that these non-GAAP measures are presented in such a way as to allow investors to more clearly understand the nature and amount of the adjustments to arrive at the non-GAAP measures. Investors should consider non-GAAP measures in addition to, not as a substitute for, or superior to, the comparable GAAP measures. Additionally, these non-GAAP measures may differ from similarly titled measures presented by other companies. We consider free cash flow and adjusted free cash flow to be a liquidity measure.

The pro forma financial information set forth herein has assumed \$550 million in divestiture proceeds from the expected divestiture of the Varta Divestment Business, however, actual proceeds may differ materially from the actual estimate based on a variety of factors, including buyer interest, due diligence and the performance of

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the business. In the event that actual proceeds, including specified adjustments, exceed \$600 million, Energizer has agreed to pay Spectrum 25% of such excess. In the event that actual proceeds, including specified adjustments, are less than \$600 million, Spectrum has agreed to pay Energizer the lesser of 75% of the shortfall and \$200 million. See **Risk Factors** We may not be able to successfully complete the divestiture of the Varta Divestment Business.

Pro Forma Adjusted EBITDA and Pro Forma Adjusted Free Cash Flow measures used in this prospectus supplement are adjusted to reflect the estimated full year impact of cost savings and run-rate synergies we estimate to ultimately realize by the third year following the consummation of the Acquisitions, including as a result of operating improvements. Investors should understand that the Company expects to incur substantial cash expenditures (in excess of the anticipated annual synergies) to realize such synergies, and such expenditures are not taken into account in presenting such measures adjusted for estimated synergies. The actual amount of synergies that the Company ultimately realizes, and the costs of implementation, could differ materially from the estimates set forth herein for each Acquisition. Energizer's results are not adjusted for such synergies in the unaudited pro forma financial statements included herein under **Unaudited Pro Forma Condensed Combined Financial Information**, because adjustments for such synergies are not permitted under Article 11 of Regulation S-X. Accordingly, equivalent pro forma financial measures presented pursuant to Article 11 of Regulation S-X differ from the measures adjusted for synergies set forth herein. We present these adjustments as they are permitted under the Credit Agreement, and the indentures pursuant to which the Existing Notes were issued, and it permits investors to understand the calculation of EBITDA under the covenants in such agreements. You should not view these adjustments as a projection of results in any period. Our ability to realize these anticipated annual run-rate synergies and savings is subject to significant uncertainties and take a significant time to realize, and you should not place undue reliance on these adjustments.

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### **SUMMARY**

*The following is a summary of material information discussed in this prospectus supplement. This summary may not contain all of the details concerning the offering or other information that may be important to you. To better understand the offering and our business and financial position, you should carefully review this entire prospectus supplement.*

*Unless the context otherwise requires, references in this prospectus supplement to our historical assets, liabilities, products, businesses or activities of Energizer are generally intended to refer to the historical assets, liabilities, products, businesses or activities of Energizer as conducted prior to completion of the Battery Acquisition, the Auto Care Acquisition and the divestiture of the Varta Divestment Business. Unless the context otherwise requires, information included or incorporated by reference in this prospectus supplement with respect to Energizer's battery business, Spectrum Batteries and Spectrum Auto Care, describes each of Energizer and Spectrum's businesses as stand-alone businesses prior to giving effect to the Battery Acquisition, the Auto Care Acquisition and the divestiture of the Varta Divestment Business.*

#### **Our Company**

Energizer, through its operating subsidiaries, is one of the world's largest manufacturers, marketers and distributors of household batteries, specialty batteries and portable lighting products, and a leading designer and marketer of automotive fragrance and appearance products.

Energizer is the beneficiary of over 100 years of expertise in the battery and portable lighting products industries. Its brand names, Energizer and Eveready, have worldwide recognition for innovation, quality and dependability, and are marketed and sold around the world.

On January 2, 2019, Energizer closed its previously announced acquisition of Spectrum Batteries. On December 11, 2018, the European Commission approved the acquisition of Spectrum Batteries conditioned on the divestment by Energizer of the Varta Divestment Business. Energizer is targeting to complete the disposition of the Varta Divestment Business in the first half of calendar year 2019.

On November 15, 2018, Energizer announced that it had entered into a definitive acquisition agreement to acquire Spectrum's Auto Care business for a purchase price of \$1,250.0 million in a cash and stock transaction, subject to certain purchase price adjustments. The Auto Care Acquisition is expected to close by February 2019.

Energizer operates as an independent, publicly traded company on the New York Stock Exchange, trading under the symbol ENR. For fiscal year 2018, Energizer's net sales, net income and adjusted EBITDA were approximately \$1,797.7 million, \$93.5 million and \$399.1 million, respectively. Pro forma for the Transactions, for fiscal year 2018, Energizer's net sales, net income and adjusted EBITDA were \$2,773.7 million, \$92.1 million and \$668.7 million, respectively.

#### **Our Products**

Energizer's product offerings consist of consumer batteries that include household and specialty batteries, including hearing aid batteries. These products are sold under the Energizer and Eveready brands in the performance, premium and price segments. The Battery Acquisition has added battery and lighting products sold under the Rayovac® brand globally and under the Varta® brand in Latin America and Asia Pacific, including Rayovac®-branded hearing aid batteries sold globally. Energizer manufactures, distributes, and markets an extensive line of portable lighting

products, including flashlights, headlamps, lanterns, novelty lights and area lights, designed to meet a variety of consumer needs. In addition to the Energizer® and Eveready® brands, Energizer markets its lighting products under the Hard Case®, Professional Dolphin®, and Weatheready® sub-brands. Energizer also licenses the Energizer and Eveready brands to companies delivering consumer

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solutions in gaming, automotive batteries, portable power, smartphones, generators, power tools, household light bulbs, and other products. The Auto Care Acquisition will add auto care products sold under the iconic brands of Armor All<sup>®</sup>, STP<sup>®</sup> and A/C Pro<sup>®</sup> as well as other well-known auto care brands, which will complement Energizer's existing auto care portfolio, including the Nu Finish<sup>®</sup>, Refresh Your Car!<sup>®</sup>, California Scents<sup>®</sup>, Driven<sup>®</sup>, Bahama & Co.<sup>®</sup>, LEXOL<sup>®</sup>, and Eagle One<sup>®</sup> brands.

Energizer has a long history of innovation within its categories. Since its commercialization of the first dry-cell battery in 1893 and the first flashlight in 1899, Energizer has been committed to developing and marketing new products to meet evolving consumer needs and consistently advancing battery technology as the universe of devices has evolved. Over the past 100+ years Energizer has developed or brought to market:

the first flashlight;

the first dry cell alkaline battery;

the first mercury-free alkaline battery; and

Energizer Ultimate Lithium<sup>®</sup>, the world's longest-lasting AA and AAA battery for high-tech devices. The chart below further illustrates the Company's long history of innovation within its categories.

Our product development approach is focused on meeting the needs of consumers. In household batteries, we offer a broad portfolio of batteries that deliver long-lasting performance, reliability and quality, which we believe provide consumers the best overall experience. We also offer specialty batteries, including hearing aid and miniature batteries that provide consumers with solutions that address the needs of devices that continue to shrink while demanding more power.

Our innovative line of portable lighting products is designed to meet a breadth of consumer needs, from outdoor activities to emergency situations. With our experience and insight, we are bringing portable lighting solutions to market that are designed to enhance the lives of consumers worldwide. Energizer's portable lighting product offerings focus on:

headlights that deliver performance, mobility and improved vision;

Light Fusion Technology, which is a combination of new technology and creative design ideas to make Energizer's most powerful and portable light ever;

the Dolphin brand, which is designed for a range of outdoor and work activities, is impact resistant, waterproof and floats;

a full line of lanterns and area lights, which are a safe, reliable way to provide area illumination where it is needed; and

the Hard Case professional line of solutions for do-it-yourself and professional users.

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Following the Transactions, Energizer's portfolio of innovative products will include battery and lighting products sold under the Rayovac brand globally and the Varta brand in Latin America and Asia Pacific, as well as automotive appearance, fragrance, performance, and air conditioning recharge products marketed under the iconic Armor All, STP, and A/C Pro brands.

The principal raw materials used by Energizer and Spectrum Batteries in the production of batteries and lighting products include electrolytic manganese dioxide, zinc, silver, nickel, lithium, graphite, steel, plastic, brass wire, and potassium hydroxide. The prices and availability of these raw materials have fluctuated over time. The principal raw material used for Spectrum Auto Care is refrigerant R-134a. Given Energizer's extensive experience purchasing raw materials, we believe that adequate supplies of the raw materials required for all of our operations are available at the present time, although we cannot predict their future availability or prices. These raw materials are generally available from a number of different sources, and the prices of those raw materials are susceptible to currency fluctuations and price fluctuations due to supply and demand, transportation, government regulations, price controls, tariffs, economic climate, or other unforeseen circumstances. In the past, we have not experienced any significant interruption in availability of raw materials. We believe we have extensive experience in purchasing raw materials in the commodity markets. From time to time, our management has purchased materials or entered into forward commitments for raw materials to assure supply and to protect margins on anticipated sales volume.

## **Our Strengths**

We possess a number of competitive advantages, including:

*Universally recognized brands.* Our reputation and the strength of our globally recognized brands permit us to meet the needs of consumers around the world, leading to strong market positions in our categories and the ability to generate strong margins through the attractive pricing that our brand strength currently permits us to enjoy. Our current portfolio consists of the well-known battery brands Energizer and Eveready, which we believe have significant brand equity with consumers and retailers.

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The Battery Acquisition adds the leading battery brands Rayovac globally and Varta in Latin America and Asia Pacific. Spectrum Auto Care contributes the iconic brands Armor All, STP and A/C Pro, which build upon our highly complementary auto care business and provide Energizer with leading positions in the categories in which the Company competes. In addition, our portfolio also includes automotive fragrance and appearance products marketed under the Nu Finish, Refresh Your Car!, California Scents, Driven, Bahama & Co., LEXOL, and Eagle One brands.

The following table sets forth our brands by product category on pro forma for the Transactions:

*Broad and differentiated product offerings.* Our broad range of products, from Energizer Ultimate Lithium to Eveready Gold, enables us to meet the needs of more consumers in a multitude of markets around the world. The Battery Acquisition broadens our product portfolio and expands our scale across categories, including everyday batteries, hearing aid batteries, rechargeable batteries and lighting products. Spectrum Auto Care complements our existing auto care business, while further diversifying Energizer into the automotive appearance and fragrance categories and other automotive segments in which we currently do not compete. These segments are comprised of automotive performance, including automotive fuel and oil additives, and automotive air conditioning recharge, including do-it-yourself automotive air conditioner recharge products as well as refrigerant and recharge kits. The following charts present our net sales broken down by product category for fiscal year 2018 on an actual basis and pro forma for the Transactions.

*Strong market positions across the globe.* Our brands maintain strong market shares supported by a presence in approximately 150 markets globally. The Battery Acquisition will strengthen our global



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position given the Acquired Battery Business presence in attractive regions in North America, Latin America and Asia Pacific. Leveraging Energizer's extensive global distribution network, we believe we can also drive international growth for Spectrum Auto Care. We strive to have leading brands in markets where we compete. Our market positions are primarily the result of continued strong organic growth driven by geographic expansion and marketing innovation including product, packaging and retail innovation. Our net sales increased 2.4% for fiscal year 2018, with organic growth increasing 1.3%. Excluding the year over year impact of hurricanes, organic sales increased 2.2%.

*Focus on cost management.* We believe the success of our multi-year working capital initiatives and of the 2013 restructuring project led by the combined company prior to the spin-off from Edgewell Personal Care has contributed to a culture that facilitates a relentless focus on costs and productivity improvements. For example, we continue to enhance our supply chain operations, including optimizing our manufacturing footprint to help cut costs and maximize utilization. As of September 30, 2018, we have streamlined our manufacturing footprint and reduced our packaging facilities from four to one and our distribution centers from 41 to 25, compared to September 30, 2009, while continuing to meet the demand we have seen for our products. In fiscal year 2018, we have further consolidated our operations by moving our Shenzhen, China plant into our existing facility in Singapore. As a result of strategic execution, we have delivered gross margin and adjusted gross margin expansion including 260 and 190 basis points, respectively, of improvement through fiscal year 2018 as compared to fiscal year 2016. Additional initiatives that have been identified in order to maximize profitability include increased focus on SKUs that drive the most volume and profitability and revenue management refinement through pricing architecture, trade spending ROI and mix optimization. In addition to the focus on a more efficient supply chain through improved productivity, we are also focused on effective cost control of our selling, general and administrative (SG&A) expenses. During our separation from Edgewell, we initiated Go-to Market changes utilizing distributors or exiting several sub-scale markets to improve profitability. We also initiated zero based budgeting efforts to imbed a cost conscious mind set across our global organization. In addition, we executed continuous improvement initiatives globally, including reorganizing our international operations. These combined efforts have reduced SG&A expense as a percent of net sales, excluding acquisition, integration and spin related expenses, by 90 basis points from fiscal year 2016 to fiscal year 2018. We will continue to focus on optimizing our cost structure. The following charts illustrate the savings achieved from the 2013 restructuring project and the optimization of our manufacturing footprint as compared to September 30, 2009.

\*This figure includes one facility acquired through the HandStands acquisition. Organically, Energizer reduced manufacturing facilities to eight, or by 50%, from fiscal year 2009 to fiscal year 2018.

*Successful track record of separating, acquiring and integrating businesses.* Energizer successfully completed its spin-off from Edgewell Personal Care in 2015, as evidenced by the minimal customer interruptions after the spin. We have also opportunistically pursued acquisitions that enhance our product

portfolio and create operational benefits, including the successful acquisition and integration of two auto care businesses, HandStands in 2016, which is a manufacturer, marketer and supplier of auto

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air fresheners and auto appearance products, and Nu Finish in 2018, which is a marketer and supplier of automotive appearance products. We have been able to integrate these businesses and realize cost savings while maintaining a conservative balance sheet and consistently generating strong free cash flow.

*Strong financial performance, conservative balance sheet and significant cash generation.* Energizer has grown its net sales from \$1,631.6 million in fiscal year 2015 to \$1,797.7 million in fiscal year 2018, representing a CAGR of 3.3%. Energizer has also grown its net income and adjusted EBITDA from (\$4.0 million) and \$345.5 million, respectively, in fiscal year 2015 to \$93.5 million and \$399.1 million, respectively, in fiscal year 2018. During this period, capital expenditures have averaged between 1% and 2.5% of net sales. We have achieved this growth while maintaining a conservative balance sheet, keeping leverage at approximately 3.0x since the spin. The Transactions are expected to create opportunities to realize incremental revenue growth as well as estimated cost synergies of \$70-80 million expected to be achieved over three years. In fiscal year 2018, Energizer, Spectrum Batteries and Spectrum Auto Care generated cash from operating activities of \$390.3 million on a combined basis (based on \$228.7 million for Energizer, \$96.3 million for Spectrum Batteries and \$65.3 million for Spectrum Auto Care). Combined business adjusted free cash flow in fiscal year 2018 would have been approximately \$340 million, excluding the estimated impact of the Varta Divestment Business. The estimated cost synergies of \$70 - \$80 million expected to be achieved over three years are expected to mostly offset the estimated additional annual interest expense from the Company's debt financing for the Acquisitions. These favorable characteristics should allow Energizer to generate significant free cash flow that we can use to repay debt over time. Pro forma for the Transactions we expect to have net leverage of approximately 4.4x.

*Strong management team with a demonstrated commitment to disciplined operations.* Led by Alan R. Hoskins, our Chief Executive Officer, who has more than 30 years of experience in our industry, our leadership team brings together a wealth of experience in the global consumer products industry. Our leadership team is made up of individuals who were integral in overseeing our cost reductions and restructuring projects, and have shown their ability to operate a disciplined, focused and results-driven enterprise.

## **Our Strategies**

We believe that we will be attractively positioned to:

*Build our business through increased distribution and investment in effective category fundamentals.* Our philosophy is that if we deliver consumers innovative products that meet their needs and help our retail partners grow their categories, we will benefit both through increased sales and better long-term customer relationships. Our sales teams have extensive experience and can provide valuable category and path to purchase insights that can greatly benefit our retail customers. We also expect to leverage our arrangements with our distributor partners to continue selling and building our brands in markets where our footprint requires a more limited presence. We believe that the Battery Acquisition and Auto Care Acquisition will strengthen our distribution relationships over time, while enabling our retail customers and consumers to benefit from our combined commercial expertise and category insights.

*Drive increased penetration in eCommerce.* Energizer is the leading branded manufacturer in the U.S. online battery market with approximately 23% of eCommerce sales in the U.S., showing 75% growth in the latest twelve month period ending September 2018 according to 1010 data U.S. eCommerce. Energizer's eCommerce value sales for fiscal year 2018 increased 297% compared to fiscal year 2015, highlighting the effectiveness of our eCommerce strategy according to 1010 data U.S. eCommerce.

*Strengthen and support our brands through relevant, consumer-led marketing innovation.* Continuing to innovate will be critical to the success of our business. We plan to use our decades of experience in

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marketing innovation, which includes product, packaging and engagement along the path to purchase to make life better for the consumers that use our products. Through these core initiatives, we recently launched our longest-lasting Energizer Max battery, along with new products and upgrades in portable lighting. Following the Transactions, we plan to leverage our core marketing and R&D competencies to accelerate innovation across both battery and auto care categories.

*Maintain our relentless focus on challenging costs across the enterprise.* We plan to constantly challenge costs in our business to strive for an optimized cost structure. We aim to enhance our supply chain operation through an optimized manufacturing footprint and implement working capital improvements. We drive productivity gains through initiatives such as portfolio optimization, focusing on simplifying product categories and optimizing our operating structure around the world. Following the Auto Care Acquisition, we plan to optimize our consolidated auto business through continuous operational improvements and create efficiencies through enhanced scale and distribution.

*Focus on integration of the Acquired Battery Business and Spectrum Auto Care businesses to drive synergies and efficiencies across the business.* We have been planning the integration of Spectrum Batteries since the deal was announced in January 2018. We expect to leverage our integration plans from the Battery Acquisition in planning for the Auto Care Acquisition. In addition, Spectrum Auto Care is currently run as a standalone business unit within Spectrum, which should bolster operations stability during the transition period. During the first three years of ownership of both acquisitions, we will be focused on achieving an estimated \$70-80 million of cost synergies, through facility and network optimization, SG&A reductions and procurement efficiencies. Total one-time costs to achieve these cost synergies are estimated to be 1.25x-1.50x of annual run-rate synergies.

*Bolster free cash flow to deliver long-term value to all our stakeholders.* We believe that the strategies outlined above will allow us to generate significant free cash flow that we can use to both repay debt over time and deliver enhanced value to shareholders through dividends, share repurchases, reinvestment in our business and future acquisition opportunities.

## **The Transactions**

### **Overview**

On November 15, 2018, the Company entered into the Auto Care Acquisition Agreement with Spectrum to acquire the Acquired Auto Care Business for a purchase price of \$937.5 million in cash, subject to certain purchase price adjustments described in the Auto Care Acquisition Agreement (the **Cash Purchase Price**), plus the **Stock Consideration** described below. Among other adjustments, the Auto Care Acquisition Agreement provides for an adjustment to the Cash Purchase Price based on the difference between the Common Stock VWAP (as defined below and used to calculate the **Stock Consideration**) and the volume weighted average sales price per share of the Common Stock (as defined below) for the 20 consecutive trading day period beginning on the 10th trading day immediately preceding November 15, 2018 (as more specifically described in the Auto Care Acquisition Agreement). This Cash Purchase Price adjustment will increase the Cash Purchase Price by approximately \$36.8 million.

The **Stock Consideration** is that number of shares of our common stock that is equal to \$312.5 million divided by the volume weighted average sales price per share of our common stock for the 10 consecutive trading days immediately preceding November 15, 2018, as more specifically described in the Auto Care Acquisition Agreement (the **Common**

Stock VWAP ), which is 5,278,921 shares of common stock, subject to adjustments described in the Auto Care Acquisition Agreement.

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### **The Auto Care Acquisition Agreement**

The Auto Care Acquisition Agreement provides that, upon the terms and subject to the conditions set forth in the Auto Care Acquisition Agreement, the Company will purchase the equity of certain subsidiaries of Spectrum involved in, and certain assets of Spectrum and its subsidiaries used or held for use primarily in, or that arise primarily out of, the Acquired Auto Care Business, and will assume certain liabilities arising primarily out of or relating primarily to the ownership, operation or conduct of the Acquired Auto Care Business or any acquired assets.

The consummation of the Auto Care Acquisition is subject to certain conditions to each party's obligations, including, among other things, (i) the expiration or termination of required waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, (ii) the receipt of certain other antitrust approvals in certain specified foreign jurisdictions (the conditions contained in (i) and (ii) together, the Antitrust Conditions), (iii) the accuracy of the representations and warranties of the other party (generally subject to a customary material adverse effect standard as described in the Auto Care Acquisition Agreement) or other customary materiality qualifications, (iv) the absence of governmental restrictions on the consummation of the Auto Care Acquisition in certain jurisdictions, and (v) the compliance in all material respects by the other party with its covenants and agreements under the Auto Care Acquisition Agreement. The consummation of the Auto Care Acquisition is not subject to any financing condition. As of the date of this prospectus supplement, the Antitrust Conditions have been satisfied.

The Auto Care Acquisition Agreement also contains certain termination rights, including the right of either party to terminate the Auto Care Acquisition Agreement if the consummation of the Auto Care Acquisition has not occurred on or before July 31, 2019 (the Outside Date) as well as the right to terminate for certain breaches of the Auto Care Acquisition Agreement which result in the failure of certain conditions to be satisfied, subject to certain limits.

The Auto Care Acquisition will be financed pursuant to the Financing Transactions. See The Financing Transactions.

### **Shareholder Agreement**

As a condition of the consummation of the Acquisition and in connection with the Stock Consideration, the Company will enter into a Shareholder Agreement (the Shareholder Agreement) with Spectrum. The Shareholder Agreement will contain a 24-month standstill provision applicable to Spectrum, pursuant to which, among other things, subject to certain exceptions contained in the Shareholder Agreement, Spectrum will be prohibited, either acting alone or in concert with others, from supporting or engaging in certain transactions involving the Company or seeking to knowingly or intentionally control or influence management, our board of directors or policies of the Company with respect to such matters. For a period of 18 months beginning on the closing date of the Auto Care Acquisition, subject to certain limitations and qualifications, Spectrum will be required to vote in favor of the director nominees of our board of directors and in accordance with its recommendations on all other matters at any meeting of the Company's shareholders.

In addition, pursuant to the Shareholder Agreement, beginning after the 12 month anniversary of the closing date of the Auto Care Acquisition, the Company will be required, at the request of Spectrum, to use commercially reasonable efforts to file a shelf registration statement covering the resale by Spectrum in one or more registered offerings. Spectrum will also have certain rights to demand registration of shares in an underwritten takedown under the shelf registration and to participate in certain registered underwritten public offerings by the Company, subject to customary terms, limitations and exceptions.

Pursuant to the Shareholder Agreement, Spectrum will agree not to transfer any of its shares or other equity securities in the Company, or engage in certain hedging transactions from the closing until the day that is twelve

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months after the closing of the Auto Care Acquisition and, following such period, subject to certain limitations, not to transfer any such shares or other equity securities to any person or entity who would thereafter beneficially own more than 4.9% of the Company's outstanding shares of equity securities after giving effect to such transaction. Following the 18 month anniversary of the closing date of the Auto Care Acquisition, the Company will have the right to repurchase any or all of the shares then held by Spectrum or its affiliates for a purchase price per share equal to, as more specifically described in the Shareholder Agreement, the greater of the volume-weighted average sales price per share for the ten conservative trading days beginning on the 12th trading day immediately preceding notice of the repurchase from the Company and 110% of the Common Stock VWAP.

**The Spectrum Auto Care Business**

Spectrum Auto Care sells a range of products in the automotive appearance, fragrance, performance, and air conditioning recharge categories under the iconic brands Armor All, STP and A/C Pro. Products are sold in 50 markets across North America (85% of sales for fiscal year 2018), in Asia Pacific (6%), Europe and the Middle East (5%), and Latin America (4%). Customers consist primarily of big-box auto, auto specialty retail, mass retailers, and food and drug retailers. During fiscal year 2018, Spectrum Auto Care generated net sales, net loss, and adjusted EBITDA of \$465.6 million, (\$9.5 million) and \$99.3 million, respectively. The net loss in fiscal year 2018 resulted from a non-cash goodwill impairment charge of \$92.5 million. We expect the Auto Care Acquisition to close by February 2019.

During the first three years of ownership of the Spectrum Auto Care Business, Energizer expects to realize approximately \$15 million of annual run-rate cost synergies through network optimization, SG&A reductions and procurement efficiencies.

***Spectrum Auto Care Product Categories***

Spectrum Auto Care's product portfolio includes the following categories:

*Appearance and Fragrance (48% of Spectrum Auto Care Sales for fiscal year 2018).* The appearance and fragrance categories include protectants, wipes, tire and wheel care products, glass cleaners, leather care products, air fresheners and washes designed to clean, shine, refresh and protect interior and exterior automobile surfaces under the brand name Armor All. Armor All is a leader in the automotive aftermarket appearance products category based upon its recognized brand name, convenient application methods and product innovation. Armor All is the #1 brand in automotive appearance with a 24% market share in the category year to date through November 2018. Armor All has also expanded its offering into auto air fresheners, with growth of 255% year to date through November 2018, reaching a 0.7% share of the category according to NPD.

*Performance (16% of Spectrum Auto Care Sales for fiscal year 2018).* The performance product category includes STP branded fuel and oil additives, functional fluids and other performance chemical products that benefit from a rich heritage in the car enthusiast and racing scenes, characterized by a commitment to technology, performance and motor sports partnerships for over 60 years. The strong brand equity of STP also provides for attractive licensing opportunities that augment our presence in our core performance categories. STP is the #5 brand in the automotive performance category with 15% market share in Fuel Additives and 8% market share in Oil Additives year to date through November 2018 according to NPD.

*Air Conditioning Recharge (36% of Spectrum Auto Care Sales for fiscal year 2018).* The air conditioning recharge product category includes do-it-yourself automotive air conditioning recharge products led by the A/C PRO brand name, along with other refrigerant and recharge kits, sealants and accessories. A/C PRO is the #1 brand in automotive air conditioning recharge, with Spectrum Auto Care having a 61% market share in the category and 81% market share in air conditioning installation kits & accessories year to date through November 2018 according to NPD.

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**Transaction Rationale**

We believe the combination unites product offerings that are highly complementary in nature and creates an offering of well-known global brands that will enhance Energizer's presence in current markets in addition to expanding its reach into new categories, international markets and attractive channels. The Auto Care Acquisition creates a leading auto care company that is well positioned in several key auto care categories, with leading brands in automotive appearance, automotive performance, and automotive air conditioning recharge.

*Strengthens position in growing categories and channels.* The Auto Care Acquisition establishes our position as the number one player in the U.S. auto care category, with presence across the automotive appearance, performance, air conditioning recharge and fragrance categories. The Auto Care Acquisition provides significant channel overlap where Energizer is targeting significant auto care growth and also allows Energizer to leverage the iconic Armor All, STP and A/C Pro brands into new and adjacent product categories.

*Broadens brand offerings and manufacturing capabilities.* The addition of Spectrum Auto Care adds the iconic Armor All, STP and A/C Pro brands to our portfolio. With these brands, we will be able to offer our customers and consumers a wide range of auto care products across various applications and price points. The Spectrum Auto Care acquisition broadens our manufacturing and distribution footprint, with the addition of the Dayton, Ohio and Rassau, UK facilities, which will enable us to better serve our customers. Following the Transactions, Energizer's product diversification will include a larger focus on the automotive category, which would have accounted for 20% of net sales for fiscal year 2018, as compared to 5% on a historical basis. See the chart below for further illustration.

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*Expanding international presence with ability to leverage Energizer's global distribution network.* Spectrum Auto Care has an existing footprint with distribution and sales in over 50 markets. The Auto Care Acquisition provides an opportunity to accelerate top line growth internationally in existing Energizer markets and expand the Armor All, STP and A/C Pro brands into new adjacencies. Pro forma for the Transactions, Energizer's 2018 net sales increase by 71% in North America, by 105% in Latin America, by 23% in EMEA and by 17% in Asia Pacific. See the chart below for Energizer's geographic breakout on a historical and pro forma basis for the Transactions.

*Driving cost efficiencies with \$15 million in annual run-rate synergies estimated within three years.* The integration of Spectrum Auto Care is expected to leverage Energizer's existing asset base and eliminate redundancies to address rising costs to compete. Estimated cost synergies are expected to be driven by facility and network optimization, SG&A reductions and procurement efficiencies. Total one-time costs to achieve these cost synergies are estimated at less than 1.0x annual run-rate synergies; however, the Spectrum Auto Care integration is benefiting from IT integration efforts already under way as part of the Acquired Battery Business integration.

*Opportunity to drive productivity across the integrated global supply chain.* Energizer has a strong track record of operational excellence and acquisition integration. Our management team has identified numerous opportunities to reduce costs and improve efficiency, most notably to stabilize operations at the Dayton, Ohio facility. Operational issues at the facility have led to shipment disruptions as well as working capital management issues. While significant strides have been made to remedy these issues, Energizer expects to invest additional resources to achieve further operating efficiencies, increase service level performance and drive further cost improvements at the facility.

*Leverage Energizer's R&D capabilities to accelerate auto care innovation.* We continue to leverage consumer insights to provide meaningful product improvements and introduce new and innovative products. We will lean on this expertise along with our strong customer partnerships to further innovate within the auto care category. For example, the recent introduction of quick and easy to use wipes highlights the opportunity to introduce new and innovative products into the auto care category.

**Auto Care Industry Overview**

According to NPD, the US auto care industry sales (comprising of appearance chemicals, performance chemicals, refrigerants & accessories, and air fresheners) were \$2.8 billion in 2017. Based on historical growth rates and assuming no changes in the current business environment, we believe that the US auto care industry will grow at a CAGR of 1.8% through 2023. Forecasted growth in the Auto Care Industry is driven by favorable trends including an aging vehicle population, growing number of vehicles in car parc and increased annual miles

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driven. We believe that the Auto Care Acquisition positions Energizer to capitalize on favorable trends within various categories of the overall market. The US auto care segments are shown below:

Source: NPD - Calendar Year 2017. Forecasted growth is an Energizer estimate based on historical growth rates and assumes no changes in the current business environment.

### **Spectrum Batteries Transaction Update**

On January 2, 2019, Energizer closed its previously announced acquisition of Spectrum Batteries. On December 11, 2018, the European Commission approved the acquisition of Spectrum Batteries conditioned on the divestment by Energizer of the Varta Divestment Business. Based on the original purchase price, net of anticipated divestiture proceeds of \$550 million, we expect the net purchase price to be \$1.45 billion for the Batteries Acquisition. In the event that actual proceeds, including specified adjustments, exceed \$600 million, Energizer has agreed to pay Spectrum 25% of such excess. In the event that actual proceeds, including specified adjustments, are less than \$600 million, Spectrum has agreed to pay Energizer 75% of the shortfall and up to a total of \$200 million. Energizer is targeting first half of calendar year 2019 to complete the disposition of the Varta Divestment Business.

The present value of the tax step up on assets acquired in the U.S. in the Battery Acquisition is expected to be approximately \$110 million. Based on the historical results of Spectrum Batteries, adjusted for the financial results attributable to the Varta Divestment Business, net sales, gross profit, net income and Adjusted EBITDA of the Acquired Battery Business were \$515.4 million, \$164.9 million, \$53.4 million and \$96.2 million, respectively, for fiscal year 2018. For fiscal year 2017, net sales, gross profit, loss and adjusted EBITDA of the Acquired Battery Business were \$540.0 million, \$189.5 million, \$63.5 million and \$113.7 million, respectively. See Summary Historical Financial Data of Spectrum Batteries and Spectrum Auto Care Acquired Battery Business Financial Information for the description of the methodology used in calculating these numbers. Annual run-rate synergies following the Transactions are expected to be approximately \$55 million to \$65 million for the Acquired Battery Business and approximately \$15 million for the Acquired Auto Care Business, which Energizer expects to realize within the first three years of ownership. Total one-time costs to achieve these cost synergies are estimated to be 1.25x-1.50x of annual run-rate synergies. Certain costs have already been incurred anticipating an acquisition of the total Spectrum Batteries business, which a portion will now be unnecessary due to the required divestiture of the Varta Divestment Business.

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### **Batteries Industry Overview**

We recently revised our long-term battery category volume outlook to be flat to slightly positive (from the previous outlook of flat to slightly negative) driven by emerging devices, device power requirements and device universe stabilization. Demographic trends continue to be a positive driver for the category as well. The market size for the global battery category for the markets in which we compete was \$6.0 billion, with a 4.1% growth versus prior year according to Nielsen Global Track Complete. In the US, the market size for the battery category was \$2.9 billion with a 1.1% growth versus prior year according to IRI.

Below is a chart that illustrates the positive global battery volume trends that have benefited Energizer:

Source: Nielsen Global Track and Global Track Complete FY11 FY18. World Custom (Australia, Belgium, Canada, Chile, Colombia, Egypt, France, Germany, Great Britain, Italy, Malaysia, Mexico, New Zealand, Singapore, South Africa, South Korea, Spain, Switzerland, USA). Separate database per each year.

Volume is forecasted to shift into specialty and AA and AAA batteries due to evolving device trends and power demands. Growth in the global specialty segment was 5.3% for the twelve months ended September 2018 as compared to the twelve months ending September 2017 according to Nielsen, driven by devices requiring smaller batteries, including connected Internet of Things devices.

With the addition of Acquired Battery Business, Energizer believes it will be even better equipped to capitalize on various growth segments in the battery industry:

Device trends have stabilized as the transition to battery-on-board (BOB) and smartphone growth has flattened;

Emerging technologies, such as the Internet of Things, are expected to continue to drive growth in the number of battery-powered devices; and

Expected mix shift toward smaller cells driven by miniaturization of devices, leading to a heavier proportion of specialty cells relative to the overall battery market.



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### **Recent Developments**

The following is a preliminary summary of selected first fiscal quarter financial data for Energizer. All comparisons are with the first quarter of fiscal 2018 unless otherwise stated:

Net sales were approximately \$572 million, compared to \$573.3 million in the prior year fiscal quarter ended December 31, 2017. Organic revenue increased by approximately 1.7% in the quarter ended December 31, 2018.

Earnings before income taxes is expected to be in the range of \$90 to \$95 million, compared to \$119.0 million in the prior year fiscal quarter ended December 31, 2017. Our range includes the unfavorable impact of currency movements of approximately \$10 million, inclusive of approximately \$4 million from our Argentina operations.

Adjusted Earnings before income taxes is expected to be in the range of \$124 to \$130 million, compared to \$124.7 million in the prior year fiscal quarter ended December 31, 2017. Our range includes the unfavorable impact of currency movements of approximately \$10 million, inclusive of approximately \$4 million from our Argentina operations.

Adjusted EBITDA is expected to be in the range of \$157 to \$163 million, compared to \$156.8 million in the prior year fiscal quarter ended December 31, 2017. Adjusted EBITDA for the trailing twelve months ending December 31, 2018 is expected to be in the range of \$399 to \$405 million.

For reconciliations of preliminary non-GAAP financial measures to preliminary GAAP financial measures, see Summary Historical and Pro Forma Financial Data of the Company Reconciliation of Selected Preliminary Financial Data.

The preliminary financial data provided is subject to the completion of financial closing procedures, final adjustments and other developments that may arise between now and the time the financial results for the first quarter are finalized. Therefore, this data represents management estimates that constitute forward-looking statements subject to risks and uncertainties. Accordingly, actual results may differ materially from these estimates and all of these preliminary estimates are subject to change. In addition, preliminary results for the first quarter are not necessarily indicative of operating results for any future quarter or results for the full year.

The preliminary financial data included in this prospectus supplement has been prepared by, and is the responsibility of, Energizer's management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled, or applied agreed-upon procedures with respect to the preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

### **The Financing Transactions**

In connection with financing the cash consideration of the Auto Care Acquisition, we have entered or intend to enter into the following Financing Transactions:

the issuance of \$187.5 million of shares of common stock to the public in this offering and up to an additional \$28.125 million shares of common stock to be issued upon the exercise of the underwriter's option to purchase additional shares;

the issuance of \$187.5 million of shares of Mandatory Convertible Preferred Stock in a concurrent offering and up to an additional \$28.125 million shares of Mandatory Convertible Preferred Stock to be issued upon the exercise of the underwriters' option to purchase additional shares solely to cover over-allotments. In connection with the Preferred Stock Offering, we expect to enter into capped call transactions. We intend to use approximately \$        million of the net proceeds from the Preferred

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Stock Offering to pay the cost of the capped call transactions. If the underwriters of the Preferred Stock Offering exercise their option to purchase additional shares to cover over-allotments, we expect to use a portion of the net proceeds from the sale of the additional shares to enter into additional capped call transactions; and

the issuance of \$600 million aggregate principal amount of notes.

We intend to use the net proceeds from the Financing Transactions, as well as cash on hand, to fund the cash portion of the Acquisition Consideration and to pay fees and expenses related to the Transactions. See *Use of Proceeds* and *Capitalization* for more information.

**Use of Proceeds; Sources and Uses**

The table below sets forth the estimated sources and uses of funds in connection with the Transactions, assuming they occurred on September 30, 2018 (except as otherwise indicated) and based on estimated amounts outstanding on that date. Actual amounts will vary from the estimated amounts shown below depending on several factors, including, among others, the amount of cash and cash equivalents balances, net working capital and other purchase price adjustments, debt (including accrued interest on such debt), changes made to the sources of the contemplated financings and differences from our estimated fees and expenses. We intend to use the net proceeds of the Financing Transactions to finance the consummation of the Auto Care Acquisition and other transactions contemplated by the Spectrum Battery and Auto Care Acquisition Agreements, including paying related fees, costs, premiums and expenses in connection with the Financing Transactions.

You should read the following together with the information included under the headings *Summary*, *The Acquisition*, *Capitalization*, *Use of Proceeds*, *Description of Indebtedness* and *Unaudited Pro Forma Condensed Combined Financial Information* included elsewhere in this prospectus supplement.

**Battery Acquisition**

<b>Sources of Funds</b>	<b>(\$ in millions)</b>	<b>Uses of Funds</b>	<b>(\$ in millions)</b>
Cash on Hand	\$ 299.1	Purchase Price (5)	\$ 1,956.1
Term Loan B (1)	1,000.0	Refinance Existing Credit Agreement (6)	628.0
Term Loan A (2)	200.0	Estimated Fees and Expenses (7)	169.2
6.375% Senior Notes Due 2026 (3)	500.0		
4.375% Euro Senior Notes Due 2026 (4)	754.2		
<b>Total Sources</b>	<b>\$ 2,753.3</b>	<b>Total Uses</b>	<b>\$ 2,753.3</b>

**Auto Care Acquisition**

	<b>(\$ in millions)</b>		<b>(\$ in millions)</b>
Debt financing (8)	\$ 600.0	Purchase Price (12)	\$ 1,180.0
Common Stock to Spectrum Brands (9)	247.3	Estimated Fees and Expenses (13)	74.5
Common Stock Offering (10)	187.5	Capped Call (14)	10.0

Preferred Stock Offering (11)	187.5		
Cash on Hand	42.2		
<b>Total Sources</b>	<b>\$ 1,264.5</b>	<b>Total Uses</b>	<b>\$ 1,264.5</b>

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**Table of Contents****Divestiture of the Varta Divestment Business**

	(\$ in millions)		(\$ in millions)
Divestiture Proceeds (15)	\$ 550.0	Term Loan B (16)	\$ 458.3
Cash on Hand	15.0	Term Loan A (17)	91.7
		Estimated fees and expenses	15.0
<b>Total Sources</b>	<b>\$ 565.0</b>	<b>Total Uses</b>	<b>\$ 565.0</b>
<b>Aggregate Total Uses</b>	<b>\$ 4,582.8</b>	<b>Aggregate Total Uses</b>	<b>\$ 4,582.8</b>

- (1) Represents the aggregate principal amount of the term loan B facility, without giving effect to discounts or fees to be paid to the lenders.
- (2) Represents the aggregate principal amount of the term loan A facility, without giving effect to discounts or fees to be paid to the lenders.
- (3) Represents the aggregate principal amount of the USD 2026 Senior Notes and does not reflect the initial purchasers' discount.
- (4) Represents the U.S. dollar equivalent of the aggregate principal amount of the EUR 2026 Senior Notes offered and does not reflect the initial purchasers' discount.
- (5) Represents net cash consideration of \$1,956.1 million paid to Spectrum. This includes the \$2,000.0 million contractual purchase price adjusted for allowances related to the assumed pension liability and capital lease obligation offset by working capital adjustments.
- (6) Represents the repayment in full of all outstanding debt under Energizer's prior credit facilities excluding any accrued and unpaid interest.
- (7) Represents estimated fees, costs and expenses of Energizer associated with the Battery Acquisition, including, without limitation, certain amounts payable under the Battery Acquisition Agreement and any fees and expenses incurred in connection therewith, original issue discount on the Credit Agreement, initial purchaser discounts and commissions, underwriting, placement and other financing fees, advisory fees, and other transactional costs and legal, accounting and other professional fees and expenses relating to the Battery Acquisition and the financing thereof.
- (8) Represents the aggregate principal amount of the debt financing and does not reflect the initial purchasers' discount or any issue discount.
- (9) Represents the fair value of the 5,278,921 shares of our common stock expected to be issued to Spectrum, based on the closing market price of \$46.84 on January 7, 2019.
- (10) Represents the gross proceeds of this offering.
- (11) Represents the gross proceeds of the Preferred Stock Offering.
- (12) Represents estimated net cash consideration of \$932.7 million to be paid to Spectrum Brands and the fair value of the equity issued to Spectrum of \$247.3 million. The cash consideration includes the portion of the contractual purchase price payable in cash adjusted for certain adjustments described under the Acquisition Agreement as well as contractual purchase price adjustments for allowances related to the capital lease obligation offset by working capital adjustments based on the September 30, 2018 amounts.
- (13)

Represents estimated fees, costs and expenses of Energizer associated with the Auto Care Acquisition and the Financing Transactions, including, without limitation, certain amounts payable under the Auto Care Acquisition Agreement and any fees and expenses incurred in connection therewith, initial purchaser discounts and commissions, underwriting, placement and other financing fees, advisory fees, and other transactional costs including legal, accounting and other professional fees and expenses.

(14) Represents the estimated fees associated with the capped call.

(15) Represents the assumed sales proceeds from the sale of the Varta Divestment Business. Actual proceeds may vary significantly from this estimate based on a variety of factors, including buyer interest, due diligence and the performance of the Varta Divestment Business.

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(16) Represents the application of assumed proceeds from the sale of the Varta Divestment Business to the partial repayment of term loan B facility. Actual proceeds may vary significantly from this estimate.

(17) Represents the application of assumed proceeds from the sale of the Varta Divestment Business to the partial repayment of term loan A facility. Actual proceeds may vary significantly from this estimate.

**Corporate Information**

Energizer Holdings, Inc. is a Missouri corporation organized on January 9, 2015. Its principal corporate and executive offices are located at 533 Maryville University, St. Louis, MO 63141 (telephone number 314-985-2000).

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**The Offering**

Issuer	Energizer Holdings, Inc., a Missouri corporation
Common Stock Offered by the Issuer	\$187.5 million of shares
Common Stock Outstanding after this Offering	63,875,731 Shares (or up to 64,472,231 if the underwriters exercise their option to purchase additional shares) based upon an offering of \$187.5 million at an assumed public offering price of \$47.15 per share (the last reported sale price of our common stock on the NYSE on January 11, 2019. (1)
Underwriter Option to Purchase Additional Shares	We have granted the underwriters an option to purchase from us within 30 days of the date of this prospectus supplement up to an additional \$28.125 million of shares of common stock.
Use of Proceeds	<p>We estimate that the net proceeds to us from this offering, after deducting issuance costs and discounts, will be approximately \$      million (or approximately \$      million if the underwriters exercise their option to purchase additional shares of our common stock, in full).</p> <p>In addition, we estimate that the net proceeds to us from the Preferred Stock Offering, after deducting issuance costs and discounts, will be approximately \$      million (or approximately \$      million if the underwriters in the Preferred Stock Offering exercise their option to purchase additional shares of our Mandatory Convertible Preferred Stock to cover over-allotments, if any, in full).</p> <p>We intend to use the net proceeds from this offering and if completed, the net proceeds from the Preferred Stock Offering and the Additional Financing, as well as cash on hand, to fund the cash portion of the Acquisition Consideration and to pay fees and expenses related to the Transactions. However, this offering is not contingent on the completion of the Auto Care Acquisition, the Preferred Stock Offering or the Additional Financing, and there can be no assurance that the Auto Care Acquisition, the Preferred Stock Offering or any Additional Financing will be consummated on the terms described herein or at all. If for any reason the proposed Auto Care Acquisition has not closed or if certain acquisition termination events occur, then we expect to use the net</p>

proceeds from this offering, together with the net proceeds from the Preferred Stock Offering, for general corporate purposes, which may include, in our sole discretion, exercising our option to redeem our Mandatory Convertible Preferred Stock for cash, debt repayment, capital expenditures, investments and repurchases of our common stock at the discretion of our board of directors.

Pending application of the net proceeds of this offering for the foregoing purposes, we expect to use the net proceeds to invest such

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net proceeds in various instruments which may include, but would not be limited to, short- and intermediate-term, interest-bearing obligations, including bank deposits and certificates of deposit with financial institutions having investment-grade ratings, U.S. government obligations or money market funds primarily invested in securities issued by the U.S. government or its agencies. See Use of Proceeds.

Material U.S. Federal Income Tax Considerations

Certain material U.S. federal income tax considerations of owning and disposing of our common stock applicable to certain non-U.S. holders are described in Certain Material United States Federal Income Tax Considerations to Non-U.S. Holders.

Concurrent Preferred Stock Offering

Concurrently with this offering of shares of our common stock, we are also making a public offering of \$187.5 million shares of Mandatory Convertible Preferred Stock pursuant to a separate prospectus supplement. In that offering, we have granted the underwriters of that offering an option to purchase up to an additional \$28.125 million shares of Mandatory Convertible Preferred Stock to cover over-allotments. The shares of Mandatory Convertible Preferred Stock will initially be convertible into an aggregate of up to \_\_\_\_\_ shares of our common stock (or up to \_\_\_\_\_ shares of our common stock if the underwriters in that offering exercise their over-allotment option in full), in each case, subject to anti-dilution, make-whole and other adjustments.

We cannot assure you that the Preferred Stock Offering or the Additional Financing will be completed or, if completed, on what terms they will be completed. The closing of this offering is not conditioned upon the closing of the Preferred Stock Offering or the Additional Financing, and the closing of the Preferred Stock Offering and the Additional Financing is not conditioned upon the closing of this offering. See the section of this prospectus supplement entitled Preferred Stock Offering for a summary of the terms of our Mandatory Convertible Preferred Stock and a further description of the Preferred Stock Offering.

NYSE Symbol

ENR

Risk Factors

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page S-33 of this prospectus supplement, page 1 of the accompanying prospectus and as well as page 8 of our 2018 Form 10-K, which is incorporated by reference into this prospectus supplement and the accompanying prospectus, for a discussion of factors you should consider carefully before deciding to invest in shares of our common stock.

Dividends

We issued a \$0.29 per share dividend in each quarter of fiscal year 2018 for a total dividend of \$1.16 per share. For the first quarter of fiscal year 2019, we issued a \$0.30 per share dividend. We expect to

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continue to pay regular quarterly dividends. Future dividends are dependent on future earnings, capital requirements and our financial condition and are declared at the sole discretions of our Board of Directors. For more information, prospective investors should carefully consider all of the information set forth below under the caption Risk Factors Risks Related to Our Common Stock We cannot guarantee the timing amount or payment of dividends or share repurchases on our common stock.

- (1) The number of shares of common stock outstanding immediately after this offering that appears above is based on 59,899,061 shares of our common stock outstanding as of January 4, 2019, but excluding:

\$28.125 million shares of our common stock issuable on the exercise of the underwriters' option to purchase additional shares of our common stock in this offering;

\_\_\_\_\_ shares of our common stock (and an additional \_\_\_\_\_ shares of our common stock upon the exercise of the underwriters' option, to purchase additional shares of Mandatory Convertible Preferred Stock to cover over-allotments, in full by the underwriters in the Preferred Stock Offering) issuable upon conversion of the Mandatory Convertible Preferred Stock issued in the Preferred Stock Offering, in each case assuming mandatory conversion based on an applicable market value (as defined in the certificate of designations establishing the terms of the Mandatory Convertible Preferred Stock) of our common stock equal to or less than \$ \_\_\_\_\_ per share and subject to anti-dilution, make-whole and other adjustments, that would be issuable upon conversion of Mandatory Convertible Preferred Stock issued in the Preferred Stock Offering;

the 5,278,921 shares of our common stock expected to be issued to Spectrum pursuant to the Auto Care Acquisition Agreement at the closing of the Auto Care Acquisition, which acquisition is subject to customary closing conditions;

an aggregate of approximately 1,955,512 shares of our common stock available for future grants under our existing equity incentive plans as of January 4, 2019; and

1,558,230 shares of our common stock issuable upon vesting of restricted stock equivalents and performance restricted stock equivalents, outstanding as of January 4, 2019.

Unless otherwise specified or the context requires otherwise, information in this prospectus supplement assumes that (1) the option we have granted to the underwriters in this offering to purchase \$28.125 million of additional shares of common stock and the over-allotment option we have granted to the underwriters in the Preferred Stock Offering to purchase \$28.125 million of additional shares of Mandatory Convertible Preferred Stock, in each case, are not exercised, (2) the Mandatory Convertible Preferred Stock will not be redeemed if the Auto Care Acquisition is not consummated and (3) we elect to pay any and all dividends with respect to the Mandatory Convertible Preferred Stock

in cash.

At the closing of the Auto Care Acquisition, we will enter into a Shareholder Agreement with Spectrum relating to the 5,278,921 shares of common stock, subject to certain adjustments, we expect to issue to Spectrum. Among other things, the Shareholder Agreement restricts, subject to certain limited exceptions, Spectrum from transferring such shares to third parties for the 12-month period following the closing of the Auto Care Acquisition.

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**Table of Contents****SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA OF THE COMPANY**

The following table sets forth the Company's summary historical and unaudited pro forma financial data for the periods ended and as of the dates indicated below.

The summary historical statement of earnings and cash flow data for the years ended September 30, 2016, 2017 and 2018 and balance sheet data as of September 30, 2017 and 2018 have been derived from the audited consolidated financial statements of the Company prepared in accordance with generally accepted accounting principles in the United States and incorporated by reference in this prospectus supplement. The summary historical balance sheet data as of September 30, 2016 has been derived from historical Annual Reports on Form 10-K filed with the SEC. Historical results are not necessarily indicative of future expected results.

The summary unaudited pro forma consolidated statement of earnings data for the fiscal year ended September 30, 2018 gives effect to the Transactions as if they had occurred on October 1, 2017. The summary unaudited pro forma consolidated balance sheet data as of September 30, 2018 gives effect to the Transactions as if they had occurred on September 30, 2018. See Unaudited Pro Forma Condensed Combined Financial Information. The summary unaudited pro forma consolidated financial data for the fiscal year ended September 30, 2018 have been included in this prospectus supplement in order to provide investors with pro forma information for the latest practicable twelve-month period.

The following historical and unaudited pro forma condensed financial information is only a summary and should be read in conjunction with our historical consolidated financial statements and the notes thereto incorporated by reference in this prospectus supplement as well as the information included under the headings The Acquisitions, Unaudited Pro Forma Condensed Combined Financial Statements and Selected Historical Financial Data of Energizer.

(\$ in millions, except ratios)	Energizer's Historical Results			Pro Forma
	Fiscal Years Ended September 30, 2016	2017	2018	Fiscal Year Ended September 30, 2018
<b>Statement of Earnings Data:</b>				
Net sales	\$ 1,634.2	\$ 1,755.7	\$ 1,797.7	\$ 2,773.7
Cost of products sold	921.8	944.4	966.8	1,621.0
Gross profit	712.4	811.3	830.9	1,152.7
Selling, general and administrative expense	361.4	361.3	421.7	492.1
Advertising and sales promotion expense	102.4	116.1	112.9	126.8
Research and development expense	26.6	22.0	22.4	35.0
Amortization of intangible assets	2.8	11.2	11.5	63.9
Write-off for impairment of goodwill				92.5
Spin restructuring	5.8	(3.8)		
Restructuring	2.5			9.2
Gain on sale of real estate		(16.9)	(4.6)	(4.6)
Interest expense	54.3	53.1	98.4	181.7
Other items, net	(9.1)	(5.0)	(6.6)	15.7
Earnings before income taxes	165.7	273.3	175.2	140.4

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Income tax provision	38.0	71.8	81.7	48.3
Net earnings	\$ 127.7	\$ 201.5	\$ 93.5	\$ 92.1
Mandatory convertible preferred stock dividends				\$ 13.6
Net earnings attributable to common stockholders				\$ 78.5

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(\$ in millions, except ratios)	Energizer's Historical Results			Pro Forma
	Fiscal Years Ended September 30,			Fiscal Year Ended
	2016	2017	2018	September 30, 2018
<b>Balance Sheet Data (as of period end):</b>				
Cash and cash equivalents	\$ 287.3	\$ 378.0	\$ 522.1	\$ 181.3
Restricted cash			1,246.2	
Total assets	1,731.5	1,823.6	3,178.8	4,551.9
Total debt	1,043.1	1,086.6	1,227.4	3,020.1
Long-term debt held in escrow			1,230.7	
<b>Cash Flow Data:</b>				
Cash flows from operating activities	\$ 193.9	\$ 197.2	\$ 228.7	
Capital Expenditures	28.7	25.2	24.2	
Free Cash Flow (a)	166.7	199.2	210.6	
Adjusted Free Cash Flow (a)	172.3	203.5	237.8	
<b>Other Financial Data:</b>				
EBITDA (a)	\$ 254.3	\$ 376.6	\$ 318.7	\$ 435.4
Adjusted EBITDA (a)	341.5	388.6	399.1	593.7
Pro Forma Adjusted EBITDA (a)				668.7
Ratio of total debt to Adjusted Pro Forma EBITDA (b)				4.6x
Ratio of Adjusted Pro Forma EBITDA to interest expense (b)				3.7x

- (a) Free cash flow, Adjusted free cash flow, EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA are non-GAAP measures. Refer to the definition and reconciliation of these non-GAAP measures to the closest GAAP measure included in the Supplemental Non-GAAP Financial Information section herein.
- (b) Ratio of total debt to pro forma Adjusted EBITDA and Ratio of Pro Forma Adjusted EBITDA to interest expense are derived from Non-GAAP measures as defined and reconciled in the Supplemental Non-GAAP Financial Information section herein. These ratios are calculated based on our summary unaudited pro forma consolidated financial data for the fiscal year ended September 30, 2018 which have been included in this prospectus supplement in order to provide investors with pro forma information for the latest practicable twelve-month period.

**Supplemental Non-GAAP Financial Information**

Free Cash Flow, Adjusted Free Cash Flow, Combined Business Adjusted Free Cash Flow, EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA are supplemental measures that are not required by or presented in accordance with GAAP.

We define Free Cash Flow as Net cash flow from operating activities reduced by capital expenditures, net of the proceeds from asset sales. We define Adjusted Free Cash Flow as Free Cash Flow excluding the cash payments for acquisition and integration costs, which are net of the statutory tax benefit associated with the payment.

We define EBITDA as Net earnings before interest expense, income tax provision and depreciation and amortization. We define Adjusted EBITDA as EBITDA further adjusted to remove the impact of the Company's, Spectrum's and the Acquired Businesses' restructurings, spin-off costs and spin restructuring, gain on sale of real estate, acquisition and integration items, including the addition of HandStands pro forma EBITDA, the settlement loss on the Canadian

pension plan termination, share-based payments, the carve out allocations made to the Acquired Businesses historical results by Spectrum, write-off for impairment of goodwill and certain other adjustments more fully described in this prospectus supplement.

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We define Combined Business Adjusted Free Cash Flow as Adjusted Free Cash Flow for the Company, Spectrum Batteries and the Acquired Auto Care Business on a combined basis, adjusted for the estimated impact of the Varta Divestment Business.

We define Pro Forma Adjusted EBITDA as Adjusted EBITDA further adjusted to reflect the estimated full year impact of cost savings and annual run-rate synergies we estimate to ultimately realize by the third year following the consummation of the Acquisitions, including as a result of operating improvements and annual run-rate synergies. Investors should understand that the Company expects to incur substantial cash expenditures (in excess of the anticipated annual synergies) to realize such synergies and such expenditures are not taken into account in presenting Pro Forma Adjusted EBITDA. The actual amount of synergies that the Company ultimately realizes, and the costs of implementation, could differ materially from the estimates set forth herein. We present these adjustments as they are permitted under the Credit Agreement, the indentures that govern Existing Notes and the indenture that will cover the notes offered hereby, but you should not view these adjustments as a projection of results in any period. Our ability to realize these anticipated annual run-rate synergies and savings is subject to significant uncertainties and take a significant time to realize, and you should not place undue reliance on these adjustments.

We present Adjusted EBITDA and Pro Forma Adjusted EBITDA because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance and we believe that Adjusted EBITDA and Pro Forma Adjusted EBITDA provide useful information to investors in understanding and evaluating our operating results in the same manner as our management. Adjusted EBITDA and Pro Forma Adjusted EBITDA do not reflect certain cash expenses that we are obligated to make, and although depreciation and amortization are non-cash charges, assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA and Pro Forma Adjusted EBITDA do not reflect any cash requirements for such replacements.

Free Cash Flow, Adjusted Free Cash Flow, Combined Business Adjusted Free Cash Flow EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA are not measurements of financial performance or liquidity under GAAP. In evaluating our performance as measured by Free Cash Flow, Adjusted Free Cash Flow, Combined Business Adjusted Free Cash Flow EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA, management recognizes and considers the limitations of these measures. Other companies in our industry may calculate Free Cash Flow, Adjusted Free Cash Flow, EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA differently than we do, or may not calculate them at all, limiting their usefulness as comparative measures. Because of these limitations, Free Cash Flow, Adjusted Free Cash Flow, Combined Business Adjusted Free Cash Flow EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA should not be considered in isolation or as substitutes for Net sales, Net earnings, Net cash from operating, investing or financing activities, or any other measure calculated in accordance with GAAP, as applicable, and should be considered together with our GAAP financial measures and the reconciliation set forth below.

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The following table sets forth a reconciliation of Net cash from operating activities to Free Cash Flow and Adjusted Free Cash Flow:

**Energizer Free Cash Flow and Adjusted Free Cash Flow Reconciliation**

<i>(\$ in millions)</i>	<b>Fiscal Year Ended September 30,</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Net Cash From Operating Activities	\$ 193.9	\$ 197.2	\$ 228.7
Capital Expenditures	(28.7)	(25.2)	(24.2)
Proceeds from Sale of Assets	1.5	27.2	6.1
<b>Free Cash Flow</b>	\$ 166.7	\$ 199.2	\$ 210.6
Acquisition Related Payments (c)	5.6	4.3	27.2
<b>Adjusted Free Cash Flow</b>	\$ 172.3	\$ 203.5	\$ 237.8

- (c) Acquisition related payments are the cash payments for acquisition and integration costs net of the statutory tax benefit associated with the payment.

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The following table sets forth a reconciliation of the Company's Net earnings to EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA for the periods presented:

**Energizer EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA Reconciliation**

(\$ in millions)	Actual			Pro Forma
	Fiscal Year Ended September 30, 2016	Fiscal Year Ended September 30, 2017	Fiscal Year Ended September 30, 2018	Fiscal Year Ended September 30, 2018
Net Earnings	\$ 127.7	\$ 201.5	\$ 93.5	\$ 92.1
Income tax provision	38.0	71.8	81.7	48.3
Earnings before taxes	\$ 165.7	\$ 273.3	\$ 175.2	\$ 140.4
Interest expense	54.3	53.1	98.4	181.7
Depreciation and Amortization	34.3	50.2	45.1	113.3
<b>EBITDA</b>	<b>\$ 254.3</b>	<b>\$ 376.6</b>	<b>\$ 318.7</b>	<b>\$ 435.4</b>
<b>Energizer Adjustments</b>				
Restructuring (d)	4.9			
Spin Costs (e)	10.4			
Spin Restructuring (e)	5.8	(3.8)		
Gain on Sale of Real Estate		(16.9)	(4.6)	(4.6)
Acquisition and Integration Costs (f)	18.1	8.4	42.7	
HandStands EBITDA (g)	27.5			
Settlement loss on Canadian Pension Plan Termination (h)			14.1	14.1
Share-Based Payments	20.4	24.3	28.2	28.2
<b>Acquired Businesses Adjustments</b>				
Carve Out Allocations (i)				6.5
Restructuring (j)				18.5
Write-off for Impairment of Goodwill (k)				92.5
Share-Based Payments				3.1
<b>Adjusted EBITDA</b>	<b>\$ 341.5</b>	<b>\$ 388.6</b>	<b>\$ 399.1</b>	<b>\$ 593.7</b>
<b>Synergy Adjustment</b>				
Estimated mid-point of annual run-rate synergies (l)				75.0
<b>Pro Forma Adjusted EBITDA</b>				<b>\$ 668.7</b>

(d) Restructuring costs related to enterprise-wide restructuring plans that began in fiscal year 2013. The primary objectives of the restructuring projects included reduction in workforce, consolidation of G&A functional support across the organization, reduced overhead spending, creation of a center-led purchasing function, and rationalization and streamlining of our operational facilities, product portfolio and marketing organization.

(e)

Spin and spin restructuring costs/(benefits) related to the July 1, 2015 separation of the Company from Edgewell Personal Care Company (Edgewell) via a tax free spin-off.

- (f) Acquisition and integration costs in the fiscal year ended September 30, 2016 and 2017 are related to the acquisition of HandStands Holdings Corporation (HandStands) on July 1, 2016. Acquisition and integration costs in the fiscal year ended September 30, 2018 are related to the Acquisitions. The acquisition and integration costs related to the Acquisitions had already been excluded from the pro forma net earnings as noted in the pro forma financial statements and are not included herein as an add back to pro forma Adjusted EBITDA. See Unaudited Pro Forma Condensed Combined Financial Statements.
- (g) This adjustment is the pro forma Handstands EBITDA for the first three fiscal quarters of 2016 prior to the acquisition date calculated in accordance with our debt agreements.

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- (h) Settlement loss on Canadian pension plan termination represents the actuarial losses that were previously recorded to other comprehensive income, and then recognized to Other items, net upon the termination of our Canadian pension plan.
- (i) Certain costs representing \$5.1 million of Spectrum Batteries and \$3.3 million of Acquired Auto Care Business have been allocated from Spectrum. Of the \$5.1 million allocated to the Spectrum Batteries, \$1.9 million was related to the Varta Divestiture Business. The net impact to the remaining Acquired Battery Business is \$3.2 million. Those costs are derived from multiple levels of the organization, including geographic business unit expenses, product line expenses, shared corporate expenses, and fees from Spectrum. These allocated costs are primarily related to corporate administrative expenses, employee related costs including pensions and other benefits for corporate and shared employees, and rental and usage fees for shared assets for the functional groups such as accounting and finance services, human resources, information technology, facilities, legal services and contract support, tax and treasury management, corporate compliance and risk management, and other corporate and other corporate and infrastructural services. These allocations are not directly related to the Acquired Businesses operations and are being removed from the Adjusted EBITDA. Actual costs may differ materially from these estimates.
- (j) These restructuring costs are related to the Acquired Auto Care Business and relate to a series of initiatives implemented by the Acquired Auto Care Business to consolidate certain operations and reduce operating costs including headcount reductions and the exit of certain facilities.
- (k) Write-off for Impairment of Goodwill is related to the Acquired Auto Care Business and primarily attributable to reduced operating results from operational changes driven by restructuring of the domestic manufacturing and distribution, increases in commodity costs, and increased market and pricing competition realized during the year.
- (l) This includes the mid-point of our estimated annual run-rate synergies of \$55-\$65 million for the Acquired Battery Business and estimated annual run-rate synergies of \$15 million for the Acquired Auto Care Business that we estimate to realize approximately three years after the Acquisitions. We expect the cost to implement these synergies to be 1.25-1.50x the annual run-rate synergies. Actual cost savings and synergies and expenses incurred to achieve may differ materially from these estimates. See Cautionary Statement Concerning Forward-Looking Statements.

The Company also believes that Organic sales, Adjusted Gross Margin, Adjusted SG&A and Adjusted earnings before income taxes are key non-GAAP measures that provide users with additional meaningful comparisons to the corresponding historical or future periods. These non-GAAP financial measures exclude items that management believes are not reflective of the Company's on-going operating performance. We believe these measures help to provide year over year comparability when excluding currency fluctuations, acquisition activity as well as other Company initiatives that are not on-going. We believe these non-GAAP financial measures are an enhancement to assist in understanding our business and in performing analysis.

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Organic sales is the non-GAAP financial measurement of the change in revenue that excludes or otherwise adjusts for the impact of our 2016 HandStands acquisition, our 2018 Nu Finish acquisition, the impact of our Argentina operations due to its designation of a highly inflationary economy in 2018, the change in our Venezuela results from the deconsolidation of those operations, the impact of our go to market initiatives, and the impact of currency from the changes in foreign currency exchange rates. The following table includes our reconciliation:

**Energizer Sales to Organic Sales Reconciliation**

(\$ in millions)	Fiscal Year Ended September 30,					
	2016	% Chg	2017	% Chg	2018	% Chg
Net Sales Prior Year	\$ 1,631.6		\$ 1,634.2		\$ 1,755.7	
Organic	49.8	3.1%	49.9	3.1%	22.5	1.3%
Impact of Acquisitions	32.3	2.0%	83.1	5.1%	2.3	0.1%
Change in Argentina Operations	(3.5)	(0.2%)	2.6	0.2%	(1.9)	(0.1%)
Change in Venezuela Operations	(8.5)	(0.5%)		0.0%		0.0%
International go to market	(14.7)	(0.9%)		0.0%		0.0%
Impact of Currency	(52.8)	(3.3%)	(14.1)	(1.0%)	19.1	1.1%
Net Sales Current Year	\$ 1,634.2	0.2%	\$ 1,755.7	7.4%	\$ 1,797.7	2.4%

Adjusted gross margin excludes the impact of costs related to restructuring activities, the spin and acquisition and integration. The following table includes our reconciliation:

**Energizer Adjusted Gross Margin Reconciliation**

(\$ in millions)	Fiscal Year Ended September 30,		
	2016	2017	2018
Net Sales	\$ 1,634.2	\$ 1,755.7	\$ 1,797.7
Reported Cost of Products Sold	921.8	944.4	966.8
Reported Gross Profit	\$ 712.4	\$ 811.3	\$ 830.9
Reported Gross Margin	43.6%	46.2%	46.2%
Restructuring	2.4	0.0	0.0
Spin	0.4	0.0	0.0
Acquisition and Integration Costs	8.1	1.1	0.2
Adjusted Gross Profit	\$ 723.3	\$ 812.4	\$ 831.1
Adjusted Gross Margin	44.3%	46.3%	46.2%





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Adjusted SG&A excludes the impact of costs related to restructuring activities, the spin and acquisition and integration. The following table includes our reconciliation:

**Energizer Adjusted SG&A Reconciliation**

(\$ in millions)	Fiscal Year Ended September 30,		
	2016	2017	2018
Reported SG&A	\$ 361.40	\$ 361.30	\$ 421.70
Reported SG&A as a percent of sales	22.1%	20.6%	23.5%
Acquisition and Integration Costs	(10.0)	(4.0)	(62.9)
Spin costs	(10.0)		
<b>Adjusted SG&amp;A</b>	<b>\$ 341.62</b>	<b>\$ 357.51</b>	<b>\$ 359.03</b>
Adjusted SG&A as a percent of sales	20.9%	20.4%	20.0%

**Combined Business Adjusted Free Cash Flow Reconciliation**

	Energizer	Spectrum Batteries	Acquired Auto Care Business	Combined Businesses
Net cash provided by operating activities	\$ 228.7	\$ 96.3	\$ 65.3	\$ 390.3
Capital expenditures	(24.2)	(22.3)	(6.1)	(52.6)
Proceeds from sale of assets	6.1	1.2		7.3
Free Cash Flow	\$ 210.6	\$ 75.2	\$ 59.2	\$ 345.0
Acquisition and integration payments	27.2			27.2
Adjusted Free Cash Flow	\$ 237.8	\$ 75.2	\$ 59.2	\$ 372.2
Less: Estimated Varta Divestment Business				(32.0)
Combined Business Adjusted Free Cash Flow (1)				\$ 340.2

- (1) The estimated cost synergies of \$70 - \$80 million expected to be achieved over three years are expected to mostly offset the estimated additional annual interest expense from the debt financing for the Acquisitions.

***Reconciliation of Selected Preliminary Financial Data***

The preliminary financial data for the three month period ended December 31, 2018 provided in this prospectus supplement is subject to the completion of financial closing procedures, final adjustments and other developments that

may arise between now and the time the financial results for the first quarter are finalized. Therefore, this data represents management estimates that constitute forward-looking statements subject to risks and uncertainties. Accordingly, actual results may differ materially from these estimates and all of these preliminary estimates are subject to change. In addition, preliminary results for the first quarter are not necessarily indicative of operating results for any future quarter or results for the full year.

The preliminary financial data included in this prospectus supplement has been prepared by, and is the responsibility of, Energizer's management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled, or applied agreed-upon procedures with respect to the preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

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The following table sets forth a reconciliation of the Company's earnings before income taxes to EBITDA and Adjusted EBITDA for the periods presented:

**Energizer Reconciliation for EBITDA and Adjusted EBITDA**

	For the Quarter Ended				For the Trailing Twelve Months			For the Quarter Ended		
	December 31, 2018 Preliminary	September 30, 2018	June 30, 2018	March 31, 2018	Ended December 31, 2018 Preliminary	December 31, 2017				
Earnings before income taxes	\$90.0	-	\$95.0	6.9	31.5	17.8	\$146.2	-	\$151.2	119.0
Interest expense	45.9			50.8	17.7	16.5	130.9			13.4
Depreciation & amortization	11.6			11.3	11.4	10.4	44.7			12.0
<b>EBITDA</b>	<b>\$ 147.5</b>	<b>-</b>	<b>\$ 152.5</b>	<b>\$ 69.0</b>	<b>\$ 60.6</b>	<b>\$ 44.7</b>	<b>\$ 321.8</b>	<b>-</b>	<b>\$ 326.8</b>	<b>\$ 144.4</b>
<b>Adjustments:</b>										
Acquisition and integration costs	3.0	-	4.0	8.0	12.5	16.5	40.0	-	41.0	5.7
Settlement loss on Canadian pension plan termination				14.1			14.1			
Gain on sale of real estate					(4.6)		(4.6)			
Share-based payments	6.5			7.2	7.0	7.3	28.0			6.7
<b>Adjusted EBITDA</b>	<b>\$ 157.0</b>	<b>-</b>	<b>\$ 163.0</b>	<b>\$ 98.30</b>	<b>\$ 75.50</b>	<b>\$ 68.50</b>	<b>\$ 399.3</b>	<b>-</b>	<b>\$ 405.3</b>	<b>\$ 156.80</b>

Adjusted earnings before income taxes excludes the impact of acquisition and integration costs. For purposes of this presentation, the Company is presenting earnings before income tax instead of net earnings as the calculations related to the income tax provision have not been completed. The following table includes our reconciliation:

**Energizer Reconciliation for Adjusted Earnings Before Income Taxes**

	For the Quarter Ended December 31,	
	2018 Preliminary	2017
Earnings before income taxes GAAP	\$90.0	
	-	
	95.0	\$ 119.0
Acquisition and integration costs		5.7

34.0

-

35.0

Adjusted Earnings before income taxes Non-GAAP \$124.0 - 130.0 \$ 124.7

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The following table includes our reconciliation of organic sales for the three month period ended December 31, 2018:

**Energizer Sales to Organic Sales Reconciliation**

<i>(\$ in millions)</i>	<b>For the Quarter Ended December 31, 2018 Preliminary</b>	<b>% chg</b>
Net Sales Prior Year	\$ 573.3	
Organic	9.9	1.7%
Impact of Acquisitions	1.0	0.2%
Change in Argentina Operations	(3.3)	(0.6%)
Impact of Currency	(9.0)	(1.5%)
Net Sales Current Year	\$ 571.9	(0.2)%

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**Table of Contents****SUMMARY HISTORICAL FINANCIAL DATA OF SPECTRUM BATTERIES AND SPECTRUM AUTO CARE**

The following table sets forth the summary historical financial data of Spectrum Batteries and Spectrum Auto Care for the periods ended and as of the dates indicated below.

The summary historical combined statement of income and cash flow data for the years ended September 30, 2016, 2017 and 2018 have been derived from the audited annual combined financial statements of Spectrum Batteries and Spectrum Auto Care incorporated by reference in this prospectus supplement.

The combined financial statements of Spectrum Batteries were prepared in accordance with accounting principles generally accepted in the United States from the combined financial statements and accounting records of Spectrum using the historical results of the Global Batteries & Lights Division of Spectrum Brands (GBL) segment operations and historical cost basis of the assets and liabilities that comprise GBL. The Spectrum Batteries audited historical results also do not contemplate the divestiture of the Varta Divestment Business.

The combined financial statements of Spectrum Auto Care were prepared in accordance with accounting principles generally accepted in the United States from the combined financial statements and accounting records of Spectrum using the historical results of Spectrum Global Auto Care Division segment operations and historical cost basis of the assets and liability that comprise Spectrum Auto Care.

Historical results are not necessarily indicative of future expected results.

(\$ in millions)	<b>Spectrum Batteries Historical Results Fiscal Years Ended September 30,</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Statement of Income Data:</b>			
Net sales	\$ 840.7	\$ 865.6	\$ 870.5
Cost of goods sold	524.9	539.3	564.3
Gross profit	315.8	326.3	306.2
Selling	62.2	63.2	64.5
General and administrative	113.6	129.8	125.7
Research and development	10.9	10.9	11.8
Total operating expenses	186.7	203.9	202.0
Operating income	129.1	122.4	104.2
Interest expense	1.5	1.6	1.9
Other non-operating expense/(income), net	0.8	(0.1)	1.1
Income before income taxes	126.8	120.9	101.2
Income tax expense	67.5	36.4	21.4

Net income	\$ 59.3	\$ 84.5	\$ 79.8
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**Other Financial Data:**

EBITDA (a)	\$ 156.3	\$ 152.3	\$ 136.5
Adjusted EBITDA (a)	169.1	168.0	152.0
Capital Expenditures	21.2	22.3	22.3

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- (a) EBITDA and Adjusted EBITDA are non-GAAP measures. Refer to the definition and reconciliation of these non-GAAP measures to the closest GAAP measure included in the Supplemental Non-GAAP Financial Information of Spectrum Batteries and Spectrum Auto Care section herein.

(\$ in millions)	<b>Spectrum Auto Care Historical Results Fiscal Years Ended September 30,</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Statement of Income Data:</b>			
Net sales	\$ 453.7	\$ 446.9	\$ 465.6
Cost of goods sold	213.9	216.0	275.6
Restructuring and related charges		17.6	9.2
<b>Gross profit</b>	<b>239.8</b>	<b>213.3</b>	<b>180.8</b>
Selling	15.5	16.9	17.1
General and administrative	91.3	91.9	89.8
Research and development	3.6	4.0	4.1
Restructuring and related charges	5.3	6.7	9.2
Write-off for impairment of goodwill			92.5
<b>Total operating expenses</b>	<b>115.7</b>	<b>119.5</b>	<b>212.7</b>
Operating income/(loss)	124.1	93.8	(31.9)
Interest expense		1.5	2.1
Other non-operating expense, net	1.6		0.2
<b>Income/(loss) before income taxes</b>	<b>122.5</b>	<b>92.3</b>	<b>(34.2)</b>
Income tax expense/(benefit)	41.9	30.9	(24.7)
<b>Net income/(loss)</b>	<b>\$ 80.6</b>	<b>\$ 61.4</b>	<b>\$ (9.5)</b>
<b>Other Financial Data:</b>			
EBITDA (a)	\$ 139.9	\$ 114.8	\$ (15.7)
Adjusted EBITDA (a)	153.2	148.4	99.3
Capital Expenditures	2.0	14.1	6.1

- (a) EBITDA and Adjusted EBITDA are non-GAAP measures. Refer to the definition and reconciliation of these non-GAAP measures to the closest GAAP measure included in the Supplemental Non-GAAP Financial Information of Spectrum Batteries and Spectrum Auto Care section herein.

**Supplemental Non-GAAP Financial Information of Spectrum Batteries and Spectrum Auto Care**

EBITDA and Adjusted EBITDA are supplemental measures that are not required by or presented in accordance with GAAP.

We define EBITDA as Net income/(loss) before interest expense, income tax expense and depreciation and amortization. We define Adjusted EBITDA as EBITDA further adjusted to remove the impact of carve out allocations made to Spectrum Batteries and Spectrum Auto Care's historical results by Spectrum, Spectrum Batteries and Spectrum Auto Care's restructurings, the write-off for impairment of goodwill, acquisition and integration items and share-based payments.

We present Adjusted EBITDA because we believe it assists investors and analysts in comparing the performance of Spectrum Batteries and Spectrum Auto Care across reporting periods on a consistent basis by excluding items

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that we do not believe are indicative of their core operating performance and we believe that Adjusted EBITDA provides useful information to investors in understanding and evaluating their operating results in the same manner as our management. Adjusted EBITDA does not reflect certain cash expenses that Spectrum Batteries and Spectrum Auto Care were obligated to make, and although depreciation and amortization are non-cash charges, assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements.

EBITDA and Adjusted EBITDA are not measurements of financial performance or liquidity under GAAP. In evaluating the performance of Spectrum Batteries and Spectrum Auto Care as measured by EBITDA and Adjusted EBITDA, management recognizes and considers the limitations of these measures. Other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do, or may not calculate them at all, limiting their usefulness as comparative measures. Because of these limitations, EBITDA and Adjusted EBITDA should not be considered in isolation or as substitutes for Net sales, Net income/(loss), Net cash from operating, investing or financing activities, or any other measure calculated in accordance with GAAP, as applicable, and should be considered together with the GAAP financial measures of Spectrum Batteries and Spectrum Auto Care and the reconciliation set forth below.

The following table sets forth a reconciliation of Spectrum Batteries Net earnings to EBITDA and Adjusted EBITDA for the periods presented:

	<b>Spectrum Batteries EBITDA and Adjusted EBITDA Reconciliation Fiscal Year Ended September 30,</b>		
<i>(\$ in millions)</i>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Net income (loss)	\$ 59.3	\$ 84.5	\$ 79.8
Income tax expense	67.5	36.4	21.4
Earnings before taxes	\$ 126.8	\$ 120.9	\$ 101.2
Interest	1.5	1.6	1.9
Depreciation and amortization	28.0	29.8	33.4
EBITDA	\$ 156.3	\$ 152.3	\$ 136.5
Carve Out Allocations (b)	4.3	5.3	5.1
Restructuring (c)		1.7	0.1
Acquisition and integration	0.2	0.4	7.3
Share-Based Payments	8.3	8.3	3.0
Adjusted EBITDA	\$ 169.1	\$ 168.0	\$ 152.0

(b) Certain costs related to Spectrum Batteries have been allocated from Spectrum. Those costs are derived from multiple levels of the organization including geographic business unit expenses, product line expenses, shared

corporate expenses, and fees from Spectrum. These allocated costs are primarily related to corporate administrative expenses, employee related costs including pensions and other benefits for corporate and shared employees, and rental and usage fees for shared assets for the functional groups such as accounting and finance services, human resources, information technology, facilities, legal services and contract support, tax and treasury management, corporate compliance and risk management, and other corporate and other corporate and infrastructural services. These allocations are not directly related to Spectrum Batteries operations and are being removed from the Adjusted EBITDA.

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- (c) These are restructuring costs allocated to Spectrum Batteries from Spectrum's overall restructuring activity.

(\$ in millions)	<b>Spectrum Auto Care EBITDA and Adjusted EBITDA Reconciliation Fiscal Year Ended September 30,</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Net income (loss)	\$ 80.6	\$ 61.4	\$ (9.5)
Income tax expense/(benefit)	41.9	30.9	24.7)
Earnings/(loss) before taxes	\$ 122.5	\$ 92.3	\$ (34.2)
Interest		1.5	2.1
Depreciation and amortization	17.4	21.0	16.4
EBITDA	\$ 139.9	\$ 114.8	\$ (15.7)
Carve Out Allocations (d)	2.2	3.3	3.3
Restructuring (e)	5.3	24.3	18.4
Write-off for impairment of goodwill (f)			92.5
Share-Based Payments	5.8	6.0	0.8
Adjusted EBITDA	\$ 153.2	\$ 148.4	\$ 99.3

- (d) Certain costs related to Spectrum Auto Care have been allocated from Spectrum. Those costs are derived from multiple levels of the organization including geographic business unit expenses, product line expenses, shared corporate expenses, and fees from Spectrum. These allocated costs are primarily related to corporate administrative expenses, employee related costs including pensions and other benefits for corporate and shared employees, and rental and usage fees for shared assets for the functional groups such as accounting and finance services, human resources, information technology, facilities, legal services and contract support, tax and treasury management, corporate compliance and risk management, and other corporate and other corporate and infrastructural services. These allocations are not directly related to Spectrum Auto Care operations and are being removed from the Adjusted EBITDA.
- (e) These costs relate to a series of initiatives implemented by Spectrum Auto Care to consolidate certain operations and reduce operating costs including headcount reductions and the exit of certain facilities.
- (f) Write-off for Impairment of Goodwill is related to Spectrum Auto Care and primarily attributable to reduced operating results from operational changes driven by restructuring of the domestic manufacturing and distribution, increases in commodity costs, and increased market and pricing competition realized during the year.

**Acquired Battery Business Financial Information**

The net sales, gross profit, and net income of the Acquired Battery Business for fiscal years 2017 and 2018 are unaudited estimates prepared by management by deducting from the net sales, gross profit and net income of Spectrum Batteries (as set forth in the audited annual combined financial statements of Spectrum Batteries) the net sales, gross profit and net income, respectively, attributable to the Varta Divestment Business.

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The following table provides the reconciliation of Adjusted EBITDA of the Acquired Battery Business to net income of Spectrum Batteries as set forth in the audited annual combined financial statements of Spectrum Batteries incorporated by reference into this prospectus supplement.

	<b>Acquired Battery Business Adjusted EBITDA Reconciliation Fiscal Year Ended September 30,</b>	
<i>(\$ in millions)</i>	<b>2017</b>	<b>2018</b>
Net income	\$ 84.5	\$ 79.8
Income tax expense	36.4	21.4
Earnings before income taxes	120.9	101.2
Interest expense	1.6	1.9
Depreciation and amortization	29.8	33.4
EBITDA	\$ 152.3	\$ 136.5
Carve out allocations	5.3	5.1
Restructuring	1.7	0.1
Acquisition and integration	0.4	7.3
Share-Based Payments	8.3	3.0
Spectrum Batteries Adjusted EBITDA	\$ 168.0	\$ 152.0
Less: Varta Divestment Business Adjusted EBITDA	(54.3)	(55.8)
Acquired Battery Business Adjusted EBITDA	\$ 113.7	\$ 96.2

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**RISK FACTORS**

*An investment in our common stock involves risks. You should consider carefully the following risks, as well as the risks described under Risk Factors in Item 1A of our 2018 Form 10-K, together with all of the other information included in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus, when evaluating an investment in our common stock.*

**Risks Relating to the Acquired Businesses**

*The Acquired Businesses face risks associated with global economic conditions.*

Unfavorable global economic conditions and uncertainty about future economic prospects could reduce consumer demand for the Acquired Businesses' products. This could occur as a result of a reduction in discretionary spending or a shift of purchasing patterns to lower cost options such as private label brands sold by retail chains or price brands. This shift could drive the market towards lower margin products or force the Acquired Businesses to reduce prices for products in order to compete. Similarly, retailer customers could reduce their inventories, shift to different products or require them to lower their prices to retain the shelf placement of our products. Declining financial performance by certain retailer customers could impact their ability to pay the Acquired Businesses on a timely basis, or at all. Worsening economic conditions could harm its sales and profitability.

*Competition in the industries in which the Acquired Businesses operate may hinder their ability to execute their business strategies, achieve profitability, or maintain relationships with existing customers.*

The categories in which the Acquired Businesses operate are mature and highly competitive, both in the United States and globally, as a limited number of large manufacturers compete for consumer acceptance, limited retail shelf space and e-commerce opportunities. Because of the highly competitive environment, as well as increasing retailer concentration, retailer customers, including online retailers, frequently seek to obtain pricing concessions or better trade terms, resulting in either reduction of margins or losses of distribution to lower-cost competitors.

Competition is based upon brand perceptions, innovation, product performance, customer service and price. The Acquired Businesses' ability to compete effectively may be affected by a number of factors, including:

competitors may have substantially greater financial, marketing, research and development and other resources and greater market share in certain segments, which could provide them with greater scale and negotiating leverage with retailers and suppliers;

competitors may have lower production, sales and distribution costs, and higher profit margins, which may enable them to offer aggressive retail discounts and other promotional incentives;

competitors have obtained, and may in the future be able to obtain, exclusivity or sole source at particular retailers or favorable in-store placement; and



the Acquired Businesses may lose market share to certain retailers, including club stores, grocery, dollar stores, mass merchandisers and internet-based retailers, which may offer private label brands that are typically sold at lower prices and compete with their products in certain categories.

***The operations and profitability of the Acquired Auto Care Business is highly dependent on the efficient operation of its Dayton, Ohio facility.***

In 2017, the Acquired Auto Care Business opened a new manufacturing and distribution facility in Dayton, Ohio. Due to deficiencies in planning and execution, including flawed planning assumptions and insufficient devotion of resources, the transition to the Dayton facility led to business disruptions, including shipment

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disruptions, and working capital management issues that are continuing which have led to an adverse impact on the Auto Care Business' recent results. Despite Spectrum's significant expenditures to improve the operations at the Dayton facility, we expect to invest approximately an additional \$25 million in such facility to remedy the issues. Spectrum has been unable to and it is unlikely that we will be able to pass all of such costs through to the Auto Care Business customers, and therefore, such expenditures may have an adverse impact on our results. There is no guarantee that such investments will result in future benefits, that such amounts will be sufficient to remedy the issues or that the Dayton facility will achieve its projected normal state operating model on the expected timeline, or at all. Any failure to achieve such projected normal state operating model and improve operating efficiencies, increase service level performance and drive cost improvement will continue to negatively affect operations and profitability of the Acquired Auto Care Business.

***Loss of any principal customers as well as the changing retail environment could affect the Acquired Businesses' financial condition and results of operations.***

Generally, sales to the Acquired Businesses' top customers are made pursuant to purchase orders and it does not receive guarantees of minimum purchases from them. As a result, these customers may cancel their purchase orders or reschedule or decrease their level of purchases at any time. In fiscal 2018, Wal-Mart Stores, Inc. represented 17% of the Acquired Battery Business' net sales and 26% of the Acquired Auto Care Business' net sales. Pro forma for the Transactions, our net sales to Wal-Mart Stores in fiscal 2018 amounted to 15% of our total net sales. The loss or a substantial decrease in the volume of purchases by any top customers would harm sales and profitability.

Additionally, increasing retailer customer concentration could result in reduced sales outlets for our products, as well as greater negotiating pressures and pricing requirements on the Acquired Businesses.

The sales of the Acquired Businesses are largely concentrated in the traditional mass retail, auto care, warehouse club, dollar store and grocery store channels. The retail environment is changing with the growth of alternative retail channels and this could significantly change the way traditional retailers do business. Alternative retail channels, including hard discounters, e-commerce retailers and subscription services, have become more prevalent and consumer products are increasingly being sold through such alternative retail channels. Although the Acquired Businesses are engaged in e-commerce with respect to many of their products, if they are not successful in expanding sales in such alternative retail channels, our business, financial condition and results of operations may be negatively impacted. In addition, growth of the alternative retail channels that are focused on limiting the number of items they sell and selling predominantly private label products may reduce the Acquired Businesses' ability to market and sell their products through such retailers. If these alternative retail channels were to take significant market share away from traditional retailers and/or the Acquired Businesses are not successful in these alternative retail channels, margins and results of operations may be negatively impacted.

***As a result of retailers maintaining tighter inventory control, the Acquired Businesses face risks related to meeting demand and storing inventory.***

As a result of the desire of retailers to more closely manage inventory levels, there is a growing trend among them to purchase products on a just-in-time basis. Due to a number of factors, including (i) manufacturing lead-times, (ii) seasonal purchasing patterns and (iii) the potential for material price increases, the Acquired Businesses may be required to shorten their lead-time for production and more closely anticipate their retailers' and customers' demands, which could in the future require them to carry additional inventories and increase their working capital and related financing requirements. This may increase the cost of warehousing inventory or result in excess inventory becoming difficult to manage, unusable or obsolete. In addition, if their retailers significantly change their inventory management strategies, the Acquired Businesses may encounter difficulties in filling customer orders or in liquidating excess inventories, or may find that customers are cancelling orders or returning products, which may have a material

adverse effect on its business.

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Furthermore, the Acquired Businesses primarily sells branded products and a move by one or more of their large customers to sell significant quantities of private label products, which the Acquired Businesses do not produce on their behalf and which directly compete with the Acquired Businesses' products, could have a material adverse effect on our business, financial condition and results of operations.

In addition, sales of certain products tend to be seasonal. As a result of this seasonality, the inventory and working capital needs fluctuate significantly throughout the year. Orders from retailers are often made late in the period preceding the applicable peak season, making forecasting of production schedules and inventory purchases difficult. If we are unable to accurately forecast and prepare for customer orders, or there is a general downturn in business or economic conditions during these periods, the financial condition and results of operations of the Acquired Businesses could be materially and adversely affected.

***The Acquired Businesses are subject to seasonal volatility.***

Sales of certain of the Acquired Businesses' products tend to be seasonal. With respect to the Acquired Auto Care Business in particular, historically, sales typically have peaked during the first six months of the calendar year due to customer seasonal purchasing patterns and the timing of promotional activities. The Acquired Battery Business has similar seasonality and fluctuations in demand as our existing batteries business. As a result of this seasonality, the inventory and working capital needs fluctuate significantly throughout the year. Orders from retailers are often made late in the period preceding the applicable peak season, making forecasting of production schedules and inventory purchases difficult. Further, purchases of our Acquired Auto Care Business products, especially our auto appearance and A/C recharge products, can be significantly impacted by unfavorable weather conditions during the summer period, and as a result we may suffer decreases in net sales if conditions are not favorable for use of our products. If we are unable to accurately forecast and prepare for customer orders, or there is a general downturn in business or economic conditions during these periods, the financial condition and results of operations of the Acquired Businesses could be materially and adversely affected.

***Sales of battery products may be impacted by further changes in technology and device trends, which could impair the Acquired Battery Business' operating results and growth prospects.***

We have been assessing volume and device trends in the battery category over the last several years, and although baseline emerging device and demographic trends combined with the stabilization of the device universe lead us to believe the long term outlook for category volume will be flat to slightly positive, there is no assurance this trend will continue. An increasing number of devices are using built-in battery systems, particularly in developed markets, leading to potential declining volume trend in the battery category. Additionally, there could be a negative impact on the demand for primary batteries and could put additional pressure on results of the Acquired Battery Business going forward, both directly through reduced consumption and indirectly as manufacturers aggressively price and promote their products to seek to retain market share or gain battery shelf space.

***The Acquired Businesses are subject to risks related to international operations, including currency fluctuations, which could adversely affect results of operations.***

The Acquired Businesses, particularly the Acquired Battery Business, are currently conducted on a worldwide basis, with approximately 41% of the sales of the Acquired Battery Business and 19% of the sales of the Acquired Auto Care Business in fiscal year 2018 arising from foreign countries, and a significant portion of their combined production capacity and cash located overseas. Consequently, the Acquired Businesses are subject to a number of risks associated with doing business in foreign countries, including:

the possibility of expropriation, confiscatory taxation or price controls;

the inability to repatriate foreign-based cash for strategic needs in the U.S., either at all or without incurring significant income tax and earnings consequences, as well as the heightened counterparty, internal control and country-specific risks associated with holding cash overseas;

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the effect of foreign income taxes, value-added taxes and withholding taxes, including the inability to recover amounts owed to us by a government authority without extended proceedings or at all;

the effect of the U.S. tax treatment of foreign source income and losses, and other restrictions on the flow of capital between countries;

adverse changes in local investment, local employment, local training or exchange control regulations;

restrictions on and taxation of international imports and exports;

currency fluctuations, including the impact of hyper-inflationary conditions in certain economies, particularly where exchange controls limit or eliminate our ability to convert from local currency;

political or economic instability, government nationalization of business or industries, government corruption and civil unrest, including political or economic instability in the countries of the Eurozone, Egypt, Russia, the Middle East and certain markets in Latin America;

legal and regulatory constraints, including tariffs and other trade barriers including current uncertainty;

difficulty in enforcing contractual and intellectual property rights; and

a significant portion of sales are denominated in local currencies but reported in U.S. dollars, and a high percentage of product costs for such sales are denominated in U.S. dollars. Therefore, although we may hedge a portion of the exposure, the strengthening of the U.S. dollar relative to such currencies can negatively impact reported sales and operating profits.

***The reliance of the Acquired Businesses on certain significant suppliers subjects us to numerous risks, including possible interruptions in supply, which could adversely affect our business.***

The ability of the Acquired Businesses to maintain consistent quality throughout their operations depends in part upon their ability to acquire certain products in sufficient quantities. Supply shortages for a particular component can delay production and thus delay shipments to customers and the associated revenue of all products using that component. This could cause the Acquired Businesses to experience a reduction in sales, increased inventory levels and costs and could adversely affect relationships with existing and prospective customers. In some cases, the Acquired Businesses may have only one supplier for a product or service. Their dependence on single-source suppliers subjects them to the possible risks of shortages, interruptions and price fluctuations, and possible litigation when they change vendors because of performance issues. Global economic factors and the weak economic recovery continue to put significant pressure on suppliers, with some suppliers facing financial distress and others attempting to rebuild profitability, all of which tends to make the supply environment more expensive. In addition, the content and enforcement of environmental, health and safety regulations have tightened in China, which has resulted in the closure of facilities without notice. The shutdown of one or more of our vendors could disrupt the supply of products necessary to our

operations. If any of our vendors is unable to fulfill its obligations due to any of these factors, or if the Acquired Businesses are unable to find replacement suppliers in the event of such a supply disruption, our vendors could encounter supply shortages and/or incur higher costs to secure adequate supplies, either of which could materially harm their businesses.

***The Acquired Businesses are subject to increasing regulation in the U.S. and abroad that may cause us to incur significant costs and liabilities and adversely affect our business.***

The manufacture, content, packaging, labeling, storage, distribution, advertising and sale of the Acquired Businesses products are subject to extensive regulation in the U.S., including by the Consumer Product Safety Commission, the Environmental Protection Agency, and by the Federal Trade Commission with respect to advertising. Similar regulations have been adopted by authorities in foreign countries, and by state and local authorities in the U.S. In order to conduct the operations of the Acquired Businesses in compliance with these laws and regulations we must obtain and maintain numerous permits, approvals and certificates from various federal, foreign, state and local governmental authorities. Legislation is continually being introduced in the

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United States, the European Union and other countries, and new or more restrictive regulations or more restrictive interpretations of existing regulations, particularly in the consumer chemical products and battery industries, are likely and could have an adverse impact on their businesses.

The U.S. Foreign Corrupt Practices Act (FCPA) prohibits bribery of public officials to obtain or retain business in foreign jurisdictions. The FCPA also requires the Acquired Businesses to keep accurate books and records and to maintain internal accounting controls to detect and prevent bribery and to ensure that transactions are properly authorized.

The Acquired Businesses are subject to competition laws in the various jurisdictions where they operate, including the Sherman Antitrust Act and related federal and state antitrust laws in the U.S. These laws and regulations generally prohibit competitors from fixing prices, boycotting competitors, or engaging in other conduct that unreasonably restrains competition. In many jurisdictions, compliance with these competition laws is of special importance to the Acquired Businesses, and their operations may come under special scrutiny by competition law authorities, due to their and our competitive position in those jurisdictions.

Outside the U.S., the Acquired Businesses are subject to numerous similar statutes and regulations, as well as other legal and regulatory requirements. For example, they are subject to legal and regulatory requirements of the European Union (the EU), as well as those of EU countries where they conduct business, which requirements relate to, among other things, competition, product composition, packaging, labeling, advertisement and the safety of their products, as well as the health, safety and working conditions of employees.

The Acquired Businesses are subject to privacy laws in the EU, including the new regulation that became effective in May 2018, the General Data Protection Regulation (GDPR), which requires companies to meet new requirements regarding the handling of personal data, including, for example, increased requirements to erase an individual's information upon request, mandatory data breach notification requirements and onerous new obligations on service providers. The implementation of the GDPR may require substantial amendments to procedures and policies, and these changes could impact our business by increasing operational and compliance costs.

In addition, our business is subject to the U.K. Bribery Act 2010, an anti-corruption law that restricts the offer or payment of anything of value to both government officials as well as to other non-governmental persons with the intent of gaining favorable government action, business or an advantage.

All of the Acquired Businesses' facilities and other operations in the U.S. and elsewhere around the world are subject to various environmental protection statutes and regulations. See the risk factor entitled "The Acquired Businesses are subject to laws and regulations governing the handling and disposal of hazardous substances and wastes and the investigation and remediation of contamination that may expose it to material costs and liabilities" below.

A finding that either of the Acquired Businesses is in violation of, or not in compliance with, applicable laws or regulations in the areas above, as well laws or regulations related to environmental issues, occupational safety, employment practices, competition/antitrust, anti-corruption, trade compliance, data privacy, and other areas, could subject us to material civil remedies, including fines, damages, injunctions, product recalls, or criminal sanctions. Even if a claim is unsuccessful, is not merited or is not fully pursued, the negative publicity surrounding such assertions could jeopardize our reputation and brand image and have a material adverse effect on our businesses, as well as require resources to rebuild our reputation.

***A change in governmental regulations regarding the use of refrigerant gas R-134a or its potential future substitutes could have a material adverse effect on the ability of the Acquired Auto Care Business to sell its***



*aftermarket A/C products.*

The refrigerant R-134a is critical component of the Acquired Auto Care Business aftermarket A/C products. Older generation refrigerants such as R-12 (Freon) have been regulated for some time in the United

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States and elsewhere, due to concerns about their potential to contribute to ozone depletion. In recent years, refrigerants such as R-134a, which is an approved substitute for R-12, have also become the subject of regulatory focus due to their potential to contribute to global warming.

The European Union has passed regulations that essentially phased out of R-134a in automotive cooling systems in new vehicles by 2017. Canada has also implemented similar regulations, phasing into effect beginning in 2021. In the United States, while such regulations are not currently in effect, the applicable regulations could be implemented and if so, depending on the scope and timing of the regulations, could have a materially adverse impact on our business.

In addition, regulations may be enacted governing the packaging, use and disposal of the Acquired Auto Care Business products containing refrigerants. For example, regulations are currently in effect in California that govern the sale and distribution of products containing R-134a. If the future use of R-134a is phased out or is limited or prohibited in jurisdictions in which we do business, or if substitutes for R-134a become widely used in A/C systems and their use for DIY and retrofit purposes is not approved by the EPA or other regulatory bodies, the future market for Acquired Auto Care Business products containing R-134a may be limited, which could have a material adverse impact on its results of operations, financial condition, and cash flows.

In addition, any alternatives to R-134a for use in the A/C systems of new vehicles will likely be at a higher cost than that of R-134a and access to supply may be limited. If an alternative becomes widely used, we may be unable to obtain sufficient supply or we may obtain supply at a cost that impacts our net sales and gross margins if we are unable to price products to reflect the increased cost of the alternatives.

***The Acquired Businesses are subject to laws and regulations governing the handling and disposal of hazardous substances and wastes and the investigation and remediation of contamination that may expose it to material costs and liabilities.***

The Acquired Businesses must comply with various environmental laws and regulations in the jurisdictions in which they operate, including those relating to the handling and disposal of solid and hazardous wastes, recycling of batteries, the remediation of contamination associated with the use and disposal of hazardous substances, chemicals in products and product safety. A release of such substances due to accident or an intentional act or the presence of contamination that predates the Acquired Businesses ownership or operation of its facilities could result in substantial liability to governmental authorities or to third parties. Pursuant to certain environmental laws, we could be subject to joint and several strict liability for contamination relating to the Acquired Businesses or their predecessors current or former properties or any of their respective third-party waste disposal sites. In addition to potentially significant investigation and remediation costs, any such contamination can give rise to claims from governmental authorities or other third parties for natural resource damage, personal injury, property damage or other liabilities. Contamination has been identified at certain of the Acquired Businesses current and former facilities as well as third-party waste disposal sites, and the Acquired Businesses are conducting investigation and remediation activities in relation to such properties. The discovery of additional contamination or the imposition of further cleanup obligations at these or other properties or the assertion of tort claims related to such contamination could have a material adverse effect on our businesses, results of operations or financial condition. The Acquired Businesses have incurred, and will continue to incur, capital and operating expenses and other costs in complying with environmental laws and regulations. As new laws and regulations are introduced, the Acquired Businesses could become subject to additional environmental liabilities in the future that could cause a material adverse effect on our results of operations or financial condition.

***A failure of a key information technology system could adversely impact the ability of the Acquired Businesses to conduct business.***

The Acquired Businesses rely extensively on information technology systems, including some that are managed by third-party service providers, in order to conduct business. These systems include, but are not

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limited to, programs and processes relating to internal and external communications, ordering and managing materials from suppliers, converting materials to finished products, shipping products to customers, processing transactions, summarizing and reporting results of operations, and complying with regulatory, legal or tax requirements. These information technology systems could be damaged or cease to function properly due to the poor performance or failure of third party service providers, catastrophic events, power outages, security breaches, network outages, failed upgrades or other similar events. If its business continuity plans do not effectively resolve such issues on a timely basis, we may suffer interruptions in conducting our business, which may adversely impact our operating results. In addition, we plan to continuously assess and implement upgrades of the Acquired Businesses to improve our information technology systems globally. As such, during these implementation periods, we face a heightened risk of system interruptions and deficiencies or failures in our internal controls involving the Acquired Businesses information systems and processes.

***The Acquired Businesses are vulnerable to the availability of raw materials, their ability to forecast customer demand and their ability to manage production capacity.***

The ability of the Acquired Businesses to meet customer demand depends, in part, on their production capacity and on obtaining supplies, a number of which can only be obtained from a single supplier or a limited number of suppliers. A reduction or disruption in their production capacity or their supplies could delay products and fulfillment of orders and otherwise negatively impact their businesses.

The Acquired Businesses must accurately predict both the demand for their products and the lead times required to obtain the necessary components and materials. If they overestimate demand, they may experience underutilized capacity and excess inventory levels. If they underestimate demand, they may miss delivery deadlines and sales opportunities and incur additional costs for labor overtime, equipment overuse and logistical complexities. Additionally, their production capacity could be affected by manufacturing problems, including, with respect to the Acquired Auto Care Business, relating to the Dayton facility. See the risk factor entitled *The operations and profitability of the Acquired Auto Care Business is highly dependent on the efficient operation of its Dayton, Ohio facility* above. Difficulties in the production process could reduce yields or interrupt production, and, as a result, the Acquired Businesses may not be able to deliver products on time or in a cost-effective, competitive manner. Their failure to adequately manage their capacity could have a material adverse effect on our business, financial condition and results of operations.

The ability of the Acquired Businesses to meet customer demand also depends on their ability to obtain timely and adequate delivery of materials, parts and components from their suppliers. From time to time, suppliers may extend lead times, limit the amounts supplied to the Acquired Businesses or increase prices due to capacity constraints or other factors. Supply disruptions may also occur due to shortages in critical materials. In addition, a number of their raw materials are obtained from a single supplier. Many of their suppliers must undertake a time-consuming qualification process before they can incorporate their raw materials into their production process. If the Acquired Businesses are unable to obtain materials from a qualified supplier, it can take up to a year to qualify a new supplier, assuming an alternative source of supply is available. A reduction or interruption in supplies or a significant increase in the price of one or more supplies could have a material adverse effect on our business, financial condition and results of operations.

***The operations of the Acquired Businesses depend on the use of information technology systems that are subject to data privacy regulations, including recently effective European Union requirements, and could be the target of cyberattack.***

The systems and networks of the Acquired Businesses, as well as those of its retailer customers, suppliers, service providers, and banks, have and may in the future become the target of cyberattacks or information security breaches, which in turn could result in the unauthorized release and misuse of confidential or proprietary information about the Acquired Businesses, our company, employees, customers or consumers, as well as disrupt their and our operations or damage their and our facilities or those of third parties. Additionally, their and our

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systems are subject to regulation to preserve the privacy of certain data held on those systems. Laws and regulations in several countries restrict certain collection, processing, storage, use, disclosure and security of personal information, require notice to individuals of privacy practices, and provide individuals with certain rights to prevent use and disclosure of protected information. Several foreign countries and governmental bodies, including the countries of the EU and Canada, have laws and regulations which are often more restrictive than those in the United States.

The recently effective General Data Protection Regulation, or GDPR, imposes more stringent operational requirements for processors and controllers of personal data, including, for example, increased requirements to erase an individual's information upon request, mandatory data breach notification requirements and onerous new obligations on service providers. The implementation of the GDPR may require substantial amendments to procedures and policies, and these changes could impact our business by increasing operational and compliance costs. For example, the Acquired Businesses and we may be required to implement new technical and organizational measures to protect data from unauthorized access, revise their and our mechanisms of obtaining consent from EU data subjects, offer new controls to EU users with respect to their data (including by enabling them to exercise their rights to erasure and data portability) and devote additional resources to violation notification.

A failure to comply with applicable regulations or an unauthorized breach or cyberattack could negatively impact our revenues and increase our operating and capital costs. In particular, the GDPR significantly increases penalties for non-compliance. Non-compliance could also damage the reputation of the Acquired Businesses or our company with retailer customers and consumers and diminish the strength and reputation of their and our brands, or require the payment of monetary penalties. We may also be required to incur additional costs to modify or enhance their or our systems or in order to try to prevent or remediate any such attacks.

***Changes in production costs, including raw material prices, could erode profit margins and negatively impact operating results. Additionally, the manufacturing facilities, supply channels or other business operations of the Acquired Businesses may be subject to disruption from other events beyond our control.***

Pricing and availability of raw materials, energy, shipping and other services needed for the Acquired Businesses can be volatile due to general economic conditions, labor costs, production levels, import duties and tariffs and other factors beyond our control. There is no certainty that we will be able to offset future cost increases. This volatility can significantly affect our production cost and may, therefore, have a material adverse effect on our business, results of operations and financial condition.

Operations of the Acquired Businesses' distribution, manufacturing and packaging facilities worldwide, and the methods they use to obtain supplies and to distribute products, may be subject to disruption for a variety of reasons, including availability of raw materials, work stoppages, industrial accidents, disruptions in logistics, loss or impairment of key manufacturing sites, product quality or safety issues, licensing requirements and other regulatory issues, trade disputes between countries in which we have operations, such as the U.S. and China, and acts of war, terrorism, pandemics, fire, earthquake, flooding or other natural disasters. The supply of raw materials may be similarly disrupted. There is also a possibility that third-party manufacturers, which produce a significant portion of certain of its products, could discontinue production with little or no advance notice, or experience financial problems or problems with product quality or timeliness of product delivery, resulting in manufacturing delays or disruptions, regulatory sanctions, product liability claims or consumer complaints. If a major disruption were to occur, it could result in delays in shipments of products to customers or suspension of operations.

\* \* \* \* \*

**In addition to the factors discussed above, the financial condition and operating results of the Acquired Businesses can also be affected by the risks and uncertainties that Energizer faces with respect to its business, financial condition or results of operations.**

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### **Risks Relating to our Business**

For a description of risks relating to Business, please see **Risk Factors** in Item 1A of our annual report on Form 10-K, filed with the SEC on November 16, 2018 for the fiscal year ended September 30, 2018, and in the other documents incorporated by reference in this prospectus supplement (which risk factors are incorporated by reference herein).

### **Risks Relating to the Acquisitions and Divestiture of the Varta Divestment Business**

*The proposed Auto Care Acquisition may not be completed on the anticipated terms and there are uncertainties and risks to consummating the Auto Care Acquisition and integrating the Acquisitions.*

On November 15, 2018, we entered into the Acquisition Agreement with Spectrum to purchase the Acquired Auto Care Business for a purchase price of \$1.25 billion, subject to certain purchase price adjustments. The purchase price is comprised of \$937.5 million in cash and \$312.5 million of newly-issued common stock to Spectrum (based on the volume weighted average sales price per share of the common stock for the 10 consecutive trading days immediately preceding the date of the Auto Care Acquisition Agreement, as more specifically described in the Auto Care Acquisition Agreement), subject to certain purchase price adjustments. Our obligation to consummate the Auto Care Acquisition is subject to the satisfaction or waiver of a number of conditions.

On January 2, 2019, we completed the Battery Acquisition for a purchase price of \$1,956.1 million in cash, taking into account certain purchase price adjustments.

If the Auto Care Acquisition is completed, the successful integration of the Acquired Auto Care Business and operations, along with the Acquired Battery Business and operations, into those of our own and our ability to realize the expected synergies and benefits of the transactions are subject to a number of risks and uncertainties, many of which are outside of our control. These risks and uncertainties include, among other things:

our ability to complete the timely integration of organizations, operations, procedures, policies and technologies, as well as the harmonization of differences in the business cultures of Energizer and the Acquired Businesses and retention of key personnel;

our ability to minimize the diversion of management attention from ongoing business concerns during the process of integrating the Acquired Businesses into Energizer; and

our ability to preserve customer, supplier and other important relationships of both Energizer and the Acquired Businesses and resolve potential conflicts that may arise.

We have or will incur substantial expenses to consummate the Acquisitions but may not realize the anticipated cost synergies and other benefits of the Acquisitions. Given the size and significance of the Acquisitions, we may encounter difficulties in the integration of the operations of the Acquired Businesses, which could adversely affect our combined business and financial performance. Any failure to realize the full benefits and synergies of the Acquisitions could adversely impact our business, results of operation and financial condition.

*We may be unable to integrate the Acquired Businesses successfully and realize the anticipated benefits of the Acquisitions.*



The Acquisitions involve the combination of three businesses that have operated independently. We will be required to devote significant management attention and resources to integrating business practices, cultures and operations of each business. Potential difficulties we may encounter as part of the integration process include the following:

the inability to successfully combine our respective businesses in a manner that permits us to achieve the cost savings, synergies and other anticipated benefits from the Acquisitions;

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the challenge of integrating complex systems, operating procedures, compliance programs, technology, networks and other assets of the Acquired Businesses in a manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;

difficulties in retaining key management and other key employees;

the challenge of managing the expanded operations of a significantly larger and more complex company and coordinating geographically separate organizations; and

potential unknown liabilities, liabilities that are significantly larger than we currently anticipate, and unforeseen increased expenses or delays associated with the Acquisitions, including cash costs to integrate the two businesses that may exceed the cash costs that we currently anticipate.

Any one of these factors could result in increased costs, decreases in the amount of anticipated benefits and diversion of management's attention, which could materially impact our business, financial condition and results of operations. In addition, even if we are able to integrate the Acquired Businesses successfully, the anticipated benefits of the pending Acquisitions may not be realized fully, or at all, or may take longer to realize than expected.

***We may not realize the anticipated synergies, cost savings and growth opportunities from the Acquisitions.***

The benefits that we expect to achieve as a result of the Acquisitions will depend, in part, on our ability to realize anticipated growth opportunities and synergies due to cost reductions, alignment of purchase terms and logistics and pricing optimization. Our success in realizing these growth opportunities and synergies, and the timing of this realization, depends on the successful integration of the businesses and operations of the Acquired Businesses. Even if we successfully integrate the Acquired Businesses with our existing operations, this integration may not result in the realization of the full benefits of the growth opportunities and annual run-rate synergies of \$55 million to \$65 million for the Acquired Battery Business and \$15 million for the Acquired Auto Care Business that we currently expect from this integration within the estimated three year anticipated time frame or at all. For example, we may be unable to eliminate duplicative costs, or could lose suppliers or customers if we fail to maintain our business relationships. Moreover, we expect to incur substantial one-time expenses of approximately 1.25x-1.50x expected annual run-rate synergies to achieve such synergies. This estimate is based on our historical experience in integrating acquisitions and such expenses are difficult to estimate accurately and actual expenses may significantly exceed this estimate. Accordingly, the benefits from the Acquisitions may be offset by costs or delays incurred in integrating the Acquired Businesses.

***The Acquired Businesses may have liabilities that are not known to us and the Acquisition Agreements may not provide us with sufficient indemnification with respect to such liabilities.***

The Acquired Businesses may have liabilities that we failed, or were unable, to discover in the course of performing Energizer's due diligence investigations of the Acquired Businesses. We cannot assure you that the indemnification available to us under the Acquisition Agreements in respect of the Acquisitions will be sufficient in amount, scope or duration to fully offset the possible liabilities associated with the business of the Acquired Businesses or property that we will assume upon consummation of the Acquisitions, or that the terms of the Acquisition Agreements will be complied with. We may learn additional information about the Acquired Businesses that materially adversely affects us, such as unknown or contingent liabilities and liabilities related to compliance with applicable laws. Any such liabilities, individually or in the aggregate, could have a material adverse effect on Energizer's business, financial

condition and results of operations.

***Purchase price accounting adjustments could adversely affect our financial results.***

We will account for the completion of the Acquisitions using the purchase method of accounting. We will initially allocate the total estimated purchase prices to net tangible assets, amortizable intangible assets and

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indefinite-lived intangible assets, and based on their fair values as of the date of completion of the Acquisitions record the excess, if any, of the purchase price over those fair values as goodwill. Energizer's financial results could be adversely affected by a number of adjustments required in the future, such as additional amortization expense or goodwill impairment.

***This offering is not contingent upon the completion of the Auto Care Acquisition. If the Auto Care Acquisition is not completed, we will have broad discretion on the use of the net proceeds of this offering.***

This offering is not contingent upon the completion of the Auto Care Acquisition. Accordingly, your purchase of shares of our common stock in this offering may be an investment in Energizer on a stand-alone basis without any of the assets of the Auto Care Business or anticipated benefits of the Auto Care Acquisition. We will have broad discretion to use the net proceeds of this offering if the Auto Care Acquisition does not occur. If for any reason the proposed Auto Care Acquisition is not consummated, then we expect to use the net proceeds of this offering for general corporate purposes, which may include, in our sole discretion, exercising our option to redeem our Mandatory Convertible Preferred Stock for cash, debt repayment, capital expenditures, investments in our business, dividends, repurchases of our common stock at the discretion of our board of directors, or mergers and acquisitions. See Use of Proceeds.

***If the proposed Auto Care Acquisition is consummated and the Preferred Stock Offering is not completed (or if this offering or the Preferred Stock Offering results in aggregate net cash proceeds significantly less than contemplated by this prospectus supplement), we may incur a substantially greater amount of debt than we anticipate, including borrowings under the Backstop Facilities. This additional debt could adversely affect our business, including by restricting our ability to engage in additional transactions or incur additional indebtedness or resulting in a downgrade or other adverse action with respect to our credit rating.***

In connection with the proposed Auto Care Acquisition, we expect to incur up to approximately \$600 million of additional indebtedness as part of the Acquisition Debt Financing, and if and to the extent the Preferred Stock Offering is not completed or this offering or the Preferred Stock Offering are completed for less proceeds than anticipated, we would fund any shortfall with additional indebtedness, including potentially under the Incremental Facility. In all cases, following the completion of the proposed Auto Care Acquisition, we will continue to have a significant amount of debt outstanding. Our net consolidated borrowing costs, which cannot be predicted at this time, will depend on rates in effect from time to time, the structure of the debt, taxes and other factors.

Our credit ratings impact the cost and availability of future borrowings and, accordingly, our cost of capital. Our credit ratings at any time will reflect each rating organization's then opinion of our financial strength, operating performance and ability to meet our debt obligations. There can be no assurance that we will achieve a particular rating or maintain a particular rating in the future. Any reduction in our credit ratings may increase our cost of debt, limit our ability to borrow at interest rates consistent with the interest rates that have been available to us prior to the proposed Auto Care Acquisition, and may subject us to additional covenants under our debt instruments and ultimately the risk that we would default on our outstanding debt. Any impairment of our ability to obtain future financing on favorable terms could have an adverse effect on our ability to refinance the Backstop Facilities, if drawn with the issuance of debt securities or alternatives to the Backstop Facilities on terms more favorable than under the Backstop Facilities.

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*The unaudited pro forma condensed combined financial information included and incorporated by reference in this prospectus supplement and the accompanying prospectus is presented for illustrative purposes only and does not purport to represent what the financial position or results of operations of the combined company would have been had the Transactions been completed on the dates assumed for purposes of that pro forma information, nor does it represent the actual financial position or results of operations of the combined company following the Transactions.*

The unaudited pro forma condensed combined financial information included and incorporated by reference in this prospectus supplement and the accompanying prospectus is presented for illustrative purposes only, is based on numerous adjustments, assumptions and estimates, is subject to numerous other uncertainties and does not purport to reflect what the combined company's financial position or results of operations would have been had the Battery Acquisition, the Auto Care Acquisition and the divestiture of the Varta Divestment Business been completed as of the dates assumed for purposes of that pro forma financial information, nor does it reflect the financial position or results of operations of the combined company following the Battery Acquisition, the Auto Care Acquisition, if consummated, and the divestiture of the Varta Divestment Business. Our and the Acquired Businesses' actual financial positions and results of operations prior to the Auto Care Acquisition and that of the combined company following the Battery Acquisition, the Auto Care Acquisition, if consummated, and the divestiture of the Varta Divestment Business, may not be consistent with, or evident from, the unaudited pro forma condensed combined financial information. In addition, the assumptions or estimates used in preparing the unaudited pro forma condensed combined financial information may not prove to be accurate and may be affected by a broad range of factors.

For purposes of the unaudited pro forma condensed combined financial information, the estimated Acquisition Consideration has been preliminarily allocated to the identifiable assets acquired and liabilities assumed based on limited information presently available to estimate fair values. The Acquisition Consideration will be allocated among the relative fair values of the identifiable assets acquired and liabilities assumed based on their estimated fair values as of the date of the Auto Care Acquisition. The relative fair values of the assets acquired and liabilities assumed are estimates, which are subject to change pending further review. The actual amounts recorded at the completion of the Auto Care Acquisition, if completed, may differ materially from the information presented in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information has been prepared on the assumption that the net proceeds to Energizer from the sale of the Varta Divestment Business equal \$550 million and such proceeds will be used to repay existing indebtedness. There can be no assurance that the net proceeds will not be significantly lower than such estimate, or that the sale of the Varta Divestment Business can be completed at all. In such cases, we may not be able to reduce our indebtedness to the same extent as set forth in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information has also been prepared on the assumption that the Auto Care Acquisition and the Financing Transactions will be completed on the terms and in accordance with the assumptions set forth under Unaudited Pro Forma Condensed Combined Financial Statements. The actual number of shares of our common stock sold in this offering or the actual number of shares of Mandatory Convertible Preferred Stock sold in the Preferred Stock Offering, the actual public offering prices, the actual dividend rate on the Mandatory Convertible Preferred Stock or any of the other actual terms of this offering, the Preferred Stock Offering or the Acquisition Debt Financing may differ materially from the estimates used for the preparation of the pro forma financial information. It is also possible that we are unable to complete the Acquisition Debt Financing or the Acquisition Debt Financing will not generate the anticipated amount of net proceeds, which may require us to obtain additional or alternative financing or use interim bridge financing in the amount of up to \$600 million. We may not be able to obtain additional or alternative financing on terms we consider acceptable, or at all. Although the unaudited

pro forma condensed combined financial information included and incorporated by reference in this prospectus supplement includes sensitivity analyses that are intended to assist you in quantifying the impact of changes in certain of the assumptions used in

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preparing such pro forma information, those sensitivity analyses reflect the pro forma impact of only a limited number of those assumptions and therefore do not allow you to quantify the impact of changes in any of the other assumptions made in calculating this pro forma information and changes in certain of those other assumptions may have a material impact on the unaudited pro forma condensed combined financial information. Likewise, the sensitivity analyses we have provided do not necessarily address the impact of all possible changes in the relevant assumptions.

As a result of the foregoing, purchasers of shares of our common stock should not place undue reliance on unaudited pro forma condensed combined financial information included and incorporated by reference in this prospectus supplement and the accompanying prospectus.

### ***We may not be able to successfully complete the divestiture of the Varta Divestment Business and the Varta Divestment Business has contributed disproportionately to the performance of Spectrum Batteries***

On January 2, 2019, we completed the Battery Acquisition in a transaction valued at approximately \$2,000 million. The approval of the European Commission to the consummation of the Battery Acquisition was conditioned on the divestiture by us of the Varta Divestment Business within six months of closing (with the possibility of limited extensions in the discretion of the European Commission). In the event that actual proceeds from the sale of the Varta Divestment Business, including specified adjustments, exceed \$600 million, we have agreed to pay Spectrum 25% of such excess, reducing the overall proceeds to us from the divestiture. In the event that actual proceeds, including specified adjustments, are less than \$600 million, Spectrum has agreed to pay us the lesser of (i) 75% of the shortfall and (ii) \$200 million.

Divestitures involve significant risks and uncertainties, including:

inability to find potential buyers on favorable terms, within the timeline required, or that would meet the European Commission's requirements, including that the buyer be currently participating in or able to operate a business effectively in the consumer products industry;

failure to effectively transfer liabilities, contracts, operations, facilities and employees to buyers;

requirements that we retain or indemnify buyers against certain liabilities and obligations;

the possibility that we will become subject to third-party claims arising out of such divestiture;

challenges in identifying and separating the intellectual property and data to be divested from the intellectual property and data that we wish to retain;

inability to reduce fixed costs previously associated with the divested assets or business;

challenges in collecting the proceeds from any divestiture;

ability to reduce costs to achieve expected synergies for the rest of our business;

disruption of our ongoing business and distraction of management;

difficulties with transition services following the divestiture that result in material impacts to our ongoing operations;

loss of key employees who leave the Company as a result of a divestiture; and

if customers or partners of the divested business do not receive the same level of service from the new owners, our other businesses may be adversely affected, to the extent that these customers or partners also purchase other products offered by us or otherwise conduct business with our retained business.

We may not be able to complete the divestiture on terms favorable to us. The unaudited pro forma condensed combined financial information included in this prospectus supplement has been prepared on the assumption that the net proceeds to Energizer from the sale of the Varta Divestment Business equal \$550 million

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and such proceeds will be used to repay existing indebtedness. There can be no assurance that the net proceeds will not be significantly lower than such estimate, or that the sale of the Varta Divestment Business can be completed at all. In such cases, we may not be able to reduce our indebtedness to the same extent as set forth in the unaudited pro forma condensed combined financial information. If we are unable to complete the divestiture within the timeframe allotted or find a purchaser that meets the criteria required by the European Commission, the European Commission will assume responsibility for the divestiture, which could result in significantly lower proceeds to us than we would otherwise receive. In addition, the divestiture may result in significant asset impairment charges, including those related to goodwill and other intangible assets, which could have a material adverse effect on our financial condition and results of operations.

Additionally, the Varta Divestment Business has contributed disproportionately to the performance of Spectrum Batteries. The recent performance of Spectrum Batteries after excluding the impact of the Varta Divestment Business has been flat to negative and such weakness may continue in the future. Therefore, you should not place undue reliance on the historical financial information of Spectrum Batteries included in this prospectus supplement, because such information is not necessarily indicative of the Acquired Batteries Business' future performance.

The buyer of the Varta Divestment Business will own and/or have the right to use the Varta brand for consumer batteries, portable lights, and chargers, in EMEA. Several factors, including consumer perception, adverse events and publicity about the products marketed under the brand, the buyer's failure to maintain the quality of products sold under Varta brand, the buyer's failure to properly prosecute intellectual property rights related to the brand, or the supply shortages or other operational issues in countries where we do not operate, could diminish the value of this brand with varying degrees of significance, including in countries where we operate and use it. Additionally, Energizer will enter into an exclusive supply agreement with the purchaser of the Varta Divestment Business under which Energizer will exclusively supply Rayovac-branded hearing aid batteries to the purchaser of the Varta Divestment Business, which the purchaser of the Varta Divestment Business will be entitled to resell solely to non-audiologist mass retailers in EMEA for five years, with a possible two year extension. For a period of at least ten years following the effective date of the supply agreement, Energizer will be required to refrain from selling Rayovac branded hearing aid batteries in the aforementioned channel. The lack of control over the sales and distribution of the Rayovac-branded hearing aid batteries in such channel could result in reduced customer loyalty and awareness which could have an adverse impact on the value of the Rayovac brand and our future revenues.

We cannot assure you that we will be successful in managing these or any other significant risks that we encounter in divesting the Varta Divestment Business, and such divestiture could materially and adversely affect our business, financial condition, results of operations and cash flows, and may also result in a diversion of management attention, operational difficulties and losses.

Further, the divestiture will result in transition services being provided between us and the buyer as well as between us and Spectrum and Spectrum and the buyer, resulting in an increased risk of potential disruption to our business from the failure by a party to provide services in a timely fashion.

## **Risks Related to Our Common Stock**

***Our stock price has fluctuated in the past and may fluctuate in the future. Accordingly, you may not be able to resell your shares at or above the price at which you purchased them.***

The trading price of our common stock has fluctuated in the past. The trading price of our common stock could fluctuate significantly in the future and could be negatively affected in response to various factors, including:

market conditions in the broader stock market in general;

our ability to make investments with attractive risk-adjusted returns;

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market perception of our current and projected financial condition, potential growth, future earnings and future cash dividends;

announcements we make regarding dividends;

actual or anticipated fluctuations in our quarterly financial and operating results;

additional offerings of our common stock or equity-linked securities;

actions by rating agencies;

short sales of our common stock;

acquisitions and integration of companies or assets, including the Acquisitions;

any decision to pursue a distribution or disposition of a meaningful portion of our assets including the divestiture of the Varta Divestment Business;

issuance of new or changed securities analysts' reports or recommendations;

market perception or media coverage of us, other similar companies or the outlook of the markets and industries in which we compete;

stock performance of comparable companies;

major reductions in trading volumes on the exchanges on which we operate;

legislative or regulatory developments, including changes in the status of our regulatory approvals or licenses;

litigation and governmental investigations; and

any decision to pursue a spin-off of a portion of our assets.

These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may negatively affect the price or liquidity of our common stock. When the market price of a stock has been volatile or has decreased significantly in the past, holders of that stock have, at times, instituted securities class action litigation against the company that issued the stock. If any of our shareholders brought a lawsuit against us, we could incur substantial costs defending, settling or paying any resulting judgments related to the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business and hurt our share price.

***We cannot guarantee the timing, amount or payment of dividends or share repurchases on our common stock.***

Although we expect to pay regular cash dividends and conduct periodic share repurchase programs, the timing, declaration, amount and payment of future dividends to shareholders or repurchases of the Company's common stock will fall within the discretion of our Board of Directors (or an authorized committee thereof).

The agreements governing any future indebtedness of ours may limit our ability to pay cash dividends on our capital stock, including our common stock. In the event that the agreements governing any such indebtedness restrict our ability to pay dividends in cash on our common stock, we may be unable to pay dividends in cash on our common stock unless we can refinance the amounts outstanding under such agreements.

In addition, under applicable Missouri law, our board of directors (or an authorized committee thereof) may not declare and pay dividends on shares of our capital stock when our net assets are less than our stated capital, or when the payment of the dividend would reduce the net assets below our stated capital. Further, even if we are permitted under Missouri law to declare and pay cash dividends on the shares of our capital stock, we may not have sufficient cash to declare and pay dividends in cash on the shares of our capital stock.

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Additionally, except under limited circumstances, we will not declare or pay, or set aside for payment, dividends on any of our common stock unless full cumulative dividends have been or contemporaneously are being paid on all outstanding shares of our Mandatory Convertible Preferred Stock and any other preferred stock that ranks senior to our common stock with respect to the payment of dividends, through the most recently completed respective dividend periods.

The Board's decisions regarding the payment of dividends or repurchase of shares will depend on many factors, such as our financial condition, earnings, growth prospects, other uses of cash, capital requirements, debt service obligations, covenants associated with certain of our debt service obligations, industry practice, legal requirements, regulatory constraints, applicable Missouri law and other factors that our Board of Directors deems relevant. Our ability to pay dividends and repurchase shares will depend on our ongoing ability to generate cash from operations and on our access to the capital markets. We cannot guarantee that we will pay a dividend or repurchase shares in the future or continue to pay any dividend or conduct share repurchase programs.

***The concurrent Preferred Stock Offering, and the possibility of the sale of our common stock in the future, could reduce the market price of our common stock by us or other shareholders.***

Concurrently with this offering, we are offering \$187.5 million of shares of our Mandatory Convertible Preferred Stock, plus up to \$28.125 million of additional shares of Mandatory Convertible Preferred Stock if the underwriters in that offering exercise their over-allotment option to purchase additional shares of Mandatory Convertible Preferred Stock in full. This offering is not conditioned on the closing of the Preferred Stock Offering, and the Preferred Stock Offering is not conditioned on the closing of this offering.

We are not restricted other than as described in "Underwriting," from issuing additional common stock, including securities that are convertible into or exchangeable for, or that represent the right to receive, common stock, including any common stock that may be issued upon the conversion of the Mandatory Convertible Preferred Stock. In the future, we may sell additional shares of our common stock to raise capital or acquire interests in other companies by using a combination of cash and our common stock or just our common stock. We also expect to issue shares upon exercise of options or warrants or the vesting of restricted stock units. In addition, a substantial number of shares of our common stock are reserved for issuance upon the exercise of stock options, warrants, the vesting of restricted stock units or upon conversion of the Mandatory Convertible Preferred Stock. Any of these events may dilute your ownership interest in our Company and any of these events or the perception that these sales and/or conversions or exchanges could occur may have an adverse impact on the price of our common stock. Furthermore, sales of a substantial amount of our common stock in the public market, or the perception that these sales may occur, could reduce the market price of our common stock. This could also impair our ability to raise additional capital through the sale of our securities.

At the closing of the Auto Care Acquisition, we expect to issue 5,278,921 shares of common stock to Spectrum and enter into a Shareholder Agreement with Spectrum. Following the expiration of a 12-month period from closing the Auto Care Acquisition during which Spectrum is restricted, subject to certain exceptions, from transferring such shares, Spectrum may require us to file a registration statement relating to the resale of such shares. Spectrum is also entitled to sell the common stock in the open market following the initial restricted period in compliance with Rule 144 under the Securities Act or another exemption from registration requirements. Accordingly, Spectrum may sell a significant portion of its shares. Sales of a substantial number of shares of our common stock could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock, or the perception that these sales may occur, or other equity-related securities would have on the market price of our common stock.

*The capped call transactions may affect the value of our common stock.*

In connection with the pricing of the Mandatory Convertible Preferred Stock in the concurrent Preferred Stock Offering, we expect to enter into capped call transactions with the option counterparties. The capped call

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transactions are expected generally to reduce the potential dilution upon conversion of the Mandatory Convertible Preferred Stock, with such reduction subject to a cap. If the underwriters exercise their option to purchase additional shares of Mandatory Convertible Preferred Stock to cover over-allotments, we expect to enter into additional capped call transactions with the option counterparties.

In connection with establishing their initial hedge of the capped call transactions, the option counterparties or affiliates thereof expect to enter into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the Mandatory Convertible Preferred Stock. This activity could increase (or reduce the size of any decrease in) the market price of our common stock at that time.

In addition, the option counterparties or affiliates thereof may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions following the pricing of the Mandatory Convertible Preferred Stock and prior to the mandatory conversion date (and are likely to do so during the settlement period). This activity could also increase (or reduce the size of any decrease in) the market price of our common stock.

In addition, if any such capped call transactions fail to become effective, whether or not the offering of Mandatory Convertible Preferred Stock is completed, the option counterparties may unwind their hedge positions with respect to our common stock, which could adversely affect the value of our common stock and, if the Mandatory Convertible Preferred Stock has been issued, the value of the Mandatory Convertible Preferred Stock.

### ***Your percentage of ownership in Energizer may be diluted in the future.***

In the future, your percentage ownership in Energizer may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including equity awards that we grant to our directors, officers and employees. From time to time, we will issue additional stock-based awards to our employees under our employee benefits plans. Such awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of our common stock.

In addition, our amended and restated articles of incorporation authorizes us to issue, without the approval of our shareholders, one or more classes or series of preferred stock having such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over our common stock respecting dividends and distributions, as our Board of Directors generally may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, we could grant the holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred stock could affect the residual value of our common stock.

### ***If issued, the Mandatory Convertible Preferred Stock may adversely affect the market price of our common stock.***

The market price of our common stock is likely to be influenced by the Mandatory Convertible Preferred Stock. For example, the market price of our common stock could become more volatile and could be depressed by:

investors' anticipation of the potential resale in the market of a substantial number of additional shares of our common stock received upon conversion of the Mandatory Convertible Preferred Stock;

possible sales of our common stock by investors who view the shares of the Mandatory Convertible Preferred Stock as a more attractive means of equity participation in us than owning shares of our common stock; and

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hedging or arbitrage trading activity that may develop involving the shares of Mandatory Convertible Preferred Stock and our common stock.

***Our common stock will rank junior to our Mandatory Convertible Preferred Stock, if issued, with respect to dividends and amounts payable in the event of our liquidation, dissolution or winding-up of our affairs.***

Our common stock will rank junior to our Mandatory Convertible Preferred Stock, if issued, with respect to the payment of dividends and amounts payable in the event of our liquidation, dissolution or winding-up of our affairs. This means that, unless accumulated dividends have been paid on all our Mandatory Convertible Preferred Stock, if issued, through the most recently completed dividend period, no dividends may be declared or paid on our common stock and we will not be permitted to repurchase any of our common stock, subject to limited exceptions. Likewise, in the event of our voluntary or involuntary liquidation, dissolution or winding-up of our affairs, no distribution of our assets may be made to holders of our common stock until we have paid to holders of our Mandatory Convertible Preferred Stock, if issued, a liquidation preference equal to \$100 per share plus accumulated and unpaid dividends.

***Holders of our Mandatory Convertible Preferred Stock, if issued, will have the right to elect two directors in the case of certain dividend arrearages.***

If dividends on any shares of our Mandatory Convertible Preferred Stock have not been declared and paid for the equivalent of six or more quarterly dividend periods, whether or not for consecutive dividend periods, the holders of shares of our Mandatory Convertible Preferred Stock, if issued, voting together as a single class with holders of any and all other series of our capital stock on a parity with our Mandatory Convertible Preferred Stock, if issued, (as to the payment of dividends and amounts payable on a liquidation, dissolution or winding up of our affairs) upon which like voting rights have been conferred and are exercisable will be entitled to vote for the election of a total of two additional members of our Board of Directors, subject to certain terms and limitations. This right to elect directors will dilute the representation of the holders of our common stock on our Board of Directors and may adversely affect the market price of our common stock.

***Certain rights of the holders of the Mandatory Convertible Preferred Stock, if issued, could delay or prevent an otherwise beneficial takeover or takeover attempt of us.***

Certain rights of the holders of the Mandatory Convertible Preferred Stock could make it more difficult or more expensive for a third party to acquire us. For example, if a fundamental change were to occur on or prior to January 15, 2022, holders of the Mandatory Convertible Preferred Stock, if issued, may have the right to convert their Mandatory Convertible Preferred Stock, in whole or in part, at an increased conversion rate and will also be entitled to receive a make-whole amount equal to the present value of all remaining dividend payments on their Mandatory Convertible Preferred Stock as described in the certificate of designation. These features of the Mandatory Convertible Preferred Stock could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management.

***Our issuance of preferred stock may cause the price of our common stock to decline, which may negatively impact your investment.***

Our Board of Directors is authorized to issue series of shares of preferred stock without any action on the part of the holders of our common stock. Our Board of Directors also has the power, without the approval of the holders of our common stock, to set the terms of any such series of shares of preferred stock that may be issued, including the designations, preferences, limitations and relative rights, voting, redemption and other rights over our common stock with respect to dividends or if we liquidate, dissolve or wind up our affairs and other terms. Our Mandatory Convertible Preferred Stock we are offering in the Preferred Stock Offering, if issued, and any other preferred stock

we may issue in the future will rank senior to all of our common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up of our affairs. If we issue preferred stock

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in the future that has preference over common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up of our affairs, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the market price of our common stock could decrease, which may negatively impact your investment.

*Certain provisions in our amended and restated articles of incorporation and bylaws, and of Missouri law, may deter or delay an acquisition of Energizer.*

Our amended and restated articles of incorporation and amended and restated bylaws contain, and the General and Business Corporation Law of Missouri, which we refer to as Missouri law, contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with our Board of Directors rather than to attempt a hostile takeover by making the replacement of incumbent directors more time-consuming and difficult. These provisions include, among others:

limitations on the ability of our shareholders to call a special meeting;

rules regarding how we may present proposals or nominate directors for election at shareholder meetings;

the right of our Board of Directors to issue preferred stock without shareholder approval;

a provision that our shareholders may only remove directors for cause and with the approval of the holders of a majority of our outstanding voting stock at a special meeting of shareholders called expressly for that purpose; and

the ability of our directors, and not shareholders, to fill vacancies on our Board of Directors.

In addition, because we have not chosen to opt out of coverage of Section 351.459 of Missouri law, which we refer to as the business combination statute, these provisions could also deter or delay a change of control. The business combination statute restricts certain business combination transactions between us and an interested shareholder, generally any person who, together with his or her affiliates and associates, owns or controls 20% or more of the outstanding shares of our voting stock, for a period of five years after the date of the transaction in which the person becomes an interested shareholder, unless either such transaction or the interested shareholder's acquisition of stock is approved by our Board on or before the date the interested shareholder obtains such status. The business combination statute also provides that, after the expiration of such five-year period, business combinations are prohibited unless (i) the holders of a majority of the outstanding voting stock, other than the stock owned by the interested shareholder, or any affiliate or associate of such interested shareholder, approve the business combination or (ii) the business combination satisfies certain detailed fairness and procedural requirements.

We believe that these provisions will help to protect our shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our Board of Directors and by providing our Board of Directors with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some

shareholders and could deter or delay an acquisition that our Board of Directors determines is not in our best interests or the best interests of our shareholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

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**Table of Contents****THE ACQUISITIONS****Overview**

On January 15, 2018, Energizer entered into the Battery Acquisition Agreement with Spectrum. On the terms and subject to the conditions set forth in such agreement, Energizer agreed to acquire from Spectrum the Acquired Battery Business for an aggregate purchase price of \$2,000 million in cash (the Purchase Price), subject to customary purchase price adjustments. On November 15, 2018, Energizer entered into an Amended and Restated Acquisition Agreement (the Battery Amended Agreement), pursuant to which the Company agreed that it would, to the extent required to obtain regulatory approval of the proposed transaction, divest the Varta Divestment Business. In the event that actual proceeds from the sale of the Varta Divestment Business, including specified adjustments, exceed \$600 million, Energizer has agreed to pay Spectrum 25% of such excess. In the event that actual proceeds, including specified adjustments, are less than \$600 million, Spectrum has agreed to pay Energizer the lesser of 75% of the shortfall and \$200 million.

On November 15, 2018, Energizer entered into the Auto Care Acquisition Agreement with Spectrum. On the terms and subject to the conditions set forth in the Auto Care Acquisition Agreement, Energizer will acquire from Spectrum the Acquired Auto Care Business for a purchase price of \$937.5 million in cash, subject to certain purchase price adjustments, plus 5,278,921 shares of common stock, which represent the number of shares equal to \$312.5 million divided by the volume-weighted average sales price per share of common stock for the 10 consecutive trading days immediately preceding the date of the Auto Care Acquisition Agreement, subject to certain adjustments and as more specifically described in the Auto Care Acquisition Agreement. The Auto Care Acquisition is subject to customary closing conditions. As of the date of this prospectus, all required regulatory approvals to the Auto Care Acquisition, including under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, have been obtained.

**The Acquired Battery Business**

The Acquired Battery Business produces and markets a diversified range of products globally, including primary, hearing aid, watch & electronic, and photo batteries, as well as battery chargers and portable lighting products such as flashlights and lanterns. The Acquired Business product offerings are anchored by the Rayovac and VARTA brands. The Acquired Battery Business also manufactures alkaline and hearing aid batteries for third parties who sell under their own private labels, and offers portable lighting products under other proprietary brand names pursuant to licensing arrangements with third parties.

The Acquired Battery Business sells primarily to large retailers, online retailers, wholesalers, distributors, warehouse clubs, food and drug chains and specialty trade or retail outlets such as consumer electronics stores, department stores, discounters and other audiologists. The Acquired Battery Business maintains separate sales teams to service (i) its retail sales and distribution channels; (ii) its hearing aid professionals channel; and (iii) its industrial distributors and original equipment manufacturers sales and distribution channel. International distribution varies by region and is often executed on a country-by-country basis. The Acquired Battery Business also utilizes a network of independent brokers to service participants in selected distribution channels.

On January 2, 2019, Energizer closed its previously announced acquisition of the Acquired Battery Business. On December 11, 2018, the European Commission approved the acquisition of the Acquired Batteries Business conditioned on the divestment by Energizer of the Varta Divestment Business. Based on the original purchase price, net of anticipated divestiture proceeds of \$550 million, we expect the net purchase price to be \$1.45 billion for the Batteries Acquisition. In the event that actual proceeds, including specified adjustments, exceed \$600 million, Energizer has agreed to pay Spectrum 25% of such excess. In the event that actual proceeds, including specified

adjustments, are less than \$600 million, Spectrum has agreed to pay Energizer 75% of the shortfall and up to a total of \$200 million. Energizer is targeting first half of calendar year 2019 to complete the disposition of the Varta Divestment Business.

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The present value of the tax step up on assets acquired in the U.S. in the Battery Acquisition is expected to be approximately \$110 million. Based on the historical results of Spectrum Batteries, adjusted for the financial results attributable to the Varta Divestment Business, net sales, gross profit, net income and adjusted EBITDA of the Acquired Battery Business were \$515.4 million, \$164.9 million, \$53.4 million and \$96.2 million, respectively, for fiscal year 2018. For fiscal year 2017, net sales, gross profit, loss and adjusted EBITDA of the Acquired Battery Business were \$540.0 million, \$189.5 million, \$63.5 million and \$113.7 million, respectively. See Summary Historical Financial Data of Spectrum Batteries and Spectrum Auto Care Acquired Battery Business Financial Information for the description of the methodology used in calculating these numbers. Annual run-rate synergies following the Transactions are expected to be approximately \$55 million to \$65 million for the Acquired Battery Business and approximately \$15 million for the Acquired Auto Care Business, which Energizer expects to realize within the first three years of ownership. Total one-time costs to achieve these cost synergies are estimated to be 1.25x-1.50x of annual run-rate synergies. Certain costs have already been incurred anticipating an acquisition of the Spectrum Batteries business, which a portion will now be unnecessary due to the required divestiture of the Varta Divestment Business.

The following lists the Acquired Battery Business principal owned or leased administrative, manufacturing, packaging and distribution facilities at September 30, 2018 acquired through the Battery Acquisition (excluding facilities that will be sold as part of the Varta Divestment Business):

<b>Location</b>	<b>Function / Use</b>	<b>Owned / Leased</b>
<b>U.S. Locations</b>		
Fennimore, Wisconsin	Battery Manufacturing	Owned
Portage, Wisconsin	Battery Manufacturing	Owned
Dixon, Illinois	Distribution	Leased
Middleton, Wisconsin	Research & Development	Leased
<b>Non-U.S. Locations</b>		
Guatemala City, Guatemala	Battery Manufacturing	Owned
Cavaleiro, Brazil	Battery Manufacturing	Owned
Washington, UK	Battery Manufacturing	Leased
Santo Domingo, Dominican Republic	Distribution	Owned

**Batteries Industry Overview**

We recently revised our long-term battery category volume outlook to be flat to slightly positive (from the previous outlook of flat to slightly negative) driven by emerging devices, device power requirements and device universe stabilization. Demographic trends continue to be a positive driver for the category as well. The market size for the global battery category for the markets in which we compete was \$6.0 billion, with a 4.1% growth versus prior year according to Nielson Global Track Complete. In the US, the market size for the battery category was \$2.9 billion with a 1.1% growth versus prior year according to IRI.

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Below is a chart that illustrates the positive global battery volume trends that have benefited Energizer:

Source: Nielsen Global Track and Global Track Complete FY11 – FY18. World Custom (Australia, Belgium, Canada, Chile, Colombia, Egypt, France, Germany, Great Britain, Italy, Malaysia, Mexico, New Zealand, Singapore, South Africa, South Korea, Spain, Switzerland, USA). Separate database per each year.

Volume is forecasted to shift into specialty and AA and AAA batteries due to evolving device trends and power demands. Growth in the global specialty segment was 5.3% for the twelve months ended September 2018 as compared to the twelve months ending September 2017 according to Nielson, driven by devices requiring smaller batteries, including connected Internet of Things devices.

With the addition of the Acquired Battery Business, Energizer believes it will be even better equipped to capitalize on various growth segments in the battery industry:

Device trends have stabilized as the transition to battery-on-board (BOB) and smartphone growth has flattened;

Emerging technologies, such as the Internet of Things, are expected to continue to drive growth in the number of battery-powered devices; and

Expected mix shift toward smaller cells driven by miniaturization of devices, leading to a heavier proportion of specialty cells relative to the overall battery market.

### **The Acquired Auto Care Business**

The Acquired Auto Care Business sells a range of products in the automotive appearance, fragrance, performance, and air conditioning recharge categories under the iconic brands Armor All, STP and A/C Pro. Products are sold in 50 markets across North America (85% of sales for fiscal year 2018), in Asia Pacific (6%), Europe and the Middle East (5%), and Latin America (4%). Customers consist primarily of big-box auto, auto specialty retail, mass retailers, and food and drug retailers. During fiscal year 2018, the Acquired Auto Care Business generated net sales, net loss, and adjusted EBITDA of \$465.6 million, (\$9.5 million) and \$99.3 million, respectively. The net loss in fiscal year 2018 resulted from a non-cash goodwill impairment charge of \$92.5 million. We expect the Auto Care Acquisition to close by February 2019.



During the first three years of ownership of the Acquired Auto Care Business, Energizer expects to realize approximately \$15 million of annual run-rate cost synergies through network optimization, SG&A reductions and procurement efficiencies.

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The Acquired Auto Care Business product portfolio includes the following categories:

*Appearance and Fragrance (48% of Acquired Auto Care Business Sales for fiscal year 2018).* The appearance and fragrance categories include protectants, wipes, tire and wheel care products, glass cleaners, leather care products, air fresheners and washes designed to clean, shine, refresh and protect interior and exterior automobile surfaces under the brand name Armor All. Armor All is a leader in the automotive aftermarket appearance products category based upon its recognized brand name, convenient application methods and product innovation. Armor All is the #1 brand in automotive appearance with a 24% market share in the category year to date through November 2018. Armor All has also expanded its offering into auto air fresheners, with growth of 255% year to date through November 2018, reaching a 0.7% share of the category according to NPD.

*Performance (16% of Acquired Auto Care Business Sales for fiscal year 2018).* The performance product category includes STP branded fuel and oil additives, functional fluids and other performance chemical products that benefit from a rich heritage in the car enthusiast and racing scenes, characterized by a commitment to technology, performance and motor sports partnerships for over 60 years. The strong brand equity of STP also provides for attractive licensing opportunities that augment our presence in our core performance categories. STP is the #5 brand in the automotive performance category with 15% market share in Fuel Additives and 8% market share in Oil Additives year to date through November 2018 according to NPD.

*Air Conditioning Recharge (36% of Acquired Auto Care Business Sales for fiscal year 2018).* The air conditioning recharge product category includes do-it-yourself automotive air conditioning recharge products led by the A/C PRO brand name, along with other refrigerant and recharge kits, sealants and accessories. A/C PRO is the #1 brand in automotive air conditioning recharge, with the Acquired Auto Care Business having a 61% market share in the category and 81% market share in air conditioning installation kits & accessories year to date through November 2018 according to NPD.

The following lists the Acquired Auto Care Business principal owned or leased administrative, manufacturing, packaging and distribution facilities at September 30, 2018 being acquired through the Auto Care Acquisition:

<b>Location</b>	<b>Function / Use</b>	<b>Owned / Leased</b>
<b>U.S. Locations</b>		
Dayton, Ohio	Manufacturing & Distribution	Leased
<b>Non-U.S. Locations</b>		
Ebbw Vale, Gwent, Wales	Manufacturing & Distribution	Leased

***The Auto Care Acquisition Agreement***

The Auto Care Acquisition Agreement provides that, upon the terms and subject to the conditions set forth in the Auto Care Acquisition Agreement, the Company will purchase the equity of certain subsidiaries of Spectrum involved in,

and certain assets of Spectrum and its subsidiaries used or held for use primarily in, or that arise primarily out of, the Acquired Auto Care Business, and will assume certain liabilities arising primarily out of or relating primarily to the ownership, operation or conduct of the Acquired Auto Care Business or any acquired assets.

The consummation of the Auto Care Acquisition is subject to certain conditions to each party's obligations, including, among other things, (i) the Antitrust Conditions (ii) the accuracy of the representations and warranties of the other party (generally subject to a customary material adverse effect standard as described in the Auto Care Acquisition Agreement) or other customary materiality qualifications, (iii) the absence of governmental

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restrictions on the consummation of the Auto Care Acquisition in certain jurisdictions, and (iv) the compliance in all material respects by the other party with its covenants and agreements under the Auto Care Acquisition Agreement. The consummation of the Auto Care Acquisition is not subject to any financing condition. As of the date of this prospectus supplement, the Antitrust Conditions have been satisfied.

The Auto Care Acquisition Agreement also contains certain termination rights, including the right of either party to terminate the Auto Care Acquisition Agreement if the consummation of the Auto Care Acquisition has not occurred on or before the Outside Date as well as the right to terminate for certain breaches of the Auto Care Acquisition Agreement which result in the failure of certain conditions to be satisfied, subject to certain limits.

The Auto Care Acquisition will be financed pursuant to the Financing Transactions. See Summary-The Transactions-The Financing Transactions.

## ***Shareholder Agreement***

As a condition of the consummation of the Acquisition and in connection with the Stock Consideration, the Company will enter into the Shareholder Agreement with Spectrum. The Shareholder Agreement will contain a 24-month standstill provision applicable to Spectrum, pursuant to which, among other things, subject to certain exceptions contained in the Shareholder Agreement, Spectrum will be prohibited, either acting alone or in concert with others, from supporting or engaging in certain transactions involving the Company or seeking to knowingly or intentionally control or influence management, our board of directors or policies of the Company with respect to such matters. For a period of 18 months beginning on the closing date of the Auto Care Acquisition, subject to certain limitations and qualifications, Spectrum will be required to vote in favor of the director nominees of our board of directors and in accordance with its recommendations on all other matters at any meeting of the Company's shareholders.

In addition, pursuant to the Shareholder Agreement, beginning after the 12 month anniversary of the closing date of the Auto Care Acquisition, the Company will be required, at the request of Spectrum, to use commercially reasonable efforts to file a shelf registration statement covering the resale by Spectrum in one or more registered offerings. Spectrum will also have certain rights to demand registration of shares in an underwritten takedown under the shelf registration and to participate in certain registered underwritten public offerings by the Company, subject to customary terms, limitations and exceptions.

Pursuant to the Shareholder Agreement, Spectrum will agree not to transfer any of its shares or other equity securities in the Company, or engage in certain hedging transactions from the closing until the day that is twelve months after the closing of the Auto Care Acquisition and, following such period, subject to certain limitations, not to transfer any such shares or other equity securities to any person or entity who would thereafter beneficially own more than 4.9% of the Company's outstanding shares of equity securities after giving effect to such transaction. Following the 18 month anniversary of the closing date of the Auto Care Acquisition, the Company will have the right to repurchase any or all of the shares then held by Spectrum or its affiliates for a purchase price per share equal to, as more specifically described in the Shareholder Agreement, the greater of the volume-weighted average sales price per share for the ten conservative trading days beginning on the 12th trading day immediately preceding notice of the repurchase from the Company and 110% of the Common Stock VWAP.

## ***Transaction Rationale***

We believe the combination unites product offerings that are highly complementary in nature and creates an offering of well-known global brands that will enhance Energizer's presence in current markets in addition to expanding its reach into new categories, international markets and attractive channels. The Auto Care Acquisition creates a leading

auto care company that is well positioned in several key auto care categories, with leading brands in automotive appearance, automotive performance, and automotive air conditioning recharge.

*Strengthens position in growing categories and channels.* The Auto Care Acquisition establishes our position as the number one player in the U.S. auto care category, with presence across the automotive

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appearance, performance, air conditioning recharge and fragrance categories. The Auto Care Acquisition provides significant channel overlap where Energizer is targeting significant auto care growth and also allows Energizer to leverage the iconic Armor All, STP and A/C Pro brands into new and adjacent product categories.

*Broadens brand offerings and manufacturing capabilities.* The addition of the Acquired Auto Care Business adds the iconic Armor All, STP and A/C Pro brands to our portfolio. With these brands, we will be able to offer our customers and consumers a wide range of auto care products across various applications and price points. The Acquired Auto Care Business broadens our manufacturing and distribution footprint, with the addition of the Dayton, Ohio and Rassau, UK facilities, which will enable us to better serve our customers. Following the Transactions, Energizer's product diversification will include a larger focus on the automotive category, which would have accounted for 20% of net sales for fiscal year 2018, as compared to 5% on a historical basis. See the chart below for further illustration.

*Expanding international presence with ability to leverage Energizer's global distribution network.* The Acquired Auto Care Business has an existing footprint with distribution and sales in over 50 markets. The Auto Care Acquisition provides an opportunity to accelerate top line growth internationally in existing Energizer markets and expand the Armor All, STP and A/C Pro brands into new adjacencies. Pro forma for the Transactions, Energizer's 2018 net sales increase by 71% in North America, by 105% in Latin America, by 23% in EMEA and by 17% in Asia Pacific. See the chart below for Energizer's geographic breakout on a historical and pro forma basis for the Transactions.

*Driving cost efficiencies with \$15 million in annual run-rate synergies estimated within three years.* The integration of the Acquired Auto Care Business is expected to leverage Energizer's existing asset base and eliminate redundancies to address rising costs to compete. Estimated cost synergies are expected to be driven by facility and network optimization, SG&A reductions and procurement efficiencies. Total one-time costs to achieve these cost synergies are estimated at less than 1.0x annual

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run-rate synergies; however, the Acquired Auto Care Business integration is benefiting from IT integration efforts already under way as part of the Acquired Battery Business integration.

*Opportunity to drive productivity across the integrated global supply chain.* Energizer has a strong track record of operational excellence and acquisition integration. Our management team has identified numerous opportunities to reduce costs and improve efficiency, most notably to stabilize operations at the Dayton, Ohio facility. Operational issues at the facility have led to shipment disruptions as well as working capital management issues. While significant strides have been made to remedy these issues, Energizer expects to invest additional resources to achieve further operating efficiencies, increase service level performance and drive further cost improvements at the facility.

*Leverage Energizer's R&D capabilities to accelerate auto care innovation.* We continue to leverage consumer insights to provide meaningful product improvements and introduce new and innovative products. We will lean on this expertise along with our strong customer partnerships to further innovate within the auto care category. For example, the recent introduction of quick and easy to use wipes highlights the opportunity to introduce new and innovative products into the auto care category.

### ***Auto Care Industry Overview***

According to NPD, the US auto care industry sales (comprising of appearance chemicals, performance chemicals, refrigerants & accessories, and air fresheners) were \$2.8 billion in 2017. Based on historical growth rates and assuming no changes in the current business environment, we believe that the US auto care industry will grow at a CAGR of 1.8% through 2023. Forecasted growth in the Auto Care Industry is driven by favorable trends including an aging vehicle population, growing number of vehicles in car parc and increased annual miles driven. We believe that the Auto Care Acquisition positions Energizer to capitalize on favorable trends within various categories of the overall market. The US auto care segments are shown below:

Source: NPD - Calendar Year 2017. Forecasted growth is an Energizer estimate based on historical growth rates and assumes no changes in the current business environment.

Forecasted growth in the Auto Care Industry is driven by favorable trends including an aging vehicle population, growing number of vehicles in car parc and increased annual miles driven.

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**USE OF PROCEEDS**

We estimate that the net proceeds to us from this offering, after deducting issuance costs and discounts, will be approximately \$      million (or approximately \$      million if the underwriters exercise their option to purchase additional shares of our common stock, in full).

A \$1.00 increase (decrease) in the assumed public offering price of \$47.15 per share, the last reported sale price of our common stock on January 11, 2019 on the NYSE, would (decrease) increase the number of shares of common stock to be sold by approximately (82,589) and approximately 86,168, respectively, assuming the aggregate dollar amount of shares of Common Stock offered by us remains the same.

In addition, we estimate that the net proceeds to us from the Preferred Stock Offering, after deducting issuance costs and discounts, will be approximately \$      million (or approximately \$      million if the underwriters in the Preferred Stock Offering exercise their option to purchase additional shares of our Mandatory Convertible Preferred Stock to cover over-allotments, if any, in full).

We intend to use the net proceeds from this offering and if completed, the net proceeds from the Preferred Stock Offering and the Additional Financing, as well as cash on hand, to fund the cash portion of the Acquisition Consideration and to pay fees and expenses related to the Transactions. However, this offering is not contingent on the completion of the Auto Care Acquisition, the Preferred Stock Offering or the Additional Financing, and there can be no assurance that the Auto Care Acquisition, the Preferred Stock Offering or any Additional Financing will be consummated on the terms described herein or at all. If for any reason the proposed Auto Care Acquisition has not closed or if certain acquisition termination events occur, then we expect to use the net proceeds from this offering, together with the net proceeds from the Preferred Stock Offering, for general corporate purposes, which may include, in our sole discretion, exercising our option to redeem our Mandatory Convertible Preferred Stock for cash, debt repayment, capital expenditures, investments and repurchases of our common stock at the discretion of our board of directors.

Pending application of the net proceeds of this offering for the foregoing purposes, we expect to use the net proceeds to invest such net proceeds in various instruments which may include, but would not be limited to, short- and intermediate-term, interest-bearing obligations, including bank deposits and certificates of deposit with financial institutions having investment-grade ratings, U.S. government obligations or money market funds primarily invested in securities issued by the U.S. government or its agencies.

The table below sets forth the estimated sources and uses of funds in connection with the Transactions, assuming they occurred on September 30, 2018 (except as otherwise indicated) and based on estimated amounts outstanding on that date. Actual amounts will vary from the estimated amounts shown below depending on several factors, including, among others, the amount of cash and cash equivalents balances, net working capital and other purchase price adjustments, debt (including accrued interest on such debt), changes made to the sources of the contemplated financings and differences from our estimated fees and expenses.

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You should read the following together with the information included under the headings Summary Acquisition of Spectrum Auto Care, Summary Spectrum Batteries Transaction Update, Summary The Financing Transactions, Capitalization and Unaudited Pro Forma Condensed Combined Financial Statements included elsewhere in this prospectus supplement.

**Battery Acquisition**

<b>Sources of Funds</b>	<b>(\$ in millions)</b>	<b>Uses of Funds</b>	<b>(\$ in millions)</b>
Cash on Hand	\$ 299.1	Purchase Price (5)	\$ 1,956.1
Term Loan B (1)	1,000.0	Refinance Existing Credit Agreement (6)	628.0
Term Loan A (2)	200.0	Estimated Fees and Expenses (7)	169.2
6.375% Senior Notes Due 2026 (3)	500.0		
4.375% Euro Senior Notes Due 2026 (4)	754.2		
<b>Total Sources</b>	<b>\$ 2,753.3</b>	<b>Total Uses</b>	<b>\$ 2,753.3</b>

**Auto Care Acquisition**

	<b>(\$ in millions)</b>		<b>(\$ in millions)</b>
Debt financing (8)	\$ 600.0	Purchase Price (12)	\$ 1,180.0
Common Stock to Spectrum Brands (9)	247.3	Estimated Fees and Expenses (13)	74.5
Common Stock Offering (10)	187.5	Capped Call (14)	10.0
Preferred Stock Offering (11)	187.5		
Cash on Hand	42.2		
<b>Total Sources</b>	<b>\$ 1,264.5</b>	<b>Total Uses</b>	<b>\$ 1,264.5</b>

**Divestiture of the Varta Divestment Business**

	<b>(\$ in millions)</b>		<b>(\$ in millions)</b>
Divestiture Proceeds (15)	\$ 550.0	Term Loan B (16)	\$ 458.3
Cash on Hand	15.0	Term Loan A (17)	91.7
		Estimated fees and expenses	15.0
<b>Total Sources</b>	<b>\$ 565.0</b>	<b>Total Uses</b>	<b>\$ 565.0</b>
<b>Aggregate Total Uses</b>	<b>\$ 4,582.8</b>	<b>Aggregate Total Uses</b>	<b>\$ 4,582.8</b>

(1) Represents the aggregate principal amount of the term loan B facility, without giving effect to discounts or fees to be paid to the lenders.

(2)

- Represents the aggregate principal amount of the term loan A facility, without giving effect to discounts or fees to be paid to the lenders.
- (3) Represents the aggregate principal amount of the USD 2026 Senior Notes and does not reflect the initial purchasers' discount.
  - (4) Represents the U.S. dollar equivalent of the aggregate principal amount of the EUR 2026 Senior Notes offered and does not reflect the initial purchasers' discount.
  - (5) Represents net cash consideration of \$1,956.1 million paid to Spectrum. This includes the \$2,000.0 million contractual purchase price adjusted for allowances related to the assumed pension liability and capital lease obligation offset by working capital adjustments.
  - (6) Represents the repayment in full of all outstanding debt under Energizer's prior credit facilities excluding any accrued and unpaid interest.
  - (7) Represents estimated fees, costs and expenses of Energizer associated with the Battery Acquisition, including, without limitation, certain amounts payable under the Battery Acquisition Agreement and any

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- fees and expenses incurred in connection therewith, original issue discount on the Credit Agreement, initial purchaser discounts and commissions, underwriting, placement and other financing fees, advisory fees, and other transactional costs and legal, accounting and other professional fees and expenses relating to the Battery Acquisition and the financing thereof.
- (8) Represents the aggregate principal amount of the debt financing and does not reflect the initial purchasers discount or any issue discount.
  - (9) Represents the fair value of the 5,278,921 shares of our common stock expected to be issued to Spectrum, based on the closing market price of \$46.84 on January 7, 2019.
  - (10) Represents the gross proceeds of the Common Stock Offering.
  - (11) Represents the gross proceeds of this offering.
  - (12) Represents estimated net cash consideration of \$932.7 million to be paid to Spectrum Brands and the fair value of the equity issued to Spectrum of \$247.3 million. The cash consideration includes the portion of the contractual purchase price payable in cash adjusted for certain adjustments described under the Acquisition Agreement as well as contractual purchase price adjustments for allowances related to the capital lease obligation offset by working capital adjustments based on the September 30, 2018 amounts.
  - (13) Represents estimated fees, costs and expenses of Energizer associated with the Auto Care Acquisition and the Financing Transactions, including, without limitation, certain amounts payable under the Auto Care Acquisition Agreement and any fees and expenses incurred in connection therewith, initial purchaser discounts and commissions, underwriting, placement and other financing fees, advisory fees, and other transactional costs including legal, accounting and other professional fees and expenses.
  - (14) Represents the estimated fees associated with the capped call.
  - (15) Represents the assumed sales proceeds from the sale of the Varta Divestment Business. Actual proceeds may vary significantly from this estimate based on a variety of factors, including buyer interest, due diligence and the performance of the Varta Divestment Business.
  - (16) Represents the application of assumed proceeds from the sale of the Varta Divestment Business to the partial repayment of term loan B facility. Actual proceeds may vary significantly from this estimate.
  - (17) Represents the application of assumed proceeds from the sale of the Varta Divestment Business to the partial repayment of term loan A facility. Actual proceeds may vary significantly from this estimate.

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The following table sets forth our consolidated debt and capitalization as of September 30, 2018:

on an actual basis;

on a pro forma basis, as adjusted to give effect to the Battery Acquisition, the sale of the Varta Divestment Business and related financing transactions;

on a pro forma basis, as further adjusted to give effect to this offering and the Preferred Stock Offering (but not the application of proceeds therefrom); and

on a pro forma basis, as adjusted to give effect to the Transactions, including the Auto Care Acquisition and the Additional Financing (including the application of proceeds).

As described in Use of Proceeds, we intend to use a portion of the net proceeds from this offering, as well as the net proceeds from the Preferred Stock Offering and the Additional Financing, as well as cash on hand, to fund the cash portion of the Acquisition Consideration and to pay fees and expenses related to the Transactions. However, this offering is not contingent on the completion of the Auto Care Acquisition, the Preferred Stock Offering, the capped call transactions or the Additional Financing, and there can be no assurance that the Auto Care Acquisition, the Preferred Stock Offering, the capped call transactions or any Additional Financing will be consummated on the terms described herein or at all.

This table should be read in conjunction with our consolidated financial statements and related notes thereto, incorporated by reference in this prospectus supplement, as well as the unaudited pro forma condensed combined financial statements included in this prospectus supplement. See Unaudited Pro Forma Condensed Combined Financial Information included in this prospectus supplement.

	Actual	September 30, 2018		
		Pro Forma Battery Acquisition	Pro Forma Offerings	Pro Forma Transactions
Cash and cash equivalents (a)	\$ 522.1	\$ 223.5	\$ 223.5	\$ 181.3
Restricted cash	1,246.2			
<b>Capitalization:</b>				
<b>Debt Outstanding</b>				
Prior Credit Facility (b)	628.0			
Revolving Credit Facility (c)				
Term Loan A (d)		108.3	108.3	108.3
Term Loan B (e)		541.7	541.7	541.7
5.500% Senior Notes Due 2025	600.0	600.0	600.0	600.0

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6.375% Senior Notes Due 2026	500.0	500.0	500.0	500.0
4.625% Senior Notes Due 2026 ( 650.0 principal amount)	754.2	754.2	754.2	754.2
Debt Financing				600.0

Total Debt (f)	\$ 2,482.2	\$ 2,504.2	2,504.2	\$ 3,104.2
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**Equity**

Preferred stock, \$0.01 par value, 10.0 million shares authorized, none outstanding, actual; of which million shares are designated as Series A Mandatory Convertible Preferred Stock, Pro Forma Offerings and Pro Forma Transactions; no shares of Series A Mandatory Convertible Preferred Stock outstanding, actual and Pro Forma Battery Acquisition; million shares of Series A Mandatory Convertible Preferred Stock outstanding, Pro Forma Offerings and Pro Forma Transactions.			170.5	170.5
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