



November 4th, 2021

Second Quarter FY 2022 Results



PCH CONFIDENTIAL AND PROPRIETARY INFORMATION

Safe Harbor Disclosure

This presentation contains certain “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements regarding the Company’s expected financial performance, including revenues, adjusted EPS, free cash flow, and organic revenue growth; the Company’s ability to perform well in the currently evolving environment and execute on its brand-building strategy; the expected market share and consumption trends for the Company’s brands, and the recovery of COVID-impacted categories; and the Company’s ability to execute on its disciplined capital allocation strategy. Words such as “trend,” “continue,” “will,” “expect,” “project,” “may,” “should,” “could,” “would,” and similar expressions identify forward-looking statements. Such forward-looking statements represent the Company’s expectations and beliefs and involve a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include, among others, the impact of the COVID-19 pandemic, including on economic and business conditions, government actions, consumer trends, retail management initiatives, and disruptions to the distribution and supply chain and related price increases and labor shortages; competitive pressures; the impact of the Company’s advertising and promotional and new product development initiatives; customer inventory management initiatives; fluctuating foreign exchange rates; and other risks set forth in Part I, Item 1A. Risk Factors in the Company’s Annual Report on Form 10-K for the year ended March 31, 2021. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this presentation. Except to the extent required by applicable law, the Company undertakes no obligation to update any forward-looking statement contained in this presentation, whether as a result of new information, future events, or otherwise.

All adjusted GAAP numbers presented are footnoted and reconciled to their closest GAAP measurement in the attached reconciliation schedule or in our November 4, 2021 earnings release in the “About Non-GAAP Financial Measures” section.

Agenda for Today's Discussion

I. Performance Update

II. Financial Overview

III. FY 22 Outlook



I. Performance Update

Strong Q2 Results & Well Positioned for FY 22

Q2 Sales Drivers

- Record revenue in Q2, up 16.3% vs. PY
- Strong consumption growth and market share⁽²⁾ gains across the portfolio
- Continued strength in consumer behavior and retailer ordering patterns

Superior Earnings and FCF

- Strong double-digit earnings growth in Q2
- Solid financial profile and Free Cash Flow⁽³⁾ generation consistent with strategy

Disciplined Capital Allocation

- TheraTears acquisition fully integrated, tracking as anticipated
- Continued focus on disciplined capital allocation

Well-Positioned in Dynamic Macro Environment

Macro Trend



Normalizing Consumer Behavior



PrestigeConsumer HEALTHCARE Implication

Recovery Across Channels & Categories
(Cough/Cold, Travel, Convenience)



Strained Supply Chain



Consumers & Retailers Stocking Up



Inflationary Environment



Well-Positioned to Navigate Impact

Impacted Brands

FAST ACTING
Chloraseptic

Clear eyes

Dramamine

Hydralyte

LITTLE REMEDIES

LUDEN'S

Nix

Continuing to Capture Share by Executing on Core Strategy

Category

YTD Share⁽²⁾
vs. PY

GI



Skin Care



Eye Care



Nimble Brand-Building Playbook

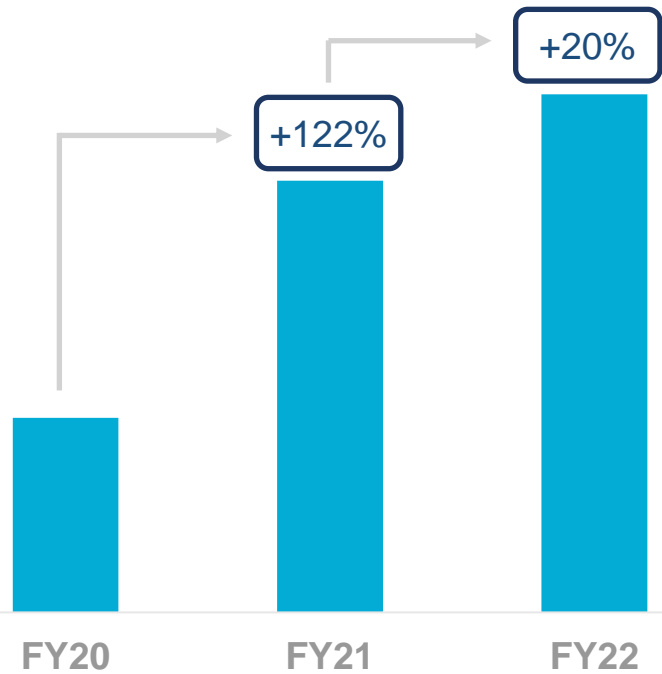
Proven Innovation Strategy

Broad Retail Distribution Focus

Engaging Print & Digital Marketing

Winning With Consumers Online & Across Digital Landscape

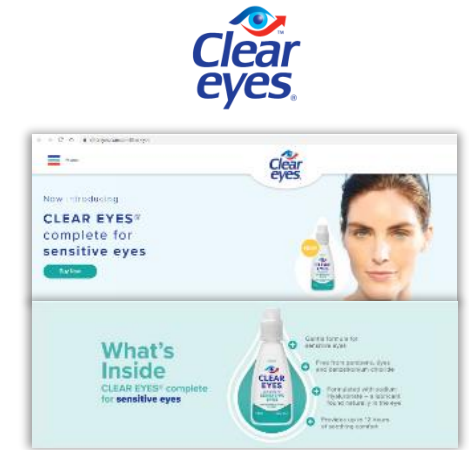
Q2 eCommerce Retail Sales⁽²⁾



Strong Growth Across eCommerce Continuing

Increased Investment in Online User Experience

Engaging Digital Campaigns



Dramamine



DenTek





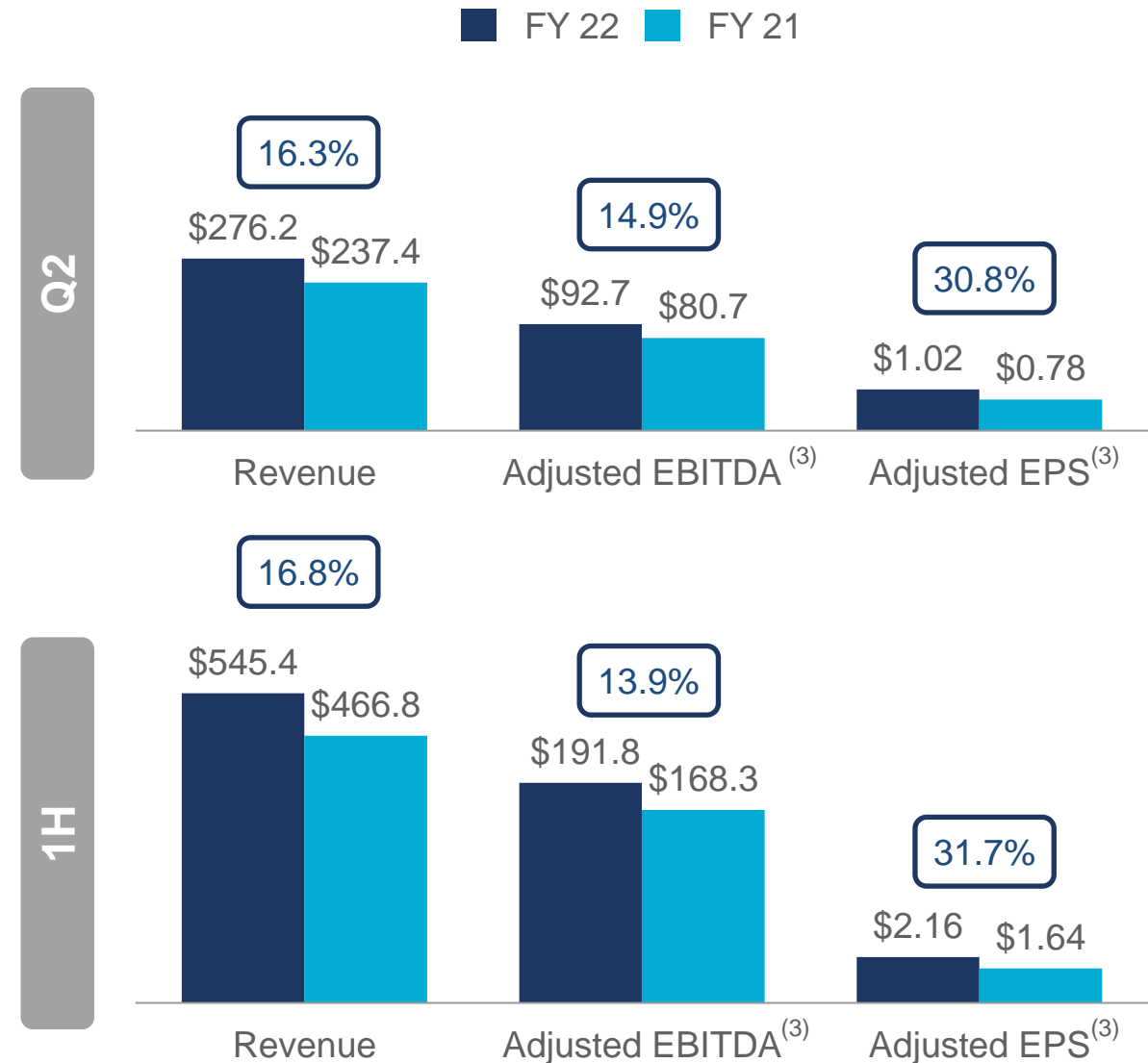
II. Financial Overview

Key Financial Results for Second Quarter and 1H FY 22 Performance

Revenue of \$276.2 million, up 11% versus PY on an organic basis⁽¹⁾

Adjusted EBITDA⁽³⁾ of \$92.7 million up 15% versus PY

Adjusted EPS⁽³⁾ of \$1.02 up 31% versus PY



Dollar values in millions, except per share data.

FY 22 Second Quarter and 1H Consolidated Financial Summary

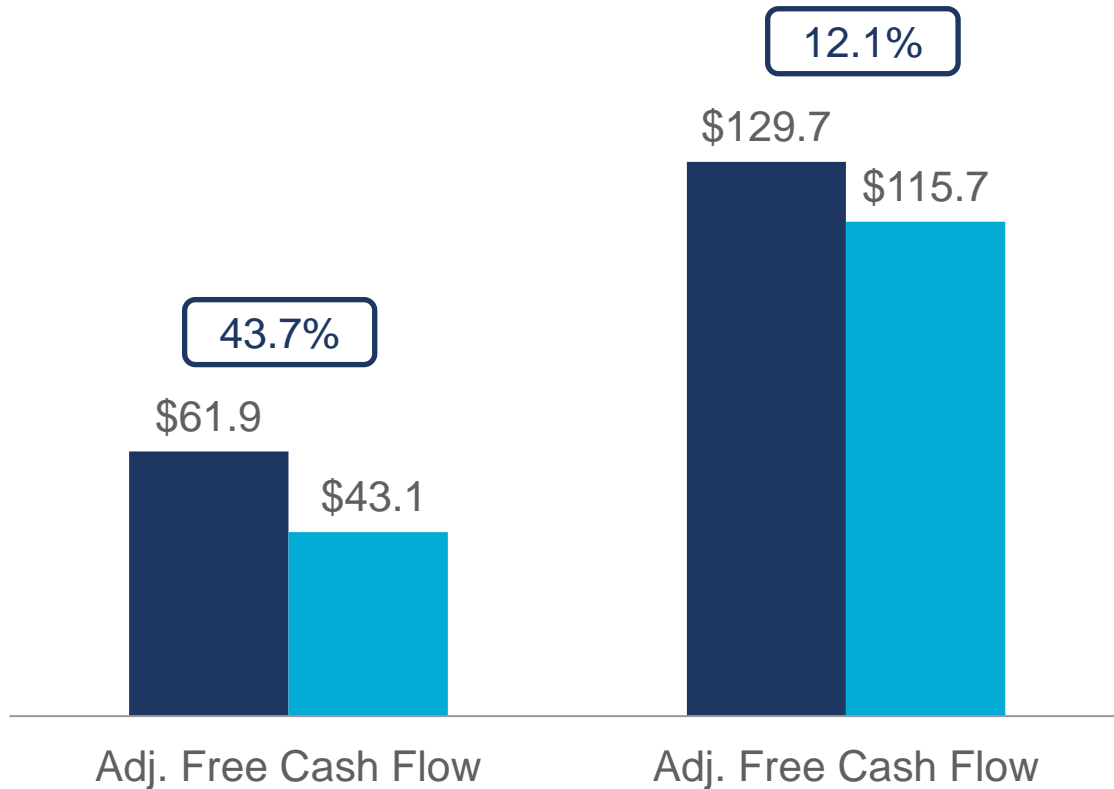
	3 Months Ended			6 Months Ended			1H Comments
	Q2 FY 22	Q2 FY 21	% Chg	1H FY 22	1H FY 21	% Chg	
Total Revenue	\$ 276.2	\$ 237.4	16.3%	\$ 545.4	\$ 466.8	16.8%	<ul style="list-style-type: none"> ■ Organic Revenue⁽¹⁾ up 13.0% vs. PY <ul style="list-style-type: none"> – Strong consumer trends, aided by recovery in certain COVID-19 impacted categories – Double-digit eCommerce consumption growth as consumers continue to shop online – \$12.4MM of Q2 revenue from Akorn ■ Adjusted Gross Margin⁽³⁾ of 58.4% up slightly vs. PY ■ A&M of 14.7% of Revenue ■ G&A dollars up vs. PY, as anticipated ■ Adjusted EPS⁽³⁾ up 31.7% vs. PY
Adj. Gross Margin⁽³⁾	159.3	137.7	15.7%	318.3	271.5	17.2%	
<i>% Margin</i>	57.7%	58.0%		58.4%	58.2%		
A&M	40.7	38.3	6.2%	80.2	66.1	21.3%	
<i>% Total Revenue</i>	14.7%	16.1%		14.7%	14.2%		
Adj. G&A ⁽³⁾	27.1	20.4	33.0%	49.6	40.3	23.0%	
<i>% Total Revenue</i>	9.8%	8.6%		9.1%	8.6%		
D&A	6.2	6.0	2.4%	11.9	12.1	(1.3%)	
Adj. Operating Income⁽³⁾	\$ 85.3	\$ 72.9	16.9%	\$ 176.6	\$ 153.0	15.4%	
<i>% Margin</i>	30.9%	30.7%		32.4%	32.8%		
Adj. Earnings Per Share⁽³⁾	\$ 1.02	\$ 0.78	30.8%	\$ 2.16	\$ 1.64	31.7%	
Adj. EBITDA⁽³⁾	\$ 92.7	\$ 80.7	14.9%	\$ 191.8	\$ 168.3	13.9%	
<i>% Margin</i>	33.6%	34.0%		35.2%	36.1%		

Dollar values in millions, except per share data

Industry Leading Free Cash Flow Trends

Free Cash Flow⁽³⁾

■ Q2 FY 22 ■ Q2 FY 21 ■ 1H FY 22 ■ 1H FY 21



Dollar values in millions

Comments

- Total 1H FY 22 Free Cash Flow⁽³⁾ of \$129.7 million up 12.1% vs. PY
 - Q2 Free Cash Flow⁽³⁾ up 43.7% due to strong operating performance and lower Capex
- Net Debt at September 30 of \$1.6 billion⁽³⁾; leverage ratio⁽⁴⁾ of 4.1x at end of Q2
 - Expect leverage⁽⁴⁾ below 4.0x by year-end



III. FY 22 Outlook

Outlook: Raising FY 22 Expectations

Top Line Trends

- Continued rebound in certain COVID-impacted categories
- Remain well-positioned for dynamic second half environment
- Share gains enabled by long-term brand-building strategy
- FY 22 Revenue of \$1.05 – \$1.06 billion
 - Organic growth of ~7%

EPS

- FY 22 Adjusted Diluted EPS⁽⁶⁾ estimate of \$3.93 – \$3.98

Free Cash Flow & Allocation

- FY 22 Adjusted Free Cash Flow⁽⁵⁾ guidance of \$245 million or more
- Continue to execute disciplined capital allocation strategy



Q&A

Appendix

- (1) Organic Revenue is a Non-GAAP financial measure and is reconciled to the most closely related GAAP financial measure in the attached Reconciliation Schedules and / or our earnings release dated November 4, 2021 in the “About Non-GAAP Financial Measures” section.
- (2) Company consumption and market share are based on domestic IRI multi-outlet + C-Store retail sales for the period ending October 4, 2021, retail sales data from other 3rd parties for certain untracked channels in North America for leading retailers, Australia consumption based on IMS data, and other international net revenues as a proxy for consumption.
- (3) Adjusted Gross Margin, Adjusted G&A, Adjusted Operating Income, Adjusted EPS, EBITDA & EBITDA Margin, Adjusted EBITDA & Adjusted EBITDA Margin, Free Cash Flow, and Net Debt are Non GAAP financial measures and are reconciled to their most closely related GAAP financial measures in the attached Reconciliation Schedules and / or in our earnings release dated November 4, 2021 in the “About Non GAAP Financial Measures” section.
- (4) Leverage ratio reflects net debt / covenant defined EBITDA.
- (5) Adjusted Free Cash Flow for FY 22 is a projected Non-GAAP financial measure, is reconciled to projected GAAP Net Cash Provided by Operating Activities in the attached Reconciliation Schedules and / or in our earnings release in the “About Non-GAAP Financial Measures” section and is calculated based on projected Net Cash Provided by Operating Activities less projected capital expenditures.
- (6) Adjusted Diluted EPS for FY 22 is a projected Non-GAAP financial measure, is reconciled to projected GAAP EPS in the attached Reconciliation Schedules and / or in our earnings release in the “About Non-GAAP Financial Measures” section and is calculated based on projected GAAP EPS plus adjustments relating to the acquisition of Akorn, loss on extinguishment of debt, and related income tax effects of the adjustments.

Reconciliation Schedules

Organic Revenue Change

	Three Months Ended September 30,		Six Months Ended September 30,	
	2021	2020	2021	2020
<i>(In Thousands)</i>				
GAAP Total Revenues	\$ 276,225	\$ 237,422	\$ 545,406	\$ 466,816
Revenue Change	16.3%		16.8%	
<u>Adjustments:</u>				
Revenues associated with acquisition ^(a)	(12,374)	-	(12,374)	-
Impact of foreign currency exchange rates	-	1,415	-	4,958
Total adjustments	\$ (12,374)	\$ 1,415	\$ (12,374)	\$ 4,958
Non-GAAP Organic Revenues	\$ 263,851	\$ 238,837	\$ 533,032	\$ 471,774
Non-GAAP Organic Revenue Change	10.5%		13.0%	

a) Revenues of our Akorn acquisition are excluded for purposes of calculating Non-GAAP organic revenues. These revenues relate to our North American OTC Healthcare segment.

Adjusted Gross Margin

	Three Months Ended September 30,		Six Months Ended September 30,	
	2021	2020	2021	2020
<i>(In Thousands)</i>				
GAAP Total Revenues	\$ 276,225	\$ 237,422	\$ 545,406	\$ 466,816
GAAP Gross Profit	\$ 157,712	\$ 137,661	\$ 316,724	\$ 271,529
GAAP Gross Profit as a Percentage of GAAP Total Revenue	57.1%	58.0%	58.1%	58.2%
<u>Adjustments:</u>				
Inventory step-up charges associated with acquisition ^(a)	1,567	-	1,567	-
Total adjustments	1,567	-	1,567	-
Non-GAAP Adjusted Gross Margin	\$ 159,279	\$ 137,661	\$ 318,291	\$ 271,529
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	57.7%	58.0%	58.4%	58.2%

a) Inventory step-up charges relate to our North American OTC Healthcare segment.

Reconciliation Schedules (Continued)

Adjusted G&A

	Three Months Ended September 30,		Six Months Ended September 30,	
	2021	2020	2021	2020
<i>(In Thousands)</i>				
GAAP General and Administrative Expense	\$ 32,252	\$ 20,388	\$ 54,723	\$ 40,322
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	11.7%	8.6%	10.0%	8.6%
Adjustments:				
Costs associated with acquisition ^(a)	5,127	-	5,127	-
Total adjustments	5,127	-	5,127	-
Non-GAAP Adjusted General and Administrative Expense	\$ 27,125	\$ 20,388	\$ 49,596	\$ 40,322
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	9.8%	8.6%	9.1%	8.6%

a) Costs related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

Reconciliation Schedules (Continued)

Adjusted EBITDA Margin

	Three Months Ended September 30,		Six Months Ended September 30,	
	2021	2020	2021	2020
<i>(In Thousands)</i>				
GAAP Net Income	\$ 45,325	\$ 44,589	\$ 103,080	\$ 88,295
Interest expense, net	16,313	21,266	31,390	43,207
Provision for income taxes	14,305	7,307	32,920	21,769
Depreciation and amortization	7,963	7,551	15,557	15,018
Non-GAAP EBITDA	83,906	80,713	182,947	168,289
Non-GAAP EBITDA Margin	30.4%	34.0%	33.5%	36.1%
Adjustments:				
Inventory step-up charges associated with acquisition in Cost of Goods Sold ^(a)	1,567	-	1,567	-
Costs associated with acquisition in General and Administrative Expense ^(b)	5,127	-	5,127	-
Loss on extinguishment of debt	2,122	-	2,122	-
Total adjustments	8,816	-	8,816	-
Non-GAAP Adjusted EBITDA	\$ 92,722	\$ 80,713	\$ 191,763	\$ 168,289
Non-GAAP Adjusted EBITDA Margin	33.6%	34.0%	35.2%	36.1%

a) Inventory step-up charges relate to our North American OTC Healthcare segment.

b) Costs related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

Reconciliation Schedules (Continued)

Adjusted Net Income & Adjusted EPS

	Three Months Ended September 30,				Six Months Ended September 30,			
	2021		2020		2021		2020	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
<i>(In Thousands, except per share data)</i>								
GAAP Net Income	\$ 45,325	\$ 0.89	\$ 44,589	\$ 0.88	\$ 103,080	\$ 2.03	\$ 88,295	\$ 1.74
Adjustments:								
Inventory step-up charges associated with acquisition in Cost of Goods Sold ^(a)	1,567	0.03	-	-	1,567	0.03	-	-
Costs associated with acquisition in General and Administrative Expense ^(b)	5,127	0.10	-	-	5,127	0.10	-	-
Loss on extinguishment of debt	2,122	0.04	-	-	2,122	0.04	-	-
Tax impact of adjustments ^(c)	(2,115)	(0.04)	-	-	(2,134)	(0.04)	-	-
Normalized tax rate adjustment ^(d)	-	-	(5,106)	(0.10)	-	-	(5,106)	(0.10)
Total Adjustments	6,701	0.13	(5,106)	(0.10)	6,682	0.13	(5,106)	(0.10)
Non-GAAP Adjusted Net Income and Adjusted EPS	\$ 52,026	\$ 1.02	\$ 39,483	\$ 0.78	\$ 109,762	\$ 2.16	\$ 83,189	\$ 1.64

a) Inventory step-up charges relate to our North American OTC Healthcare segment.

b) Costs related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

c) The income tax adjustments are determined using applicable rates in the taxing jurisdictions in which the above adjustments relate and includes both current and deferred income tax expense (benefit) based on the specific nature of the specific Non-GAAP performance measure.

d) Income tax adjustment to adjust for discrete income tax items.

Note: Amounts may not add due to rounding.

Reconciliation Schedules (Continued)

Adjusted Free Cash Flow

	Three Months Ended September 30,		Six Months Ended September 30,	
	2021	2020	2021	2020
<i>(In Thousands)</i>				
GAAP Net Income	\$ 45,325	\$ 44,589	\$ 103,080	\$ 88,295
Adjustments:				
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	17,404	11,374	35,228	29,775
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	(1,535)	(3,824)	(7,809)	9,223
Total adjustments	15,869	7,550	27,419	38,998
GAAP Net cash provided by operating activities	61,194	52,139	130,499	127,293
Purchase of property and equipment	(2,752)	(9,066)	(4,252)	(11,619)
Non-GAAP Free Cash Flow	58,442	43,073	126,247	115,674
Payments associated with acquisition ^(a)	3,465	-	3,465	-
Non-GAAP Adjusted Free Cash Flow	\$ 61,907	\$ 43,073	\$ 129,712	\$ 115,674

a) Payments related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

Reconciliation Schedules (Continued)

Projected EPS

	2022 Projected EPS	
	Low	High
Projected FY'22 GAAP Diluted EPS	\$ 3.80	\$ 3.85
<u>Adjustments:</u>		
Costs associated with acquisition, net of tax ^(a)	0.10	0.10
Loss on extinguishment of debt, net of tax	0.03	0.03
Total Adjustments	0.13	0.13
Projected Non-GAAP Adjusted EPS	<u>\$ 3.93</u>	<u>\$ 3.98</u>

a) Costs related to the consummation of the acquisition process such as inventory step-up charges, insurance costs, legal and other acquisition related professional fees.

Projected Free Cash Flow

<u>(In millions)</u>		
Projected FY'22 GAAP Net cash provided by operating activities	\$	245
Purchases of property and equipment		(10)
Projected Non-GAAP Free Cash Flow		235
Payments associated with acquisition ^(a)		10
Projected Non-GAAP Adjusted Free Cash Flow	<u>\$</u>	<u>245</u>

a) Payments related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.