

Newell Brands (NWL) – 6–12 Month Investment Evaluation

1. Company & Financial Overview

Financial Condition: Newell Brands is in the midst of a turnaround, with **declining revenues but improving margins**. Full-year 2024 sales were \$7.6 billion (–6.8% YoY), reflecting weak demand and some category exits ¹. Sales continued to soften into 2025 (Q2 2025 sales down 4.8% YoY) ². Despite this top-line pressure, **profitability metrics are improving**: Q2 2025 gross margin hit 35.4%, the highest in four years ³, marking the *8th consecutive quarter* of 100+ bps gross margin expansion ³. This reflects aggressive cost-cutting and pricing actions offsetting inflation ⁴. Operating margin has likewise inched up (normalized op margin ~10.7% in Q2 2025 vs 10.6% a year prior) ⁵.

Debt & Cash Flow: Newell carries a high debt load (roughly **\$5 billion** per recent commentary ⁶). Leverage is elevated – net debt/EBITDA is around ~5.5–6× – but management has begun deleveraging. In 2024 they reduced debt using free cash flow and refinanced near-term maturities: notably \$1.25 billion of notes (due 2028 at 8.5% interest) were issued in a **6× oversubscribed** offering ⁷ ⁸. Operating cash flow was \$496 million in 2024 ⁹ (down from an unusually high \$930 million in 2023 which benefited from inventory drawdown). For 2025, the company initially guided \$450–\$500 million OCF ¹⁰, but **trimmed this to \$400–\$450 million** after unexpected tariff costs on imported inventory ¹¹ ¹². Liquidity appears sufficient for now, and Newell continues to pay a small dividend (\$0.07/quarter). However, interest expense is rising (Q2 2025 interest \$82 M, up from \$78 M YoY ¹³) due to higher rates and refinancings, so **cash flow is crucial** to meet obligations.

Latest Earnings & Guidance: In Q2 2025, Newell met guidance with **normalized EPS of \$0.24** (GAAP EPS \$0.11) ¹⁴ and maintained its full-year outlook within a tight range. Full-year 2025 guidance now calls for a **–3% to –2% core sales decline** and normalized EPS \$0.66–\$0.70 ¹⁵ ¹⁶. This implies modest improvement over 2024's \$0.68 normalized EPS ¹⁷ ¹⁸. Gross and operating margins are projected to continue expanding (FY25 normalized op margin ~9.0–9.5%, up from 8.2% in 2024) ¹⁹ ²⁰. In management's words, **"structural economics [are] fundamentally improved"** after six quarters of their new strategy ⁷ ⁸. Still, sales trends remain negative, so investors are awaiting an inflection to growth to truly unlock value.

Post-FY2024 Developments: After FY2024, Newell undertook an **organizational realignment (Jan 2024)** to bolster front-end capabilities (brand management, marketing) and streamline back-end functions ²¹ ²². This yielded \$75 million in annualized savings during 2024 (net of reinvestment) ²². Also notable in 2025 was the **renewal of U.S. tariffs** on certain imports, which will cost Newell an extra ~\$155 million (pre-mitigation) this year ¹¹ – a meaningful headwind to margins and cash flow. Overall, Newell's finances paint a picture of a company that is *stabilizing internally (costs, margins)* but still challenged by *external headwinds (soft demand, tariffs)*.

2. Turnaround Progress & Strategic Catalysts

Project Phoenix: In early 2023, Newell launched “**Project Phoenix**,” a sweeping restructuring initiative aimed at simplifying the business and cutting costs. Management targeted **\$220–\$250 million in annualized pre-tax savings by 2024–2025** ²³. So far, Phoenix appears on track: by Q2 2025, the company attributed its improved gross margin largely to **expense control and restructuring efforts** ²³ ²⁴. Actions have included **headcount reductions, facility consolidations, and automation investments**, as well as an overhaul of the organizational structure (creating a centralized brand management unit, consolidating sales teams, etc.) ²¹ ²². These moves have driven significant SG&A savings and manufacturing efficiencies, evidenced by Newell’s gross margin jumping from ~29% in 2022 to mid-30s% in 2024–25 ²⁵ ²⁶. *Could Phoenix spark a sustainable turnaround?* Management is reinvesting a portion of the savings into product innovation and marketing to reignite growth ²³, signaling a focus not just on cost-cutting but on healthier brands long-term.

Other Restructuring Initiatives: Alongside Phoenix, Newell executed a **Realignment Plan** in 2024 to strengthen go-to-market capabilities. This involved centralizing key functions (e.g. combining regional sales into a “One Newell” approach) and eliminating silos between brands ²¹. The realignment delivered \$52 million in restructuring charges in 2024, but it’s expected to enhance Newell’s marketing and innovation pipeline. We have already seen *small positive signs* – for example, the **Learning & Development segment (writing instruments, etc.) returned to positive annual sales growth in 2024** despite weak industry trends ²⁷ ²⁸. This suggests Newell’s refocused sales strategy and branding efforts are helping certain businesses hold share even in tough markets.

Asset Divestitures: Newell’s turnaround has also involved pruning non-core assets and exiting low-margin categories. In 2023–2024 the company sold off several smaller businesses (e.g. the *Millefiori* home fragrance unit ²⁹) and exited underperforming product lines. These divestitures had a modest impact on lowering revenue (part of the core sales decline) ¹ but improved the margin profile. Newell appears to be focusing on its strongest brands and categories going forward (e.g. writing instruments, baby gear, food storage, and outdoor products). No blockbuster asset sales have been announced recently, but management has hinted they’re open to further portfolio rationalization if it would unlock value.

Leadership & Culture: The current CEO, *Chris Peterson*, took the helm in late 2022 and has been driving a “culture transformation” alongside cost reforms ³⁰. Peterson (a former CFO) brings operational discipline – under his watch Newell dramatically cut working capital (reducing inventory by ~\$700 M in 2023 ³¹) and slashed the dividend by 75% to preserve cash ³². Meanwhile, CFO *Mark Erceg* (hired 2022) has been instrumental in balance sheet management, as seen by the oversubscribed debt refinancing ⁷. The top team’s credibility is on the line with this turnaround; so far, they have delivered on margin promises, but now need to deliver on *growth*.

Upcoming Catalysts & Timeline: There are several key events in the next 6–12 months that could drive sentiment:

- **Quarterly Earnings:** Q3 2025 results (due in early November) will show if core sales are indeed stabilizing. Management expects a back-half inflection to positive core growth ⁸, so investors will watch for any uptick in holiday-season orders and point-of-sale trends.

- **Project Phoenix Milestones:** By Q4 2025, the bulk of Project Phoenix actions should be complete, yielding the full \$220–\$250 M savings run-rate ²³ . If Newell reports continued margin expansion and perhaps raises its 2025 EPS outlook, it would signal successful execution.
- **Guidance Updates:** The company will issue initial 2026 guidance around February 2026 (with Q4 2025 earnings). Any outlook for *renewed revenue growth in 2026* (even low-single-digit) could be a **game-changer**, as it would suggest the turnaround is translating to top-line momentum.
- **Refinancing/Capital Moves:** Having pushed out debt maturities, Newell has no urgent need to raise capital. However, improved cash flow might prompt capital allocation shifts – e.g. resuming share buybacks (there's an *authorized \$375 M buyback* that remains mostly unused ³³) or modest dividend hikes. Conversely, if cash flow disappoints, they might need to refinance other tranches (watch interest rate trends).
- **Product Launches & Seasonal Demand:** On the commercial side, Newell's brands have upcoming product rollouts (e.g. Yankee Candle seasonal collections, Coleman new outdoor gear, NUK's new baby sippy cups ³⁴). Key retail periods like **back-to-school** (Q3, affecting Sharpie/Paper Mate) and **holiday** (Q4, affecting home fragrance and appliances) will be pivotal demand drivers. Strong sell-through in these seasons could validate that consumer appetite is improving.
- **Macro News:** Any shifts in tariffs or trade policy could act as catalysts. For instance, if the U.S.–China tariff regime is eased or exclusions reinstated (offsetting that \$155 M tariff hit), Newell's earnings would get a boost. Conversely, new tariffs or geopolitical disruptions would be risks (see **Section 4**).

In summary, **Newell's turnaround is making progress** – costs are down, margins up – but the real “finish line” will be returning to organic sales growth. The next 2–3 earnings reports and management's execution on Phoenix will be critical litmus tests for the bull thesis.

3. Valuation & Peer Comparison

Current Valuation: After a ~50% YTD stock price drop to around \$5, NWL trades at depressed multiples. Based on 2025 guidance (~\$0.68 EPS), the forward **P/E is ~7–8×**, a steep discount to the consumer staples sector. EV/EBITDA is roughly **8–9×** (using enterprise value ≈ \$7.5 B and 2024 normalized EBITDA \$900 M ¹⁷). The stock also trades near book value – P/B ~1× or less (NWL's tangible book is low due to goodwill write-downs, but on a reported basis the equity is roughly \$2.2 B, matching its market cap). In short, the market is pricing Newell as a distressed asset or “**value trap**,” reflecting its debt and struggling sales.

Peers: Compared to larger consumer goods peers, Newell is an outlier in valuation:

- **Procter & Gamble (PG):** P/E ~22×; EV/EBITDA ~17×. PG enjoys steady single-digit growth and a AA credit rating, commanding a rich premium.
- **Clorox (CLX):** P/E ~25× (on depressed FY24 earnings); EV/EBITDA ~16×. Despite CLX's recent hiccups, investors pay up for its strong brands/market share.
- **Church & Dwight (CHD):** P/E ~27×; EV/EBITDA ~20×. A mid-cap peer with a stable of niche consumer products, CHD is rewarded for consistent growth.
- **Kimberly-Clark (KMB):** P/E ~18×; EV/EBITDA ~13×. KMB has lower growth but is a dividend stalwart in staples (diapers, tissues) with durable demand.

By contrast, **NWL's forward P/E < 8×** and EV/EBITDA ~9× appear *extremely cheap*. It even trades below smaller household-product peers like Spectrum Brands or Lifetime Brands on many metrics. This **valuation gap is partly justified** by Newell's **higher leverage and recent revenue declines**. Peers are generally net

cash or moderately levered, whereas NWL's ~\$5 B debt (~6× EBITDA) puts it in a riskier position ⁶ . Additionally, Newell's brand portfolio, while well-known (Sharpie, Rubbermaid, Yankee Candle, etc.), spans discretionary categories that have underperformed staples like cleaning supplies or toothpaste that peers produce.

Discount to Historical Average: Historically, Newell traded at market-like valuations (mid-teens P/E) when it was healthy. For example, around 2016–2017 pre-slump, NWL was ~15× earnings. Today's ~8× is roughly a 50% discount. The **deep discount reflects investor skepticism** that Newell can ever reclaim its past earnings power. The company's **ten-year stock chart is sobering** – shares are down ~80% from 2017 highs, illustrating multiple compression and deteriorated fundamentals. Until Newell shows clear signs of renewed growth (or materially reduces debt), the market is likely to maintain a “prove it first” stance.

Upside with Margin Recovery: A key valuation debate is what Newell would be worth if margins normalize to prior levels. From 2019 to 2021, NWL's **normalized operating margin** ranged ~10–12% ³⁵ , versus ~8% in 2024 ²⁰ . If Newell can regain even a 10%+ operating margin (through Phoenix savings and volume leverage) *and* stabilize revenue, it could approach \$1+ in annual EPS (vs. ~\$0.66–0.70 expected in 2025). In that scenario, even a modest P/E of 10× would imply a stock around **\$10** (almost double the current price). **Bullish analysts argue** that once cost cuts are fully realized and demand recovers, NWL's earnings could rebound sharply. For instance, Fitch Ratings noted that in a recovery case, Newell's EBITDA margins might reach ~12–13%, still below the ~14% peaks of 2019–2021 ³⁶ ³⁷ , but significantly above current levels. This suggests **material upside** if execution succeeds.

However, **the market will likely wait for proof** of sustained margin gains flowing to the bottom line. Right now, NWL's normalized EPS (expected ~\$0.68 this year ¹⁸) barely covers its dividend and interest costs. It may take 2–3 more quarters of margin improvement + some return to sales growth to merit a higher multiple. Until then, the stock may languish in the “penalty box.” In summary, Newell is **cheap for a reason** – but if one believes the turnaround, the *valuation offers considerable upside*. A re-rating to even ~12× forward earnings (still a discount to peers) on a \$0.75–\$0.80 EPS run-rate would put the stock in the high-single-digits.

Peer vs NWL Snapshot: To illustrate, NWL's **EV/sales is ~1.0×**, whereas PG, CLX, CHD trade between ~3× and 5× sales. NWL's **dividend yield ~5.2%** ³⁸ ³⁹ is also higher than most peers (who yield ~2–4%), but of course Newell already slashed its payout and likely won't raise it near-term. If Newell can reignite even low-single-digit growth (like peers) while keeping margins expanded, it could argue for narrowing this valuation gap. For now, investors remain in “show-me” mode given the company's **debt-heavy, turnaround status**.

4. Macro & Sector Outlook (Next 6–12 Months)

Newell's fortunes over the coming year will be influenced by broader macroeconomic trends and consumer behavior in its key markets (primarily the U.S. and Europe). Here are the main factors:

Interest Rates & Capital Markets: The prospect of *Fed rate cuts in 2024–2025* could indirectly benefit Newell. Lower interest rates would ease pressure on consumer spending (especially for big-ticket durables) and could also reduce Newell's future refinancing costs. Currently, Newell is paying high rates on new debt (8.5% on the recent 2028 notes ⁴⁰). If inflation cools and the Fed begins cutting rates by mid-2024 (a plausible scenario), risk appetite for high-yield issuers like NWL may improve – potentially allowing Newell to refinance other debt at slightly lower yields or at least boosting the stock via a rotation into beaten-down

cyclicals. However, this is double-edged: rate cuts often coincide with weaker economic activity. If cuts happen because of a recession, Newell's discretionary products could face *demand headwinds* even as financing costs fall. On balance, a gentle easing cycle with no severe recession would be the most supportive macro backdrop for NWL.

Inflation & Input Costs: After the extreme cost inflation of 2021–2022 (raw materials, freight, labor), **input cost trends have turned more favorable** for manufacturers. Newell has cited ongoing gross productivity gains from sourcing savings and moderating inflation ⁴. Key inputs for NWL include resin/plastics (for Rubbermaid containers, car seats, etc.), metals (appliances, cookware), paper (writing pads), and chemicals (candle wax, glues). Many of these commodity prices have stabilized or fallen from 2022 highs – e.g. resin costs are off peak, and international freight rates have normalized sharply downward since late 2022. Indeed, Newell's gross margin expansion partly reflects **lower resin and transport costs** coupled with price increases. Looking ahead 6–12 months, **material cost inflation is expected to remain mild**. One watch item: oil prices have fluctuated higher in 2023–25; if oil were to spike, plastic and transport costs could creep up again and pinch margins. But consensus forecasts see manageable inflation, which is a *tailwind for NWL's margins* (each 1% lower input cost can flow straight to profit given Newell's cost-cutting stance).

U.S. Consumer Sentiment: Newell's portfolio is sensitive to discretionary consumer spending on home goods, decor, and leisure items. **Consumer sentiment and spending** in the U.S. have been resilient in 2023 but could soften if economic growth slows. High interest rates have cooled housing turnover, which can reduce demand for things like kitchen appliances or storage products (a headwind for Newell's Home Solutions segment). On the other hand, unemployment remains low and real wage growth has picked up, which supports consumer income. Importantly, categories like **writing instruments see boosts during back-to-school** season regardless of the economy – 2025's back-to-school (Q3) likely provided a seasonal bump, though overall writing category trends are flat/declining as digital alternatives grow. **Holiday season 2025** (Q4) will be critical: categories like Yankee Candle and Mr. Coffee rely on holiday gifting and seasonal shopping. If consumer confidence is stable and holiday retail sales grow even modestly, Newell could ride that wave. However, in a downturn scenario, consumers might cut back on non-essentials (e.g. skip that new Crock-Pot or buy fewer candles), impacting Newell's Q4 sales.

Demand Drivers & Tailwinds: There are a few niche demand drivers to note: - **Work/School Routines:** As offices and schools normalized post-pandemic, sales of writing and office products (Paper Mate pens, Expo markers) got a boost. Hybrid work trends could sustain demand for certain home-office products. Likewise, the return of travel and in-person schooling has revived demand for Rubbermaid food storage (lunch prepping) and coolers/thermoses (Coleman, Contigo). - **Outdoor Recreation:** Outdoor gear saw a pandemic boom that cooled in 2022–23. Newell's Coleman and Marmot brands cater to camping/hiking – these could get a lift if fuel prices stay reasonable and outdoor leisure remains popular. The U.S. consumer's interest in experiences (camping trips, tailgating, etc.) bodes well for outdoor product demand in 2024. - **E-commerce & Retail Trends:** Newell sells through big-box retailers (Walmart, Target, Home Depot), as well as online channels (Amazon, its own websites). E-commerce growth continues, and Newell has invested in its digital presence. If online sales grow faster than brick-and-mortar, Newell could benefit from wider distribution and direct-to-consumer opportunities. Conversely, any inventory tightening by major retailers (as seen in 2022) could hurt restocking orders for Newell.

Cost Inputs – Freight & Tariffs: Shipping costs (both ocean freight and trucking) have largely normalized to pre-Covid levels, removing a big margin drag that existed in 2021. Newell's global supply chain is benefitting from that normalization now. The wildcard is **tariffs and trade policy**. As noted, Newell got hit with higher

tariffs on imports in 2025 (an extra \$105 M hit to gross profit, or ~\$0.21 EPS, if not mitigated ¹¹ ⁴¹). These likely stem from U.S.–China tariffs that were previously excluded and then reinstated. Over the next year, any *policy changes on tariffs* will significantly impact Newell: - A **positive scenario** would be the U.S. restoring exclusions or lowering some Section 301 tariffs on consumer goods – immediately reducing Newell’s cost of goods and boosting margins. - A **negative scenario** would be escalation of trade tensions (new tariffs or export restrictions) hitting Newell’s supply chain, or a strong dollar making their products pricier abroad. Given the current political climate, major tariff relief seems unlikely in the very near term, so Newell is actively working on **mitigation (e.g. supplier adjustments, passing costs through via pricing)**. Longer-term, Newell might consider *reshoring or near-shoring* some production to reduce tariff exposure.

U.S. Manufacturing & Policy Tailwinds: Federal initiatives like the infrastructure bill, reshoring incentives, and “Buy American” policies primarily benefit industrial and tech sectors – Newell doesn’t directly get subsidies from these. However, any manufacturing renaissance in the U.S. could have **positive spillovers**. For instance: - **Reshoring:** If Newell or its suppliers move more production stateside (to avoid tariffs and long shipping), there are new investment tax credits and grants available (though mostly targeted at strategic industries). Newell has a few domestic factories (e.g. for Yankee Candle in Massachusetts, Coleman in Kansas); expansions there could potentially leverage local incentives or cheaper energy. - **State-level programs:** Some states have grants for job creation or retooling plants – if Newell opts to consolidate production domestically, they might tap these. - **Industrial Tailwinds:** A strong manufacturing sector generally improves freight logistics and could help Newell’s Commercial Products unit (which sells cleaning solutions to industries). If government spending lifts business activity, that can trickle to demand for things like commercial Rubbermaid containers or writing supplies for offices.

Inflation and Consumer Health: Lastly, **inflation trends** affect Newell’s pricing power. Thus far, NWL has been able to implement price increases to offset input costs (contributing to margin gains ⁴). If inflation moderates, Newell may face more pushback on price hikes, but it will also reduce cost pressures – a net positive. The key is the *consumer’s ability to absorb prices*: with inflation cooling and wage growth, consumers might be more amenable to replacing that worn-out Crock-Pot or buying premium Yankee Candles again. **Consumer sentiment** indexes in mid/late 2025 have been mixed; should they improve into 2026, it bodes well for Newell’s discretionary segments.

In summary, **macro conditions are a mixed bag**: a mild economic climate with easing rates and steady consumer spending would provide a helpful tailwind to Newell’s turnaround. Significant macro shocks (recession, renewed cost inflation, tariff wars) remain the biggest external risks. Investors should monitor holiday retail trends and any Fed commentary, as those will color the outlook for Newell’s next 6–12 months.

5. Market Sentiment & Institutional Positioning

Wall Street Analyst Coverage: Sell-side sentiment on NWL has been cautiously improving from deeply negative a year ago to more neutral-positive now. As of October 2025, there are ~18–20 analysts covering Newell, skewed to **Hold/Buy** ratings (no major firm has a Sell). The consensus price target is in the mid-\$6 range (~\$6.50–\$7.00) ⁴² ⁴³ , which implies modest upside (~25% above the recent \$5 stock price). Notably, a few analysts have issued upgrades in recent months: **Barclays upgraded NWL to Overweight in Nov 2024**, citing improved execution ⁴⁴ , and **J.P. Morgan upgraded to Overweight in mid-2025**. High-end targets (e.g. Canaccord Genuity at \$9) envision significant turnaround benefits ⁴⁵ , while the low-end (Wells Fargo around \$5) reflects lingering skepticism ⁴⁶ . The analyst community appears divided on how quickly

Newell can rebound – but the absence of sell ratings suggests most see *limited downside* from here, balanced by uncertain timing for upside.

Recent Price Target Changes: Since mid-2024, many analysts trimmed targets when Newell's revenue kept falling, but more recently some have nudged targets up as margins beat expectations. For example, after Q2 2025's margin beat, a few analysts reiterated buys with ~10% higher EPS estimates for 2025, whereas those focused on weak sales kept to Hold. On aggregate, the consensus target has drifted down from ~\$9 a year ago to about **\$7 now** ⁴⁷, reflecting the lowered earnings base. Any guidance raise or evidence of sales bottoming could lead to a round of target *increases*. Conversely, if H2 2025 sales disappoint, the remaining Buy ratings could turn to Holds. We should also note that **NWL's coverage skews toward value-oriented analysts** (several have lauded the cash flow improvements). They are likely waiting for confirmation of the core sales "inflection" that management keeps talking about, before getting more bullish.

Institutional Ownership & Flows: Institutions (funds, ETFs) own a large chunk of Newell – in fact, about **508 million shares were held by institutions** as of late 2024 ⁴⁸ ⁴⁹, which interestingly exceeds the total shares outstanding (~420 M, indicating some funds have synthetic exposure or double-counting via index holdings). The key holders include index giants and value funds: - **BlackRock** is the top holder (~15% stake) but trimmed its position slightly last year ⁵⁰. - **Pzena Investment Management** (a deep value fund) holds ~12.6% and maintained its stake through 2024 ⁵¹, indicating conviction in a long-term turnaround. - Notably, **Pacer's "Cash Cows" ETFs** dramatically increased their position – the Pacer U.S. Small Cap Cash Cows ETF (ticker *CALF*) and the Pacer Cash Cows 100 ETF (*COWZ*) accumulated over 47 M shares combined ⁵² ⁵³. These ETFs target companies with high free cash flow yields; Newell qualified after its 2023 cash flow spike. This institutional buying provided support in 2H 2024.

Overall, in the last reported quarter institutional ownership **rose ~3.8%** (14 more funds initiated positions) ⁴⁸. This suggests some **bottom-fishing by value investors**. However, with the stock's slide in 2025, it's possible some hot money exited. We did *not* see any mass exodus from major holders in filings – the stance remains hold or modest accumulate, betting on a rebound.

Insider Trading: Insider activity has been relatively quiet. There were **no significant insider buys in 2024–2025**, after a notable one in early 2023 when CFO Mark Erceg bought shares around \$12–13 (which is now deeply underwater) ⁵⁴. This lack of recent insider buying at ~\$5 might imply insiders are cautious or in blackout periods, but it's something to watch – a high-profile insider purchase would signal confidence. Insider selling has been minimal; only routine transactions (e.g. an executive selling a few thousand shares for taxes) were noted ⁵⁵. The **insider ownership is low (~0.7%)** ⁵⁶, so the stock is largely in the hands of institutions and the broader market.

Retail Sentiment (Reddit & FinTwit): Among retail investors and traders on forums, **sentiment is mixed to skeptical**. On Reddit's value investing and stock forums, Newell is frequently described as a potential "deep value trap." For instance, one Redditor summarized the bull vs bear case succinctly: "*Market cap \$2B equals one quarter's sales... lots of household brands, seems undervalued. But debt is \$5B (EV \$7B), levered ~6x, revenue in decline, and net income negative – low quality in secular decline*" ⁵⁷. Several commenters agreed that "**until they show sales growth, leave it alone**" ⁵⁸, labeling NWL a long-running value trap (the stock's been sliding since 2017) ⁵⁹. The recent tariff issue also caught retail attention, with questions like "*How many of their products will be hurt by tariffs?*" ⁵⁹ – indicating awareness of ongoing challenges. In summary, Reddit value investors see the low valuation but are wary of the high debt and poor growth, with some willing to "throw a few bucks" speculatively, while others advocate caution.

On **FinTwit (financial Twitter/X)**, NWL doesn't dominate chatter but gets occasional mentions by dividend/value enthusiasts. The tone is cautiously optimistic among some FinTwit traders who note the margin improvements and insider-heavy ownership by Icahn (historically Carl Icahn was involved, though his current stake status is unclear). Others on X highlight NWL as a turnaround play with comments like "*NWL posts 8th straight quarter of margin gains – cost cuts paying off*", juxtaposed with "*still waiting for sales to bottom.*" Overall, **retail sentiment is lukewarm** – there's interest in the turnaround story, but many have been burned by NWL's false dawns in the past, so skepticism is high.

The **options market** offers another sentiment clue: NWL's put/call ratio recently stood around **0.54 (bullish-leaning)** ⁶⁰, meaning more calls are being bought than puts – possibly traders speculating on upside or hedging less. However, given the stock's low absolute price, option activity is not very liquid.

In summary, **institutional positioning is tilting positive at the margins** (value funds adding exposure, no major dump despite price decline), while **analysts and retail remain in "wait-and-see" mode**. This sentiment setup often precedes a potential inflection – i.e. smart money accumulating when others are fearful – but Newell must deliver improving fundamentals to truly shift consensus bullish.

6. Technical Timing Overlay

From a technical analysis standpoint, Newell's stock has been in a long-term downtrend but is showing signs of a potential bottoming pattern. Let's break down the technical picture on multiple time frames:

Long-Term (Weekly Chart): The weekly chart is *bearish overall*, reflecting the multi-year decline from the teens to ~\$5. However, the stock is **sitting at major long-term support** in the low-\$5 to mid-\$4 zone ⁶¹. In fact, ~\$5.00 was a key support level that has held over the past few weeks, and the recent 52-week low was \$4.22 (a potential "*capitulation*" bottom in late September). Technical analysts note that the **risk-reward looks favorable** here for a speculative long – essentially, downside appears limited by the support, whereas upside could be significant if a trend reversal occurs ⁶¹. **Momentum indicators** on the weekly chart, like RSI, reached deeply oversold levels (<30) during the September drop and have since started ticking up, suggesting bearish momentum is waning. The weekly **MACD** is still below zero but flattening, hinting that selling pressure has moderated.

Key weekly **support levels** to watch: - **\$4.20–\$4.50** – Recent low and psychological floor. A sustained break below \$4 would be very bearish, as that'd mark all-time lows for NWL (the stock hasn't traded under \$4 in decades). - **\$5.00** – A round-number support which has been tested multiple times and thus far held. This also roughly coincides with the stock's 2019 trough after an earlier crash, reinforcing its importance.

Key **resistance levels** on the upside: - **\$6.00–\$6.50** – The first supply zone; \$6 was prior support (this summer) that turned into resistance on bounces. It's also near the 50-day moving average. - **\$9.00–\$10.00** – A major resistance region. ~\$9.50 was a peak in early 2024 and again in mid-2025 before the breakdown. It also aligns with the 200-day moving average around \$9. *Technicians say* a weekly close above ~\$9 would break the long-term downtrend line, confirming a bullish reversal. - **\$12.00** – Beyond 9–10, the next target would be around \$12, which was the high in late 2021 and again a target from some technical setups ⁶².

Daily Chart & Moving Averages: On the daily timeframe, NWL has been basing out over the last several weeks. The **20-day moving average** has flattened, and the stock recently poked above it, indicating short-

term momentum turning up. The **50-day MA** is around the mid-\$5s and could be reclaimed if the current rebound continues. Importantly, NWL is still below its **200-day MA** (which is near ~\$7 after months of decline). For a true trend change, bulls will want to see the 50-day cross above the 200-day (a “**golden cross**”), but that may be some time away given the extent of the prior drop. Volume-wise, we saw a **climactic high volume** day on the late-September sell-off to \$4.22, suggesting capitulation. Since then, volume on up-days has outpaced down-days, a positive sign that buyers are nibbling at these lows.

Chart Patterns: There are early hints of a **double bottom** or **rounded base** forming around \$4.2–\$5.0. If the stock can push above near-term resistance (\$5.50 area), it would complete a short-term double bottom formation, projecting an initial move toward ~\$6.50. Some traders also note a potential **bullish divergence** – while price made a lower low in late September (\$4.22 vs ~\$5 in May), the RSI made a higher low, indicating weakening downward momentum.

Technical Indicators: - **RSI (Relative Strength Index):** Recently climbed back above 40 from sub-30 levels. Still not overbought, so there's room to run before any technical selling signals. - **MACD:** On the daily chart, MACD has crossed above its signal line from deeply negative territory – often an early reversal indicator. It's still below zero, so the trend hasn't flipped positive yet. - **Volume Profile:** There's a volume “air pocket” above ~\$6. If the stock clears \$6 on strong volume, it could **quickly spike toward \$7–\$8** due to the lack of recent trading in that range (the stock fell so fast that few shares changed hands there, meaning less overhead supply).

Optimal Entry & Trade Setup: Given the technical picture, an *optimal entry zone* appears to be **in the \$4.75–\$5.25 range**, as close to that \$5 support as possible ⁶¹. Buying near \$5 provides a clear point for a stop-loss just below the recent lows. For example, one could set a **stop-loss around \$4.00–\$4.20**, just under the September low, to guard against a breakdown. This limits downside risk (~15–20% below \$5) while positioning for a larger upside move. From a trading perspective, **confirmation of a breakout** would come if NWL can close above its next resistance (~\$6). That could trigger additional momentum buying and trend-following signals.

Technical Targets: In the next 6–12 months, if the stock can sustain a rebound: - An initial **target is ~\$7–\$8**, near the early-2025 support zone and where the 200-day MA may descend to. This also coincides with the median analyst target (~\$6.50–\$7), so some profit-taking might occur there. - A stretch **target is ~\$9–\$10**, which would likely require fundamental help (e.g. a big earnings beat or guidance raise). Around \$9.50–\$10 lies a significant resistance from prior highs and would mark a *full retracement* of the 2025 sell-off. Notably, technical traders have flagged ~\$9.39 as a key Fibonacci retracement level and pivot ⁶³. - In a bull-case scenario over 12+ months, if a true trend reversal happens, **\$12** comes into play (major weekly resistance as discussed). Some TradingView analysts even point out that a recovery to \$12–\$29 is conceptually possible long-term (the upper end being prior all-time highs) ⁶¹, but we consider \$12 a more realistic ceiling for a 1-year view without a dramatic fundamental shift.

Chart Indicators Summary: At present, many technical indicators rate NWL as **Neutral** – a reflection of the stock basing. For instance, on TradingView's composite, NWL is neither a strong buy nor sell from a purely indicator perspective ⁶⁴. This suggests the *downtrend has paused* but a new uptrend isn't confirmed yet.

Bottom Line (Technical Timing): For technically inclined investors, **timing a entry around now – with the stock near multi-year support – could be advantageous**, provided one uses disciplined risk management. The stock is showing early bullish signals off the lows, but it *needs a catalyst to break out of the*

bottom range. That catalyst could be an earnings report or broader market rally. Until then, expect some choppiness between \$5 and \$6. In summary, the technicals favor an accumulation at current levels with a **stop below \$4** and an eye on ~\$6.00 as the first hurdle to clear for upside confirmation ⁶¹.

7. 6–12 Month Scenarios

Given Newell's situation, we outline three plausible scenarios for the stock over the next year – **Bull, Base, and Bear** – along with subjective probabilities and likely price ranges for each.

► **Bull Case (≈30% probability): “Turnaround Takes Hold”** – Newell executes exceptionally well on its restructuring, and macro conditions are supportive. In this scenario, **core sales stabilize and even grow slightly by mid-2026**, as innovation and better marketing drive improved demand in key categories (e.g. writing, baby products). Project Phoenix delivers the full \$250 M savings, lifting gross margin further into the high-30s%. By mid-2026, Newell surprises the Street with an expanding operating margin (approaching 10%+ normalized) and EPS run-rate closer to \$0.80–\$1.00. Debt metrics improve (net debt/EBITDA trending down towards 4x), alleviating balance sheet fears. Perhaps the Fed has cut rates, boosting consumer confidence and reducing interest costs a bit. In this optimistic outcome, **investors reward NWL with a higher multiple** now that growth and margin recovery are evident. The stock could reasonably trade at 10–12× forward earnings in a bull case. **Price Projection: \$9.00 to \$12.00** (roughly double the current price). This aligns with the high end of analyst targets ⁴⁵ and the next major technical resistance. It assumes the market begins to view Newell more like a normal consumer products company again (though likely still at a slight discount to peers due to residual leverage). Key drivers for this scenario: successful holiday 2025 sales, a solid 2026 guidance with core growth, and continued cost discipline. *Bull case catalysts*: a positive earnings surprise, tariff relief, insider buying, or even takeover speculation (at \$5, Newell could attract activist or private equity interest given its cash flows and brands).

► **Base Case (≈50% probability): “Gradual Progress, Limited Upside”** – In the base case, Newell's turnaround proceeds but without any dramatic acceleration. **Sales remain roughly flat to slightly down** over the next 2–3 quarters – perhaps the core sales decline moderates to –1% or 0% by mid-2026, but clear growth is elusive as some categories lag. The company hits its 2025 targets (EPS ~\$0.68) and guides 2026 in a similar ballpark (perhaps \$0.70–\$0.80 EPS), indicating improvement in margins largely offset by lingering soft demand. Cost savings continue to flow, but some are needed to counteract inflation or promotional efforts to stimulate sales. The macro environment is neither a boon nor a bane – consumers spend cautiously but not a collapse. In this scenario, **investors remain lukewarm**: they recognize Newell is no longer in freefall, but also see no catalyst for robust growth. The stock likely inches up from extreme lows but stays in the single digits. Valuation might settle at ~9–10× earnings, acknowledging the reduced risk of distress but also the lack of a growth narrative. **Price Projection: \$6.50 to \$8.00**. This range brackets the consensus fair value (Simply Wall St's fundamental model pegs NWL around \$6.82 ⁶⁵), and many analysts have targets in the \$7s). In this base case, shareholders would see a modest 20–50% upside from current levels, mostly as a reversion to mean valuation once the worst fears (of a spiral in sales or liquidity crunch) abate. *Base case factors*: The company continues to grind out margin gains, perhaps raises the dividend slightly or buys back a bit of stock by late 2026, but growth remains a “next year” story. Essentially, NWL becomes a stable but unspectacular small-cap staple – a hold rather than a strong buy.

► **Bear Case (≈20% probability): “Stalled Turnaround or Macro Shock”** – In the bear scenario, either internal or external problems undercut Newell's progress. Perhaps **consumer demand weakens significantly** (e.g. a recession in 2024 causes retailers to cut orders, and Newell's core sales fall another 5%+). Under this

stress, even with cost cuts, margins could stagnate or erode (idle factory time, discounting to move products). If normalized operating margin slips back towards mid-single-digits, Newell's earnings would drop and leverage could tick up again – renewing concerns about its debt. Another bear-case element could be **execution missteps**: maybe Project Phoenix savings disappoint or come at a cost to revenues (e.g. cutting salesforce too much harms sales). Or unforeseen issues – supply chain disruptions, another surge in raw material costs, or more tariff pain – could hit profitability. In such a scenario, Newell's narrative might regress to “struggling company with heavy debt,” and the stock could languish or fall further. **Price Projection: \$3.50 to \$5.00.** In a mild bear case, NWL might simply hover around \$5 (essentially dead money, just yielding its 5% dividend but no appreciation). In a harsher bear case, where EBITDA declines and net loss resumes, the stock could break the \$4 floor and head toward the mid-\$3s. That would likely price in a distress-level valuation (e.g. approaching ~5× EBITDA or <0.5× book). It's worth noting that *even at ~\$4, Newell would still generate substantial cash flow*, so one would expect deep value investors (or even acquirers) to step in before it went much lower. Thus, sub-\$4 might be seen only if recession fears peak or if Q4 earnings are surprisingly bad. **Bear case triggers:** negative earnings surprises, guidance cuts (e.g. if 2025 EPS is revised down to \$0.50s), credit rating downgrades (NWL is rated high junk – a downgrade could spook equity holders), or a market-wide sell-off where small-cap cyclicals get dumped.

Probability & Risk Assessment: We've assigned the highest odds to the base case (slow, modest recovery). The bull case has tangible pathways (management is executing well so far), but requires external help like better consumer demand – hence ~30%. The bear case, while less likely given current trajectory, cannot be dismissed given Newell's levered balance sheet (little margin for error if another shock hits).

For a balanced perspective: *Newell's own planning* presumably aligns with something between base and bull – they are aiming for reaccelerating growth by H2 2025 ⁸ and continued margin expansion, which if achieved, would push outcomes toward the upper half of our base range or even into bull territory. Conversely, the **worst-case risk** is that Newell's turnaround falters and it muddles along with high debt – the stock might not collapse outright, but it would remain a value trap, bouncing along under \$5.

In any case, **volatility is likely to persist**. Even in the bull scenario, NWL's path upward might not be smooth – sharp swings around earnings or macro news are to be expected from such a leveraged turnaround stock. Investors should calibrate position sizes accordingly and be prepared for scenario shifts as new information (especially quarterly results) emerges.

8. Stocky's Take – Summary & Recommendation

Final Recommendation: Buy (Speculative) – *for risk-tolerant investors*. Newell Brands presents a high-risk, potentially high-reward opportunity at current prices. The stock's deep undervaluation and improving margin trends make it a **contrarian BUY** over a 6–12 month horizon, *provided you size appropriately and use risk controls*. This is not a “widows and orphans” blue-chip, but at ~\$5 the downside appears limited by tangible cash flows and brand value, whereas a successful turnaround could re-rate the stock significantly higher.

Preferred Entry Range: Accumulate shares in the **\$4.50 – \$5.50** zone, which corresponds to long-term support on the charts and a ~7× forward P/E. Buying in this range capitalizes on pessimistic sentiment. The recent low ~\$4.22 serves as a reference – dips near that level, if they occur, are attractive entry points.

Stop-Loss: \$4.00 (close basis). If NWL decisively breaks below \$4 (approximately 20% below current levels), it would signal that the market anticipates a much grimmer scenario (or that some new negative has emerged). In that case, the thesis would be compromised – it's prudent to cut losses to protect capital. Essentially, a drop under ~\$4 would mark a fresh all-time low and invalidate the current basing pattern ⁶¹.

Take-Profit Targets: - **Initial Target: \$8.00** – At this level, consider selling part of the position. ~\$8 is in the midpoint of our base-case outcome and near the stock's resistance from earlier 2025. It also aligns with roughly 10× normalized earnings, which is a fair valuation if progress continues. - **Secondary Target: \$10.00** – This is a stretch goal within 12 months, representing a full rerating of NWL's turnaround (bull-case territory). If positive catalysts unfold (e.g. clear sales growth, easing tariffs), the stock could drive toward the low double-digits. We would look to **take full profits around \$10**, locking in a near-double from current prices. Further upside beyond \$10 likely requires multi-year patience or unforeseen good news, so it's wise to secure gains here unless the fundamental story at that time justifies continuing to hold.

(For traders, also watch the \$6 and \$9 levels for signs of momentum or resistance – adjusting trailing stops as needed.)

“Stocky's Take”: Newell Brands is a classic fallen angel – a onetime consumer goods giant now battered and unloved. **My conviction is cautiously optimistic.** The company's self-help efforts (Project Phoenix & co.) are yielding real results in margins ⁴, and management's focus on cash flow is exactly what we want to see in a turnaround ³¹. With an 8th straight quarter of margin gains in the books ⁶⁶, NWL's operational ship is finally pointing in the right direction. Yet, we must acknowledge the **risks**: \$5 billion in debt is a heavy anchor in stormy seas, and the *core issue – declining sales – isn't solved yet* ⁶⁷. This investment requires patience and a strong stomach, as quarters of meh revenue could keep the stock from re-rating quickly.

At the same time, **the risk/reward skews favorably** at this price. You're essentially buying a collection of good brands for ~0.3× annual sales – a level at which even a breakup or sum-of-parts sale could make sense if the turnaround stalls. Insider ownership is low and sentiment is poor, which from a contrarian view, leaves plenty of room for upside surprise. The next year will likely bring **moderate improvement, not a miracle**, but even moderate improvement could be enough to lift the stock 30–50% from these distressed levels.

Bottom line: *Stocky would nibble here.* Initiate a position while it's unloved, with the plan to scale out on the way up. You get paid a 5% dividend to wait, and if Newell can deliver on its restructuring promises, shareholders at \$5 will be sitting pretty. Just keep that stop in place – if the story deteriorates or the broader market turns south, protect yourself. In summary, **NWL is a speculative buy** – a comeback story in the making, with solid execution so far but a bit more proof needed. With a well-defined risk limit and an eye on upcoming catalysts, this could be a rewarding turnaround play over the next 6–12 months. *Stocky's Take:* I'm leaning **BUY** for the bold, but stay vigilant – the road to recovery, while promising, could still have a few potholes. ⁶¹

1 7 8 9 10 17 18 19 20 21 22 25 26 27 28 30 31 Newell Brands Announces Fourth Quarter and Full Year 2024 Results | Nasdaq

<https://www.nasdaq.com/press-release/newell-brands-announces-fourth-quarter-and-full-year-2024-results-2025-02-07>

- 2 3 4 5 11 12 13 14 15 16 40 41 **Newell Brands Announces Second Quarter 2025 Results**
<https://www.newellbrands.com/our-stories/newell-brands-announces-second-quarter-2025-results>
- 6 57 58 59 **Newell Brands : r/ValueInvesting**
https://www.reddit.com/r/ValueInvesting/comments/1mjr3fb/newell_brands/
- 23 24 65 67 **Could Project Phoenix's Margin Gains Mark a Strategic Turning Point for Newell Brands (NWL)? - Simply Wall St News**
<https://simplywall.st/stocks/us/consumer-durables/nasdaq-nwl/newell-brands/news/could-project-phoenixs-margin-gains-mark-a-strategic-turning>
- 29 **[PDF] Newell Brands Announces Fourth Quarter and Full Year 2024 Results**
<https://ir.newellbrands.com/static-files/f36bd58e-841e-453b-98b3-ba7c6d2f8e11>
- 32 **Newell Brands: A Dividend Strategy in the Crosshairs of Debt and ...**
<https://www.ainvest.com/news/newell-brands-dividend-strategy-crosshairs-debt-flexibility-2508/>
- 33 38 39 62 63 64 **NWL Stock Price and Chart — NASDAQ:NWL — TradingView**
<https://www.tradingview.com/symbols/NASDAQ-NWL/>
- 34 42 43 45 46 66 **NWL Stock Forecast 2026 - Newell Brands Price Targets & Predictions**
<https://tickernerd.com/stock/nwl-forecast/>
- 35 **Newell Brands Announces Fourth Quarter and Full Year 2021 Results**
<https://ir.newellbrands.com/news-releases/news-release-details/newell-brands-announces-fourth-quarter-and-full-year-2021>
- 36 37 **Fitch Affirms Newell's IDR at 'B+'; Outlook Stable**
<https://www.fitchratings.com/research/corporate-finance/fitch-affirms-newell-idr-at-b-outlook-stable-05-05-2025>
- 44 47 48 49 50 51 52 53 60 **Barclays Upgrades Newell Brands (NWL) | Nasdaq**
<https://www.nasdaq.com/articles/barclays-upgrades-newell-brands-nwl-0>
- 54 **NWL Insider Trading - Newell Brands Inc. - Fintel**
<https://fintel.io/sn/us/nwl>
- 55 **NWL Insider Trades Newell Brands - Market Chameleon**
<https://marketchameleon.com/Overview/NWL/InsiderTrades/>
- 56 **Newell Brands (NWL) Insider Trading Activity 2025 - MarketBeat**
<https://www.marketbeat.com/stocks/NASDAQ/NWL/insider-trades/>
- 61 **NWL (Newell Brands Inc.) monthly chart analysys for NASDAQ:NWL by stocktwists — TradingView**
<https://www.tradingview.com/chart/NWL/qQvijAzQ-NWL-Newell-Brands-Inc-monthly-chart-analysys/>