

Prestige Brands

Review of Fourth Quarter and FY 17 Results

May 11, 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, organic growth, adjusted EPS, adjusted free cash flow, and adjusted EBITDA; the Company’s expected leverage; the Company’s ability to repeat its M&A strategy; the expected growth and market position of the Company’s core brands; the Company’s brand-building and product development initiatives; and the Company’s ability to create long-term value. 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, competitive pressures, the impact of the Company’s product development and brand-building initiatives, difficulties successfully integrating the Fleet brands, manufacturing facility and R&D resources, supplier issues, 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, 2016 and in Part II, Item 1A. Risk Factors in the Company’s Quarterly Report on Form 10-Q for the quarter ended December 31, 2016. 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 earnings release in the “About Non-GAAP Financial Measures” section.

Agenda for Today's Discussion

I. Performance Highlights

II. FY 17 Year in Review

III. Financial Overview

IV. FY 18 Outlook

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

Care
Pharmaceuticals

Q4 FY 17 Performance Highlights

Demonstrated Portfolio Growth

- Q4 Revenue of \$240.7 million, up 15.8% versus PY Q4
 - Organic revenue growth of 1.1%⁽¹⁾
 - Revenue growth of 1.9%⁽¹⁾ for Invest for Growth* portfolio
 - Strong consumption gains at Care Pharma, which resulted in sales growth of +11.5%

Strong Earnings and FCF

- Consistent gross margin for legacy business
- Adjusted EPS of \$0.54⁽²⁾, up 3.8% versus PY Q4
- Continued solid Adjusted Free Cash Flow of \$46.8 million⁽²⁾, resulting in a leverage of 5.7x⁽³⁾

MeA

- Completed the acquisition of C.B. Fleet on January 26th, 2017
- Significant integration activity achieved and on plan to be largely completed by the end of Q1 FY 18
- FY 18 priorities include brand building and supply chain integration

* Invest for Growth portfolio comprised of Core OTC brands and International. Core OTC brands reflect: Monistat, BC/Goody's, Clear Eyes, DenTek, Dramamine, Debrox, Chloraseptic, Luden's, Little Remedies, Compound W, Nix, Beano, Efferdent and The Doctor's IRI multi-outlet + C-Store retail dollar sales for relevant period. International includes Canadian consumption for leading retailers, and Australia/ROW shipment data as a proxy for consumption.

Strong Financial Performance in FY 17

Revenue of \$882 million, up 9.4% versus FY 16

Organic Revenue growth of +1.0%⁽¹⁾ and +2.8%⁽¹⁾ for Invest For Growth portfolio

Adjusted EPS of \$2.37⁽²⁾, up 9.2% versus FY 16

Adjusted Free Cash Flow of \$196 million⁽²⁾, up 6.9% versus FY 16

Free cash flow generation and brand divestitures of over \$300 million, used primarily for debt reduction and funding M&A

II. FY 17 Year in Review

Compound W
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Continuing to Deliver Against Strategy

1

Target **Portfolio Configuration Milestone** Achieved

2

Sustained Brand-Building Investment Deployed for Long-Term Growth

3

Proven and Repeatable MeA Strategy

4

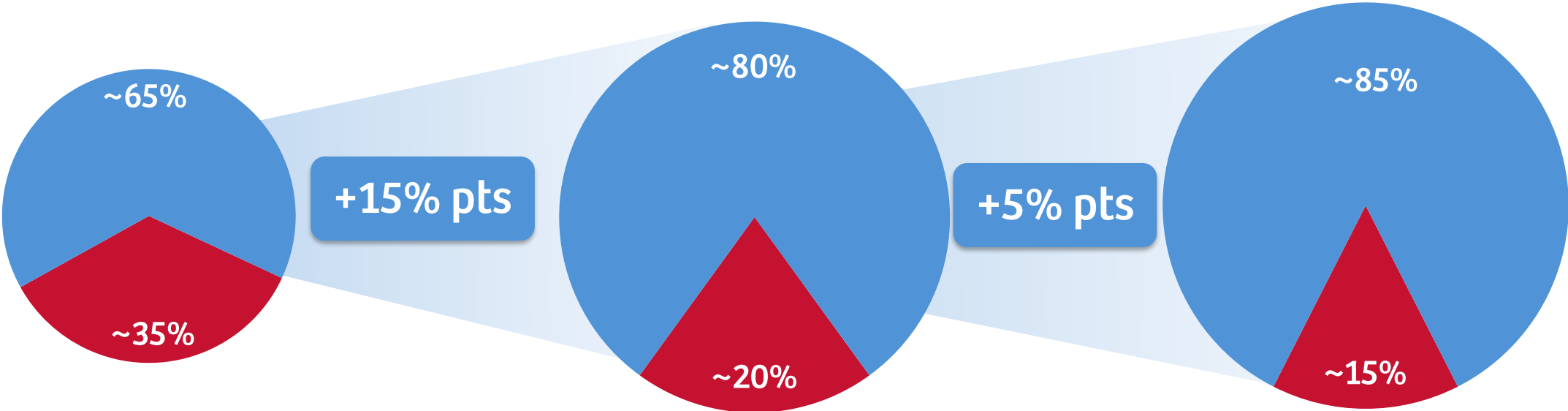
Consistent and Increasing Free Cash Flow

Target Portfolio Mix Milestone Achieved

FY 13

FY 16

FY 17 PF for Fleet



■ Invest for Growth ■ Manage for Cash

Significant Portfolio Evolution Over the Past Fiscal Year

Acquisitions

February 2016



\$225MM

January 2017



\$825MM

Divestitures

July 2016



December 2016



December 2016



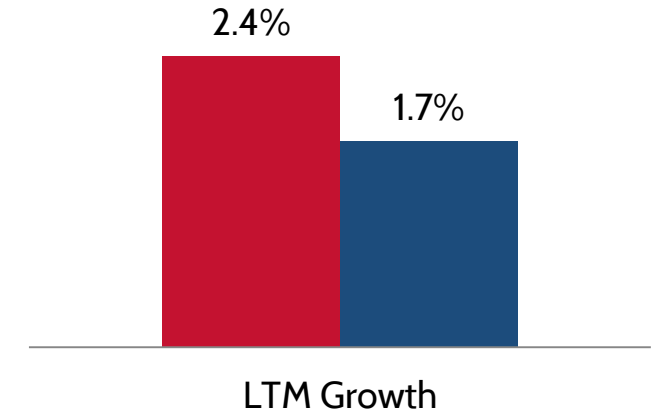
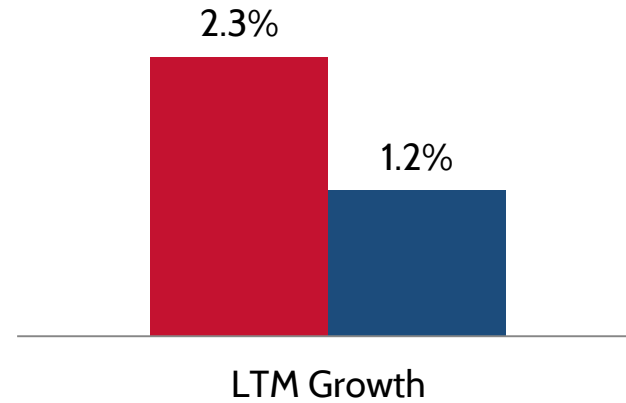
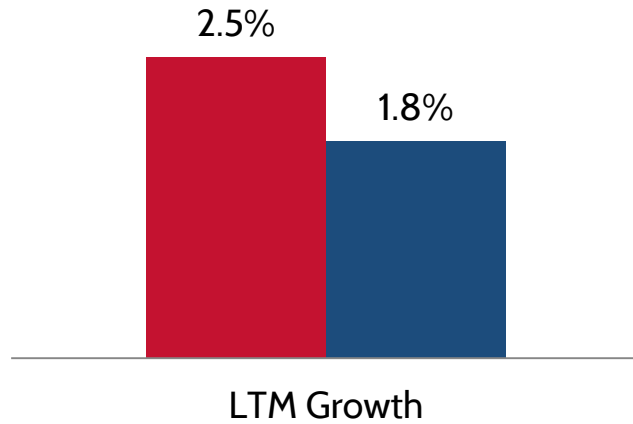
December 2016



Core Brands Gaining Share in Their Categories



■ Prestige Brands ■ Prestige Categories



Brands:



Source: IRI multi-outlet + C-Store retail dollar sales for the period ending 03/29/2017

New Product Development Is A Key Part of Our Brand-Building Strategy

Recent new products introduced across our portfolio

GI



Analgesics

Eye & Ear Care

Dermatologicals

Care

- Consumer research and shopper insights identify unmet needs
- Match new product opportunities to each brand's unique positioning
- Goal to launch 3 to 5 meaningful new product innovations annually

New Product Development Contributing to Growth



Product Development Initiatives



Extend Brand Through Better Consumer Experience or Claims	✓	✓	✓	✓	✓	✓
Innovate Through Technology	✓			✓	✓	
Expand Brand in New Channels		C-Stores	On-the-Go			e-Commerce

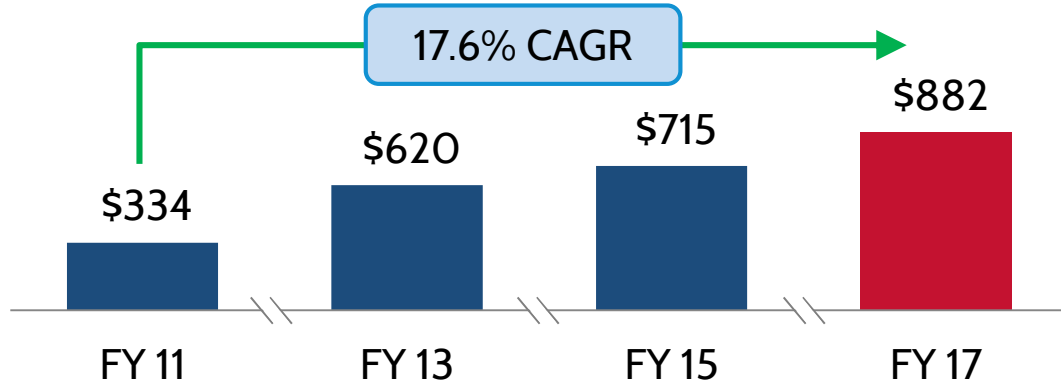
Integration and Synergy Savings On Track

	Milestones	Completed
Sales & Distribution	<ul style="list-style-type: none">■ “Order-to-cash” integrated sales platform complete■ Cross sharing of international resources begins	✓
General & Administrative	<ul style="list-style-type: none">■ Closed Fleet’s New Jersey executive office■ Consolidated support into PBH structure; exits completed by Q1 FY 18	✓
Supply Chain	<ul style="list-style-type: none">■ Warehouse and freight consolidated into existing footprint■ Fleet R&D lab expanding to new brands	✓
Brand Building	<ul style="list-style-type: none">■ Launched “Simply” Summer’s Eve line, additional NPD identified■ Integrated Women’s Health sales efforts	Ongoing

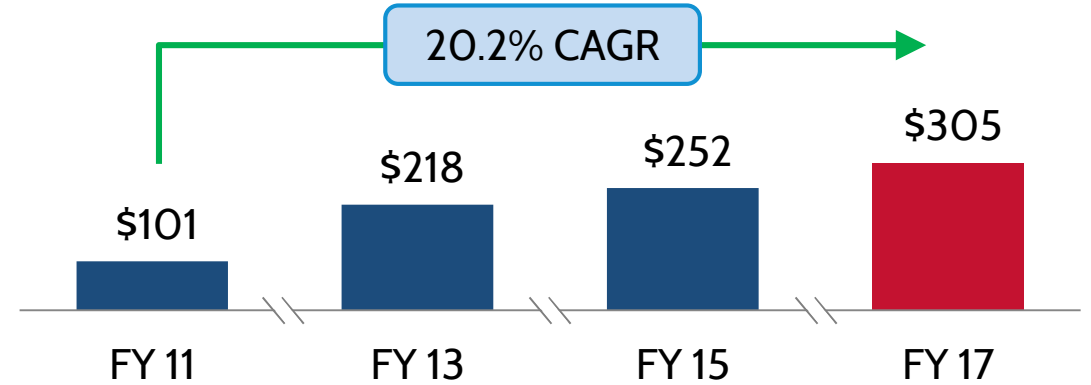
On Track to Realize Total Run-Rate Synergies

Strategy Has Delivered Consistently Strong Financial Performance

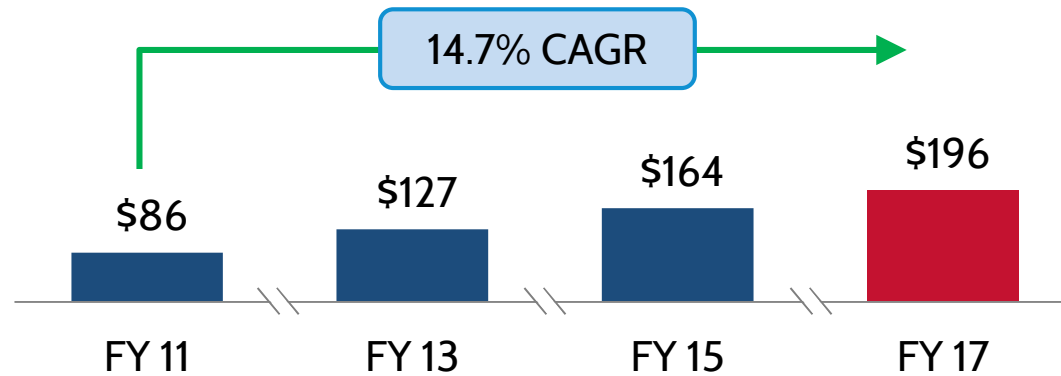
Net Sales



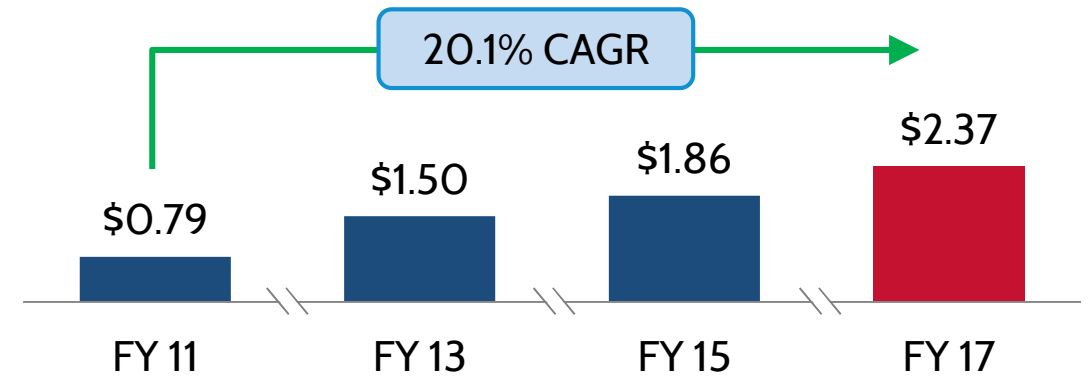
Adjusted EBITDA⁽²⁾



Adjusted Free Cash Flow⁽²⁾



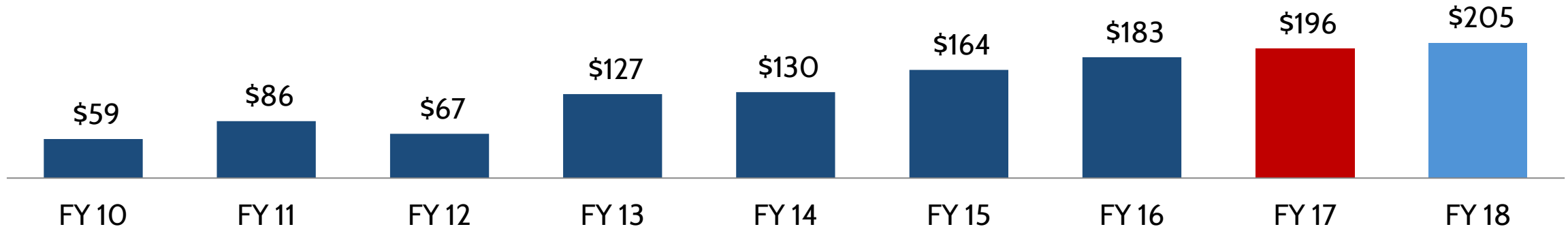
Adjusted EPS⁽²⁾



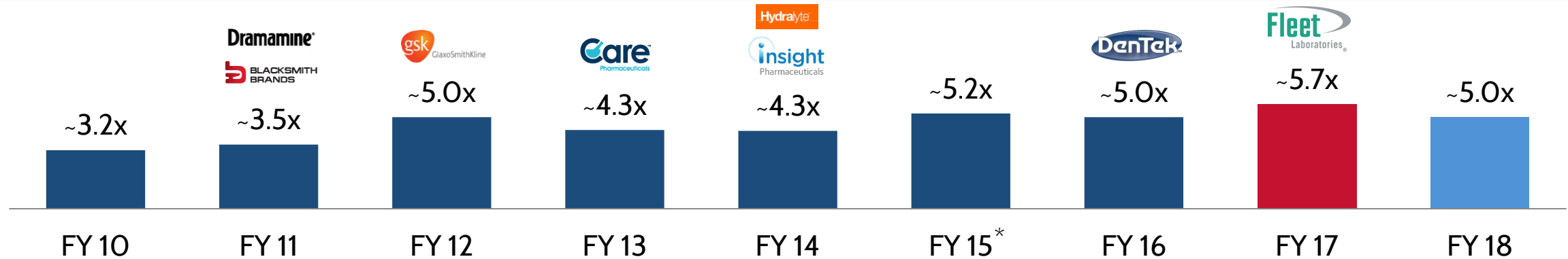
Dollar values in millions, except Adjusted EPS.

Strong and Consistent Cash Flow Leads to Rapid De-Levering

Adjusted Free Cash Flow⁽²⁾⁽⁵⁾



Leverage Ratio⁽³⁾



Dollar values in millions.

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

III. Financial Overview

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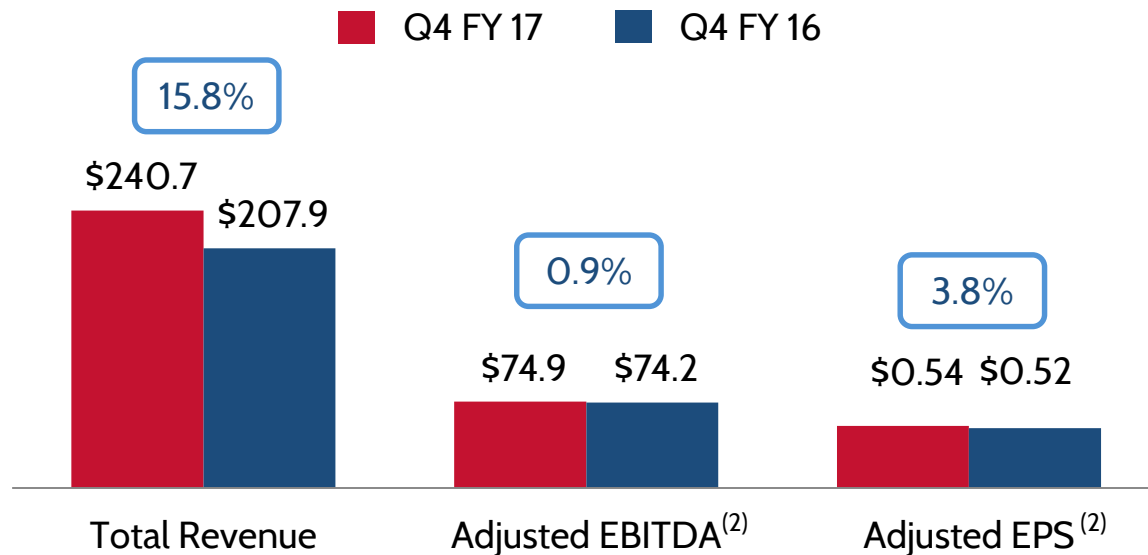
Care
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Key Financial Results for Fourth Quarter & FY 17 Performance

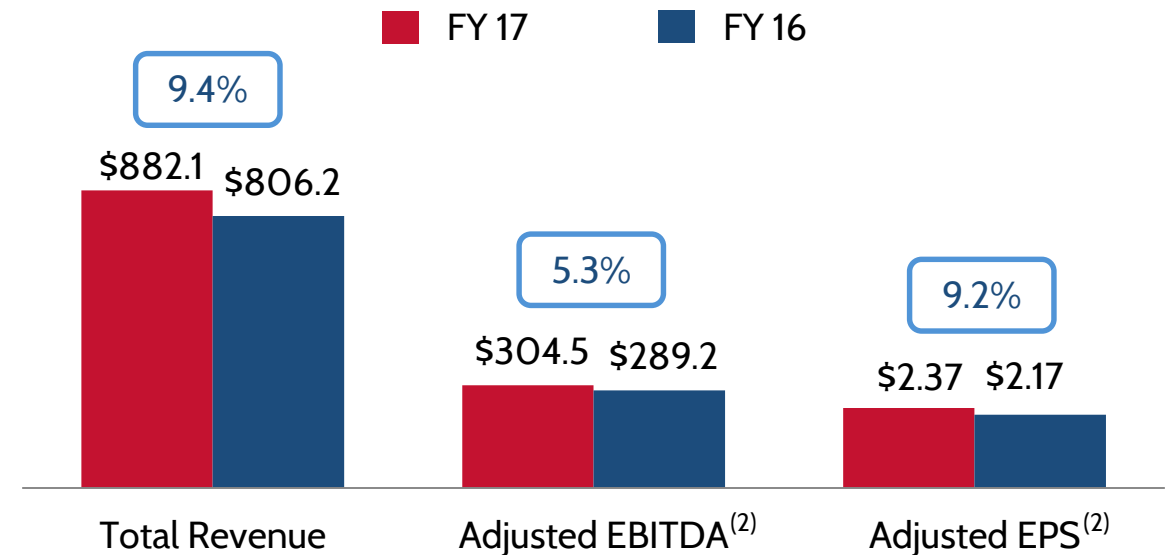
- Solid overall financial performance in Q4 and FY 17

- Q4 Revenue of \$240.7 million, an increase of 15.8%
- FY 17 Adjusted EBITDA⁽²⁾ of \$304.5 million
- Q4 Adjusted EPS of \$0.54⁽²⁾, up 3.8% vs prior year, and FY 17 Adjusted EPS of \$2.37⁽²⁾, up 9.2%
- Transitional quarter with C.B. Fleet integration, which contributed \$38.7 million in Revenue and was \$0.01 dilutive to EPS in Q4

Q4 FY 17



FY 17



Dollar values in millions, except per share data.

FY 17 Fourth Quarter Consolidated Financial Summary

3 Months Ended

12 Months Ended

Q4 Commentary

	Q4 FY 17	Q4 FY 16	% Chg	FY 17	FY 16	% Chg
Total Revenue	\$ 240.7	\$ 207.9	15.8%	\$ 882.1	\$ 806.2	9.4%
Adjusted Gross Profit^{(2)*}	133.2	119.6	11.3%	503.3	468.6	7.4%
<i>% Adjusted Margin</i>	55.4%	57.6%		57.1%	58.1%	
Adjusted A&P⁽²⁾	39.2	26.6	47.7%	126.1	110.8	13.8%
<i>% Total Revenue</i>	16.3%	12.8%		14.3%	13.7%	
Adjusted G&A⁽²⁾	19.6	18.8	3.9%	73.1	68.6	6.6%
<i>% Total Revenue</i>	8.1%	9.1%		8.3%	8.5%	
Adjusted EBITDA⁽²⁾	\$ 74.9	\$ 74.2	0.9%	\$ 304.5	\$ 289.2	5.3%
<i>% Margin</i>	31.1%	35.7%		34.5%	35.9%	
Adjusted Net Income⁽²⁾	\$ 28.8	\$ 27.9	3.2%	\$ 126.6	\$ 115.5	9.6%
Adjusted Earnings Per Share⁽²⁾	\$ 0.54	\$ 0.52	3.8%	\$ 2.37	\$ 2.17	9.2%

- Revenue growth of +15.8%
 - Organic growth of 1.1%⁽¹⁾
 - Fleet contributed \$38.7 million of revenue
- Adjusted Gross Margin of 55.4%
- Adjusted A&P 16.3% of Revenue, or \$39.2 million
- Adjusted EBITDA Margin of 31.1%⁽²⁾
- Adjusted Net Income +3.2%⁽²⁾ over Q4 FY 16
 - Fleet contributed \$0.01 loss due to transitional quarter

Dollar values in millions, except per share data.

* Includes depreciation as a component of Adjusted Gross Profit

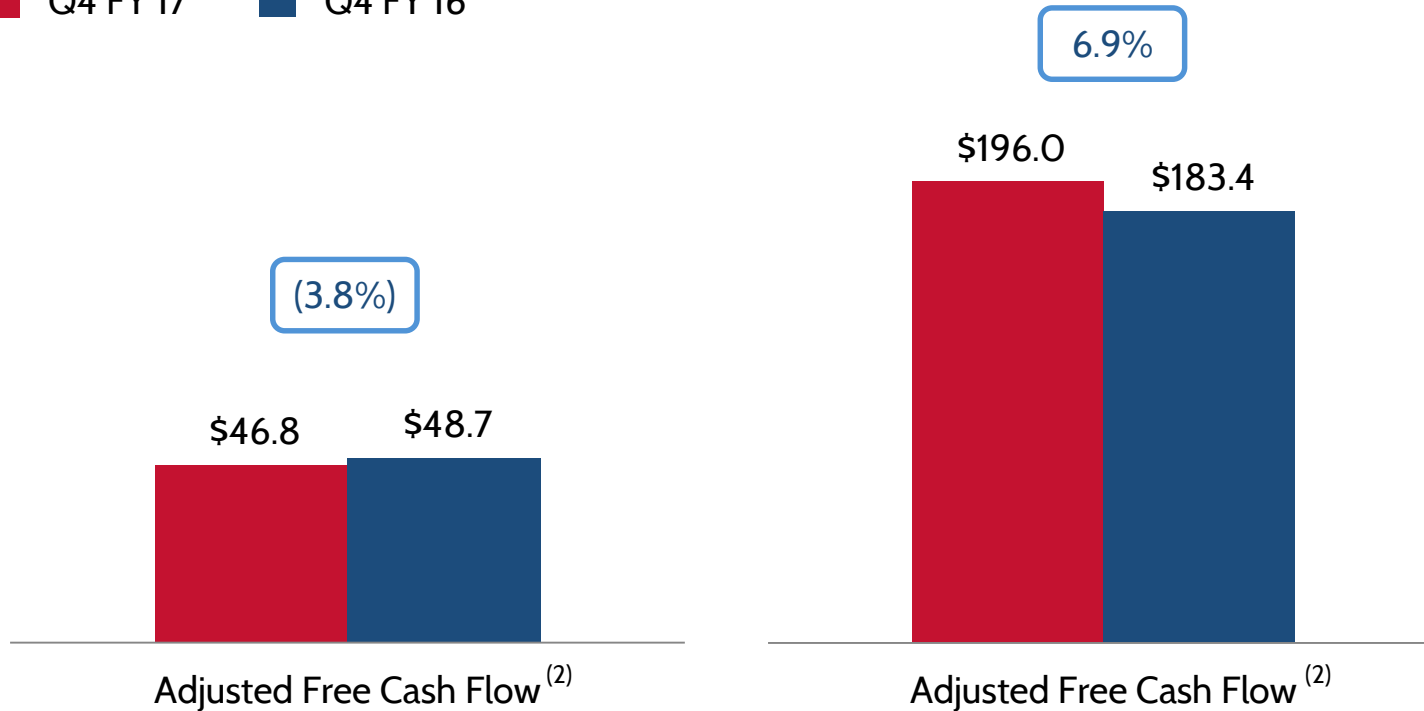
Industry Leading Free Cash Flow Trends

Free Cash Flow

Q4 FY 17

FY 17

■ Q4 FY 17 ■ Q4 FY 16



Comments

- Net Debt in March of \$2,180 million comprised of:
 - Cash on hand of \$41.9 million
 - \$1,472 million of term loan and revolver
 - \$750 million of bonds
- Leverage ratio⁽³⁾ of 5.7x

Dollar values in millions.

IV. FY 18 Outlook

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FY 18 Full Year Outlook: Staying the Strategic Course to Continue Shareholder Value Creation

Top Line Trends

- Strong momentum in our largest brands and international business going into FY 18
- Expect core OTC to outperform category growth
- Headwinds continue at retail, while Prestige's portfolio of need-based brands continues to be well positioned for future long-term growth

Revenue

- Revenue growth of +18% to +20% (\$1,040 to \$1,060 million)
- Organic growth of +2.0% to +2.5%

Adjusted EPS⁽⁴⁾

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

Adjusted Free Cash Flow⁽⁵⁾

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

Long-Term Value Creation Strategy

Expectation for Future

Long-Term
Organic Growth of
2.0% to 3.0%



Strong and
Consistent Free Cash
Flow Generation

Proven and
Repeatable Me&A
Strategy

Long-Term E.P.S. Growth



Upside
Potential

Long-Term Value Creation Strategy

QeA

Appendix

- (1) Organic Revenue Growth is a Non-GAAP financial measure and is reconciled to its most closely related GAAP financial measure in our earnings release in the “About Non-GAAP Financial Measures” section.
- (2) Adjusted Gross Margin, Adjusted A&P, Adjusted G&A, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted EPS, Adjusted Free Cash Flow 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.
- (3) Leverage ratio reflects net debt / covenant defined EBITDA.
- (4) Adjusted EPS for FY 18 is a projected Non-GAAP financial measure, is reconciled to projected GAAP EPS in our earnings release in the “About Non-GAAP Financial Measures” section and is calculated based on projected GAAP EPS of \$2.50 to \$2.60 plus \$0.08 of costs associated with Fleet integration, resulting in \$2.58 to \$2.68.
- (5) 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 our earnings release in the “About Non-GAAP Financial Measures” section and is calculated based on projected Net Cash Provided by Operating Activities of \$210 million less projected capital expenditures of \$10 million plus payments associated with acquisitions of \$8 million less tax effect of payments associated with acquisitions of \$3 million

Reconciliation Schedules

Organic Revenue Growth

	Three Months Ended Mar. 31,		Twelve Months Ended March. 31,	
	2017	2016	2017	2016
GAAP Total Revenues	\$ 240,670	\$ 207,855	\$ 882,060	\$ 806,247
<u>Adjustments:</u>				
Revenues associated with acquisitions	(43,125)	-	(94,293)	-
Revenues associated with divested brands	-	(12,460)	-	(26,002)
Total adjustments	(43,125)	(12,460)	(94,293)	(26,002)
Non-GAAP Organic Revenues	\$ 197,545	\$ 195,395	\$ 787,767	\$ 780,245
Organic Revenue Growth	1.1%		1.0%	

Dollar values in thousands.

Reconciliation Schedules Cont'd

Adjusted GeA

	Three Months Ended Mar. 31,		Twelve Months Ended March. 31,	
	2017	2016	2017	2016
GAAP General and Administrative Expense	\$ 28,760	\$ 20,232	\$ 89,143	\$ 72,418
<u>Adjustments:</u>				
Costs Associated with CEO transition	-	-	-	1,406
Legal and professional fees associated with acquisitions and divestitures	3,431	1,096	6,560	2,112
Integration, transition and other costs associated with acquisitions and divestitures	5,756	289	9,455	289
Total adjustments	9,187	1,385	16,015	3,807
Non-GAAP Adjusted General and Administrative Expense	\$ 19,573	\$ 18,847	\$ 73,128	\$ 68,611
Non-GAAP Adjusted General and Administrative Expense Percentage	8.1%	9.1%	8.3%	8.5%

Dollar values in thousands.

Reconciliation Schedules Cont'd

Adjusted EBITDA

	Three Months Ended Mar. 31,		Twelve Months Ended March. 31,	
	2017	2016	2017	2016
GAAP Net (Loss) Income	\$ 11,090	\$ 13,936	\$ 69,395	\$ 99,907
Interest expense, net	32,832	23,147	93,343	85,160
(Benefit) provision for income taxes	7,712	10,667	41,455	57,278
Depreciation and amortization	7,092	6,198	25,792	23,676
Non-GAAP EBITDA	58,726	53,948	229,985	266,021
<u>Adjustments:</u>				
Inventory step-up charges associated with acquisitions	1,664	1,387	1,664	1,387
Costs associated with CEO transitions	-	-	-	1,406
Legal and professional fees associated with acquisitions and divestitures	3,431	1,096	6,560	2,112
Integration, transition and other costs associated with acquisitions and divestitures	9,365	289	13,064	289
Loss on extinguishment of debt	1,420	17,519	1,420	17,970
(Gain) loss on divestitures	268	-	51,820	-
Total adjustments	16,148	20,291	74,528	23,164
Non-GAAP Adjusted EBITDA	\$ 74,874	\$ 74,239	\$ 304,513	\$ 289,185
Non-GAAP Adjusted EBITDA Margin	31.1%	35.7%	34.5%	35.9%

Dollar values in thousands.

Reconciliation Schedules Cont'd

Adjusted EBITDA

	2011	2012	2013	2014	2015	2016	2017
GAAP Net Income	\$ 29,220	\$ 37,212	\$ 65,505	\$ 72,615	\$ 78,260	\$ 99,907	\$ 69,395
Income from Disc Ops	(591)	-	-	-	-	-	-
Loss on sale of disc ops	550	-	-	-	-	-	-
Interest Expense, net	27,317	41,320	84,407	68,582	81,234	85,160	93,343
Provision for income taxes	19,349	23,945	40,529	29,133	49,198	57,278	41,455
Depreciation and amortization	9,876	10,734	13,235	13,486	17,740	23,676	25,792
Non-GAAP EBITDA	85,721	113,211	203,676	183,816	226,432	266,021	229,985
Sales costs related to acquisitions	-	-	411	-	-	-	-
Inventory step up	7,273	1,795	23	577	2,225	1,387	1,664
Inventory related acquisition costs	-	-	220	407	-	-	-
Add'l supplier costs	-	-	5,426	-	-	-	-
Costs associated with CEO transition	-	-	-	-	-	1,406	-
Legal and other professional fees associated with acquisitions	7,729	13,807	98	1,111	10,974	2,112	6,560
Integration, transition, and other Acq costs	-	3,588	5,811	-	10,533	289	13,064
Stamp Duty	-	-	-	-	2,940	-	-
Unsolicited proposal costs	-	1,737	534	-	-	-	-
Loss on extinguishment of debt	300	5,409	1,443	18,286	-	17,970	1,420
Gain on settlement	-	(5,063)	-	-	-	-	-
Gain on sale of asset	-	-	-	-	(1,133)	-	51,820
Adjustments to EBITDA	15,302	21,273	13,966	20,381	25,539	23,164	74,528
Non-GAAP Adjusted EBITDA	\$ 101,023	\$ 134,484	\$ 217,642	\$ 204,197	\$ 251,971	\$ 289,185	\$ 304,513

Dollar values in thousands.

Reconciliation Schedules Cont'd

Adjusted Net Income and Adjusted EPS

	Three Months Ended Mar. 31,				Twelve Months Ended March. 31,			
	2017		2016		2017		2016	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
GAAP Net Income	\$ 11,090	\$ 0.21	\$ 13,936	\$ 0.26	\$ 69,395	\$ 1.30	\$ 99,907	\$ 1.88
<u>Adjustments:</u>								
Inventory step-up charges and other costs associate with acquisitions	1,664	0.03	1,387	0.03	1,664	0.03	1,387	0.03
Costs associated with CEO transition	-	-	-	-	-	-	1,406	0.02
Legal and professional fees associated with acquisitions and divestitures	3,431	0.06	1,096	0.02	6,560	0.12	2,112	0.04
Integration, transition and other costs associated with acquisitions and divestitures	9,365	0.18	289	0.01	13,064	0.24	289	0.01
Accelerated amortization of debt origination costs	575	0.01	-	-	1,706	0.03	-	-
Additional interest expense from Term Loan B-4 debt refinancing	9,184	0.17	-	-	9,184	0.17	-	-
Loss on extinguishment of debt	1,420	0.03	17,519	0.33	1,420	0.03	17,970	0.34
(Gain) loss on divestitures	268	0.01	-	-	51,820	0.97	-	-
Tax impact of adjustments	(9,438)	(0.18)	(6,294)	(0.13)	(28,024)	(0.52)	(7,608)	(0.15)
Tax impacts related to tax reserve adjustments	1,278	0.02	-	-	(199)	-	-	-
Total Adjustments	17,747	0.33	13,997	0.26	57,195	1.07	15,556	0.29
Non-GAAP Adjusted Net Income and Adjusted EPS	\$ 28,837	\$ 0.54	\$ 27,933	\$ 0.52	\$ 126,590	\$ 2.37	\$ 115,463	\$ 2.17

Dollar values in thousands.

Reconciliation Schedules Cont'd

Adjusted Net Income and Adjusted EPS

	2011		2012		2013		2014		2015		2016		2017	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
GAAP Net Income	\$ 29,220	\$ 0.58	\$ 37,212	\$ 0.73	\$ 65,505	\$ 1.27	\$ 72,615	\$ 1.39	\$ 78,260	\$ 1.49	\$ 99,907	\$ 1.88	\$ 69,395	\$ 1.30
Adjustments														
Income from discontinued ops.	(591)	(0.01)	-	-	-	-	-	-	-	-	-	-	-	-
Loss on sale of discontinued ops.	550	0.01	-	-	-	-	-	-	-	-	-	-	-	-
Incremental interest expense to finance Acquisition	800	0.02	-	-	-	-	-	-	-	-	-	-	9,184	0.17
Sales costs related to acquisitions	-	-	-	-	411	0.01	-	-	-	-	-	-	-	-
Inventory step up	7,273	0.14	1,795	0.04	23	-	577	0.01	2,225	0.04	1,387	0.03	1,664	0.03
Inventory related acquisition costs	-	-	-	-	220	-	407	0.01	-	-	-	-	-	-
Add'l supplier costs	-	-	-	-	5,426	0.11	-	-	-	-	-	-	-	-
Costs associated with CEO transition	-	-	-	-	-	-	-	-	-	-	1,406	0.02	-	-
Legal and other professional fees associated with acquisitions	7,729	0.15	13,807	0.27	98	-	1,111	0.02	10,974	0.21	2,112	0.04	6,560	0.12
Integration, Transition, and other Acq costs	-	-	3,588	0.07	5,811	0.11	-	-	10,533	0.20	289	0.01	13,064	0.24
Stamp Duty	-	-	-	-	-	-	-	-	2,940	0.05	-	-	-	-
Unsolicited proposal costs	-	-	1,737	0.03	534	0.01	-	-	-	-	-	-	-	-
Loss on extinguishment of debt	300	0.01	5,409	0.11	1,443	0.03	18,286	0.35	-	-	17,970	0.34	1,420	0.03
Gain on settlement	-	-	(5,063)	(0.10)	-	-	-	-	-	-	-	-	-	-
(Gain) loss on divestitures	-	-	-	-	-	-	-	-	-	-	-	-	51,820	0.97
(Gain) loss on sale of asset	-	-	-	-	-	-	-	-	(1,133)	(0.02)	-	-	-	-
Accelerated amortization of debt discounts and debt issue costs	-	-	-	-	7,746	0.15	5,477	0.10	218	-	-	-	1,706	0.03
Tax impact on adjustments	(5,513)	(0.11)	(8,091)	(0.16)	(8,329)	(0.16)	(9,100)	(0.17)	(5,968)	(0.11)	(7,608)	(0.15)	(28,024)	(0.52)
Impact of state tax adjustments	-	-	(237)	-	(1,741)	(0.03)	(9,465)	(0.18)	-	-	-	-	(199)	-
Total adjustments	10,548	0.21	18,008	0.36	11,642	0.23	7,293	0.14	19,789	0.37	15,556	0.29	57,195	1.07
Non-GAAP Adjusted Net Income and Non-GAAP Adjusted EPS	\$ 39,768	\$ 0.79	\$ 55,220	\$ 1.09	\$ 77,147	\$ 1.50	\$ 79,908	\$ 1.53	\$ 98,049	\$ 1.86	\$ 115,463	\$ 2.17	\$ 126,590	\$ 2.37

Dollar values in thousands.

Reconciliation Schedules Cont'd

Adjusted Free Cash Flow

	Three Months Ended Mar. 31,		Twelve Months Ended March. 31,	
	2017	2016	2017	2016
GAAP Net (Loss) Income	\$ 11,090	\$ 13,936	\$ 69,395	\$ 99,907
Adjustments:				
Adjustments to reconcile net (loss) income to net cash provided by operating activities as shown in the Statement of Cash Flows	21,347	34,206	91,713	96,221
Changes in operating assets and liabilities, net of effects from acquisitions as shown in the Statement of Cash Flows	(25,013)	(10,243)	(13,336)	(21,778)
Total Adjustments	(3,666)	23,963	78,377	74,443
GAAP Net cash provided by operating activities	7,424	37,899	147,772	174,350
Purchase of property and equipment	(1,042)	(1,028)	(2,977)	(3,568)
Non-GAAP Free Cash Flow	6,382	36,871	144,795	170,782
Premium payment on extinguishment of 2012 Senior Notes	-	10,158	-	10,158
Integration, transition and other payments associated with acquisitions and divestitures	8,304	1,665	10,448	2,461
Additional interest on Term Loan B-4 debt refinancing	9,184	-	9,184	-
Pension contribution	6,000	-	6,000	-
Additional income tax payments associated with divestitures	16,956	-	25,545	-
Non-GAAP Adjusted Free Cash Flow	\$ 46,826	\$ 48,694	\$ 195,972	\$ 183,401

Dollar values in thousands.

Reconciliation Schedules Cont'd

Adjusted Free Cash Flow

	2010	2011	2012	2013	2014	2015	2016	2017
GAAP Net Income	\$ 32,115	\$ 29,220	\$ 37,212	\$ 65,505	\$ 72,615	\$ 78,260	\$ 99,907	\$ 69,395
Adjustments								
Adjustments to reconcile net income to net cash provided by operating activities as shown in the statement of cash flows	31,137	26,095	35,674	59,497	50,912	64,668	96,221	91,713
Changes in operating assets and liabilities, net of effects from acquisitions as shown in the statement of cash flows	(3,825)	31,355	(5,434)	12,603	(11,945)	13,327	(21,778)	(13,336)
Total adjustments	27,312	57,450	30,240	72,100	38,967	77,995	74,443	78,377
GAAP Net cash provided by operating activities	59,427	86,670	67,452	137,605	111,582	156,255	174,350	147,772
Purchases of property and equipment	(673)	(655)	(606)	(10,268)	(2,764)	(6,101)	(3,568)	(2,977)
Non-GAAP Free Cash Flow	58,754	86,015	66,846	127,337	108,818	150,154	170,782	144,795
Premium payment on 2010 Senior Notes	-	-	-	-	15,527	-	-	-
Premium payment on extinguishment of 2012 Senior Notes	-	-	-	-	-	-	10,158	-
Accelerated interest payments due to debt refinancing	-	-	-	-	4,675	-	-	9,184
Integration, transition and other payments associated with acquisitions	-	-	-	-	512	13,563	2,461	10,448
Pension contribution	-	-	-	-	-	-	-	6,000
Additional income tax payments associated with divestitures	-	-	-	-	-	-	-	25,545
Total adjustments	-	-	-	-	20,714	13,563	12,619	51,177
Non-GAAP Adjusted Free Cash Flow	\$ 58,754	\$ 86,015	\$ 66,846	\$ 127,337	\$ 129,532	\$ 163,717	\$ 183,401	\$ 195,972

Dollar values in thousands, except per share data.

Reconciliation Schedules Cont'd

Projected EPS

	2018 Projected EPS	
	Low	High
Projected FY'18 GAAP EPS	\$ 2.50	\$ 2.60
Adjustments:		
Costs associated with Fleet integration ⁽¹⁾	0.08	0.08
Total Adjustments	0.08	0.08
Projected Non-GAAP Adjusted EPS	\$ 2.58	\$ 2.68

Projected Free Cash Flow

	2018 Projected Free Cash Flow
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 Projected Free Cash Flow	\$ 205

Dollar values in millions, except per share data.

(1) Acquisition related items represent costs related to integrating recently acquired businesses including (but not limited to), warehouse consolidation, costs to exit or convert contractual obligations, severance, information system conversion and consulting costs; and certain costs related to the consummation of the acquisition process such as legal and other acquisition related professional fees.