



Prestige Brands

Review of First Quarter F'15 Results

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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 about the Company’s growth strategies, competitive position, product development and acquisitions, business trends, creation of shareholder value, ability to integrate the Insight and Hydralyte acquisitions, the timing of closing and the impact of the Insight acquisition, the growth and market position of the Company’s brands, and the Company’s future financial performance. Words such as “continue,” “will,” “expect,” “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, failure to satisfy the closing conditions for the Insight acquisition, the failure to successfully integrate the Insight or Hydralyte businesses or future acquisitions, the failure to successfully commercialize new and enhanced products, the severity of the cough/cold season, general economic and business conditions, competitive pressures, the effectiveness of the Company’s brand building investments, 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, 2014. 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.

Agenda for Today's Discussion

- I. First Quarter FY2015: Performance Highlights**
- II. First Quarter FY2015: Financial Overview**
- III. Updated Perspective on the M&A Market**
- IV. FY2015 Outlook and the Road Ahead**

The background of the slide is a dense, repeating collage of various Prestige Brands logos. These logos include names like Dramamine, Compound W, Little Eyes, Gaviscon, Debrox, Hydralyte, Chloraseptic, Doctor's, FAB IRON, Efferdent, Clear eyes, Nix, Pedia Care, LUDEN'S, BC, Goody's, MONISTAT, and Little Remedies. The logos are arranged in a pattern that follows the curve of the slide's top border, which is a thick red line. The overall effect is a vibrant, brand-centric background.

I. First Quarter FY2015: Performance Highlights

Solid Start to the Fiscal Year

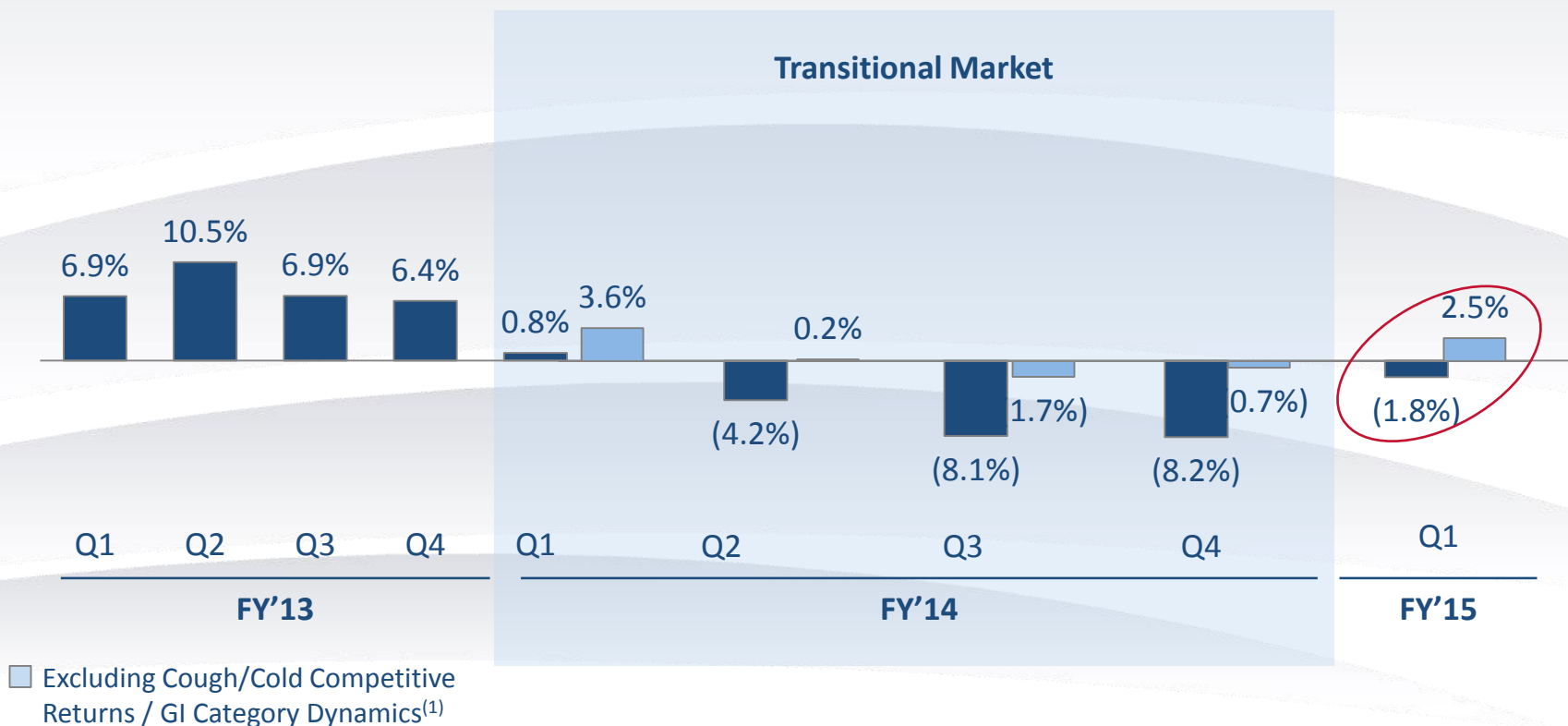
- Q1 consolidated **net revenue** of **\$145.7** million, up **2.2%** versus the prior year
- **Adjusted E.P.S.** of **\$0.41⁽¹⁾**, up **2.5%** versus the prior year corresponding quarter
- Strong **Free Cash Flow** of **\$29.2⁽¹⁾** million, up **36.1%** versus the prior year corresponding quarter
- **Core OTC consumption growth** of **2.5%** (excluding products impacted by pediatric and GI category dynamics)
- Continued investment in **brand building efforts**
 - **New product introductions** of Fresh Guard and Beano Dairy Defense
 - **New advertising campaigns** for Fresh Guard, Beano and Clear Eyes with spokesperson Vanessa Williams
 - **“Speedy” brand exposure** through sports marketing association with Daytona / Pocono champion Dale Earnhardt Jr.
- **Closed** acquisition of **Hydralyte** on April 30th. **Integration well underway**
- **Pending acquisition** of **Insight Pharmaceuticals** on track to **close by September 30th**
- **On track** to continue to deliver **strong financial performance in FY2015**
 - Full year sales growth +15% – 18%
 - Adjusted E.P.S. \$1.75 – \$1.85⁽¹⁾
 - Free Cash Flow of approximately \$150 million⁽¹⁾

Notes:

(1) These Non-GAAP financial measures are reconciled to their most closely related GAAP financial measures in our earnings release in the “About Non-GAAP Financial Measures” section.

Improved Consumption Performance in Q1...

Core OTC Consumption Growth



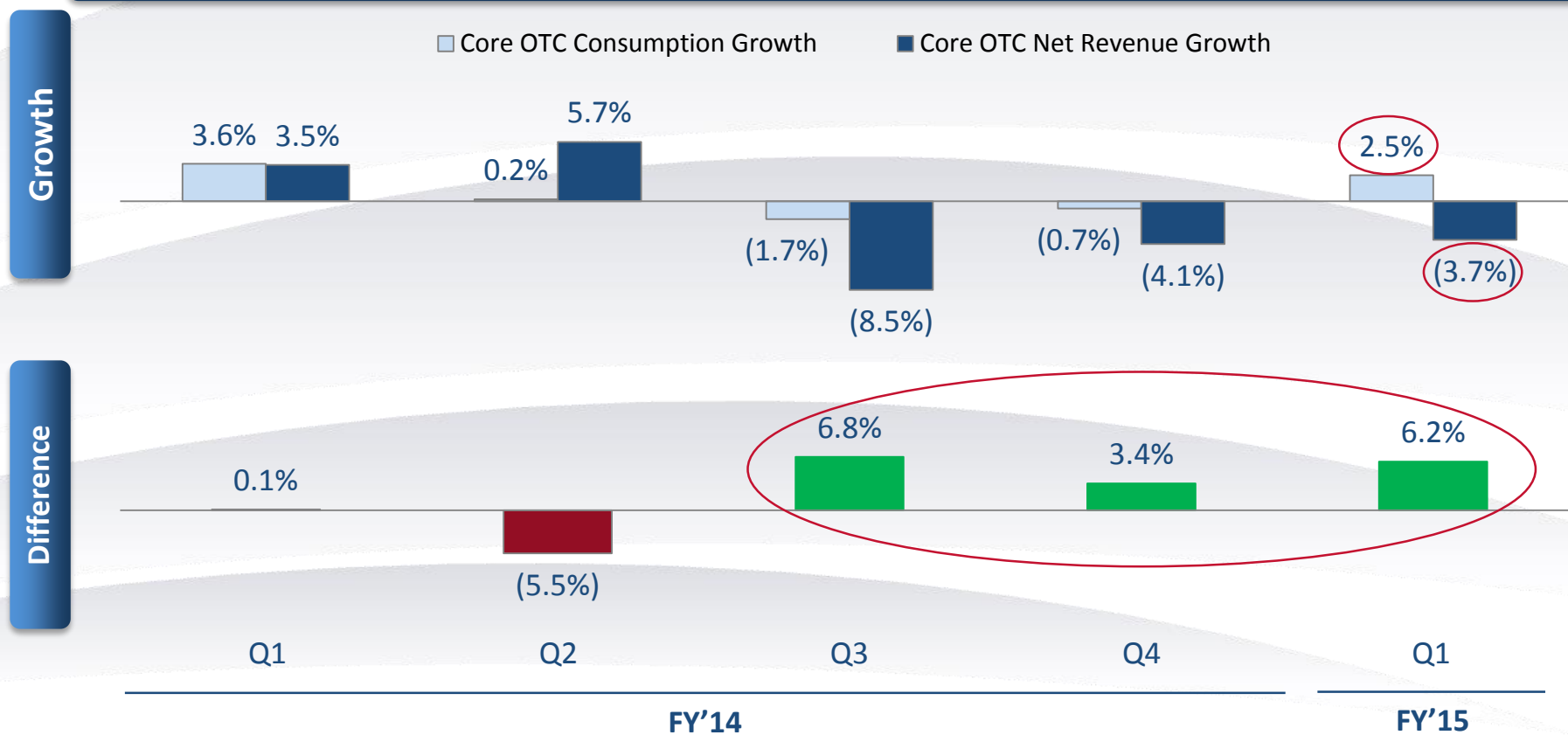
Source: Latest 12-week IRI multi-outlet retail dollar sales growth for relevant quarter.

Note: Data reflects retail dollar sales percentage growth versus prior period.

(1) Excludes PediaCare, Little Remedies and Beano.

...And Three Consecutive Quarters of Consumption Growth Outpacing Shipments...

Core OTC Consumption vs. Revenue Growth⁽¹⁾



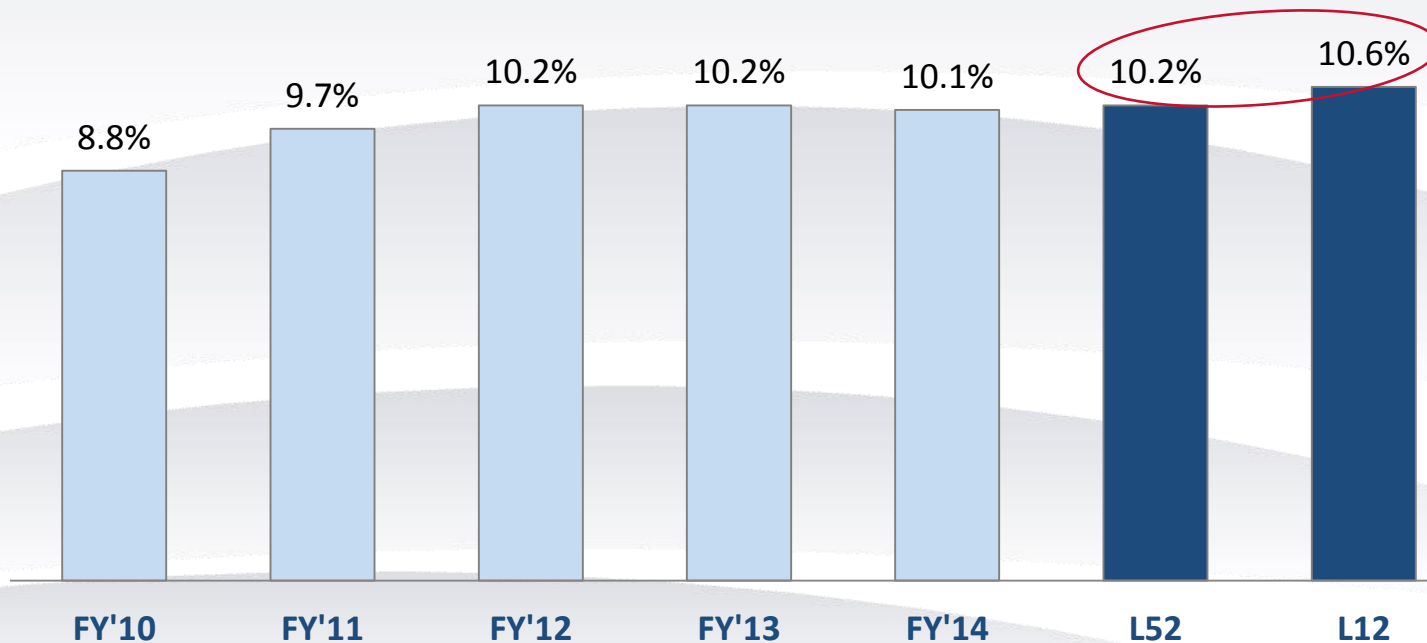
Source: Latest 12-week IRI multi-outlet retail dollar sales growth for relevant quarter.

Note: Data reflects retail dollar sales percentage growth versus prior period.

(1) Excludes PediaCare, Little Remedies and Beano.

...Leading to Record Market Share Gains

Core OTC Market Share⁽¹⁾



Source: IRI multi-outlet retail dollar sales growth for relevant quarter.

Note: Data reflects retail dollar sales market share.

(1) Excludes PediaCare, Little Remedies and Beano.

Luden's: Driving Growth on a 130 Year Old Brand



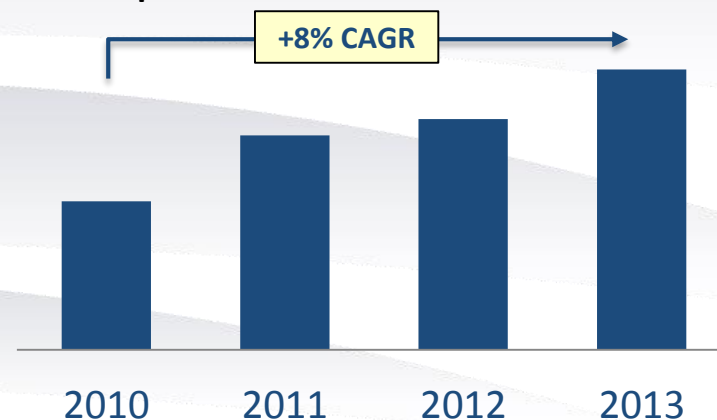
LUDEN'S 2010

- Strong equity rooted in great tasting, soothing relief
- Minimal investment in recent years
- Consumption growth had flattened to +0.5%



LUDEN'S 2013

- **Consumption: +26% Growth**
 - **3-year CAGR +8%**, nearly twice the rate of the category
 - Luden's Wild Cherry 30CT: **#1 selling Throat Drop**



Source: IRI MULO + C-Store, 52 weeks ending 31-Dec-2013.

Note: Data reflects retail dollar sales.

Luden's Brand Building: Model in Action



Investment in Brand Building

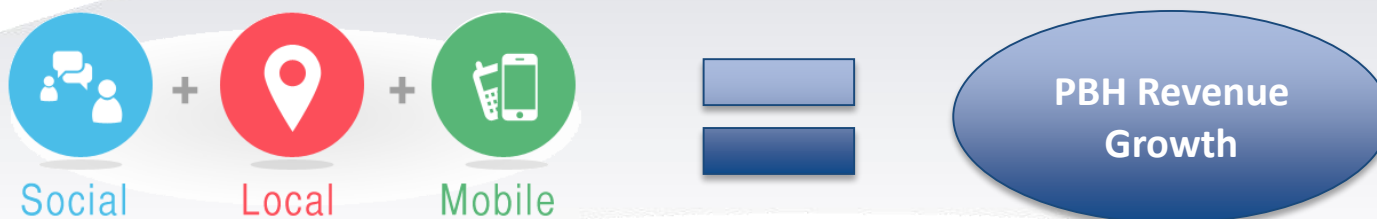
- Print and digital advertising to re-ignite awareness
- Packaging transformation to modernize the brand
- Merchandising enhanced in-store presence









Product Innovation

- New flavors for a new generation and broader consumer appeal
 - **New!** Watermelon and Blue Raspberry flavors
 - **New!** Sugar Free Black Cherry flavor









Digital and Social Media: An Investment for the Future



	FY12	FY13	FY14	FYTD15
Investment Focus	"Basics"	Social media and sponsorships	Mobile activation	Leveraging "Big Data"
% of A&P	<5%	~5%	~10%	~15%
				
				

Digital Engagement Drives Brand Relevance and Sales

Brand	Activation	Results
	<ul style="list-style-type: none"> Targeted travel-oriented shoppers and websites with online advertising 	<ul style="list-style-type: none"> Drove consumption +9.2% in L-12
	<ul style="list-style-type: none"> Crowdsourcing consumer feedback of new product ideas 	<ul style="list-style-type: none"> Launched 3 new flavors <div>    </div>
	<ul style="list-style-type: none"> Identified brand influencers via social listening to engage in 1x1 dialogue 	<ul style="list-style-type: none"> Increased social engagement metrics 3x

Location-Based, Real-Time Mobile Marketing is the Future



Hydralyte Integration Proceeding on Schedule

Hydralyte™

Early Initiatives Underway

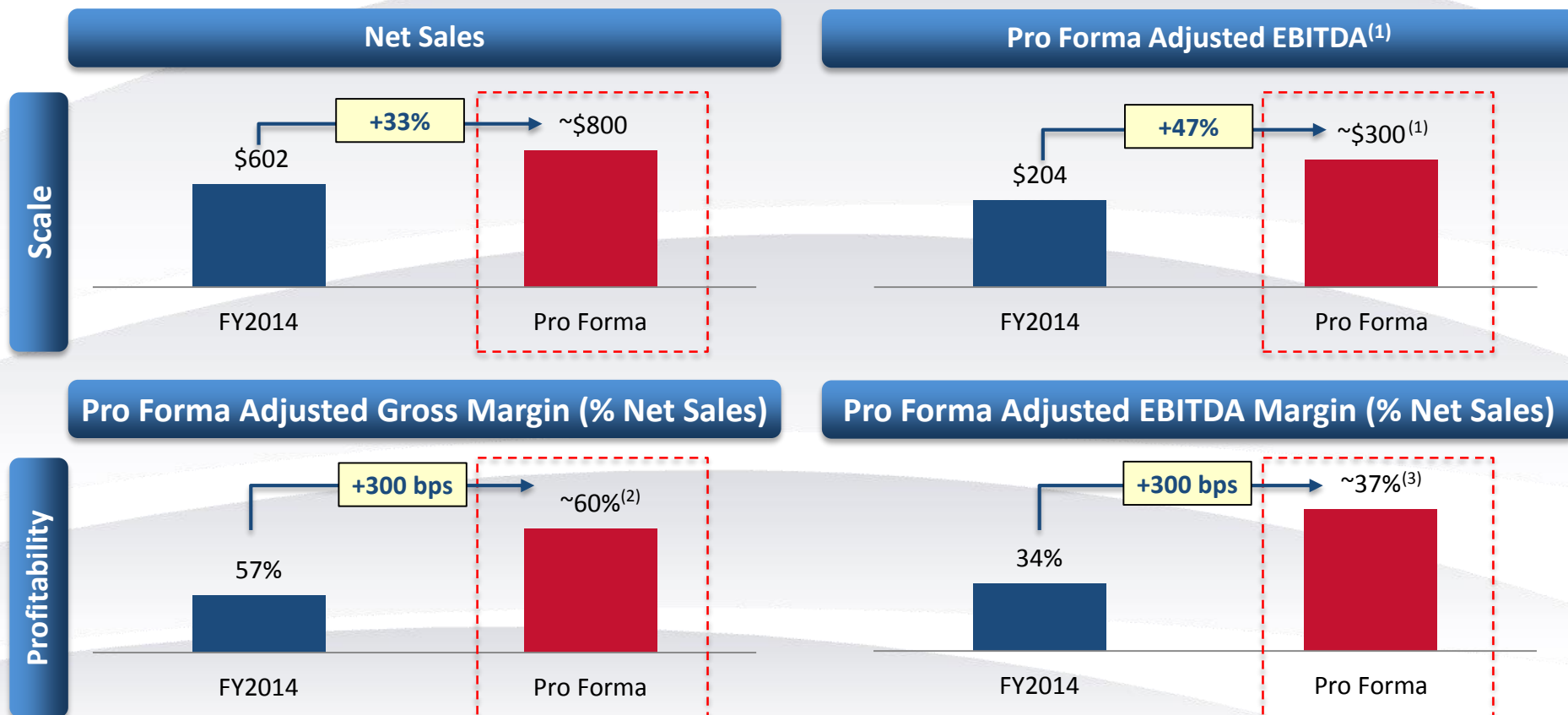
- **Integration** of Hydralyte into Care Pharma **underway**
 - Transition to Care Pharma direct sales force September 1st
- **Innovation and new product development** are underway
 - 3 new products just introduced: Hydralyte Colour Free, and Orange & Lemon-Lime Sports Tubs
- **Optimizing marketing plan**
 - New ad campaign supported by TV, sampling, instore promotional activities, and PR
- **Geographic expansion** into New Zealand scheduled for early fall
- Evaluating **supply chain improvement** opportunities

New Product Development



- **New product launch marketing**
 - In-store promotions planned to support Colour Free
 - HCP sampling
 - PR campaign to support the Sports Tubs
 - Online advertising with sporting groups

Transformational Acquisition of Insight Pharmaceuticals On Track to Close by September 30th



Notes:

- (1) Pro Forma Adjusted EBITDA is a Non-GAAP financial measure and is arrived at by taking Pro Forma Net Income of \$89 million and adding back depreciation and amortization of \$31 million, interest expense of \$103 million, income taxes of \$52 million and transition, integration and purchase accounting items of \$25 million to arrive at \$300 million
- (2) Pro Forma Adjusted Gross Margin excludes \$5 million of charges related to purchase accounting inventory step-up
- (3) Pro Forma Adjusted EBITDA margin excludes depreciation and amortization of \$31 million, interest expense of \$103 million, income taxes of \$52 million and transition, integration and purchase accounting items of \$25 million

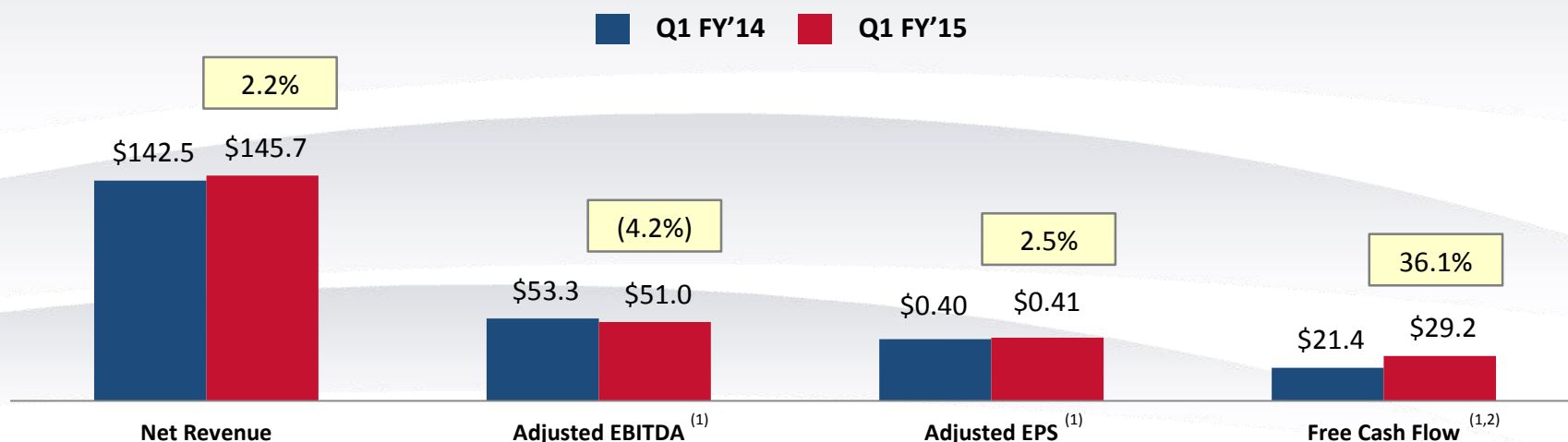
II. First Quarter FY2015: Financial Overview

Selected Observations on First Quarter Performance

■ Solid overall financial performance in the quarter consistent with expectations

- Net Revenue growth of 2.2% based on increasingly diversified portfolio
- Adjusted Gross Margin of 56.3%⁽¹⁾ reflects current retail and competitive environment
- Expect Gross Margins of approximately ~60% post acquisition of Insight Pharmaceuticals
- Consistent free cash flow of \$29.2⁽¹⁾ million, up 36.1% versus the prior year corresponding quarter

■ On track to achieve full year outlook



Dollar values in millions, except per share data

Notes:

(1) These non-GAAP financial measures are reconciled to their most closely related GAAP financial measures in our earnings release in the "About Non-GAAP Financial Measures" section.

(2) Free cash flow is a non-GAAP financial measure and is also reconciled to reported net income on page 20.

Selected Observations on First Quarter Performance (Cont'd)

- Company announced today its plan to **launch financing for the acquisition of Insight Pharmaceuticals**
 - Continue to expect to close transaction by September 30th
 - Single, minor brand divestiture expected to be required from the FTC and expected to be completed concurrent with closing
 - Transaction expected to be funded under Term Loan accordion. Pro forma leverage of 5.7x
 - Rapid deleveraging expected due to unique high free cash flow generation model
 - Capital structure allows for flexibility to pursue additional acquisition opportunities

First Quarter Consolidated Financial Summary

Q1 FY'15

	Q1 FY'15	Q1 FY'14	% Chg
Net Revenue	\$ 145.7	\$ 142.5	2.2%
Adj. Gross Margin ⁽¹⁾	82.0	83.0	(1.2%)
% Margin	56.3%	58.3%	
A&P	19.1	18.7	2.2%
% Net Revenue	13.1%	13.1%	
Adj. G&A ⁽¹⁾	11.9	11.1	7.3%
% Net Revenue	8.1%	7.8%	
Adjusted EBITDA⁽¹⁾	\$ 51.0	\$ 53.3	(4.2%)
% Margin	35.0%	37.4%	
D&A	3.0	3.3	(9.4%)
% Net Revenue	2.0%	2.3%	
Adj. Operating Income ⁽¹⁾	48.1	50.0	(3.9%)
% Net Revenue	33.0%	35.1%	
Adjusted Net Income⁽¹⁾	\$ 21.5	\$ 21.1	2.1%
Adjusted Earnings Per Share⁽¹⁾	\$ 0.41	\$ 0.40	2.5%
Earnings Per Share - As Reported	\$ 0.32	\$ 0.40	(20.0%)
Net Income - As Reported	\$ 16.7	\$ 20.7	(19.1%)

Comments

- Net Revenue increased \$3.2 million, or 2.2% due to Core OTC shipment trends improving over 2H FY2014 in addition to the Care and Hydralyte acquisition
- Adjusted Gross Margins reflects current retail and competitive environment
- Continued strong A&P support behind brand building
- Adjusted G&A as a percent of Net Revenue up slightly due to acquisitions
- Adjusted Net Income and Adjusted EPS increase ~2.5%
- Reported Net Income and EPS include costs associated with the Hydralyte and Insight transactions

Dollar values in millions, except per share data

Notes:

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Strong Free Cash Flow Generation

Cash Flow

	<u>Q1 FY'15</u>	<u>Q1 FY'14</u>
Net Income - As Reported	\$ 16.7	\$ 20.7
Depreciation & Amortization	3.0	3.3
Other Non-Cash Operating Items	10.0	9.2
Working Capital	(0.0)	(10.4)
Operating Cash Flow⁽¹⁾	<u>\$ 29.7</u>	<u>\$ 22.8</u>
Additions to Property and Equipment	(0.5)	(1.4)
Free Cash Flow⁽³⁾	<u>\$ 29.2</u>	<u>\$ 21.4</u>

Comments

Debt Profile & Financial Compliance:

- Total Net Debt at 6/30/14 of \$957 million comprised of:
 - Cash on hand of \$16 million
 - \$323 million of term loan and revolver
 - \$650 million of bonds
- Leverage ratio⁽²⁾ of ~4.6x

Full year cash flow of ~\$150 million, in line with expectations

Dollar values in millions

Note:

(1) Operating cash flow is a Non-GAAP financial term and is equal to GAAP net cash provided by operating activities.

(2) Leverage ratio reflects net debt / covenant defined EBITDA.

(3) Free Cash Flow is a Non-GAAP financial measure and is reconciled to GAAP net cash provided by operating activities in our earnings release in the "About Non-GAAP Financial Measure" section.



III. Updated Perspective on the M&A Market

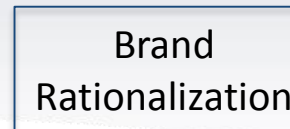
Potentially Significant Pool of M&A Opportunities Resulting from Large OTC M&A Deals and Announced Wholesale Divestitures



- Combined portfolio with potential for rationalization
- Prior success in executing broad divestiture
- M&A history with Prestige Brands



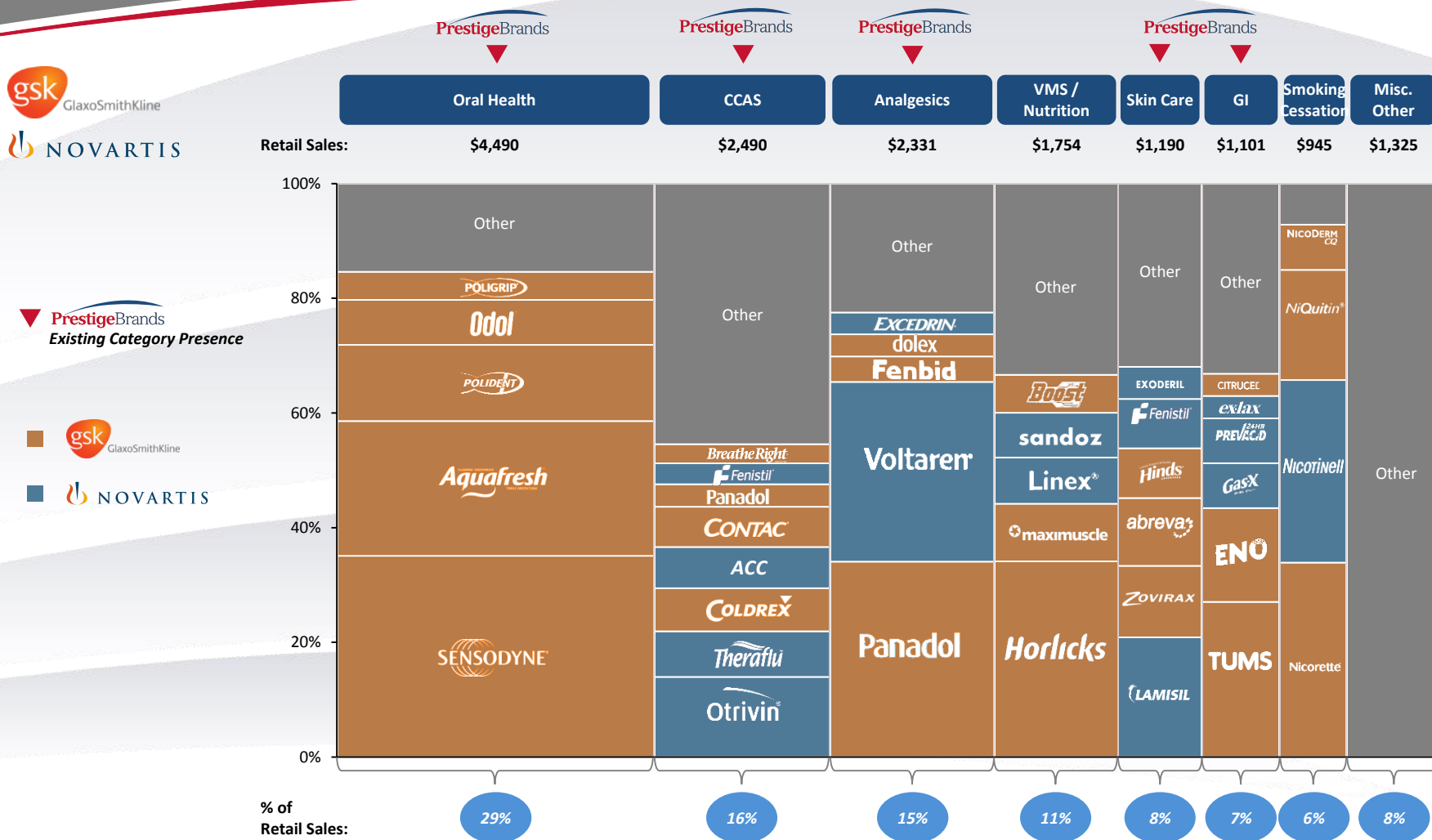
- Combined portfolio with potential for rationalization
- Primarily North American focus



- Divest or exit 90 to 100 smaller brands
- Mostly sales of under \$100 million
- Focus on 70 to 80 remaining brands

Illustrative Example: Combined Portfolio

~\$4 Billion in Retail Sales of Brands Less Than \$100 MM



Notes:
(1) Source: EuroMonitor

M&A Market as Prolific as it has been in the Last Five Years

- Likely portfolio rationalizations from existing transactions in the next 12 – 24 months
- GSK prior “*bottom 10%*” divestiture plan as well as P&G announcement may set the stage for similar announcements from other large players
- Additional opportunities from family-owned businesses and private equity owners

 **Ready and Able to Capitalize on New Market Opportunities**

**Aggressive and
Disciplined**

**Well Established
M&A Criteria**

**Successful Value
Creation Strategy**

**Continued M&A
Growth Ambitions**



IV. FY2015 Outlook and the Road Ahead

Business and Environment Positions Prestige Brands to Continue to Create Shareholder Value



Cautiously Optimistic

- Improved Prestige Brands consumption trends leading to market share gains
- Challenging retail environment provides some uncertainty
- Positive momentum into Q2, however strong year-over-year comps and uncertain cough/cold order patterns and levels
- Prior revenue outlook flat to -3% for 1H FY2015

Brand Building in Focus

- Continued new product introductions and investment in brand building communication vehicles for FY2015
- Invest and innovate in Core OTC brands
- Continue to build new product engine

Prolific M&A Outlook

- Remain aggressive and disciplined
- Effectively integrate  and  acquisitions
- Capitalize on OTC consolidation and major company's announcements



Confident in Full FY2015 Year Outlook

- Full year revenue growth +15% – 18%
- Adjusted E.P.S \$1.75 – \$1.85⁽¹⁾
- Free Cash Flow of approximately \$150 million⁽¹⁾

Notes:

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