

Prestige Consumer HEALTHCARE

ICR Conference
January 13th, 2020



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, organic growth, adjusted EPS, and adjusted free cash flow; the market share, expected growth and consumption trends for the Company’s brands; the expected cost of transition to a new logistics provider; the impact of brand-building and product innovation and the related impact on the Company’s revenues; the Company’s disciplined capital allocation; the Company’s use of cash to pay down debt; the Company’s international performance and the impact of retailer destocking. 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, consumer trends, retail inventory management initiatives, supplier issues, the impact of the transition to a new third party logistics provider, 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, 2019. 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 October 31, 2019 earnings release in the “About Non-GAAP Financial Measures” section.

Contents

I. Introduction to Prestige Consumer Healthcare

II. Long-Term Growth Through Brand Building

III. Financial Profile & Capital Allocation Strategy

I. Introduction to Prestige Consumer Healthcare

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

**BOUDREAU'S
BUTT PASTE**
Let's kick some rash.

Hydralyte

MONISTAT

Gaviscon
and it's gone

Debrox

FESS

Helping Consumers Care for Themselves

5+ Billion

eye drops per year



MURINE®

650 Million

throat drops for every cold season



17 Million

doses of pain relief per week



8 Million

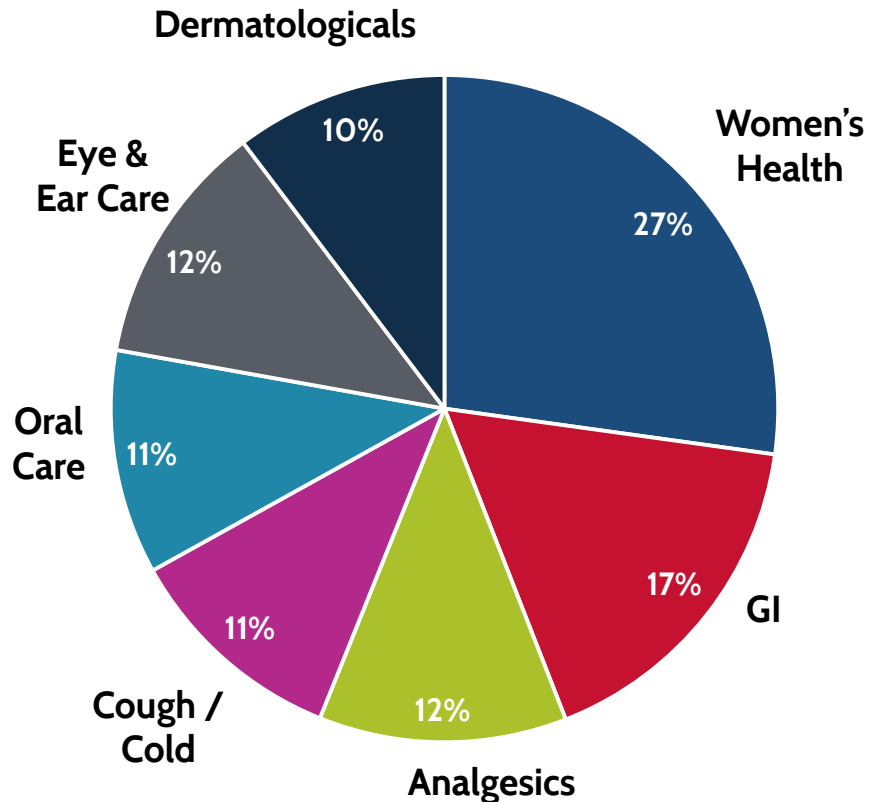
infections treated annually



Source: Company records

Diversified Portfolio of Leading, Trusted Consumer Healthcare Brands

Total Sales* by Category



* FY19 Revenues, Excludes Divested Household Cleaning Segment & Other OTC (less than 1%)

#1 Brands Represent Two-Thirds of Total Sales*

#1 Feminine Hygiene
#1 Vaginal Anti-Fungal

MONISTAT[®]

Summer's Eve[®]

#1 Enemas & Suppositories
#1 Motion Sickness

Dramamine[®] Fleet[®]

#1 Powdered Analgesic

BC[®]

FAST PAIN RELIEF
Goody's[®]

#1 Sore Throat Liquids/Lozenge

FAST ACTING
Chloraseptic[®]

#1 Allergy & Redness Relief Drop

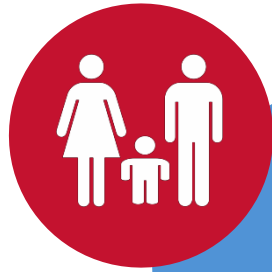
Clear eyes[®]

#1 Wart Removal
#1 Lice/Parasite Treatments

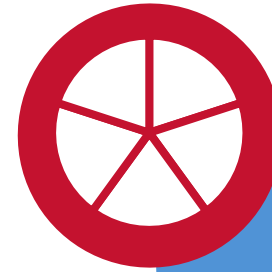
Compound W[®]
WART REMOVER

Nix[®]
FOR HEAD Lice

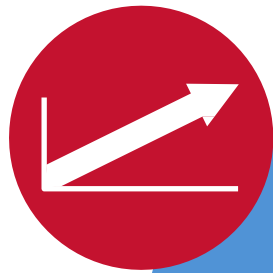
Business Positioned for Long-Term Success



OTC Attributes
Structural Tailwind
to Portfolio



Leading Brands
Across Niche
Categories



History of
Market Share
Gains & Growth



Solid Financial
Profile Generates
Durable Cash Flows

Proven, Consistent & Repeatable Strategy

#1

Invest for Growth

- Positioned for long-term 2% to 3%⁽¹⁾ Organic growth
- Brand building to drive long-term success

#2

Cash Generation

- Industry-leading financial profile
- Consistent and strong FCF generation
- Enables capital allocation opportunities

#3

Capital Allocation Options

- Disciplined capital allocation priorities
- 8+ strategic M&A transactions since CY 2013
- Completed \$50 million stock buyback in FY20

II. Long-Term Growth Through Brand Building

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

**BOUDREAUX'S
BUTT PASTE**
Let's kick some rash.

Hydralyte

MONISTAT

Gaviscon
and it's gone

Debrox

FESS

Portfolio Supported by Consumer Megatrends

Consumer Dynamics



Boomers Accelerating Demand for Health Care



Growing Incidence of Chronic Disease



Millennials Interest in Health & Wellness

Health Care Dynamics



Employers Shift Responsibility to Employees



ACA Increasing Demand with More Newly Insured



Shortage of Primary Care Physicians

Business Opportunity

Increasing Focus on Wellness and Self-Care



\$450 Billion Self-Care Market Opportunity

Well Positioned in an Evolving & Growing Retail Environment

Retail Traffic Driver

- **Need-based** products sought by consumers, beginning a basket of purchases
- Retailers **dedicating more shelf space** to Health and Wellness “self-care” product
- Retail **channel agnostic**; placement & content opportunities in e-commerce and other channels

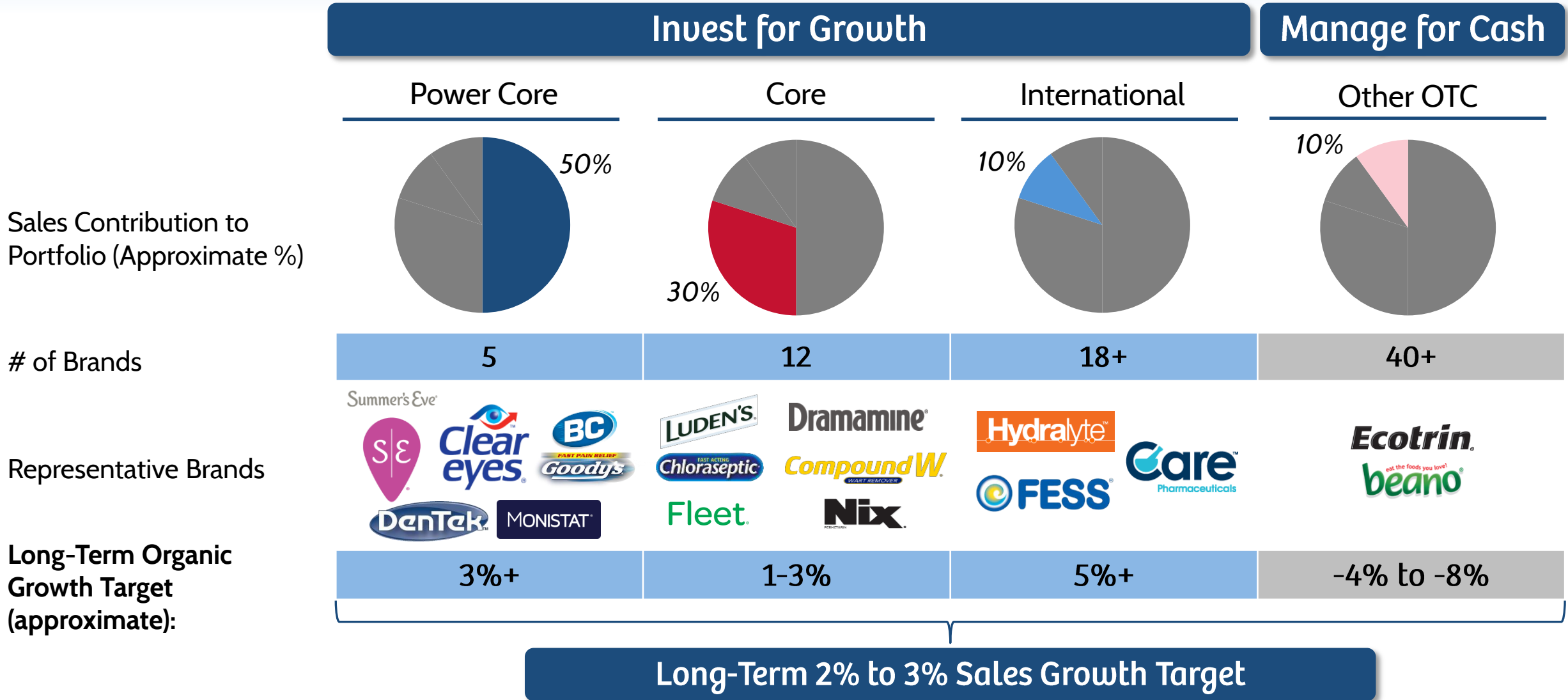


Long-Term Brand Building Toolkit

- **Develop and understand consumer insights**
- **Wide-ranging and flexible brand strategies** focused on growing categories
- Leverage **long-standing brand heritage** with **focused digital and content marketing**
- **New product and claim development** that are key to category growth
- **New channel development** opportunities

Brand-Building Differentiates versus Private Label and Branded Competition

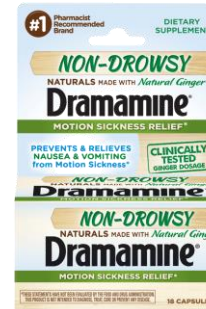
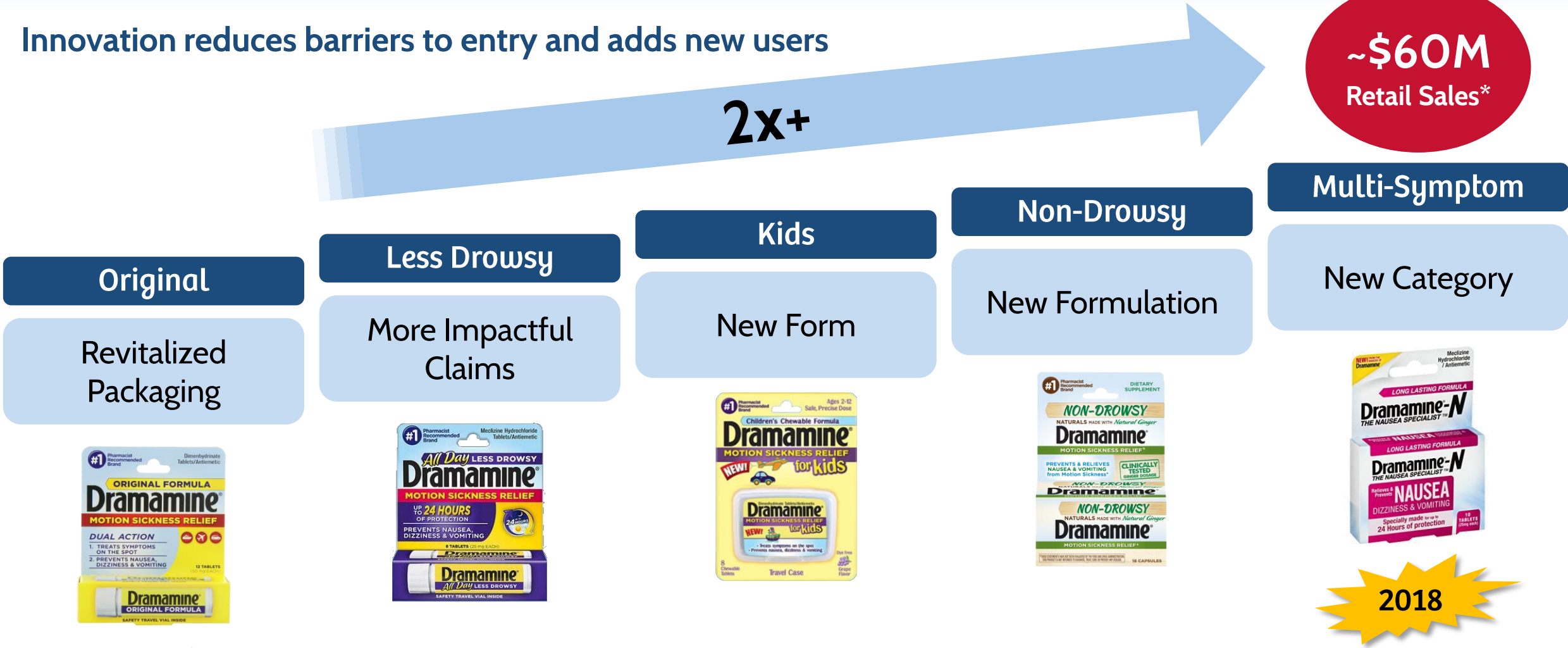
Investment Across Key Brands Drives Organic Growth



Proven Long-Term Success of Brand Building

Dramamine®

Innovation reduces barriers to entry and adds new users



*U.S. IRI MULO + C-store for the 52 weeks ended 3-24-19

Continuing to Win Across Categories Through Brand Building

Top PBH Brands	Rank	U.S. Market Share*	FY19 vs Category
Summer's Eve	#1	55%	-
Monistat	#1	60%	+
BC/Goody's	#1	100%/5%***	+
Clear Eyes	#1	25%	-
DenTek	#2	25%	-
Dramamine	#1	50%	+
Luden's	#3	5%	-
Fleet	#1	50%	+
Compound W	#1	45%	+
Chloraseptic	#1	45%	+
Nix	#1	20%	+
Hydralyte**	#1	90%	+

History of Winning

Continued in FY19

~2.5x

Average Share vs. Largest Competitor

10 of 12

Top Brands Are Market Leaders

*Approximate Market Share Reflects U.S. IRI MULO + C-store for the 52 weeks ended 3-24-19

**Hydralyte is IRI Australia data for the Grocery and Pharmacy channel for the 52 weeks ended 3-17-19

***Represents share in analgesic powders and analgesic tabs/powders respectively

III. Financial Profile and Capital Allocation Strategy

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

**BOUDREAU'S
BUTT PASTE**
Let's kick some rash.

Hydralyte

MONISTAT

Gaviscon
and it's gone

Debrox

FESS

Cash Generation: Strong Financial Profile Enables Capital Allocation Alternatives

Key Attributes and Positioning

- Debt at September 30 of ~\$1.7 billion and leverage ratio of 5.0x⁽²⁾
 - Target leverage ratio of between 3.5x to less than 5.0x
 - Expect to reach ~4.7x leverage by year-end FY 20 if remaining cash flows used for debt reduction
- High Free Cash Flow Generation
 - Portfolio characteristics drives solid EBITDA margins
 - Strong cash flow conversion (minimal capital outlays, low cash tax rate)
- A&P reinvestment to drive top-line growth
- Maintain approximate mid-30s EBITDA margin over time

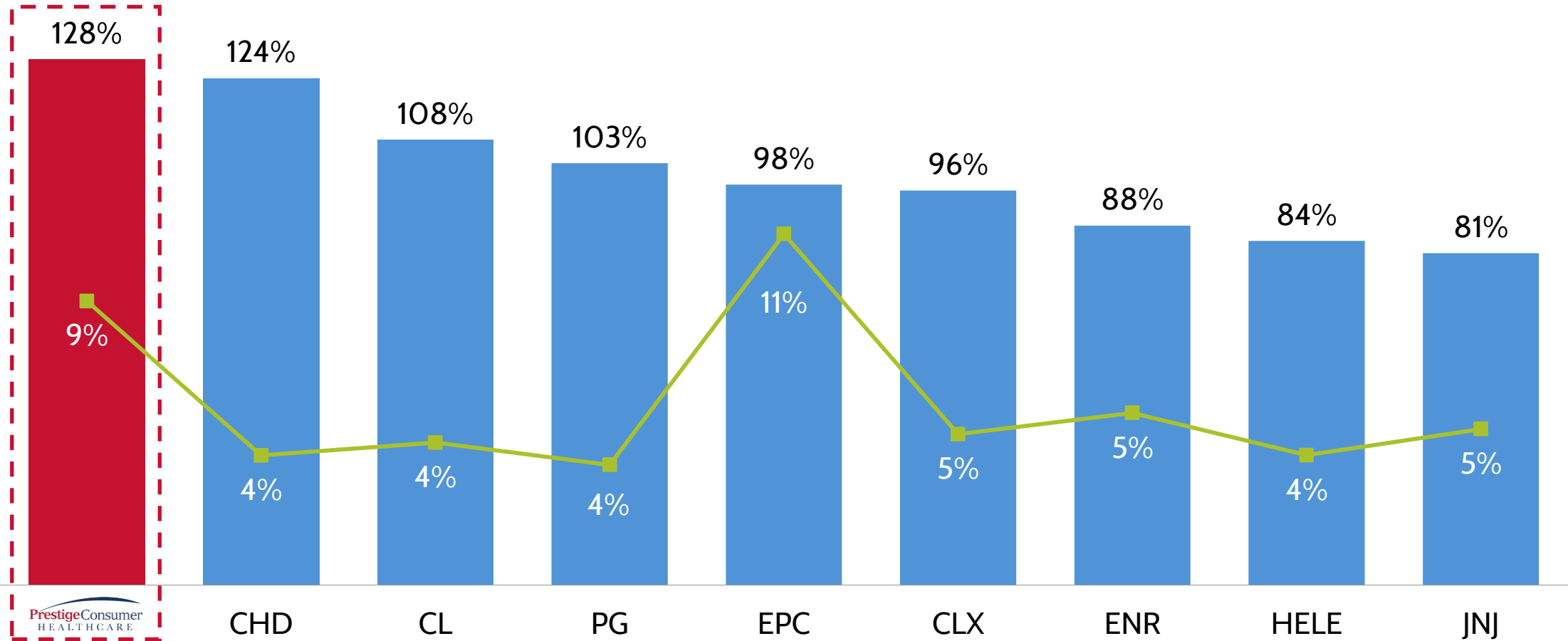
Capital Allocation Priorities



Best-in-Class Free Cash Flow Conversion

FCF Conversion:

FCF Yield:

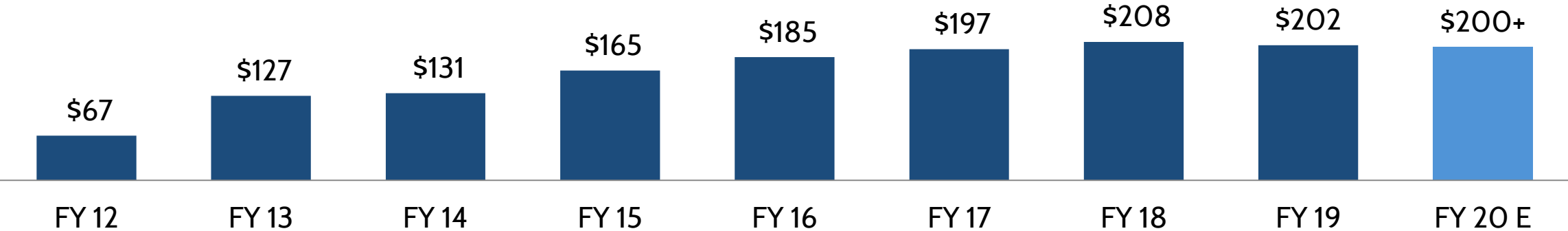


Source: FactSet data as of January 7, 2019; comparable set includes selected HPC companies

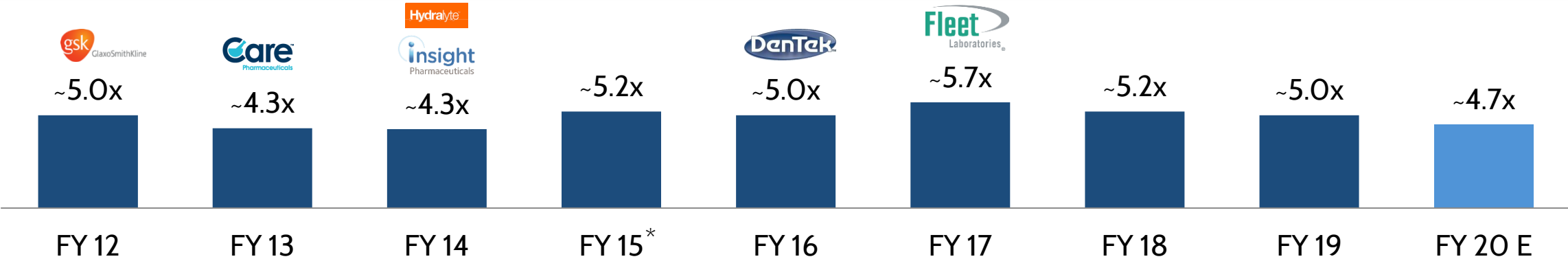
Note: Free Cash Flow Conversion defined as Calendar 2019 Non-GAAP Operating Cash Flow less Capital Expenditures over Adjusted Net Income; Adj. Free Cash Flow Yield defined as Free Cash Flow divided by Market Cap as of December 31, 2019

Strong and Consistent Cash Flow Leads to Rapid De-Levering

Adjusted Free Cash Flow⁽³⁾⁽⁴⁾



Leverage Ratio⁽²⁾



Dollar values in millions.

* Peak leverage of 5.75x at close of the Insight Acquisition in September 2014

FY 20 Full Year Organic Outlook Unchanged

Top Line Trends

- Continue to gain market share with consumers and grow categories for retailers
- Expect continued strong international performance
- Portfolio of need-based brands continues to be well positioned for long-term growth, despite continued inventory reduction at retail that are expected to continue into Fiscal 2021

Revenue

- Reported Revenue of \$947 to \$957 million, Organic Revenue⁽¹⁾ expected to be approximately flat
 - Expect Q3 and full-year consumption growth of ~2%, in excess of shipment growth
 - Expect no change to retailer de-stocking trends, particularly in the drug channel

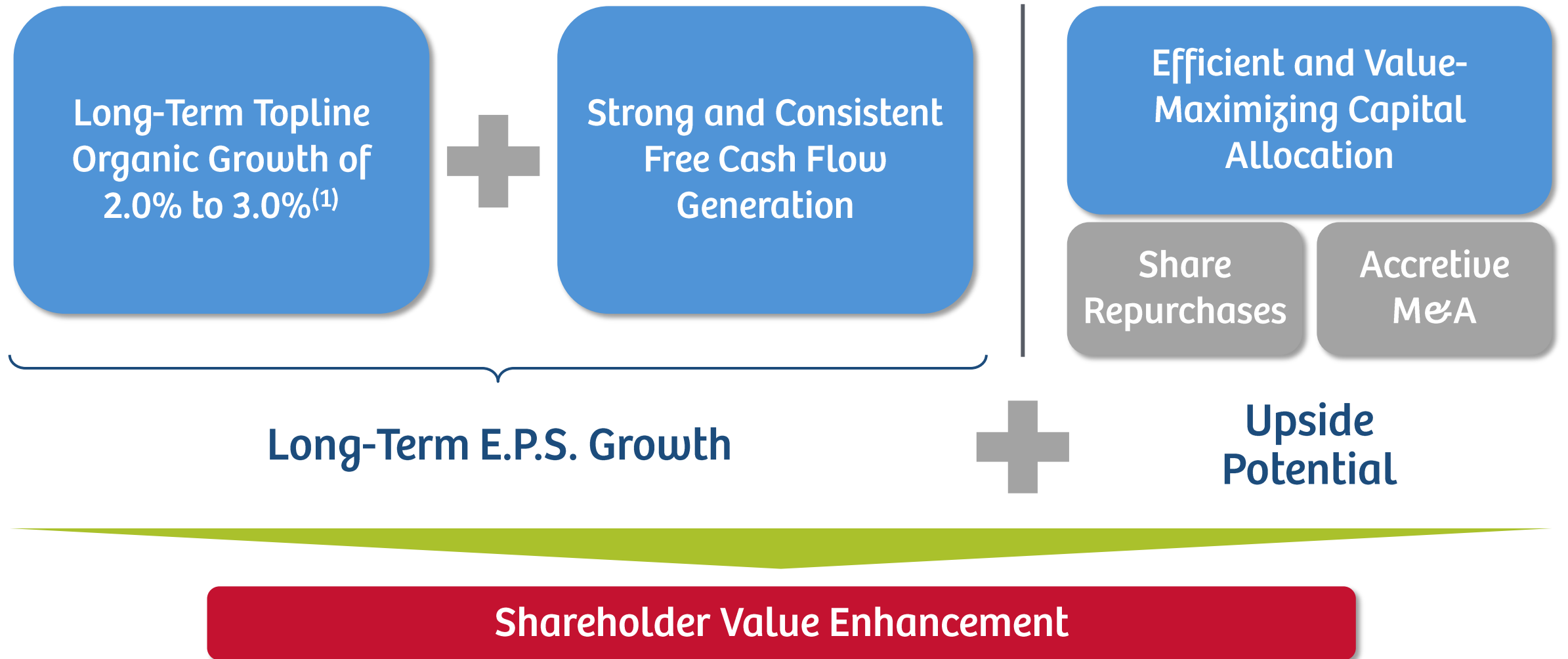
EPS

- Adjusted EPS approximately flat (\$2.76 to \$2.83)⁽⁵⁾

Free Cash Flow & Allocation

- Adjusted Free Cash Flow⁽⁴⁾ of \$200 million or more
- Continue to execute disciplined capital allocation strategy
- Target Leverage Ratio⁽²⁾ of 4.7x by fiscal year end

Our Long-Term Value Creation Strategy



Appendix

- (1) Organic Revenue is a Non-GAAP financial measure and is reconciled to the most closely related GAAP financial measure and defined in our September 30, 2019 earnings release in the “About Non-GAAP Financial Measures” section.
- (2) Leverage ratio reflects net debt / covenant-defined EBITDA.
- (3) 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 September 30, 2019 earnings release in the “About Non-GAAP Financial Measures” section.
- (4) Adjusted Free Cash Flow for FY 20 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 September 30, 2019 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 the integration of our new logistics provider.
- (5) Adjusted EPS for FY 20 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 integration of our new logistics provider.

Reconciliation Schedules

Adjusted Free Cash Flow

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
GAAP Net Income	\$ 65,505	\$ 72,615	\$ 78,260	\$ 99,907	\$ 69,395	\$ 339,570	\$ (35,800)
Adjustments							
Adjustments to reconcile net income to net cash provided by operating activities as shown in the statement of cash flows	59,497	52,562	65,998	98,181	92,613	(113,698)	233,400
Changes in operating assets and liabilities, net of effects from acquisitions as shown in the statement of cash flows	12,603	(11,945)	13,327	(21,778)	(13,336)	(15,762)	(8,316)
Total adjustments	<u>72,100</u>	<u>40,617</u>	<u>79,325</u>	<u>76,403</u>	<u>79,277</u>	<u>(129,460)</u>	<u>225,084</u>
GAAP Net cash provided by operating activities	137,605	113,232	157,585	176,310	148,672	210,110	189,284
Purchases of property and equipment	(10,268)	(2,764)	(6,101)	(3,568)	(2,977)	(12,532)	(10,480)
Non-GAAP Free Cash Flow	127,337	110,468	151,484	172,742	145,695	197,578	178,804
Premium payment on 2010 Senior Notes	-	15,527	-	-	-	-	-
Premium payment on extinguishment of 2012 Senior Notes	-	-	-	10,158	-	-	-
Accelerated payments due to debt refinancing	-	4,675	-	-	9,184	182	-
Integration, transition and other payments associated with acquisitions	-	512	13,563	2,461	10,448	10,358	10,902
Pension contribution	-	-	-	-	6,000	-	-
Additional income tax payments associated with divestitures	-	-	-	-	25,545	-	12,656
Total adjustments	<u>-</u>	<u>20,714</u>	<u>13,563</u>	<u>12,619</u>	<u>51,177</u>	<u>10,540</u>	<u>23,558</u>
Non-GAAP Adjusted Free Cash Flow	<u>\$ 127,337</u>	<u>\$ 131,182</u>	<u>\$ 165,047</u>	<u>\$ 185,361</u>	<u>\$ 196,872</u>	<u>\$ 208,118</u>	<u>\$ 202,362</u>

Dollar values in thousands

Reconciliation Schedules (Continued)

Projected EPS

	2020 Projected EPS	
	Low	High
Projected FY'20 GAAP EPS	\$ 2.61	\$ 2.68
Adjustments:		
Integration of new logistics provider ^(a)	0.15	0.15
Total Adjustments	0.15	0.15
Projected Non-GAAP Adjusted EPS	\$ 2.76	\$ 2.83

a) Represents costs to integrate our new logistics provider into our operations.

Projected Free Cash Flow

	2020 Projected Free Cash Flow
<i>(In millions)</i>	
Projected FY'20 GAAP Net Cash provided by operating activities	\$ 205
Additions to property and equipment for cash	(15)
Projected Non-GAAP Free Cash Flow	190
Payments associated with integration of new logistics provider	10
Projected Non-GAAP Adjusted Free Cash Flow	\$ 200