



Prestige Brands

Review of Second Quarter FY 18 Results
November 2, 2017

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 revenue growth, adjusted EPS, and adjusted free cash flow; the Company’s expected leverage and ability to de-lever; the market position and consumption trends for the Company’s brands; the Company’s focus on brand-building; and the Company’s expectations regarding delivery patterns. Words such as “trend,” “continue,” “will,” “expect,” “project,” “anticipate,” “likely,” “estimate,” “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, general economic and business conditions, regulatory matters, competitive pressures, supplier issues, disruptions to distribution, unexpected costs or liabilities, 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, 2017. 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 schedules or in our November 2, 2017 earnings release in the “About Non-GAAP Financial Measures” section.

Agenda for Today's Discussion

I. Performance Highlights

II. Financial Overview

III. FY 18 Outlook and the Road Ahead

I. Performance Highlights

Compound W
WART REMOVER

Fleet

Summer's Eve

Dramamine

DenTek

LUDEN'S

**LITTLE
REMEDIES**

Efferdent
ANTI-BACTERIAL DENTURE CLEANSER

**Clear
eyes**

BC

Goody's

Chloraseptic
FAST ACTING

Nix
PERMETHRIN

eat the foods you love!
beano

Hydralyte

MONISTAT

Gaviscon
and it's gone

Debrox

FESS

Solid Consumption Trends in Second Quarter FY 18

Continued to realize strong consumption trends consistent with expectations

Q2 Revenue pro forma for Fleet impacted by a meaningful increase in average in-transit times in September; growth of approximately +3% adjusting for timing impact

Continue to generate industry leading Free Cash Flow and meaningful capacity for future M&A

Reiterating full year outlook for Revenue, Adjusted EPS⁽³⁾ and Adjusted Free Cash Flow⁽³⁾

Q2 FY 18 Performance Highlights

Demonstrated Portfolio Growth

- Q2 Revenue of \$258.0 million, up 20.0% versus PY Q2
- Revenue decline of 0.3%⁽¹⁾ pro forma for the Fleet acquisition
 - Revenue impacted by ~\$8 million from timing of customer deliveries at quarter-end
 - Expect delivery patterns to normalize over the next few months
- Organic Revenue growth met expectations excluding impact of increased delivery times
- Solid total company consumption growth of +2.6%⁽²⁾

Strong Earnings and FCF

- Adjusted Gross Margin of 56.3%⁽³⁾ in line with expectations
- Adjusted EPS of \$0.61⁽³⁾
- Continued solid Adjusted Free Cash Flow of \$54.8 million⁽³⁾, resulting in leverage of 5.5x⁽⁴⁾

M&A

- Fleet focus fully shifted to brand building and supply chain opportunities
- Continued de-leveraging in the second half, building future M&A capacity
- Consistent pipeline of M&A opportunities in the market

Strong Financial Performance in First Half FY 18

Revenue of \$514.6 million, up 21.2% versus 1H FY 17

Revenue increase of 1.2%⁽¹⁾ pro forma for Fleet; ~3% normalized for shipment timing

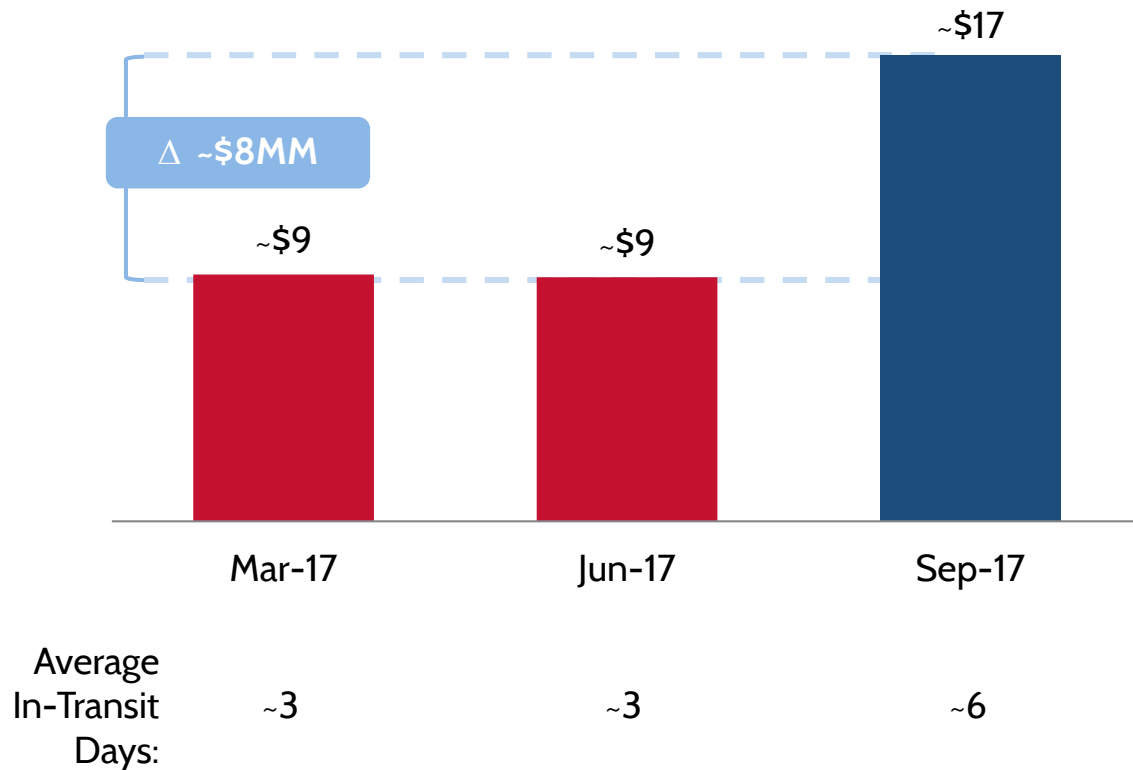
Adjusted EPS of \$1.27⁽³⁾, up 4.1% versus 1H FY 17

Adjusted Free Cash Flow of \$111.4 million⁽³⁾, up 11.0% versus 1H FY 17

Total debt paydown of \$105 million

Q2 FY 18 Shipments Impacted by Delivery Timing While Consumption Remains Strong

Shipments in Transit (\$MM)



Comments

- Timing of customer deliveries impacted by increased transit times in September vs prior quarters
 - Revenue is recognized upon delivery to a customer
- Q2 Revenue growth pro forma for Fleet would have been approximately 3% with \$8MM adjustment for normalized shipments in transit
- Solid total company consumption growth of 2.6%⁽²⁾

Prestige's Resilient Position in an Evolving Retail Environment

Category Leading, Trusted Brands

- #1 share brands represent ~60% of sales
- Brands drive long-term category growth



On Trend & Innovative

- Consumer driven innovation
- Aligned with macro-Health & Wellness trend



Retail Traffic Driver

- Need-based products sought by consumers
- Retail channel agnostic



E-Commerce Brand of Choice

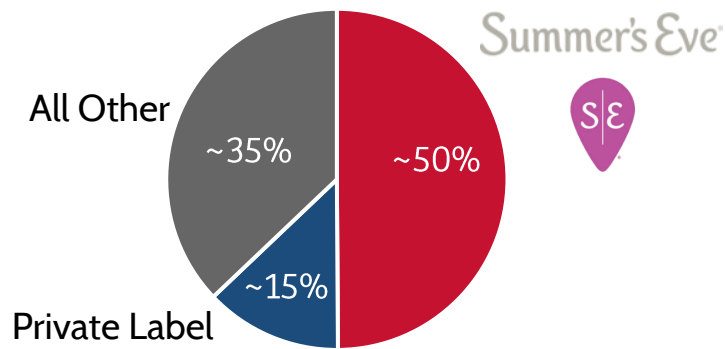
- Channel remains an opportunity, not a threat
- Ongoing channel investments



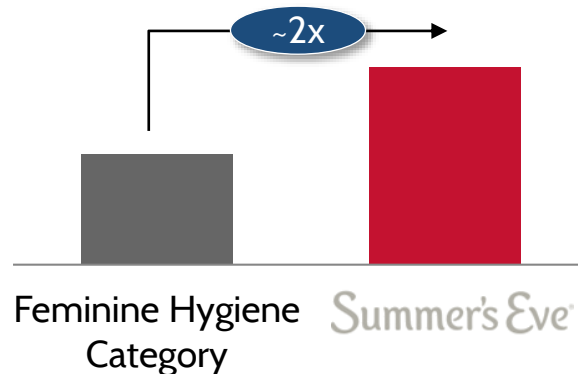
Summer's Eve: Growing Our Largest Brand for the Long-Term Summer's Eve

Category Leadership*

Feminine Hygiene Market Share



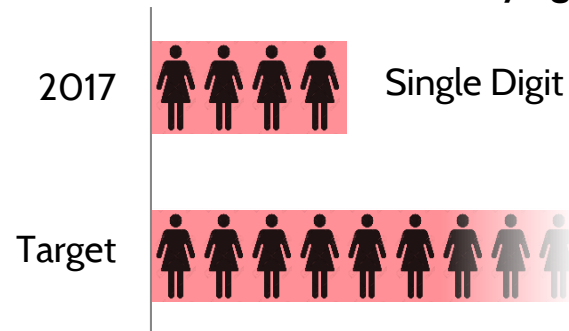
Retail Dollar Sales Growth



*IRI MULO L52 week period ending 9/10/17.

Significant Runway for Growth

% of Households Buying



- Household penetration long-term opportunity
- Many non-users willing to try
- Brand building playbook developed

Strong Innovation Pipeline



- Ongoing brand initiatives driven by consumer insights
- Simply launched spring 2017; largely incremental to brand and category
- Appealing to younger, millennial consumers

II. Financial Overview

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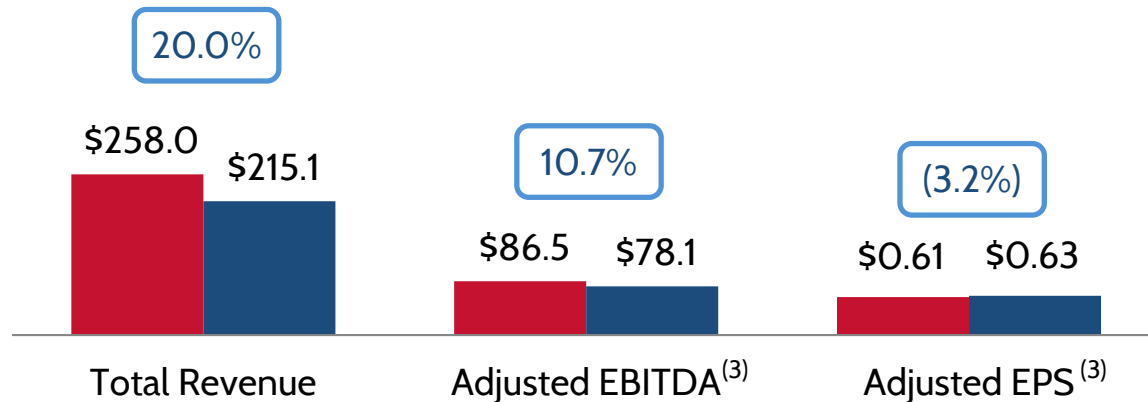
Key Financial Results for Second Quarter & 1H FY 18 Performance

- Overall financial performance in Q2 and 1H FY 18 impacted by timing of deliveries

- Q2 Revenue of \$258.0 million, an increase of 20.0% vs prior year
- Q2 Adjusted EBITDA⁽³⁾ of \$86.5 million, an increase of 10.7% vs prior year
- Q2 Adjusted EPS of \$0.61⁽³⁾, a decrease of 3.2% vs prior year, and 1H 2018 Adjusted EPS of \$1.27⁽³⁾, up 4.1% vs prior year

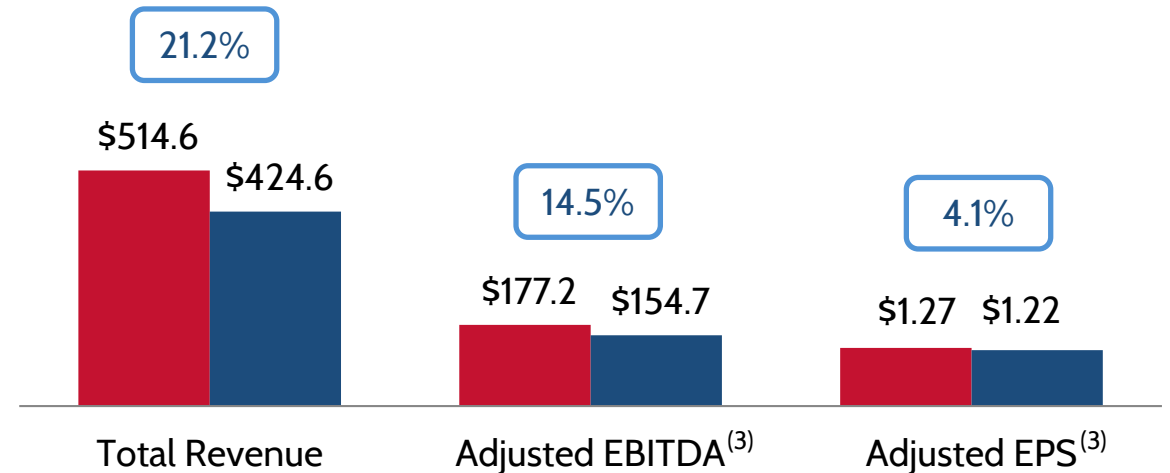
Q2 FY 18

■ Q2 FY 18 ■ Q2 FY 17



1H FY 18

■ 1H FY 18 ■ 1H FY 17



Dollar values in millions, except per share data.

FY 18 Second Quarter Consolidated Financial Summary

3 Months Ended

6 Months Ended

Comments

	Q2 FY 18	Q2 FY 17	% Chg	Q2 FY 18	Q2 FY 17	% Chg
Total Revenue	\$ 258.0	\$ 215.1	20.0%	\$ 514.6	\$ 424.6	21.2%
Adjusted Gross Margin⁽³⁾	145.2	124.0	17.2%	291.3	245.6	18.6%
% Margin	56.3%	57.6%		56.6%	57.8%	
Adjusted A&P⁽³⁾	39.4	28.6	37.9%	76.3	56.2	35.7%
% Total Revenue	15.3%	13.3%		14.8%	13.2%	
Adjusted G&A⁽³⁾	20.7	17.3	19.7%	40.4	34.6	16.8%
% Total Revenue	8.0%	8.0%		7.9%	8.1%	
D&A (ex. COGS D&A)	7.2	6.0	19.4%	14.4	12.8	11.7%
% Total Revenue	2.8%	2.8%		2.8%	3.0%	
Adjusted Operating Income⁽³⁾	\$ 78.0	\$ 72.1	8.1%	\$ 160.2	\$ 141.9	12.9%
% Margin	30.2%	33.5%		31.1%	33.4%	
Adjusted Earnings Per Share⁽³⁾	\$ 0.61	\$ 0.63	(3.2%)	\$ 1.27	\$ 1.22	4.1%
Adjusted EBITDA⁽³⁾	\$ 86.5	\$ 78.1	10.7%	\$ 177.2	\$ 154.7	14.5%
% Margin	33.5%	36.3%		34.4%	36.4%	

- Revenue growth of +20.0%
 - Revenue decline of 0.3%⁽¹⁾ pro forma for Fleet, due to a meaningful increase in transit times in September
 - Fleet contributed \$51.7 million of Revenue during the quarter
- Adjusted Gross Margin⁽³⁾ of 56.3%
- Adjusted A&P⁽³⁾ 15.3% of Revenue, \$10.8 million more than Q2 FY 17

Dollar values in millions, except per share data.

Industry Leading Free Cash Flow Trends

Free Cash Flow

Q2 FY 18

■ Q2 FY 18 ■ Q2 FY 17

10.5%

\$54.8

\$49.6

Adjusted Free Cash Flow⁽³⁾

1H FY 18

■ 1H FY 18 ■ 1H FY 17

11.0%

\$111.4

\$100.4

Adjusted Free Cash Flow⁽³⁾

Comments

- Net Debt⁽³⁾ at September 30 of \$2,074 million comprised of:
 - Cash on hand of \$43 million
 - \$1,367 million of term loan and revolver
 - \$750 million of bonds
- Leverage ratio⁽⁴⁾ of 5.5x as of Q2 and expect approximately 5.0x at the end of FY 18
- Industry leading FCF conversion of 164% in 1H FY 18
- Net debt reduction from free cash flow generation of \$55 million in Q2 and \$105 million in 1H FY 18

Dollar values in millions.

III. FY 18 Outlook and the Road Ahead

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FY 18 Full Year Outlook Unchanged

Top Line Trends

- Continued solid consumption trends in our largest and category leading brands
- Continue to gain share across portfolio
- A focus on winning with the consumer continues positions us for long-term growth despite continued headwinds at retail

Revenue Outlook

- Revenue growth of +18% to +20% (\$1,040 to \$1,060 million)
- Pro forma for the Fleet acquisition, Revenue growth of +2.0% to +2.5%
- FY 18 Revenue outlook implies growth of +1.2% in 1H and +2.8% to +3.8% in 2H pro forma for Fleet
 - Exclusive of revenue timing shift, 2H FY 18 growth of +1.2% to +2.2%

Adjusted EPS⁽⁵⁾ Outlook

- Adjusted EPS +9% to +13% (\$2.58 to \$2.68 per share)⁽⁵⁾

Adjusted Free Cash Flow⁽⁶⁾ Outlook

- Adjusted Free Cash Flow of \$205 million or more⁽⁶⁾

Dollar values in millions, except per share data.

QeA

Appendix

- (1) Organic Revenue Growth and Proforma Revenue Growth are Non-GAAP financial measures and are reconciled to the most closely related GAAP financial measure in the attached Reconciliation Schedules and / or our earnings release in the “About Non-GAAP Financial Measures” section.
- (2) Total company consumption is based on domestic IRI multi-outlet + C-Store retail dollar sales for the twelve month period ending 10-8-17 and net revenues as a proxy for consumption for certain untracked channels, and international consumption which includes Canadian consumption for leading retailers, Australia consumption for leading brands, and other international net revenues as a proxy for consumption.
- (3) Adjusted Gross Margin, Adjusted A&P, Adjusted G&A, Adjusted EBITDA, Adjusted Operating Income, Adjusted Net Income, Adjusted EPS, Adjusted 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 in the “About Non-GAAP Financial Measures” section.
- (4) Leverage ratio reflects net debt / covenant defined EBITDA.
- (5) Adjusted EPS for FY 18 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 less costs associated with Fleet integration.
- (6) Adjusted Free Cash Flow for FY 18 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 plus payments associated with acquisitions less tax effect of payments associated with acquisitions.

Reconciliation Schedules

Organic Revenue Growth

	Three Months Ended Sept. 30,		Six Months Ended Sept. 30,	
	2017	2016	2017	2016
<i>(In Thousands)</i>				
GAAP Total Revenues	\$ 258,026	\$ 215,052	\$ 514,599	\$ 424,627
Revenue Growth	<u>20.0%</u>		<u>21.2%</u>	
Adjustments:				
Revenue associated with acquisitions	(51,662)	-	(106,549)	-
Revenues associated with divested brands	-	(5,945)	-	(16,984)
Non-GAAP Organic Revenues	<u>\$ 206,364</u>	<u>\$ 209,107</u>	<u>\$ 408,050</u>	<u>\$ 407,643</u>
Non-GAAP Organic Revenue Growth	<u>(1.3%)</u>		<u>0.1%</u>	
Non-GAAP Organic Revenues	\$ 206,364	\$ 209,107	\$ 408,050	\$ 407,643
Revenues associated with acquisitions	51,662	49,798	106,549	100,999
Non-GAAP Proforma Revenues	<u>\$ 258,026</u>	<u>\$ 258,905</u>	<u>\$ 514,599</u>	<u>\$ 508,642</u>
Non-GAAP Proforma Revenue Growth	<u>(0.3%)</u>		<u>1.2%</u>	

Reconciliation Schedules Cont'd

Adjusted Gross Margin

	Three Months Ended Sept. 30,		Six Months Ended Sept. 30,	
	2017	2016	2017	2016
<i>(In Thousands)</i>				
GAAP Total Revenues	\$ 258,026	\$ 215,052	\$ 514,599	\$ 424,627
GAAP Gross Profit	\$ 144,098	\$ 123,965	\$ 287,574	\$ 245,556
<u>Adjustments:</u>				
Integration, transition and other costs associated with acquisitions	1,143	-	3,719	-
Total adjustments	1,143	-	3,719	-
Non-GAAP Adjusted Gross Margin	\$ 145,241	\$ 123,965	\$ 291,293	\$ 245,556
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	56.3%	57.6%	56.6%	57.8%

Reconciliation Schedules Cont'd

Adjusted Advertising & Promotion Expense

	Three Months Ended Sept. 30,		Six Months Ended Sept. 30,	
	2017	2016	2017	2016
<i>(In Thousands)</i>				
GAAP Advertising and Promotion Expense	\$ 39,188	\$ 28,592	\$ 76,132	\$ 56,227
GAAP Advertising and Promotion Expense as a Percentage of GAAP Total Revenue	15.2%	13.3%	14.8%	13.2%
<u>Adjustments:</u>				
Integration, transition and other costs associated with acquisitions	(231)	-	(192)	-
Total adjustments	(231)	-	(192)	-
Non-GAAP Adjusted Advertising and Promotion Expense	\$ 39,419	\$ 28,592	\$ 76,324	\$ 56,227
Non-GAAP Adjusted Advertising and Promotion Expense as a Percentage of GAAP Total Revenues	15.3%	13.3%	14.8%	13.2%

Reconciliation Schedules Cont'd

Adjusted GeA

	Three Months Ended Sept. 30,		Six Months Ended Sept. 30,	
	2017	2016	2017	2016
<i>(In Thousands)</i>				
GAAP General and Administrative Expense	\$ 21,567	\$ 18,795	\$ 41,903	\$ 38,252
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	8.4%	8.7%	8.1%	9.0%
Adjustments:				
Integration, transition and other costs associated with acquisitions and divestitures	888	1,521	1,472	3,646
Total adjustments	888	1,521	1,472	3,646
Non-GAAP Adjusted General and Administrative Expense	\$ 20,679	\$ 17,274	\$ 40,431	\$ 34,606
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	8.0%	8.0%	7.9%	8.1%

Reconciliation Schedules Cont'd

Adjusted EBITDA

	Three Months Ended Sept. 30,		Six Months Ended Sept. 30,	
	2017	2016	2017	2016
<i>(In Thousands)</i>				
GAAP Net Income	\$ 30,705	\$ 32,195	\$ 64,464	\$ 26,664
Interest expense, net	26,836	20,830	53,177	41,957
Provision for income taxes	18,616	18,033	37,545	14,651
Depreciation and amortization	8,534	6,016	17,041	12,848
Non-GAAP EBITDA	<u>84,691</u>	<u>77,074</u>	<u>172,227</u>	<u>96,120</u>
Non-GAAP EBITDA Margin	<u>32.8%</u>	<u>35.8%</u>	<u>33.5%</u>	<u>22.6%</u>
<u>Adjustments:</u>				
Integration, transition and other costs associated with acquisitions and divestitures in Cost of Goods Sold	1,143	-	3,719	-
Integration, transition and other costs associated with acquisitions and divestitures in Advertising and Promotion Expense	(231)	-	(192)	-
Integration, transition and other costs associated with acquisitions and divestitures in General and Administrative Expense	888	1,521	1,472	3,646
(Gain) loss on divestitures	-	(496)	-	54,957
Total adjustments	<u>1,800</u>	<u>1,025</u>	<u>4,999</u>	<u>58,603</u>
Non-GAAP Adjusted EBITDA	<u>\$ 86,491</u>	<u>\$ 78,099</u>	<u>\$ 177,226</u>	<u>\$ 154,723</u>
Non-GAAP Adjusted EBITDA Margin	<u>33.5%</u>	<u>36.3%</u>	<u>34.4%</u>	<u>36.4%</u>

Reconciliation Schedules Cont'd

Adjusted Net Income and Adjusted EPS

	Three Months Ended Sept. 30,				Six Months Ended Sept. 30,			
	2017		2016		2017		2016	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
<i>(In Thousands, except per share data)</i>								
GAAP Net Income	\$ 30,705	\$ 0.57	\$ 32,195	\$ 0.60	\$ 64,464	\$ 1.20	\$ 26,664	\$ 0.50
<u>Adjustments:</u>								
Integration, transition and other costs associated with acquisitions and divestitures in Cost of Goods Sold	1,143	0.02	-	-	3,719	0.07	-	-
Integration, transition and other costs associated with acquisitions and divestitures in Advertising and Promotion Expense	(231)	-	-	-	(192)	-	-	-
Integration, transition and other costs associated with acquisitions and divestitures in General and Administrative Expense	888	0.02	1,521	0.03	1,472	0.03	3,646	0.07
Accelerated amortization of debt origination costs	-	-	1,131	0.02	-	-	1,131	0.02
(Gain) loss on divestitures	-	-	(496)	(0.01)	-	-	54,957	1.03
Tax impact of adjustments	(658)	(0.01)	(566)	(0.01)	(1,825)	(0.03)	(21,224)	(0.40)
Normalized tax rate adjustment	614	0.01	-	-	312	-	-	-
Total Adjustments	1,756	0.04	1,590	0.03	3,486	0.07	38,510	0.72
Non-GAAP Adjusted Net Income and Adjusted EPS	\$ 32,461	\$ 0.61	\$ 33,785	\$ 0.63	\$ 67,950	\$ 1.27	\$ 65,174	\$ 1.22

Reconciliation Schedules Cont'd

Adjusted Free Cash Flow

	Three Months Ended Sept. 30,		Six Months Ended Sept. 30,	
	2017	2016	2017	2016
<i>(In Thousands)</i>				
GAAP Net Income	\$ 30,705	\$ 32,195	\$ 64,464	\$ 26,664
Adjustments:				
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	21,530	9,842	43,513	67,188
Changes in operating assets and liabilities, net of effects from acquisitions as shown in the Statement of Cash Flows	2,184	7,744	563	7,230
Total Adjustments	23,714	17,586	44,076	74,418
GAAP Net cash provided by operating activities	54,419	49,781	108,540	101,082
Purchase of property and equipment	(2,231)	(509)	(4,785)	(1,404)
Non-GAAP Free Cash Flow	52,188	49,272	103,755	99,678
Integration, transition and other payments associated with acquisitions and divestitures	2,654	352	7,602	683
Non-GAAP Adjusted Free Cash Flow	\$ 54,842	\$ 49,624	\$ 111,357	\$ 100,361

Reconciliation Schedules Cont'd

Projected EPS

	2018 Projected EPS	
	Low	High
Projected FY'18 GAAP EPS	\$ 2.51	\$ 2.61
<u>Adjustments:</u>		
Costs associated with Fleet integration	0.07	0.07
Total Adjustments	0.07	0.07
Projected Non-GAAP Adjusted EPS	\$ 2.58	\$ 2.68

Projected Free Cash Flow

	2018 Projected Free Cash Flow
<i>(In millions)</i>	
Projected FY'18 GAAP Net Cash provided by operating activities	\$ 210
Additions to property and equipment for cash	(10)
Projected Non-GAAP Free Cash Flow	200
Payments associated with acquisitions	8
Tax effect of payments associated with acquisitions	(3)
Adjusted Non-GAAP Adjusted Free Cash Flow	\$ 205