UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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FORM 10-K

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(Mark One)
☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2021
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 10 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _______________ to _______________

Commission File No. 001-36837

ENERGIZER HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Missouri **(State or other jurisdiction of incorporation or organization)**	**36-4802442** **(I. R. S. Employer Identification No.)**
533 Maryville University Drive **St. Louis, Missouri** **(Address of principal executive offices)**	**63141** **(Zip Code)**

(314) 985-2000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $.01 per share	ENR	New York Stock Exchange
Series A Mandatory Convertible Preferred Stock, par value $.01 per share	ENR PRA	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes: ☒ No: ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.
Yes: ☐ No: ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes: ☒ No: ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes: ☒ No: ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting common equity held by nonaffiliates of the registrant as of the close of business on March 31, 2021, the last day of the registrant's most recently completed second quarter: $2.1 billion.

(For purposes of this calculation only, without determining whether the following are affiliates of the registrant, the registrant has assumed that (i) its directors and executive officers are affiliates, and (ii) no party who has filed a Schedule 13D or 13G is an affiliate. Registrant does not have a class of non-voting common equity securities.)

Number of shares of Energizer Holdings, Inc. Common Stock (“ENR Stock”), $.01 par value, outstanding as of close of business on November 15, 2021: 66,864,624.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Energizer Holdings, Inc. Notice of Annual Meeting and Proxy Statement (“Proxy Statement”) for our Annual Meeting of Shareholders which will be held January 31, 2022, have been incorporated into Part III of this Annual Report on Form 10-K. The Proxy Statement will be filed within 120 days of the end of the fiscal year ended September 30, 2021.

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Part I.

Item 1. ***Business***.

Additional information required by this item is incorporated herein by reference to Part II, Item 7, "Management's Discussion and Analysis" (MD&A); and Notes 1 and 2 to our Consolidated Financial Statements. Unless the context indicates otherwise, the terms “Energizer,” the “Company,” “we,” “us” or “our” in this Annual Report on Form 10-K, we mean Energizer Holdings, Inc. and its subsidiaries on a consolidated basis, unless we state or the context implies otherwise.

Energizer, through its operating subsidiaries, is a global diversified household products leader in batteries, auto care and portable lights. Energizer is one of the world’s largest manufacturers, marketers and distributors of household and specialty batteries; automotive appearance, performance, refrigerant and freshener products; and portable lights. Information about our legal separation from our former parent company, recent acquisitions and divestment can be found in the MD&A and Notes 1, 4 and 5 to our Consolidated Financial Statements.

Energizer is the beneficiary of over 100 years of expertise in the battery and portable lighting products industries and is recognized worldwide for innovation, quality and dependability across its brands which include Energizer®, Eveready® and Rayovac® brands which are marketed and sold around the world.

Energizer's shares of common stock are traded on the New York Stock Exchange under the symbol "ENR."

We use the Energizer name and logo as our trademark as well as those of our subsidiaries. Product names appearing throughout are trademarks of Energizer. This section also may refer to brand names, trademarks, service marks and trade names of other companies and organizations, and these brand names, trademarks, service marks and trade names are the property of their respective owners.

Unless indicated otherwise, the information concerning our industry contained in this Annual Report is based on Energizer’s general knowledge of and expectations concerning the industry. Energizer’s 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 analyses, its internal research and adjustments and assumptions that it believes to be reasonable. 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” section. These and other factors could cause results to differ materially from those expressed in the estimates and assumptions.

Narrative Description of the Business

Our Products

Energizer offers household batteries including primary, rechargeable, specialty and hearing aid using many technologies including lithium, alkaline, carbon zinc, nickel metal hydride, zinc air, and silver oxide. These products are sold globally under the Energizer, Eveready and Rayovac brands, including hearing aid batteries, and the Varta® brand in Latin America and Asia Pacific. Our portfolio spans the performance, premium and price segments.

In addition, we offer auto care products in the appearance, fragrance, performance, and air conditioning recharge product categories. 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, disinfect and protect interior and exterior automobile surfaces under the brand names Armor All®, Nu Finish®, Refresh Your Car!®, LEXOL®, Eagle One®, California Scents®, Driven® and Bahama & Co®.

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 brand equity of STP also provides for attractive licensing opportunities that augment our presence in our core performance categories.

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.

In addition, we offer an extensive line of lighting products designed to meet a variety of consumer needs. We distribute, and market lighting products including handheld, headlights, lanterns, and area lights. In addition to the Energizer, Eveready and Rayovac brands, we market our flashlights under the Hard Case®, Dolphin®, and WeatherReady® sub-brands. In addition to batteries and portable lights, Energizer licenses the Energizer, Eveready and Rayovac brands to companies developing consumer solutions in solar, automotive batteries, portable power for critical devices (like smart phones), generators, power tools, household light bulbs and other lighting products.

Additional information about our products can be found in "Management's Discussion and Analysis of Financial Conditions and Results of Operations" ("MD&A") in Part II, Item 7 of this Report, and Note 3, Revenue, to our Consolidated Financial Statements.

Our Industry

We are a branded manufacturing and distribution company that markets and sells in the battery, auto care and portable lights categories. These categories are highly competitive, both in the U.S. and on a global basis. We invest in our brands and innovation to meet the needs of consumers, and with our large global footprint, we both manufacture and source our products. Competition within our categories is based upon brand perceptions, product performance, price, retail execution and customer service. Key drivers of the battery business are device usage, consumer demographics and disasters. Competition in this category remains aggressive in the U.S. and other markets and could continue to put additional pressure on our results going forward, particularly as consumers shift consumption between channels such as e-commerce and discounters.

Sales and Distribution

We distribute our products to consumers through numerous retail locations worldwide, including mass merchandisers and warehouse clubs, food, drug and convenience stores, electronics specialty stores and department stores, hardware and automotive centers, e-commerce and military stores. Although a large percentage of our sales are attributable to a relatively small number of retail customers, in fiscal year 2021, only Wal-Mart Stores, Inc. accounted for ten percent or more (13.7%) of the Company's annual sales.

Our products are marketed primarily through a direct sales force, but also through exclusive and non-exclusive distributors and wholesalers. Our products are sold through both “modern” and “traditional” trade. “Modern” trade, which is most prevalent in North America, Western Europe, and more developed economies throughout the world, generally refers to sales through large retailers with nationally or regionally recognized brands. “Traditional” trade, which is more common in developing markets in Latin America, Asia, the Middle East and Africa, generally refers to sales by wholesalers or small retailers who may not have a national or regional presence.

Additional information can be found in the MD&A and Note 2, Summary of Significant Accounting Policies, and Note 3, Revenue, of our Consolidated Financial Statements.

Sources and Availability of Raw Materials

The principal raw materials used by Energizer 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 principal raw material used by auto care is refrigerant R-134a, plastic, silicone, steel and aluminum. The prices and availability of these raw materials have fluctuated over time. We believe that adequate supplies of most raw materials and component parts required for all of our operations are available at the present time, although we cannot predict their future availability or prices. Our raw materials and component parts are generally available from a number of different sources, and 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 like force majeures. We have not experienced any significant interruption in availability of raw materials but have seen some shortages and allocations in chemicals and materials due to increased demand and production issues tied to weather, mainly related to our auto care operations. We are working to qualify additional sources to ensure continuity and resiliency of supply for these items. 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 Trademarks, Patents and Technology

Our ability to compete effectively in the battery, auto care and portable lights categories depends, in part, on our ability to protect our brands and maintain the proprietary nature of our technologies and manufacturing processes through a combination of trademark, patent and trade secret protection. We own thousands of Energizer, Rayovac, and Eveready trademarks globally, and license Varta trademarks, which we consider to be of substantial importance and which are used individually or in conjunction with other sub-brand names. The number of Energizer, Rayovac, Eveready, Energizer Bunny, and Mr. Energizer trademarks, including related designs, slogans and sub-brands, is currently over 2,900 worldwide.

In our auto care business, we also have the Refresh Your Car!, California Scents, Driven, Bahama & Co., LEXOL, Eagle One, Armor All, STP, Tuff Stuff, Kent Car Care, A/C Pro and the Nu Finish trademarks. The number of trademarks making up the total of the auto care trademark portfolio globally, including related designs, slogans, and sub-brands, is currently over 1,800 worldwide.

We also own a number of patents, patent applications and other technology that relate primarily to battery, automotive fragrance, performance and appearance products and portable lights, which we believe are significant to our business.

Seasonality

Sales and operating profit for our business tends to be seasonal, with increased purchases by consumers and increases in retailer inventories occurring for batteries during our fiscal first quarter and for automotive fragrance, appearance, performance and air conditioning recharge products during our fiscal second and third quarters. In addition, natural disasters such as hurricanes can create conditions that drive short-term increases in the need for portable power and lighting products and thereby increase our battery and flashlight sales. As a result of this seasonality, our inventory and working capital needs fluctuate throughout the year.

Human Capital Resources

As of September 30, 2021, we have approximately 6,000 employees located across 38 countries, including approximately 2,400 employees based in North America, 1,900 employees in Asia Pacific, 900 employees in Europe, the Middle East and Africa, and 800 employees in Latin America. Approximately 480 employees are unionized, primarily at our Fennimore, Wisconsin; Portage, Wisconsin; and Marietta, Ohio, facilities. We consider our employee relations to be good.

Governance

Energizer believes that strong governance principles, policies and practices contribute to better results for our shareholders. We are proud to have a diverse and independent board of directors with the skills, experience and perspectives to help chart the course of our global company.

The Human Capital Committee oversees company policies and practices related to human capital management, including those related to our culture, diversity and inclusion efforts, and rewards and compensation programs. Under the leadership of our Chief Executive Officer, our Chief Human Capital Officer is responsible for developing and executing key aspects of our human capital strategy, including the attraction, development, retention, and engagement of talent to deliver on the Company's strategy and the design of competitive compensation and employee benefit programs.

Diversity, Equity, Inclusion and Belonging

At Energizer, diversity, equity, inclusion and belonging (DEIB) is a business imperative, not strictly a Human Resources initiative. As a global Company, we are committed to fostering an inclusive and diverse culture where colleagues feel a sense of belonging, feel listened to, are included in discussions and are valued for their contributions. We believe that by embracing our colleagues' diverse cultures, experiences, and ways of thinking we will deliver better business results and have a more engaged workforce.

To promote our culture of inclusion and belonging, we require learning opportunities for our global colleagues to help build self-awareness and accelerate personal growth. We encourage open dialogue among colleagues and the sharing of experiences to create a welcoming and respectful environment where people feel valued as well as a sense of belonging, and managers and teams leverage our discussion tools for one-on-one and small group discussions.

Our recruitment strategies are intended to ensure a diverse pipeline of candidates to meet the needs of our business today and in the future. We continually assess our talent decisions to ensure fair and objective hiring practices.

Top DEIB priorities for the Company include:

- A focus on driving colleagues' engagement by fostering an inclusive workplace;

- A comprehensive diversity, equity and inclusion learning and development plan to increase awareness, build allyship skills and drive inclusive behaviors; and
- A commitment to recruiting, developing and retaining diverse colleagues.

In 2021, our Global DEIB Council, which is sponsored by our Chief Executive Officer and Chief Human Capital Officer, implemented a learning plan for all our global colleagues to build awareness and drive inclusive behavior. During the year, 98% of our global workforce completed our "Being Inclusive and Diverse" training program. We also conducted training for people managers which focused on unconscious biases and inclusive leadership. We published stories written by our diverse colleagues who shared their experiences with our organization. The Global DEIB Council's priorities for 2022 include:

- Promoting a workplace where colleagues feel safe to express their perspectives and feel a sense of belonging to our team.
- Building allyship skills through increasing awareness and understanding in diversity, equity, and inclusion.
- Embracing diversity to attract, recruit, develop and retain top talent.

Results-Driven, Collaborative Culture

Energizer colleagues are passionate about working together to win. We focus our company-wide efforts on creating an environment where our colleagues feel respected and valued and can contribute to their fullest potential. As one team we learn together, care about each other and do the right thing to deliver results. We are on a journey to cultivate a culture that will drive our business and build a bright future for our brands, our products, our customers, our consumers, and our colleagues. From townhalls and leadership forums, to quarterly engagement surveys – which we conduct through a third-party partner – we seek out colleague feedback and take action to improve our culture and the employee experience. Our average engagement score, which reflects fiscal 2021 surveys through July 2021, is 78 and exceeds the global benchmarks from our third-party survey provider.

Additionally, our culture champion network, with members in all our major global markets, leads local efforts to create inclusive and diverse work environments and bring our values to life. Through virtual meetings and global events, we leverage technology to bring our colleagues together across multiple time zones and geographies and to create a global sense of community at Energizer.

Talent Development

Engaged, driven and productive colleagues are essential to achieving growth. All colleagues participate in annual training focused on topics related to ethics, compliance, inclusion, belonging and diversity. For salaried colleagues, we offer a catalog of more than 1,800 online courses from IT skills to business acumen and leadership skills, along with an online competency model library and supporting training resources. Specific skills-based training is provided to colleagues within their function, ensuring necessary job skills and requirements are understood, and developmental opportunities are available. We also encourage career development through individual development planning, formal mentoring programs, team effectiveness workshops, project and change management training, and leadership development programs. For hourly colleagues, we conduct annual safety, health and environmental training as well as equipment and other job-relevant training. All colleagues are encouraged to communicate their career interests to their manager and have access to our internal career center to view available positions.

Pay

Our primary compensation strategy is to "pay for performance" on both a long term and annual basis, which drives a mindset of accountability and productivity. Our compensation guiding principles are to structure compensation that is simple, aligned and balanced. We believe our compensation guiding principles are strongly aligned with our corporate strategic priorities and our vision for shareholder value creation.

We are committed to fair pay and strive to be externally competitive while ensuring internal equity across our organization. We conduct global pay equity assessments and compensation reviews, and we are actively working to reduce unconscious bias in our hiring practices, performance reviews, succession planning and promotion opportunities

Workplace Safety

We care about our colleagues and anyone who enters our workplace. Our Environmental, Health and Safety program focuses on implementing policies and training programs, as well as performing self-audits, to ensure our colleagues leave their workplace safely, every day. Several of our U.S. manufacturing sites have been recognized by the U.S. Occupational Safety & Health Administration's Voluntary Protection Program (VPP) for their low injury rates, employee engagement and other programs. To put that in context, out of about 8 million workplaces in the entire U.S., only approximately 2,100 have earned

VPP recognition. We have globally adopted the same safety programs used by these recognized Energizer sites to maintain a high standard for performance across our operations.

During the ongoing global COVID-19 pandemic, we have continued to focus on keeping our colleagues safe. In addition to regular communications from our CEO to all global colleagues, each Energizer location developed pandemic protocols such as increased sanitation procedures, marking off safe distances, physical barriers between workstations, closing common areas, supplying personal protective equipment, and staggering arrival and departure times to reduce contact. We implemented flexible policies for our workforce by expanding our sick leave for those who became ill or needed to care for family members. Colleagues who were able to perform their jobs from home were permitted to work remotely, and we adjusted working hours of many of our field sales force to ensure products could be merchandised at times that would minimize interaction with retail staff and consumers. Our experience and continuing focus on workplace safety have enabled us to preserve our commitment to keeping our colleagues and workplace visitors safe during the pandemic.

Health and Wellness

Creating a culture where all colleagues feel supported and valued is paramount to our corporate mission. As noted above, the ongoing COVID-19 pandemic has led to unique challenges, and we are striving to ensure the health, safety and general well-being of our colleagues. Energizer's benefit plans and programs are designed to support the four key areas of our colleagues' overall well-being: physical, mental, social, and financial. We believe such plans are market competitive, offer flexibility and choice to meet the diverse needs of colleagues and their families, and promote shared responsibility and decision making by helping colleagues understand and make educated decisions about their benefits package. Overall well-being is more important now than ever, and our colleagues' value holistic resources to help them balance work and home demands. We provide ongoing communications and tools to continue meeting our colleagues' needs, including a well-being program. In order to attract and retain employees of the highest caliber, we offer a competitive benefits package focused on fostering work/life integration. In 2021, we expanded our Employee Assistance Program to cover all global colleagues and implemented flexible working framework for our workforce.

Community

Energizer believes in supporting the communities where we live, work, and play. Many of our colleagues are highly active with charities of their own choosing and the Energizer Giving Foundation enables them to make a greater difference by matching their contributions dollar-for-dollar. In times of natural disasters or other crises, such as hurricane destruction, colleagues' charitable contributions made to qualifying relief agencies are eligible for a 200% match. Energizer also supports disaster relief efforts through our partnership with Feed the Children.

Since 2016, Energizer has donated nearly 14 million batteries and portable lighting products in North America alone. The World Health Organization celebrates World Hearing Day every March to raise awareness of hearing loss, encourage individuals to recognize the signs of hearing loss in themselves or loved ones and advocate for audiology checkups. In support of this effort, Rayovac promotes an online hub of information and articles for consumers to raise awareness of the seriousness and importance of hearing loss, and help people to recognize their own hearing loss, or recognize the symptoms in a loved one – prompting them to get a checkup.

Governmental Regulations and Environmental Matters

Our operations, including the manufacture, packaging, labeling, storage, distribution, advertising and sale of our products, are subject to various federal, state, local and foreign laws and regulations, including those intended to protect public health and the environment. In the U.S. many of our products are regulated 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 where we sell our products, and by state and local authorities in the U.S. We are also subject to regulations regarding the recycling of batteries; transportation, storage or use of certain chemicals to protect the environment; and regulations in other related areas, such as with respect to sustainability in the batteries value chain, including the European Union Batteries Directive. In order to conduct our operations 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.

In recent years, refrigerants such as R-134a, which is a critical component of our auto care business' aftermarket A/C products have become the subject of regulatory focus due to their potential to contribute to global warming. The EU passed regulations that prohibited the use of R-134a in the cooling systems of new vehicles by 2017 and set a target of an 80% reduction in use by 2030. Canada has also implemented similar regulations, phasing into effect beginning in 2021. In the United States, while such regulations are not currently in effect at the federal level, 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, individual states are regulating the sale and distribution of products containing R-134a. In addition, regulations may be enacted governing the packaging, use and disposal of our auto care business' products containing refrigerants.

The U.S. Foreign Corrupt Practices Act (FCPA) prohibits bribery of public officials to obtain or retain business in foreign jurisdictions and requires us 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. We are also subject to similar or even more restrictive anti-corruption laws imposed by the governments of other countries where we do business, including the UK Bribery Act of 2010 and the Brazil Clean Company Act. We make sales and operate in countries known to experience corruption that are rated as high-risk nations. Our business activities in such countries create the risk of unauthorized conduct by one or more of our employees, customs brokers, freight forwarders, or distributors that could be in violation of various laws including the FCPA or similar local regulations.

Our business is subject to competition laws in the various jurisdictions where we 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 us, and our operations may come under special scrutiny by competition law authorities, due to our competitive position in those jurisdictions.

The Company is also required to comply with increasingly complex and changing laws and regulations enacted to protect business and personal data in the United States and other jurisdictions regarding privacy, data protection and data security, including those related to the collection, storage, use, transmission and protection of personal information and other consumer, customer, vendor or employee data. Such privacy and data protection laws and regulations, including with respect to the European Union’s General Data Protection Regulation (GDPR), the Brazilian Data Protection Law, and the California Consumer Privacy Act of 2018 (CCPA), and the interpretation and enforcement of such laws and regulations, are continuously developing and evolving and there is significant uncertainty with respect to how compliance with these laws and regulations may evolve and the costs and complexity of future compliance.

We also must comply with various environmental laws and regulations in the jurisdictions in which we operate, including those relating to the handling and disposal of solid and hazardous wastes, recycling of batteries and packaging, the remediation of contamination associated with the use and disposal of hazardous substances, chemicals in products and product safety. We are currently involved in or have potential liability with respect to the remediation of past contamination in the operation of some of our current and former facilities. In addition, some of our present and former facilities have or had been in operation for many years and, over that time, some of those facilities may have used substances or generated and disposed of wastes that are or may be considered hazardous. It is possible that those sites, as well as disposal sites owned by third parties to whom we have sent waste, may be identified and become the subject of remediation. We could also become subject to additional environmental liabilities in the future, whether as a result of new laws and regulations or otherwise, which could result in a material adverse effect on our financial condition and results of operations.

For additional information on the laws and regulations that apply to our business, see MD&A and Note 22, Environmental and Regulatory, to our Consolidated Financial Statements. For a discussion of the risks associated with these laws and regulations, see Part I, Item 1A, "Risk Factors."

Available Information

Energizer regularly files periodic reports with the SEC, including annual reports on Form 10-K and quarterly reports on Form 10-Q, as well as, from time to time, current reports on Form 8-K, and amendments to those reports. The SEC maintains an Internet site containing these reports, and proxy and information statements, at www.sec.gov. These filings are also available free of charge on Energizer's website, at www.energizerholdings.com, as soon as reasonably practicable after their electronic filing with the SEC. Information on Energizer's website does not constitute part of this Form 10-K.

Item 1A. *Risk Factors*.

In the course of conducting our business operations, we are exposed to a variety of risks, some of which are inherent in our industry and others of which are more specific to our own businesses. The discussion below addresses the material factors, of which we are currently aware, that could affect, and in certain cases have affected, our businesses, results of operations and financial condition and make an investment in the Company speculative or risky.

Some of these risks include:

- *Global economic and financial market conditions, including the conditions resulting from the COVID-19 pandemic, and actions taken by our customers, suppliers, other business partners and governments in markets in which we compete might materially and negatively impact us.*
- *Competition in our product categories might hinder our ability to execute our business strategy, achieve profitability, or maintain relationships with existing customers.*

- *Changes in the retail environment and consumer preferences could adversely affect our business, financial condition and results of operations.*
- *We must successfully manage the demand, supply, and operational challenges brought about by the COVID-19 pandemic and any other disease outbreak, including epidemics, pandemics, or similar widespread public health concerns.*
- *Loss or impairment of the reputation of our Company or our leading brands or failure of our marketing plans could have an adverse effect on our business.*
- *Loss of any of our principal customers could significantly decrease our sales and profitability.*
- *Our ability to meet our growth targets depends on successful product, marketing and operations innovation and successful responses to competitive innovation and changing consumer habits.*
- *We are subject to risks related to our international operations, including currency fluctuations, which could adversely affect our results of operations.*
- *If we fail to protect our intellectual property rights, competitors may manufacture and market similar products, which could adversely affect our market share and results of operations.*
- *Our reliance on certain significant suppliers subjects us to numerous risks, including possible interruptions in supply, which could adversely affect our business.*
- *Our business is vulnerable to the availability of raw materials, our ability to forecast customer demand and our ability to manage production capacity.*
- *Changes in production costs, including raw material prices, could erode our profit margins and negatively impact operating results.*
- *The manufacturing facilities, supply channels or other business operations of the Company and our suppliers may be subject to disruption from events beyond our control.*
- *We may be unable to generate anticipated cost savings, successfully implement our strategies, or efficiently manage our supply chain and manufacturing processes, and our profitability and cash flow could suffer as a result.*
- *Sales of certain of our products are seasonal and adverse weather conditions during our peak selling seasons for certain auto care products could have a material adverse effect.*
- *A failure of a key information technology system could adversely impact our ability to conduct business.*
- *We rely significantly on information technology and any inadequacy, interruption, theft or loss of data, malicious attack, integration failure, failure to maintain the security, confidentiality or privacy of sensitive data residing on our systems or other security failure of that technology could harm our ability to effectively operate our business and damage the reputation of our brands.*
- *We may experience losses or be subject to increased funding and expenses related to our pension plans.*
- *The estimates and assumptions on which our financial projections are based may prove to be inaccurate, which may cause our actual results to materially differ from our projections, which may adversely affect our future profitability, cash flows and stock price.*
- *If we pursue strategic acquisitions, divestitures or joint ventures, we might experience operating difficulties, dilution, and other consequences that may harm our business, financial condition, and operating results, and we may not be able to successfully consummate favorable transactions or successfully integrate acquired businesses.*
- *The 2019 auto care and battery acquisitions from Spectrum Brands 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.*
- *Our business involves the potential for claims of product liability, labeling claims, commercial claims and other legal claims against us, which could affect our results of operations and financial condition and result in product recalls or withdrawals.*
- *Our business is subject to increasing regulation in the U.S. and abroad, the uncertainty and cost of future compliance and consequence of non-compliance with which may have a material adverse effect on our business.*
- *Increased focus by governmental and non-governmental organizations, customers, consumers and shareholders on sustainability issues, including those related to climate change, may have an adverse effect on our business, financial condition and results of operations and damage our reputation.*
- *We are subject to environmental laws and regulations that may expose us to significant liabilities and have a material adverse effect on our results of operations and financial condition.*
- *We cannot guarantee that any share repurchase program will be fully consummated or that any share repurchase program will enhance long-term stockholder value, and share repurchases could increase the volatility of the price of our stock and diminish our cash reserves.*
- *Our common stock ranks junior to our Mandatory Convertible Preferred Stock with respect to dividends and amounts payable in the event of our liquidation, dissolution or winding-up of our affairs.*

Additional factors that could affect our businesses, results of operations and financial condition are discussed in Forward-Looking Statements in MD&A. However, other factors not discussed below or elsewhere in this Annual Report on Form 10-K could also adversely affect our businesses, results of operations and financial condition. Therefore, the risk factors below should not be considered a complete list of potential risks that we may face.

Any risk factor described in this Annual Report on Form 10-K or in any of our other SEC filings could by itself, or together with other factors, materially adversely affect our liquidity, competitive position, business, reputation, results of operations, capital position or financial condition, including by materially increasing our expenses or decreasing our revenues, which could result in material losses. Investors should not interpret the disclosure of a risk to imply that the risk has not already materialized.

Economic, Competitive and Industry Risks

Global economic and financial market conditions, including the conditions resulting from the COVID-19 pandemic, and actions taken by our customers, suppliers, other business partners and governments in markets in which we compete might materially and negatively impact us.

The COVID-19 pandemic has caused considerable volatility to global economic conditions and the economies in regions in which we conduct business. While we experienced reduced demand for certain of our consumer products as a result of the pandemic, demand increased for other products. In the future, our business might be adversely affected in a material way by lower consumer demand as a result of recessionary economic conditions, including after the direct impact of the COVID-19 pandemic has subsided. In response to unfavorable economic conditions, there could be a reduction in discretionary spending, which may lead to reduced net sales or cause a shift in our product mix from higher-margin to lower-margin product offerings 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 us to reduce prices for our products in order to compete. Similarly, our retailer customers could reduce their inventories, shift to different products or require us to lower our prices to retain the shelf placement of our products. Conversely, rapid increases in demand as a result of improving economic conditions could lead to supply chain challenges.

Global markets continued to face threats and uncertainty during fiscal year 2021. Future changes to U.S. or foreign tax and trade policies, imposition of new or increased tariffs, other trade restrictions or other government actions, including any government shutdown, foreign currency fluctuations, including devaluations, and fear of exposure to or actual impacts of a widespread disease outbreak, such as the ongoing COVID-19 pandemic, may lead to continuation of such risks and uncertainty. Uncertain economic and financial market conditions may also adversely affect the financial condition of our customers, suppliers and other business partners. Any significant decrease in customers' purchases of our products or our inability to collect accounts receivable resulting from an adverse impact of the global markets on customers' financial condition could have a material adverse effect on our business, financial condition and results of operations. Additionally, disruptions in financial markets could reduce our access to debt and equity capital markets, negatively affecting our ability to implement our business strategy.

Competition in our product categories might hinder our ability to execute our business strategy, achieve profitability, or maintain relationships with existing customers.

We face intense competition from consumer product companies both in the U.S. and in global markets. Most of our products compete with other widely advertised, promoted and merchandised brands within each product category. The categories in which we operate are mature and highly competitive, with a limited number of large manufacturers competing for consumer acceptance, limited retail shelf space and e-commerce opportunities. Because of the highly competitive environment in which we operate, our customers, including online retailers, frequently seek to obtain pricing concessions or better trade terms, resulting in either a reduction of our margins or the loss of distribution to lower-cost competitors.

Competition in our product categories is based upon brand perceptions, innovation, product performance, customer service and price. Our ability to compete effectively is, and in the future could be, affected by a number of factors, including:

- Certain of our competitors have substantially greater financial, marketing, research and development, and other resources and greater market share in certain segments than we do, which could provide them with greater scale and negotiating leverage with retailers and suppliers. These competitors may be able to spend more aggressively on advertising and promotional activities, introduce competing products more quickly and respond more effectively to changing business and economic conditions than we can.
- Our competitors may have lower production, sales and distribution costs, and higher profit margins.
- Our competitors have obtained, and may in the future be able to obtain, exclusivity or sole source at particular retailers or favorable in-store placement.

- We 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 our products in certain categories.
- Due to increased demand for certain of our products in response to COVID-19, we expect heightened competitive activity from strong local competitors, other large multinational companies, and new entrants into the market in many of our product categories. We expect such activities to include more aggressive product claims and marketing challenges, increased promotional spending and geographic expansion, and marketing of new products. We expect promotional activities to increase as retailers try aggressively to get consumers back into their stores following the easing of restrictions. Furthermore, our competitors may attempt to gain market share by offering products at prices at or below those we typically offer.

Changes in the retail environment and consumer preferences could adversely affect our business, financial condition and results of operations.

Our sales have historically been largely concentrated in the traditional retail grocery, mass retail outlet, warehouse club and dollar store channels. However, the retail environment continues to evolve and may change to a more significant extent or at a faster pace during or following the COVID-19 pandemic, with a greater consumer emphasis on health and wellness. Alternative retail channels, including hard discounters, e-commerce retailers and subscription services, have become more prevalent, and retailers are increasingly selling consumer products through such channels. In addition, a growing number of alternative sales channels and business models, such as niche brands, native online brands, private label and store brands, direct-to-consumer brands and channels and discounter channels, have emerged in the markets we serve. In particular, the growing presence of, and increasing sales through, e-commerce retailers have affected, and may continue to affect, consumer preferences (as consumers increasingly shop online) and market dynamics, including any pricing pressures for consumer goods as retailers face added costs to build their e-commerce capacity. These trends have been magnified due to the COVID-19 pandemic in many of our geographies. Although we are engaged in e-commerce with respect to many of our products, if we 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, the 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 our ability to market and sell our products through such retailers. If these alternative retail channels were to take significant market share away from traditional retailers and/or we are not successful in these alternative retail channels, our margins and results of operations may be negatively impacted.

Our failure to adapt to changing consumer preferences and market dynamics or expand sales through e-commerce retailers, hard discounters and other alternative retail channels, may negatively impact our business, financial condition and results of operations. With the growing trend towards retailer consolidation, both in the U.S. and internationally, the rapid growth of e-commerce and the integration of traditional and digital operations at key retailers, we are increasingly dependent on certain retailers. This trend has resulted in the increased size and influence of large consolidated retailers, who have in the past changed, and may in the future change, their business strategies, demand lower pricing, or higher trade discounts or impose other burdensome requirements on product suppliers. These business demands may relate to inventory practices, in-store or online product placement, transportation and storage or product packaging. Such customers may also shift their focus away from branded products toward private label or other aspects of the customer-supplier relationship. These large consolidated companies could also exert additional competitive pressure on our other customers, which could in turn lead to such customers demanding lower pricing, higher trade discounts or special packaging or imposing other onerous requirements on us. If we cease doing business with a significant customer or if sales of our products to a significant customer materially decrease due to customer inventory reductions or otherwise, our business, financial condition and results of operations may be harmed.

We must successfully manage the demand, supply, and operational challenges brought about by the ongoing COVID-19 pandemic and any other disease outbreak, including epidemics, pandemics, or similar widespread public health concerns.

Our operations are impacted by consumer spending levels, impulse purchases, the availability of our products to retail and our ability to manufacture, store and distribute products to our customers and consumers in an effective and efficient manner. The fear of exposure to or actual effects of a disease outbreak or similar widespread public health concern, such as COVID-19, negatively impacted portions of our business in fiscal 2021, and could continue to negatively impact our overall business, financial position and financial results. These impacts may include, but are not limited to:

- Significant reductions, shifts or fluctuations in demand for one or more of our products, which may be caused by, among other things:
  - a decrease in consumer traffic in brick-and-mortar stores across all our major markets and the resulting negative impact on our net sales to customers in that channel;

- the temporary inability of our consumers to purchase our products due to illness, quarantine, other travel restrictions, or financial hardship;
- shifts in demand away from one or more of our premium products to lower priced value or private label products and lower demand in our discretionary product categories;
- stockpiling or similar "pantry-loading" activity by consumers, which may cause volatility in our quarterly results and, if prolonged, further increase the complexity of our operations planning and financial forecasting and adversely impact our results of operations;
- significant reductions in the availability of one or more of our products as a result of retailers, common carriers or other shippers modifying restocking, fulfillment and shipping practices; or
- shifts, fluctuations, or cancellation of orders due to the impact on customers' operations, including the possibility of temporary or permanent closure.

▪ Inability to meet our customers' needs due to disruptions in our manufacturing and supply chain arrangements caused by the loss or disruption of essential manufacturing and supply chain elements, such as raw materials or other finished product components, transportation, workforce, or other manufacturing and distribution capability, as well as due to stressors on these elements resulting from an economic recovery. In addition, we may incur higher costs for transportation, workforce and distribution capability in order to maintain the surety of supplying product to our customers;
▪ Failure of third parties upon which we rely, including our suppliers, contract manufacturers, distributors, contractors and commercial banks, to meet their obligations to us to meet those obligations in a timely manner, which may be caused by their own financial or operational difficulties and may adversely impact our operations, liquidity and financial results; and
▪ Significant changes in the political and regulatory landscape in the markets in which we manufacture, sell or distribute our products, which may include, but are not limited to, quarantines, restrictions on international trade, governmental or regulatory actions, closures or other restrictions that limit or suspend our operating and manufacturing capabilities, restrict our employees' ability to travel or perform necessary business functions, or otherwise prevent our third-party partners or customers from sufficiently staffing operations, including operations necessary for the production, distribution, sale, and support of our products, which could adversely impact our results.

We have incurred additional costs as a result of COVID-19 and may continue to incur additional costs if we are required to implement additional operational changes in response to the pandemic, including due to government requirements. For example, our incremental COVID-19 related costs of products sold were approximately $6 million and $24 million in fiscal 2021 and 2020, respectively. We also cannot predict the impact that the ongoing pandemic will have on our customers, suppliers, vendors and other business partners, and their respective financial conditions. Even after the pandemic has subsided, we may continue to experience materially adverse impacts to our business as a result of the virus's global economic impact, including the availability of credit, adverse impacts on our liquidity and the impacts of any future economic downturn.

Loss or impairment of the reputation of our Company or our leading brands or failure of our marketing plans could have an adverse effect on our business.

We depend on the continuing reputation and success of our brands. Maintaining a strong reputation with consumers, customers and trade and other third-party partners is critical to the success of our business. Negative publicity about us or our brands, including product safety, quality, efficacy, environmental impacts (including packaging, energy and water use, matters related to climate and waste management) and other sustainability or similar issues, whether real or perceived, could occur and could be widely and rapidly disseminated, including through the use of social media or network sites. Our operating results could be adversely affected if any of our brands suffers damage to its reputation due to real or perceived quality issues. Any damage to our brands could impair our ability to charge premium prices for our products, resulting in the reduction of our margins or losses of distribution to lower price competitors, and adversely affect our business, financial condition and results of operations.

The success of our brands can suffer if our marketing plans or new product offerings do not improve, or have a negative impact on, our brands' image or ability to attract and retain consumers. Additionally, if claims made in our marketing campaigns subject us to litigation alleging false advertising, which is common in our industry, such litigation could damage our brand or cause us to alter our marketing plans in ways that may materially and adversely affect sales, or result in the imposition of significant damages against us. In addition, our products could face withdrawal, recall or other quality issues, which could lead to decreased demand for, and sales of, such products and harm the reputation of the related brands. We also license certain of our brands to third parties, and such licenses and partnerships may create additional exposure for those brands to product safety, quality, sustainability and other concerns.

Loss of any of our principal customers could significantly decrease our sales and profitability.

A large percentage of our sales are attributable to a relatively small number of retail customers, and we may continue to derive a significant portion of our future revenues from a small number of customers. As a result, changes in the strategies of our largest customers, including a reduction in the number of brands they carry, a shift of shelf space to private label or competitors' products or a decision to lower pricing of consumer products, including branded products, may harm our net sales or margins, and reduce our ability to offer new, innovative products to consumers. Furthermore, any loss of a key customer or a significant reduction in net sales to a key customer, could have a material adverse effect on our business, financial condition and results of operations.

Customers could reduce their purchasing levels or cease buying products from us at any time and for any reason. If we do not effectively respond to the demands of our customers, they could decrease their purchases from us, causing our net sales and net earnings to decline.

Our ability to meet our growth targets depends on successful product, marketing and operations innovation and successful responses to competitive innovation and changing consumer habits.

A large percentage of our revenues comes from mature markets that are subject to high levels of competition, and we are a company that relies on continued global demand for our brands and products. Achieving our business results depends, in part, on successfully developing, introducing and marketing new products and on making significant improvements to our equipment and manufacturing processes. The successful development and introduction of new products requires retail and consumer acceptance and overcoming the reaction from competitors. New product introductions in categories where we have existing products will likely also reduce the sales of our existing products. Our investments in research and development may not result in successful products or innovation that will recover the costs of such investments. Our customers or end consumers may not purchase our new products once introduced. Additionally, new products could require regulatory approval which may not be available or may require modification to the product which could impact the production process. Our competitors may introduce new or enhanced products that outperform ours, or develop manufacturing technology that permits them to manufacture at a lower cost relative to ours and sell at a lower price. If we fail to develop and launch successful new products or fail to reduce our cost structure to a competitive level, we may be unable to grow our business and compete successfully.

We must also successfully respond to technological advances made by, and intellectual property rights granted to, competitors. Failure to continually innovate, improve and respond to competitive moves and changing consumer habits could compromise our competitive position and adversely impact our results. With respect to the battery category, 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, such as rechargeable hearing aids, 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 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.

Our business also depends on our ability to continue to manufacture our existing products to meet the applicable product performance claims we have made to our customers. Any decline in these standards could result in the loss of business and negatively impact our performance and financial results. Finally, our ability to maintain favorable margins on our products requires us to manage our manufacturing and other production costs relative to our prices. We may not be able to increase our prices in the event that our production costs increase, which would decrease our profit margins and negatively impact our business and financial results.

We have implemented price increases in the past, including those announced during fiscal 2021, and may implement price increases in the future, which may slow sales growth or create volume declines in the short term as customers and consumers adjust to these price increases. In addition, our competitors may or may not take competitive actions, which may lead to sales declines and loss of market share. If we are unable to increase market share in existing product lines, develop product innovations, undertake sales, marketing and advertising initiatives that grow our product categories or develop, acquire or successfully launch new products or brands, we may not achieve our sales growth objectives. Furthermore, a general decline in the markets for certain product categories has had and may in the future have a negative impact on our financial condition and results of operation. In addition, changes to the mix of products that we sell, as well as the mix of countries in which we sell our products, may adversely impact our net sales, profitability and cash flow.

We are subject to risks related to our international operations, including currency fluctuations, which could adversely affect our results of operations.

We currently conduct our business on a worldwide basis, with more than 40% of our sales in fiscal year 2021 arising from foreign countries, and a significant portion of our production capacity and cash is located overseas. Consequently, we are subject to a number of risks associated with doing business in foreign countries, including:

- price controls and related government actions;
- the possibility of nationalization, expropriation, confiscatory taxation or other similar government action;
- 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;
- 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;
- legal and regulatory constraints, including the imposition of tariffs, trade restrictions, price, profit or other government controls, labor laws, immigration restrictions, travel restrictions, including as a result of COVID-19 or other outbreaks of infectious diseases, import and export laws or other government actions generating a negative impact on our business, including changes in trade policies that may be implemented;
- 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, labor disputes, 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;
- difficulties in hiring and retaining qualified employees;
- employment litigation related to employees, contractors and suppliers, particularly in Latin America and Europe;
- difficulties in obtaining or unavailability of raw materials;
- difficulty in enforcing contractual and intellectual property rights;
- lack of well-established or reliable, and impartial legal systems in certain countries where we operate;
- challenges relating to enforcement of or compliance with local laws and regulations and with U.S. laws affecting operations outside of the U.S., including without limitation, the FCPA; and
- risks related to natural disasters, terrorism, social unrest and other events beyond our control.

Brexit has created and may continue to create legal, political and economic uncertainties and impacts, including disruptions to trade and free movement of goods, services and people to and from the United Kingdom, disruptions to our workforce or the workforce of our suppliers or business partners, and increased foreign exchange volatility with respect to the British pound. All of the foregoing risks could have a significant adverse impact on our ability to commercialize our products on a competitive basis in international markets and may have a material adverse effect on our business, financial condition and results of operations.

We are also exposed to foreign currency exchange rate risks with respect to our net sales, net earnings and cash flow driven by movements of the U.S. dollar relative to other currencies. A weakening of the currencies in which generate sales relative to the currencies in which costs are denominated would decrease net earnings and cash flow, and. our foreign currency hedges only offset a portion of our exposure to foreign currency fluctuations, including devaluations. Foreign currency fluctuations also may affect our ability to achieve sales growth. A weakening of foreign currencies in which we generate sales relative to the U.S. dollar would decrease our net sales. Accordingly, our reported net earnings may be negatively affected by changes in foreign exchange rates.

Furthermore, the imposition of tariffs and/or increases in tariffs on various products by the U.S. and other countries has introduced greater uncertainty with respect to trade policies and government regulations affecting trade between the U.S. and other countries. New and increased tariffs have subjected, and may in the future subject, us to additional costs and expenditures of resources. Major developments in trade relations, including the imposition of new or increased tariffs by the U.S. and/or other countries, and any emerging nationalist trends in specific countries could negatively affect the trade environment and consumer purchasing behavior and have a material adverse effect on our financial condition and results of operations.

If we fail to protect our intellectual property rights, competitors may manufacture and market similar products, which could adversely affect our market share and results of operations.

The vast majority of our total revenues are from products bearing proprietary trademarks and brand names. In addition, we own or license from third parties a number of patents, patent applications and other technology. We rely on trademark, trade secret, patent and copyright laws to protect our intellectual property rights. We cannot be certain that we will be able to effectively utilize these intellectual property rights or that we can successfully assert or defend these rights. There is a risk that we will not be able to obtain and perfect or maintain our own intellectual property rights or, where appropriate, license intellectual property rights necessary to support new product introductions. In addition, even if we can protect such rights in the United States, the laws of some other countries in which we sell our products may not protect intellectual property rights to the same extent as the laws of the United States. It is also possible that our brands may not be available for use in certain countries due to prior third-party rights, thereby limiting expansion of our brands. If other parties infringe our intellectual property rights, they may dilute or diminish the value of our brands and products in the marketplace, which could diminish the value that consumers associate with our brands and harm our net sales. The failure to perfect and protect our intellectual property rights could make us less competitive and could have a material adverse effect on our business, financial condition and results of operations.

We cannot be certain that our intellectual property rights will not be invalidated, circumvented or challenged in the future, and we could incur significant costs in connection with legal actions relating to such rights. As patents expire, we could face increased competition, which could negatively impact our operating results. Additionally, a finding that we have violated the trademark, trade secret, copyright, patent or other intellectual property rights of others, directly or indirectly, through the use of third-party marks, ideas or technologies, could result in the need to cease use of such trademark, trade secret, copyrighted work or patented invention in our business, as well as the obligation to pay for past infringement. If holders are willing to permit us to continue to use such intellectual property rights, they could require a payment of a substantial amount for continued use of those rights. Either ceasing use or paying such amounts could cause us to become less competitive and could have a material adverse effect on our business, financial condition and results of operations.

Operational and Technology Risks

Our reliance on certain significant suppliers subjects us to numerous risks, including possible interruptions in supply, which could adversely affect our business.

Our ability to maintain consistent quality throughout our operations depends in part upon our 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 us to experience a reduction in sales, increased inventory levels and costs and could adversely affect relationships with existing and prospective customers. In some cases, we may have only one supplier for a product or service. Our dependence on single-source suppliers subjects us to the possible risks of shortages, interruptions and price fluctuations, and possible litigation when we change vendors because of performance issues. Global economic factors continue to put significant pressure on suppliers, with some suppliers facing financial distress and others attempting to rebuild profitability as a result of the pandemic, all of which tends to make the supply environment more expensive. The shutdown of one or more of our vendors could disrupt the supply of products necessary to our operations. If any of these vendors is unable to fulfill its obligations, or if we are unable to find replacement suppliers in the event of a supply disruption, we could encounter supply shortages and/or incur higher costs to secure adequate supplies, either of which could materially harm our business.

Our business is vulnerable to the availability of raw materials, as well as our ability to forecast customer demand and manage production capacity.

Our ability to meet customer demand depends, in part, on our 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 our production capacity or our supplies could delay products and the fulfillment of orders and otherwise negatively impact our business and reputation.

We must accurately predict both the demand for our products and the lead times required to obtain the necessary components and materials. If we overestimate demand, we may experience underutilized capacity and excess inventory levels. If we underestimate demand, we may miss delivery deadlines and sales opportunities and incur additional costs for labor overtime, equipment overuse and logistical complexities. Additionally, our production capacity could be affected by manufacturing problems. Difficulties in the production process could reduce yields or interrupt production, and, as a result, we may not be able to deliver products on time or in a cost-effective, competitive manner. Our failure to adequately manage our capacity could have a material adverse effect on our business, financial condition and results of operations.

Our ability to meet customer demand also depends on our ability to obtain timely and adequate delivery of materials, parts and components from our suppliers. From time to time, suppliers may extend lead times, limit the amounts supplied to us or increase prices due to capacity constraints or other factors. Supply disruptions may also occur due to shortages of critical materials. In addition, a number of our raw materials are obtained from a single supplier. Many of our suppliers must undertake a time-consuming qualification process before we can incorporate their raw materials into our production process. If we 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. Our raw materials and component parts are also susceptible to currency fluctuations and price fluctuations due to supply and demand, transportation, government regulations, price controls, tariffs, economic climate, or other unforeseen circumstances. We have experienced some shortages and allocations of component parts due to COVID-19, mainly related to our auto care operations. We continue to qualify additional sources to ensure continued supply of these items. 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.

In addition, sales of certain of our products tend to be seasonal. As a result of this seasonality, our 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 our working capital needs, or there is a general downturn in business or economic conditions during these periods, our business, financial condition and results of operations could be materially and adversely affected.

Additionally, 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, we may be required to shorten our lead-time for production and more closely anticipate our retailers’ and customers’ demands, which could in the future require us to carry additional inventories and increase our 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 our retailers significantly change their inventory management strategies, we 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 our business.

Changes in production costs, including raw material prices, have adversely affected, and in the future could erode, our profit margins and negatively impact operating results.

Pricing and availability of raw materials, energy, shipping and other services needed for our business 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.

Reduced availability of transportation options has caused, and could continue to cause, us to incur unanticipated expenses. We believe commodity price and other cost increases and volatility, especially due to the ongoing COVID-19 pandemic, could continue in the future. If such increases occur or exceed our estimates and we are not able to increase the prices of our products or achieve cost savings to offset such cost increases, our results of operation would be harmed. In addition, even if we increase the prices of our products in response to increases in the cost of commodities or other cost increases, we may not be able to sustain our price increases. Sustained price increases may lead to declines in volume as competitors may not adjust their prices or customers may decide not to pay the higher prices, which could lead to sales declines and loss of market share. Our projections may not accurately predict the volume impact of price increases, which could adversely affect our business, financial condition and results of operations.

The manufacturing facilities, supply channels or other business operations of the Company and our suppliers may be subject to disruption from events beyond our control.

Operations of the manufacturing and packaging facilities worldwide and corporate offices of the Company and our suppliers, and the methods we and our suppliers use to obtain supplies and to distribute our products, may be subject to disruption for a variety of reasons, including work stoppages, cyber-attacks and other disruptions in information technology systems, demonstrations, disease outbreaks or pandemics, such as the ongoing COVID-19 pandemic, acts of war, terrorism, fire, earthquakes, flooding or other natural disasters, disruptions in logistics, loss or impairment of key manufacturing sites, supplier capacity constraints, raw material and product quality or safety issues, industrial accidents or other occupational health and safety issues, availability of raw materials, and other regulatory issues, trade disputes between countries in which we have operations, such as the U.S. and China. There is also a possibility that third-party manufacturers, which produce a significant portion of certain of our 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. We maintain business interruption insurance to potentially mitigate the impact of business interruption, but such coverage may not be sufficient to offset the financial or reputational impact of an interruption.

We may be unable to generate anticipated cost savings, successfully implement our strategies, or efficiently manage our supply chain and manufacturing processes, and our profitability and cash flow could suffer as a result.

We continue to implement plans to improve our competitive position by reducing material costs and manufacturing inefficiencies and realizing productivity gains, and distribution and supply chain efficiencies. If we cannot successfully implement our cost savings plans or offset the cost of making these changes, we may not realize all anticipated benefits, which could adversely affect our financial condition and results of operations or our long-term strategies. We also continue to seek to penetrate new markets and introduce new products and product innovations. We may fail to implement these goals and strategies or to achieve the desired results, and we may fail to achieve one or more of our financial goals for one or more of the relevant fiscal years.

We expect to continue to restructure our operations as necessary to improve operational efficiency, including occasionally opening or closing offices, facilities or plants. Gaining additional efficiencies may become increasingly difficult over time. There may be one-time and other costs and negative impacts on sales growth relating to facility closures or other restructurings and anticipated cost savings. Our strategies may not be implemented or may fail to achieve desired results. If we are unable to generate anticipated cost savings, successfully implement our strategies or efficiently manage our supply chain and manufacturing processes, our results of operations could suffer. These plans and strategies could also have a negative impact on our relationships with employees or customers, which could also adversely affect our business, financial condition and results of operations.

Sales of certain of our products are seasonal and adverse weather conditions during our peak selling seasons for certain auto care products could have a material adverse effect.

Sales of certain of our auto care products tend to be seasonal. Historically, sales for certain auto care products typically have peaked during the first six months of the calendar year due to customer seasonal purchasing patterns and the timing of promotional activities. Purchases of our auto care 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 adverse weather conditions during the first six months of the calendar year (our second and third fiscal quarters) when demand for auto care products typically peaks persist, our business, financial condition and results of operations could be materially and adversely affected.

A failure of a key information technology system could adversely impact our ability to conduct business.

We 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 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 our 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 continuously assess and implement upgrades 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 our information systems and processes.

We continue to utilize various legacy hardware, software and operating systems, which may be vulnerable to increased risks, including the risk of system failures and disruptions. In addition, we will need to upgrade or replace some of the legacy systems in the future as third-party service providers stop supporting these systems. If we do not successfully upgrade or replace these legacy systems in a timely manner, system outages, disruptions or delays, or other issues may arise. We must also successfully integrate the technology systems of acquired companies into our existing and future technology systems, including with third-party service providers and processes. If a new system does not function properly or is not adequately supported by third-party service providers and processes, it could limit or prevent us from processing and delivering customer orders and processing and receiving payments for our products. This could adversely impact our results of operations and cash flows.

We rely significantly on information technology and any inadequacy, interruption, theft or loss of data, malicious attack, integration failure, failure to maintain the security, confidentiality or privacy of sensitive data residing on our systems or other security failure of that technology could harm our ability to effectively operate our business and damage the reputation of our brands.

Our systems and networks, as well as those of our 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 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. We have seen an increase in the number of such attacks recently as a large number of our employees are working remotely and accessing our technology infrastructure remotely as a result of the ongoing COVID-19 pandemic. Furthermore, such attacks may originate from nation states or attempts by outside parties, hackers, criminal organizations or other threat actors. We cannot guarantee that our security efforts will prevent or timely detect attacks and resulting breaches or breakdowns of our, or our third-party service providers', databases or systems. In addition, any significant breaches or breakdowns of such databases or systems could result in significant costs, including costs to investigate or remediate. While we have taken steps to maintain and enhance adequate cyber security and address these risks and uncertainties by implementing additional security technologies, internal controls, network and data center resiliency, redundancy and recovery processes, upgrading our remote work environment and by obtaining insurance coverage, these measures may be inadequate. If the systems are damaged or cease to function properly due to any number of causes, including catastrophic events, power outages, security breaches, cyberattacks or other similar events or as a result of legacy systems, and if our business continuity plans do not effectively resolve such issues on a timely basis, we may experience interruptions in our ability to manage or conduct business. We might also experience reputational harm, governmental fines, penalties, regulatory proceedings, litigation and remediation expenses, any of which may adversely impact our business. In addition, such incidents could result in unauthorized disclosure and misuse of material confidential information. Cyber threats are becoming more sophisticated, are constantly evolving and are being made by groups and individuals with a wide range of expertise and motives, and this increases the difficulty of detecting and successfully defending against them. Data breaches or theft of personal information we and our third-party service providers collect, as well as company information and assets, may occur in the future and the failure to implement adequate protections against such intrusions may adversely affect our reputation and financial condition.

We may not be able to attract, retain and develop key personnel, as well as effectively manage human capital resources.

Our future performance depends significantly, in part upon the continued service of our executive officers and other key personnel, as well as our continuing ability to attract, retain and develop highly qualified personnel, including future members of our management team. Competition for such personnel is intense, and there can be no assurance that we can retain and motivate our key employees or attract and retain other highly qualified personnel in the future. A failure to adequately manage human capital resources could have a material adverse effective on our business, prospects, reputation, financial condition and results of operations. Additionally, the escalating costs of offering and administering health care, retirement and other benefits for employees could result in reduced profitability.

As we continue to optimize our operations, the risk of potential employment-related claims and disputes will also increase. As such, we may be subject to claims, allegations or legal proceedings related to employment matters including discrimination, harassment, wrongful termination or retaliation, local, state, federal and non-U.S. labor law violations, injury, and wage violations. In addition, our employees in certain countries in Europe are subject to works council arrangements, exposing us to associated delays, works council claims and associated litigation. In the event we or our partners are subject to one or more employment-related claims, allegations or legal proceedings, we may incur substantial costs, losses or other liabilities in the defense, investigation, settlement, delays associated with, or other disposition of such claims. In addition to the economic impact, we may also suffer reputational harm as a result of such claims, allegations and legal proceedings and the investigation, defense and prosecution of such claims, allegations and legal proceedings could cause substantial disruption in our business and operations, including delaying and reducing the expected benefits of any operations' optimization. We have policies and procedures in place to reduce our exposure to these risks, but such policies and procedures may not be effective and we may be exposed to such claims, allegations or legal proceedings.

Financial and Strategic Risks

We have significant debt obligations that could adversely affect our business and our ability to meet our obligations.

As of September 30, 2021, our total aggregate outstanding indebtedness was approximately $3.5 billion. We had $287.3 million of additional capacity available under a senior secured revolving credit facility, inclusive of issued and outstanding letters of credit totaling approximately $7.7 million. This significant amount of debt could have important consequences to us and our shareholders, including:

- requiring a substantial portion of our cash flow from operations to make payments on this debt, thereby limiting the cash we have available to fund future growth opportunities, such as research and development, capital expenditures and acquisitions;
- restrictive covenants in our debt arrangements that limit our operations and borrowing, and place restrictions on our ability to pay dividends or repurchase common stock;
- the risk of a future credit ratings downgrade of our debt or rising interest rates on our variable rate debt increasing future debt costs and limiting the future availability of debt financing;
- increasing our vulnerability to general adverse economic and industry conditions and limiting our flexibility in planning for, or reacting to, changes in our business and industry, due to the need to use our cash to service our outstanding debt;
- placing us at a competitive disadvantage relative to our competitors that are not as highly leveraged with debt and that may therefore be able to invest more in their business or use their available cash to pursue other opportunities, including acquisitions; and
- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise.

In addition, our actual cash requirements in the future may be greater than expected. Our cash flow from operations may not be sufficient to repay all of our outstanding debt as it becomes due, and we may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to refinance our debt.

We may need to seek additional financing for our general corporate purposes. For example, we may need to increase our investment in research and development activities or require funding to make acquisitions. Although the indentures and credit agreements relating to our existing debt contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and, under certain circumstances, the amount of debt that could be incurred in compliance with these restrictions could be substantial. We may be unable to obtain desired additional financing on terms favorable to us, or at all. For example, during periods of volatile credit markets, there is a risk that lenders, even those with strong balance sheets and sound lending practices, could fail or refuse to honor their credit commitments and obligations, including, but not limited to, extending credit up to the maximum permitted by a credit facility and otherwise accessing capital or honoring loan commitments. If our lenders are unable to fund borrowings under their loan commitments or we are unable to borrow, it could be difficult to replace such loan commitments on similar terms or at all. If adequate funds are not available on acceptable terms, we may be unable to fund growth opportunities, successfully develop or enhance products, or respond to competitive pressures, any of which could negatively affect our business. If we raise additional funds through the issuance of equity securities, our shareholders will experience dilution of their ownership interest. If we raise additional funds by issuing debt, we may be subject to limitations on our operations and ability to pay dividends due to restrictive covenants. Generally, to the extent that we incur additional indebtedness, all of the risks described above in connection with our debt obligations could increase.

In addition, the London Interbank Offered Rate, or LIBOR, the interest rate benchmark used as a reference rate for borrowings under our revolving credit facility and certain derivative instruments, is expected to be phased out in calendar year 2023. A reference rate based on the Secured Overnight Financing Rate, or another alternative benchmark rate, is expected to be established to replace LIBOR. Once the relevant administrator announces that LIBOR has ceased or will cease to be available, or the required lenders elect to opt-in early to a new reference rate, the Company and the lenders under the revolving credit facility will be required to mutually select a substitute reference rate, and if such substitute reference rate, or the replacement reference rate for our derivative instruments, is higher than LIBOR, our interest expense related to such borrowings may increase.

Our credit ratings are important to our cost of capital.

We expect that the major credit rating agencies will continue to evaluate our creditworthiness and give us specified credit ratings. These credit ratings are limited in scope, and do not address all material risks related to investment in Energizer, but rather reflect only the view of each rating agency at the time the rating is issued. Nonetheless, the credit ratings we receive will impact our borrowing costs as well as our access to sources of capital on terms that will be advantageous to our business. Failure to obtain sufficiently high credit ratings could adversely affect the interest rate in future financings, our liquidity or our competitive position and could also restrict our access to capital markets. There can be no assurance that any credit ratings we receive will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the applicable rating agencies if, in such rating agency's judgments, circumstances so warrant.

We may experience losses or be subject to increased funding and expenses related to our pension plans.

We assumed pension plan liabilities related to our current and former employees in connection with the separation. Effective January 1, 2014, the pension benefit earned to date by active participants under the legacy U.S. pension plan was frozen and future retirement service benefits are no longer accrued under this retirement program; however, our pension plan obligations remain significant. If the investment of plan assets does not provide the expected long-term returns, if interest rates or other assumptions change, or if governmental regulations change the timing or amounts of required contributions to the plans, we could be required to make significant additional pension contributions, which may have an adverse impact on our liquidity, our ability to comply with debt covenants and may require recognition of increased expense within our financial statements.

The estimates and assumptions on which our financial projections are based may prove to be inaccurate, which may cause our actual results to materially differ from our projections, which may adversely affect our future profitability, cash flows and stock price.

Our financial projections, including any sales or earnings guidance or outlook we may provide from time to time, depend on certain estimates and assumptions related to, among other things, a number of factors: product category growth; development and launch of innovative new products; market share projections; product pricing and sale, volume and product mix; foreign exchange rates and volatility; tax rates; manufacturing costs including commodity prices; distribution channel volume and costs; cost savings; accruals for estimated liabilities, including litigation reserves, measurement of benefit obligations for pension and other postretirement benefit plans; and our ability to generate sufficient cash flow to reinvest in our existing business, fund internal growth, repurchase our stock, make acquisitions, pay dividends and meet debt obligations.

We develop our financial projections based on historical experience and on various other estimates and assumptions that we believe to be reasonable under the circumstances and at the time they are made. Our actual results may differ materially from our financial projections. Any material variation between our financial projections and our actual results may adversely affect our future profitability, cash flows and stock price.

If we pursue strategic acquisitions, divestitures or joint ventures, we might experience operating difficulties, dilution, and other consequences that may harm our business, financial condition, and operating results, and we may not be able to successfully consummate favorable transactions or successfully integrate acquired businesses.

From time to time, we may evaluate potential acquisitions, divestitures or joint ventures that could further our strategic objectives. With respect to acquisitions, we may not be able to identify suitable candidates, consummate a transaction on terms that are favorable to us, or achieve expected returns and other benefits as a result of integration challenges. Some of the areas where we face risks include:

- Diversion of management time and focus from operating our business to challenges related to acquisitions and other strategic transactions;
- Failure to successfully integrate and further develop the acquired business or technology;
- Implementation or remediation of controls, procedures, and policies at the acquired company;
- Integration of the acquired company's accounting, human resource, and other administrative systems, and coordination of research and development, commercial and marketing functions;
- Transition of operations, users, and customers onto our existing platforms;
- Failure to obtain required approvals on a timely basis, if at all, from governmental authorities, or conditions placed upon approval that could, among other things, delay or prevent us from completing a transaction, or otherwise restrict our ability to realize the expected financial or strategic goals of a transaction;
- In the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political, and regulatory risks associated with specific countries;
- Cultural challenges associated with integrating employees from the acquired company into our organization, and retention of employees from the businesses we acquire;
- Liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, data privacy and security issues, violations of laws, commercial disputes, tax liabilities, and other known and unknown liabilities; and
- Litigation or other claims in connection with the acquired company, including claims from terminated colleagues, customers, former shareholders, or other third parties.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and other strategic transactions could cause us to fail to realize their anticipated benefits, incur unanticipated liabilities, and harm our business generally.

Future acquisitions could also result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities or amortization expenses related to certain intangible assets, and increased operating expenses, which could adversely affect our results of operations and financial condition. Furthermore, if we issue equity or debt securities to raise additional funds, our existing shareholders may experience significant dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing shareholders. Furthermore, if we sell a substantial number of shares of common stock in the public markets, the availability of those shares for sale could adversely affect the market price of our common stock. Such sales, or the perception in the market that holders of a large number of shares intend to sell shares, could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. For one or more of these transactions, we may:

- use cash that we may need in the future to operate our business;
- incur large charges or substantial liabilities;
- incur debt on terms unfavorable to us or that we are unable to repay; and
- encounter difficulties retaining key employees of the acquired company.

We have divested and may, in the future, divest certain assets, businesses or brands that do not meet our strategic objectives or growth targets. With respect to any potential future divestiture, we may encounter difficulty finding potential acquirers or other divestiture options on favorable terms. Any future divestiture could affect our profitability as a result of the gains or losses on such sale of a business or brand, the loss of the operating income or sales resulting from such sale or the costs or liabilities that we retain, which may negatively impact profitability and cash flow subsequent to any divestiture. We may also be required to recognize impairment charges or other losses as a result of a divestiture.

Our growth and expansion could adversely affect our internal control over financial reporting and cause us to incur additional material expense to update and maintain an effective system of internal control.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Because of its inherent limitations, internal control over financial reporting cannot provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Our continuing growth and expansion in domestic and globally dispersed markets may place significant additional pressure on our system of internal control over financial reporting and require us to update its internal control over financial reporting. Moreover, the Company engages the services of third parties to assist with business operations and financial reporting processes, which injects additional monitoring obligations and risk into the system of internal control. When the Company is required to comply with new or revised accounting standards or implements changes to its external disclosure processes, it must make any appropriate changes to its internal control over financial reporting to fully implement the standards or such changes, which may require significant effort and judgment. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report its results of operations accurately and on a timely basis, or to detect and prevent fraud and could expose it to regulatory enforcement action and stockholder claims, which could have a material adverse effect on our business, financial condition and results of operations.

The 2019 acquisitions of the auto care and battery businesses from Spectrum (the Acquisitions) 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 Acquisitions 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 acquired businesses or that the terms of the acquisition agreements will be complied with. We may learn additional information about the Acquisitions 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 our business, financial condition and results of operations.

Legal, Compliance and Sustainability Risks

Our business involves the potential for claims of product liability, labeling claims, commercial claims and other legal claims against us, which could affect our results of operations and financial condition and result in product recalls or withdrawals.

We face exposure to claims arising out of alleged defects in our products, including for property damage, bodily injury or other adverse effects; alleged contaminants in our products; and allegations that our products provide inadequate instructions or warnings regarding their use; and failure to perform as advertised. Product liability, advertising and labeling claims could result in negative publicity that could harm our reputation, sales and results of operation. If any of our products are found to be defective, we may recall such products, which could result in adverse publicity and significant expenses. We maintain product liability insurance, but this insurance does not cover all types of claims, particularly claims that do not involve personal injury or property damage or claims that exceed the amount of insurance coverage. Further, we may not be able to maintain such insurance in sufficient amounts, on desirable terms, or at all, in the future. In addition to the risk of monetary judgments not covered by insurance, product liability claims could result in negative publicity that could harm our products' reputation and in certain cases require a product recall. Product withdrawals or product liability claims, and any subsequent remedial actions, could have a material adverse effect on our business, reputation, brand value, results of operations and financial condition.

In addition, we are, and may in the future become, the subject of, or party to, various pending or threatened legal actions, government investigations and proceedings relating to, among other things, advertising disputes with competitors, consumer class actions, including those related to advertising claims, labor claims, breach of contract claims, antitrust litigation, securities litigation, premises liability claims, data privacy and security disputes, employment litigation related to employees, contractors and suppliers, including class action lawsuits, and litigation in foreign jurisdictions. We have been, and may in the future be, subject to additional claims, proceedings and actions as we expand the products within the global auto care product category. In general, claims made by or against us in litigation, investigations, disputes or other proceedings have been and may in the future be expensive and time-consuming to bring or defend against and could result in settlements, injunctions or damages that could significantly affect our business, financial condition and results of operations and harm our reputation. It is not possible to predict the final resolution of litigation, investigations, disputes or proceedings in which we currently are or may in the future become involved and our assessment of the materiality of these matters and any reserves taken in connection therewith may not be consistent with their final resolutions. The impact of these matters, including any reserves taken in connection with such matters, on our business, financial condition and results of operations could be material. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Notes to Consolidated Financial Statements in for additional information related to these matters.

Our business is subject to increasing regulation in the U.S. and abroad, the uncertainty and cost of future compliance and consequence of non-compliance with which may have a material adverse effect on our business.

Federal, state and foreign governments may introduce new or expand existing legislation and regulations, or courts or governmental authorities could impose more stringent interpretations of existing legislation and regulations, that may adversely affect our operations or require us to increase our resources, capabilities and expertise in certain areas, as well as incur increased compliance costs. In order to conduct our operations 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.

Additional regulations may be enacted governing the packaging, use and disposal of our auto care business' products containing refrigerants. In recent years, refrigerants such as R-134a have become the subject of regulatory focus due to their potential to contribute to global warming. The EU 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 at the federal level, 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, individual states are regulating the sale and distribution of products containing R-134a. Regulations may also be enacted governing the packaging, use and disposal of our auto care business' products containing refrigerants. 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 our auto care business' products containing R-134a may be limited, which could have a material adverse impact on our 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.

Privacy and data protection laws and regulations, including with respect to the European Union's GDPR, the Brazilian Data Protection Law, and California's CCPA, and the interpretation and enforcement of those and similar laws and regulations, are continuously developing and evolving and there may be uncertainty with respect to how to comply with them. The changes introduced by existing privacy and data protection laws and regulations and the introduction of similar laws and regulations in other jurisdictions, have subjected, and may continue in the future to subject, us to additional costs and have required, and may in the future require, costly changes to our security systems, policies, procedures and practices. Our systems and those of our business partners are subject to regulation to preserve the privacy of certain data held on those systems.

The 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. The GDPR significantly increases penalties for non-compliance. Non-compliance could also damage our reputation 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 prevent or remediate any such issues. Our efforts to comply with privacy and data protection laws and regulations may impose significant costs and challenges that are likely to increase over time, which could have a material adverse effect on our financial condition and results of operations.

If the Company is found to be noncompliant with applicable laws and regulations in these or other areas, it could be subject to governmental or regulatory actions, including fines, import detentions, injunctions, product withdrawals or recalls or asset seizures, as well as potential criminal sanctions, any of which could have a material adverse effect on our business. 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. Additionally, loss of or failure to obtain necessary permits and registrations, particularly with respect to our global auto care business, could delay or prevent us from meeting current product demand, introducing new products, building new facilities or acquiring new businesses and could adversely affect our financial condition and results of operations.

Increased focus by governmental and non-governmental organizations, customers, consumers and shareholders on sustainability issues, including those related to climate change, may have an adverse effect on our business, financial condition and results of operations and damage our reputation.

As climate change, land use, water use, deforestation, plastic waste, recyclability or recoverability of packaging, including single-use and other plastic packaging, and other sustainability concerns become more prevalent, governmental and non-governmental organizations, customers, consumers and investors are increasingly focusing on these issues. In particular, changing consumer preferences may result in increased customer and consumer concerns and demands regarding plastics and packaging materials, including single-use and non-recyclable plastic packaging, and their environmental impact on sustainability, a growing demand for natural or organic products and ingredients, or increased consumer concerns or perceptions (whether accurate or inaccurate) regarding the effects of ingredients or substances present in certain consumer products. This increased focus on environmental issues and sustainability may result in new or increased regulations and customer, consumer and investor demands that could cause us to incur additional costs or to make changes to our operations to comply with any such regulations and address demands. If we are unable to respond or perceived to be inadequately responding to sustainability concerns, customers and consumers may choose to purchase products from another company or a competitor, and certain investor may divert from, or avoid investing in, our securities. Concern over climate change may result in new or increased legal and regulatory requirements to reduce or mitigate the effects of climate change on the environment, as well as increasing the cost of capital. Increased costs of energy or compliance with emissions standards due to increased legal or regulatory requirements may cause disruptions in or increased costs associated with manufacturing our products. Any failure to achieve our goals with respect to reducing our impact on the environment or a perception (whether or not valid) of our failure to act responsibly with respect to the environment or to effectively respond to new, or changes in, legal or regulatory requirements concerning climate change or other sustainability concerns could adversely affect our business and reputation.

We are subject to environmental laws and regulations that may expose us to significant liabilities and have a material adverse effect on our results of operations and financial condition.

We must comply with various environmental laws and regulations in the jurisdictions in which we operate, including those relating to the handling and disposal of solid and hazardous wastes, recycling of batteries and packaging, 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 our ownership or operation of our 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 our 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 our current and former facilities as well as third-party waste disposal sites, and we 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. We have incurred, and will continue to incur, capital and operating expenses and other costs in complying with environmental laws and regulations, including with respect to current and formerly owned facilities, as well as disposal sites owned by third parties to whom we have sent waste. As new laws and regulations are introduced, we could become subject to additional environmental liabilities in the future that could have a material adverse effect on our results of operations or financial condition.

The resolution of our tax contingencies may result in additional tax liabilities, which could adversely impact our cash flows and results of operations.

Significant estimation and judgment are required in determining our tax provisions for taxes in the U.S. and jurisdictions outside the U.S. In the ordinary course of our business, there are transactions and calculations in which the ultimate tax determination is uncertain. We are regularly audited by tax authorities and, although we believe our tax positions are defensible and our tax provision estimates are reasonable, the final outcome of tax audits and related litigation could be materially different than that reflected in our income tax provisions and accruals. When particular tax matters arise, a number of years may elapse before such matters are audited and finally resolved. Unfavorable resolution of any tax matter in any of the jurisdictions in which we operate could increase the effective tax rate, which would have an adverse effect on our financial condition and results of operations. Any resolution of a tax issue may require the use of cash in the year of resolution.

Risks Specific to Our Common Stock

We cannot guarantee that any share repurchase program will be fully consummated or that any share repurchase program will enhance long-term stockholder value, and share repurchases could increase the volatility of the price of our stock and diminish our cash reserves.

In November 2020, the Board of Directors authorized the Company to repurchase up to 7.5 million of our common stock. Our repurchase program does not have an expiration date and does not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares. The Board’s decisions regarding the repurchase of shares will depend on many factors, such as our financial condition, earnings, capital requirements, debt service obligations, covenants associated with certain of our debt service obligations, legal requirements and regulatory constraints. Our share repurchase program could affect the price of our stock and increase volatility and may be suspended or terminated at any time, which may result in a decrease in the trading price of our stock. We cannot guarantee that we will repurchase shares in the future or conduct share repurchase programs.

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

The timing, declaration, amount and payment of future dividends to shareholders will fall within the discretion of our Board of Directors. The Board’s decisions regarding the payment of dividends will depend on many factors, such as our financial condition, earnings, capital requirements, debt service obligations, covenants associated with certain of our debt service obligations, legal requirements and regulatory constraints. The payment of dividends on our common stock is also subject to the preferential rights of the Mandatory Convertible Preferred Stock and other preferred stock that the Board may create from time to time. We cannot guarantee that we will continue to pay dividends in the future.

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

Our common stock ranks junior to our Mandatory Convertible Preferred Stock, 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 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 a liquidation preference equal to $100 per share plus accumulated and unpaid dividends.

Certain rights of the holders of the Mandatory Convertible Preferred Stock 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 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.

Risk Related to Anti-Takeover Measures

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 two-thirds 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.

1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

Our principal executive office is in St. Louis, Missouri. Below is a list of Energizer's principal plants and facilities as of the date of filing. Management believes that the Company's production facilities are adequate to support the business and the properties and equipment have been well maintained.

Americas

Asheboro, NC (an owned manufacturing plant and an owned packaging facility)

Garrettsville, OH (an owned manufacturing plant)

Marietta, OH (an owned manufacturing plant)

Westlake, OH (an owned research facility)

Dixon, IL (a leased packaging facility)

Dayton, OH (a leased manufacturing and distribution facility)

Fennimore, WI (an owned manufacturing facility)

Portage, WI (an owned manufacturing facility)

Franklin, IN (a leased distribution and packaging facility)

International

Bekasi, Indonesia (an owned manufacturing facility)

Cimanggis, Indonesia (an owned manufacturing facility on leased land)

Jurong, Singapore (an owned manufacturing facility on leased land)

Alexandria, Egypt (an owned manufacturing facility)

Washington, UK (a leased manufacturing facility)

Rassau, UK (a leased manufacturing facility)

Jaboatao, Brazil (an owned manufacturing facility)

Santo Domingo, Dominican Republic (an owned distribution facility)

In addition to the properties identified above, Energizer and its subsidiaries own or operate sales offices, regional offices, storage facilities, distribution centers and terminals and related properties.

Through our global supply chain and global manufacturing footprint, we strive to meet diverse consumer demands within each of the markets we serve. Our portfolio of household and specialty batteries, and portable lights, automotive fragrance and appearance products is distributed through a global sales force and global distributor model.

Item 3. ***Legal Proceedings***

We are parties to a number of legal proceedings in various jurisdictions arising out of our business operations in the normal course of business. Many of these legal matters are in preliminary stages and involve complex issues of law and fact, and may proceed for protracted periods of time. The amount of liability, if any, from these proceedings cannot be determined with certainty. However, based upon present information, we believe that our liability, if any, arising from such pending legal proceedings, asserted legal claims and known potential legal claims which are likely to be asserted, are not reasonably likely to be material to our financial position, results of operations, or cash flows, taking into account established accruals for estimated liabilities.

See also the discussion captioned “Governmental Regulations and Environmental Matters” under Item 1 above.

Item 4. ***Mine Safety Disclosure***

None.

Item 4A. ***Information About Our Executive Officers***

A list of the executive officers of Energizer and their business experience follows. Ages shown are as of November 16, 2021. Executive officers are appointed by, and hold office at the discretion of, our Board of Directors.

Mark S. LaVigne - President and Chief Executive Officer. Mr. LaVigne has served as President since 2019 and as Chief Executive Officer since January 1, 2021. He previously served as Chief Operating Officer since 2015, and as Executive Vice President from 2015 to 2019. Mr. LaVigne was with our former parent company since 2010. Mr. LaVigne led our Spin-off from our former parent company in 2015, in addition to serving as Vice President, General Counsel and Secretary. Prior to joining the Company, Mr. LaVigne was a partner at Bryan Cave LLP from 2007 to 2010, where he advised our former parent company on several strategic acquisitions. Mr. LaVigne holds a J.D. from St. Louis University School of Law and a B.A. from the University of Notre Dame. Age: 50.

Sue K. Drath - Chief Human Capital Officer. Ms. Drath has served as Chief Human Capital Officer since 2015 and is responsible for Energizer's global human resources function including culture, engagement, diversity, talent acquisition, rewards and development for our global colleagues. Ms. Drath was Vice President, Global Rewards of our former parent company. In this role, Ms. Drath was responsible for the design, development, and implementation of all corporate-driven compensation and benefits programs across Energizer’s businesses and areas. Ms. Drath was with our former parent company since 1992, previously serving as Vice President, Global Compensation and Benefits. Ms. Drath graduated from the University of North Dakota with a B.A. degree in Business Administration. Age: 51.

John J. Drabik - Executive Vice President, Chief Financial Officer. Mr. Drabik was appointed as Executive Vice President, Chief Financial Officer effective October 1, 2021. Mr. Drabik previously served as Senior Vice President, Corporate Controller, and was our Chief Accounting Officer, since 2019. Mr. Drabik is responsible for the Company’s global accounting, financial support and information technology functions. Mr. Drabik joined Energizer in 2001 and has held several roles of increasing responsibility, including Vice President, Corporate Development from 2013 to 2017 and Vice President, Corporate Controller and Treasurer from to 2019. Mr. Drabik holds an MBA from Washington University in St. Louis and a B.S. degree in Accounting from the University of Missouri at Columbia. Age: 49.

Sara B. Hampton – Vice President, Global Controller and Chief Accounting Officer. Ms. Hampton has served as the Company’s Vice President, Global Controller since April 2021, and was appointed as Chief Accounting Officer effective October 1, 2021. She previously served as the Company’s Assistant Controller since 2015. Prior thereto, Ms. Hampton held other positions of increasing responsibility within the Company’s external reporting and finance organization, including Director, Financial Reporting and Senior Manager, External Reporting. Before joining the Company in 2004, Ms. Hampton held audit roles at Deloitte & Touche LLP. Ms. Hampton earned a B.S. degree in Accounting from Southern Illinois University Edwardsville. Age: 45.

Part II.

Item 5. ***Market for Registrant's Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities.***

The Company's Common Stock is listed on the New York Stock Exchange (NYSE). As of September 30, 2021, there were approximately 5,269 shareholders of record of the Company's Common Stock under the symbol "ENR".

The Company expects to continue to pay regular quarterly dividends. However, future dividends are dependent on future earnings, capital requirements and the Company's financial condition and are declared at the sole discretion of the Company's Board of Directors. See Item 1A - Risk Factors - Risks Related to Our Common Stock - *We cannot guarantee the timing, amount or payment of dividends on our common stock.*

Issuer Purchases of Equity Securities. The following table reports purchases of equity securities during the fourth quarter of fiscal 2021 by Energizer and any affiliated purchasers pursuant to SEC rules, including any treasury shares withheld to satisfy employee withholding obligations upon vesting of restricted stock and the execution of net exercises.

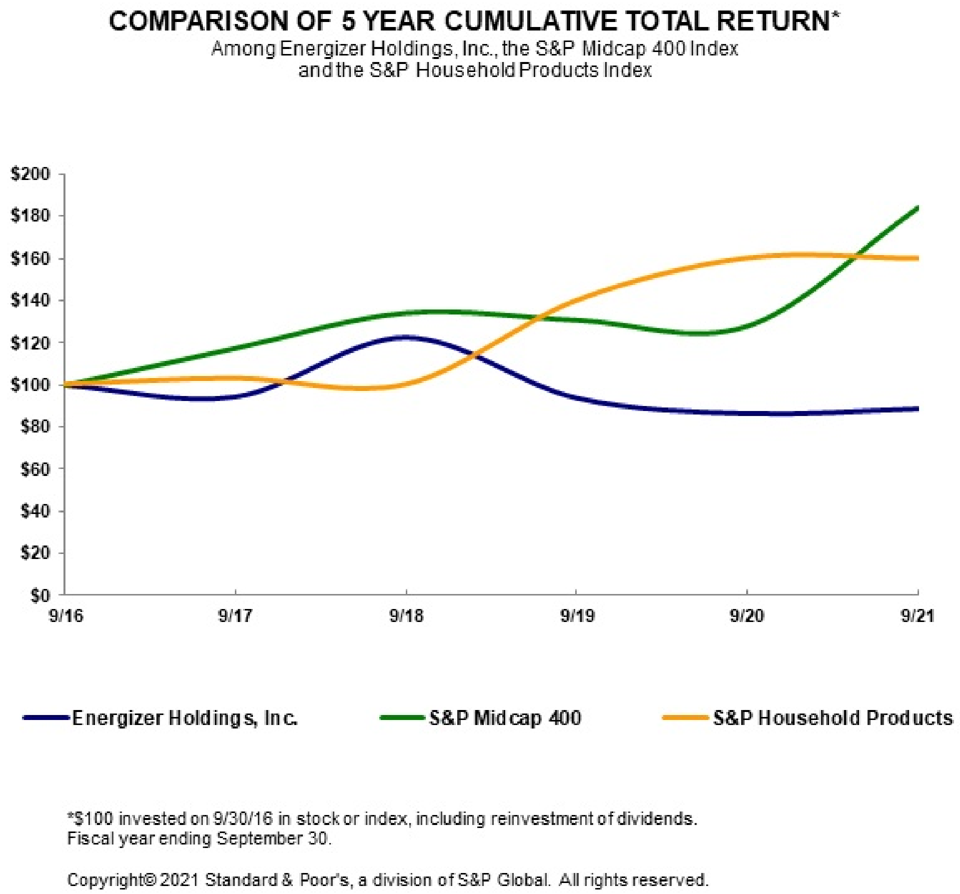
Issuer Purchases of Equity Securities				
Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number That May Yet Be Purchased Under the Plans or Programs
July 1, 2021 - July 31, 2021	116	$ 43.21	—	7,000,000
August 1, 2021 - August 31, 2021	—	$ —	1,507,538	5,492,462
September 1, 2021 - September 30, 2021	49	$ 38.18	—	5,492,462
Total	165	$ 41.72	—	5,492,462

(1) 165 shares purchased during the quarter relate to the surrender to the Company of shares of common stock to satisfy tax withholding obligations in connection with the vesting of restricted stock or execution of net exercises.

(2) The Company entered into a $75.0 million accelerated share repurchase (ASR) program in the fourth quarter of fiscal 2021. Under the terms of the agreement, the 1.5 million shares were delivered in August 2021 with the remainder to be delivered at termination of the agreement, on or before November 18, 2021. The Company expects approximately 1.9 million total shares to be repurchased under the ASR.

The graph below matches Energizer Holdings, Inc.'s cumulative total shareholder return on common stock with the cumulative total returns of the S&P Midcap 400 index and the S&P Household Products index. The graph tracks the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends) from 9/30/2016 to 9/30/2021.

These indices are included only for comparative purposes as required by Securities and Exchange Commission rules and do not necessarily reflect management's opinion that such indices are an appropriate measure of the relative performance of the Common Stock. They are not intended to forecast possible future performance of the Common Stock.



	9/30/16	9/30/17	9/30/18	9/30/19	9/30/20	9/30/21
Energizer Holdings, Inc.	100.0	94.4	122.8	93.8	86.4	88.6
S&P Midcap 400	100.0	117.5	134.2	130.9	128.0	184.0
S&P Household Products	100.0	102.9	100.0	140.1	160.2	160.0

Item 6. R*eserved.*

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

The following discussion is a summary of the key factors management considers necessary in reviewing the Company's results of operations, operating segment results, and liquidity and capital resources. Statements in this Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) that are not historical may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

You should read the following MD&A in conjunction with the audited Consolidated Financial Statements and corresponding notes included elsewhere in this Annual Report. This MD&A contains forward-looking statements. The matters discussed in these forward-looking statements are subject to risk, uncertainties, and other factors that could cause actual results to differ materially from those projected or implied in the forward-looking statements. Please see Part I. Item 1A “Risk Factors” above and “Forward-Looking Statements” for a discussion of the uncertainties, risks and assumptions associated with these statements.

All amounts discussed are in millions of U.S. dollars, unless otherwise indicated.

Forward-Looking Statements

This document contains both historical and forward-looking statements. Forward-looking statements are not based on historical facts but instead reflect our expectations, estimates or projections concerning future results or events, including, without limitation, the future sales, gross margins, costs, earnings, cash flows, tax rates and performance of the Company. These statements generally can be identified by the use of forward-looking words or phrases such as "believe," "expect," "expectation," "anticipate," "may," "could," "intend," "belief," "estimate," "plan," "target," "predict," "likely," "should," "forecast," "outlook," or other similar words or phrases. These statements are not guarantees of performance and are inherently subject to known and unknown risks, uncertainties and assumptions that are difficult to predict and could cause our actual results to differ materially from those indicated by those statements. We cannot assure you that any of our expectations, estimates or projections will be achieved. The forward-looking statements included in this document are only made as of the date of this document and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements including, but not limited to, those discussed in Part I, Item 1A, “Risk Factors," as updated from time to time in the Company’s SEC filings.

Non-GAAP Financial Measures

The Company reports its financial results in accordance with accounting principles generally accepted in the U.S. (GAAP). However, management believes that certain non-GAAP financial measures provide users with additional meaningful comparisons to the corresponding historical or future period. These non-GAAP financial measures exclude items that are not reflective of the Company's on-going operating performance, such as acquisition and integration costs and related items, an acquisition earn out, loss on extinguishment of debt, settlement loss on pension plan termination and the one-time impact of Tax structuring, Coronavirus Aid, Relief and Economic Security (CARES) Act and the December 2017 Tax Cuts and Jobs Act (2017 tax reform). In addition, these measures help investors to analyze 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 investors in understanding our business and in performing analysis consistent with financial models developed by research analysts. Investors should consider non-GAAP measures in addition to, not as a substitute for, or superior to, the comparable GAAP measures. In addition, these non-GAAP measures may not be the same as similar measures used by other companies due to possible differences in method and in the items being adjusted.

We provide the following non-GAAP measures and calculations, as well as the corresponding reconciliation to the closest GAAP measure:

Segment Profit. This amount represents the operations of our two reportable segments including allocations for shared support functions. General corporate and other expenses, global marketing expenses, R&D expenses, amortization expense, interest expense, loss on extinguishment of debt, other items, net, charges related to acquisition and integration, acquisition earn out and settlement loss on pension plan termination have all been excluded from segment profit.

Adjusted net earnings from continuing operations and Adjusted Diluted net earnings per common share - continuing operations (EPS). These measures exclude the impact of the costs related to acquisition and integration, an acquisition earn out, loss on extinguishment of debt, the settlement loss on pension plan terminations, and the one-time impact of tax structuring, the CARES Act and 2017 tax reform.

Non-GAAP Tax Rate. This is the tax rate when excluding the after tax impact of acquisition and integration, acquisition earn out, the loss on extinguishment of debt and the settlement loss on pension plan terminations calculated utilizing the statutory rate for where the impact was incurred, as well as the one-time impact of the tax structuring, CARES Act and 2017 tax reform.

Organic. This is the non-GAAP financial measurement of the change in revenue or segment profit that excludes or otherwise adjusts for the impact of acquisitions, change in Argentina operations and the impact of currency from the changes in foreign currency exchange rates as defined below:

Impact of acquisitions. Energizer completed two acquisitions in the first fiscal quarter of 2021, a battery plant in Indonesia on October 1, 2020 and a formulation company in the United States on December 1, 2020 (Formulations Acquisition), the Auto Care Acquisition on January 28, 2019, the Battery Acquisition on January 2, 2019, and the Nu Finish Acquisition on July 2, 2018. These adjustments include the impact each acquisition's on-going operations contributed to each respective income statement caption for the first year's operations directly after the acquisition date. This does not include the impact of acquisition and integration costs or the one-time inventory fair value step up costs associated with the acquisitions.

Change in Argentina Operations. The Company is presenting separately all changes in sales and segment profit from our Argentina affiliate due to the designation of the economy as highly inflationary as of July 1, 2018.

Impact of currency. The Company evaluates the operating performance of our Company on a currency neutral basis. The impact of currency is the difference between the value of current year foreign operations at the current period ending USD exchange rate, compared to the value of the current year foreign operations at the prior period ending USD exchange rate.

Adjusted Gross Profit, Adjusted Gross Margin and adjusted Selling, General & Administrative (SG&A) as a percent of sales. Details for adjusted gross margin and adjusted SG&A as a percent of sales are also supplemental non-GAAP measure disclosures. These measures exclude the impact of costs related to acquisition and integration, acquisition earn outs and inventory step up from purchase accounting.

Novel Coronavirus (COVID-19)

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic. The COVID-19 health crisis poses significant and widespread risks to the Company’s business as well as to the business environment and the markets in which the Company operates.

During these challenging times, the Company is operating with two enduring principles - ensuring the health and safety of our colleagues and business continuity. We are following the guidelines issued by the U.S. Center for Disease Control and Prevention and the World Health Organization and have instituted work from home for our office locations. We have also instituted additional measures at our production facilities, including temperature monitoring, enhanced facility cleaning, visual cues to aid in social distancing, and staggered shifts to minimize the number of colleagues on-site at any given time. We encourage colleagues to stay home if they or their family members are ill.

During natural disasters and other crises such as the COVID-19 pandemic, our battery products are needed not only by consumers who have purchased devices for working at home and entertaining their families, but as well as healthcare professionals and others who are directly combatting COVID-19, including doctors, nurses and first responders. This has been evident in the increased demand for our battery products in the U.S. across nearly all retail channels. Energizer provides batteries that power medical devices, including touchless thermometers, blood pressure, heart and fall monitors and pulse oximeters, and other products that are critical during the COVID-19 outbreak. Energizer’s batteries also power devices and equipment that enable consumers to work, study as well as for entertainment at home, such as computer accessories, smart doorbells, and security cameras, toys, games, smoke alarms and carbon monoxide detectors.

Initially, auto care products were negatively impacted by COVID-19 due to shelter in place orders that negatively impacted auto travel. However, as countries and states began to reopen, the use of automobiles increased as consumers avoided public transportation, including turning to car travel versus air for vacations. During this time, consumers turned their focus to Do It Yourself versus Do It for Me with strong demand for wipes and cleaning products as the year progressed. If countries return to shelter-in-place orders, work and travel restrictions or other similar measures in order to contain the virus, this could have a negative impact on our auto care products.

Our core batteries and auto care businesses had strong organic net sales growth in fiscal 2021. However, we also experience higher operating costs due to the global supply chain constraints, and higher input costs, including labor shortages and higher transportation and commodity costs. Higher tariffs have also been impacting our margins. Although our direct incremental costs of COVID-19 have gone down from last year, our operating costs are continuing to rise in the current operating environment. In order to serve our customers, we have taken a proactive approach to invest in incremental safety stock given the continued volatility of the global supply network-including uncertainty around product sourcing, transportation challenges and labor availability.

While the full impact of COVID-19 is uncertain as new variations continue to develop, we believe we have multiple options to further mitigate the impact of the COVID-19 pandemic and preserve our financial flexibility in light of current uncertainty in the global markets, including the deferral or reduction of capital expenditures and reduction or delay of overhead expenses and other expenditures. Such delays could slow future growth or impact our business plan. The full impact of COVID-19 on our financial and operating performance will depend significantly on the duration and severity of the outbreak, the actions taken to contain or mitigate its impact, including the administration of approved vaccines, disruption to our global supply chain (including the ability of suppliers to keep pace with any demand increases), and the pace with which customers and consumers return to more normalized purchasing behavior, among others factors beyond our knowledge or control. See the section entitled “Risk Factors” in this Report for further considerations.

Fiscal Year 2021 Acquisitions

During the fourth quarter of fiscal 2020, the Company entered into an agreement with FDK Corporation to acquire its subsidiary PT FDK Indonesia, a battery manufacturing facility (FDK Acquisition). On October 1, 2020, the Company completed the acquisition for a contractual purchase price of $18.2. After contractual and working capital adjustments, the Company paid cash of $16.9 and a working capital adjustment of $0.7 during fiscal 2021. The acquisition of the FDK Indonesia facility increased the Company's alkaline battery production capacity and allows us to avoid future planned capital expenditures.

On December 1, 2020 the Company acquired a North Carolina-based company that specializes in developing formulations for cleaning tasks. Their products are both sold to customers directly and licensed to manufacturers. This acquisition is expected to bring significant innovation capabilities in formulations to our organization. The purchase price and total cash paid for the acquisition was $51.2. Subsequent to year-end, the working capital settlement was finalized, reducing the purchase price by $0.4 that will be paid to Energizer and the Company will finalize the purchase price accounting with this adjustment in the first fiscal quarter of 2022.

For fiscal year 2021, the incremental revenues and segment profit from these acquisitions was $27.0 and $2.5, respectively.

Battery Acquisition

On January 2, 2019, the Company acquired Spectrum Brands Holdings, Inc.'s (Spectrum) global battery, lighting and portable power business (Battery Acquisition) including the brands Rayovac® and Varta® (Acquired Battery Business). The acquisition expanded our battery portfolio globally with the addition of a strong value brand. For the twelve months ended September 30, 2020, the revenue and segment profit from the Acquired Battery Business was $125.5 and $27.9, respectively, relating to the three months of activity for which they were not owned in the comparable periods in fiscal 2019. For the twelve months ended September 30, 2019, the revenue and segment profit from the Acquired Battery Business was $338.9 and $62.7, respectively.

On January 2, 2020, the Company sold the Varta® consumer battery business in the Europe, Middle East and Africa regions, including manufacturing and distribution facilities in Germany (Varta Divestiture or Divestment Business) to VARTA Aktiengesellschaft (VARTA AG). These operations were included as discontinued operations for all periods presented.

Auto Care Acquisition

On January 28, 2019, the Company acquired Spectrum’s global auto care business, including Armor All®, STP®, and A/C PRO® brands (Auto Care Acquisition). For the twelve months ended September 30, 2020, the revenue and segment profit associated with the Auto Care Acquisition was $85.1 and $17.1, respectively, relating to the four months of activity for which they were not owned in the comparable periods in fiscal 2019. For the twelve months ended September 30, 2019, the revenue and segment profit associated with the Auto Care Acquisition was $315.8 and $76.8, respectively.

Nu Finish Acquisition

On July 2, 2018, the Company acquired all of the assets of Reed-Union Corporation's automotive appearance business, including Nu Finish Car Polish® and Scratch Doctor® brands (Nu Finish Acquisition). The revenue in the first nine months of fiscal 2019 associated with the Nu Finish acquisition was $5.9 and segment profit was $2.0, respectively.

Acquisition and Integration Costs

The Company incurred pre-tax acquisition and integration costs related to the above acquisitions of $68.9, $68.0 and $188.4 in the twelve months ended September 30, 2021, 2020, and 2019, respectively.

Pre-tax costs recorded in Costs of products sold were $33.7 and $32.0 for the twelve months ended September 30, 2021 and 2020, respectively, which primarily related to the integration restructuring costs of $31.9 and $29.3 as discussed in Note 6, Restructuring. Pre-tax costs recorded in Costs of products sold for the twelve months ended September 30, 2019 were $58.7, which primarily related to the inventory fair value adjustment of $36.2 and integration restructuring costs of $12.1.

Pre-tax acquisition and integration costs recorded in SG&A were $40.0, $38.8 and $82.3 for the twelve months ended September 30, 2021, 2020 and 2019, respectively. In fiscal 2021 and 2020 these expenses primarily related to costs of integrating the information technology systems of the Battery and Auto Care Acquisition businesses, consulting fees for the 2020 restructuring program, and success incentives. In fiscal 2019 these expenses primarily related to acquisition success fees and legal, consulting and advisory fees to assist with obtaining regulatory approval around the globe and to plan for the closing and integration of the Battery Acquisition and Auto Care Acquisition.

For the twelve months ended September 30, 2021, 2020 and 2019 the Company recorded $1.1, $1.3 and $1.1 in research and development, respectively.

Also included in the pre-tax acquisition costs for the twelve months ended September 30, 2019 was $65.6 of interest expense, including ticking fees, related to the escrowed debt for the Battery Acquisition and the financing fees incurred related to amending and issuing the debt for the Battery and Auto Care Acquisitions.

Included in Other items, net was pre-tax income of $5.9, $4.1, and $19.3 in the twelve months ended September 30, 2021, 2020 and 2019, respectively. The pre-tax income recorded in fiscal 2021 was primarily driven by a gain on the sale of assets of $3.3, which was part of the 2019 restructuring program discussed in Note 6.

The pre-tax income recorded in fiscal 2020 was primarily driven by pre-acquisition insurance proceeds of $4.9, a $1.0 gain on the sale of assets and $0.9 of transition services income, offset by a $2.2 loss related to the hedge contract on the proceeds from the Varta Divestiture and $0.5 of other items.

The pre-tax income of $19.3 recorded in fiscal 2019 was primarily driven by the escrowed debt funds held in restricted cash prior to the closing of the Battery Acquisition. The Company recorded a pre-tax gain of $9.0 related to the favorable movement in the escrowed USD restricted cash held in our European Euro functional entity. The Company also recorded interest income of $5.8 earned on the Restricted cash funds held in escrow associated with the Battery Acquisition. The Company recorded a gain of $4.6 related to the hedge contract on the expected proceeds from the anticipated Varta Divestiture and recorded income on transition services agreements of $1.4 for the twelve months ended September 30, 2019. These income items were offset by $1.5 of expense to settle hedge contracts of the acquired business.

Restructuring Costs

In the fourth fiscal quarter of 2019, the Company began implementing restructuring related integration plans for our manufacturing and distribution networks. These plans include the closure and combination of distribution and manufacturing facilities in order to reduce complexity and realize greater efficiencies in our manufacturing, packaging and distribution processes. All activities within this plan are expected to be substantially complete by December 31, 2021.

In the fourth fiscal quarter of 2020, the Company initiated a new restructuring program with a primary focus on reorganizing our global end-to-end supply chain network and ensuring accountability by category. This program includes streamlining the Company's end-to-end supply chain model to enable rapid response to category specific demands and enhancing our ability to better serve our customers. Planning and execution of this program began in fiscal year 2021, with completion of activities by December 31, 2021.

The total pre-tax expense related to these restructuring plans for the twelve months ended September 30, 2021, 2020 and 2019 were $36.8, $30.3, and $12.1, respectively. These consisted of charges for employee severance, retention, related benefit costs, accelerated depreciation, asset write-offs, relocation, environmental investigatory and mitigation costs, consulting costs and other exit costs, partially offset by a gain on sale of fixed assets. The costs were reflected in Cost of products sold, Selling, general and administrative expense, Research and development, and Other items, net on the Consolidated Statements of Earnings and Comprehensive Income. The restructuring costs for fiscal year 2021 were included within the Americas and International segments in the amount of $34.7 and $2.1, respectively. The restructuring costs for fiscal year 2020 were included within the Americas and International segments in the amount of $27.5 and $2.8, respectively. The restructuring costs for fiscal year 2019, were incurred within the Americas and International segments in the amount of $6.0 and $6.1, respectively.

Total pre-tax charges relating to the 2019 restructuring program since inception were $61.2. We expect to incur additional severance and related benefit costs and other exit-related costs associated with these plans of approximately $6 through the end of calendar 2021. Total pre-tax charges relating to the 2020 restructuring program since inception are $18.0. We expect to incur an additional approximately $2 in the first quarter of fiscal 2022.

These programs are expected to generate approximately $55 to $60 of total cost savings annually by the end of fiscal 2022, primarily within Cost of products sold. The Company has already begun realizing cost savings from the 2019 restructuring program (approximately $34 program to date), and began realizing cost savings from the 2020 restructuring program in fiscal 2021 (approximately $2.6 program to date). The Company believes it is on track to achieve the planned program savings.

Refer to Note 6 Restructuring for further detail.

Overview

General

Energizer, through its operating subsidiaries, is one of the world's largest manufacturers, marketers and distributors of household batteries, specialty batteries and lighting products, and a leading designer and marketer of automotive appearance, performance, refrigerant, and freshener products. Energizer manufactures, markets and/or licenses one of the most extensive product portfolios of household batteries, specialty batteries, auto care products and portable lights. Energizer is the beneficiary of over 100 years of expertise in the battery and portable lighting products industries. Its brand names, Energizer, Eveready and Rayovac, have worldwide recognition for innovation, quality and dependability, and are marketed and sold around the world.

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

- the first flashlight;
- the first dry cell alkaline battery;
- the first mercury-free alkaline battery; and
- Energizer Ultimate Lithium®, the world's longest-lasting AA and AAA battery for high-tech devices.

Energizer offers batteries using many technologies including lithium, alkaline, carbon zinc, nickel metal hydride, zinc air, and silver oxide. These products are sold globally under the Energizer, Eveready and Rayovac brands, including hearing aid batteries, and the Varta brand in Latin America and Asia Pacific. These products include primary, rechargeable, specialty and hearing aid batteries and are offered in the performance, premium and price segments.

In addition, we offer auto care products in the appearance, fragrance, performance and air conditioning recharge product categories. 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 names Armor All, Nu Finish, Refresh Your Car!, LEXOL, Eagle One, California Scents, Driven and Bahama & Co.

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 brand equity of STP also provides for attractive licensing opportunities that augment our presence in our core performance categories.

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.

In addition, we offer an extensive line of lighting products designed to meet a variety of consumer needs. We distribute and market lighting products including handheld, headlights, lanterns, and area lights. In addition to the Energizer, Eveready and Rayovac brands, we market our flashlights under the Hard Case, Dolphin, and WeatherReady® sub-brands. In addition to batteries and portable lights, Energizer licenses the Energizer, Eveready and Rayovac brands to companies developing consumer solutions in solar, automotive batteries, portable power for critical devices (like smart phones), generators, power tools, household light bulbs and other lighting products.

Through our global supply chain, global manufacturing footprint and seasoned commercial organization, we seek to meet diverse customer demands within each of the markets we serve. Energizer distributes its portfolio of batteries, auto care and lighting products through a global sales force and global distributor model. We sell our products in multiple retail and business-to-business channels, including: mass merchandisers, club, electronics, food, home improvement, dollar store, auto, drug, hardware, e-commerce, convenience, sporting goods, hobby/craft, office, industrial, medical and catalog.

We use the Energizer name and logo as our trademark as well as those of our subsidiaries. Product names appearing throughout are trademarks of Energizer. This MD&A also may refer to brand names, trademarks, service marks and trade names of other companies and organizations, and these brand names, trademarks, service marks and trade names are the property of their respective owners.

Operations for Energizer are managed via two major geographic reportable segments: Americas and International.

Financial Results

Net earnings from continuing operations for the fiscal year ended September 30, 2021 was $160.9, or $2.11 per diluted common share, compared to $46.8, or $0.44 per diluted common share, and $64.7, or $0.78 per diluted common share, for the fiscal years ended September 30, 2020 and 2019, respectively.

Net earnings from continuing operations and diluted net earnings from continuing operations per common share for the time periods presented were impacted by certain items related to acquisition and integration costs, an acquisition earn out, loss on extinguishment of debt, settlement loss on pension plan termination, and the one-time impact of the Tax structuring, CARES Act and 2017 tax reform as described in the tables below. The impact of these items on reported net earnings from continuing operations and reported diluted net earnings from continuing operations per common share are provided below as a reconciliation to arrive at respective non-GAAP measures. See disclosure under Non-GAAP Financial Measures above.

	For the Twelve Months Ended September 30,		
	2021	2020	2019
Net earnings/(loss) attributable to common shareholders	$ 144.7	$ (109.5)	$ 39.1
Mandatory preferred stock dividends	(16.2)	(16.2)	(12.0)
Net earnings/(loss)	160.9	(93.3)	51.1
Net loss from discontinued operations, net of tax	—	(140.1)	(13.6)
Net earnings from continuing operations	$ 160.9	$ 46.8	$ 64.7
Pre-tax adjustments			
Acquisition and integration (1)	68.9	68.0	188.4
Acquisition earn out (2)	3.4	—	—
Loss on extinguishment of debt	103.3	94.9	—
Settlement loss on pension plan terminations (3)	—	—	3.7
Total adjustments, pre-tax	$ 175.6	$ 162.9	$ 192.1
After tax adjustments			
Acquisition and integration	54.3	55.2	148.1
Acquisition earn out	2.6	—	—
Loss on extinguishment of debt	76.1	73.0	—
Settlement loss on pension terminations	—	—	3.7
Tax structuring (4)	(38.5)	—	—
One-time impact of the CARES Act	—	1.8	—
One-time impact of 2017 tax reform	—	—	(0.4)
Total adjustments, after tax	$ 94.5	$ 130.0	$ 151.4
Adjusted net earnings from continuing operations (5)	$ 255.4	$ 176.8	$ 216.1

	For the Twelve Months Ended September 30,		
	2021	2020	2019
Diluted net earnings per common share - continuing operations	$ 2.11	$ 0.44	$ 0.78
Adjustments			
Acquisition and integration	0.79	0.79	2.06
Acquisition earn out	0.03	—	—
Loss on extinguishment of debt	1.11	1.05	—
Settlement loss on pension terminations	—	—	0.05
Tax structuring	(0.56)	—	—
One-time impact of the CARES Act	—	0.03	—
One-time impact of 2017 tax reform	—	—	(0.01)
Impact for diluted share calculation	—	—	0.12
Adjusted diluted net earnings per diluted share - continuing operations	$ 3.48	$ 2.31	$ 3.00
Weighted average shares of common stock - Diluted	68.7	69.5	67.3
Adjusted weighted average shares of common stock - Diluted (6)	68.7	69.5	72.0

(1) Acquisition and integration costs were included in the following lines in the Consolidated Statement of Earnings and Comprehensive Income:

	Twelve Months Ended September 30,		
	2021	2020	2019
Cost of products sold	$ 33.7	$ 32.0	$ 58.7
Selling, general and administrative expense	40.0	38.8	82.3
Research and development expense	1.1	1.3	1.1
Interest expense	—	—	65.6
Other items, net	(5.9)	(4.1)	(19.3)
Total acquisition and integration costs	$ 68.9	$ 68.0	$ 188.4

(2) This represents the estimated earn out achieved through September 30, 2021 under the incentive agreements entered into with the Formulations Acquisition and is recorded in Selling, general and administrative expense on the Consolidated Statement of Earnings and Comprehensive Income.

(3) Represents the actuarial losses that were previously recorded to Other comprehensive loss, and then recognized to Other items, net upon the termination of the Ireland pension plan in 2019.

(4) Represents the impact of a reduction to deferred tax liabilities due to tax structuring activities.

(5) The effective tax rate for the Adjusted - Non-GAAP Net earnings from continuing operations and Diluted net earnings from continuing operations per common share was 22.6%, 23.3% and 18.5% for the years ended September 30, 2021, 2020 and 2019, respectively, as calculated utilizing the statutory rate for where the costs were incurred.

(6) For the twelve months ended September 30, 2021 and 2020, the conversion of the mandatory convertible preferred stock is not dilutive and the mandatory preferred stock dividends are included in the adjusted dilution calculation. For the twelve month ended September 30, 2019 calculation, the Adjusted Weighted average shares of common stock - Diluted assumes conversion of the preferred shares as those results are more dilutive. The shares have been adjusted for the 4.7 million share conversion and the preferred dividend has been excluded from the net earnings.

Operating Results

Net Sales

	For the Years Ended September 30,				
	2021	% Chg	2020	% Chg	2019
Net sales - prior year	$ 2,744.8		$ 2,494.5		$ 1,797.7
Organic	200.5	7.3 %	61.4	2.5 %	73.4
Impact of FY21 Acquisitions	27.0	1.0 %	—	— %	—
Impact of Battery Acquisition	—	— %	125.5	5.0 %	338.9
Impact of Auto Care Acquisition	—	— %	85.1	3.4 %	315.8
Impact of Nu Finish Acquisition	—	— %	—	— %	5.9
Change in Argentina operations	6.8	0.2 %	1.6	0.1 %	(4.5)
Impact of currency	42.4	1.6 %	(23.3)	(1.0)%	(32.7)
Net sales - current year	$ 3,021.5	10.1 %	$ 2,744.8	10.0 %	$ 2,494.5

Net sales for the year ended September 30, 2021 increased 10.1%. The increase was driven by the increase in organic sales of $200.5, or 7.3%, the favorable impact of currency of $42.4, or 1.6%, the impact of the FY21 Acquisitions which added $27.0, or 1.0% and favorable change in Argentina's operations of $6.8, or 0.2%.

Organic net sales increased 7.3% primarily due to:

- New distribution in both segments and across all categories, contributed approximately 3.9% of the increase;

- Increased year over year global demand contributed approximately 2.6%, driven by higher battery sales earlier in the fiscal year and increased auto care sales throughout the fiscal year; and

- Favorable pricing contributed approximately 0.8% to the organic increase.

Net sales for the year ended September 30, 2020 increased 10.0%. The increase was driven by the impact of the acquisitions which added $210.6, or 8.4%, the increase in organic sales of $61.4, or 2.5%, and favorable change in Argentina's operations of $1.6, or 0.1%. These increases were partially offset by the unfavorable impact of currency of $23.3, or 1.0%.

Organic net sales increased 2.5% primarily due to:

- Distribution gains contributed 2.7% of the increase;

- Favorable carryover impact of the fiscal 2019 price increases, together with the net COVID-19 pandemic impact driven by North America battery, contributed 1.0% of the increase; and

- Lower replenishment volume early in the year, and the year-over-year impact of lower storm activity partially offset the increases.

For further discussion regarding net sales in each of our geographic segments, including a summary of reported versus organic changes, please see the section titled "Segment Results" provided below.

Gross Profit

Gross profit dollars were $1,161.4 in fiscal 2021 versus $1,081.9 in fiscal 2020. Excluding the current and prior year acquisition and integration costs of $33.7 and $32.0, respectively, gross profit dollars were $1,195.1 in fiscal 2021 versus $1,113.9 in fiscal 2020. The increase in gross profit dollars was due to the organic revenue growth discussed above, impact of FY21 acquisitions and approximately $50 of synergies achieved during the year, partially offset by the higher input costs, including labor, commodities, tariffs and transportation costs, consistent with ongoing inflationary trends.

Gross margin as a percent of net sales for fiscal 2021 was 38.4% versus 39.4% in the prior year. Excluding the current and prior year acquisition and integration costs, gross margin was 39.6%, down 100 basis points from prior year. The decrease was driven by the higher product input cost impacts (280 basis points), unfavorable mix (60 basis points), lower margin rate profile of the FY21 acquisitions (20 basis points), partially offset by synergy realization (180 basis points), a net reduction in incremental COVID-19 costs over prior year (60 basis points) and favorable currency (20 basis points).

Gross profit dollars were $1,081.9 in fiscal 2020 versus $1,003.8 in fiscal 2019. Excluding the current and prior year acquisition and integration costs of $32.0 and $22.5, respectively, and the fiscal year 2019 inventory step up resulting from purchase accounting of $36.2, gross profit dollars were $1,113.9 in fiscal 2020 versus $1,062.5 in fiscal 2019. The increase in gross profit dollars was due to the impact of our acquisitions and synergies achieved during the year, as well as the increase in net sales mentioned earlier, partially offset by incremental COVID-19 costs and unfavorable movement in foreign currencies and tariffs.

Gross margin as a percent of net sales for fiscal 2020 was 39.4% versus 40.2% in the prior year. Excluding the current and prior year acquisition and integration costs and prior year inventory step up resulting from purchase accounting, gross margin was 40.6%, down 200 basis points from prior year. The decrease was driven by the lower margin rate profile of the Battery and Auto Care Acquisitions, which accounted for 80 basis points, unfavorable movement in foreign currencies and tariffs (60 basis points) and a shift in market, customer and product mix as well as $29 of incremental costs to serve, both of which were driven by the COVID-19 pandemic and decreased margin by 190 basis points. Partially offsetting these impacts was the realization of synergies, which contributed 130 basis points.

Selling, General and Administrative (SG&A)

SG&A expenses were $487.2 in fiscal 2021, or 16.1% of net sales as compared to $483.3, or 17.6% of net sales for fiscal 2020 and $515.7, or 20.7% of net sales for fiscal 2019. Included in SG&A in fiscal 2021, 2020 and 2019 were acquisition and integration costs of $40.0, $38.8 and $82.3, respectively. Fiscal 2021 also included an acquisition earn out of $3.4 related to the Formulations Acquisition. Excluding the impacts of these items, SG&A as a percent of net sales was 14.7% in fiscal 2021 as compared to 16.2% in fiscal 2020 and 17.4% in fiscal 2019.

In fiscal 2021, SG&A excluding acquisition and integration costs was $443.8 compared to fiscal 2020 of $444.5. The decrease, as a percent of Net sales, was driven by synergy realization and higher net sales while SG&A expense remained consistent with prior year.

In fiscal 2020, SG&A excluding acquisition and integration costs was $444.5 compared to fiscal 2019 of $433.4. The changes were due to incremental SG&A of approximately $26 due to the Battery and Auto Care Acquisitions partially offset by synergy realization and reduced spending.

Advertising and Sales Promotion (A&P)

A&P was $162.1 in fiscal 2021, up $15.0 as compared to fiscal 2020. A&P as a percent of net sales was 5.4%, 5.4% and 5.1% in fiscal years 2021, 2020 and 2019, respectively. The increase in absolute dollars in the current year was due to planned incremental investment in our product portfolio as we continue to invest in support of our brands and innovation.

A&P was 5.4% of sales for fiscal 2020, an increase of 30 basis points, or $19.8 as compared to fiscal 2019. The increase over prior year is driven by incremental spending of $3.5 due to the Battery and Auto Care Acquisitions, which was primarily for product and packaging innovation and promotional support for our auto care brands, in addition to planned incremental investment in our branded product portfolio.

Research and Development

R&D expense was $34.5 in fiscal 2021, $35.4 in fiscal 2020, $32.8 in fiscal 2019. As a percent of net sales, R&D expense was consistent as a percentage of sales at 1.1% in fiscal 2021, 1.3% in fiscal 2020, and 1.3% in fiscal 2019.

Amortization Expense

Amortization expense for fiscal 2021 was $61.2 compared to $56.5 in fiscal 2020 and $43.2 in fiscal 2019. The fiscal 2021 results included the full year of amortization on the Custom Accessories Europe (CAE) acquisition, as well as amortization for the Formulations Acquisition, discussed in Note 4. The fiscal 2020 results included the full year of amortization on the Acquired Battery and Auto Care businesses, as well as a partial year of amortization for the CAE acquisition, discussed in Note 4.

Interest expense

Interest expense for fiscal 2021 was $161.8, as compared to fiscal 2020 expense of $195.0 and $226.0 in fiscal 2019. The Company took advantage of favorable debt markets in fiscal 2021 and 2020 and refinanced its long-term debt resulting in a decline of interest expense of $33.2 in fiscal 2021 compared to fiscal 2020.

Interest expense for fiscal 2019 included $65.6 for ticking and debt commitment fees related to the Battery and Auto Care acquisitions. Excluding the fiscal 2019 acquisition costs of $65.6, fiscal 2020 interest expense increased $34.6 attributable to higher debt associated with the acquisitions, which was outstanding the full fiscal year 2020.

Loss on extinguishment of debt

The Loss on extinguishment of debt was $103.3 for fiscal year 2021 and relates to the Company's refinancing of its €650.0 Senior Notes due in 2026 in June 2021, the redemption of the $600.0 Senior Notes due in 2027 in January 2021 and the term loan refinancing in December 2020. The Company also amended certain covenants in its credit agreement, which created additional capacity and flexibility.

The Loss on the extinguishment of debt was $94.9 for fiscal year 2020 and relates to the Company's July 2020 redemption of its $600.0 Senior Notes due in 2025 and the redemption of the $750.0 Senior Notes due in 2026, which were redeemed subsequent to year-end on October 16, 2020. The loss also includes the write off of deferred financing fees related to the term loan refinancing in December 2019.

Other Items, Net

Other items, net was income of $2.9, expense of $2.0 and income of $14.3 in fiscal 2021, 2020 and 2019, respectively, and is summarized below:

	For the Years Ended September 30,		
	2021	**2020**	**2019**
Other items, net			
Interest income	$ (0.7)	$ (0.6)	$ (7.7)
Interest income on restricted cash (1)	—	—	(5.8)
Foreign currency exchange loss	5.5	8.7	5.2
Pension benefit other than service costs	(1.9)	(1.7)	(2.3)
Settlement loss on pension plan terminations (2)	—	—	3.7
Acquisition foreign currency loss/(gain) (3)	—	2.2	(13.6)
Pre-acquisition insurance proceeds (4)	—	(4.9)	—
Settlement of acquired business hedging contracts (5)	—	—	1.5
Transition services agreement income	—	(0.9)	(1.4)
Gain on sale of assets	(3.3)	(1.0)	—
Other	(2.5)	0.2	6.1
Total Other items, net	$ (2.9)	$ 2.0	$ (14.3)

(1) Represents the interest income earned on the restricted cash held for the Battery Acquisition.

(2) Represents the actuarial losses that were previously recorded to Other comprehensive income, and then recognized to Other items, net upon the termination of the Ireland pension plan in 2019.

(3) The loss for the twelve months ended September 30, 2020 related to the hedge contract on the proceeds from the Varta Divestiture. The gain for the twelve months ended September 30, 2019, includes $9.0 related to currency movement in the escrowed USD funds held in our European Euro functional currency entity and $4.6 related to the gain on our hedge contract for the expected proceeds from the anticipated sale of the Divestment Business.

(4) The pre-acquisition insurance proceeds are related to assets from the Battery Acquisition that were damaged after signing the acquisition agreement, but prior to closing on the acquisition.

(5) Settlement of acquired business hedging contracts that were terminated upon the Company's request at the acquisition date.

Income Taxes

For fiscal 2021, the effective tax rate was a benefit of 4.3%. The current year rate was favorably impacted by tax structuring resulting in a reduction to a deferred tax liability and the favorable tax impact resulting from the refinancing of the €650.0 Senior Notes due in 2026 in June 2021. Excluding the impact of our non-GAAP adjustments, the year to date adjusted effective tax rate was 22.6% as compared to 23.3% in the prior year. The decrease in the rate versus prior year is due to the favorable return to provision adjustments and decreases in certain limited expenses.

For fiscal 2020, the effective tax rate was 30.9%. The current year rate includes costs related to acquisition and integration in addition to the unfavorable impact of $1.8 for the CARES Act, which was signed into law on March 27, 2020 and provides, among other things, increased interest deduction limitations to companies which can decrease overall cash taxes paid. Excluding the impact of these non-GAAP adjustments, the year to date adjusted effective tax rate was 23.3% as compared to 18.5% in the prior year. The increase in the rate versus prior year is due to the country mix of earnings which drove a higher foreign tax rate as well as the expiration of certain tax holidays in foreign jurisdictions.

For fiscal 2019, the effective tax rate was 11.5%. The current year rate was favorably impacted by lower overall foreign tax rates and a return to provision benefit slightly offset by disallowed transaction costs. Excluding the impact of all of our non-GAAP adjustments, the adjusted effective tax rate for fiscal 2019 was 18.5% as compared to 23.1% in the prior year. The decrease in the rate is driven primarily by the new 21% statutory U.S. rate that is now effective for all of fiscal year 2019 compared to the statutory rate of 24.5% in fiscal year 2018 as well as more favorable return to provision adjustments in the current fiscal year.

Energizer's effective tax rate is highly sensitive to the mix of countries from which earnings or losses are derived. Declines in earnings in lower tax rate countries, earnings increases in higher tax rate countries, repatriation of foreign earnings or foreign operating losses in the future could increase future tax rates. In addition, the enactment of legislation implementing changes in the U.S. on the taxation of international business activities or the adoption of other U.S. tax reform could impact our effective tax rate in the future.

Argentina Hyperinflation

Effective July 1, 2018, the financial statements for our Argentina subsidiary are consolidated under the rules governing the translation of financial information in a highly inflationary economy. Under U.S. GAAP, an economy is considered highly inflationary if the cumulative inflation rate for a three year period meets or exceeds 100 percent. The Argentina economy exceeded the three year cumulative inflation rate of 100 percent as of June 2018. If a subsidiary is considered to be in a highly inflationary economy, the financial statements of the subsidiary must be remeasured into the Company's reporting currency (U.S. dollar) and future exchange gains and losses from the remeasurement of monetary assets and liabilities are reflected in current earnings, rather than exclusively in the equity section of the balance sheet, until such time as the economy is no longer considered highly inflationary. It is difficult to determine what continuing impact the use of highly inflationary accounting for Argentina may have on our consolidated financial statements as such impact is dependent upon movements in the applicable exchange rates between the local currency and the U.S. dollar and the amount of monetary assets and liabilities included in our affiliates balance sheet.

Segment Results

Operations for Energizer are managed via two major geographic reportable segments: Americas and International. Segment performance is evaluated based on segment operating profit, exclusive of general corporate expenses, share-based compensation costs, acquisition and integration activities, acquisition earn outs, amortization costs, business realignment activities, research & development costs, settlement loss on pension plan termination, and other items determined to be corporate in nature. Financial items, such as interest income and expense and the loss on extinguishment of debt, are managed on a global basis at the corporate level. The exclusion of substantially all acquisition, integration, restructuring and realignment costs from segment results reflects management's view on how it evaluates segment performance.

Energizer's operating model includes a combination of standalone and shared business functions between the geographic segments, varying by country and region of the world. Shared functions include IT and finance shared service costs. Energizer applies a fully allocated cost basis, in which shared business functions are allocated between segments. Such allocations are estimates, and do not represent the costs of such services if performed on a standalone basis.

Segment Net Sales	For the Years Ended September 30,				
	2021	% Chg	2020	% Chg	2019
Americas					
Net sales - prior year	$ 1,971.2		$ 1,734.8		$ 1,135.6
Organic	155.5	7.9 %	69.8	4.0 %	36.1
Impact of FY21 Acquisitions	18.9	1.0 %	—	— %	—
Impact of Battery Acquisition	—	— %	107.1	6.2 %	278.5
Impact of Auto Care Acquisition	—	— %	74.0	4.3 %	288.7
Impact of Nu Finish Acquisition	—	— %	—	— %	5.7
Change in Argentina operations	6.8	0.3 %	1.6	0.1 %	(4.5)
Impact of currency	2.9	0.1 %	(16.1)	(1.0)%	(5.3)
Net sales - current year	$ 2,155.3	9.3 %	$ 1,971.2	13.6 %	$ 1,734.8
International					
Net sales - prior year	$ 773.6		$ 759.7		$ 662.1
Organic	45.0	5.8 %	(8.4)	(1.1)%	37.3
Impact of FY21 Acquisitions	8.1	1.0 %	—	— %	—
Impact of Battery Acquisition	—	— %	18.4	2.4 %	60.4
Impact of Auto Care Acquisition	—	— %	11.1	1.5 %	27.1
Impact of Nu Finish Acquisition	—	— %	—	— %	0.2
Impact of currency	39.5	5.2 %	(7.2)	(1.0)%	(27.4)
Net sales - current year	$ 866.2	12.0 %	$ 773.6	1.8 %	$ 759.7
Total Net Sales					
Net sales - prior year	$ 2,744.8		$ 2,494.5		$ 1,797.7
Organic	200.5	7.3 %	61.4	2.5 %	73.4
Impact of FY21 Acquisitions	27.0	1.0 %	—	— %	—
Impact of Battery Acquisition	—	— %	125.5	5.0 %	338.9
Impact of Auto Care Acquisition	—	— %	85.1	3.4 %	315.8
Impact of Nu Finish Acquisition	—	— %	—	— %	5.9
Change in Argentina operations	6.8	0.2 %	1.6	0.1 %	(4.5)
Impact of currency	42.4	1.6 %	(23.3)	(1.0)%	(32.7)
Net sales - current year	$ 3,021.5	10.1 %	$ 2,744.8	10.0 %	$ 2,494.5

Total net sales for the twelve months ended September 30, 2021 increased 10.1%, including organic sales increase of $200.5, or 7.3%, sales related to the FY21 acquisitions of $27.0, or 1.0%, a $6.8 increase from our Argentina operations, which were deemed to be highly inflationary, and favorable impact of currency of $42.4, or 1.6%. Segment sales results for the twelve months ended September 30, 2021 are as follows:

- Americas net sales improved 9.3% versus the prior fiscal year, including the impact of the FY21 acquisitions which increased net sales by 1.0%, a 0.3% increase due to our Argentina operations, and a favorable currency impact on sales of 0.1%. Excluding the impact of Argentina, currency movement and the acquisitions, organic net sales increased 7.9% driven by distribution gains in both the auto care and battery categories in North America and Latin America as well as strong auto replenishment.

- International net sales improved 12.0% versus the prior fiscal year, which included an increase of 1.0% from the impact of the FY21 acquisitions and favorable foreign currency movements of 5.2%. Excluding the impacts of the acquisitions and foreign currency movements, organic net sales grew 5.8% driven by increased distribution gains in both auto care and battery categories and strong replenishment due to elevated COVID-19 demand levels.

Total net sales for the twelve months ended September 30, 2020 increased 10.0%, including organic sales increase of $61.4, or 2.5%, sales related to the Battery and Auto Care acquisitions of $210.6, or 8.4% and a $1.6 increase from our Argentina operations, which were deemed to be highly inflationary. These increases were partially offset by the unfavorable impact of currency of $23.3, or 1.0%. Segment sales results for the twelve months ended September 30, 2020 are as follows:

- Americas net sales improved 13.6% versus the prior fiscal year, including the impact of the acquisitions which increased net sales by 10.5%, a 0.1% increase due to our Argentina operations, and an unfavorable currency impact on sales of 1.0%. Excluding the impact of Argentina, currency movement and the acquisitions, organic net sales increased 4.0% driven by distribution gains, favorable carryover impact of the fiscal 2019 price increases and the beneficial net impacts of COVID-19. These increases were partially offset by lower replenishment volume early in the year and the year-over-year impact of lower storm activity.

- International net sales improved 1.8% versus the prior fiscal year, which included an increase of 3.9% from the impact of the acquisitions and unfavorable foreign currency movements of 1.0%. Excluding the impacts of the acquisitions and foreign currency movements, organic net sales declined 1.1% as the impact of COVID-19, particularly on our developing and distributor markets, more than offset the positive impact from distribution gains.

Segment Profit	**For the Years Ended September 30,**				
	2021	**% Chg**	**2020**	**% Chg**	**2019**
Americas					
Segment Profit - prior year	$ 498.5		$ 456.6		$ 326.1
Organic	61.3	12.3 %	14.8	3.2 %	17.4
Impact of FY21 Acquisitions	2.3	0.5 %	—	— %	—
Impact of Battery Acquisition	—	— %	21.8	4.8 %	42.5
Impact of Auto Care Acquisition	—	— %	15.8	3.5 %	74.5
Impact of Nu Finish Acquisition	—	— %	—	— %	1.9
Change in Argentina operations	5.8	1.2 %	(0.6)	(0.1)%	(2.2)
Impact of currency	(4.1)	(0.9)%	(9.9)	(2.2)%	(3.6)
Segment Profit - current year	$ 563.8	13.1 %	$ 498.5	9.2 %	$ 456.6
International					
Segment Profit - prior year	$ 155.8		$ 174.9		$ 149.6
Organic	(10.9)	(7.0)%	(22.4)	(12.8)%	22.5
Impact of FY21 Acquisitions	0.2	0.1 %	—	— %	—
Impact of Battery Acquisition	—	— %	6.1	3.5 %	20.2
Impact of Auto Care Acquisition	—	— %	1.3	0.7 %	2.3
Impact of Nu Finish Acquisition	—	— %	—	— %	0.1
Impact of currency	18.2	11.7 %	(4.1)	(2.3)%	(19.8)
Segment Profit - current year	$ 163.3	4.8 %	$ 155.8	(10.9)%	$ 174.9
Total Segment Profit					
Segment Profit - prior year	$ 654.3		$ 631.5		$ 475.7
Organic	50.4	7.7 %	(7.6)	(1.2)%	39.9
Impact of FY21 Acquisitions	2.5	0.4 %	—	— %	—
Impact of Battery Acquisition	—	— %	27.9	4.4 %	62.7
Impact of Auto Care Acquisition	—	— %	17.1	2.7 %	76.8
Impact of Nu Finish Acquisition	—	— %	—	— %	2.0
Change in Argentina operations	5.8	0.9 %	(0.6)	(0.1)%	(2.2)
Impact of currency	14.1	2.1 %	(14.0)	(2.2)%	(23.4)
Segment Profit - current year	$ 727.1	11.1 %	$ 654.3	3.6 %	$ 631.5

Refer to Note 10, Segments, in the Consolidated Financial Statements for a reconciliation from segment profit to earnings before income taxes.

Total segment profit in fiscal 2021 was $727.1, an increase of 11.1% versus the prior fiscal year, driven by an increase of $2.5, or 0.4% from the impact of FY21 acquisitions, organic segment profit improvement of 7.7%, favorable movement in foreign currency of $14.1, or 2.1% and $5.8, or 0.9%, of favorable changes in Argentina operations. Segment operating profit results for the twelve months ended September 30, 2021 are as follows:

- Americas segment profit was $563.8, an increase of $65.3, or 13.1%, versus the prior fiscal year inclusive of the $2.3 increase due to the FY21 acquisitions and $5.8 of favorable changes in Argentina operations, partially offset by unfavorable foreign currency movements of $4.1. Excluding the impact of currency movements, the acquisitions, and changes in Argentina operations, segment profit increased $61.3, or 12.3%. The organic increase was driven by top-line growth and realized synergies resulting in decreased SG&A. This was partially offset by higher operating costs, which unfavorably impacted gross margin as well as planned higher A&P spending.

- International segment profit was $163.3, an increase of $7.5, or 4.8%, versus the prior fiscal year inclusive of the positive impact of the FY21 acquisitions of $0.2 and the favorable $18.2 impact of currency movements. Excluding the impact of the acquisitions and currency movements, segment profit decreased $10.9, or 7.0%. The organic decline was driven by increased input costs and an unfavorable mix shift to our auto care products, which negatively impacted gross margin and offset the organic revenue growth. The segment profit was further impacted by higher overhead spending and planned higher A&P spending in the period.

Total segment profit in fiscal 2020 was $654.3, an increase of 3.6% versus the prior fiscal year, driven by an increase of $45.0, or 7.1% from the acquisitions. This increase was partially offset by organic segment profit decline of 1.2%, unfavorable movement in foreign currency of $14.0, or 2.2% and by $0.6, or 0.1%, of unfavorable changes in Argentina operations. Segment operating profit results for the twelve months ended September 30, 2020 are as follows:

- Americas segment profit was $498.5, an increase of $41.9, or 9.2%, versus the prior fiscal year inclusive of the $37.6 increase due to the acquisitions. This increase was partially offset by $0.6 of unfavorable changes in Argentina operations and unfavorable foreign currency movements of $9.9. Excluding the impact of currency movements, the acquisitions, and changes in Argentina operations, segment profit increased $14.8, or 3.2%. The increase was driven by the net sales increase and realized synergies. These increases were partially offset by higher planned incremental A&P investment and incremental costs related to COVID-19, which impacted gross margin.

- International segment profit was $155.8, a decrease of $19.1, or 10.9%, versus the prior fiscal year inclusive of the positive impact of the acquisitions of $7.4 as well as the unfavorable $4.1 impact of currency movements. Excluding the impact of the acquisitions and currency movements, segment profit decreased $22.4, or 12.8%, as the impact of the top-line organic decline was compounded by incremental costs related to Covid-19 costs and increased A&P investment, primarily in our modern markets.

GENERAL CORPORATE	**For the Years Ended September 30,**		
	2021	**2020**	**2019**
General corporate and other expenses	$ 96.0	$ 103.8	$ 111.5
Global marketing expenses	41.9	28.2	18.2
Total	$ 137.9	$ 132.0	$ 129.7
% of net sales	4.6 %	4.8 %	5.2 %

For fiscal 2021, general corporate expenses were $96.0, a decrease of $7.8 compared to fiscal 2020 expense of $103.8. The decrease was driven by synergy realization, a reduction in compensation expense and reduced spending, due in part to travel restrictions imposed as a result of COVID-19. These decreases were partially offset by higher legal and corporate development costs and mark to market expenses on our deferred compensation plans. For fiscal 2020, general corporate expenses were $103.8, a decrease of $7.7 compared to fiscal 2019 expense of $111.5. The decrease was driven by TSA exits, reduced travel and other expenses due to COVID-19 as well as reduced stock compensation expense.

Global marketing expenses were $41.9 in fiscal 2021, $28.2 in fiscal 2020, and $18.2 in fiscal 2019. The global marketing expense represents a center led approach to managing global marketing activities in support of our brands. The increase was primarily driven by planned incremental investment in our branded product portfolio.

Liquidity and Capital Resources

Energizer’s primary future cash needs are centered on operating activities, working capital and strategic investments. We believe that our future cash from operations, together with our access to capital markets, will provide adequate resources to fund our short-term and long-term operating and financing needs. Our access to, and the availability of, financing on acceptable terms in the future will be affected by many factors, including, but not limited to: (i) our financial condition and prospects, (ii) for debt, our credit rating, (iii) the liquidity of the overall capital markets and (iv) the current state of the economy. There can be no assurances that we will continue to have access to capital markets on terms acceptable to us. See “Risk Factors” for a further discussion.

Cash is managed centrally with net earnings reinvested locally and working capital requirements met from existing liquid funds. At September 30, 2021, Energizer had $238.9 of cash and cash equivalents, approximately 95% of which was outside of the U.S. Given our extensive international operations, a significant portion of our cash is denominated in foreign currencies. We manage our worldwide cash requirements by reviewing available funds among the many subsidiaries through which we conduct our business and the cost effectiveness with which those funds can be accessed. The repatriation of cash balances from certain of our subsidiaries could have adverse tax consequences or be subject to regulatory capital requirements, however, those balances are generally available without legal restrictions to fund ordinary business operations.

On December 22, 2020, the Company entered into a Credit Agreement (2020 Credit Agreement) which provided for a 5-year $400.0 revolving credit facility (2020 Revolving Facility) and a $1,200.0 Term Loan due December 2027. In December 2020, $550.0 was used to pay down the remaining balances on the Term Loan A facility due in 2022, Term Loan B facility due in 2025 and the amounts outstanding on the existing 2018 Revolving Credit Facility. In January 2021, the remaining $650.0 of proceeds were utilized to fund the redemption of the Company’s $600.0 7.750% Senior Notes due in 2027 at a redemption price equal to 110.965% of the aggregate principal amount.

The borrowings under the Term Loan require quarterly principal payments at a rate of 0.25% of the original principal balance. Borrowings under the 2020 Revolving Facility bear interest at a rate per annum equal to, at the option of the Company, LIBOR or the Base Rate (as defined) plus the applicable margin. The Term Loan bears interest at a rate per annum equal to, at the option of the Company, LIBOR or Base Rate (as defined) plus the applicable margin.

The 2020 Revolving Facility replaced the previously outstanding Revolving Credit Facility entered into in 2018. As of September 30, 2021, the Company had outstanding borrowings of $105.0 under the 2020 Revolving Facility and $7.7 of outstanding letters of credit. Taking into account outstanding letters of credit, $287.3 remained available as of September 30, 2021.

Debt Covenants

The agreements governing the Company's debt contain certain customary representations and warranties, affirmative, negative and financial covenants, and provisions relating to events of default. If the Company fails to comply with these covenants or with other requirements of these agreements, the lenders may have the right to accelerate the maturity of the debt. Acceleration under one of these facilities would trigger cross defaults to other borrowings. As of September 30, 2021, the Company was, and expects to remain, in compliance with the provisions and covenants associated with its debt agreements.

Operating Activities

Cash flow from operating activities from continuing operations is the primary funding source for operating needs and capital investments. Cash flow from operating activities was $179.7 in fiscal 2021, $389.3 in fiscal 2020, and $142.1 in fiscal 2019.

Cash flow from operating activities from continuing operations was $179.7 in fiscal 2021 as compared to $389.3 in the prior fiscal year. This decrease of $209.6 was primarily driven by working capital changes year over year of approximately $282, partially offset by the increase in cash earnings of approximately $97. The working capital change of approximately $282 was primarily a result of the following:

- Approximately $172 in increased inventory investment compared to the prior year as we have taken a proactive approach to invest in incremental safety stock given the continued volatility of the global supply network–including uncertainty around product sourcing, transportation challenges and labor availability;

- Approximately $45 due to changes in accounts payable and accrued interest driven by timing of payments;

- Approximately $38 in accounts receivable due to higher current year sales compared to prior year; and

- The prior year receipt of approximately $30 related to the agreement and final cash settlement from the Central Authority in Spain on a Spanish VAT refund payment.

Cash flow from operating activities from continuing operations was $389.3 in fiscal 2020 as compared to $142.1 in fiscal 2019. This change of $247 was primarily driven by higher year-over-year cash net earnings resulting from lower cash expenditures of approximately $126 associated with the Battery and Auto Care Acquisitions, most notably the payment of
interest and ticking fees associated with the debt utilized to fund the Battery Acquisition and other success and consulting fees paid to finalize the acquisitions in the prior year. In addition, working capital changes favorably impacted cash flow from operations year-over-year. These changes were driven by approximately $30 related to the agreement and final cash settlement from the Central Authority in Spain on a Spanish VAT refund payment, approximately $70 related to higher year-over-year accounts receivable collections as the Company's factoring program was more established throughout fiscal 2020 compared to the prior year, and approximately $36 related to the timing of payments and programs, most notably for higher trade and A&P accruals.

Investing Activities

Net cash used by investing activities from continuing operations was $126.4 in fiscal 2021 and $64.0 in fiscal 2020, and net cash from investing activities from continuing operations was $2,514.9 in fiscal 2019, and consisted of the following:

- Capital expenditures were $64.9, $65.3, and $55.1 in fiscal years 2021, 2020, and 2019, respectively.

- Proceeds from asset sales were $5.7, $6.4, and $0.2 in fiscal 2021, 2020, and 2019, respectively. The fiscal 2021 proceeds primarily related to the sale of our Guatemala manufacturing facility acquired with the Battery Acquisition. The fiscal 2020 proceeds primarily represent insurance proceeds received from property, plant and equipment utilized by the Acquired Battery Business damaged in a flood.

- Acquisitions, net of cash acquired, were $67.2, $5.1, and $2,460.0 in fiscal 2021, 2020, and 2019, respectively. The fiscal 2021 payments related to the acquired Indonesia battery plant and the Formulations Acquisition. The majority of the fiscal 2020 payment was due to the finalization of working capital adjustments with Spectrum for the Auto Care Acquisition while $1.5 was utilized to complete the CAE acquisition. The fiscal 2019 outflow was utilized to purchase the Battery and Auto Care Acquisitions.

Investing cash outflows of approximately $55 to $65 are anticipated in fiscal 2022 for capital expenditures relating to maintenance, product development and cost reduction investments. Additional investing cash outflows of approximately $10 to $20 are anticipated in fiscal 2022 for the remaining investment in integration related capital expenditures for the Battery and Auto Care Acquisitions.

Financing Activities

Net cash used by financing activities from continuing operations was $1,069.1 in fiscal 2021. Net cash from financing activities from continuing operations was $394.2 and $1,276.8 in fiscal 2020 and 2019, respectively.

For fiscal 2021, cash flow used by financing activities from continuing operations consists of the following:

- Cash proceeds from issuance of debt with original maturities greater than 90 days of $1,982.6 relating to the Term Loan funded in December 2020 and January 2021, and the June 2021 issuance of €650.0 Senior Notes due in 2029 (2029 EUR Notes);

- Payments on debt with maturities greater than 90 days of $2,773.8, primarily related to the October 2020 repayment of the $750.0 Senior Notes due in 2026 (2026 Notes), the $319.4 repayment of the Term Loan A and $313.5 Term Loan

B in December 2020, the January 2021 repayment of the $600.0 Senior Notes due in 2027 (2027 Notes), and the June 2021 repayment of the €650.0 Senior Notes due in 2026 (2026 EUR Notes);

- Net increase in debt with original maturities of 90 days or less of $102.1, primarily related to borrowings under our 2020 Revolving Facility;
- Debt issuance costs of $29.0 relating to the funding of the Term Loan in December 2020 and January 2021 and the 2029 EUR Notes in June 2021;
- Premiums paid on extinguishment of debt of $141.1 funded the October 2020 redemption of the 2026 Notes, the January 2021 redemption of the 2027 Notes, and the June 2021 repayment of the 2026 EUR Notes;
- Dividends paid on common stock of $83.9 during fiscal 2021 (see below);
- Dividends paid on Mandatory Convertible Preferred Stock (MCPS) of $16.2 during fiscal 2021 (see below);
- Purchase of treasury stock of $96.3 representing the cash paid for stock repurchases including the $75.0 Accelerated Share Repurchase program (see below);
- Payment of contingent consideration of $6.8 related to the achievement of a CAE acquisition earn out threshold; and
- Taxes paid for withheld share-based payments of $6.7.

For fiscal 2020, cash flow from financing activities from continuing operations consists of the following:

- Cash proceeds from issuance of debt with original maturities greater than 90 days of $2,020.6 related to the December 2019 refinancing of $365.0 of the 2018 Term Loan, the April 2020 add on offering of $250.0 of our 6.375% Senior Notes due in 2026, the July 2020 offering of $600.0 of our 4.750% Senior Notes due in 2028 and the September 2020 offering of $800.0 of our 4.375% Senior Notes due in 2029;
- Payments on debt with maturities greater than 90 days of $1,393.5, related to the Term Loan refinancing in December 2019, the repayment of $345.8 of debt from the proceeds of the Varta divestiture, the redemption of $600.0 of our 5.50% Senior Notes due 2025 as well as required quarterly payments on the 2018 Term Loan A and 2018 Term Loan B;
- Payments of debt with maturities of 90 days or less of $30.2, primarily related to repayment of borrowings on our Revolving Credit Facility;
- Debt issuance costs of $26.5 relating to our Term Loan refinancing, the add on offering of $250.0 of our 6.37% Senior Notes due in 2026, the offering of $600.0 of our 4.750% Senior Notes due in 2028 and an offering of $800.0 of our 4.375% Senior Notes due in 2029;
- Premiums paid on extinguishment of debt of $18.3 relate to the redemption of our $600.0 5.50% Senior Notes due in 2025 that occurred in July 2020;
- Dividends paid on common stock of $85.4 during fiscal 2020;
- Dividends paid on MCPS of $16.2 during fiscal 2020;
- Purchase of treasury stock representing the cash paid for stock repurchases under the current authorization during the twelve months ended September 30, 2020; and
- Taxes paid for withheld share-based payments of $11.3.

For fiscal 2019, cash flow from financing activities from continuing operations consists of the following:

- Cash proceeds from issuance of debt with original maturities greater than 90 days of $1,800.0 related to the funding of the 2018 Term Loans utilized to fund the Battery Acquisition and the bonds utilized to fund the Auto Care Acquisition;

- Payments on debt with maturities greater than 90 days of $529.5, primarily related to the repayment of our Term Loan due in 2022 and additional $140.0 of payments on the 2018 Term Loan A and 2018 Term Loan B;

- Payments of debt with maturities of 90 days or less of $214.1, primarily related to repayment of borrowings on our 2015 Revolving Facility;

- Debt issuance costs of $40.1 related to the 2018 Term Loans and bonds utilized to fund the Auto Care Acquisition;

- Net proceeds from the issuance of common stock of $205.3 utilized to fund the Auto Care Acquisition;

- Net proceeds from the issuance of MCPS of $199.5 utilized to fund the Auto Care Acquisition;

- Dividends paid on common stock of $83.0 during fiscal 2019;

- Dividends paid on MCPS of $8.0 during fiscal 2019;

- Purchase of treasury stock representing the cash paid for stock repurchases under the current authorization during the twelve months ended September 30, 2019; and

- Taxes paid for withheld share-based payments of $8.3.

Dividends

Total dividends declared to common shareholders were $82.6, and $83.9 was paid in fiscal 2021. The dividends paid included amounts on restricted shares that vested in the period. Total dividends declared and paid to preferred shareholders were $16.2. The payment included an accrued dividend from fiscal 2020 and the final dividend of fiscal 2021 was recorded in Other current liabilities at September 30, 2021 and was paid to the preferred shareholders on October 15, 2021.

Subsequent to the fiscal year end, on November 15, 2021, the Board of Directors declared a dividend for the first quarter of fiscal 2022 of $0.30 per share of common stock, payable on December 15, 2021, to all shareholders of record as of the close of business on November 30, 2021.

Subsequent to the end of the fiscal year, on November 15, 2021, the Board of Directors declared a dividend of $1.875 per share of MCPS, payable on January 15, 2022, to all shareholders of record as of the close of business January 1, 2022. This is the final dividend on the MCPS.

Share Repurchases

On November 12, 2020, the Company's Board of Directors approved an authorization for Energizer to acquire up to 7.5 million shares of its common stock. Under this and previous authorizations, the Company has repurchased 500,000 shares for $21.3, at an average price of $42.61 per share, 980,000 shares for $45.0, at an average price of $45.93 per share, and 1,036,000 shares for $45.0, at an average price of $43.46 per share, during the twelve months ended September 30, 2021, 2020 and 2019, respectively.

In addition, the Company entered into a $75.0 accelerated share repurchase (ASR) program in the fourth quarter of fiscal 2021. Under the terms of the agreement, approximately 1.5 million shares were delivered in fiscal 2021 with the remainder to be delivered at termination of the agreement, on or before November 18, 2021. The Company expects approximately 1.9 million total shares to be repurchased under the ASR.

Future share repurchase, if any, would be made on the open market and the timing and the amount of any purchases will be determined by the Company based on its evaluation of the market conditions, capital allocation objectives, legal and regulatory requirements and other factors.

Contractual Obligations and Commitments

The Company believes it has sufficient liquidity to fund its operations and meet its short-term and long-term obligations. The Company's material future obligations include the contractual and purchase commitments described below.

The Company has a contractual commitment to repay its long-term debt of $3,346.7 based on the defined terms of our debt agreements. Within the next twelve months, the company is obligated to pay $12.0 of this total debt. Our interest commitments based on the current debt balance and LIBOR rate on drawn debt at September 30, 2021 is $888.6, with $125.9 expected within the next twelve months. The company has entered into an interest rate swap agreement that fixed the variable benchmark component (LIBOR) on $700.0 of variable rate debt. Refer to Note 13 Debt for further details.

The Company has a long-term obligation to pay a mandatory transition tax of $16.7. No payments are required until fiscal 2024.

Additionally, Energizer has material future purchase commitments for goods and services which are legally binding and that specify all significant terms including price and/or quantity. Total future commitments for these obligations over the next 5 years is $33.8. Of this amount, $17.0 is due within the next twelve months. Refer to Note 18 Other Commitments and Contingencies for further details. Energizer is also party to various service and supply contracts that generally extend approximately one to three months. These arrangements are primarily individual, short-term purchase orders for routine goods and services at market prices, which are part of our normal operations and are reflected in historical operating cash flow trends. These contracts can generally be canceled at our option at any time. We do not believe such arrangements will adversely affect our liquidity position.

Finally, Energizer has operating and financing leases for real estate, equipment, and other assets that include future minimum payments with initial terms of one year or more. Total future operating and finance lease payments at September 30, 2021 are $169.2 and $85.2, respectively. Within the next twelve months, operating and finance lease payments are expected to be $19.5 and $4.8, respectively. Refer to Note 11 Leases for further details.

Other Matters

Environmental Matters

The operations of Energizer are subject to various federal, state, foreign and local laws and regulations intended to protect the public health and the environment. These regulations relate primarily to worker safety, air and water quality, underground fuel storage tanks and waste handling and disposal. Under the Comprehensive Environmental Response, Compensation and Liability Act, Energizer has been identified as a “potentially responsible party” (PRP) and may be required to share in the cost of cleanup with respect to certain federal “Superfund” sites. It may also be required to share in the cost of cleanup with respect to state-designated sites or other sites outside of the U.S.

Accrued environmental costs at September 30, 2021 were $10.1, of which approximately $3.1 is expected to be spent during fiscal 2022. It is difficult to quantify with certainty the cost of environmental matters, particularly remediation and future capital expenditures for environmental control equipment. Current environmental spending estimates could be modified as a result of changes in our plans or our understanding of underlying facts, changes in legal requirements or the enforcement or interpretation of existing requirements.

Legal Proceedings

The Company and its affiliates are subject to a number of legal proceedings in various jurisdictions arising out of its operations. Many of these legal matters are in preliminary stages and involve complex issues of law and fact, and may proceed for protracted periods of time. The amount of liability, if any, from these proceedings cannot be determined with certainty. We are a party to legal proceedings and claims that arise during the ordinary course of business. We review our legal proceedings and claims, regulatory reviews and inspections on an ongoing basis and follow appropriate accounting guidance when making accrual and disclosure decisions. We establish accruals for those contingencies where the incurrence of a loss is probable and can be reasonably estimated, and we disclose the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued, if such disclosure is necessary for our financial statements to not be misleading. We do not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated. Based upon present information, the Company believes that its liability, if any, arising from such pending legal proceedings, asserted legal claims and known potential legal claims which are likely to be asserted, is not reasonably likely to be material to the Company's financial position, results of operations, or cash flows, taking into account established accruals for estimated liabilities.

Critical Accounting Policies

The methods, estimates, and judgments Energizer uses in applying its most critical accounting policies have a significant impact on the results the Company reports in its Consolidated Financial Statements. Specific areas, among others, requiring the application of management's estimates and judgment include assumptions pertaining to accruals for consumer and trade-promotion programs, pension benefit costs, acquisition, goodwill and intangible assets, uncertain tax positions, the reinvestment of undistributed foreign earnings and tax valuation allowances. On an ongoing basis, Energizer evaluates its estimates, but actual results could differ materially from those estimates.

The Company's critical accounting policies have been reviewed with the Audit Committee of the Board of Directors. A summary of Energizer's significant accounting policies is contained in Note 2, Summary of Significant Accounting Policies, of the Notes to the Consolidated Financial Statements. This listing is not intended to be a comprehensive list of all of Energizer's accounting policies.

- ***Revenue Recognition*** - The Company measures revenue as the amount of consideration for which it expects to be entitled in exchange for transferring goods. Net sales reflect the transaction prices for contracts, which include units shipped at selling list prices reduced by variable consideration as determined by the terms of each individual contract. Discounts are offered to customers for early payment and an estimate of the discount is recorded as a reduction of net sales in the same period as the sale. Our standard sales terms generally include payments within 30 to 60 days and are final with returns or exchanges not permitted unless a special exception is made. Our Auto Care channel terms are longer, in some cases up to 365 days, in which case we use our Trade Receivables factoring program for more timely collection. Reserves are established based on historical data and recorded in cases where the right of return does exist for a particular sale. The Company does not offer warranties on products.

  Energizer offers a variety of programs, primarily to its retail customers, designed to promote sales of its products. Such programs require periodic payments and allowances based on estimated results of specific programs and are recorded as a reduction to net sales. Methodologies for determining these provisions are dependent on specific customer pricing and promotional practices, which range from contractually fixed percentage price reductions to reimbursement based on actual occurrence or performance. Where applicable, future reimbursements are estimated based on a combination of historical patterns and future expectations regarding specific in-market product performance. Energizer accrues, at the time of sale, the estimated total payments and allowances associated with each transaction. Customers redeem trade promotions in the form of payments from the accrued trade allowances or invoice credits against trade receivables. Additionally, Energizer offers programs directly to consumers to promote the sale of its products. Energizer continually assesses the adequacy of accruals for customer and consumer promotional program costs not yet paid. To the extent total program payments differ from estimates, adjustments may be necessary. Historically, these adjustments have not been material.

  The Company's contracts with customers do not have significant financing components or non-cash consideration and the Company does not have unbilled revenue or significant amounts of prepayments from customers. Revenue is recorded net of the taxes we collect on behalf of governmental authorities which are generally included in the price to the customer. Shipping and handling activities are accounted for as contract fulfillment costs and recorded in Cost of products sold.

- ***Pension Plans*** - The determination of the Company's obligation and expense for pension benefits is dependent on certain assumptions developed by the Company and used by actuaries in calculating such amounts. Assumptions include, among others, the discount rate, future salary increases and the expected long-term rate of return on plan assets. Actual results that differ from assumptions made, or impacts to the obligation that are due to changes to assumptions, are recognized on the balance sheet and subsequently amortized to earnings over future periods. Significant differences in actual experience or significant changes in macroeconomic conditions resulting in changes to assumptions may materially affect pension obligations. In determining the discount rate, the Company uses the yield on high-quality bonds in conjunction with the cash flows of its plans' estimated payouts. For the U.S. plans, which were frozen January 1, 2014 and represent the Company's most significant obligations, we consider the Mercer Above-Mean yield curve in determining the discount rates.

  Of the assumptions listed above, changes in the expected long-term rate of return on plan assets and changes in the discount rate used in developing plan obligations will likely have the most significant impact on the Company's annual earnings, prospectively. Based on plan assets at September 30, 2021, a 100 basis point decrease or increase in expected asset returns would increase or decrease the Company's U.S. pre-tax pension expense by $4.4. In addition, poor asset performance may increase and accelerate the rate of required pension contributions in the future. Uncertainty related to economic markets and the availability of credit may produce changes in the yields on corporate bonds rated as high-quality. As a result, discount rates based on high-quality corporate bonds may increase or decrease leading to lower or higher, respectively, pension obligations. A 100 basis point decrease in the discount rate would increase U.S. pension obligations by $50.1 at September 30, 2021.

As allowed under GAAP, the Company's U.S. qualified pension plan's impact on earnings is determined using Market Related Value, which recognizes market appreciation or depreciation in the portfolio over five years and therefore reduces the short-term impact of market fluctuations.

- ***Acquisitions, Goodwill and Intangible Assets*** - The Company allocates the cost of an acquired business to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess value of the cost of an acquired business over the estimated fair value of the assets acquired and liabilities assumed is recognized as goodwill. The valuation of the acquired assets and liabilities will impact the determination of future operating results. The Company uses a variety of information sources to determine the value of acquired assets and liabilities including: third-party appraisers for the values and lives of property, identifiable intangibles and inventories; actuaries for defined benefit retirement plans; and legal counsel or other advisors to assess the obligations associated with legal, environmental or other claims.

  During fiscal 2021, Energizer used variations of the income approach in determining the fair value of the amortizable intangible assets acquired for the Formulations Acquisition. The Company utilized multi-period excess earnings methods for determining the fair value of the proprietary technology and customer relationships acquired. Our determination of the fair value of these assets involved the use of significant estimates and assumptions related to the revenue growth rates and discount rates. Our determination of the fair value of customer relationships also involved assumptions related to customer attrition rates.

  During fiscal 2019, Energizer used variations of the income approach in determining the fair value of intangible assets acquired in the Battery and Auto Care Acquisitions. Specifically, the Company utilized the multi-period excess earnings method for determining the fair value of the indefinite lived trade names and customer relationships acquired, and the relief from royalty method to determine the fair value of the proprietary technology acquired. Our determination of the fair value of the indefinite lived trade names acquired involved the use of significant estimates and assumptions related to revenue growth rates and discount rates. Our determination of the fair value of customer relationships acquired involved significant estimates and assumptions related to revenue growth rates, discount rates, and customer attrition rates. Our determination of the fair value of the proprietary technology acquired involved the use of significant estimates and assumptions related to revenue growth rates, royalty rates and discount rates. Energizer believes that the fair value assigned to the assets acquired and liabilities assumed are based on reasonable assumptions and estimates that marketplace participants would use. However, our assumptions are inherently risky and actual results could differ from those estimates.

  Significant judgment is also required in assigning the respective useful lives of intangible assets. Certain brand intangibles are expected to have indefinite lives based on their history and our plans to continue to support and build the acquired brands. Other intangible assets are expected to have determinable useful lives. Our assessment of intangible assets that have an indefinite life and those that have a determinable life is based on a number of factors including the competitive environment, market share, brand history, underlying product life cycles, operating plans and the macroeconomic environment. Our estimates of the useful lives of determinable-lived intangible assets are primarily based on the same factors. The costs of determinable-lived intangible assets are amortized to expense over the estimated useful life. The value of indefinite-lived intangible assets and residual goodwill is not amortized, but is tested at least annually for impairment. See Note 12, Goodwill and intangible assets, of the Notes to Consolidated Financial Statements.

  However, future changes in the judgments, assumptions and estimates that are used in our acquisition valuations and intangible asset and goodwill impairment testing, including discount rates, revenue growth rates, future operating results and related cash flow projections, could result in significantly different estimates of the fair values in the future. An increase in discount rates, a reduction in projected cash flows or a combination of the two could lead to a reduction in the estimated fair values, which may result in impairment charges that could materially affect our financial statements in any given year.

  During fiscal 2021, we performed our annual goodwill test for impairment. There were no indications of impairment of goodwill noted during this testing. In addition, we completed impairment testing on indefinite-lived intangible assets other than goodwill, which are trademarks/brand names used in our various product categories. No impairment was indicated as a result of this testing.

- ***Income Taxes*** - Our annual effective income tax rate is determined based on our income, statutory tax rates and the tax impacts of items treated differently for tax purposes than for financial reporting purposes. Tax law requires certain items be included in the tax return at different times than the items are reflected in the financial statements. Some of these differences are permanent, such as expenses that are not deductible in our tax return, and some differences are temporary, reversing over time, such as depreciation expense. These temporary differences create deferred tax assets and liabilities.

  The Company estimates income taxes and the effective income tax rate in each jurisdiction that it operates. This involves estimating taxable earnings, specific taxable and deductible items, the likelihood of generating sufficient future taxable income to utilize deferred tax assets, the portion of the income of foreign subsidiaries that is expected to be remitted to the U.S. and be taxable and possible exposures related to future tax audits. Deferred tax assets are evaluated on a subsidiary by subsidiary basis to ensure that the asset will be realized. Valuation allowances are established when the realization is not deemed to be more likely than not. Future performance is monitored, and when objectively measurable operating trends change, adjustments are made to the valuation allowances accordingly. To the extent the estimates described above change, adjustments to income taxes are made in the period in which the estimate is changed.

  The Company operates in multiple jurisdictions with complex tax and regulatory environments, which are subject to differing interpretations by the taxpayer and the taxing authorities. At times, we may take positions that management believes are supportable, but are potentially subject to successful challenges by the appropriate taxing authority. The Company evaluates its tax positions and establishes liabilities in accordance with guidance governing accounting for uncertainty in income taxes. The Company reviews these tax uncertainties in light of the changing facts and circumstances, such as the progress of tax audits, and adjusts them accordingly. The Company's policy on accounting for tax on the global intangible low-taxed income is to treat the taxes due as a period expense when incurred.

  In general, it is our practice and intention to permanently reinvest the earnings of our foreign subsidiaries and repatriate earnings only when the tax impact is zero or very minimal. No provision has been provided for taxes that would result upon repatriation of our foreign investments to the United States. We intend to reinvest these earnings indefinitely in our foreign subsidiaries to fund local operations, fund strategic growth objectives, and fund capital projects. See Note 7, Income Taxes, of the Notes to Consolidated Financial Statements for further discussion.

Recently Issued Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04 Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The amendment provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on contracts, hedging relationships and other transactions that reference LIBOR. These updates are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company is currently evaluating our contracts and the optional expedients provided by this update, but does not expect any material impact to the financial statements.

In August 2020, the FASB issued ASU 2020-06 Changes to Accounting for Convertible Debt. This amendment simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. The FASB has reduced the number of accounting models for convertible debt and convertible preferred stock instruments and made certain disclosure amendments to improve the information provided to financial statement users. The new guidance also modifies how particular convertible instruments and certain contracts that may be settled in cash or shares impact the diluted EPS computation. The amendment goes into effect for fiscal years starting after December 15, 2021, which for Energizer would be the beginning of fiscal year 2023. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. The Company is currently evaluating the impact that this updated may have on our financial statements, however it is not expected to be material.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk.*

Market Risk Sensitive Instruments and Positions

The market risk inherent in the Company's financial instruments’ positions represents the potential loss arising from adverse changes in currency rates, commodity prices and interest rates. The following risk management discussion and the estimated amounts generated from the sensitivity analysis are forward-looking statements of market risk assuming certain adverse market conditions occur. The Company's derivatives are used only for identifiable exposures, and we have not entered into hedges for trading purposes where the sole objective is to generate profits.

Currency Exposure

Our business is conducted on a worldwide basis, with approximately 40% of our sales in fiscal 2021 arising from foreign countries, and a significant portion of our production capacity and cash located overseas. Consequently, we are subject to currency risks associated with doing business in foreign countries. Currency risk is heightened in areas with political or economic instability such as the Eurozone, Egypt, Russia and the Middle East and certain markets in Latin America. A significant portion of our 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 our reported sales and operating profits. The following discussion describes programs in place to mitigate our foreign currency exposure:

Derivatives Designated as Cash Flow Hedging Relationships

A significant share of Energizer's product cost is more closely tied to the U.S. dollar than to the local currencies in which the product is sold. As such, a weakening of currencies relative to the U.S. dollar results in margin declines unless mitigated through pricing actions, which are not always available due to the economic or competitive environment. Conversely, strengthening of currencies relative to the U.S. dollar can improve margins. The primary currencies to which Energizer is exposed include the Euro, the British pound, the Canadian dollar and the Australian dollar. However, the Company also has significant exposures in many other currencies which, in the aggregate, may have a material impact on the Company's operations.

The Company has entered into a series of forward currency contracts to hedge the cash flow uncertainty of forecasted inventory purchases due to currency fluctuations. Energizer’s primary foreign affiliates, which are exposed to U.S. dollar purchases, have the Euro, the British pound, the Canadian dollar and the Australian dollar as their local currencies. These foreign currencies represent a significant portion of Energizer's foreign currency exposure. At September 30, 2021 and 2020, Energizer had an unrealized pre-tax gain of $5.0 and pre-tax loss of $4.9, respectively, on these forward currency contracts accounted for as cash flow hedges included in Accumulated other comprehensive loss on the Consolidated Balance Sheets. Assuming foreign exchange rates versus the U.S. dollar remain at September 30, 2021 levels, over the next twelve months, $4.7 of the pre-tax gain included in Accumulated other comprehensive loss is expected to be included in earnings.

Derivatives Not Designated as Cash Flow Hedging Relationships

Energizer's foreign subsidiaries enter into internal and external transactions that create nonfunctional currency balance sheet positions at the foreign subsidiary level. These exposures are generally the result of intercompany purchases, intercompany loans and to a lesser extent, external purchases, and are revalued in the foreign subsidiary’s local currency at the end of each period. Changes in the value of the non-functional currency balance sheet positions in relation to the foreign subsidiary’s local currency results in an exchange gain or loss recorded in Other items, net on the Consolidated Statements of Earnings and Comprehensive Income. The primary currency to which Energizer’s foreign subsidiaries are exposed is the U.S. dollar.

The Company enters into foreign currency derivative contracts which are not designated as cash flow hedges for accounting purposes to hedge balance sheet exposures. Any gains or losses on these contracts would be offset by corresponding exchange gains or losses on the underlying exposures; thus they are not subject to significant market risk. The change in estimated fair value of the foreign currency contracts for the twelve months ended September 30, 2021 resulted in a loss of $0.7 and was recorded in Other items, net on the Consolidated Statements of Earnings and Comprehensive Income.

Commodity Price Exposure

The Company uses raw materials that are subject to price volatility. The Company has in the past and may in the future use hedging instruments to reduce exposure to variability in cash flows associated with future purchases of certain materials and commodities.

In February 2019, the Company entered a hedging program on zinc purchases. This program was determined to be a cash flow hedge and qualified for hedge accounting. The pre-tax gain recognized on these zinc contracts was $4.7 and $4.4 at September 30, 2021 and 2020, respectively, and was included in Accumulated other comprehensive loss on the Consolidated Balance Sheet.

Interest Rate Exposure

The Company has interest rate risk with respect to interest expense on variable rate debt. At September 30, 2021, Energizer had variable rate debt outstanding with a principal balance of $1,299.0 under the 2020 Term Loans and 2020 Revolving Credit Facility.

In December 2020, the Company entered into an interest rate swap (2020 interest rate swap) with an effective date of December 22, 2020, that fixed the variable benchmark component (LIBOR) at an interest rate of 0.95% on variable debt of $550.0. The notional value increased to $700.0 on January 22, 2021 and will stay at that value through December 22, 2024. The notional value will decrease by $100.0 on December 22, 2024 and by $100.0 each year thereafter until its termination date on December 22, 2027. The pre-tax gain recognized on this interest rate swap was $11.7 as of September 30, 2021 compared to a pre-tax loss of $7.3 at September 30, 2020 on the previous interest rate swaps outstanding that were terminated during fiscal 2021.

For the year ended September 30, 2021, our weighted average interest rate on variable rate debt was 2.97%.

Argentina Currency Exposure and Hyperinflation

Effective July 1, 2018, the financial statements for our Argentina subsidiary were consolidated under the rules governing the translation of financial information in a highly inflationary economy. Under U.S. GAAP, an economy is considered highly inflationary if the cumulative inflation rate for a three year period meets or exceeds 100 percent. The Argentina economy exceeded the three year cumulative inflation rate of 100 percent as of June 2018. If a subsidiary is considered to be in a highly inflationary economy, the financial statements of the subsidiary must be remeasured into the Company’s reporting currency (U.S. dollar) and future exchange gains and losses from the remeasurement of monetary assets and liabilities are reflected in current earnings, rather than exclusively in the equity section of the balance sheet, until such time as the economy is no longer considered highly inflationary. It is difficult to determine what continuing impact the use of highly inflationary accounting for Argentina may have on our consolidated financial statements as such impact is dependent upon movements in the applicable exchange rates between the local currency and the U.S. dollar and the amount of monetary assets and liabilities included in our affiliates' balance sheet.

Item 8. ***Financial Statements and Supplementary Data.***

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Energizer Holdings, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Energizer Holdings, Inc. and its subsidiaries (the "Company") as of September 30, 2021 and 2020, and the related consolidated statements of earnings and comprehensive income, of shareholders' equity/(deficit) and of cash flows for each of the three years in the period ended September 30, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of September 30, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2021 and 2020**,** and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition - Trade Promotion Programs

As described in Notes 2 and 20 to the consolidated financial statements, the Company offers a variety of trade promotion programs, primarily to its retail customers, designed to promote sales of its products. These programs resulted in an allowance for trade promotions of $136.0 million, which is reflected as a reduction of trade receivables, net and $57.3 million of accrued trade promotions within other current liabilities as of September 30, 2021. Such programs require periodic payments and allowances based on estimated results of specific programs and are recorded as a reduction to net sales. Methodologies for determining these provisions are dependent on specific customer pricing and promotional practices, which range from contractually fixed percentage price reductions to reimbursement based on actual occurrence or performance. Where applicable, future reimbursements are estimated based on a combination of historical patterns and future expectations regarding specific in-market product performance. Management accrues, at the time of sale, the estimated total payments and allowances associated with each transaction. Customers redeem trade promotions in the form of payments from the accrued trade allowances or invoice credits against trade receivables.

The principal considerations for our determination that performing procedures relating to revenue recognition for trade promotion programs is a critical audit matter are (i) the significant judgment by management when developing the allowance for trade promotions and accrued trade promotions and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management’s significant assumptions related to the historical patterns and future expectations regarding specific in-market product performance used to estimate the allowance for trade promotions and accrued trade promotions recorded by management.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the completeness, accuracy, and valuation of the estimated allowance for trade promotions and accrued trade promotions. These procedures also included, among others (i) testing management’s process for determining the allowance for trade promotions and accrued trade promotions; (ii) testing the completeness and accuracy of underlying data used in the estimates; and (iii) evaluating the reasonableness of the significant assumptions related to the historical patterns and future expectations regarding in-market product performance. Evaluating management’s assumptions related to historical patterns and future expectations regarding specific in-market product performance involved evaluating the historical performance of similar trade programs and testing payments and invoice credits related to these trade programs.

/s/PricewaterhouseCoopers LLP
St. Louis, Missouri
November 16, 2021

We have served as the Company’s auditor since 2014.

ENERGIZER HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME
(Dollars in millions, except per share data)

	FOR THE YEARS ENDED SEPTEMBER 30,		
Statement of Earnings	**2021**	**2020**	**2019**
Net sales	$ 3,021.5	$ 2,744.8	$ 2,494.5
Cost of products sold	1,860.1	1,662.9	1,490.7
Gross profit	$ 1,161.4	$ 1,081.9	$ 1,003.8
Selling, general and administrative expense	487.2	483.3	515.7
Advertising and sales promotion expense	162.1	147.1	127.3
Research and development expense	34.5	35.4	32.8
Amortization of intangible assets	61.2	56.5	43.2
Interest expense	161.8	195.0	226.0
Loss on extinguishment of debt	103.3	94.9	—
Other items, net	(2.9)	2.0	(14.3)
Earnings before income taxes	$ 154.2	$ 67.7	$ 73.1
Income tax (benefit)/provision	(6.7)	20.9	8.4
Net earnings from continuing operations	$ 160.9	$ 46.8	$ 64.7
Net loss from discontinued operations, net of income tax benefit of $1.2 in 2020 and income tax expense of $4.0 in 2019	—	(140.1)	(13.6)
Net earnings/(loss)	$ 160.9	$ (93.3)	$ 51.1
Mandatory preferred stock dividends	(16.2)	(16.2)	(12.0)
Net earnings/(loss) attributable to common shareholders	$ 144.7	$ (109.5)	$ 39.1
Earnings Per Share			
Basic net earnings per common share - continuing operations	$ 2.12	$ 0.44	$ 0.79
Basic net loss per common share - discontinued operations	—	(2.03)	(0.20)
Basic net earnings/(loss) per common share	$ 2.12	$ (1.59)	$ 0.59
Diluted net earnings per common share - continuing operations	$ 2.11	$ 0.44	$ 0.78
Diluted net loss per common share - discontinued operations	—	(2.02)	(0.2)
Basic net earnings/(loss) per common share	$ 2.11	$ (1.58)	$ 0.58
Weighted average shares of common stock - Basic	68.2	68.8	66.4
Weighted average shares of common stock- Diluted	68.7	69.5	67.3
Dividend Per Common Share	$ 1.20	$ 1.20	$ 1.20
Statement of Comprehensive Income			
Net earnings / (loss)	$ 160.9	$ (93.3)	$ 51.1
Other comprehensive income/(loss), net of tax expense/(benefit)			
Foreign currency translation adjustments	27.6	(13.4)	(10.4)
Pension activity, net of tax of $8.7 in 2021, $3.5 in 2020, and $(12.1) in 2019	29.1	9.8	(36.9)
Deferred gain/(loss) on hedging activity, net of tax of $6.4 in 2021, $(1.5) in 2020, and $(3.1) in 2019	20.6	(5.8)	(9.2)
Total comprehensive income/(loss)	$ 238.2	$ (102.7)	$ (5.4)

The above financial statements should be read in conjunction with the Notes To Consolidated Financial Statements.

ENERGIZER HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in millions, except share count and par values)

	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 238.9	$ 459.8
Restricted cash	—	790.0
Trade receivables, net	292.9	292.0
Inventories	728.3	511.3
Other current assets	179.4	157.8
Total current assets	$ 1,439.5	$ 2,210.9
Property, plant and equipment, net	382.9	352.1
Operating lease assets	112.3	121.9
Goodwill	1,053.8	1,016.0
Other intangible assets, net	1,871.3	1,909.0
Deferred tax asset	21.7	24.3
Other assets	126.0	94.1
Total assets	$ 5,007.5	$ 5,728.3
Liabilities and Shareholders' Equity		
Current liabilities		
Current maturities of long-term debt	$ 12.0	$ 841.3
Current portion of capital leases	2.3	1.7
Notes payable	105.0	3.8
Accounts payable	454.8	378.1
Current operating lease liabilities	15.5	14.8
Other current liabilities	356.8	408.7
Total current liabilities	$ 946.4	$ 1,648.4
Long-term debt	3,333.4	3,306.9
Operating lease liabilities	102.3	111.9
Deferred tax liability	91.3	140.4
Other liabilities	178.4	211.6
Total liabilities	$ 4,651.8	$ 5,419.2
Shareholders' equity		
Common stock, $0.01 par value, 72,386,840 shares issued	0.7	0.7
Mandatory convertible preferred stock, $0.01 par value, 2,156,250 shares issued	—	—
Additional paid-in capital	832.0	859.2
Retained earnings	(5.0)	(66.2)
Common stock in treasury, at cost, 5,522,538 and 3,868,438 shares in 2021 and 2020, respectively	(241.6)	(176.9)
Accumulated other comprehensive loss	(230.4)	(307.7)
Total shareholders' equity	$ 355.7	$ 309.1
Total liabilities and shareholders' equity	$ 5,007.5	$ 5,728.3

The above financial statements should be read in conjunction with the Notes To Consolidated Financial Statements.

ENERGIZER HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)

	FOR THE YEARS ENDED SEPTEMBER 30,		
Cash Flow from Operating Activities	**2021**	**2020**	**2019**
Net earnings/(loss)	$ 160.9	$ (93.3)	$ 51.1
Loss from discontinued operations, net of tax	—	(140.1)	(13.6)
Net earnings from continuing operations	$ 160.9	$ 46.8	$ 64.7
Non-cash integration and restructuring charges	8.9	17.8	3.0
Depreciation and amortization	118.5	111.9	92.8
Deferred income taxes	(62.9)	(34.8)	(33.3)
Share based compensation expense	10.2	24.5	27.1
Loss on extinguishment of debt	103.3	94.9	—
Gain on sale of real estate	(3.3)	—	—
Mandatory transition tax	—	—	(0.4)
Inventory step up	—	—	36.2
Settlement loss on pension plan terminations	—	—	3.7
Non-cash items included in income, net	17.3	23.1	(4.2)
Other, net	(3.9)	(7.1)	22.1
Changes in assets and liabilities used in operations, net of acquisitions			
Decrease / (increase) in trade receivables, net	9.5	47.8	(24.9)
Increase in inventories	(211.8)	(39.8)	(15.2)
(Increase) / decrease in other current assets	(7.4)	53.4	(44.3)
Increase in accounts payable	51.4	76.2	5.2
(Decrease) / increase in other current liabilities	(11.0)	(25.4)	9.6
Net cash from operating activities from continuing operations	$ 179.7	$ 389.3	$ 142.1
Net cash (used by) / from operating activities from discontinued operations	—	(12.9)	7.4
Net cash from operating activities	$ 179.7	$ 376.4	$ 149.5
Cash Flow from Investing Activities			
Capital expenditures	(64.9)	(65.3)	(55.1)
Proceeds from sale of assets	5.7	6.4	0.2
Acquisitions, net of cash acquired	(67.2)	(5.1)	(2,460.0)
Net cash used by investing activities from continuing operations	$ (126.4)	$ (64.0)	$ (2,514.9)
Net cash from / (used by) investing activities from discontinued operations	—	280.9	(407.4)
Net cash (used by) / from investing activities	$ (126.4)	$ 216.9	$ (2,922.3)
Cash Flow from Financing Activities			
Cash proceeds from issuance of debt with maturities greater than 90 days	1,982.6	2,020.6	1,800.0
Payments on debt with maturities greater than 90 days	(2,773.8)	(1,393.5)	(529.5)
Net increase / (decrease) in debt with maturities 90 days or less	102.1	(30.2)	(214.1)
Debt issuance costs	(29.0)	(26.5)	(40.1)
Premiums paid on extinguishment of debt	(141.1)	(18.3)	—
Net proceeds from issuance of mandatory convertible preferred stock	—	—	199.5
Net proceeds from issuance of common stock	—	—	205.3
Dividends paid on common stock	(83.9)	(85.4)	(83.0)
Dividends paid on mandatory convertible preferred shares	(16.2)	(16.2)	(8.0)
Common stock purchased	(96.3)	(45.0)	(45.0)
Payment of contingent consideration	(6.8)	—	—
Taxes paid for withheld share-based payments	(6.7)	(11.3)	(8.3)
Net cash (used by) / from financing activities from continuing operations	$ (1,069.1)	$ 394.2	$ 1,276.8
Net cash used by financing activities from discontinued operations	—	(1.1)	(4.7)
Net cash (used by) / from financing activities	$ (1,069.1)	$ 393.1	$ 1,272.1
Effect of exchange rate changes on cash	4.9	4.9	(9.1)
Net (decrease) / increase in cash, cash equivalents, and restricted cash from continuing operations	(1,010.9)	724.4	(1,105.1)
Net increase / (decrease) in cash, cash equivalents, and restricted cash from discontinued operations	—	266.9	(404.7)
Net (decrease) / increase in cash, cash equivalents, and restricted cash	$ (1,010.9)	$ 991.3	$ (1,509.8)
Cash, cash equivalents, and restricted cash, beginning of period	1,249.8	258.5	1,768.3
Cash, cash equivalents, and restricted cash, end of period	$ 238.9	$ 1,249.8	$ 258.5

The above financial statements should be read in conjunction with the Notes To Consolidated Financial Statements.

ENERGIZER HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY/(DEFICIT)
(Dollars in millions, shares in thousands)

	Number of Shares		Amount						
	Preferred Shares Outstanding	**Common Shares Outstanding**	**Preferred Stock**	**Common Stock**	**Additional Paid-in Capital**	**Retained Earnings**	**Accumulated Other Comprehensive (Loss)/Income**	**Treasury Stock**	**Total Shareholders' Equity/(Deficit)**
Balance, September 30, 2018	—	59,608	$ —	$ 0.6	$ 217.8	$ 177.3	$ (241.8)	$ (129.4)	$ 24.5
Net earnings from continuing operations	—	—	—	—	—	64.7	—	—	64.7
Net loss from discontinued operations	—	—	—	—	—	(13.6)	—	—	(13.6)
Share based payments	—	—	—	—	27.1	—	—	—	27.1
Issuance of common stock	—	9,966	—	0.1	445.7	—	—	—	445.8
Issuance of preferred stock	2,156	—	—	—	199.5	—	—	—	199.5
Common stock purchased	—	(1,036)	—	—	—	—	—	(45.0)	(45.0)
Activity under stock plans	—	364	—	—	(19.8)	(4.5)	—	16.0	(8.3)
Dividends to common shareholders	—	—	—	—	—	(82.4)	—	—	(82.4)
Dividends to preferred shareholders	—	—	—	—	—	(12.0)	—	—	(12.0)
Other comprehensive loss	—	—	—	—	—	—	(56.5)	—	(56.5)
Balance, September 30, 2019	2,156	68,902	$ —	$ 0.7	$ 870.3	$ 129.5	$ (298.3)	$ (158.4)	$ 543.8
Net earnings from continuing operations	—	—	—	—	—	46.8	—	—	46.8
Net loss from discontinued operations	—	—	—	—	—	(140.1)	—	—	(140.1)
Share based expense	—	—	—	—	24.5	—	—	—	24.5
Common stock purchases	—	(980)	—	—	—	—	—	(45.0)	(45.0)
Activity under stock plans	—	471	—	—	(29.9)	(2.2)	—	20.8	(11.3)
Deferred compensation plan	—	125	—	—	(5.7)	—	—	5.7	—
Dividends to common shareholders	—	—	—	—	—	(84.0)	—	—	(84.0)
Dividends to preferred shareholders	—	—	—	—	—	(16.2)	—	—	(16.2)
Other comprehensive loss	—	—	—	—	—	—	(9.4)	—	(9.4)
Balance, September 30, 2020	2,156	68,518	$ —	$ 0.7	$ 859.2	$ (66.2)	$ (307.7)	$ (176.9)	$ 309.1
Net earnings from continuing operations	—	—	—	—	—	160.9	—	—	160.9
Share-based payments	—	—	—	—	10.2	—	—	—	10.2
Common stock purchased	—	(2,008)	—	—	(15.0)	—	—	(81.3)	(96.3)
Activity under stock plans	—	332	—	—	(21.4)	(0.9)	—	15.6	(6.7)
Deferred compensation plan	—	22	—	—	(1.0)	—	—	1.0	—
Dividends to common shareholders	—	—	—	—	—	(82.6)	—	—	(82.6)
Dividends to preferred shareholders	—	—	—	—	—	(16.2)	—	—	(16.2)
Other comprehensive income	—	—	—	—	—	—	77.3	—	77.3
Balance, September 30, 2021	2,156	66,864	$ —	$ 0.7	$ 832.0	$ (5.0)	$ (230.4)	$ (241.6)	$ 355.7

The above financial statements should be read in conjunction with the Notes To Consolidated Financial Statements.

(1) Description of Business and Basis of Presentation

Description of Business **–** Energizer Holdings, Inc. and its subsidiaries (Energizer or the Company) is a global manufacturer, marketer and distributor of household batteries, specialty batteries and portable lights under the Energizer®, Eveready® and Rayovac® brand names globally, as well as the Varta® brand name in Latin America and Asia Pacific. Energizer offers batteries using lithium, alkaline, carbon zinc, nickel metal hydride, zinc air and silver oxide constructions.

Energizer is also a leading designer and marketer of auto care products in the appearance, fragrance, performance, and air conditioning recharge product categories under the Armor All®, Nu Finish®, Refresh Your Car!®, LEXOL®, Eagle One®, California Scents®, Driven®, Bahama & Co®, STP® and A/C Pro® brand names.

On July 1, 2015, Energizer completed its legal separation from our former parent company, Edgewell Personal Care Company (Edgewell), via a tax free spin-off (the Spin-off or Spin). Energizer operates as an independent, publicly traded company on the New York Stock Exchange trading under the symbol "ENR."

On January 2, 2019, Energizer expanded its battery portfolio with the acquisitions of Spectrum Holdings, Inc.’s (Spectrum) global battery, lighting, and portable power business (Battery Acquisition). The Battery Acquisition included the Rayovac and Varta brands (Acquired Battery Business).

On January 28, 2019, Energizer further expanded its auto care portfolio with the acquisition of Spectrum's global auto care business (Auto Care Acquisition). The Auto Care Acquisition included the Armor All, STP, and A/C PRO brands (Acquired Auto Care Business).

On January 2, 2020, the Company sold the Varta® consumer battery business in the Europe, Middle East and Africa regions, including manufacturing and distribution facilities in Germany (Divestment Business) to VARTA Aktiengesellschaft (VARTA AG) for a contractual purchase price of €180.0, subject to purchase price adjustments (Varta Divestiture). This business was acquired as part of the Battery Acquisition and was required to be divested per regulatory requirements. Pursuant to the terms of the Battery Acquisition agreement, Spectrum also contributed cash proceeds toward this sale. Total cash proceeds received, including related hedging arrangements, net of the final working capital settlement, were $323.1 and the Company recorded a pre-tax loss of $141.6. Refer to Note 5, Divestment, for further discussion.

Basis of Presentation **–** The consolidated financial statements include the accounts of Energizer and its subsidiaries. All significant intercompany transactions are eliminated. Energizer has no material equity method investments, variable interests or non-controlling interests.

As a result of the Varta Divestiture, the respective operations of the Divestment Business, including a loss recorded on divestment, have been classified as discontinued operations in the accompanying Consolidated Statements of Earnings and Comprehensive Income and Statements of Cash Flows for fiscal years 2020 and 2019. There were no operations for the twelve months ended September 30, 2021 and no assets or liabilities associated with this business as of September 30, 2021 or 2020. See Note 5 - Divestment for more information on the discontinued operations.

(2) Summary of Significant Accounting Policies

Energizer’s significant accounting policies, which conform to GAAP and are applied on a consistent basis in all years presented, except as indicated, are described below.

Use of Estimates **–** The preparation of the Company's Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. On an ongoing basis, Energizer evaluates its estimates, including those related to customer promotional programs and incentives, product returns, bad debts, the carrying value of inventories, intangible and other long-lived assets, income taxes, pensions and other postretirement benefits, share-based compensation, contingencies and acquisitions. Actual results could differ materially from those estimates. In regard to ongoing impairment testing of goodwill and indefinite lived intangible assets, significant deterioration in future cash flow projections, changes in discount rates used in discounted cash flow models or changes in other assumptions used in estimating fair values, versus those anticipated at the time of the initial acquisition, as well as subsequent estimated valuations, could result in impairment charges that may materially affect the financial statements in a given year.

(Dollars in millions, except per share)

Cash and Cash Equivalents – Cash and cash equivalents consist of cash on hand and marketable securities with original maturities of three months or less. At September 30, 2021 and 2020, Energizer had $238.9 and $459.8, respectively, in available cash, 94.8% and 61.8% of which was outside of the U.S., respectively. The Company has extensive operations, including a significant manufacturing footprint outside of the U.S. We manage our worldwide cash requirements by reviewing available funds among the many subsidiaries through which we conduct our business and the cost effectiveness with which those funds can be accessed. The repatriation of cash balances from certain of our subsidiaries could have adverse tax consequences or be subject to regulatory capital requirements; however, those balances are generally available without legal restrictions to fund ordinary business operations. Our intention is to reinvest these funds indefinitely.

Restricted Cash – The Company defines restricted cash as cash that is legally restricted as to withdrawal or usage. There was no restricted cash at September 30, 2021. The amount included in restricted cash on the Consolidated Balance Sheet at September 30, 2020 represents the net proceeds from the September 2020 bond offering for the $800.0 Senior Notes at 4.375% due in 2029. These funds are net of the bank fees paid at funding. The funds were released on October 16, 2020 and were used to fund the full redemption of the USD 2026 Senior Notes at 6.375%. See Note 13, Debt, for further information.

	At September 30,	
	2021	**2020**
Cash and cash equivalents	$ 238.9	$ 459.8
Restricted cash	—	790.0
Total Cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 238.9	$ 1,249.8

Foreign Currency Translation – Financial statements of foreign operations where the local currency is the functional currency are translated using end-of-period exchange rates for assets and liabilities and average exchange rates during the period for results of operations. Related translation adjustments are reported as a component within accumulated other comprehensive loss in the equity section of the Consolidated Balance Sheets.

Effective July 1, 2018, the financial statements for our Argentina subsidiary are consolidated under the rules governing the translation of financial information in a highly inflationary economy. Under U.S. GAAP, an economy is considered highly inflationary if the cumulative inflation rate for a three year period meets or exceeds 100 percent. The Argentina economy exceeded the three year cumulative inflation rate of 100 percent as of June 2018. If a subsidiary is considered to be in a highly inflationary economy, the financial statements of the subsidiary must be remeasured into the Company’s reporting currency (U.S. dollar) and future exchange gains and losses from the remeasurement of monetary assets and liabilities are reflected in current earnings, rather than exclusively in the equity section of the balance sheet, until such time as the economy is no longer considered highly inflationary.

Financial Instruments and Derivative Securities – Energizer uses financial instruments, from time to time, in the management of foreign currency, interest rate risk and commodity price risks that are inherent to its business operations. Such instruments are not held or issued for trading purposes. Every derivative instrument (including certain derivative instruments embedded in other contracts) is required to be recorded on the balance sheet at fair value as either an asset or liability. Changes in fair value of recorded derivatives are required to be recognized in earnings unless specific hedge accounting criteria are met.

Foreign exchange instruments, including currency forwards, are used primarily to reduce cash transaction exposures and to manage other translation exposures. Foreign exchange instruments used are selected based on their risk reduction attributes, costs and the related market conditions. The Company has designated certain foreign currency contracts as cash flow hedges for accounting purposes as of September 30, 2021 and 2020.

The Company has interest rate risk with respect to interest expense on variable rate debt. In December 2020, the Company terminated their previously existing interest rate swap agreements and entered into an interest rate swap (2020 interest rate swap) with an effective date on December 22, 2020, that fixed the variable benchmark component (LIBOR) at an interest rate of 0.95% on variable debt of $550.0. The notional value increased to $700.0 on January 22, 2021 and will stay at that value through December 22, 2024. The notional value will decrease by $100.0 on December 22, 2024 and by $100.0 each year thereafter until its termination date on December 22, 2027. The notional value of the swap was $700.0 at September 30, 2021.

(Dollars in millions, except per share)

Energizer uses raw materials that are subject to price volatility. The Company may use hedging instruments to reduce exposure to variability in cash flows associated with future purchases of commodities. At September 30, 2021 and 2020, the Company had derivative contracts for the future purchases of zinc.

Cash Flow Presentation – The Consolidated Statements of Cash Flows are prepared using the indirect method, which reconciles net earnings to cash flow from operating activities. The reconciliation adjustments include the removal of timing differences between the occurrence of operating receipts and payments and their recognition in net earnings. The adjustments also remove cash flows arising from investing and financing activities, which are presented separately from operating activities. Cash flows from foreign currency transactions and operations are translated at an average exchange rate for the period. Cash flows from hedging activities are included in the same category as the items being hedged, which is primarily operating activities. Cash payments related to income taxes are classified as operating activities. Cash flows are also distinguished between our continuing operations and our discontinued operations.

Trade Receivables, net – Trade receivables are stated at their net realizable value. The allowance for trade promotions reflects management's estimate of the amount of trade promotions that customers will take as an invoice reduction, rather than receiving cash payments for the trade allowances earned. See additional discussion on the trade allowances in the revenue recognition discussion further in this note. The allowance for doubtful accounts reflects the Company's best estimate of probable losses inherent in the receivables portfolio determined on the basis of historical experience, specific allowances for known troubled accounts and other currently available information. Receivables that the Company has factored at September 30, 2021 and 2020 are excluded from the Trade receivables, net balance. Bad debt expense is included in Selling, general and administrative expense (SG&A) in the Consolidated Statements of Earnings and Comprehensive Income.

Trade Receivables, net consists of:

	September 30,	
	2021	**2020**
Trade receivables	$ 431.8	$ 447.5
Allowance for trade promotions	(136.0)	(152.7)
Allowance for returns and doubtful accounts	(2.9)	(2.8)
Trade receivables, net	$ 292.9	$ 292.0

Trade Receivables Factoring - Energizer enters into various factoring agreements and early pay programs with our customers to sell our trade receivables under non-recourse agreements in exchange for cash proceeds. The Company's current credit agreement allows for Energizer to sell accounts receivable up to a maximum of $500.0 annually.

During fiscal years 2021 and 2020, the Company sold $494.8 and $439.5, respectively, of receivables under this program. At September 30, 2021 and 2020, Energizer had $149.7 and $132.9, respectively, of outstanding sold receivables, which are excluded from the Trade receivables, net balance above. In some instances, we may continue to service the transferred receivables after factoring has occurred. However, any servicing of the trade receivable does not constitute significant continuing involvement and we do not carry any material servicing assets or liabilities. These receivables qualify for sales treatment under ASC 860 *Transfers and Servicing*, and the proceeds for the sale of these receivables is included in net cash from operating activities in the Consolidated Statement of Cash Flows.

As of September 30, 2021 and 2020, cash from factored receivables collected but not yet due to the bank included in Other current liabilities was $6.3 and $0.5, respectively. Additionally, the fees associated with factoring our receivables were $3.5, $4.7 and $4.9 during the years ended September 30, 2021, 2020, and 2019, respectively. Any discounts and factoring fees related to these receivables are expensed as incurred in the Consolidated Statement of Earnings and Comprehensive Income in Selling, general and administrative expense.

Inventories – Inventories are valued at the lower of cost and net realizable value, with cost generally being determined using average cost or the first-in, first-out (FIFO) method. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The Company records a reserve for excess and obsolete inventory based upon the historical usage rates, sales patterns of its products and specifically-identified obsolete inventory.

Capitalized Software Costs – Capitalized software costs are included in Other assets. These costs are amortized using the straight-line method over periods of related benefit ranging from three to seven years. Expenditures related to capitalized software are included in the Capital expenditures caption in the Consolidated Statements of Cash Flows. For the twelve months ended September 30, 2021, 2020 and 2019, amortization expense was $8.3, $8.1 and $9.1, respectively.

Property, Plant and Equipment, net – Property, plant and equipment, net is stated at historical costs. Expenditures for new facilities and expenditures that substantially increase the useful life of property, including interest during construction, are capitalized and reported in the Capital expenditures caption in the Consolidated Statements of Cash Flows. Maintenance, repairs and minor renewals are expensed as incurred. When property is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and gains or losses on the disposition are reflected in earnings. Property, plant and equipment, net held under capital leases are amortized on a straight-line bases over the shorter of the lease term or estimated useful life of the asset and such amortization is included in depreciation expense.

Depreciation is generally provided on the straight-line basis by charges to pre-tax earnings at rates based on estimated useful lives. Estimated useful lives range from two to twenty-five years for machinery and equipment and three to thirty years for buildings and building improvements. Depreciation expense in 2021, 2020, and 2019 was $53.7, $63.2, and $43.5, respectively, including accelerated depreciation charges of $4.7, $15.9 and $3.0 in 2021, 2020 and 2019, respectively, primarily related to the IT integration assets and certain manufacturing assets including property, plant and equipment located at facilities that are being consolidated as part of the integration of the Battery and Auto Care Acquisitions.

Estimated useful lives are periodically reviewed and, when appropriate, changes are made prospectively. When certain events or changes in operating conditions occur, asset lives may be adjusted and an impairment assessment may be performed on the recoverability of the carrying amounts.

Impairment of Long-Lived Assets – Energizer reviews long-lived assets, other than goodwill and other intangible assets for impairment, when events or changes in business circumstances indicate that the remaining useful life may warrant revision or that the carrying amount of the long-lived asset may not be fully recoverable. Energizer performs undiscounted cash flow analysis to determine if impairment exists. If impairment is determined to exist, any related impairment loss is calculated based on estimated fair value. Impairment losses on assets to be disposed of, if any, are based on the estimated proceeds to be received, less cost of disposal.

Acquisitions – Energizer accounts for the acquisition of a business using the acquisition method of accounting and allocates the cost of an acquired business to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess value of the cost of an acquired business over the fair value of the assets acquired and liabilities assumed is recognized as goodwill. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to assets acquired and liabilities assumed with the corresponding offset to goodwill.

During fiscal 2021, Energizer used variations of the income approach in determining the fair value of the amortizable intangible assets acquired as part of an acquisition to acquire a company that specializes in developing formulations for cleaning tasks. The Company utilized multi-period excess earnings methods for determining the fair value of the proprietary technology and customer relationships acquired. Our determination of the fair value of these assets involved the use of significant estimates and assumptions related to the revenue growth rates and discount rates. Our determination of the fair value of customer relationships also involved assumptions related to customer attrition rates.

During fiscal 2019, Energizer used variations of the income approach in determining the fair value of intangible assets acquired in the Battery and Auto Care Acquisitions. Specifically, the Company utilized the multi-period excess earnings method for determining the fair value of the indefinite lived trade names and customer relationships acquired, and the relief from royalty method to determine the fair value of the proprietary technology acquired. Our determination of the fair value of the indefinite lived trade names acquired involved the use of significant estimates and assumptions related to revenue growth rates and discount rates. Our determination of the fair value of customer relationships acquired involved significant estimates and assumptions related to revenue growth rates, discount rates, and customer attrition rates. Our determination of the fair value of the proprietary technology acquired involved the use of significant estimates and assumptions related to revenue growth rates, royalty rates and discount rates.

Energizer believes that the fair value assigned to the assets acquired and liabilities assumed in the acquisitions noted above are based on reasonable assumptions and estimates that marketplace participants would use. However, our assumptions are inherently risky and actual results could differ from those estimates. Adverse changes in the judgments, assumptions and estimates used in future measurements of fair value, including discount rates or future operating results and related cash flow projections, could result in an impairment of goodwill or intangible assets that would require a non-cash charge to the consolidated statements of operations and may have a material effect on our financial condition and operating results.

Goodwill and Other Intangible Assets – Goodwill and indefinite-lived intangibles are not amortized, but are evaluated annually for impairment as part of the Company's annual business planning cycle in the fourth fiscal quarter, or when indicators of a potential impairment are present. Intangible assets with finite lives are amortized on a straight-line basis over expected lives. Such intangibles are also evaluated for impairment including ongoing monitoring of potential impairment indicators.

Revenue Recognition – The Company measures revenue as the amount of consideration for which it expects to be entitled in exchange for transferring goods. Net sales reflect the transaction prices for contracts, which include units shipped at selling list prices reduced by variable consideration as determined by the terms of each individual contract. Discounts are offered to customers for early payment and an estimate of the discount is recorded as a reduction of net sales in the same period as the sale. Our standard sales terms generally include payments within 30 to 60 days and are final with returns or exchanges not permitted unless a special exception is made. Our Auto Care channel terms are longer, in some cases up to 365 days, in which case we use our Trade Receivables factoring program for more timely collection. Reserves are established based on historical data and recorded in cases where the right of return does exist for a particular sale. The Company does not offer warranties on products.

Energizer offers a variety of programs, primarily to its retail customers, designed to promote sales of its products. Such programs require periodic payments and allowances based on estimated results of specific programs and are recorded as a reduction to net sales. Methodologies for determining these provisions are dependent on specific customer pricing and promotional practices, which range from contractually fixed percentage price reductions to reimbursement based on actual occurrence or performance. Where applicable, future reimbursements are estimated based on a combination of historical patterns and future expectations regarding specific in-market product performance. Energizer accrues, at the time of sale, the estimated total payments and allowances associated with each transaction. Customers redeem trade promotions in the form of payments from the accrued trade allowances or invoice credits against trade receivables. Additionally, Energizer offers programs directly to consumers to promote the sale of its products. Energizer continually assesses the adequacy of accruals for customer and consumer promotional program costs not yet paid. To the extent total program payments differ from estimates, adjustments may be necessary. Historically, these adjustments have not been material.

The Company’s contracts with customers do not have significant financing components or non-cash consideration and the Company does not have unbilled revenue or significant amounts of prepayments from customers. Revenue is recorded net of the taxes we collect on behalf of governmental authorities which are generally included in the price to the customer. Shipping and handling activities are accounted for as contract fulfillment costs and recorded in Cost of products sold.

Advertising and Sales Promotion Costs – The Company advertises and promotes its products through national and regional media and expenses such activities as incurred. Advertising costs were $122.5, $115.1, and $96.7 for the fiscal years ended September 30, 2021, 2020, 2019, respectively.

Research and Development Costs - The Company expenses research and development costs as incurred.

Income Taxes – Our annual effective income tax rate is determined based on our income, statutory tax rates and the tax impacts of items treated differently for tax purposes than for financial reporting purposes. Tax law requires certain items be included in the tax return at different times than the items are reflected in the financial statements. Some of these differences are permanent, such as expenses that are not deductible in our tax return, and some differences are temporary, reversing over time, such as depreciation expense. These temporary differences create deferred tax assets and liabilities.

The Company estimates income taxes and the effective income tax rate in each jurisdiction that it operates. This involves estimating taxable earnings, specific taxable and deductible items, the likelihood of generating sufficient future taxable income to utilize deferred tax assets, the portion of the income of foreign subsidiaries that is expected to be remitted to the U.S. and be taxable and possible exposures related to future tax audits. Deferred tax assets are evaluated on a subsidiary by subsidiary basis to ensure that the asset will be realized. Valuation allowances are established when the realization is not deemed to be more likely than not. Future performance is monitored, and when objectively measurable operating trends change, adjustments are made to the valuation allowances accordingly. To the extent the estimates described above change, adjustments to income taxes are made in the period in which the estimate is changed.

The Company operates in multiple jurisdictions with complex tax and regulatory environments, which are subject to differing interpretations by the taxpayer and the taxing authorities. At times, the Company may take positions that management believes are supportable, but are potentially subject to successful challenges by the appropriate taxing authority. The Company evaluates its tax positions and establishes liabilities in accordance with guidance governing accounting for uncertainty in income taxes. The Company reviews these tax uncertainties in light of the changing facts and circumstances, such as the progress of tax audits, and adjusts them accordingly. The Company's policy on accounting for tax on the global intangible low-taxed income (GILTI) is to treat the taxes due as a period expense when incurred.

In general, it is our practice and intention to permanently reinvest the earnings of our foreign subsidiaries and repatriate earnings only when the tax impact is zero or very minimal. No provision has been provided for taxes that would result upon repatriation of our foreign investments to the United States. We intend to reinvest these earnings indefinitely in our foreign subsidiaries to fund local operations, fund strategic growth objectives, and fund capital projects. See Note 7, Income Taxes, of the Notes to Consolidated Financial Statements for further discussion.

Share-Based Payments – The Company grants restricted stock equivalents, which generally vest over two to four years. Stock compensation expense is measured at the grant date based on the estimated fair value of the award and is recognized on a straight-line basis over the full restriction period of the award, with forfeitures recognized as they occur.

Estimated Fair Values of Financial Instruments – Certain financial instruments are required to be recorded at the estimated fair value. Changes in assumptions or estimation methods could affect the fair value estimates; however, we do not believe any such changes would have a material impact on our financial condition, results of operations or cash flows. Other financial instruments including cash and cash equivalents, restricted cash, and short-term borrowings, including notes payable, are recorded at cost, which approximates estimated fair value.

Reclassifications - Certain reclassifications have been made to prior year financial statements to conform to the current presentation.

Recently Issued Accounting Pronouncements – In March 2020, the FASB issued ASU 2020-04 Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The amendment provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on contracts, hedging relationships and other transactions that reference LIBOR. These updates are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company is currently evaluating our contracts and the optional expedients provided by this update, but does not expect any material impact to the financial statements.

In August 2020, the FASB issued ASU 2020-06 Changes to Accounting for Convertible Debt. This amendment simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. The FASB has reduced the number of accounting models for convertible debt and convertible preferred stock instruments and made certain disclosure amendments to improve the information provided to financial statement users. The new guidance also modifies how particular convertible instruments and certain contracts that may be settled in cash or shares impact the diluted EPS computation. The amendment goes into effect for fiscal years starting after December 15, 2021, which for Energizer would be the beginning of fiscal year 2023. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. The Company is currently evaluating the impact that this updated may have on our financial statements, however it is not expected to be material.

(3) Revenue

Nature of Our Business - The Company, through its operating subsidiaries, is one of the world’s largest manufacturers, marketers and distributors of household batteries, specialty batteries and lighting products, and a leading designer and marketer of automotive fragrance, appearance, performance and air conditioning recharge products. We distribute our products to consumers through numerous retail locations worldwide, including mass merchandisers and warehouse clubs, food, drug and convenience stores, electronics specialty stores and department stores, hardware and automotive centers, e-commerce and military stores. We sell to our customers through a combination of a direct sales force and exclusive and non-exclusive third-party distributors and wholesalers.

(Dollars in millions, except per share)

Our Americas segment sales are comprised of North America and Latin America market groups. North America sales are generally through large retailers with nationally or regionally recognized brands. Latin America sales are generally through distributors or sales by wholesalers or small retailers who may not have national or regional presence.

Our International segment sales are comprised of modern trade, developing and distributor market groups. Modern trade, which is most prevalent in Western Europe and more developed economies throughout the world, generally refers to sales through large retailers with nationally or regionally recognized brands. Developing markets generally include sales by wholesalers or small retailers who may not have a national or regional presence. Distributors are utilized in other markets where the Company does not have a direct sales force. Each market's determination is based on the predominant customer type or sales strategy utilized in the market.

Supplemental product and market information is presented below for revenues from external customers for the twelve months ended September 30, 2021, 2020 and 2019:

	For the Twelve Months Ended September 30,		
Net Sales	**2021**	**2020**	**2019**
Batteries	$ 2,267.4	$ 2,099.8	$ 1,959.9
Auto Care	606.9	513.0	409.3
Lights, Licensing and Other	147.2	132.0	125.3
Total Net Sales	$ 3,021.5	$ 2,744.8	$ 2,494.5

	For the Twelve Months Ended September 30,		
Net Sales	**2021**	**2020**	**2019**
North America	$ 1,902.1	$ 1,753.0	$ 1,534.7
Latin America	253.2	218.2	200.1
Americas	2,155.3	1,971.2	1,734.8
Modern Markets	530.2	462.0	444.7
Developing Markets	208.7	189.6	193.4
Distributor Markets	127.3	122.0	121.6
International	866.2	773.6	759.7
Total Net Sales	$ 3,021.5	$ 2,744.8	$ 2,494.5

When Performance Obligations are Satisfied - The Company's revenue is primarily generated from the sale of finished product to customers. Sales predominantly contain a single delivery element, or performance obligation, and revenue is recognized at a single point in time when title, ownership and risk of loss pass to the customer. This typically occurs when finished goods are delivered to the customer or when finished goods are picked up by a customer or customer's carrier, depending on contract terms.

(4) Acquisitions

Formulations Acquisition - During the first quarter of fiscal 2021, the Company entered into an agreement with Green Global Holdings, LLC to acquire a North Carolina-based company that specializes in developing formulations for cleaning tasks (Formulations Acquisition). On December 1, 2020, the Formulations Acquisition was completed for a cash purchase price of $51.2. Subsequent to year-end, the working capital settlement was finalized, reducing the purchase price by $0.4 that will be paid to Energizer and the Company will finalize the purchase price accounting with this adjustment in the first fiscal quarter of 2022. The product formulations are both sold to customers directly and licensed to manufacturers. This acquisition is expected to bring significant innovation capabilities in formulations to the Company.

The acquisition is being accounted for as a business combination using the acquisition method of accounting which requires assets acquired and liabilities assumed to be recognized at fair value as of the acquisition date. The preliminary fair value of proprietary technology acquired and customer relationships were determined by applying the multi-period excess earnings method under the income approach.

(Dollars in millions, except per share)

The following table outlines the preliminary purchase price allocation as of the date of acquisition:

Trade receivables	$	1.3
Inventories		0.1
Goodwill		29.7
Other intangible assets, net		20.5
Operating lease assets		0.5
Accounts payable		(0.2)
Current operating lease liabilities		(0.2)
Other current liabilities		(0.2)
Operating lease liabilities		(0.3)
Net assets acquired	$	51.2

The table below identifies the initial estimate for purchased intangible assets of $20.5:

		Total	Weighted Average Useful Lives
Proprietary formulas	$	19.5	7
Customer relationships		1.0	15
Total Other intangible assets, net	$	20.5	

The Company will continue to review its allocation of fair value to assets acquired and liabilities assumed for this acquisition, including income tax considerations. The goodwill acquired in this acquisition is attributable to the value the Company expects to achieve from the significant innovation capabilities in formulations that the acquired company will bring to our organization, as well as the workforce acquired. The goodwill has been allocated to the Americas segment. The goodwill is deductible for tax purposes.

In conjunction with the acquisition, the Company entered into incentive compensation agreements with certain key personnel. These agreements allow for potential earn out payments of up to $35.0 based on the achievement of a combination of financial and product development and commercialization performance targets and continued employment with the Company. These agreements are not considered a component of the acquisition purchase price but rather as employee compensation arrangements. The Company has recognized $3.4 of the total potential payments based on estimated earn out achieved at September 30, 2021. This was recorded on the Consolidated Statement of Earnings and Comprehensive Income in Selling, general and administrative expense and in Other current liabilities on the Consolidated Balance Sheet.

FDK Indonesia Acquisition - During fourth quarter of fiscal 2020, the Company entered into an agreement with FDK Corporation to acquire its subsidiary PT FDK Indonesia, a battery manufacturing facility (FDK Indonesia Acquisition). On October 1, 2020, the Company completed the acquisition for a contractual purchase price of $18.2. After contractual and working capital adjustments, the Company paid cash of $16.9 and a working capital adjustment of $0.7 in fiscal 2021. The acquisition of the FDK Indonesia facility increased the Company's alkaline battery production capacity and allows for the avoidance of future planned capital expenditures.

The Company finalized their purchase price accounting in the fourth fiscal quarter of 2021. The FDK Indonesia Acquisition is being accounted for as a business combination using the acquisition method of accounting which requires assets acquired and liabilities assumed to be recognized at fair value as of the acquisition date. The fair value of the Property, plant and equipment were estimated using the cost approach. After determining the fair value of the real property acquired, which was greater than the purchase price, the acquisition resulted in a bargain purchase gain of $0.6, which was recorded in Other items, net on the Company’s Consolidated Statement of Earnings. No goodwill or intangibles were identified with the purchase.

(Dollars in millions, except per share)

The following table outlines the purchase price allocation as of the date of acquisition:

Cash and cash equivalents	$ 1.7
Trade receivables	4.3
Inventories	7.8
Other current assets	1.1
Property, plant and equipment, net	19.4
Other assets	2.8
Accounts payable	(10.7)
Other current liabilities	(0.5)
Deferred tax liabilities	(0.8)
Other liabilities	(6.9)
Net assets acquired	$ 18.2

Custom Accessories Europe Acquisition - On January 31, 2020, the Company entered into a share purchase agreement to acquire Custom Accessories Europe Group International Limited (CAE) for $1.9 in cash. CAE is a well-established marketer of branded automotive accessories throughout the United Kingdom and Europe. CAE partners with major automotive accessory brand owners to identify and develop complimentary brand extensions supported by sourcing and distribution activities. The purchase agreement had earn out payments that could increase the purchase price up to $9.9 if certain financial metrics are achieved over the next three years. During fiscal 2021, CAE achieved the full earnout threshold under the share purchase agreement, resulting in the full consideration of $9.9 to be paid out, including contingent consideration payments of $6.8 during the year. The Company has allocated the purchase price to the assets acquired and liabilities assumed, resulting in identified intangible assets for vendor relationships of approximately $8.0, which will be amortized over the three-year lives of the vendor agreements.

Battery Acquisition - On January 2, 2019, the Company completed the Battery Acquisition with a contractual purchase price of $2,000.0, subject to certain purchase price adjustments. The acquisition expanded the battery portfolio globally with the addition of a strong value brand. The final cash consideration after contractual and working capital adjustments was $1,962.4 which included $400.0 of cash consideration that was allocated to the Divestment Business discussed below.

The Battery Acquisition was accounted for as a business combination using the acquisition method of accounting which requires assets acquired and liabilities assumed to be recognized at fair value as of the acquisition date. During fiscal 2020, the Company completed the valuation analysis for the Battery Acquisition.

For purposes of the allocation, the Company determined a fair value adjustment for inventory based on the estimated selling price of finished goods on hand at the closing date less the sum of (a) costs of disposal and (b) a reasonable profit allowance for the selling effort of the acquiring entity. The fair value adjustment for the inventory of $14.6 was recorded as expense to Cost of products sold as that inventory was sold in fiscal 2019.

The fair values of the Battery Acquisition's Property, plant and equipment were estimated using the market approach for land and variations of the cost approach for the buildings and equipment. The fair values of the Battery Acquisition's identifiable intangible assets were estimated using variations of the income approach. The fair value of acquired trade names acquired and customer relationships was determined by applying the multi-period excess earnings method under the income approach. The fair value of proprietary technology acquired was determined by applying the relief-from-royalty method under the income approach.

The Divestment Business included the valuation of Inventory, Property, plant and equipment and Intangible assets consistent with the valuation methods discussed above. The fair value adjustment for the inventory of $11.2 was recorded as expense in the results from discontinued operations in 2019 as that inventory was sold. Goodwill was also allocated to the Divestment Business. The assets and liabilities of the Divestment Business were included as held for sale on the purchase price allocation.

(Dollars in millions, except per share)

The following table outlines the purchase price allocation as of the date of acquisition:

Cash and cash equivalents	$	37.8
Trade receivables		54.2
Inventories		80.8
Other current assets		28.2
Assets held for sale		794.6
Property, plant and equipment, net		133.2
Goodwill		496.0
Other intangible assets, net		805.8
Other assets		10.3
Current portion of capital leases		(1.2)
Accounts payable		(39.2)
Other current liabilities		(19.3)
Long-term debt		(14.7)
Liabilities held for sale		(394.6)
Other liabilities		(9.5)
Net assets acquired	$	1,962.4

The table below outlines the purchased identifiable intangible assets of $805.8:

		Total	Weighted Average Useful Lives
Trade names	$	587.0	Indefinite
Proprietary technology		59.0	6.2
Customer relationships		159.8	15.0
Total Other intangible assets, net	$	805.8	

The goodwill acquired in this acquisition is attributable to the workforce of the acquired business and the synergies expected to arise with this transaction through network optimization, Selling, general and administrative expense (SG&A) reductions and procurement efficiencies. The goodwill associated with this acquisition is deductible for tax purposes.

Auto Care Acquisition - On January 28, 2019, Energizer entered into a definitive acquisition agreement to acquire Spectrum's global auto care business, including the Armor All, STP, and A/C PRO brands for a contractual purchase price of $1,250.0, subject to certain purchase price adjustments. The contractual purchase price was comprised of $937.5 in cash and $312.5 of newly-issued Energizer common stock to Spectrum. The initial cash paid after contractual and estimated working capital adjustments was $938.7. During the quarter ended December 31, 2019, the Company finalized the working capital adjustments with Spectrum and paid an additional $3.6 of cash. The equity consideration paid to Spectrum was fair valued at $240.5 based on the 5.3 million shares issued to Spectrum at the Energizer closing stock price of $45.55 on January 28, 2019. The final purchase price paid in cash and equity consideration was $1,182.8. The acquisition allowed for the Company to become a global leader in the auto care market and added automotive performance and air conditioning recharge products to its auto care portfolio.

The Auto Care Acquisition was accounted for as a business combination using the acquisition method of accounting which requires assets acquired and liabilities assumed to be recognized at fair value as of the acquisition date. During fiscal 2020, the Company completed the valuation analysis for the Auto Care Acquisition.

For purposes of the allocation, the Company determined a fair value adjustment for inventory based on the estimated selling price of finished goods on hand at the closing date less the sum of (a) costs of disposal and (b) a reasonable profit allowance for the selling effort of the acquiring entity. The fair value adjustment for the inventory was $21.6 and was recorded to Cost of products sold as the respective inventory was sold in fiscal 2019.

(Dollars in millions, except per share)

The fair values of the Auto Care Acquisition's Property, plant and equipment were estimated using variations of the cost approach for the building and equipment. The fair values of the Auto Care Acquisition's identifiable intangible assets were estimated using variations of the income approach. The fair value of trade names acquired and customer relationships was determined by applying the multi-period excess earnings method under the income approach. The fair value of proprietary technology acquired was determined by applying the relief-from-royalty method under the income approach.

The following table outlines the purchase price allocation as of the date of acquisition:

Cash and cash equivalents	$	3.3
Trade receivables		39.7
Inventories		98.6
Other current assets		8.9
Property, plant and equipment, net		70.8
Goodwill		274.0
Other intangible assets, net		965.3
Deferred tax assets		4.2
Other assets		1.7
Current portion of capital leases		(0.4)
Accounts payable		(28.6)
Other current liabilities		(10.9)
Long-term debt		(31.9)
Other liabilities (deferred tax liabilities)		(211.9)
Net assets acquired	$	1,182.8

The table below outlines the purchased identifiable intangible assets of $965.3:

		Total	Weighted Average Useful Lives
Trade names	$	701.6	Indefinite
Trade names		15.4	15
Proprietary technology		113.5	9.8
Customer relationships		134.8	15
Total Other intangible assets, net	$	965.3	

The goodwill acquired in this acquisition is attributable to the workforce of the acquired business and the synergies expected to arise with this transaction through network optimization, SG&A reductions and procurement efficiencies. The goodwill is not deductible for tax purposes.

Pro Forma Financial Information (Unaudited)- Pro forma net sales (unaudited), Pro forma net earnings from continuing operations (unaudited), Pro from net earnings from continuing operations attributable to common shareholders (unaudited) and Pro forma diluted net earnings per common share - continuing operations (unaudited) for the twelve months ended September 30, 2019 are shown in the table below. The unaudited pro forma results are presented as if the Battery and Auto Care Acquisitions had occurred on October 1, 2017. Pro forma results for the Formulations, FDK Indonesia and CAE acquisitions are not considered material and, as such, are not included below. The pro forma results are not indicative of the results the Company would have achieved if the acquisitions had occurred that date or indicative of the results of the future operation of the combined company.

(Dollars in millions, except per share)

The unaudited pro forma adjustments are based upon purchase price allocations and include purchase accounting adjustments for the impact of the inventory step up charge, depreciation and amortization expense from the fair value of the intangible assets and property, plant and equipment, interest and financing costs and the impact of the equity consideration completed to fund the acquisitions. Cost synergies that may result from combining Energizer and the Battery and Auto Care Acquisitions are not included in the pro forma table below.

	For the Year Ended September 30, 2019
Pro forma net sales (unaudited)	$ 2,719.4
Pro forma net earnings from continuing operations (unaudited)	159.7
Pro forma mandatory preferred stock dividends (unaudited)	16.2
Pro forma net earnings from continuing operations attributable to common shareholders (unaudited)	143.5
Pro forma diluted net earnings per common share - continuing operations (unaudited)	$ 2.02
Pro forma weighted average shares of common stock - Diluted (unaudited)	71.0

The shares included in the above are adjusted to assume that the common stock and Mandatory convertible preferred (MCPS) shares issued for the Auto Care Acquisition occurred as of October 1, 2017. For the period presented, the MCPS conversion was anti-dilutive and not assumed in the calculation.

The unaudited pro forma data above includes the following significant adjustments made to account for certain costs to adjust for as if the acquisitions had occurred as of October 1, 2017. The following expenses, which are net of the applicable tax rates, were added to or removed from the net earnings amounts for each respective period:

Expense removed/(additional expense)	**For the Year Ended September 30, 2019**
Inventory step up (unaudited) (1)	$ 28.5
Acquisition and integration costs (unaudited) (2)	44.3
Interest and ticking fees on escrowed debt (unaudited) (3)	21.6
Gains on escrowed debt (unaudited) (4)	(10.5)

(1) The inventory step up was removed from fiscal 2019 and recorded in fiscal 2018 as the inventory turn would have occurred in that year.
(2) Acquisition and integration costs incurred to obtain legal services, pay investment banking fees and other transaction related expenses were removed from the various periods and recorded in the first quarter of fiscal 2018 when the transaction is assumed to have occurred.
(3) Interest and ticking fees from the acquisition related debt were accrued over the periods prior to the acquisition occurring. These fees were removed as they would not have been incurred if the acquisition occurred October 1, 2017. The interest from the new capital structure was included in the results and the pre-tax amount of $200.0 was included in each period.
(4) The escrowed debt funds earned interest income and had gains on the non functional currency balances. These gains would not have been realized if the transaction had occurred as of October 1, 2017.

Excluded from the above is the write-down of assets of business held for sale to fair value less cost to sell of $107.2 recorded by the Auto Care Business during the twelve months ended September 30, 2019. This loss was recorded as a direct result of the transaction and would not have impacted the combined Company results.

Net sales and Earnings before income taxes for the Battery and Auto Care Acquisitions included in the Company's Consolidated Statement of Earnings and Comprehensive Income are shown in the following table. The Earnings before income taxes includes the inventory fair value adjustment recorded for the acquisitions, but excludes all acquisition and integration costs as well as any additional interest incurred by the Company for the debt issuances to complete the acquisitions:

	For the Year Ended September 30, 2019	
	Battery Acquisition	**Auto Care Acquisition**
Net sales	$ 338.9	$ 315.8
Inventory fair value adjustment	14.6	21.6
Earnings before income taxes	8.7	19.6

Acquisition and Integration Costs- Acquisition and integration costs incurred during fiscal years 2021, 2020 and 2019 relate to the FDK Indonesia Acquisition, Formulations Acquisition, the Battery Acquisition and the Auto Care Acquisition. Pre-tax costs incurred were $68.9, $68.0 and $188.4 in the twelve months ended September 30, 2021, 2020, and 2019, respectively.

Pre-tax costs recorded in Costs of products sold were $33.7 and $32.0 for the twelve months ended September 30, 2021 and 2020, respectively, which primarily related to the integration restructuring costs of $31.9 and $29.3 as discussed in Note 6, Restructuring. Pre-tax costs recorded in Costs of products sold were $58.7 for the twelve months ended September 30, 2019, which primarily related to the inventory fair value adjustment of $36.2 and integration restructuring costs of $12.1.

Pre-tax acquisition and integration costs recorded in SG&A were $40.0, $38.8 and $82.3 for the twelve months ended September 30, 2021, 2020 and 2019, respectively. In fiscal 2021 and 2020 these expenses primarily related to consulting fees for the 2020 restructuring program, success incentives, and costs of integrating the information technology systems of the Battery and Auto Care Acquisition businesses. In fiscal 2019 these expenses primarily related to acquisition success fees and legal, consulting and advisory fees to assist with obtaining regulatory approval around the globe and to plan for the closing and integration of the Battery Acquisition and Auto Care Acquisition.

For the twelve months ended September 30, 2021, 2020 and 2019 the Company recorded $1.1, $1.3 and $1.1 in Research and development, respectively.

Also included in the pre-tax acquisition costs for the twelve months ended September 30, 2019 was $65.6 of interest expense, including ticking fees, related to the escrowed debt for the Battery Acquisition and the financing fees incurred related to amending and issuing the debt for the Battery and Auto Care Acquisitions.

Included in Other items, net was pre-tax income of $5.9, $4.1 and $19.3 in the twelve months ended September 30, 2021, 2020 and 2019, respectively. The pre-tax income recorded in fiscal 2021 was primarily driven by the gain on a sale of assets of $3.3, which was part of the integration restructuring discussed in Note 6.

The pre-tax income recorded in fiscal 2020 was primarily driven by pre-acquisition insurance proceeds of $4.9 and $1.0 gain on the sale of assets and $0.9 of transition services income, offset by a $2.2 loss related to the hedge contract on the proceeds from the Varta Divestiture and $0.5 of other items.

The pre-tax income of $19.3 recorded in fiscal 2019 was primarily driven by the escrowed debt funds held in restricted cash prior to the closing of the Battery Acquisition. The Company recorded a pre-tax gain of $9.0 related to the favorable movement in the escrowed USD restricted cash held in our European Euro functional entity. The Company also recorded interest income of $5.8 earned on the Restricted cash funds held in escrow associated with the Battery Acquisition. The Company recorded a gain of $4.6 related to the hedge contract on the expected proceeds from the anticipated Varta Divestiture and recorded income on transition services agreements of $1.4 for the twelve months ended September 30, 2019. These income items were offset by $1.5 of expense to settle hedge contracts of the acquired business.

(5) Divestment

As discussed in Note 1, Description of Business and Basis of Presentation, the Divestment Business was classified as discontinued operations in the accompanying Consolidated Statement of Earnings and Comprehensive Income as of September 30, 2020 and 2019. There were no operations for the twelve months ended September 30, 2021 or assets or liabilities held for sale as of September 30, 2021 or 2020.

(Dollars in millions, except per share)

On May 29, 2019, the Company entered into a definitive agreement with VARTA AG to sell the Divestment Business for €180.0, subject to approval by the European Commission and certain purchase price adjustments. On January 2, 2020, the Company sold the business to VARTA AG. Total cash proceeds, including related hedging arrangements, net of the final working capital settlement, were $323.1 from Varta AG and Spectrum. Spectrum contributed proceeds pursuant to the terms of the Battery Acquisition agreement.

For the twelve months ended September 30, 2020 the Company has recorded a pre-tax loss of $141.6 for the divestment, which includes contractual adjustments and recognition of tax and other indemnifications under the definitive purchase agreement. Under the definitive purchase agreement, the Company indemnified VARTA AG for certain tax liabilities that existed as of the divestment date. As previously disclosed, Spectrum has further indemnified the Company for those liabilities that arose from the tax years prior to the Company's acquisition of the Divestment Business. An indemnification asset and liability, where necessary, has been recorded to reflect these arrangements.

The following table summarizes the components of Loss from discontinued operations in the accompanying Consolidated Statement of Earnings and Comprehensive Income for the twelve months ended September 30, 2020 and 2019:

	For the Years Ended September 30,	
	2020	2019
Net sales	$ 115.8	$ 235.1
Cost of products sold	88.2	180.4
Gross profit	27.6	54.7
Selling, general and administrative expense	18.0	56.8
Advertising and sales promotion expense	0.3	0.8
Research and development expense	0.8	0.8
Interest expense	12.1	15.8
Loss on sale of business	141.6	—
Other items, net	(3.9)	(9.9)
Loss before income taxes from discontinued operations	(141.3)	(9.6)
Income tax (benefit)/provision	(1.2)	4.0
Net loss from discontinued operations	$ (140.1)	$ (13.6)

Included in the Net loss from discontinued operations for the twelve months ended September 30, 2020, are the deferred financing fee write off related to the pre-payment of debt from the divestment proceeds of $6.9, divestment related pre-tax costs of $1.7 and allocated pre-tax interest expense of $5.0.

Included in the Net loss from discontinued operations for the twelve months ended September 30, 2019 are the inventory fair value pre-tax adjustment of $11.2, divestment related pre-tax costs of $13.8 and allocated pre-tax interest expense of $14.9.

(6) Restructuring

In the fourth fiscal quarter of 2019, the Company began implementing restructuring related integration plans for our manufacturing and distribution networks. These plans include the closure and combination of distribution and manufacturing facilities in order to reduce complexity and realize greater efficiencies in our manufacturing, packaging and distribution processes. All activities within this plan are expected to be substantially complete by December 31, 2021. As planned, the Company expects to incur additional exit-related costs associated with these plans of up to approximately $6 through the end of calendar 2021.

In the fourth fiscal quarter of 2020, the Company initiated a new restructuring program with a primary focus on reorganizing its global end-to-end supply chain network and ensuring accountability by category. This program includes streamlining the Company’s end-to-end supply chain model to enable rapid response to category specific demands and enhancing our ability to better serve our customers. Planning and execution of this program began in fiscal year 2021, with completion of activities by December 31, 2021. The expected remaining costs associated with this project are approximately $2 in the first quarter of fiscal 2022.

(Dollars in millions, except per share)

The pre-tax expense for charges related to the restructuring plans for the twelve months ended September 30, 2021, 2020 and 2019 are noted in the table below and were reflected in Cost of products sold, Selling, general and administrative expense, Research and development, and Other items, net on the Consolidated Statement of Earnings and Comprehensive Income:

	For the Year Ended September 30,		
	2021	**2020**	**2019**
2019 Restructuring Program			
Costs of products sold			
Severance and related benefit costs	$ 0.1	$ 0.8	$ 9.8
Accelerated depreciation and asset write-offs	6.7	12.0	2.3
Other exit costs(1)	16.5	16.3	—
Other items, net			
Gain on sale of fixed assets(3)	$ (3.3)	—	—
Total 2019 Restructuring costs	$ 20.0	$ 29.1	$ 12.1
2020 Restructuring Program			
Costs of products sold			
Severance and related benefit costs	$ 0.5	$ —	$ —
Other restructuring related costs(2)	8.1	0.2	—
Selling, general and administrate expense			
Severance and related benefit costs	0.5	0.4	—
Other restructuring related costs(2)	7.5	0.6	—
Research and development expense			
Severance and related benefit costs	0.2	—	—
Total 2020 Restructuring Costs	$ 16.8	$ 1.2	$ —
Total restructuring related expense	$ 36.8	$ 30.3	$ 12.1

(1) Includes charges primarily related to environmental investigatory and mitigation costs, consulting, relocation and other facility exit costs.
(2) Primarily includes consulting fees for the restructuring program.
(3) Relates to the sale of the Guatemala battery manufacturing facility in September 2021 net of closing costs, legal fees, and fixed asset write-offs. Net cash proceeds were $5.5.

The restructuring costs noted above for fiscal 2021 were included within the Americas and International segments in the amount of $34.7 and $2.1, respectively. The restructuring costs noted above for fiscal year 2020 were included within the Americas and International segments in the amount of $27.5 and $2.8, respectively. The restructuring costs noted above for fiscal year 2019 were incurred within the Americas and International segments in the amount of $6.0 and $6.1, respectively.

The following table summarizes the activity related to the 2019 restructuring program for the twelve Months Ended September 30, 2020 and 2021:

(Dollars in millions, except per share)

			Utilized		
	September 30, 2019	Charge to Income	Cash	Non-Cash	September 30, 2020 [(1)]
Severance & termination related costs	$ 9.8	$ 0.8	$ 5.3	$ —	$ 5.3
Accelerated depreciation & asset write-offs	—	12.0	—	12.0	—
Other exit costs	—	16.3	13.4	—	2.9
Total	$ 9.8	$ 29.1	$ 18.7	$ 12.0	$ 8.2
	September 30, 2020	Charge to Income	Cash	Non-Cash	September 30, 2021 [(1)]
Severance & termination related costs	$ 5.3	$ 0.1	$ 4.0	$ —	$ 1.4
Accelerated depreciation & asset write-offs	—	6.7	—	6.7	—
Gain on sale of fixed assets	—	(3.3)	(5.5)	1.7	0.5
Other exit costs	2.9	16.5	17.2	—	2.2
Total	$ 8.2	$ 20.0	$ 15.7	$ 8.4	$ 4.1

(1) At September 30, 2021 and 2020, the restructuring reserve is recorded on the Consolidated Balance Sheet in Other current liabilities.

The following table summarizes the activity related to the 2020 restructuring program for the Twelve Months Ended September 30, 2021 and 2020:

			Utilized		
	September 30, 2019	Charge to Income	Cash	Non-Cash	September 30, 2020 [(1)]
Severance & termination related costs	$ —	$ 0.4	$ —	$ —	$ 0.4
Other restructuring related costs	—	0.8	—	—	$ 0.8
Total	$ —	$ 1.2	$ —	$ —	$ 1.2
	September 30, 2020	Charge to Income	Cash	Non-Cash	September 30, 2021 [(1)]
Severance & termination related costs	$ 0.4	$ 1.2	$ 0.7	$ —	$ 0.9
Other restructuring related costs	$ 0.8	$ 15.6	$ 15.7	$ —	0.7
Total	$ 1.2	$ 16.8	$ 16.4	$ —	$ 1.6

(1) At September 30, 2021 and 2020, the restructuring reserve is recorded on the Consolidated Balance Sheet in Other current liabilities.

(Dollars in millions, except per share)

(7) Income Taxes

The (benefit)/provisions for income taxes consisted of the following:

	For the Years Ended September 30,		
	2021	2020	2019
Current:			
United States - Federal	$ 4.7	$ 13.5	$ 1.2
State	1.6	3.0	3.0
Foreign	49.9	39.2	37.5
Total current	$ 56.2	$ 55.7	$ 41.7
Deferred:			
United States - Federal	(57.8)	(29.4)	(22.1)
State	(3.8)	(3.1)	(4.1)
Foreign	(1.3)	(2.3)	(7.1)
Total deferred	$ (62.9)	$ (34.8)	$ (33.3)
(Benefit)/provision for income taxes	$ (6.7)	$ 20.9	$ 8.4

The source of pre-tax earnings was:

	For the Years Ended September 30,		
	2021	2020	2019
United States	$ (90.1)	$ (114.1)	$ (139.9)
Foreign	244.3	181.8	213.0
Pre-tax earnings	$ 154.2	$ 67.7	$ 73.1

A reconciliation of income taxes with the amounts computed at the statutory federal income tax rate follows:

	For the Years Ended September 30,					
	2021		2020		2019	
Computed tax at federal statutory rate	$ 32.4	21.0 %	$ 14.2	21.0 %	$ 15.3	21.0 %
State income taxes, net of federal tax benefit	0.2	0.1	(0.7)	(1.0)	(2.3)	(3.2)
Foreign rate differential	0.8	0.5	2.0	3.0	(9.0)	(12.3)
Other taxes including repatriation of foreign earnings and GILTI	5.5	3.6	4.4	6.5	2.2	3.0
Foreign tax incentives	(3.7)	(2.4)	(3.6)	(5.3)	(5.3)	(7.3)
Uncertain tax positions	0.2	0.1	2.1	3.1	1.7	2.3
Impact of the 2017 tax reform	—	—	—	—	(0.4)	(0.5)
Nondeductible transaction expenses	—	—	1.0	1.5	4.8	6.6
Debt refinancing	(3.4)	(2.2)	—	—	—	—
Tax structuring	(39.5)	(25.6)	—	—	—	—
Other, net	0.8	0.6	1.5	2.1	1.4	1.9
Total	$ (6.7)	(4.3)%	$ 20.9	30.9 %	$ 8.4	11.5 %

The Tax structuring of $39.5 is a deferred tax benefit recorded in relation to an intercompany transfer of assets. The Company has been granted two foreign tax incentives providing for a reduced tax rate on profits related to certain battery productions. One incentive expired in December 2019 and the second expires in March 2023.

(Dollars in millions, except per share)

The deferred tax assets and deferred tax liabilities at the end of each year are as follows:

	September 30, 2021	September 30, 2020
Deferred tax assets:		
Accrued liabilities	$ 33.6	$ 53.4
Deferred and stock-related compensation	11.2	10.9
Tax loss carryforwards and tax credits	23.9	24.7
Intangible assets	2.5	1.9
Pension plans	5.6	17.1
Inventory differences and other tax assets	13.0	15.8
Operating lease assets	27.2	26.8
Interest expense limited under Sec 163j	90.5	54.6
Gross deferred tax assets	207.5	205.2
Deferred tax liabilities:		
Depreciation and property differences	(25.7)	(24.6)
Intangible assets	(200.5)	(246.9)
Operating lease liabilities	(25.9)	(26.8)
Other tax liabilities	(9.9)	(9.9)
Gross deferred tax liabilities	(262.0)	(281.4)
Valuation allowance	(15.1)	(13.1)
Net deferred tax liabilities	$ (69.6)	$ (89.3)

Future expirations of tax loss carryforwards and tax credits, if not utilized, are $2.7 between fiscal years 2022 and 2024 at September 30, 2021. In addition, there are $12.1 of tax loss carryforwards and credits with no expiration at September 30, 2021. The valuation allowance is primarily attributed to tax loss carryforwards and tax credits outside the U.S.

In general, it is our practice and intention to permanently reinvest the earnings of our foreign subsidiaries and repatriate earnings only when the tax impact is zero or very minimal. No provision has been provided for taxes that would result upon repatriation of our foreign investments to the United States. At September 30, 2021, approximately $964 of basis differential in our investment in foreign affiliates was considered indefinitely invested in those businesses. We estimate that the U.S. federal income tax liability that could potentially arise if indefinitely invested basis of foreign subsidiaries were repatriated in full to the U.S. would be significant. While it is not practicable to calculate a specific potential U.S. tax exposure due to changing statutory rates in foreign jurisdictions over time, as well as other factors, we estimate the potential U.S. tax may be in excess of $202, if all unrealized basis differences were repatriated assuming foreign cash was available to do so.

The unrecognized tax benefits activity is summarized below:

	For the Years Ended September 30, 2021	2020	2019
Unrecognized tax benefits, beginning of year	$ 14.2	$ 12.8	$ 10.9
Additions based on current year tax positions and acquisitions	0.1	0.1	—
Additions based on prior year tax positions and acquisitions	2.6	2.8	2.7
Reductions for prior year tax positions	—	(0.6)	—
Settlements with taxing authorities/statute expirations	(3.4)	(0.9)	(0.8)
Unrecognized tax benefits, end of year	$ 13.5	$ 14.2	$ 12.8

Included in the unrecognized tax benefits noted above are $13.5 of uncertain tax positions that would affect Energizer's effective tax rate, if recognized. Energizer does not expect any significant increases or decreases to their unrecognized tax benefits within twelve months of this reporting date. In the Consolidated Balance Sheets, unrecognized tax benefits are classified as Other liabilities (non-current) to the extent that payments are not anticipated within one year.

Energizer classifies accrued interest and penalties related to unrecognized tax benefits in the income tax provision. The accrued interest and penalties are not included in the table above. Energizer has accrued $6.8 of interest (net of the deferred tax asset of $1.1) and penalties of $3.4 at September 30, 2021, $5.6 of interest (net of the deferred tax asset of $0.8) and penalties of $4.0 at September 30, 2020, and $4.9 of interest (net of the deferred tax asset of $0.7) and penalties of $3.9 at September 30, 2019. Interest was computed on the difference between the tax position recognized in accordance with GAAP and the amount expected to be taken in the Company's tax return.

The Company files income tax returns in the U.S. federal jurisdiction, various cities and states, and more than 60 foreign jurisdictions where Energizer has operations. U.S. federal, state and local income tax returns for tax years ended September 30, 2018 and after remain subject to examination by the Internal Revenue Service. There are open examinations in the U.S. and at some of the foreign entities and the status of income tax examinations varies by jurisdiction. At this time, Energizer does not anticipate any material adjustments to its financial statements resulting from tax examinations currently in progress.

The Company is contractually indemnified by Spectrum for any tax liability of the Acquired Battery and Auto Care Businesses arising from tax years prior to the acquisitions. The Company is also contractually obligated to pay Spectrum any tax benefit it receives in a tax year after the acquisitions as a result of an indemnification payment made by Spectrum. An indemnification asset and liability, where necessary, has been recorded to reflect this arrangement. The Company has also indemnified VARTA AG for certain tax liabilities that existed as of the divestment date. An indemnification asset or liability, where necessary, has been recorded to reflect these arrangements.

(8) Share-Based Payments

The Board of Directors adopted the Energizer Holdings, Inc. Equity Incentive Plan (the 2015 Plan) on July 1, 2015, upon completion of the Spin-off. Under the terms of the Plan, stock options, restricted stock awards, restricted stock equivalents, stock appreciation rights and performance-based stock awards may be granted to directors, officers and employees of the Company. The Plan authorizes a maximum number of 10 million common shares to be awarded.

On January 27, 2020, the Company's shareholders approved the Energizer Holdings, Inc. Omnibus Incentive Plan (Omnibus Plan). The Omnibus Plan replaces and supersedes the 2015 Plan. No new awards will be issued under the 2015 Plan, though the terms of the 2015 Plan will continue to govern all awards granted under that plan.

The Omnibus Plan authorizes 6.5 million shares to be awarded, as well as the 0.3 million shares that were still available for grant under the 2015 Plan. Under the Omnibus Plan, stock options, stock appreciation rights, restricted stock and restricted stock units (time-based or performance-based), other stock awards and cash-based awards may be granted to directors, officers and employees of the Company. For purposes of determining the number of shares available for future issuance under the Omnibus Plan, awards other than stock options and stock appreciation rights, will reduce the shares available for future issuance by two for every one share awarded. Stock options and stock appreciation rights reduce the shares available for future issuance on a one-for-one basis. At September 30, 2021, there were 5.8 million shares available for future awards under the Plan.

Total compensation cost charged against income for Energizer’s share-based compensation arrangements was $10.2, $24.5 and $27.1 for the years ended September 30, 2021, 2020 and 2019, respectively, and was recorded in SG&A expense. The total income tax benefit recognized in the Consolidated Statements of Earnings and Comprehensive Income for share-based compensation arrangements was $2.3, $4.7 and $5.8 for the years ended September 30, 2021, 2020 and 2019, respectively.

Restricted Stock Equivalents (RSE)

In November 2017, the Company granted RSE awards to a group of key employees which included approximately 100,000 shares that vest ratably over four years. The closing stock price on the date of the grant used to determine the award fair value was $44.20.

In November 2018, the Company granted RSE awards to a group of key employees which included approximately 73,000 shares that vest ratably over four years and granted RSE awards to a group of key executives of approximately 55,000 shares that vest on the third anniversary of the date of grant. In addition, the Company granted approximately 190,000 performance shares to a group of key employees and key executives that will vest subject to meeting target amounts for both cumulative adjusted earnings per share and cumulative free cash flow as a percentage of sales over the three year performance period.

These performance measures are equally weighted in determining the final share award with the maximum award payout of approximately 380,000 shares. The closing stock price on the date of the grant used to determine the award fair value was $60.25.

In November 2019, the Company granted RSE awards to a group of key employees of approximately 134,000 shares that vest ratably over four years and granted RSE awards to a group of key executives of approximately 81,000 shares that vest on the third anniversary of the date of grant. In addition, the Company granted approximately 306,000 performance shares to a group of key employees and key executives that will vest subject to meeting target amounts for both cumulative adjusted earnings per share and cumulative free cash flow as a percentage of sales over the three year performance period. These performance measures are equally weighted in determining the final share award with the maximum award payout of approximately 612,000 shares. The closing stock price on the date of the grant used to determine the award fair value was $43.10.

In November 2020, the Company granted RSE awards to a group of key employees of approximately 120,000 shares that vest ratably over four years and granted RSE awards to a group of key executives of approximately 71,000 shares that vest on the third anniversary of the date of grant. In addition, the Company granted approximately 272,000 performance shares to a group of key employees and key executives that will vest subject to meeting target amounts for both cumulative adjusted earnings per share and cumulative free cash flow as a percentage of sales over the three year performance period. These performance measures are equally weighted in determining the final share award with the maximum award payout of approximately 544,000 shares. The closing stock price on the date of the grant used to determine the award fair value was $42.98.

The following table summarizes the Company's RSE activity during the current fiscal year (shares in millions):

	Shares	**Weighted-Average Grant Date Estimated Fair Value per Share**
Nonvested RSE at October 1, 2020	1.9	$ 47.56
Granted	0.9	$ 42.62
Vested	(0.5)	$ 44.55
Canceled	(0.3)	$ 45.32
Nonvested RSE at September 30, 2021	2.0	$ 46.44

As of September 30, 2021, there was an estimated $17.2 of total unrecognized compensation costs related to the outstanding RSE awards, which will be recognized over a weighted-average period of 1.3 years. The weighted average estimated fair value for RSE awards granted in fiscal 2021 was $37.1. The estimated fair value of RSE awards that vested in fiscal 2021 was $21.7

Subsequent to year-end, in November 2021, the Company granted RSE awards to a group of key employees of approximately 140,000 shares that vest ratably over four years and granted RSE awards to a group of key executives of approximately 113,000 shares that vest on the third anniversary of the date of grant. In addition, the Company granted approximately 393,000 performance shares to a group of key employees and key executives that will vest subject to meeting certain performance metrics over the three year performance period. The maximum award payout of approximately 786,000 shares. The closing stock price on the date of the grant used to determine the award fair value was $38.75.

(9) Earnings per share

Basic earnings per share is based on the average number of common shares outstanding during the period. Diluted earnings per share is based on the average number of shares used for the basic earnings per share calculation, adjusted for the dilutive effect of restricted stock equivalents, performance shares and deferred compensation equity plan. Common shares issuable upon conversion of the Mandatory Convertible Preferred Stock (MCPS) are included in the calculation of diluted earnings per share using the if-converted method and are only included if the conversion would be further dilutive to the calculation.

The following table sets forth the computation of basic and diluted earnings per share for the years ended September 30, 2021, 2020 and 2019:

	For the Years Ended September 30,		
(in millions, except per share data)	**2021**	**2020**	**2019**
Basic earnings per share			
Net earnings from continuing operations	$ 160.9	$ 46.8	$ 64.7
Mandatory preferred stock dividends	(16.2)	(16.2)	(12.0)
Net earnings from continuing operations attributable to common shareholders	144.7	30.6	52.7
Net loss from discontinued operations, net of tax	—	(140.1)	(13.6)
Net earnings / (loss) attributable to common shareholders	$ 144.7	$ (109.5)	$ 39.1
Weighted average common shares outstanding - basic	68.2	68.8	66.4
Basic net earnings per common share from continuing operations	$ 2.12	$ 0.44	$ 0.79
Basic net loss per common share from discontinued operations	—	(2.03)	(0.20)
Basic net earnings / (loss) per common share	$ 2.12	$ (1.59)	$ 0.59
Diluted earnings per share			
Net earnings / (loss) attributable to common shareholders	$ 144.7	$ (109.5)	$ 39.1
Weighted average common shares outstanding - basic	68.2	68.8	66.4
Effect of dilutive restricted stock equivalents	0.2	0.2	0.3
Effect of dilutive performance shares	0.2	0.4	0.4
Effect of stock based deferred compensation plan	0.1	0.1	0.2
Weighted average common shares outstanding - diluted	68.7	69.5	67.3
Diluted earnings per common share from continuing operations	$ 2.11	$ 0.44	$ 0.78
Diluted loss per common share from discontinued operations	—	(2.02)	(0.20)
Diluted net earnings / (loss) per common share	$ 2.11	$ (1.58)	$ 0.58

For the year ended September 30, 2021, 0.1 restricted stock equivalents were anti dilutive and for the years ended September 30, 2020 and 2019, 0.2 restricted stock equivalents were anti-dilutive and not included in the diluted net earnings per share calculations. Performance based restricted stock equivalents of 1.3, 1.1, and 0.9 were excluded for the years ended September 30, 2021, 2020, and 2019, respectively, as the performance targets for those shares had not been achieved as of the end of the current period.

The Company's MCPS were considered anti-dilutive for all periods and excluded for the calculations of diluted earnings/(loss) per share.

(10) Segments

For the twelve months ended September 31, 2021, 2020 and 2019, operations for Energizer are managed via two major geographic reportable segments: Americas and International. Segment performance is evaluated based on segment operating profit, exclusive of general corporate expenses, share-based compensation costs, costs associated with acquisition and integration activities, an acquisition earn out, amortization costs, business realignment activities, research & development costs, settlement loss on pension plan termination, and other items determined to be corporate in nature. Financial items, such as interest income and expense and loss on extinguishment of debt, are managed on a global basis at the corporate level. The exclusion of substantially all acquisition, integration, restructuring and realignment costs from segment results reflects management's view on how it evaluates segment performance.

(Dollars in millions, except per share)

Energizer's operating model includes a combination of standalone and shared business functions between the geographic segments, varying by country and region of the world. Shared functions include IT and finance shared service costs. Energizer applies a fully allocated cost basis, in which shared business functions are allocated between segments. Such allocations are estimates, and do not represent the costs of such services if performed on a standalone basis.

	For the Years Ended September 30,		
Net Sales	**2021**	**2020**	**2019**
Americas	$ 2,155.3	$ 1,971.2	$ 1,734.8
International	866.2	773.6	759.7
Total net sales	$ 3,021.5	$ 2,744.8	$ 2,494.5
Segment Profit			
Americas	563.8	498.5	456.6
International	163.3	155.8	174.9
Total segment profit	$ 727.1	$ 654.3	$ 631.5
General corporate and other expenses (1)	(96.0)	(103.8)	(111.5)
Global marketing expenses (2)	(41.9)	(28.2)	(18.2)
Research and development expense (3)	(33.4)	(34.1)	(31.7)
Amortization of intangible assets	(61.2)	(56.5)	(43.2)
Acquisition and integration costs (4)	(68.9)	(68.0)	(188.4)
Settlement loss on pension plan termination (5)	—	—	(3.7)
Acquisition earn out (6)	(3.4)	—	—
Loss on extinguishment of debt	(103.3)	(94.9)	—
Interest expense (7)	(161.8)	(195.0)	(160.4)
Other items, net (8)	(3.0)	(6.1)	(1.3)
Total earnings before income taxes	$ 154.2	$ 67.7	$ 73.1

(1) Of this amount $2.9 and $2.3 were recorded in Cost of products sold in the Consolidated Statement of Earnings and Comprehensive Income for the twelve months ended September 30, 2020 and 2019, respectively. All other amounts were recorded in SG&A.
(2) The twelve months ended September 30, 2021 includes $20.0 recorded in SG&A and $21.9 recorded in A&P. The twelve months ended September 30, 2020 includes $12.1 recorded in SG&A and $16.1 recorded in A&P. The twelve months ended September 30, 2019 includes $6.3 recorded in SG&A and $11.9 recorded in A&P.
(3) R&D expense for the twelve months ended September 30, 2021, 2020 and 2019 on the Consolidated Statement of Earnings and Comprehensive Income includes $1.1, $1.3 and $1.1 respectively, which has been reclassified to Acquisition and integration costs for purposes of the reconciliation above.
(4) Acquisition and integration costs were included in the following lines in the Consolidated Statement of Earnings and Comprehensive Income:

	For the Years Ended September 30,		
cquisition and Integration Costs	**2021**	**2020**	**2019**
Inventory step up (COGS)	$ —	$ —	$ 36.2
Cost of products sold	33.7	32.0	22.5
SG&A	40.0	38.8	82.3
Research and development	1.1	1.3	1.1
Interest expense	—	—	65.6
Other items, net	(5.9)	(4.1)	(19.3)
Total Acquisition and Integration Costs	$ 68.9	$ 68.0	$ 188.4

(5) Included in Other items, net in the Consolidated Statements of Earnings and Comprehensive Income. Refer to Note 14, Pension plans, for further information.
(6) This represents the estimated earn out achieved through September 30, 2021 under the incentive agreements entered into with the Formulations Acquisition and is recorded in SG&A on the Consolidated Statement of Earnings.
(7) The amount for the twelve months ended September 30, 2019 on the Consolidated Statements of Earnings and Comprehensive Income included $65.6 of expense, which has been reclassified to Acquisition and integration costs from Interest expense for purposes of the reconciliation above.

(Dollars in millions, except per share)

(8) The amount for the twelve months ended September 30, 2021, 2020 and 2019 on the Consolidated Statements of Earnings and Comprehensive Income included a gain of $5.9, $4.1 and $19.3, respectively, which has been reclassified to Acquisition and integration costs from Other items, net and the Settlement loss on pension plan terminations for the twelve months ended September 30, 2019 of $3.7 that have been reclassified out of Other items, net for purposes of the above reconciliation.

Corporate assets shown in the following table include all financial instruments, pension assets and tax asset balances that are managed outside of operating segments. In addition, the Restricted cash held as of September 30, 2020 was an asset utilized outside of the operating segments.

	September 30,	
Total Assets	**2021**	**2020**
Americas	$ 1,229.9	$ 1,238.0
International	679.5	668.5
Total segment assets	$ 1,909.4	$ 1,906.5
Corporate	173.0	106.8
Restricted cash	—	790.0
Goodwill and other intangible assets, net	2,925.1	2,925.0
Total assets	$ 5,007.5	$ 5,728.3

	September 30,	
Long-Lived Assets	**2021**	**2020**
United States	$ 423.4	$ 399.7
Singapore	66.6	67.3
United Kingdom	72.4	62.2
Other International	80.5	63.2
Total long-lived assets excluding goodwill and intangibles	$ 642.9	$ 592.4

Capital expenditures and depreciation and amortization by segment for the years ended September 30 are as follows:

	For the Years Ended September 30,		
Capital Expenditures	**2021**	**2020**	**2019**
Americas	$ 44.7	$ 55.0	$ 42.7
International	20.2	10.3	12.4
Total segment capital expenditures	$ 64.9	$ 65.3	$ 55.1
Depreciation and Amortization			
Americas	$ 37.1	$ 37.9	$ 34.6
International	20.2	17.5	15.0
Total segment depreciation and amortization	57.3	55.4	49.6
Corporate intangible amortization	61.2	56.5	43.2
Total depreciation and amortization	$ 118.5	$ 111.9	$ 92.8

Geographic segment information for the years ended September 30 are as follows:

	For the Years Ended September 30,		
Net Sales to Customers	**2021**	**2020**	**2019**
United States	$ 1,788.3	$ 1,641.9	$ 1,435.8
International	1,233.2	1,102.9	1,058.7
Total net sales	$ 3,021.5	$ 2,744.8	$ 2,494.5

(Dollars in millions, except per share)

Subsequent to fiscal 2021 on October 1, 2021, the Company has changed its reportable segments from two geographical segments to two product lines, Battery & Lights and Auto Care. This change comes with the completion of the Battery and Auto Care Acquisition integrations in fiscal 2022. The Company is changing its reporting structure to better reflect how the Company is managing the operations as well as what the chief operating decision maker is reviewing to make organizational decisions and resource allocations.

(11) Leases

The Company determines whether an arrangement contains a lease at the inception of the contract by determining if the contract conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. Energizer's portfolio of leases contains certain real estate, equipment, vehicles and office equipment leases. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Additionally, the Company's leases do not contain material residual value guarantees or material restrictive covenants.

Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company does not account for lease components separately from non-lease components. The discount rate used to calculate present value for both operating and financing leases is Energizer's incremental borrowing rate based on information available at the commencement date, or if available, the rate implicit in the lease. The incremental borrowing rate used is determined based on fully secured borrowings at the time of lease commencement. Many of these agreements contain options to renew or terminate the lease. For calculating lease liabilities, the Company includes these options within the lease term when it is reasonably certain that the Company will execute such options. Some of the leases include variable payments, which primarily are tied to asset usage or sales rather than an index or rate. As such, these variable payments are not included in the calculation of the Company's lease assets and liabilities.

As of September 30, 2021 and 2020 the amounts for leases included on our Consolidated Balance Sheet include:

Balance Sheet Location	**September 30, 2021**	**September 30, 2020**
Operating Leases:		
Operating lease asset	**$ 112.3**	**$ 121.9**
Operating lease liabilities - current	15.5	14.8
Operating lease liabilities	102.3	111.9
Total Operating Lease Liabilities	**$ 117.8**	**$ 126.7**
Weighted-average remaining lease term (in years)	16.3	16.2
Weighted-average discount rate	4.1 %	4.2 %
Finance Leases:		
Property, plant and equipment, net	**$ 37.2**	**$ 43.9**
Current portion of capital leases	2.3	1.7
Long-term debt	42.0	44.1
Total Finance Lease Liabilities	**$ 44.3**	**$ 45.8**
Weighted Average remaining lease term (in years)	19.8	20.4
Weighted-average discount rate	6.7 %	6.7 %

(Dollars in millions, except per share)

The following table presents the components of lease expense:

	Twelve Months Ended September 30, 2021	Twelve Months Ended September 30, 2020
Operating lease costs	$ 20.3	$ 20.4
Finance lease costs:		
Amortization of assets	3.2	3.2
Interest on lease liabilities	2.9	3.0
Variable lease costs	3.6	3.9
Total lease costs	**$ 30.0**	**$ 30.5**

Supplemental cash and non-cash information related to leases:

	Twelve Months Ended September 30, 2021	Twelve Months Ended September 30, 2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 18.9	$ 19.3
Operating cash flows from finance leases	2.9	2.9
Financing cash flows from finance leases	1.6	1.4
Non-cash increase in lease assets and lease liabilities:		
Operating leases (1) (2)	$ 5.3	$ 88.4

(1) The fiscal 2021 increase in operating lease assets and liabilities includes normal lease renewals and immaterial lease modifications occurring through the normal course of business. Fiscal year 2020 activity includes a material embedded lease agreement which resulted in operating lease asset and lease liabilities of approximately $34, the renewal of the North America headquarters lease, which resulted in a material lease modification and additional operating lease assets and lease liabilities of approximately $17, and the lease commencement for the Company's new battery distribution and packaging center in North America, which resulted in approximately $36 of additional operating lease related assets and lease liabilities.
(2) The fiscal 2020 non-cash increase in operating lease assets and liabilities does not include the lease assets and lease liabilities recorded due to the ASC 842 implementation on October 1, 2019.

Minimum lease payments under operating and finance leases with non-cancellable terms in excess of one year as of September 30, 2021 are as follows:

	Operating Leases	Finance Leases
2022	$ 19.5	$ 4.8
2023	17.7	4.7
2024	16.8	4.5
2025	15.7	4.6
2026	11.1	4.7
Thereafter	88.4	61.9
Total lease payments	169.2	85.2
Less: Imputed interest	(51.4)	(40.9)
Present value of lease liabilities	$ 117.8	$ 44.3

(Dollars in millions, except per share)

(12) Goodwill and intangible assets

Goodwill and intangible assets deemed to have an indefinite life are not amortized, but are reviewed annually for impairment of value or when indicators of a potential impairment are present. As part of our business planning cycle, we performed our annual goodwill impairment testing for our reporting units in the fourth quarter of fiscal 2021. There were no indications of impairment of goodwill noted during this testing or throughout fiscal 2021.

The following table represents the change in the carrying amount of goodwill at September 30, 2021 and 2020:

	Americas	International	Total
Balance at September 30, 2019	$ 861.6	$ 143.2	$ 1,004.8
Battery acquisition	0.7	0.2	0.9
Auto Care acquisition	3.8	0.1	3.9
Cumulative translation adjustment	(0.3)	6.7	6.4
Balance at September 30, 2020	$ 865.8	$ 150.2	$ 1,016.0
Formulations acquisition	29.7	—	29.7
Cumulative translation adjustment	0.2	7.9	8.1
Balance at September 30, 2021	$ 895.7	$ 158.1	$ 1,053.8

The Company had indefinite-lived intangible assets of $1,365.7 at September 30, 2021 and $1,365.4 at September 30, 2020. The increase was due to foreign currency movement. We completed impairment testing on indefinite-lived intangible assets other than goodwill, which are trademarks/brand names used in our various battery, auto care and lighting product categories. No impairment was indicated as a result of this testing.

Future changes in the judgments, assumptions and estimates that are used in our impairment testing including discount rates, revenue growth rates, future operating results and related cash flow projections, could result in significantly different estimates of the fair values in the future.

(Dollars in millions, except per share)

Total intangible assets at September 30, 2021 are as follows:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks and trade names	$ 59.5	$ (17.8)	$ 41.7
Customer Relationships	395.0	(87.1)	307.9
Patents	34.5	(13.5)	21.0
Proprietary technology	172.5	(59.6)	112.9
Proprietary formulas	21.9	(3.0)	18.9
Non-Compete	0.5	(0.5)	—
Vendor relationships	8.0	(4.8)	3.2
Total amortizable intangible assets	$ 691.9	$ (186.3)	$ 505.6
Trademarks and trade names - indefinite lived	1,365.7	—	1,365.7
Total Other intangible assets, net	$ 2,057.6	$ (186.3)	$ 1,871.3

Total intangible assets at September 30, 2020 are as follows:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks and trade names	$ 59.7	$ (13.9)	$ 45.8
Customer Relationships	394.2	(60.8)	333.4
Patents	34.5	(10.8)	23.7
Proprietary technology	172.5	(37.6)	134.9
Proprietary formulas	2.4	(0.5)	1.9
Non-compete	0.5	(0.4)	0.1
Vendor relationships	5.0	(1.2)	$ 3.8
Total amortizable intangible assets	$ 668.8	$ (125.2)	$ 543.6
Trademarks and trade names - indefinite lived	1,365.4	—	1,365.4
Total Other intangible assets, net	$ 2,034.2	$ (125.2)	$ 1,909.0

Amortizable intangible assets, with a weighted average remaining life of 9.9 years, are amortized on a straight-line basis over expected lives of 3 to 15 years. Amortization expense for intangible assets totaled $61.2, $56.5, and $43.2 for the twelve months ended September 30, 2021, 2020 and 2019, respectively.

Estimated amortization expense for amortizable intangible assets at September 30, 2021 are as follows:

	Estimated amortization expense
2022	$ 60.7
2023	55.1
2024	53.5
2025	53.5
2026	48.7
Thereafter	234.1
Estimated future amortization expense	$ 505.6

(Dollars in millions, except per share)

(13) Debt

The detail of long-term debt was as follows:

	September 30, 2021	September 30, 2020
Senior Secured Term Loan A Facility due 2022	$ —	$ 319.4
Senior Secured Term Loan B Facility due 2025	—	313.5
Senior Secured Term Loan Facility due 2027	1,194.0	—
6.375% Senior Notes due 2026	—	750.0
4.625% Senior Notes due 2026 (Euro Notes of €650.0)	—	761.9
7.750% Senior Notes due 2027	—	600.0
4.750% Senior Notes due 2028	600.0	600.0
4.375% Senior Notes due 2029	800.0	800.0
3.50% Senior Notes due 2029 (Euro Notes of €650.0)	752.7	—
Capital lease obligations	44.3	45.8
Total long-term debt, including current maturities	$ 3,391.0	$ 4,190.6
Less current portion	(14.3)	(843.0)
Less unamortized debt premium and debt issuance fees	(43.3)	(40.7)
Total long-term debt	$ 3,333.4	$ 3,306.9

Credit Agreement -Fiscal 2021 Activity - On December 22, 2020, the Company entered into a Credit Agreement (2020 Credit Agreement) which provided for a 5-year $400 revolving credit facility (2020 Revolving Facility) and a $550.0 Term Loan due December 2027. The $550.0 of proceeds were used to pay down the remaining balances on the Term Loan A facility due in 2022, Term Loan B facility due in 2025 and the amounts outstanding on the existing Revolving Credit Facility from 2018 (2018 Revolving Facility). The pay down of the Term Loan A and B facilities were deemed to be extinguishments and the Company wrote-off $5.7 of deferred financing fees during the first fiscal quarter of 2021.

On January 7, 2021, the Company amended the 2020 Credit Agreement and borrowed an incremental $650.0 on the Term Loan. The Company utilized the proceeds to fund the redemption of the Company's outstanding $600.0 7.750% Senior Notes due 2027 (2027 Notes) at a redemption price equal to 110.965% of the aggregate principal amount. As a result, the Company paid a redemption premium of $66.6 during the second fiscal quarter of 2021. The Company also wrote off deferred financings fees associated with the 2027 Notes resulting in a total loss on extinguishment recognized in the second fiscal quarter of 2021 of $70.0.

The 2020 Revolving Facility replaced the previously outstanding 2018 Revolving Facility. Borrowings under the 2020 Revolving Facility bear interest at a rate per annum equal to, at the option of the Company, LIBOR or the Base Rate (as defined) plus the applicable margin. Borrowings under the Term Loan require quarterly principal payments at a rate of 0.25% of the original principal balance, or $3.0. The Term Loan bears interest at a rate per annum equal to, at the option of the Company, LIBOR or Base Rate (as defined) plus the applicable margin. The 2020 Credit Agreement also contains customary affirmative and restrictive covenants.

As of September 30, 2021, the Company had outstanding borrowings of $105.0 under the 2020 Revolving Facility and $7.7 of outstanding letters of credit. Taking into account outstanding letters of credit, $287.3 remained available as of September 30, 2021. As of September 30, 2021 and September 30, 2020, our weighted average interest rate on short-term borrowings was 2.5% and 6.7%, respectively.

Credit Agreement** - **Fiscal 2020 Activity - On December 27, 2019, the Company amended the 2018 Credit Agreement and refinanced $365.0 of term loan debt. The amendment established a new $365.0 Term Loan A facility due December 2022, which was used to pay down $300.0 of the existing Term Loan B facility due in 2025 and $65.0 of the existing Term Loan A facility due in 2021. The pay down of the Term Loan B facility was deemed to be an extinguishment and the Company recorded a Loss on extinguishment of debt of $4.2 during the first quarter of fiscal 2020.

Senior Notes - ***Fiscal 2021 Activity*** - On September 30, 2020, the Company completed a bond offering for $800.0 Senior Notes due in 2029 at 4.375% (2029 Notes). On October 16, 2020, the Company used the proceeds from the sale of the 2029 Notes to fund the redemption of all the $750.0 Senior Notes due in 2026 at 6.375% (2026 Notes). Due to the timing of the transaction crossing fiscal years and the Company's obligation to redeem the 2026 Notes, the 2026 Notes were classified as Current maturities of long term debt and the proceeds from the 2029 Notes, net of financing fees paid, were classified as Restricted cash on the Consolidated Balance Sheet at September 30, 2020. The Company paid a redemption premium of $55.9 in the first fiscal quarter of 2021 related to this redemption, and the transaction resulted in a Loss on extinguishment of debt of $68.6, which was recorded on the date of the transaction in fiscal 2020.

On June 23, 2021, the Company completed a bond offering for €650 Senior Notes due in 2029 at 3.50% (2029 EUR Notes). The proceeds from the offering, combined with cash on hand, were used to satisfy its outstanding legal obligation on the €650 Senior Notes due in 2026 at 4.625% (2026 EUR Notes). The Company used approximately $45.9 of cash on hand to fund the redemption costs, accrued interest and fees associated with the redemption of the 2026 EUR Notes and issuance of the 2029 EUR Notes. The Company paid a redemption premium of $18.6 during the third quarter of fiscal 2021. The Company also wrote off deferred financing and interest and fees associated with the 2026 EUR Notes resulting in a total loss on extinguishment recognized in the third quarter of fiscal 2021 of $27.6.

Senior Notes - ***Fiscal 2020 Activity*** **-** On July 1, 2020, the Company completed a bond offering for $600.0 Senior Notes due in 2028 at 4.750% (2028 Notes). The Company utilized a portion of the net proceeds from the sale of the 2028 Notes to fund the purchase of $488.8 in aggregate principal amount of the Company’s outstanding 5.50% Senior Notes due 2025 (2025 Notes) accepted for purchase pursuant to a cash tender offer. The Company used the remaining net proceeds from such sale, together with cash on hand, to fund the redemption of 2025 Notes not purchased pursuant to the tender offer, at a redemption price equal to 102.750% of the aggregate principal amount of the 2025 Notes to be redeemed, plus accrued and unpaid interest thereon to, but excluding, the redemption date. As a result of such redemption, all 2025 Notes that were not tendered and purchased by the Company pursuant to the tender offer were redeemed. The Company paid a total call premium for tendered and called notes of $18.3. The transaction resulted in a Loss on extinguishment of debt of $22.1.

The 2028 Notes, 2029 Notes and 2029 EUR Notes were sold to qualified institutional buyers and will not be registered under federal or applicable state securities laws. Interest is payable semi annually on the 2028 Notes and 2029 EUR Notes in June and December and on the 2029 Notes in March and September. The 2028 Notes, 2029 Notes and 2029 EUR Notes are jointly and severally guaranteed on an unsecured basis by certain of the Company's domestic restricted subsidiaries that guarantee indebtedness of the Company under its 2020 Credit Agreement.

Debt issuance fees paid related to the term loan refinancing and Senior Note offerings were $29.0 and $26.5 during the twelve months ended September 30, 2021 and 2020, respectively. The Company wrote-off a total of $18.1 and $20.7 of debt issuance fees as a result of the extinguishment activity during fiscal year 2021 and 2020, respectively. Debt issuance fees paid during the twelve months ended September 30, 2019 of $40.1 related to the initial senior notes taken out for the Battery and Auto Care Acquisitions.

Interest Rate Swaps - In March 2017, the Company entered into an interest rate swap agreement with one major financial institution that fixed the variable benchmark component (LIBOR) on $200.0 of Energizer's variable rate debt through June 2022 at an interest rate of 2.03%. In February 2018, the Company entered into a forward starting interest rate swap with an effective date of October 1, 2018, with one major financial institution that fixed the variable benchmark component (LIBOR) on additional variable rate debt at an interest rate of 2.47%. At the effective date, the swap had a notional value of $400.0. Beginning April 1, 2019, the notional amount decreases $50.0 each quarter, and continued to decrease until its termination date of December 31, 2020.

In conjunction with the term loan refinance in December 2020, the Company terminated both of these interest rate swaps and entered into a new interest rate swap with the effective date of December 22, 2020, that fixed the variable benchmark component (LIBOR) at an interest rate of 0.95% on variable rate debt of $550.0. On January 22, 2021 the notional value increased to $700.0 and will stay at that value through December 22, 2024. The notional value will decrease by $100.0 on December 2024 and by $100.0 each year thereafter until its termination date on December 22, 2027.

Notes Payable - The notes payable balance was $105.0 at September 30, 2021 and $3.8 at September 30, 2020. The 2021 balance is comprised of $105.0 of outstanding borrowings on the 2020 Revolving Facility. The 2020 balance was comprised of other borrowings, including those from foreign affiliates.

(Dollars in millions, except per share)

Debt Covenants - The agreements governing the Company's debt contain certain customary representations and warranties, affirmative, negative and financial covenants, and provisions relating to events of default. If the Company fails to comply with these covenants or with other requirements of these agreements, the lenders may have the right to accelerate the maturity of the debt. Acceleration under one of these facilities would trigger cross defaults to other borrowings. As of September 30, 2021, the Company was, and expects to remain, in compliance with the provisions and covenants associated with its debt agreements.

The counterparties to long-term committed borrowings consist of a number of major financial institutions. The Company consistently monitors positions with, and credit ratings of, counterparties both internally and by using outside ratings agencies.

Debt Maturities - Aggregate maturities of long-term debt as of September 30, 2021 were as follows:

	Long-term debt
2022	$ 12.0
2023	12.0
2024	12.0
2025	12.0
2026	12.0
Thereafter	3,286.7
Total long-term debt payments due	$ 3,346.7

(14) Pension Plans

The Company has several defined benefit pension plans covering many of its employees in the U.S. and certain employees in other countries. The plans provide retirement benefits based on various factors including years of service and in certain circumstances, earnings. Most plans are now frozen to new entrants and for additional service.

During fiscal year 2019, the Company completed the termination procedures with the Trustees of its Ireland pension plan. The Company has no remaining obligations or risks related to this pension plan. This resulted in a plan settlement to the projected benefit obligation of $8.6 and plan assets of $11.4 and a settlement loss of $3.7 recorded to Other items, net on the Consolidated Statement of Earnings and Comprehensive Income.

The Company also sponsors or participates in a number of other non-U.S. pension arrangements, including various retirement and termination benefit plans, some of which are required by local law or coordinated with government-sponsored plans, which are not significant in the aggregate and, therefore, are not included in the information presented in the following tables.

(Dollars in millions, except per share)

The following tables present the benefit obligation, plan assets and funded status of the plans:

	September 30,			
	U.S.		International	
	2021	2020	2021	2020
Change in Projected Benefit Obligation				
Benefit obligation at beginning of year	$ 541.1	$ 531.3	$ 148.4	$ 145.8
Service cost	—	—	0.7	0.8
Interest cost	13.0	15.9	1.6	1.5
Actuarial (gain) / loss	(8.2)	31.3	(4.5)	(2.2)
Benefits paid	(38.0)	(37.4)	(5.5)	(4.9)
Plan settlements	(0.5)	—	—	(2.3)
Foreign currency exchange rate changes	—	—	2.4	9.7
Projected Benefit Obligation at end of year	$ 507.4	$ 541.1	$ 143.1	$ 148.4
Change in Plan Assets				
Estimated fair value of plan assets at beginning of year	$ 491.7	$ 463.5	$ 124.5	$ 122.8
Actual return on plan assets	34.0	62.8	8.5	0.2
Company contributions	2.9	2.8	2.5	1.1
Plan settlements	(0.5)	—	—	(2.3)
Benefits paid	(38.0)	(37.4)	(5.5)	(4.9)
Foreign currency exchange rate changes	—	—	3.1	7.6
Estimated fair value of plan assets at end of year	$ 490.1	$ 491.7	$ 133.1	$ 124.5
Funded status at end of year	$ (17.3)	$ (49.4)	$ (10.0)	$ (23.9)

The following table presents the amounts recognized in the Consolidated Balance Sheets and Consolidated Statements of Shareholders’ Equity/(Deficit):

	September 30,			
	U.S.		International	
Amounts Recognized in the Consolidated Balance Sheets	2021	2020	2021	2020
Noncurrent assets	$ 12.8	$ —	$ 17.2	$ 10.4
Current liabilities	(2.7)	(2.4)	(0.6)	(0.6)
Noncurrent liabilities	(27.4)	(47.0)	(26.6)	(33.7)
Net amount recognized	$ (17.3)	$ (49.4)	$ (10.0)	$ (23.9)
Amounts Recognized in Accumulated Other Comprehensive Loss				
Net loss, pre tax	$ (141.6)	$ (169.1)	$ (32.5)	$ (42.9)

Pre-tax changes recognized in other comprehensive loss for the year ended September 30, 2021 are as follows:

Changes in plan assets and benefit obligations recognized in other comprehensive (loss)/income	U.S.	International
Net gain arising during the year	$ 19.8	$ 9.7
Effect of exchange rates	—	(0.7)
Amounts recognized as a component of net periodic benefit cost		
Amortization or settlement recognition of net gain	7.7	1.4
Total gain recognized in other comprehensive loss	$ 27.5	$ 10.4

Energizer expects to contribute $2.7 to its U.S. plans and $2.6 to its International plans in fiscal 2022.

(Dollars in millions, except per share)

Energizer’s expected future benefit payments for the plans are as follows:

For The Years Ending September 30,	U.S.	International
2022	$ 38.0	$ 5.6
2023	36.7	5.5
2024	38.3	5.7
2025	35.8	5.9
2026	36.2	5.8
2027 to 2031	154.8	30.5

The accumulated benefit obligation for the U.S. plans was $507.4 and $541.1 and for the foreign plans was $141.0 and $146.0 at September 30, 2021 and 2020, respectively. The following table shows the plans with an accumulated benefit obligation in excess of plan assets at the dates indicated.

	September 30,			
	U.S.		International	
	2021	2020	2021	2020
Projected benefit obligation	$ 30.1	$ 541.1	$ 68.9	$ 74.6
Accumulated benefit obligation	30.1	541.1	66.7	72.2
Estimated fair value of plan assets	—	491.7	41.6	40.3

Pension plan assets in the U.S. plan represent approximately 79% of assets in all of the Company's defined benefit pension plans. Investment policy for the U.S. plan includes a mandate to diversify assets and invest in a variety of assets classes to achieve that goal. The U.S. plan's assets are currently invested in several funds representing most standard equity and debt security classes. The broad target allocations are approximately: (a) equities, including U.S. and foreign: 40%, and (b) debt securities, including U.S. bonds: 60%. Actual allocations at September 30, 2021 approximated these targets. The U.S. plan held no shares of Company common stock at September 30, 2021. Investment objectives are similar for non-U.S. pension arrangements, subject to local requirements.

Based on the Company's funding position as of October 1, 2021, the broad target allocations were updated to approximately: (a) equities, including U.S. and foreign: 30%, and (b) debt securities, including U.S. bonds: 70% for fiscal 2022.

The following table presents plan pension expense:

	For the Years Ended September 30,					
	U.S.			International		
	2021	2020	2019	2021	2020	2019
Service cost	$ —	$ —	$ —	$ 0.7	$ 0.8	$ 0.5
Interest cost	13.0	15.9	20.4	1.6	1.5	2.9
Expected return on plan assets	(22.4)	(24.3)	(26.2)	(3.2)	(3.6)	(4.9)
Recognized net actuarial loss	7.4	6.5	4.1	1.5	1.5	0.9
Settlement loss on Ireland pension plan termination	—	—	—	—	—	3.7
Settlement loss recognized on other pension plans	0.2	—	—	—	0.5	0.4
Net periodic (benefit)/expense	$ (1.8)	$ (1.9)	$ (1.7)	$ 0.6	$ 0.7	$ 3.5

The service cost component of the net periodic (benefit)/expense above is recorded in Selling, general and administrative expense (SG&A) on the Consolidated Statement of Earnings and Comprehensive Income, while the remaining components are recorded to Other items, net.

(Dollars in millions, except per share)

Amounts expected to be amortized from accumulated other comprehensive loss into net period benefit cost during the year ending September 30, 2022 are net actuarial losses of $6.4 for the U.S. Plan and $0.9 for the International plans.

The following table presents assumptions, which reflect weighted averages for the component plans, used in determining the above information:

	September 30,					
	U.S.			International		
	2021	2020	2019	2021	2020	2019
Plan obligations:						
Discount rate	2.6 %	2.5 %	3.1 %	1.3 %	1.0 %	1.6 %
Compensation increase rate	—	—	—	2.2 %	2.1 %	2.1 %
Net periodic benefit cost:						
Discount rate	2.5 %	3.1 %	4.3 %	1.0 %	1.0 %	2.1 %
Expected long-term rate of return on plan assets	5.1 %	5.6 %	5.9 %	2.6 %	2.8 %	3.8 %
Compensation increase rate	—	—	—	2.1 %	2.1 %	2.1 %

The following tables set forth the estimated fair value of Energizer's plan assets as of September 30, 2021 and 2020 segregated by level within the estimated fair value hierarchy. Refer to Note 17, Financial Instruments and Risk Management, for further discussion on the estimated fair value hierarchy and estimated fair value principles.

ASSETS AT ESTIMATED FAIR VALUE	At September 30, 2021					
	U.S. Pension Plan Assets			International Pension Plan Assets		
	Level 1	Level 2	Total	Level 1	Level 2	Total
EQUITY						
U.S. Equity	$ 60.0	$ —	$ 60.0	$ —	$ —	$ —
International Equity	3.4	—	3.4	—	9.9	9.9
DEBT						
U.S. Government	—	292.8	292.8	—	—	—
Other Government	—	—	—	—	22.5	22.5
CASH & CASH EQUIVALENTS	—	3.5	3.5	—	2.6	2.6
OTHER	—	—	—	—	7.0	7.0
Assets Measured at Net Asset Value						
U.S. Equity			76.8			—
International Equity			53.6			28.3
Corporate			—			41.3
Other			—			21.5
TOTAL	$ 63.4	$ 296.3	$ 490.1	$ —	$ 42.0	$ 133.1

(Dollars in millions, except per share)

	At September 30, 2020					
	U.S. Pension Plan Assets			International Pension Plan Assets		
	Level 1	Level 2	Total	Level 1	Level 2	Total
EQUITY						
U.S. Equity	$ 57.8	$ —	$ 57.8	$ —	$ —	$ —
International Equity	2.4	—	2.4	—	9.8	9.8
DEBT						
U.S. Government	—	278.1	278.1	—	—	—
Other Government	—	18.9	18.9	—	22.5	22.5
CASH & CASH EQUIVALENTS	—	—	—	—	0.4	0.4
OTHER	—	7.3	7.3	—	7.7	7.7
Assets measured at Net Asset Value						
U.S. Equity			77.6			—
International Equity			49.6			21.1
Corporate			—			45.2
Other			—			17.8
TOTAL	$ 60.2	$ 304.3	$ 491.7	$ —	$ 40.4	$ 124.5

There were no Level 3 pension assets at September 30, 2021 and 2020.

The investment objective for plan assets is to satisfy the current and future pension benefit obligations. The investment philosophy is to achieve this objective through diversification of the retirement plan assets. The goal is to earn a suitable return with an appropriate level of risk while maintaining adequate liquidity to distribute benefit payments. The diversified asset allocation includes equity positions, as well as fixed income investments. The increased volatility associated with equities is offset with higher expected returns, while the long duration fixed income investments help dampen the volatility of the overall portfolio. Risk exposure is controlled by re-balancing the retirement plan assets back to target allocations, as needed. Investment firms managing retirement plan assets carry out investment policy within their stated guidelines. Investment performance is monitored against benchmark indices, which reflect the policy and target allocation of the retirement plan assets.

(15) Defined Contribution Plan

The Company sponsors defined contribution plans globally, which extends participation eligibility to the vast majority of employees. In the U.S., the Company matches 100% of participant’s before tax or Roth contributions up to 6% of eligible compensation. Amounts charged to expense for the U.S. plan during fiscal 2021, 2020 and 2019 were $10.3, $9.6, and $7.8, respectively, and are reflected in SG&A and Cost of products sold in the Consolidated Statements of Earnings and Comprehensive Income. With the Battery and Auto Care Acquisitions on January 2, 2019 and January 28, 2019, respectively, the Company added approximately 900 colleagues to the Plan which drove the increase in the contributions in fiscal 2020. Contributions to the remaining global plans are not significant in the aggregate.

(16) Shareholders' Equity

The Company's articles of incorporation authorized 300 million shares of common stock and 10 million shares of preferred stock, each with a par value of $0.01 per share. As of September 30, 2021 and 2020, the Company had 72,386,840, common stock issued. As of September 30, 2021, the Company had approximately 2.0 million shares reserved for issuance under the Equity Incentive Plan and approximately 68,500 shares reserved for issuance under the deferred compensation plan.

On November 12, 2020, the Board of Directors approved a new share repurchase program for up to 7.5 million shares of its common stock, replacing the prior authorization from July 2015. Under these and previously outstanding authorizations, the Company has repurchased 500,000 shares for $21.3, at an average price of $42.61 per share, 980,000 shares for $45.0, at an average price of $45.93 per share, and 1,036,000 shares for $45.0, at an average price of $43.46 per share, during the twelve months ended September 30, 2021, 2020 and 2019.

During the fourth quarter of fiscal 2021 the Company entered into a $75.0 accelerated share repurchase (ASR) program. Under the terms of the agreement, approximately 1.5 million shares were delivered in fiscal 2021 with the remainder to be delivered at termination of the agreement, on or before November 18, 2021. The remaining number of shares to be repurchased will be based on the volume-weighted average stock prices (VWAP) of the Company’s common stock during the ASR period. As of September 30, 2021, $60.0 is recorded as treasury stock representing the approximately 1.5 million shares delivered in fiscal 2021 and the remaining $15.0 is recorded as Additional paid in capital on the Consolidated Balance Sheet.

As of September 30, 2021, the Company had approximately 5.5 million shares still authorized under this authorization. Future share repurchases, if any, would be made on the open market and the timing and the amount of any purchases will be determined by the Company based on its evaluation of the market conditions, capital allocation objectives, legal and regulatory requirements and other factors.

For the twelve months ended September 30, 2021, total dividends declared to shareholders were $82.6 and $83.9 was paid. For the twelve months ended September 30, 2020, total dividends declared to shareholders were $84.0 and $85.4 was paid. For the twelve months ended September 30, 2019, total dividends declared to shareholders were $82.4 and $83.0 was paid. The dividends paid included amounts on restricted shares that vested in the period.

Subsequent to the fiscal year end, on November 15, 2021, the Board of Directors declared a dividend for the first quarter of fiscal 2022 of $0.30 per share of common stock, payable on December 15, 2021, to all shareholders of record as of the close of business on November 30, 2021.

Series A Mandatory Convertible Preferred Stock - In January 2019, the Company issued 2,156,250 shares of Series A Mandatory Convertible Preferred Stock (MCPS), with a par value of $0.01 per share and liquidation preference of $100.00 per share. There were 2,156,250 preferred shares issued and outstanding as of September 30, 2021 and 2020.

Each outstanding share of MCPS will convert automatically on the mandatory conversion date, which is expected to be January 15, 2022, into between 1.7892 and 2.1739 shares of common stock, subject to certain anti-dilution and other adjustments. The number of shares of common stock issuable upon conversion will be determined based on the average VWAP per share of common stock over the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately prior to January 15, 2022.

Dividends on the MCPS will be payable on a cumulative basis at an annual rate of 7.50% of the liquidation preference of $100.00 per share of MCPS, and may be paid in cash or, subject to certain limitations, in shares of common stock, or in any combination of cash and shares of common stock. If declared, dividends on the MCPS will be payable quarterly on January 15, April 15, July 15 and October 15 of each year, commencing on April 15, 2019 and ending on, and including, January 15, 2022.

During the twelve months ended September 30, 2021, dividends declared and paid to preferred shareholders were $16.2. The payment included an accrued dividend from fiscal 2020 and the final dividend of fiscal 2021 was recorded in Other current liabilities at September 30, 2021 and was paid to the preferred shareholders on October 15, 2021.

Subsequent to the end of the fiscal year, on November 15, 2021, the Board of Directors declared a cash dividend of $1.875 per share of MCPS, payable on January 15, 2022, to all shareholders of record as of the close of business January 1, 2022.

No dividend or distributions may be declared or paid on shares of common stock, and no common stock shall be, directly or indirectly, purchased, redeemed, or otherwise acquired for consideration by the Company, or any of its subsidiaries, unless all accumulated and unpaid dividends for all preceding dividend periods have been declared and paid upon, or a sufficient sum of cash or number of shares of common stock has been set aside for the payment of such dividends upon, all outstanding shares of MCPS.

In connection with the offering of the MCPS, the Company entered into capped call transactions with certain counterparties. The capped call options are expected to reduce potential dilution to the Company’s Common Stock, subject to a cap, upon any conversion of MCPS. The Company paid $9.0 for the capped call transactions which reduced the net proceeds received from the MCPS.

(17) Financial Instruments and Risk Management

The market risk inherent in the Company's operations creates potential earnings volatility arising from changes in currency rates, interest rates and commodity prices. The Company's policy allows derivatives to be used only for identifiable exposures and, therefore, the Company does not enter into hedges for trading or speculative purposes where the sole objective is to generate profits.

Concentration of Credit Risk – The counterparties to derivative contracts consist of a number of major financial institutions and are generally institutions with which the Company maintains lines of credit. The Company does not enter into derivative contracts through brokers nor does it trade derivative contracts on any other exchange or over-the-counter markets. Risk of currency positions and mark-to-market valuation of positions are strictly monitored at all times.

The Company continually monitors positions with, and credit ratings of, counterparties both internally and by using outside rating agencies. While nonperformance by these counterparties exposes Energizer to potential credit losses, such losses are not anticipated.

The Company sells to a large number of customers primarily in the retail trade, including those in mass merchandising, drugstore, supermarket and other channels of distribution throughout the world. Wal-Mart Stores, Inc. accounted for 13.7%, 14.1%, and 13.8% of total net sales in fiscal 2021, 2020 and 2019, respectively, primarily in North America. The Company performs ongoing evaluations of its customers' financial condition and creditworthiness, but does not generally require collateral. While the competitiveness of the retail industry presents an inherent uncertainty, the Company does not believe a significant risk of loss from a concentration of credit risk exists with respect to accounts receivable.

In the ordinary course of business, the Company enters into contractual arrangements (derivatives) to reduce its exposure to commodity price and foreign currency risks. The section below outlines the types of derivatives that existed at September 30, 2021 and 2020, as well as the Company's objectives and strategies for holding these derivative instruments.

Commodity Price Risk – The Company uses raw materials that are subject to price volatility. At times, the Company uses hedging instruments to reduce exposure to variability in cash flows associated with future purchases of certain materials and commodities.

Foreign Currency Risk – A significant portion of Energizer's product cost is more closely tied to the U.S. dollar than to the local currencies in which the product is sold. As such, a weakening of currencies relative to the U.S. dollar results in margin declines unless mitigated through pricing actions, which are not always available due to the economic or competitive environment. Conversely, a strengthening in currencies relative to the U.S. dollar can improve margins. The primary currencies to which Energizer is exposed include the Euro, the British pound, the Canadian dollar and the Australian dollar. However, the Company also has significant exposures in many other currencies which, in the aggregate, may have a material impact on the Company's operations.

Additionally, Energizer's foreign subsidiaries enter into internal and external transactions that create nonfunctional currency balance sheet positions at the foreign subsidiary level. These exposures are generally the result of intercompany purchases, intercompany loans and, to a lesser extent, external purchases, and are revalued in the foreign subsidiary's local currency at the end of each period. Changes in the value of the non-functional currency balance sheet positions in relation to the foreign subsidiary's local currency results in a transaction gain or loss recorded in Other items, net on the Consolidated Statements of Earnings and Comprehensive Income. The primary currency to which Energizer's foreign subsidiaries are exposed is the U.S. dollar.

Interest Rate Risk – Energizer has interest rate risk with respect to interest expense on variable rate debt. At September 30, 2021, Energizer had variable rate debt outstanding with a principal balance of $1,299.0 under the 2020 Term Loan and the 2020 Revolving Facility.

In March 2017, the Company entered into an interest rate swap agreement (2017 Interest rate swap) with one major financial institution that fixed the variable benchmark component (LIBOR) on $200.0 of Energizer's variable rate debt through June 2022 at an interest rate of 2.03%. In February 2018, the Company entered into a forward starting interest rate swap (2018 Interest rate swap) with an effective date of October 1, 2018, with one major financial institution that fixed the variable benchmark component (LIBOR) on additional variable rate debt of $400.0 at an interest rate of 2.47%. Beginning April 1, 2019, the notional amount decreased $50.0 each quarter until its termination date of December 31, 2020.

In December 2020, the Company terminated both of these swap arrangements and entered into an interest rate swap (2020 interest rate swap) with an effective date on December 22, 2020, that fixed the variable benchmark component (LIBOR) at an interest rate of 0.95% on variable debt of $550.0. The notional value increased to $700.0 on January 22, 2021 and will stay at that value through December 22, 2024. The notional value will decrease by $100.0 on December 22, 2024 and by $100.0 each year thereafter until its termination date on December 22, 2027. The notional value of the swap was $700.0 as September 30, 2021.

Derivatives Designated as Cash Flow Hedging Relationships – The Company has entered into a series of forward currency contracts to hedge the cash flow uncertainty of forecasted payment of inventory purchases due to short term currency fluctuations. Energizer's primary foreign affiliates, which are exposed to U.S. dollar purchases, have the Euro, the British pound, the Canadian dollar and the Australian dollar as their local currencies. These foreign currencies represent a significant portion of Energizer's foreign currency exposure. At September 30, 2021 and 2020, Energizer had an unrealized pre-tax gain of $5.0 and loss of $4.9, respectively, included in Accumulated other comprehensive loss on the Consolidated Balance Sheets. Assuming foreign exchange rates versus the U.S. dollar remain at September 30, 2021 levels, over the next twelve months, $4.7 of the pre-tax gain included in Accumulated other comprehensive loss is expected to be recognized in earnings. Contract maturities for these hedges extend into fiscal 2023. There were 62 open foreign currency contracts at September 30, 2021, with a total notional value of approximately $219.

The Company has a hedging program on zinc purchases. The contracts were determined to be cash flow hedges and qualify for cash flow hedge accounting. The contract maturities for these hedges extend into fiscal 2022. There were 5 open contracts at September 30, 2021, with a total notional value of approximately $10. The pre-tax gain on the zinc contracts of $4.7 and $4.4 was recognized at September 30, 2021 and 2020, respectively, and was included in Accumulated other comprehensive loss on the Consolidated Balance Sheet.

The 2017 Interest rate swap was terminated early in December 2020 and resulted in a $5.6 loss, which was recorded in accumulated other comprehensive loss on the Consolidated Balance Sheet. This loss will be amortized into interest expense over the remainder of the interest payments associated with the Term Loan through June 2022, the original ending date of the 2017 Interest rate swap. The 2018 Interest rate swap was terminated in December 2020, which is consistent with the end of the original swap agreement.

At September 30, 2021, Energizer recorded an unrecognized pre-tax gain of $11.7 on the 2020 Interest rate swap agreement, and at September 30, 2020, the Company recorded an unrealized pre-tax loss of $7.3 on the 2017 and 2018 interest rate swap contracts, both of which were included in Accumulated other comprehensive loss on the Consolidated Balance Sheet.

Derivatives not Designated in Hedging Relationships - In addition, Energizer enters into foreign currency derivative contracts which are not designated as cash flow hedges for accounting purposes to hedge existing balance sheet exposures. Any gains or losses on these contracts would be offset by corresponding exchange losses or gains on the underlying exposures; thus are not subject to significant market risk. There were 6 open foreign currency derivative contracts which are not designated as cash flow hedges at September 30, 2021, with a total notional value of approximately $67.

(Dollars in millions, except per share)

The following table provides the Company's estimated fair values as of September 30, 2021 and 2020, and the amounts of gains and losses on derivative instruments classified as cash flow hedges as of and for the twelve months ended September 30, 2021 and 2020, respectively:

	At September 30, 2021	For the Year Ended September 30, 2021	
Derivatives designated as Cash Flow Hedging Relationships	**Estimated Fair Value Asset (1)**	**(Loss) / Gain Recognized in OCI (2)**	**(Loss) / Gain Reclassified From OCI into Income (Effective Portion) (3) (4)**
Foreign currency contracts	$ 5.0	$ (0.5)	$ (10.4)
Interest rate swaps	11.7	9.9	(6.7)
Zinc contracts	4.7	4.5	4.2
Total	$ 21.4	$ 13.9	$ (12.9)

	At September 30, 2020	For the Year Ended September 30, 2020	
Derivatives designated as Cash Flow Hedging Relationships	**Estimated Fair Value (Liability) / Asset (1)**	**(Loss) / Gain Recognized in OCI (2)**	**Gain / (Loss) Reclassified From OCI into Income (Effective Portion) (3) (4)**
Foreign currency contracts	$ (4.9)	$ (6.1)	$ 3.3
Interest rate swaps	(7.3)	(6.6)	(4.3)
Zinc contracts	4.4	3.8	(1.6)
Total	$ (7.8)	$ (8.9)	$ (2.6)

(1) All derivative liabilities are presented in Other current liabilities or Other liabilities. All derivative assets are presented in Other current assets or Other assets.
(2) OCI is defined as other comprehensive income.
(3) Gain/(Loss) reclassified to Income was recorded as follows: Foreign currency contracts in Cost of products sold, interest rate contracts in Interest expense, and commodity contracts in Cost of products sold.
(4) Each of these hedging relationships has derivative instruments with a high correlation to the underlying exposure being hedged and has been deemed highly effective in offsetting the underlying risk.

The following table provides estimated fair values as of September 30, 2021 and 2020, and the gains on derivative instruments not classified as cash flow hedges as of and for the twelve months ended September 30, 2021 and 2020, respectively.

Derivatives not designated as Cash Flow Hedging Relationships	**At September 30, 2021 Estimated Fair Value Liability (1)**	**For the Year Ended September 30, 2021 Loss Recognized in Income (2)**
Foreign currency contracts	$ —	$ (0.7)

Derivatives not designated as Cash Flow Hedging Relationships	**At September 30, 2020 Estimated Fair Value Liability (1)**	**For the Year Ended September 30, 2020 Loss Recognized in Income (2)(3)**
Foreign currency contracts	$ (0.2)	$ (3.1)

(1) All derivative liabilities are presented in Other current liabilities or Other liabilities and derivative assets are presented in Other current assets or Other assets.
(2) Gain / (Loss) recognized in Income was recorded in Other items, net.
(3) Includes a $2.2 loss on the hedge contract on the proceeds from the Varta Divestiture.

(Dollars in millions, except per share)

Energizer has the following recognized financial assets and financial liabilities resulting from those transactions that meet the scope of the disclosure requirements as necessitated by applicable accounting guidance for balance sheet offsetting:

Offsetting of derivative assets

		At September 30, 2021			At September 30, 2020		
Description	**Balance Sheet location**	**Gross amounts of recognized assets**	**Gross amounts offset in the Balance Sheet**	**Net amounts of assets presented in the Balance Sheet**	**Gross amounts of recognized assets**	**Gross amounts offset in the Balance Sheet**	**Net amounts of assets presented in the Balance Sheet**
Foreign Currency Contracts	Other Current Assets, Other Assets	$ 5.8	$ (0.6)	$ 5.2	$ 0.8	$ (0.4)	$ 0.4

Offsetting of derivative liabilities

		At September 30, 2021			At September 30, 2020		
Description	**Balance Sheet location**	**Gross amounts of recognized liabilities**	**Gross amounts offset in the Balance Sheet**	**Net amounts of liabilities presented in the Balance Sheet**	**Gross amounts of recognized liabilities**	**Gross amounts offset in the Balance Sheet**	**Net amounts of liabilities presented in the Balance Sheet**
Foreign Currency Contracts	Other Current Liabilities, Other Liabilities	$ (0.8)	$ 0.6	$ (0.2)	$ (6.0)	$ 0.5	$ (5.5)

Fair Value Hierarchy – Accounting guidance on fair value measurements for certain financial assets and liabilities requires that assets and liabilities carried at fair value be classified in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs reflecting the reporting entity’s own assumptions or external inputs from inactive markets.

Under the fair value accounting guidance hierarchy, an entity is required to maximize the use of quoted market prices and minimize the use of unobservable inputs. The following table sets forth the Company's financial assets and liabilities, which are carried at fair value, as of September 30, 2021 and 2020 that are measured on a recurring basis during the period, segregated by level within the fair value hierarchy:

	Level 2	
	September 30,	
	2021	**2020**
(Liabilities)/Assets at estimated fair value:		
Deferred Compensation	$ (25.1)	$ (26.8)
Derivatives - Foreign Currency contracts	5.0	(4.9)
Derivatives - Foreign Currency contracts (non-hedge)	—	(0.2)
Derivatives - Interest Rate Swaps	11.7	(7.3)
Derivatives - Zinc contracts	4.7	$ 4.4
Net Liabilities at estimated fair value	$ (3.7)	$ (34.8)

Energizer had no level 1 financial assets or liabilities, other than pension plan assets, and no level 3 financial assets or liabilities at September 30, 2021 and 2020.

Due to the nature of cash and cash equivalents and restricted cash, carrying amounts on the balance sheets approximate estimated fair value. The estimated fair value of cash was determined based on level 1 inputs and cash equivalents and restricted cash are determined based on level 2 inputs.

(Dollars in millions, except per share)

At September 30, 2021 and 2020, the estimated fair value of the Company's unfunded deferred compensation liability is determined based upon the quoted market prices of investment options that are offered under the plan. The estimated fair value of foreign currency contracts, interest rate swap and zinc contracts, as described above, is the amount that the Company would receive or pay to terminate the contracts, considering first, quoted market prices of comparable agreements, or in the absence of quoted market prices, such factors as interest rates, currency exchange rates and remaining maturities.

At September 30, 2021 and 2020, the fair market value of fixed rate long-term debt was $2,156.1 and $2,858.3, respectively, compared to its carrying value of $2,152.7 and $2,761.9, respectively. The estimated fair value of the long-term debt is estimated using yields obtained from independent pricing sources for similar types of borrowing arrangements. The estimated fair value of fixed rate long-term debt has been determined based on level 2 inputs.

(18) Other Commitments and Contingencies

In the ordinary course of business, the Company also enters into supply and service contracts. These contracts can include either volume commitments or fixed expiration dates, termination provisions and other standard contractual considerations. At September 30, 2021, the Company had approximately $33.8 of purchase obligations.

(19) Accumulated Other Comprehensive (Loss)/Income

The following table presents the changes in accumulated other comprehensive (loss)/income (AOCI), net of tax by component:

	Foreign Currency Translation Adjustments	Pension Activity	Zinc Contracts	Foreign Currency Contracts	Interest Rate Swap	Total
Balance at September 30, 2018	$ (113.6)	$ (136.4)	$ —	$ 3.3	$ 4.9	(241.8)
OCI before reclassifications	9.0	(44.3)	(0.7)	6.3	(9.0)	(38.7)
Reclassifications to earnings	—	7.4	—	(6.5)	(0.2)	0.7
Activity related to discontinued operations	(19.4)	—	0.9	—	—	(18.5)
Balance at September 30, 2019	$ (124.0)	$ (173.3)	$ 0.2	$ 3.1	$ (4.3)	$ (298.3)
OCI before reclassifications	(32.7)	0.3	2.9	(4.7)	(5.1)	(39.3)
Reclassifications to earnings	—	6.5	1.2	(2.5)	3.3	8.5
Activity related to discontinued operations	19.3	3.0	(0.9)	—	—	21.4
Balance at September 30, 2020	$ (137.4)	$ (163.5)	$ 3.4	$ (4.1)	$ (6.1)	$ (307.7)
OCI before reclassifications	27.6	22.0	3.4	(0.2)	7.6	60.4
Reclassifications to earnings	—	7.1	(3.2)	7.9	5.1	16.9
Balance at September 30, 2021	$ (109.8)	$ (134.4)	$ 3.6	$ 3.6	$ 6.6	$ (230.4)

(Dollars in millions, except per share)

The following table presents the reclassifications from AOCI:

	For the Year Ended September 30,			
Amount Reclassified from AOCI	**2021**	**2020**	**2019**	**Affected Line Item in the Consolidated Statements of Earnings**
Gains and losses on cash flow hedges				
Foreign exchange contracts	$ 10.4	$ (3.3)	$ (8.4)	Cost of products sold
Interest rate swaps	6.7	4.3	(0.3)	Interest expense
Zinc contracts	(4.2)	1.6	—	Cost of products sold
	12.9	2.6	(8.7)	Loss / (Earnings) before income taxes
	(3.1)	(0.6)	2.0	Income tax (benefit) / provision
	$ 9.8	$ 2.0	$ (6.7)	
Amortization of defined benefit pension items				
Actuarial losses	$ 8.9	$ 8.0	$ 5.0	(1)
Settlement loss on Ireland pension plan termination	—	—	3.7	(1)
Settlement losses on other plans	0.2	0.5	0.4	(1)
	9.1	8.5	9.1	Loss before income taxes
	(2.0)	(2.0)	(1.7)	Income tax benefit
	$ 7.1	$ 6.5	$ 7.4	
Total reclassifications for the period	$ 16.9	$ 8.5	$ 0.7	

Amounts in parentheses indicate credits to Consolidated Statements of Earnings.
(1) These AOCI components are included in the computation of net periodic benefit cost (see Note 14, Pension Plans, for further details) and recorded in Other items, net.

(Dollars in millions, except per share)

(20) Supplemental Financial Statement Information

The components of certain income statement accounts are as follows:

	For the Years Ended September 30,		
Other items, net	**2021**	**2020**	**2019**
Interest income	$ (0.7)	$ (0.6)	$ (7.7)
Interest income on restricted cash (1)	—	—	(5.8)
Foreign currency exchange loss	5.5	8.7	5.2
Pension benefit other than service costs (2)	(1.9)	(1.7)	(2.3)
Settlement loss on pension plan terminations (2)	—	—	3.7
Acquisition foreign currency gains (1)	—	2.2	(13.6)
Pre-acquisition insurance proceeds (1)	—	(4.9)	—
Settlement of acquired business hedging contracts (1)	—	—	1.5
Gain on sale of assets (1)	(3.3)	(1.0)	—
Transition services agreement income (1)	—	(0.9)	(1.4)
Other	(2.5)	0.2	6.1
Total Other items, net	$ (2.9)	$ 2.0	$ (14.3)

(1) See Note 4, Acquisitions, for additional information on these items.
(2) See Note 14, Pension Plans, for additional information on this item.

The components of certain balance sheet accounts are as follows:

	September 30,	
Inventories	**2021**	**2020**
Raw materials and supplies	$ 118.8	$ 85.2
Work in process	206.3	148.7
Finished products	403.2	277.4
Total inventories	$ 728.3	$ 511.3
Other Current Assets		
Miscellaneous receivables	$ 21.4	$ 15.8
Due from Spectrum	16.3	30.6
Prepaid expenses	98.3	76.5
Value added tax collectible from customers	28.3	20.4
Other	15.1	14.5
Total other current assets	$ 179.4	$ 157.8
Property, plant and equipment		
Land	$ 14.4	$ 8.9
Buildings	121.4	121.9
Machinery and equipment	822.9	821.4
Capital leases	62.4	51.4
Construction in progress	52.7	39.3
Total gross property	1,073.8	1,042.9
Accumulated depreciation	(690.9)	(690.8)
Total property, plant and equipment, net	$ 382.9	$ 352.1

(Dollars in millions, except per share)

	September 30, 2021	September 30, 2020
Other Current Liabilities		
Accrued advertising, sales promotion and allowances	$ 19.5	$ 12.1
Accrued trade promotions	57.3	45.4
Accrued salaries, vacations and incentive compensation	65.4	68.1
Accrued interest expense	16.5	36.9
Accrued redemption premium	—	55.9
Restructuring reserve	5.7	9.4
Income taxes payable	30.3	30.2
Other	162.1	150.7
Total other current liabilities	$ 356.8	$ 408.7
Other Liabilities		
Pensions and other retirement benefits	$ 66.2	$ 89.9
Deferred compensation	25.1	26.8
Mandatory transition tax	16.7	16.7
Other non-current liabilities	70.4	78.2
Total other liabilities	$ 178.4	$ 211.6

Allowance for Doubtful Accounts	For the Years Ended September 30, 2021	2020	2019
Balance at beginning of year	$ 2.8	$ 3.8	$ 4.0
Provision charged to expense, net of reversals	1.2	1.8	1.5
Write-offs, less recoveries, translation, other	(1.1)	(2.8)	(1.7)
Balance at end of year	$ 2.9	$ 2.8	$ 3.8

Income Tax Valuation Allowance	For the Years Ended September 30, 2021	2020	2019
Balance at beginning of year	$ 13.1	$ 11.9	$ 12.0
Provision charged to expense, net of reversals	1.8	3.1	0.7
Reversal of provision charged to expense	(2.1)	(0.2)	(0.4)
Translation, other	2.3	(1.7)	(0.4)
Balance at end of year	$ 15.1	$ 13.1	$ 11.9

The components of certain cash flow statement components are as follows:

Certain items from Operating Cash Flow Activities	For the Years Ended September 30, 2021	2020	2019
Interest paid	$ 172.7	$ 196.0	$ 170.3
Income taxes paid, net	65.0	46.7	43.3

(21) Related Party Transactions

On January 28, 2019, the Company completed the Auto Care Acquisition from Spectrum, which included stock consideration of 5.3 million shares of Energizer common stock. In accordance with the terms of our Shareholder Agreement with Spectrum, Spectrum had the right to sell such shares on or after January 28, 2020, including through one or more registered secondary offerings. At September 30, 2020, Spectrum owned 1.7 million shares, or 2.5% of the Company's outstanding common shares. During the second quarter of fiscal 2021, Spectrum sold the remainder of their shares, and as such at September 30, 2021 they are no longer considered to be a related party.

The transactions between Spectrum and Energizer prior to when Spectrum sold their remaining shares during fiscal 2021 are immaterial. The transactions discussed below cover the time period in which Spectrum was a related party of Energizer Holdings, Inc. in fiscal 2020 and 2019.
Following the completion of the Battery and Auto Care Acquisitions, the Company and Spectrum entered into transition service agreements (TSA) and reverse TSA. Under the agreements, Energizer and Spectrum provided each other certain specified back office support services on a transitional basis, including among other things, payroll and other human resource services, information systems as well as accounting support.

The charges for the transition services are generally intended to allow the providing company to fully recover the allocated direct costs of providing the services, plus all out-of-pocket costs and expenses, and including a nominal profit. As of September 30, 2020, the Company had exited the majority of the TSA and reverse TSA, and during the first quarter of fiscal 2021, the Company was out of all agreements.

During the twelve months ended September 30, 2020 and 2019, the Company paid $2.3 and $0.2, respectively, to Spectrum related to rent for office space at their Middleton, Wisconsin headquarters.

For the twelve months ended September 30, 2020, the Company incurred expense of $8.4 in SG&A and $0.4 in Cost of products sold. The Company also recorded income of $0.9 in Other items, net related to the reverse transaction services agreements provided for the twelve months end period.

For the twelve months ended September 30, 2019, the Company incurred expense of $15.3 in SG&A and $1.0 in Cost of products sold. The Company recorded income of $1.4 in Other items, net related to the reverse transaction services agreements provided for the twelve months ended period.

Related to these agreements, the Company had a payable to Spectrum of $1.6 in Other current liabilities and a receivable from Spectrum of $30.6 in Other current assets as of September 30, 2020, as well as a receivable from Spectrum in Other assets of $18.4 as of September 30, 2020. The asset balance from Spectrum also included the tax indemnification due from Spectrum under the initial purchase agreements.

The Company also entered into a supply agreement with Spectrum, ancillary to the Auto Care Acquisition that became effective upon the consummation of the acquisition. The supply agreement resulted in expense to the Company of $17.8 and $9.8 for the twelve months ended September 30, 2020 and 2019, respectively. The Company recorded $2.7 in Accounts payable at September 30, 2020 related to these purchases.

In discontinued operations, the Company recorded income of $3.8 and $11.8 for reverse TSA, and recorded expense of $0.3 and $1.3 for the twelve months ended September 30, 2020 and 2019, respectively.

(22) Environmental and Regulatory

Government Regulation and Environmental Matters – The operations of Energizer are subject to various federal, state, foreign and local laws and regulations intended to protect the public health and the environment. These regulations relate primarily to worker safety, air and water quality, underground fuel storage tanks and waste handling, collection, recycling and disposal. In connection with some sites, Energizer has been identified as a “potentially responsible party” (PRP) under the Comprehensive Environmental Response, Compensation and Liability Act and may be required to share in the cost of cleanup with respect to certain federal “Superfund” sites. Energizer may also be required to share in the cost of cleanup with respect to state-designated sites or other sites outside of the U.S.

Accrued environmental costs at September 30, 2021 were $10.1, of which $3.1 is expected to be spent during fiscal 2022. It is difficult to quantify with certainty the cost of environmental matters, particularly remediation and future capital expenditures for environmental control equipment. Environmental spending estimates could be modified as a result of changes in legal requirements or the enforcement or interpretation of existing requirements.

Legal Proceedings – The Company and its affiliates are subject to a number of legal proceedings in various jurisdictions arising out of its operations. Many of these legal matters are in preliminary stages and involve complex issues of law and fact, and may proceed for protracted periods of time. The amount of liability, if any, from these proceedings cannot be determined with certainty. The Company and its affiliates are a party to legal proceedings and claims that arise during the ordinary course of business. The Company reviews its legal proceedings and claims, regulatory reviews and inspections on an ongoing basis and follows appropriate accounting guidance when making accrual and disclosure decisions. The Company establishes accruals for those contingencies where the incurrence of a loss is probable and can be reasonably estimated, and discloses the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued, if such disclosure is necessary for our financial statements to not be misleading. The Company does not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated. Based upon present information, the Company believes that its liability, if any, arising from such pending legal proceedings, asserted legal claims and known potential legal claims which are likely to be asserted, is not reasonably likely to be material to the Company's financial position, results of operations, or cash flows, taking into account established accruals for estimated liabilities.

Item 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.***

Not applicable.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the Exchange Act) as of September 30, 2021. Based on that evaluation, our CEO and CFO concluded that, as of that date, our disclosure controls and procedures were effective in providing reasonable assurance that information required to be disclosed in reports that we file or submit is recorded, processed, summarized and reported accurately and within the time periods specified, and that such information is accumulated and communicated to the Company's management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate control over financial reporting, as defined under Exchange Act rules 13a-15(f) and 15d-15(f). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management determined that our internal control over financial reporting was effective as of September 30, 2021.

The effectiveness of our internal control over financial reporting as of September 30, 2021 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information***

Not applicable.

Item 9C. ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.***

Not applicable.

Part III.

Item 10. ***Directors, Executive Officers and Corporate Governance.***

The information required by this item, appearing under the Section captioned “Information About Our Executive Officers” in Item 4A, Part I of this Annual Report on Form 10-K, and the information which will be in our Proxy Statement under the captions “Board of Directors - Information about Nominees" and "Corporate Governance,” is hereby incorporated by reference.

The information required by this item with respect to Section 16(a) beneficial ownership reporting compliance will be set forth in our Proxy Statement under the caption “Delinquent Section 16(a) Reports” and is incorporated herein by reference.

The Company has adopted business practices and standards of conduct that are applicable to all employees, including its Chief Executive Officer, Executive Vice President and Chief Financial Officer, and Controller. The Company has also adopted a code of conduct applicable to the Board of Directors. The codes have been posted on the Company's website at www.energizerholdings.com under “Investors – Corporate Governance.” In the event that an amendment to, or a waiver from, a provision of one of the codes of ethics occurs and it is determined that such amendment or waiver is subject to the disclosure provisions of Item 5.05 of Form 8-K, the Company intends to satisfy such disclosure by posting such information on its website for at least a 12-month period.

Item 11. ***Executive Compensation.***

The information required by this item, which will be in our Proxy Statement under the captions “Board of Directors – Director Compensation”, “Executive Compensation,” “Corporate Governance - Committee Composition - Committee Interlocks and Insider Participation” and “Human Capital Committee Report,” is hereby incorporated by reference. The information contained in “Executive Compensation - Human Capital Committee Report” shall not be deemed to be “filed” with the SEC or subject to the liabilities of the Exchange Act, except to the extent that the Company specifically incorporates such information into a document filed under the Securities Act or the Exchange Act.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.***

The information required by this item, which will be in our Proxy Statement under the captions “Stock Ownership Information,” and “Equity Compensation Plan Information” is hereby incorporated by reference.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence.***

The information required by this item, which will be in our Proxy Statement under the captions “The Board of Directors and Energizer’s Corporate Governance – Corporate Governance, Risk Oversight and Director Independence – Director Independence” and “Additional Information – Certain Relationships and Related Transactions,” is hereby incorporated by reference.

Item 14. ***Principal Accountant Fees and Services.***

The information required by this item, which will be in our Proxy Statement under the caption “Audit Committee Matters,” is hereby incorporated by reference.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

Documents filed with this report:

1. Financial statements included as part of this document as Item 8:

- Report of Independent Registered Public Accounting Firm.
- Consolidated Statements of Earnings and Comprehensive Income -- for years ended September 30, 2021, 2020, and 2019.
- Consolidated Balance Sheets -- at September 30, 2021 and 2020.
- Consolidated Statements of Cash Flows -- for years ended September 30, 2021, 2020 and 2019.
- Consolidated Statements of Shareholders' Equity/(Deficit) -- at September 30, 2021, 2020 and 2019.
- Notes to Consolidated Financial Statements.

Financial statements of the Registrant's 50% or less owned companies have been omitted because, in the aggregate, they are not significant.

2. Financial Statement Schedules.

Schedules not included have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

3. Exhibits Required by Item 601 of Regulation S-K. Pursuant to the Instructions to Exhibits, certain instruments defining the rights of holders of long-term debt securities of the Company and its consolidated subsidiaries are not filed because the total amount of securities authorized under any such instrument does not exceed 10 percent of the total assets of the Company and its subsidiaries on a consolidated basis. A copy of such instrument will be furnished to the Securities and Exchange Commission upon request.

Exhibit No.	Exhibit Description
2.1#†	Separation and Distribution Agreement by and between Energizer Holdings, Inc. (f/k/a Energizer SpinCo, Inc.) and Edgewell Personal Care Company (f/k/a Energizer Holdings, Inc.) dated as of June 25, 2015 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed June 29, 2015).
2.2#	Tax Matters Agreement by and between Energizer Holdings, Inc. (f/k/a Energizer SpinCo, Inc.) and Edgewell Personal Care Company (f/k/a Energizer Holdings, Inc.) dated as of June 26, 2015 (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed June 29, 2015).
2.3#†	Acquisition Agreement, dated as of January 15, 2018, by and among the Company and Spectrum Brands Holdings, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed January 16, 2018).
2.4#†	Amended and Restated Acquisition Agreement, dated as of November 15, 2018, by and between Energizer Holdings, Inc. and Spectrum Brands Holdings, Inc. (Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed November 15, 2018.)
2.5#†	Acquisition Agreement, dated as of November 15, 2018, by and between Energizer Holdings, Inc. and Spectrum Brands Holdings, Inc. (Incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed November 15, 2018.)
2.6#†	Acquisition Agreement, dated May 29, 2019, between the Company and Varta Aktiengesellschaft (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed May 29, 2019).
3.1	Third Amended and Restated Articles of Incorporation of Energizer Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed January 29, 2018).
3.2	Fourth Amended and Restated Bylaws of Energizer Holdings, Inc., as amended through and effective on November 16, 2020 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed November 16, 2020).

3.3	Certificate of Designations of the 7.50% Series A Mandatory Convertible Preferred Stock of Energizer Holdings, Inc., filed with the Secretary of State of the State of Missouri and effective January 17, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed January 18, 2019).
4.1	Form of Certificate for the 7.50% Series A Mandatory Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed January 18, 2019).
4.2	Indenture, dated July 1, 2020, by and among Energizer Holdings, Inc., the Guarantors party thereto from time to time and The Bank Of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed July 1, 2020).
4.3	Form of 4.750% Senior Notes due 2028 (incorporate by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed July 1, 2020).
4.4	Indenture, dated September 30, 2020, by and among Energizer Holdings, Inc., the Guarantors party thereto from time to time and The Bank Of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed October 1, 2020).
4.5	Form of 4.375% Senior Notes due 2029 (incorporate by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 1, 2020).
4.6	Indenture, dated as of June 23, 2021, by and among Energizer Gamma Acquisition B.V., the Guarantors party thereto from time to time, The Bank of New York Mellon Trust Company, N.A., as Trustee and Registrar, and The Bank of New York Mellon, London Branch, as Paying Agent (incorporated by reference to Exhibit 4.1 to the Company’s Current Report on Form 8-K filed June 23, 2021).
4.7	Form of 3.500% Senior Notes due 2029 (incorporated by reference to Exhibit 4.2 to the Company’s Current Report on Form 8-K filed June 23, 2021).
4.8	Description of Securities (incorporated by reference to Exhibit 4.16 to the Company’s Annual Report on Form 10-K filed November 19, 2019)
10.1@	Energizer Holdings, Inc. Equity Incentive Plan (incorporated by reference to Exhibit 10.4 to Amendment No. 3 to the Company’s Registration Statement on Form 10 filed on May 27, 2015).
10.2@	First Amendment to the Energizer Holdings, Inc. Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K filed November 18, 2015).
10.3	Trademark License Agreement by and between Edgewell Personal Care Company (f/k/a Energizer Holdings, Inc.) and Energizer Brands, LLC dated June 25, 2015 (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed June 29, 2015).
10.4	Trademark License Agreement by and between Edgewell Personal Care Company (f/k/a Energizer Holdings, Inc.) and Wilkinson Sword Gmbh, as licensors, and Energizer Holdings, Inc. (f/k/a Energizer SpinCo, Inc.) dated June 25, 2015 (incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K filed June 29, 2015).
10.5	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.3 to Amendment No. 2 to the Company’s Registration Statement on Form 10 filed on May 11, 2015).
10.6@	Energizer Holdings, Inc. Executive Officer Bonus Plan and performance criteria thereunder (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed July 8, 2015).

10.7@	First Amendment to the Energizer Holdings, Inc. Executive Officer Bonus Plan (incorporated by reference to Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q filed August 2, 2017).
10.8@	Form of Restricted Stock Equivalent Agreement for awards granted in July 2015 under the Energizer Holdings, Inc. 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company’s Current Report on Form 8-K filed July 8, 2015).
10.9@	Form of Change of Control Employment Agreement with certain officers (incorporated by reference to Exhibit 10.4 to the Company’s Current Report on form 8-K filed July 8, 2015).
10.10@	Energizer Holdings, Inc. Executive Severance Plan (incorporated by reference to Exhibit 10.5 to the Company’s Current Report on Form 8-K filed July 8, 2015).
10.11@	Energizer Holdings, Inc. Deferred Compensation Plan (incorporated by reference to Exhibit 10.6 to the Company’s Current Report on Form 8-K filed July 8, 2015).
10.12@	First Amendment to the Energizer Holdings, Inc. Deferred Compensation Plan (incorporated by reference to Exhibit 10.4 to the Company’s Quarterly Report on form 10-Q filed August 1, 2018).
10.13@	Energizer Holdings, Inc. Executive Savings Investment Plan (incorporated by reference to Exhibit 10.7 to the Company’s Current Report on Form 8-K filed July 8, 2015).
10.14@	First Amendment to the Energizer Holdings, Inc. Executive Savings Investment Plan. (incorporated by reference to Exhibit 10.16 to the Company’s Current Report on Form 10-K filed November 14, 2017).
10.15@	Second Amendment to the Energizer Holdings, Inc. Executive Savings Investment Plan (incorporated by reference to Exhibit 10.17 to the Company’s Annual Report on Form 10-K filed November 14, 2017).
10.16@	Third Amendment to the Energizer Holdings, Inc. Executive Savings Investment Plan (incorporated by reference to Exhibit 10.24 to the Company’s Current Report on form 10-K filed November 16, 2018).
10.17@	Form of Amended and Restated Director Restricted Stock Equivalent Agreement under the Energizer Holdings, Inc. 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed November 20, 2015).
10.18@	Form of Performance Restricted Stock Equivalent Award Agreement under the Energizer Holdings, Inc. 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K filed November 15, 2016).
10.19@	Form of Performance Restricted Stock Equivalent Award Agreement for 2018 under the Energizer Holdings, Inc. 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.27 to the Company’s Current Report on form 10-K filed November 16, 2018).
10.20@	Form of Restricted Stock Equivalent Award Agreement under the Energizer Holdings, Inc. 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K filed November 15, 2016).
10.21@	Form of Restricted Stock Equivalent Award Agreement for Directors under the Energizer Holdings, Inc. 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K filed November 15, 2016).

10.22@	Retirement Transition Agreement dated November 20, 2020 between Energizer Brands, LLC and Alan R. Hoskins (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K/A filed November 20, 2020).
10.23	Amended and Restated Credit Agreement dated December 22, 2020, by and among Energizer Holdings, Inc., JPMorgan Chase Bank, N.A. as administrative agent and lender parties thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed December 22, 2020).
10.24	Incremental Term Loan Amendment No. 1 dated January 7, 2021, by and among Energizer Holdings, Inc., certain of its subsidiaries, as guarantors, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 8, 2021).
10.25@	Energizer Holdings, Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed January 27, 2020).
10.26@	Form of Restricted Stock Unit Award Agreement under the Energizer Holdings, Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed February 5, 2020).
10.27@	Form of Restricted Stock Unit Award Agreement for directors under the Energizer Holdings, Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed February 5, 2020).
21*	List of subsidiaries.
23*	Consent of Independent Registered Public Accounting Firm.
24*	Power of Attorney (included on the Signatures page hereto)
31.1*	Certification of periodic financial report by the Chief Executive Officer of Energizer Holdings, Inc. pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of periodic financial report by the Chief Financial Officer of Energizer Holdings, Inc. pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of periodic financial report pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, by the Chief Executive Officer of Energizer Holdings, Inc.
32.2*	Certification of periodic financial report pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, by the Chief Financial Officer of Energizer Holdings, Inc.
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.

101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101)

Filed herewith.

The Company undertakes to furnish supplementally a copy of any omitted schedule or exhibit to such agreement to the Securities and Exchange Commission.

Denotes a management contract or compensatory plan or arrangement.

These exhibits referenced herewith were filed to provide investors with information regarding their terms. They are not intended to provide any other factual information about the Company, the counterparties or the related businesses contemplated thereby. In particular, the assertions embodied in the representations and warranties in the agreements were made as of a specified date, are modified or qualified by information in a confidential disclosure letter prepared in connection with the execution and delivery of the agreements, may be subject to a contractual standard of materiality different from what might be viewed as material to shareholders, or may have been used for the purpose of allocating risk between the parties. Accordingly, the representations and warranties in the agreements are not necessarily characterizations of the actual state of facts about the Company, the counterparty(ies), or the related business contemplated thereby at the time they were made or otherwise and should only be read in conjunction with the other information that the Company makes publicly available in reports, statements and other documents filed with the SEC.

Item 16. ***Form 10-K Summary***

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERGIZER HOLDINGS, INC.

By /s/ Mark S. LaVigne
Mark S. LaVigne
President and Chief Executive Officer

Date: November 16, 2021

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Mark S. LaVigne, John J. Drabik and Sara B. Hampton, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and any other regulatory authority, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and as of the date indicated.

Signature	Title
/s/ Mark S. LaVigne Mark S. LaVigne (principal executive officer)	President, Chief Executive Officer and Director
/s/ John J. Drabik John J. Drabik (principal financial officer)	Executive Vice President and Chief Financial Officer
/s/ Sara B. Hampton Sara B. Hampton (principal accounting officer)	Vice President, Global Controller and Chief Accounting Officer
/s/ Patrick J. Moore Patrick J. Moore	Independent Chairman of the Board of Directors
/s/ Carlos Abrams-Rivera Carlos Abrams-Rivera	Director
/s/ Bill G. Armstrong Bill G. Armstrong	Director
/s/ Cynthia J. Brinkley Cynthia J. Brinkley	Director
/s/ Rebecca Frankiewicz Rebecca Frankiewicz	Director
/s/ Kevin J. Hunt Kevin J. Hunt	Director
/s/ James C. Johnson James C. Johnson	Director
/s/ Donal L. Mulligan Donal L. Mulligan	Director
/s/ Nneka Rimmer Nneka Rimmer	Director
/s/ Robert V. Vitale Robert V. Vitale	Director

Date: November 16, 2021

Exhibit 21

Energizer Holdings, Inc.
List of Subsidiaries

SUBSIDIARY NAME	JURISDICTION OF INCORPORATION OR ORGANIZATION
American Covers, LLC	Utah
Armored AutoGroup Philippines Inc.	Philippines
Associated Products, LLC	Delaware
Berec Overseas Investments Limited	United Kingdom
CAE Direct Import Ltd.	British Virgin Islands
CAE Group International Limited	Hong Kong
California Scents, LLC	California
COREPILE S.A.	France
Custom Accessories Europe, Limited	United Kingdom
Distribuidora Energizer Honduras, S.A.	Honduras
Distribuidora Rayovac Guatemala, S.A.	Guatemala
EBC Batteries, Inc.	Delaware
Ecobat s.r.o.	Czech Republic
Ecopilhas Lda.	Portugal
Energizer (China) Co., Ltd.	China
Energizer (Shanghai) Trading Co., Ltd. (f/k/a Shanghai AAG Automotive Products Trading Co., Ltd.)	China
Energizer (South Africa) Ltd.	Delaware
Energizer (Thailand) Limited	Thailand
Energizer Argentina S.A.	Argentina
Energizer Asia Pacific, Inc.	Delaware
Energizer Australia Pty Ltd	Australia
Energizer Auto Australia Pty Ltd	Australia
Energizer Auto Brands, Inc.	Delaware
Energizer Auto HK Limited	Hong Kong
Energizer Auto Manufacturing, Inc.	Delaware
Energizer Auto Puerto Rico LLC	Puerto Rico
Energizer Auto Sales, Inc.	Delaware
Energizer Auto UK Limited	United Kingdom
Energizer Auto UK Parent Limited	United Kingdom
Energizer Auto, Inc.	Delaware
Energizer Brands Colombia, S.A.	Colombia
Energizer Brands II Holding LLC	Delaware
Energizer Brands II LLC	Delaware
Energizer Brands III LLC	Delaware
Energizer Brands Netherlands B.V.	Netherlands
Energizer Brands UK Limited	United Kingdom
Energizer Brands, LLC	Delaware
Energizer Brasil Indústria e Comércio de Bens de Consumo Ltda	Brazil
Energizer Brazil Participacoes Societarias Ltda.	Brazil
Energizer Canada Inc.	Canada
Energizer Cayman Islands Limited	Cayman Islands
Energizer Central Europe Sp. zo.o	Poland
Energizer Czech spol.sr.o.	Czech Republic
Energizer de Chile SpA	Chile
Energizer de Colombia, S.A.	Colombia
Energizer Deutschland GmbH	Germany
Energizer Egypt S.A.E.	Egypt
Energizer El Salvador, S.A. De C.V.	El Salvador
Energizer Europe Limited	United Kingdom

Energizer France SAS	France
Energizer Gamma Acquisition B.V.	Netherlands
Energizer Global Holdings B.V.	Netherlands
Energizer Group Dominican Republic S.A.	Dominican Republic
Energizer Group España S.A.	Spain
Energizer Group Limited	United Kingdom
Energizer Group Panama Inc.	Panama
Energizer Group Sweden AB	Sweden
Energizer Hellas A.E.	Greece
Energizer Honduras S.A. (d/b/a Rayovac Honduras, S.A.)	Honduras
Energizer Household Products (Shanghai) Co., Ltd.	China
Energizer Hungary Trading Ltd.	Hungary
Energizer International Group B.V.	Netherlands
Energizer International Holdings, LLC	Delaware
Energizer International Sub, LLC	Delaware
Energizer International, Inc.	Delaware
Energizer Investment Company	Delaware
Energizer Ireland Limited	Ireland
Energizer Italy S.R.L.	Italy
Energizer Korea Ltd.	Korea
Energizer Lanka Limited	Sri Lanka
Energizer Malaysia Sdn. Bhd.	Malaysia
Energizer Manufacturing, Inc.	Delaware
Energizer Mexico S. de R.L. de C.V.	Mexico
Energizer Middle East and Africa Limited	Delaware
Energizer NZ Limited	New Zealand
Energizer Overseas Corp.	Cayman Islands
Energizer Philippines, Inc.	Philippines
Energizer Russia Holding LLC	Delaware
Energizer S.A.	Switzerland
Energizer Services LLC	Delaware
Energizer Singapore Pte. Ltd.	Singapore
Energizer Slovakia, Spol. Sr.o.	Slovak Republic
Energizer Trading Europe B.V.	Netherlands
Energizer Trading Limited	United Kingdom
Energizer UK Limited	United Kingdom
Energizer, LLC	Delaware
Energizer, LLC, Sucursal Del Peru	Delaware
Energizer Limited Liability Company	Russia
Energizer-Ecuador C.A.	Ecuador
Ever Ready Limited	United Kingdom
Eveready de Venezuela, C.A.	Venezuela
Eveready East Africa Limited Ltd.	Kenya
Eveready Hong Kong Company	Hong Kong
Eveready International B.V.	Netherlands
Good River Distribution, LLC	Ohio
Importadora Energizer, C.A.	Venezuela
Importadora Eveready, C.A.	Venezuela
Innovasource LLC	North Carolina
PT Energizer Indonesia	Indonesia
PT Rayovac Battery Indonesia (f/k/a PT FDK Indonesia)	Indonesia
Rayovac Dominican Republic, S.A.	Dominican Republic
Rayovac Guatemala, S.A.	Guatemala
Re'Lem Public Benefit Company	Hungary
Sonca Products Limited	Hong Kong

SONCO Products (Shenzhen) Limited	China
Tximist Batteries (Shenzhen) Ltd.	China

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-8 (Nos. 333-205373 and 333-236102) and Form S-3 (No. 333-229244) of Energizer Holdings, Inc. of our report dated November 16, 2021, relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/PricewaterhouseCoopers LLP

St. Louis, Missouri

November 16, 2021

Exhibit 31.1

Certification of Chief Executive Officer

I, Mark S. LaVigne, certify that:

1 I have reviewed this annual report on Form 10-K of Energizer Holdings, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 16, 2021
/s/ Mark S. LaVigne
Mark S. LaVigne
Chief Executive Officer

Exhibit 31.2

Certification of Executive Vice President and Chief Financial Officer

I, John J. Drabik, certify that:

1 I have reviewed this annual report on Form 10-K of Energizer Holdings, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 16, 2021

/s/ John J. Drabik

John J. Drabik

Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Energizer Holdings, Inc. (the "Company") on Form 10-K for the year ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark S. LaVigne, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my best knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 16, 2021

/s/ Mark S. LaVigne
Mark S. LaVigne
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Energizer Holdings, Inc. (the "Company") on Form 10-K for the year ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. Drabik, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my best knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 16, 2021

/s/ John J. Drabik
John J. Drabik
Executive Vice President and Chief Financial Officer