



May 6<sup>th</sup>, 2022

# Full-Year FY 22 Results & Business Attributes Review

# Safe Harbor Disclosure

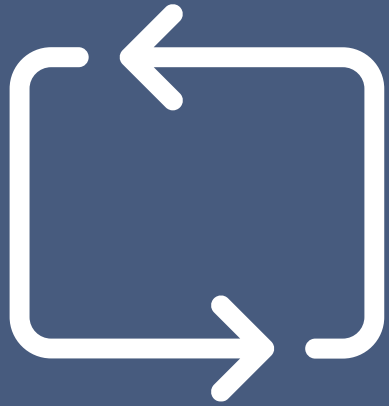
This presentation contains certain “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements regarding the Company’s expected financial performance, including revenues, diluted EPS, free cash flow, and organic revenue growth; the Company’s ability to perform well in the currently evolving environment, including in light of the impact of supply chain issues and inflation; the Company’s ability to execute on its brand-building strategy; the expected market share and consumption trends for the Company’s brands; and the Company’s ability to execute on its disciplined capital allocation strategy; and the timing and amount of and source of funds for the Company’s share repurchases. 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 and geopolitical instability, including on economic and business conditions, 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 marketing and new product development initiatives; customer inventory management initiatives; the ability to pass along rising costs to customers without impacting sales; 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 May 5, 2022 earnings release in the “About Non-GAAP Financial Measures” section.

# Agenda for Today's Discussion

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- I. FY 22 and Evolution Recap
- II. Investing for Growth
- III. Financial Strategy & Capital Allocation
- IV. The Road Ahead & FY 23 Outlook



# I. FY 22 and Evolution Recap

# Proven Strategy & Execution Delivered Record FY 22 Results

## FY 22 Sales Drivers

- Strong sales growth in FY 22 up 15.2% vs. PY
- Continued strength in consumer behavior
- Recovery in most COVID-19 impacted categories




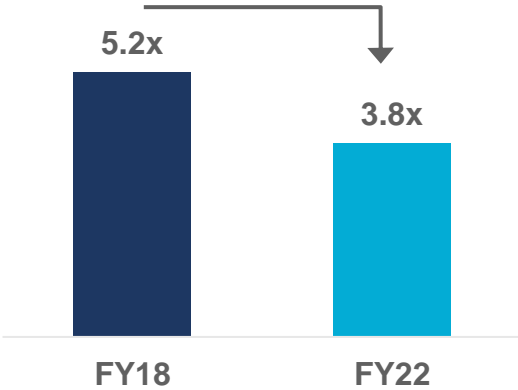

## Superior Earnings and FCF

- Gross margin as expected in dynamic supply chain environment
- Strong double-digit earnings growth in FY 22, up 25.3%<sup>(3)</sup> vs. FY 21
- Solid financial profile and resulting Free Cash Flow<sup>(3)</sup> generation

## Disciplined Capital Allocation

- Successful acquisition and strong early performance of TheraTears
- Continued focus on disciplined capital allocation resulting in leverage of 3.8x<sup>(4)</sup>

# Record FY 22 Enabled by Long-Term Evolution

Portfolio Transformation	Brand Building	Capital Allocation	Consistent Performance						
<p><i>Continued portfolio evolution reinforces long-term growth</i></p> <div data-bbox="76 589 586 968"> <p>Acquired Leading Brands</p>  </div> <div data-bbox="76 1001 586 1139"> <p>Divested</p>  </div>	<p><i>Brand-building strategy driving growth across categories</i></p> 	<p><i>Repositioned long-term capital allocation strategy</i></p> <p>Leverage<sup>(4)</sup></p>  <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Leverage</th> </tr> </thead> <tbody> <tr> <td>FY18</td> <td>5.2x</td> </tr> <tr> <td>FY22</td> <td>3.8x</td> </tr> </tbody> </table>	Fiscal Year	Leverage	FY18	5.2x	FY22	3.8x	<p><i>Successfully navigated dynamic environment with little disruption</i></p> 
Fiscal Year	Leverage								
FY18	5.2x								
FY22	3.8x								

**Well-Positioned for Continued Success**

# History of Superior Performance

## Proven Ability to Execute Value Creation Strategy

1

Investing for Growth with Proven Brand-Building Playbook

2

Superior Business Attributes Enable Free Cash Flow

3

Scalable & Efficient Platform Supports Disciplined Capital Allocation

**+3.7%**  
3-Yr CAGR

Revenue

**+3.2%**  
3-Yr CAGR

Organic Growth<sup>(1)</sup>

**+13.4%**  
3-Yr CAGR

Adj. EPS<sup>(3)</sup>

**+7.8%**  
3-Yr CAGR

Adj. FCF<sup>(3)</sup>

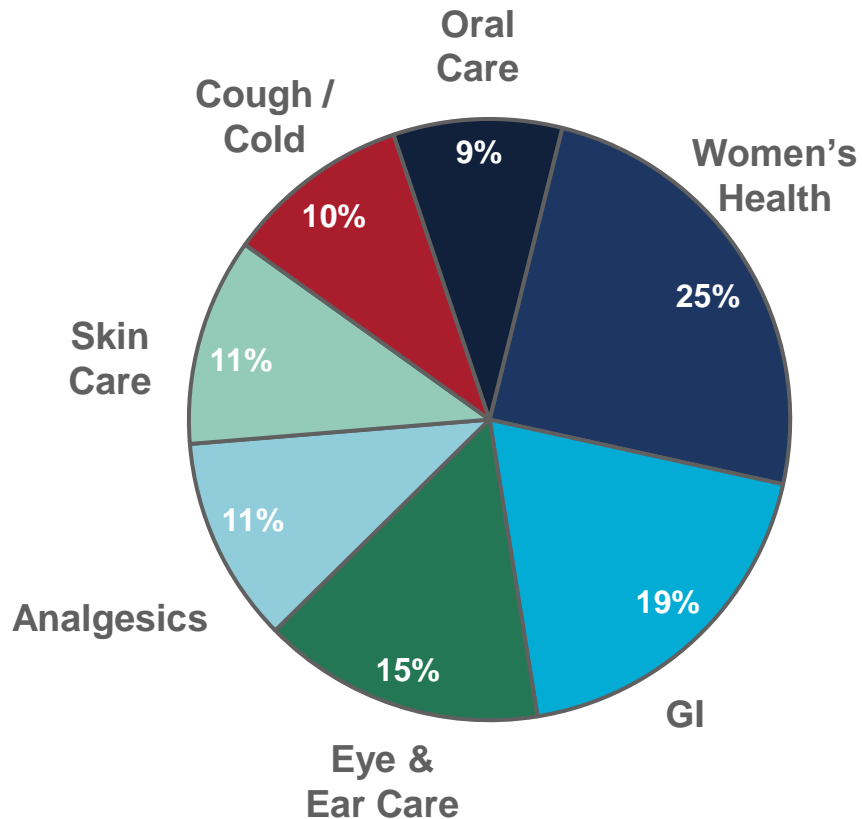


## II. Investing for Growth



# Diversified Portfolio of Leading Consumer Healthcare Brands

## Total Sales by Category



FY 22 Revenues; Other OTC not shown (less than 1%)

## Diverse Portfolio of Market-Leading Brands

#1 Feminine Hygiene  
#1 Vaginal Anti-Fungal

MONISTAT<sup>®</sup>

Summer's Eve<sup>®</sup>

#1 Rehydration  
#1 Motion Sickness

Dramamine<sup>®</sup> Hydralyte<sup>™</sup>

#1 Allergy & Redness Relief Drop  
#3 Dry Eye Relief Treatment

Clear eyes<sup>®</sup> thera tears<sup>®</sup>

#1 Powdered Analgesic

BC<sup>®</sup>

FAST PAIN RELIEF  
Goody's<sup>®</sup>

#1 Wart Removal  
#1 Lice/Parasite Treatments

Compound W<sup>®</sup>  
WART REMOVER

Nix<sup>®</sup>  
PERMETHRIN

#1 Sore Throat Liquids/Lozenge

FAST ACTING  
Chloraseptic<sup>®</sup>

# Brand-Building Focus Positions Us for Long-Term Growth



1 Understanding Consumer Insights and Opportunity

2 Flexible & Agile Brand Strategies in an Evolving Environment

3 E-Commerce Success through Investments

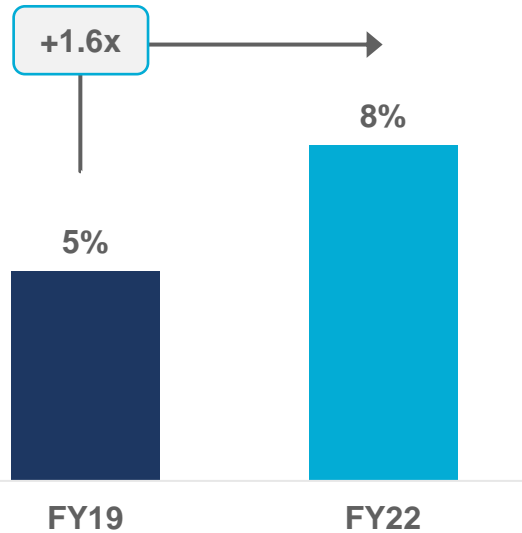
4 Proven New Product Development

Resulting Long-Term Success Across Channels & Categories Over Time

# Consistent Growth Enabled by Understanding Consumer Needs



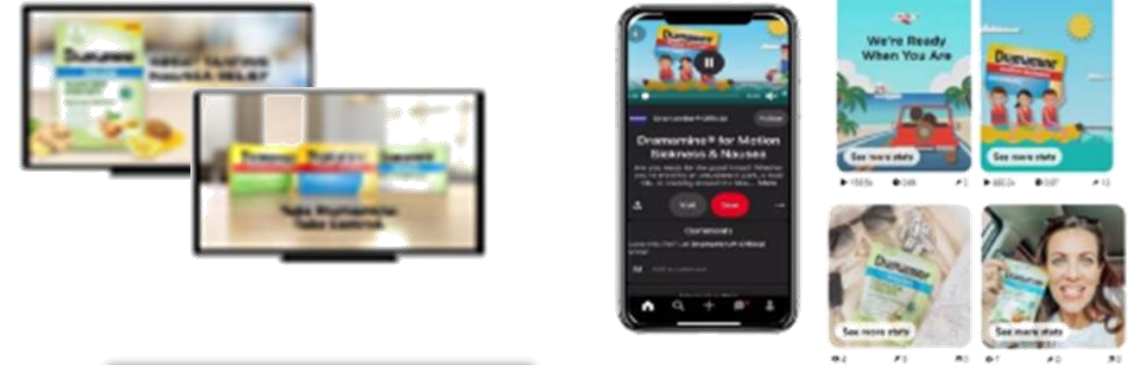
## Household Penetration<sup>(2)</sup>



## Product Extensions



- Marketing and innovation driving awareness & consumption growth
- Opportunity remains to continue driving category penetration



- Addressing consumer needs with Nausea, Kids, and Chewables
- Consumer brand promise: *Take Dramamine. Take Control.*

**Brand-Building That Leverages Consumer Insights to Drive Long-Term Growth**

# Flexible Strategies Enabled by Nimble Marketing



## Active Wash

## Amber Nights



An "Amazon's Choice"

Amazon's Choice

Summer's Eve Active Feminine Cleansing Wash, Cooling & Refreshing, 12 fl oz

Visit the Summer's Eve Store

★★★★☆ 2,386 ratings

Amazon's Choice for "summers eve"



## Simply Sensitive



- Engaging customers through campaigns both in-store and online
- Investment in current initiatives leading to strong momentum

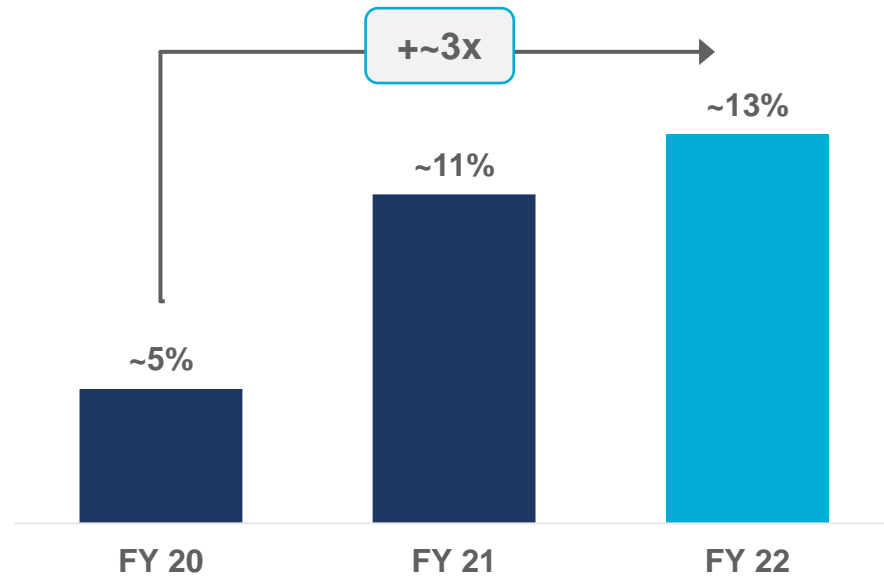
- Effective campaigns: *3 ways to treat warts at home*, *Touch of Science*
- 95% of visitors to CompoundW.com are new\*

Agile Marketing Strategy Positions Portfolio for Long-Term Success

\*Defined as users who have not visited in 30+ days

# E-Commerce: Winning in Consumer Shift to Online

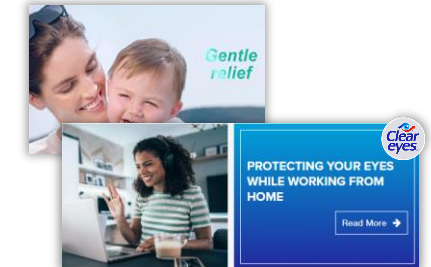
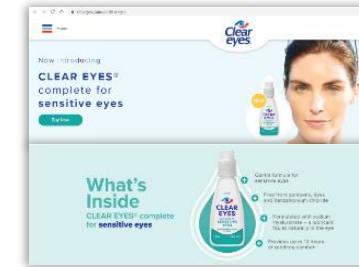
## E-Commerce as a % of Net Sales



- Well-positioned due to early investments in E-Commerce behind brand portfolio
- Growth across channel, with share often well above brick & mortar
- Consistent financial profile across all channels

## Numerous Drivers of Success

Investment in Online User Experience



Engaging Digital Campaigns



Omnichannel Investments



# Expanding Categories through New Product Development

## Successful History of Innovation



Ongoing Innovation through Technology & Superior Consumer Experience

## Robust Pipeline



FY 23 Pipeline Expands Brand Offerings Across Prestige's Portfolio

# Result: Diverse Portfolio with Category Defining Shares

**Category Defining**  
Brands That Redefine Categories with  
Meaningful Share





**10 of 13**  
Brands are #1 in Market Share<sup>(2)</sup>,  
Many by a Wide Margin

**Trusted Brands**  
Consumers Seek Trusted  
OTC Brands

 Category Defining Share<sup>(2)\*</sup>

**Top PBH Brands**

**Share Rank<sup>(2)</sup>**

 Summer's Eve®	#1
 BC Goodys	#1
MONISTAT™	#1
 Clear eyes	#1
 Compound W <sup>®</sup> <small>WART REMOVER</small>	#1
 DenTek	#3
Dramamine™	#1
 Hydralyte™	#1
 thera tears	#3
 Fleet	#1
 LUDEN'S	#3
 <small>FAST-ACTING</small> Chloraseptic	#1
 Nix	#1

\*Greater than 35% share



## III. Financial Strategy & Capital Allocation

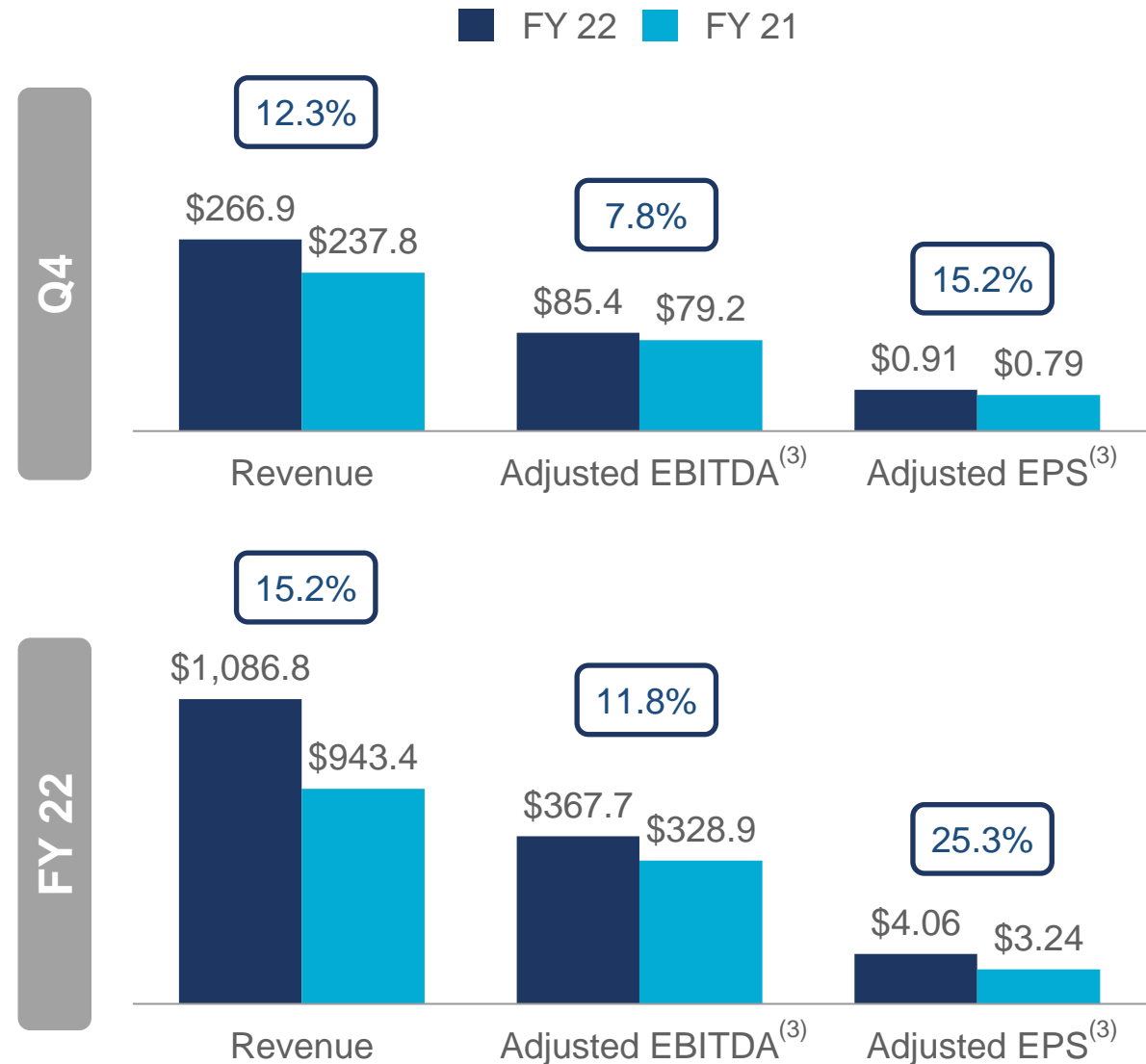


# Key Financial Results for Fourth Quarter and FY 22 Performance

Revenue of \$266.9 million, up 5.9% vs. PY Q4 on an organic basis<sup>(1)</sup>

EBITDA<sup>(3)</sup> of \$85.4 million up 7.8% vs. Adjusted<sup>(3)</sup> PY Q4

EPS of \$0.91 up 15.2% vs. Adjusted<sup>(3)</sup> PY Q4



Dollar values in millions, except per share data.

# Financial Results for FY 22

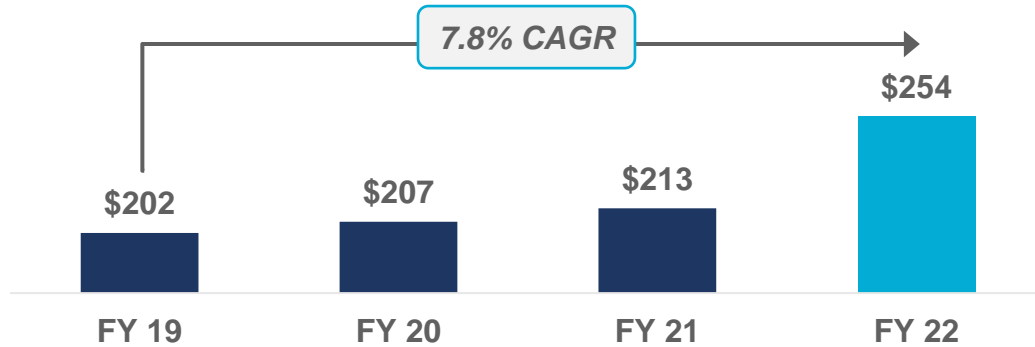
	3 Months Ended			12 Months Ended			FY 22 Comments
	Q4 FY 22	Q4 FY 21	% Chg	FY 22	FY 21	% Chg	
<b>Total Revenue</b>	\$ 266.9	\$ 237.8	12.3%	\$ 1,086.8	\$ 943.4	15.2%	<ul style="list-style-type: none"> <li>■ Revenue up 10.1% vs. PY organically<sup>(1)</sup> <ul style="list-style-type: none"> <li>– Broad &amp; diverse portfolio helped to achieve record year in sales</li> <li>– Double-digit eCommerce consumption growth as consumers shopped online</li> </ul> </li> <li>■ Adjusted Gross Margin<sup>(3)</sup> of 57.3% consistent with expectations</li> <li>■ A&amp;M of 14.5% of Revenue, up ~\$17MM vs. PY</li> <li>■ Adjusted G&amp;A<sup>(3)</sup> of 9.5% of Revenue</li> <li>■ Adjusted EPS<sup>(3)</sup> up 25.3% vs. PY</li> </ul>
<b>Adj. Gross Margin<sup>(3)</sup></b>	148.9	137.1	8.6%	622.2	547.5	13.7%	
<i>% Margin</i>	55.8%	57.6%		57.3%	58.0%		
<b>A&amp;M</b>	36.9	36.4	1.4%	157.3	140.6	11.9%	
<i>% Total Revenue</i>	13.8%	15.3%		14.5%	14.9%		
<b>Adj. G&amp;A<sup>(3)</sup></b>	27.8	23.8	16.7%	103.4	85.5	20.9%	
<i>% Total Revenue</i>	10.4%	10.0%		9.5%	9.1%		
<b>D&amp;A</b>	6.7	5.9	13.8%	24.9	23.9	3.9%	
<b>Adj. Operating Income<sup>(3)</sup></b>	\$ 77.4	\$ 70.9	9.1%	\$ 336.6	\$ 297.4	13.2%	
<i>% Margin</i>	29.0%	29.8%		31.0%	31.5%		
<b>Adj. Earnings Per Share<sup>(3)</sup></b>	\$ 0.91	\$ 0.79	15.2%	\$ 4.06	\$ 3.24	25.3%	
<b>Adj. EBITDA<sup>(3)</sup></b>	\$ 85.4	\$ 79.2	7.8%	\$ 367.7	\$ 328.9	11.8%	
<i>% Margin</i>	32.0%	33.3%		33.8%	34.9%		

Dollar values in millions, except per share data  
Amounts may not add due to rounding

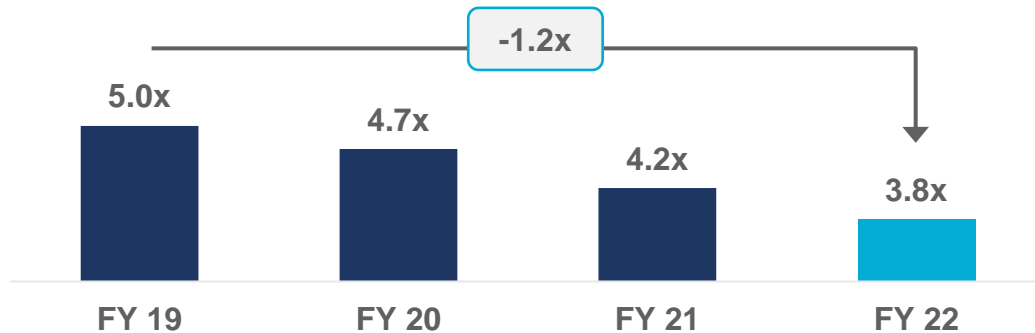
# Consistent, Strong Free Cash Flow Continued in FY 22

## Adj. Free Cash Flow & Leverage

Adj. FCF<sup>(3)</sup>



Leverage<sup>(4)</sup>



Dollar values in millions

## Capital Allocation Highlights



**Significant debt reduction to 3.8x Leverage<sup>(4)</sup>**



**65% of debt outstanding at fixed rate**



**No maturities until 2028**



**Accretive acquisition of Akorn Consumer Health**

**Leverage Supports ~\$900MM of Deployment Capacity\***

\*Assumes 12x EBITDA valuation & 5.1x max Leverage<sup>(4)</sup>

# Robust Free Cash Flow Profile Enabled by Strategy

## Key Attributes

Asset Light Model with  
Low Capital Expenditures

Leading Margin Profile

Long-Term Cash Tax  
Savings Tranches

Ongoing Focus on Profitability

## Free Cash Flow Metrics

**\$254 Million**  
*FY 22 Adjusted Free Cash Flow<sup>(3)</sup>*

**~120%**

**Free Cash Flow  
Conversion**

**~9%**

**Free Cash Flow  
Yield**

Source: Capital IQ as of 5/03/22

Free Cash Flow Yield defined as Free Cash Flow over Market Cap

Free Cash Flow Conversion defined as Non-GAAP Adjusted Free Cash Flow over Non-GAAP Adjusted Net Income

# Capital Allocation Priorities Remain Unchanged

1

**Invest in Current Brands  
to Drive Organic Growth**

2

**Continue Strategy of  
Deleveraging**

3

**Pursue M&A That is  
Accretive to Shareholders**

4

**Strategic Share  
Repurchases**

# Long-Term History of Superior Financial Performance


	2012		2022	CAGR	Highlights
Revenue	\$441	▶	\$1,087	+9.4%	Established, Diversified Portfolio of Category-Defining Brands
Adjusted EPS <sup>(3)</sup>	\$0.99	▶	\$4.06	+15.2%	Transformed Portfolio Through Disciplined M&A & Divestitures
Adjusted FCF <sup>(3)</sup>	\$67	▶	\$254	+14.3%	Delivered Long-Term Shareholder Value
					Significantly Enhanced Cash Flow Profile

Dollar values in millions, except per share data.



## **IV. The Road Ahead & FY 23 Outlook**

# Increasing Focus on ESG

Social Benefits	Supplier Engagement	Philanthropy	Environmental
 <p><b>Serving communities &amp; consumers is the core of our business</b></p> <p><i>Proudly advocate for consumer OTC healthcare benefits through CHPA and other organizations</i></p>	 <p><b>Supplier Code of Conduct</b> <i>Aligning partners with our social &amp; environmental mission and values</i></p> <p><b>Supply Excellence</b> <i>Three-pronged <u>Waste, Water, Energy</u> effort to minimize resource footprint</i></p>	 <p><b>Community Initiatives</b> <i>Day of Giving and other local office initiatives encourage community support</i></p> <p><b>Donations</b> <i>Meaningful donations to worthwhile causes with employee matching program</i></p>	 <p><b>Emissions</b> <i>Focused on assessing emissions in order to introduce targets in future</i></p> <p><b>Long-Term</b> <i>Goal of managing resource usage to ensure bright future generations</i></p>



# Well-Positioned in Dynamic Macro Environment

## Macro Trends



Normalizing Consumer Behavior



Strained Supply Chain



Inflationary Environment

PrestigeConsumer  
HEALTHCARE

Diversified Portfolio Is An Advantage

Consumers Value Our Trusted Brands  
Across Environments

Leading Shares Enable Pricing Ability at Retail

80%+ North American Sourcing

# FY 23 Outlook

## Top Line Trends

- Strategy delivering with growing and well-positioned business
- Agile brand-building enables portfolio for further market share gains
- Revenue of \$1,120 Million to \$1,130 Million (~3% to 4% growth)
  - Organic growth of 2% to 3%

## EPS

- EBITDA dollars expecting to grow with Revenue
- Diluted EPS of \$4.18 to \$4.23

## Free Cash Flow & Allocation

- Free Cash Flow<sup>(5)</sup> of \$260 million or more
- Continue to execute disciplined capital allocation strategy

# Portfolio & Strategy Well-Positioned for Continued Value Creation

1

Diversified Portfolio of Leading, Trusted Brands

2

Established Organic Growth Playbook

3

Superior Financial Profile Generating Consistent Cash Flow

4

Scalable & Efficient Platform

5

Organic Growth Engine Reinforced by M&A

**Prestige's Business Attributes & Execution Drive Superior Shareholder Value Creation**

# ...And Consistently Deliver Strong Financial Performance

## Organic Long-Term Algorithm

Organic Growth<sup>(1)</sup>  
of 2.0% to 3.0%



High  
Free Cash Flow<sup>(3)</sup>  
Generation



Proven &  
Repeatable  
M&A Strategy

6.0% to 8.0% EPS Growth



Upside  
Potential

## Proven Value Creation 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 May 5, 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 3/20/22, retail sales data from other 3<sup>rd</sup> 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, 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 May 5, 2022 in the “About Non GAAP Financial Measures” section.
- (4) Leverage ratio reflects net debt / covenant defined EBITDA.
- (5) Free Cash Flow for FY 23 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 discrete items.

# Reconciliation Schedules

## Organic Revenue Change

<i>(In Thousands)</i>	Three Months Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
GAAP Total Revenues	\$ 266,936	\$ 237,761	\$ 1,086,812	\$ 943,365
Revenue Change	12.3%		15.2%	
<b>Adjustments:</b>				
Revenues associated with acquisition <sup>(a)</sup>	(16,334)	-	(42,420)	-
Impact of foreign currency exchange rates	-	(1,065)	-	4,822
Total adjustments	\$ (16,334)	\$ (1,065)	\$ (42,420)	\$ 4,822
Non-GAAP Organic Revenues	\$ 250,602	\$ 236,696	\$ 1,044,392	\$ 948,187
Non-GAAP Organic Revenue Change	5.9%		10.1%	

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 March 31,		Year Ended March 31,	
	2022	2021	2022	2021
GAAP Total Revenues	\$ 266,936	\$ 237,761	\$ 1,086,812	\$ 943,365
GAAP Gross Profit	\$ 148,862	\$ 137,056	\$ 620,646	\$ 547,472
GAAP Gross Profit as a Percentage of GAAP Total Revenue	55.8%	57.6%	57.1%	58.0%
<b>Adjustments:</b>				
Inventory step-up charges associated with acquisition <sup>(a)</sup>	-	-	1,567	-
Total adjustments	-	-	1,567	-
Non-GAAP Adjusted Gross Margin	\$ 148,862	\$ 137,056	\$ 622,213	\$ 547,472
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	55.8%	57.6%	57.3%	58.0%

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

# Reconciliation Schedules (Continued)

## Adjusted G&A

	Three Months Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
<i>(In Thousands)</i>				
GAAP General and Administrative Expense	\$ 27,810	\$ 23,823	\$ 108,516	\$ 85,540
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	10.4%	10.0%	10.0%	9.1%
<b>Adjustments:</b>				
Costs associated with acquisition <sup>(a)</sup>	-	-	5,127	-
Total adjustments	-	-	5,127	-
Non-GAAP Adjusted General and Administrative Expense	\$ 27,810	\$ 23,823	\$ 103,389	\$ 85,540
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	10.4%	10.0%	9.5%	9.1%

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 March 31,		Year Ended March 31,	
	2022	2021	2022	2021
<i>(In Thousands)</i>				
GAAP Net Income	\$ 52,086	\$ 35,514	\$ 205,381	\$ 164,682
Interest expense, net	15,973	18,983	64,287	82,328
Provision for income taxes	8,879	4,859	57,077	39,431
Depreciation and amortization	8,485	7,537	32,092	30,164
Non-GAAP EBITDA	85,423	66,893	358,837	316,605
Non-GAAP EBITDA Margin	32.0%	28.1%	33.0%	33.6%
<b>Adjustments:</b>				
Inventory step-up charges associated with acquisition in Cost of Sales <sup>(a)</sup>	-	-	1,567	-
Costs associated with acquisition in General and Administrative Expense <sup>(b)</sup>	-	-	5,127	-
Loss on extinguishment of debt	-	12,327	2,122	12,327
Total adjustments	-	12,327	8,816	12,327
Non-GAAP Adjusted EBITDA	\$ 85,423	\$ 79,220	\$ 367,653	\$ 328,932
Non-GAAP Adjusted EBITDA Margin	32.0%	33.3%	33.8%	34.9%

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

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

# Reconciliation Schedules (Continued)

## Adjusted Net Income & Adjusted EPS

	Three Months Ended March 31,				Year Ended March 31,			
	2022		2021		2022		2021	
	Net Income	Adjusted EPS	Net Income	Adjusted EPS	Net Income	Adjusted EPS	Net Income	Adjusted EPS
<i>(In Thousands, except per share data)</i>								
GAAP Net Income and Diluted EPS	\$ 52,086	\$ 1.02	\$ 35,514	\$ 0.70	\$ 205,381	\$ 4.04	\$ 164,682	\$ 3.25
<b>Adjustments:</b>								
Inventory step-up charges and other costs associated with acquisition in Cost of Sales <sup>(a)</sup>	-	-	-	-	1,567	0.03	-	-
Costs associated with acquisition in General and Administrative Expense <sup>(b)</sup>	-	-	-	-	5,127	0.10	-	-
Loss on extinguishment of debt	-	-	12,327	0.24	2,122	0.04	12,327	0.24
Tax impact of adjustments <sup>(c)</sup>	-	-	(2,986)	(0.06)	(2,134)	(0.04)	(2,986)	(0.06)
Normalized tax rate adjustment <sup>(d)</sup>	(5,753)	(0.11)	(4,919)	(0.10)	(5,753)	(0.11)	(10,025)	(0.20)
<b>Total Adjustments</b>	<b>(5,753)</b>	<b>(0.11)</b>	<b>4,422</b>	<b>0.09</b>	<b>929</b>	<b>0.02</b>	<b>(684)</b>	<b>(0.01)</b>
<b>Non-GAAP Adjusted Net Income and Adjusted EPS</b>	<b>\$ 46,333</b>	<b>\$ 0.91</b>	<b>\$ 39,936</b>	<b>\$ 0.79</b>	<b>\$ 206,310</b>	<b>\$ 4.06</b>	<b>\$ 163,998</b>	<b>\$ 3.24</b>

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

(In Thousands)	Three Months Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
GAAP Net Income	\$ 52,086	\$ 35,514	\$ 205,381	\$ 164,682
<b>Adjustments:</b>				
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	13,207	29,904	65,487	76,523
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	(2,167)	(6,331)	(10,946)	(5,598)
Total adjustments	11,040	23,573	54,541	70,925
GAAP Net cash provided by operating activities	63,126	59,087	259,922	235,607
Purchases of property and equipment	(3,161)	(4,896)	(9,642)	(22,243)
Non-GAAP Free Cash Flow	<b>59,965</b>	<b>54,191</b>	<b>250,280</b>	<b>213,364</b>
Payments associated with acquisition <sup>(a)</sup>	-	-	3,465	-
Non-GAAP Adjusted Free Cash Flow	<b>\$ 59,965</b>	<b>\$ 54,191</b>	<b>\$ 253,745</b>	<b>\$ 213,364</b>

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

## Projected Free Cash Flow

<i>(In millions)</i>	
Projected FY'23 GAAP Net Cash provided by operating activities	\$ 240
Additions to property and equipment for cash	(15)
Projected Non-GAAP Free Cash Flow	<b>\$ 225</b>

# Reconciliation Schedules (Continued)

## Organic Revenue Change

	Year Ended March 31,	
	2020	2019
<i><u>(In Thousands)</u></i>		
GAAP Total Revenues	\$ 963,010	\$ 975,777
Revenue Growth	<u>(1.3%)</u>	
Adjustments:		
Revenue associated with divestiture	-	(19,811)
Allocated costs that remain after divestiture	-	(659)
Impact of foreign currency exchange rates	-	(4,370)
Total Adjustments	\$ -	\$ (24,840)
Non-GAAP Organic Revenues	\$ 963,010	\$ 950,937
Non-GAAP Organic Revenues Growth	<u>1.3%</u>	

# Reconciliation Schedules (Continued)

## Adjusted EBITDA Margin

	Year Ended March 31,	
	2020	2019
<i>(In Thousands)</i>		
GAAP Net Income (Loss)	\$ 142,281	\$ (35,800)
Interest expense, net	96,224	105,082
Provision (benefit) for income taxes	48,870	(2,255)
Depreciation and amortization	28,995	31,779
Non-GAAP EBITDA	316,370	98,806
Non-GAAP EBITDA Margin	32.9%	10.1%
<u>Adjustments:</u>		
Transition and other costs associated with new warehouse and divestiture in Cost of Goods Sold	9,170	170
Transition and other costs associated with divestiture in General and Administrative Expense	-	4,272
Loss on disposal of assets	382	-
Goodwill and tradename impairment	-	229,461
Loss on extinguishment of debt	2,155	-
Loss (gain) on divestiture	-	(1,284)
Total adjustments	11,707	232,619
Non-GAAP Adjusted EBITDA	\$ 328,077	\$ 331,425
Non-GAAP Adjusted EBITDA Margin	34.1%	34.0%

# Reconciliation Schedules (Continued)

## Adjusted Net Income & Adjusted EPS

	2012		2019		2020	
	Net Income	Adj. EPS	Net Income	Adj. EPS	Net Income	Adj. EPS
<b>GAAP Net Income</b>	<b>\$ 37,212</b>	<b>\$ 0.73</b>	<b>\$ (35,800)</b>	<b>\$ (0.68)</b>	<b>\$ 142,281</b>	<b>\$ 2.78</b>
<u>Adjustments</u>						
Inventory step up	1,795	0.04	-	-	-	-
Integration, Transition, and other Acquisition/Divestiture costs	17,395	0.34	4,442	0.08	9,170	0.18
Unsolicited proposal costs	1,737	0.03	-	-	-	-
Loss on extinguishment of debt	5,409	0.11	-	-	2,155	0.04
Gain on settlement	(5,063)	(0.10)	-	-	-	-
(Gain) loss on divestitures	-	-	(1,284)	(0.02)	382	0.01
Accelerated amortization of debt discounts and debt issue costs	-	-	706	0.01	-	-
Goodwill and Tradename impairment	-	-	229,461	4.38	-	-
Tax impact on adjustments	(8,091)	(0.16)	(57,863)	(1.10)	(2,974)	(0.06)
Normalized tax rate adjustment	(237)	-	6,132	0.11	318	0.01
<b>Total adjustments</b>	<b>12,945</b>	<b>0.26</b>	<b>181,594</b>	<b>3.46</b>	<b>9,051</b>	<b>0.18</b>
<b>Non-GAAP Adjusted Net Income and Non-GAAP Adjusted EPS</b>	<b>\$ 50,157</b>	<b>\$ 0.99</b>	<b>\$145,794</b>	<b>\$ 2.78</b>	<b>\$151,332</b>	<b>\$ 2.96</b>

# Reconciliation Schedules (Continued)

## Adjusted Free Cash Flow

	<u>2012</u>	<u>2019</u>	<u>2020</u>
GAAP Net Income	\$ 37,212	\$ (35,800)	\$ 142,281
Adjustments			
Adjustments to reconcile net income to net cash provided by operating activities as shown in the statement of cash flows	35,674	233,400	66,041
Changes in operating assets and liabilities, net of effects from acquisitions as shown in the statement of cash flows	(5,434)	(8,316)	8,802
Total adjustments	30,240	225,084	74,843
<b>GAAP Net cash provided by operating activities</b>	<b>67,452</b>	<b>189,284</b>	<b>217,124</b>
Purchases of property and equipment	(606)	(10,480)	(14,560)
<b>Non-GAAP Free Cash Flow</b>	<b>66,846</b>	<b>178,804</b>	<b>202,564</b>
Integration, transition and other payments associated with acquisitions/divestitures	-	10,902	4,203
Additional income tax payments associated with divestitures	-	12,656	-
Total adjustments	-	23,558	4,203
<b>Non-GAAP Adjusted Free Cash Flow</b>	<b>\$ 66,846</b>	<b>\$ 202,362</b>	<b>\$ 206,767</b>