



February 3rd, 2022

Third Quarter FY 2022 Results

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 diluted EPS, and free cash flow; 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; the integration of the TheraTears® acquisition; 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,” “positioned,” 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 manufacturing, distribution and supply chain and related price increases; 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 February 3, 2022 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 Q3 Results Driving Increased FY 22 Outlook

Q3 Sales Drivers

- Strong sales growth continued in Q3, up 14.9% vs. PY
- Recovery continued in COVID-19 impacted categories
- Record revenue in International segment

Superior Earnings and FCF

- Gross margin as expected in dynamic supply chain environment
- Strong double-digit earnings growth in Q3
- Solid financial profile and resulting Free Cash Flow⁽³⁾ generation

Disciplined Capital Allocation

- TheraTears acquisition tracking as expected
- Continued focus on disciplined capital allocation resulting in leverage of 3.9x⁽⁴⁾

Strong Performance in Dynamic Macro Environment

Diversified Portfolio

Leading portfolio positioned to benefit from changing consumer dynamics



- Enables nimble marketing across consumer healthcare categories
- Consumers continue to seek trusted brands

COVID-19 Recovery

Strong recovery in multiple COVID-19 impacted categories



- Stronger than expected cough/cold season
- Hydralyte made headlines as a treat-at-home essential during pandemic

Supply Chain

Strategically working to ensure supply in a dynamic environment



- Business demonstrating strength in volatile supply environment
- Continuity plans continue to protect service levels

Continue to Deliver Strong Results in Evolving Environment



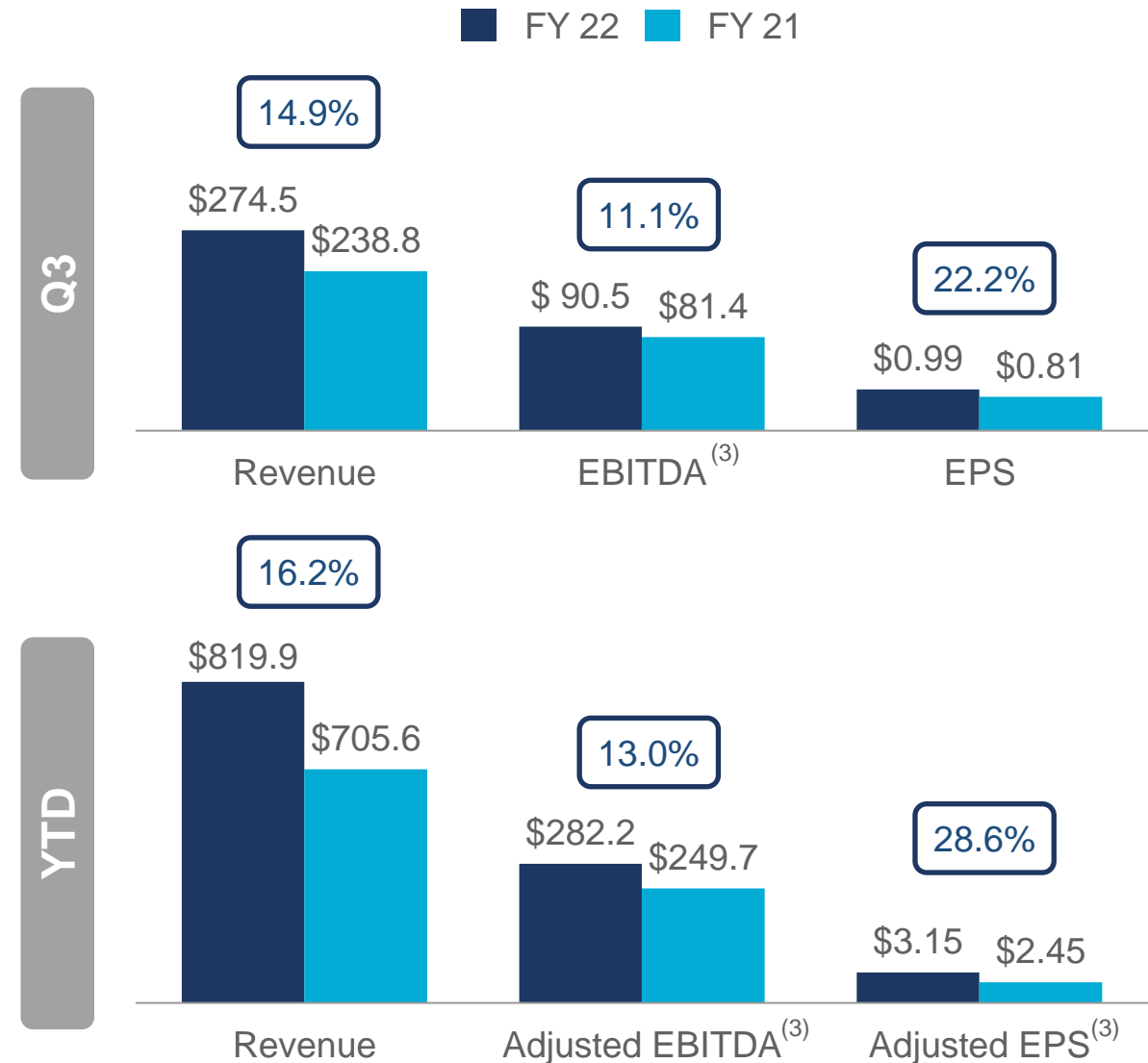
II. Financial Overview

Key Financial Results for Third Quarter and YTD FY 22 Performance

Revenue of \$274.5 million, up 8.8% vs. PY on an organic basis⁽¹⁾

EBITDA⁽³⁾ of \$90.5 million resulted in 33.0% margin, consistent with long-term expectations

EPS of \$0.99 up 22.2% vs. PY



Dollar values in millions, except per share data.

FY 22 Third Quarter and YTD Consolidated Financial Summary

3 Months Ended

9 Months Ended

Q3 YTD Comments

	Q3 FY 22	Q3 FY 21	% Chg	YTD FY 22	YTD FY 21	% Chg
Total Revenue	\$ 274.5	\$ 238.8	14.9%	\$ 819.9	\$ 705.6	16.2%
Adj. Gross Margin⁽³⁾	155.1	138.9	11.6%	473.4	410.4	15.3%
<i>% Margin</i>	56.5%	58.2%		57.7%	58.2%	
A&M	40.2	38.1	5.7%	120.4	104.2	15.6%
<i>% Total Revenue</i>	14.7%	15.9%		14.7%	14.8%	
Adj. G&A ⁽³⁾	26.0	21.4	21.4%	75.6	61.7	22.5%
<i>% Total Revenue</i>	9.5%	9.0%		9.2%	8.7%	
D&A	6.2	6.0	4.6%	18.2	18.1	0.6%
Adj. Operating Income⁽³⁾	\$ 82.6	\$ 73.4	12.5%	\$ 259.2	\$ 226.5	14.4%
<i>% Margin</i>	30.1%	30.8%		31.6%	32.1%	
Adj. Earnings Per Share⁽³⁾	\$ 0.99	\$ 0.81	22.2%	\$ 3.15	\$ 2.45	28.6%
Adj. EBITDA⁽³⁾	\$ 90.5	\$ 81.4	11.1%	\$ 282.2	\$ 249.7	13.0%
<i>% Margin</i>	33.0%	34.1%		34.4%	35.4%	

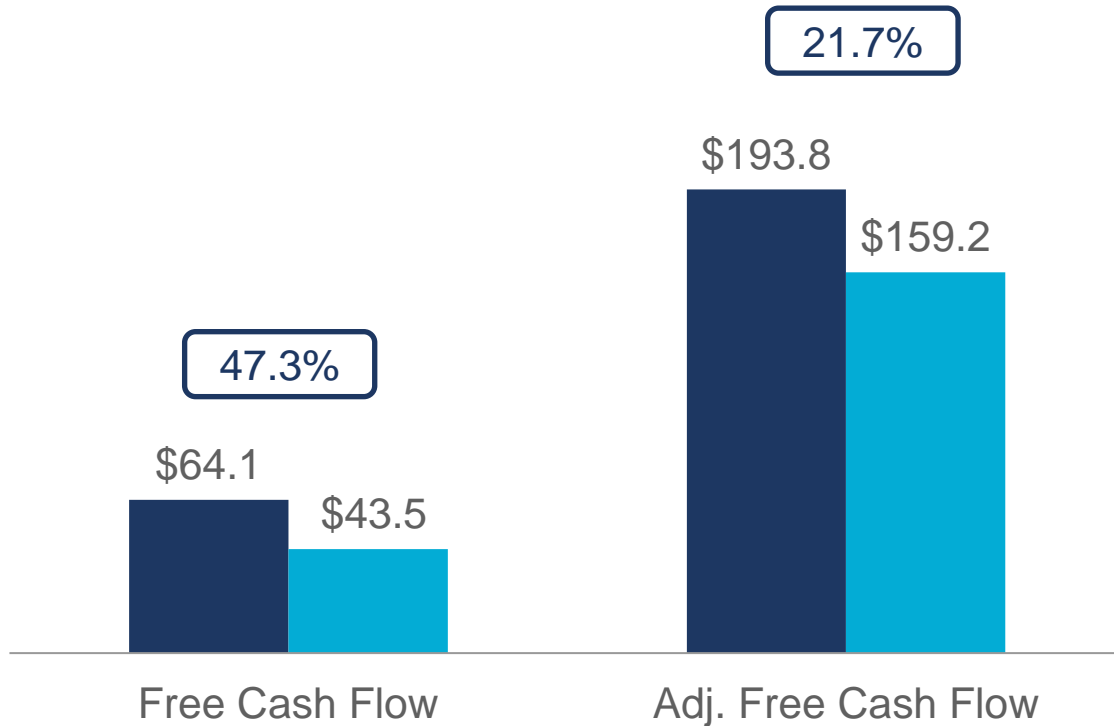
- Organic Revenue⁽¹⁾ up 11.6% vs. PY
 - Driven by broad & diverse portfolio coupled with upside in COVID-19 disrupted categories
 - Continued eCommerce consumption growth as consumers continue to shop online
- Adj. Gross Margin⁽³⁾ of 57.7%, as anticipated
- A&M of 14.7% of Revenue, tracking with higher sales
- Adj. G&A⁽³⁾ approximately 9% of sales
- Adj. EPS⁽³⁾ up 28.6% vs. PY

Dollar values in millions, except per share data

Industry Leading Free Cash Flow Trends

Free Cash Flow⁽³⁾

■ Q3 FY 22 ■ Q3 FY 21 ■ YTD FY 22 ■ YTD FY 21



Dollar values in millions

Comments

- YTD FY 22 Free Cash Flow of \$193.8 million up 21.7% vs. PY
 - Q3 Free Cash Flow up 47.3% vs. PY owing to working capital timing
- Net Debt at December 31 of \$1.5 billion⁽³⁾; leverage ratio⁽⁴⁾ of 3.9x at end of Q3
- Continue to focus on debt pay down and disciplined capital allocation strategy



III. FY 22 Outlook

Raising FY 22 Full Year Outlook

Top Line Trends

- Brand-building continues to enable long-term market share gains & sales growth
- Q4 anticipates continued recovery in certain COVID-impacted categories
- Anticipate FY 22 Revenue of \$1.075 – \$1.080 billion

EPS

- Strong financial profile leading to increased profitability
- FY 22 Adjusted Diluted EPS⁽⁶⁾ estimate of \$4.00 – \$4.04

Free Cash Flow & Allocation

- Continue to execute disciplined capital allocation strategy
- Anticipate FY 22 Free Cash Flow⁽⁵⁾ of \$250 million or more

Looking Ahead

- To provide initial FY 23 outlook in May
- Anticipate FY 23 top and bottom-line growth enabled by proven business 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 February 3, 2022 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 December 26, 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, 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 dated February 3, 2022 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 plus cash payments associated with acquisition.
- (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

<i>(In Thousands)</i>	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
GAAP Total Revenues	\$ 274,470	\$ 238,788	\$ 819,876	\$ 705,604
Revenue Change	14.9%		16.2%	
Adjustments:				
Revenues associated with acquisition ^(a)	(13,712)	-	(26,086)	-
Impact of foreign currency exchange rates	-	929	-	5,887
Total adjustments	\$ (13,712)	\$ 929	\$ (26,086)	\$ 5,887
Non-GAAP Organic Revenues	\$ 260,758	\$ 239,717	\$ 793,790	\$ 711,491
Non-GAAP Organic Revenue Change	8.8%		11.6%	

a) Revenues of our Akorn acquisition are excluded for purposes of calculating Non-GAAP organic revenues.

Adjusted Gross Margin

<i>(In Thousands)</i>	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
GAAP Total Revenues	\$ 274,470	\$ 238,788	\$ 819,876	\$ 705,604
GAAP Gross Profit	\$ 155,060	\$ 138,887	\$ 471,784	\$ 410,416
GAAP Gross Profit as a Percentage of GAAP Total Revenue	56.5%	58.2%	57.5%	58.2%
Adjustments:				
Inventory step-up charges associated with acquisition ^(a)	-	-	1,567	-
Total adjustments	-	-	1,567	-
Non-GAAP Adjusted Gross Margin	\$ 155,060	\$ 138,887	\$ 473,351	\$ 410,416
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	56.5%	58.2%	57.7%	58.2%

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

Reconciliation Schedules (Continued)

Adjusted G&A

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
<i>(In Thousands)</i>				
GAAP General and Administrative Expense	\$ 25,983	\$ 21,395	\$ 80,706	\$ 61,717
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	9.5%	9.0%	9.8%	8.7%
Adjustments:				
Costs associated with acquisition ^(a)	-	-	5,127	-
Total adjustments	-	-	5,127	-
Non-GAAP Adjusted General and Administrative Expense	\$ 25,983	\$ 21,395	\$ 75,579	\$ 61,717
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	9.5%	9.0%	9.2%	8.7%

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 December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
<i>(In Thousands)</i>				
GAAP Net Income	\$ 50,215	\$ 40,873	\$ 153,295	\$ 129,168
Interest expense, net	16,924	20,138	48,314	63,345
Provision for income taxes	15,278	12,803	48,198	34,572
Depreciation and amortization	8,050	7,609	23,607	22,627
Non-GAAP EBITDA	90,467	81,423	273,414	249,712
Non-GAAP EBITDA Margin	33.0%	34.1%	33.3%	35.4%
Adjustments:				
Inventory step-up charges associated with acquisition in Cost of Sales ^(a)	-	-	1,567	-
Costs associated with acquisition in General and Administrative Expense ^(b)	-	-	5,127	-
Loss on extinguishment of debt	-	-	2,122	-
Total adjustments	-	-	8,816	-
Non-GAAP Adjusted EBITDA	\$ 90,467	\$ 81,423	\$ 282,230	\$ 249,712
Non-GAAP Adjusted EBITDA Margin	33.0%	34.1%	34.4%	35.4%

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 December 31,				Nine Months Ended December 31,			
	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	\$ 50,215	\$ 0.99	\$ 40,873	\$ 0.81	\$ 153,295	\$ 3.02	\$ 129,168	\$ 2.55
Adjustments:								
Inventory step-up charges associated with acquisition in Cost of Sales ^(a)	-	-	-	-	1,567	0.03	-	-
Costs associated with acquisition in General and Administrative Expense ^(b)	-	-	-	-	5,127	0.10	-	-
Loss on extinguishment of debt	-	-	-	-	2,122	0.04	-	-
Tax impact of adjustments ^(c)	-	-	-	-	(2,134)	(0.04)	-	-
Normalized tax rate adjustment ^(d)	-	-	-	-	-	-	(5,106)	(0.10)
Total Adjustments	-	-	-	-	6,682	0.13	(5,106)	(0.10)
Non-GAAP Adjusted Net Income and Adjusted EPS	<u>\$ 50,215</u>	<u>\$ 0.99</u>	<u>\$ 40,873</u>	<u>\$ 0.81</u>	<u>\$ 159,977</u>	<u>\$ 3.15</u>	<u>\$ 124,062</u>	<u>\$ 2.45</u>

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 December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
<i>(In Thousands)</i>				
GAAP Net Income	\$ 50,215	\$ 40,873	\$ 153,295	\$ 129,168
Adjustments:				
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	17,052	16,844	52,280	46,619
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	(970)	(8,490)	(8,779)	733
Total adjustments	16,082	8,354	43,501	47,352
GAAP Net cash provided by operating activities	66,297	49,227	196,796	176,520
Purchase of property and equipment	(2,229)	(5,728)	(6,481)	(17,347)
Non-GAAP Free Cash Flow	64,068	43,499	190,315	159,173
Payments associated with acquisition ^(a)	-	-	3,465	-
Non-GAAP Adjusted Free Cash Flow	\$ 64,068	\$ 43,499	\$ 193,780	\$ 159,173

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	\$ 3.87	\$ 3.91
<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>\$ 4.00</u>	<u>\$ 4.04</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	\$	255
Purchases of property and equipment		(10)
Projected Non-GAAP Free Cash Flow		245
Payments associated with acquisition ^(a)		5
Projected Non-GAAP Adjusted Free Cash Flow	<u>\$</u>	<u>250</u>

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