



2022 INVESTOR DAY RECONCILIATIONS
for Fortune Brands Innovations Presentation

FORTUNE BRANDS INNOVATIONS
(\$ In rounded billions)
(Unaudited)

FORTUNE BRANDS INNOVATIONS

Net sales

Water Innovations

Outdoors & Security

Total Company net sales (GAAP)

Twelve Months Ended December 31,			
	2022E*	2019	CAGR %
\$	2.6	\$ 2.0	9%
	2.2	1.3	17%
\$	4.7	\$ 3.4	12%

OUTDOORS & SECURITY

Net sales

Outdoors

Security

Total Outdoors & Security net sales (GAAP)

Twelve Months Ended December 31,			
	2022E*	2019	CAGR %
\$	1.5	\$ 0.8	25%
	0.6	0.6	3%
\$	2.2	\$ 1.3	17%

* 2022E represent our full year estimate.

FORTUNE BRANDS INNOVATIONS

RECONCILIATION OF TOTAL COMPANY NET SALES EXCLUDING ACQUISITIONS COMPOUND ANNUAL GROWTH RATE (CAGR) TO TOTAL COMPANY NET SALES (GAAP) CAGR

(Unaudited)

FORTUNE BRANDS INNOVATIONS

10-year	5-year	3-year
CAGR %	CAGR %	CAGR %
7%	7%	7%
3%	4%	5%
10%	11%	12%

Total Company net sales excluding acquisitions (organic) - CAGR

Acquisitions net sales

Total Company net sales (GAAP) - CAGR

Compounded Annual Growth Rate (CAGR) for Total Company net sales excluding acquisitions (i.e. organic) is CAGR for Total Company net sales derived in accordance with GAAP, excluding Larson net sales, Solar Innovations net sales, Aqualisa Holdings net sales, Flo Technologies, Inc. ("Flo") net sales, Sentry Safe net sales, Anaheim Manufacturing net sales, House of ROHL net sales, Riobel net sales, Perrin & Rowe net sales, Shaws net sales, Victoria & Albert net sales and Fiberon net sales. Management uses this measure to evaluate the overall performance of the Total Company and believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Total Company from period to period. This measure may be inconsistent with similar measures presented by other companies.

FORTUNE BRANDS INNOVATIONS
BEFORE CHARGES/GAINS OPERATING MARGIN TO GAAP OPERATING MARGIN
(Unaudited)

Twelve Months Ended December 31,		
2022E*	2019	Change

WATER INNOVATIONS

Before charges/gains operating margin

Restructuring & other (charges)/gains ^(b)

Operating margin

24.2%	21.5%	270 bps
(0.3%)	(0.4%)	
23.9%	21.1%	280 bps

OUTDOORS & SECURITY

Before charges/gains operating margin

Restructuring & other (charges)/gains ^(b)

Operating margin

14.4%	13.2%	120 bps
(1.1%)	(0.4%)	
13.3%	12.8%	50 bps

FORTUNE BRANDS INNOVATIONS

Before charges/gains operating margin

Restructuring & other (charges)/gains ^(b)

Duplicative public company expenses ^(e)

Operating margin

17.1%	15.8%	130 bps
(2.2%)	(0.4%)	
0.1%	-	
15.0%	15.4%	(40) bps

Operating margin is calculated as operating income derived in accordance with GAAP, divided by GAAP net sales. Before charges/gains operating margin is operating income derived in accordance with GAAP, excluding restructuring and other charges/gains, divided by GAAP net sales. Before charges/gains operating margin is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the returns generated by the Company and its business segments. Management believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Company from period to period. This measure may be inconsistent with similar measures presented by other companies.

* 2022E represent our full year estimate.

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

FORTUNE BRANDS INNOVATIONS
RECONCILIATIONS OF OPERATING INCOME, OTHER INCOME/EXPENSE, DEPRECIATION, AMORTIZATION BEFORE CHARGES/GAINS TO GAAP, EBITDA AND EBITDA MARGIN

(\$ In rounded billions)

(Unaudited)

Twelve Months Ended December 31,		
2022*	2019	% Change

WATER INNOVATIONS

Operating income before charges/gains ^(a)

Operating income before charges/gains ^(a)	\$ 0.6	\$ 0.4	
Restructuring charges ^(b)	(0.0)	(0.0)	
Other (charges)/gains ^(b)			
Cost of products sold	-	(0.0)	
Selling, general and administrative expenses	(0.0)	(0.0)	
Operating income (GAAP)	\$ 0.6	\$ 0.4	

Other income/(expense) before charges/gains ^(f)

Other income/(expense) before charges/gains ^(f)	\$ 0.0	\$ (0.0)	
Defined benefit plan actuarial losses ⁽ⁱ⁾	-	(0.0)	
Other income/(expense) (GAAP) ^(f)	\$ 0.0	\$ (0.0)	

Depreciation before charges/gains ^(g)

Depreciation before charges/gains ^(g)	\$ 0.0	\$ 0.0	
Accelerated depreciation **	-	(0.0)	
Depreciation (GAAP) ^(g)	\$ 0.0	\$ 0.0	

Amortization of intangible assets (GAAP) ^(h)

Amortization of intangible assets (GAAP) ^(h)	\$ 0.0	\$ 0.0	
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EBITDA BEFORE CHARGES/GAINS ^(c)

EBITDA BEFORE CHARGES/GAINS ^(c)	\$ 0.7	\$ 0.5	
Net sales	\$ 2.6	\$ 2.0	

EBITDA BEFORE CHARGES/GAINS MARGIN ^(d)

EBITDA BEFORE CHARGES/GAINS MARGIN ^(d)	26.3%	23.5%	282 bps
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OUTDOORS & SECURITY

Operating income before charges/gains ^(a)

Operating income before charges/gains ^(a)	\$ 0.3	\$ 0.2	
Restructuring charges ^(b)	(0.0)	(0.0)	
Other (charges)/gains ^(b)			
Cost of products sold	-	(0.0)	
Selling, general and administrative expenses	0.0	-	
Operating income (GAAP)	\$ 0.3	\$ 0.2	

Other income/(expense) before charges/gains ^(f)

Other income/(expense) before charges/gains ^(f)	\$ 0.0	\$ 0.0	
Defined benefit plan actuarial losses ⁽ⁱ⁾	-	(0.0)	
Other income/(expense) (GAAP) ^(f)	\$ 0.0	\$ (0.0)	

Depreciation before charges/gains ^(g)

Depreciation before charges/gains ^(g)	\$ 0.0	\$ 0.0	
Accelerated depreciation	-	-	
Depreciation (GAAP) ^(g)	\$ 0.0	\$ 0.0	

Amortization of intangible assets (GAAP) ^(h)

Amortization of intangible assets (GAAP) ^(h)	\$ 0.0	\$ 0.0	
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EBITDA BEFORE CHARGES/GAINS ^(c)

EBITDA BEFORE CHARGES/GAINS ^(c)	\$ 0.4	\$ 0.2	
Net sales	\$ 2.2	\$ 1.3	

EBITDA BEFORE CHARGES/GAINS MARGIN ^(d)

EBITDA BEFORE CHARGES/GAINS MARGIN ^(d)	18.2%	16.6%	166 bps
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* 2022E represent our full year estimate.

** Depreciation excludes accelerated depreciation expense of (\$1.6) million for the twelve months ended December 31, 2019. Accelerated depreciation is included in restructuring and other charges/gains.

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

**FORTUNE BRANDS INNOVATIONS
RECONCILIATIONS OF OPERATING INCOME, OTHER INCOME/EXPENSE, DEPRECIATION, AMORTIZATION BEFORE
CHARGES/GAINS TO GAAP**

(\$ In rounded billions)

(Unaudited)

CORPORATE

General and administrative expenses before charges/gains

Restructuring charges ^(b)	
Other (charges)/gains ^(b)	
Selling, general and administrative expenses	
Duplicative public company expenses ^(a)	

Corporate expense (GAAP)

Other income/(expense) before charges/gains ^(f)

Defined benefit plan actuarial losses ⁽ⁱ⁾

Other income/(expense) (GAAP) ^(f)

Depreciation (GAAP) ^(g)

Twelve Months Ended December 31,		
	2022E*	2019
	\$ (0.1)	\$ (0.1)
	0.0	-
	(0.1)	-
	0.0	-
Corporate expense (GAAP)	\$ (0.2)	\$ (0.1)
	\$ (0.0)	\$ 0.0
	(0.0)	(0.0)
	\$ (0.0)	\$ 0.0
	\$ 0.0	\$ 0.0

FORTUNE BRANDS INNOVATIONS

Operating income before charges/gains ^(a)

Restructuring charges ^(b)	
Other (charges)/gains ^(b)	
Cost of products sold	
Selling, general and administrative expenses	
Duplicative public company expenses ^(e)	

Operating income (GAAP)

Other income/(expense) before charges/gains ^(f)

Defined benefit plan actuarial losses ⁽ⁱ⁾

Other income/(expense) (GAAP) ^(f)

Depreciation before charges/gains ^(g)

Accelerated depreciation

Depreciation (GAAP) ^(g)

Amortization of intangible assets (GAAP) ^(h)

Twelve Months Ended December 31,			
	2022E*	2019	CAGR %
	\$ 0.8	\$ 0.5	15%
	(0.0)	(0.0)	
	-	-	
	-	(0.0)	
	(0.1)	(0.0)	
	0.0	-	
Operating income (GAAP)	\$ 0.7	\$ 0.5	11%
	\$ 0.0	\$ 0.0	
	(0.0)	(0.0)	
	\$ 0.0	\$ (0.0)	
	\$ 0.1	\$ 0.1	
	-	(0.0)	
	\$ 0.1	\$ 0.1	
	-	-	
	\$ 0.0	\$ 0.0	

* 2022E represent our full year estimate.

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

FORTUNE BRANDS INNOVATIONS
RECONCILIATION OF EBITDA BEFORE

(\$ In rounded billions)
(Unaudited)

FORTUNE BRANDS INNOVATIONS

EBITDA BEFORE CHARGES/GAINS ^(c)

Depreciation** ^(g)
Amortization of intangible assets ^(h)
Restructuring and other (charges)/gains ^(b)
Interest expense ***
Defined benefit plan actuarial losses ⁽ⁱ⁾
Income taxes ****

Net income from continuing operations (GAAP)

EBITDA BEFORE CHARGES/GAINS ^(c)

Net sales

EBITDA BEFORE CHARGES/GAINS MARGIN ^(d)

Twelve Months Ended December 31,			
	2022*	2019	% Change
	\$ 0.9	\$ 0.6	15%
	(0.1)	(0.1)	
	(0.0)	(0.0)	
	(0.1)	(0.0)	
	(0.1)	(0.1)	
	(0.0)	(0.0)	
	(0.2)	(0.1)	
	\$ 0.5	\$ 0.3	
	\$ 0.9	\$ 0.6	15%
	\$ 4.7	\$ 3.4	
	20.0%	18.7%	129 bps

* 2022E represent our full year estimate.

** Depreciation excludes accelerated depreciation expense of (\$1.6) million for the twelve months ended December 31, 2019. Accelerated depreciation is included in restructuring and other charges/gains.

*** Interest expense includes only interest allocated to continuing operations.

**** Income tax is estimated at 25%.

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

FORTUNE BRANDS INNOVATIONS
(\$ In rounded billions)
(Unaudited)

FORTUNE BRANDS INNOVATIONS
CALCULATION OF NET DEBT-TO-EBITDA BEFORE CHARGES/GAINS RATIO

As of December 31, 2022E*

Short-term debt	\$	0.6
Long-term debt		2.7
Total debt		3.3
Less:		
Cash and cash equivalents		1.4
Net debt (1)	\$	1.9

For the twelve months ended December 31, 2022E*

EBITDA before charges/gains (2) ^(c)	\$	0.9
Net debt-to-EBITDA before charges/gains ratio (1/2)		2.0

Twelve Months Ended December 31,
2022*

MASTERBRAND

EBITDA BEFORE CHARGES/GAINS ^(l)

Depreciation ^(l)		(0.0)
Amortization of intangible assets ^(m)		(0.0)
Restructuring and other (charges)/gains ^(k)		(0.0)
Asset impairment charges ^(o)		(0.0)
Interest income ⁽ⁿ⁾		0.0
Net cost savings as standalone company ^(p)		(0.0)
Separation costs ^(q)		(0.0)
Income taxes **		(0.1)

Net income (GAAP)		0.2
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MASTERBRAND

CALCULATION OF NET DEBT-TO-EBITDA BEFORE CHARGES/GAINS RATIO

As of December 31, 2022E*

Long-term debt	\$	1.0
Total debt		1.0
Less:		
Cash and cash equivalents		-
Net debt (1)	\$	1.0

For the twelve months ended December 31, 2022E*

EBITDA before charges/gains (2) ^(f)	\$	0.4
Net debt-to-EBITDA before charges/gains ratio (1/2)		2.3

* 2022E represent our full year estimate.

** Income tax is estimated at 25%.

(c) (j) (k) (l) (m) (n) (o) (p) (q) For definitions of Non-GAAP measures, see Definitions of Terms page

Definitions of Terms: Non-GAAP Measures

(a) Operating income (loss) before charges/gains is operating income derived in accordance with GAAP, excluding restructuring and other charges/gains. Operating income (loss) before charges/gains is a measure not derived in accordance with GAAP. Management uses this measure to evaluate the returns generated by the Company and its business segments. Management believes this measure provides investors with helpful supplemental information regarding the underlying performance of the Company from period to period. This measure may be inconsistent with similar measures presented by other companies.

(b) Restructuring charges are costs incurred to implement significant cost reduction initiatives and include workforce reduction costs. Restructuring charges totaled \$32.0 million for the twelve months ended December 31, 2022. Restructuring charges totaled \$4.5 million for the twelve months ended December 31, 2019 related to inventory obsolescence provision expense.

"Other charges/gains" represent charges directly related to restructuring initiatives that cannot be reported as restructuring under GAAP. Such costs may include losses on disposal of inventories, trade receivables allowances from exiting product lines, accelerated depreciation resulting from the closure of facilities and gains or losses on the sale of previously closed facilities. In total, we recognized other charges of \$8.6 million for twelve months ended December 31, 2022 and other charges of \$7.0 million for the twelve months ended December 31, 2019.

Outdoors and Security estimated restructuring charges total \$27.8 million and estimated other gains of \$3.0 million for the twelve months ended December 31, 2022. Restructuring charges totaled \$1.7 million and other charges totaled \$3.4 million for the twelve months ended December 31, 2019. Other charges also include an acquisition-related inventory step-up expense (Fiberon) classified in cost of products sold of \$1.8 million for the twelve months ended December 31, 2019. Other charges also include \$2.1 million classified in selling, general and administrative for a compensation arrangement with the former owner of Solar for the twelve months ended December 31, 2022. Other charges also include an acquisition-related inventory step-up expense for Solar of \$0.7 million classified in cost of products sold for the twelve months ended December 31, 2022.

Water Innovations estimated restructuring charges total \$4.7 million and estimated other charges of \$2.1 million for the twelve months ended December 31, 2022. Restructuring charges total \$2.8 million and other charges of \$5.4 for the twelve months ended December 31, 2019. Other charges also include an acquisition-related inventory step-up expense for Aqualisa of \$1.3 million classified in cost of products sold for the twelve months ended December 31, 2022.

Corporate estimated restructuring charges totaled \$0.5 million estimated and other charges of \$73.2 million for the twelve months ended December 31, 2022. Other charges also include expenditures of \$58.7 million for the twelve months ended December 31, 2022, incurred directly by Corporate for banking, legal, accounting and other similar services directly related to the separation of FBHS and its Cabinets business. Other charges also include expenditures of \$1.1 million for the twelve months ended December 31, 2022 for banking, legal, accounting and other similar services directly related to the acquisition of Aqualisa.

(c) EBITDA before charges/gains is net income derived in accordance with GAAP, excluding depreciation, amortization of intangible assets, restructuring and other charges/gains, interest expense, defined benefit plan actuarial losses and income taxes. EBITDA before charges/gains is a measure not derived in accordance with GAAP. Management uses this measure to assess returns generated by the Company. Management believes this measure provides investors with helpful supplemental information about the Company's ability to fund internal growth, make acquisitions and repay debt and related interest. This measure may be inconsistent with similar measures presented by other companies.

(d) EBITDA before charges/gains margin is calculated as net income derived in accordance with GAAP, excluding depreciation, amortization of intangible assets, restructuring and other charges/gains, interest expense, defined benefit plan actuarial losses and income taxes divided by GAAP net sales. EBITDA before charges/gains margin is a measure not derived in accordance with GAAP. Management uses this measure to assess returns generated by the Company. Management believes this measure provides investors with helpful supplemental information about the Company's ability to fund internal growth, make acquisitions and repay debt and related interest. This measure may be inconsistent with similar measures presented by other companies.

(e) Duplicative public company expenses for the twelve months ended December 31, 2022, represent public company expenses incurred by our Cabinets business ahead of our "Spin-off" of the business. These expenses are included in our Corporate expenses before charges and gains, but included in our Cabinets segment's GAAP operating income.

(f) Water Innovations estimated other income totaled \$3.1 for the twelve months ended December 31, 2022. For the twelve months ended December 31, 2019, other expense total \$17.0 million and excludes \$16.1 million of defined benefit plan actuarial losses for a total of other expense of \$0.9 million before charges/gains.

Outdoors and Security estimated other income totaled \$3.5 million for the twelve months ended December 31, 2022. For the twelve months ended December 31, 2019, other expense total \$10.5 million and excludes \$11.0 million of defined benefit plan actuarial losses for a total of other income of \$0.5 million before charges/gains.

Corporate estimated other expense totaled \$1.0 million for the twelve months ended December 31, 2022 and excludes \$0.4 million of estimated defined benefit plan actuarial losses. For the twelve months ended December 31, 2019, other income total \$8.1 million and excludes \$0.2 million of defined benefit plan actuarial losses for a total of other income of \$8.3 million before charge/gains.

(g) Water Innovations estimated depreciation expense totals \$35.4 million for the twelve months ended December 31, 2022. For the twelve months ended December 31, 2019, depreciation expense totaled \$32.0 million and excludes accelerated depreciation of \$1.6 million for a total of \$30.4 million of depreciation before charges/gains.

Outdoors and Security estimated depreciation expense totals \$46.6 million for the twelve months ended December 31, 2022. For the twelve months ended December 31, 2019, depreciation expense totaled \$32.2 million.

Corporate estimated depreciation expense totals \$2.6 million for the twelve months ended December 31, 2022. For the twelve months ended December 31, 2019, depreciation expense totaled \$2.7 million.

(h) Water innovations estimated amortization of intangible assets totals \$15.9 million for the twelve months ended December 31, 2022, and \$10.3 million for the twelve months ended December 31, 2019.

Outdoors and Security estimated amortization of intangible assets totals \$32.2 million for the twelve months ended December 31, 2022, and \$13.3 million for the twelve months ended December 31, 2019.

(i) Defined benefit plan actuarial losses estimated total of \$0.4 million for the twelve months ended December 31, 2022, and \$27.3 million for the twelve months ended December 31, 2019.

(j) MasterBrand EBITDA before charges/gains is net income derived in accordance with GAAP, excluding depreciation, amortization of intangible assets, restructuring and other charges/gains, asset impairment charges, interest income, net cost savings as standalone company and income taxes. EBITDA before charges/gains is a measure not derived in accordance with GAAP. Management uses this measure to assess returns generated by the Company. Management believes this measure provides investors with helpful supplemental information about the Company's ability to fund internal growth, make acquisitions and repay debt and related interest. This measure may be inconsistent with similar measures presented by other companies.

(k) MasterBrand restructuring charges are costs incurred to implement significant cost reduction initiatives and include workforce reduction costs. "Other charges" represent charges or gains directly related to restructuring initiatives that cannot be reported as restructuring under GAAP. Such costs may include losses on disposal of inventories, trade receivables allowances from exiting product lines, accelerated depreciation expense, write off of displays from exiting a customer relationship and the losses on the sale of closed facilities. Restructuring and other charges estimated total of 17.2 million for the twelve months ended December 31, 2022.

(l) MasterBrand depreciation estimated total of \$46.8 million for the twelve months ended December 31, 2022.

(m) MasterBrand amortization of intangible assets estimated total of \$17.6 million for the twelve months ended December 31, 2022.

(n) MasterBrand interest income estimated total of \$5.1 million for the twelve months ended December 31, 2022.

(o) MasterBrand asset impairment charges for the twelve months ended December 31, 2022 estimated total of \$26.0 million related to an indefinite-lived tradename.

(p) MasterBrand consolidated financial statements include expense allocations for certain corporate functions performed by Fortune Brands on MasterBrand's behalf, including information technology, finance, executive, human resources and legal. As a standalone public company, MasterBrand expects that the costs it incurs on a standalone basis for expenses previously allocated to MasterBrand by Fortune Brands and new costs relating to MasterBrand's public company reporting and compliance obligation will be less than the expense allocations from Fortune Brands within the historical financial statements. Net cost savings as standalone company estimated total of \$47 million for the twelve months ended December 31, 2022.

(q) MasterBrand separation costs represent costs incurred directly by MasterBrand related to the separation from Fortune Brands. Separation costs estimated total of \$8.6 million for the twelve months ended December 31, 2022.