

Prestige Brands



Review of Third Quarter FY 16 Results

February 4, 2016

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 expected timing for consummating and integrating the DenTek acquisition, the growth of the DenTek international revenue, the acquisition’s impact on shareholder value, the impact of the acquisition on the Company’s portfolio of brands and growth, the Company’s expected financial performance, including revenue growth, adjusted EPS and adjusted free cash flow, and the impact of foreign exchange rates, the Company’s investment in brand-building and A&P, the Company’s ability to de-lever and increase M&A capacity, and the impact of the Company’s strategy of acquiring, integrating and building brands. Words such as “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, failure to satisfy the DenTek closing conditions or the inability to successfully integrate the DenTek brands, general economic and business conditions, regulatory matters, competitive pressures, the impact of our advertising and promotional initiatives, supplier issues, unexpected costs, the success of our brand-building investments and integration of newly acquired products, 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, 2015 and in Part II, Item 1A. Risk Factors in the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2015. 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. Performance Highlights**
- II. Financial Overview**
- III. FY 16 Outlook and the Road Ahead**

Performance Highlights

Solid Q3 Results In Line with Expectations

- Q3 consolidated **Revenue of \$200.2 million**, up **1.3%** versus prior year Q3, and **up 3.2%⁽¹⁾ on a constant currency basis**
 - **Q3 Invest for Growth (Core OTC + International Revenue) up 3.4% or 5.7% on a constant currency basis**
 - **Q3 YTD consolidated Revenue growth of 14.1%**, on pace to meet full year guidance of +10% to +11%
 - **Q3 YTD Organic Revenue growth of 2.1%⁽¹⁾ on a constant currency basis**
- **Q3 Core OTC consumption growth of 4.7% and YTD growth of 5.2%**
 - **84%** of Core OTC portfolio with **consumption growth in Q3**
 - Continued strength in our biggest brands
 - Consistent and innovative marketing support building **long-term brand equity in Core OTC brands**
- **Q3 Adjusted Gross Margin of 58.3%⁽²⁾** versus 57.2% in the prior year Q3, and in-line with 58.2% Gross Margin in Q2
- **Q3 Adjusted EPS of \$0.53⁽²⁾, up 10.4%** versus the prior year Q3
- Q3 Strong **Adjusted Free Cash Flow of \$45.8⁽²⁾ million, leverage of ~4.8x⁽³⁾**
- **DenTek acquisition expected to close in early February**

Solid Q3 Results

Company on Track to Meet FY2016 Expectations

- **Company on track to deliver strong financial performance in FY2016**

Full Year Revenue Outlook

- Expected Q4 up 0.5% to 1.5%
- Full year up 10% to 11%

Adjusted E.P.S.

- Expect full year Adjusted EPS at high end of \$2.05 to \$2.10⁽⁷⁾ range, or slightly above

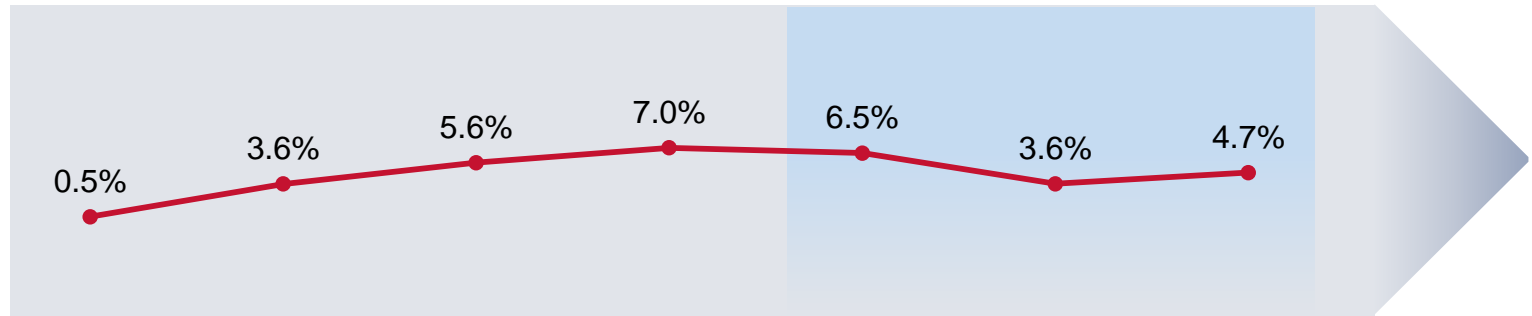
Free Cash Flow and Leverage

- Free Cash Flow of \$175MM⁽⁸⁾ or more expected
- Year-end leverage expected to improve to ~4.6x⁽³⁾ excluding DenTek, ~5.1x⁽³⁾ pro forma for DenTek

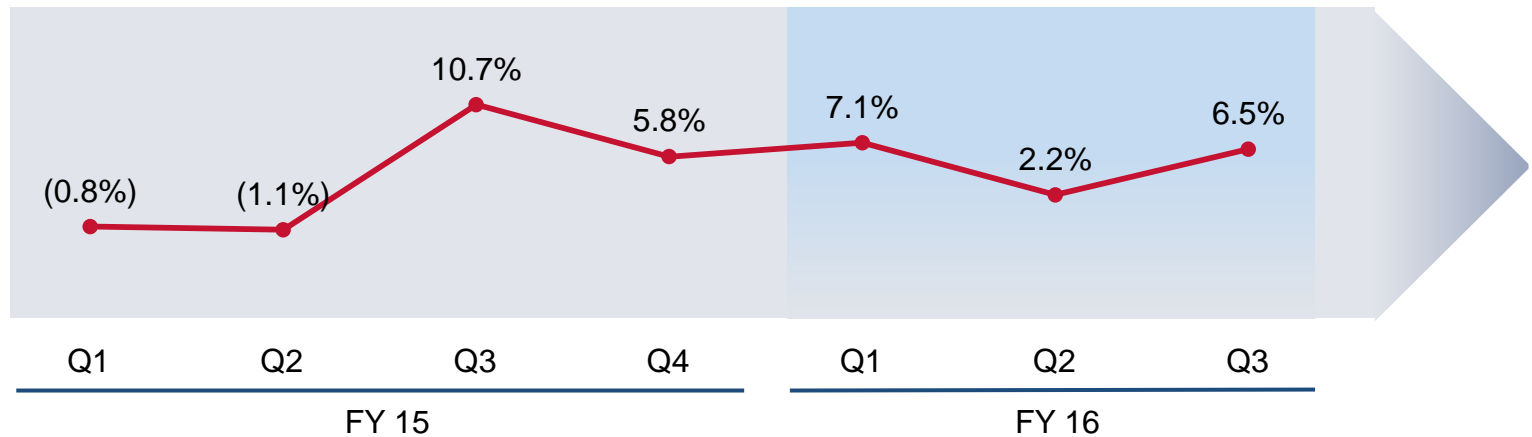
Note: Figures exclude impact of DenTek Acquisition and related financing.

Continued Core OTC Consumption Growth and Sales Momentum

Consumption Growth



Organic Sales Growth

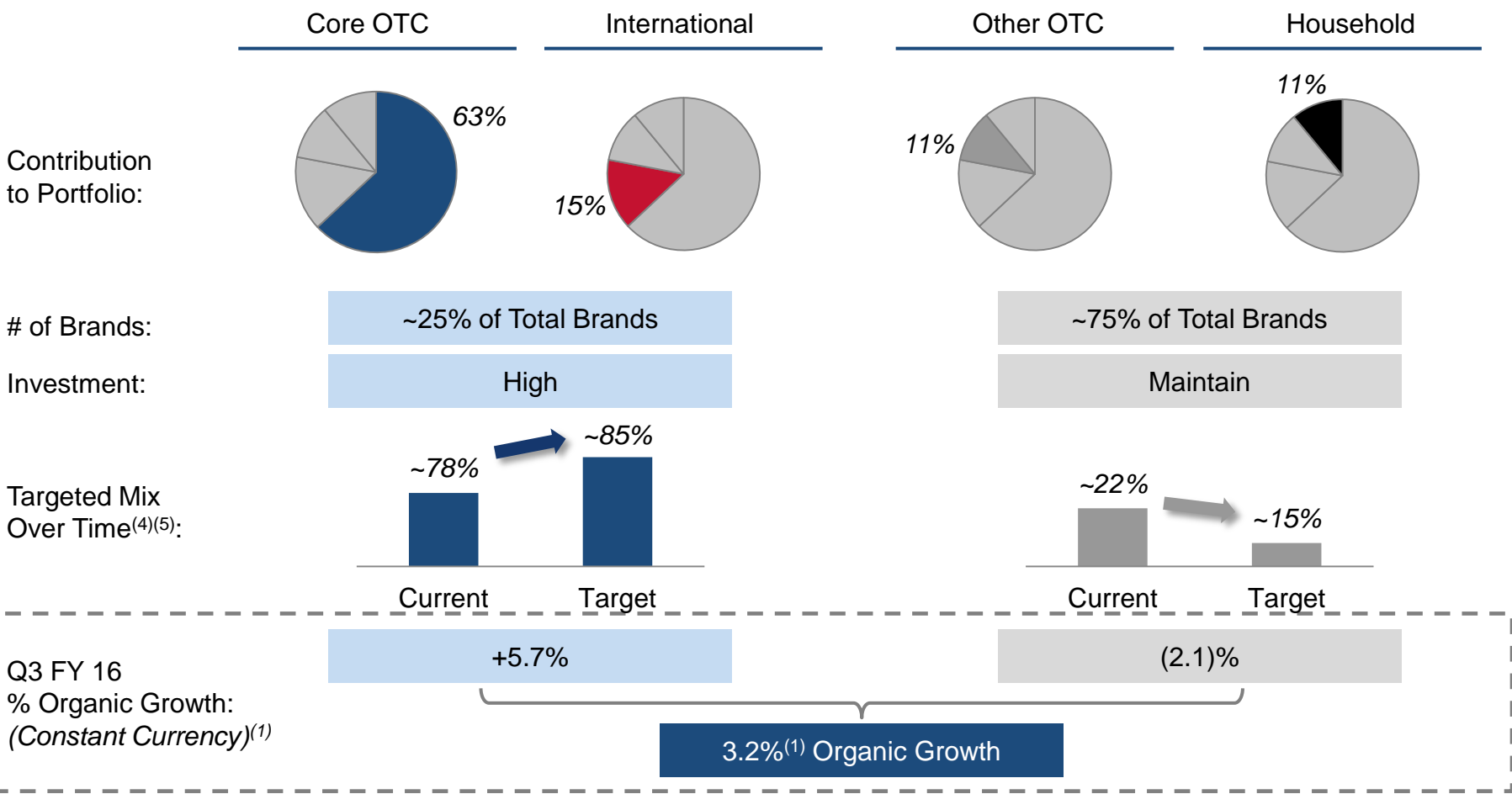


Source: IRI multi-outlet + C-Store retail dollar sales growth for relevant period.
 Data reflects retail dollar sales percentage growth versus prior period; FY'16 Organic sales growth presented on a constant currency basis.

Q3 Investment in Core OTC and International Driving Organic Growth

Invest for Growth

Manage for Cash Flow Generation



Expect to Complete Acquisition of DenTek in Early February



Brand Overview

- Innovative, scale brand with a leading position in a number of the highest growth oral care categories
- New product development, sales and marketing capabilities
- New product pipeline opportunity
- Broadly distributed in the U.S. in traditional food, drug, mass and online channels
- Meaningful international footprint (~15% of Revenue) growing rapidly in Europe, Canada and Latin America
- Outsourced manufacturing

Key Products Address Oral Care Consumer Needs



New \$100MM+ Oral Care Platform

Women's Health

MONISTAT[®]

ept

VITRON-C

URISTAT

~\$130

Cough & Cold

Chloraseptic

LUDEN'S

LITTLE REMEDIES

FESS

~\$120

Analgesics

BC

Goody's

ANACIN

Ecotrin

~\$120

Oral Care

DenTek

Efferdent
ANTI-BACTERIAL DENTURE CLEANSER

Gly-Oxide

~\$110

Eye & Ear Care

Clear eyes

Debrox

Murine

Stye

~\$100

Dollar values in millions
 Note: Figures represent Total Revenues.

Transaction Nears Objective of 85% of Portfolio Representing Invest for Growth Brands

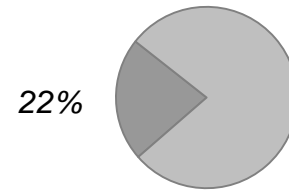
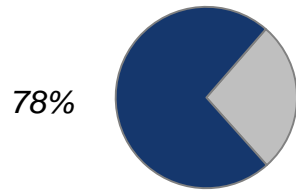
Invest for Growth

Manage for Cash Flow Generation

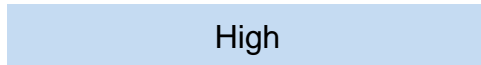
Core OTC / International

Other OTC / Household

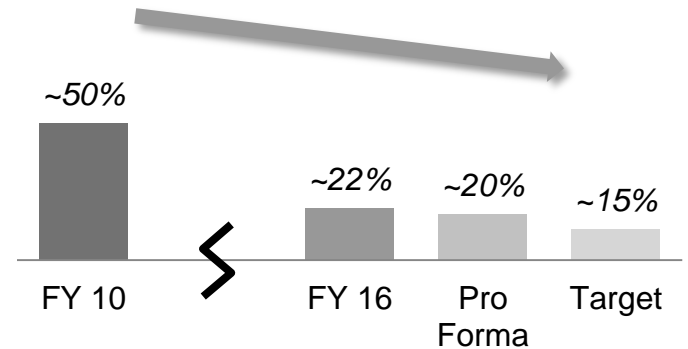
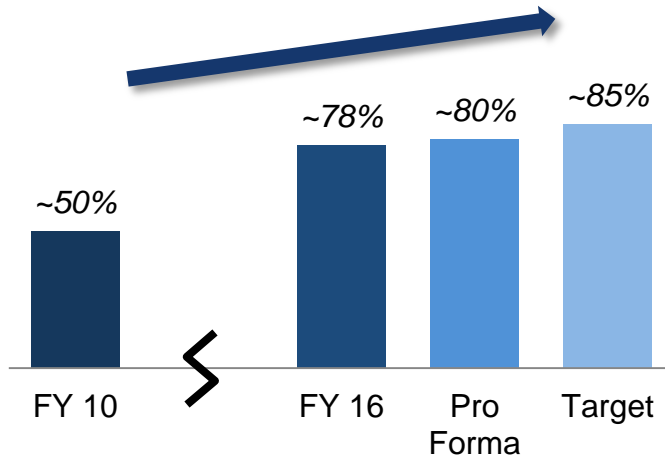
Pre-Acquisition
Period
Contribution
to Portfolio:



Investment:



Targeted Mix
Over Time:



Proven Core Competency of Rapidly Integrating Acquisitions



**Proven Path
for Value
Creation**

Systems / Back-Office

- Common IT systems and processes
- Leverage existing organization

Regulatory / Quality Assurance

- Regulatory and quality functions integrated

Sales & Distribution

- Go-to-market strategy in-place and selling organization integrated

Supply Chain

- Optimizing common supplier network
- Identifying and capturing cost savings potential

Brand Building

- Marketing strategy formation underway
- Brand plans and new product / innovation pipeline development

**Expect to
Complete by
End of Q3
FY 17**

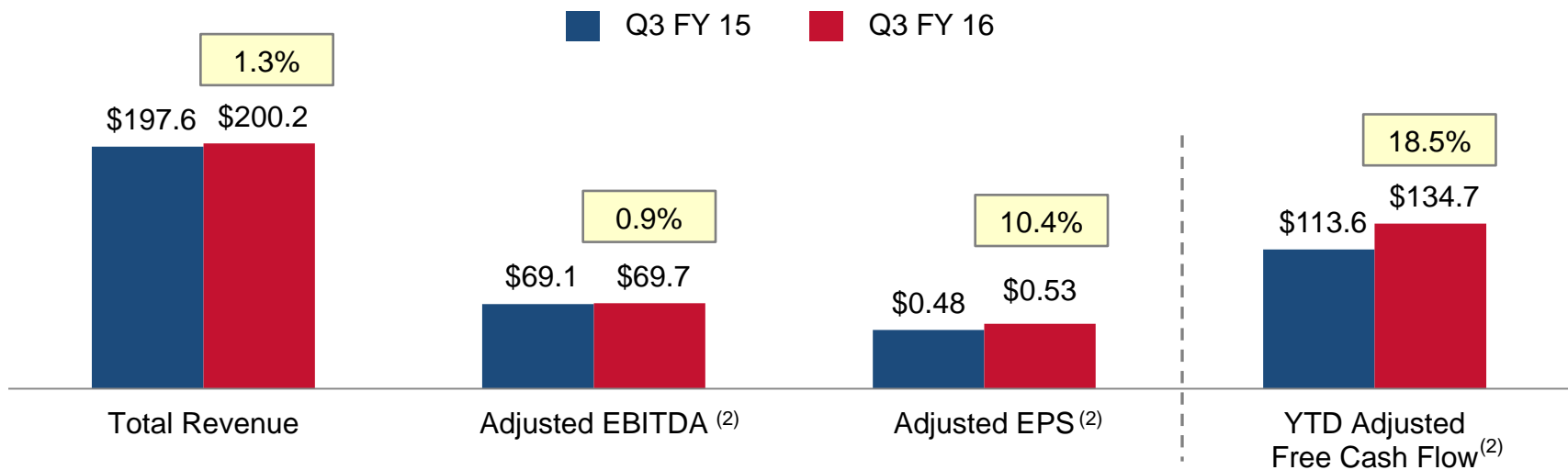
**On-Going
12-24
Months**

Financial Overview

Key Financial Results for Third Quarter Performance

- **Solid overall financial performance** in the quarter

- Revenue of \$200.2 million, an increase of 1.3%
- Revenue growth of 3.2%⁽¹⁾ excluding the impact of foreign currency
- Adjusted EPS of \$0.53⁽²⁾, up 10.4%
- Q3 Adjusted Free Cash Flow of \$45.8 million⁽²⁾, YTD Adjusted Free Cash Flow of \$134.7 million⁽²⁾



Dollar values in millions, except per share data.

FY 16 Third Quarter and YTD Consolidated Financial Summary

- Q3 Adjusted Gross Margin of 58.3%
- Q3 A&P of 15.0% of Total Revenue, or \$29.9 million
- Q3 G&A consistent with recent run-rate and increase versus prior year due to Insight acquisition and integration timing
- Q3 Adjusted EBITDA Margin of 34.8%⁽²⁾
- Q3 Adjusted EPS of \$0.53, up 10.4%⁽²⁾

	3 Months Ended			9 Months Ended		
	Dec '15	Dec '14	% Chg	Dec '15	Dec '14	% Chg
Total Revenue	\$ 200.2	\$ 197.6	1.3%	\$ 598.4	\$ 524.6	14.1%
Adj. Gross Margin	116.8	113.1	3.3%	349.0	298.4	17.0%
<i>% Margin</i>	58.3%	57.2%		58.3%	56.9%	
A&P	29.9	30.1	(0.7%)	84.3	74.3	13.4%
<i>% Total Revenue</i>	15.0%	15.3%		14.1%	14.2%	
Adj. G&A	17.1	13.8	24.1%	49.8	40.7	22.3%
<i>% Total Revenue</i>	8.6%	7.0%		8.3%	7.8%	
Adjusted EBITDA	\$ 69.7	\$ 69.1	0.9%	\$ 214.9	\$ 183.4	17.2%
<i>% Margin</i>	34.8%	35.0%		35.9%	35.0%	
Adjusted Net Income	\$ 28.4	\$ 25.4	11.6%	\$ 87.5	\$ 73.3	19.5%
Adjusted Earnings Per Share	\$ 0.53	\$ 0.48	10.4%	\$ 1.65	\$ 1.39	18.7%

Dollar values in millions, except per share data.
Refer to footnote 2 for all adjusted items above.

Exceptional Free Cash Flow Trends

Cash Flow

	Three Months Ended		Nine Months Ended	
	Dec '15	Dec '14	Dec '15	Dec '14
Net Income - As Reported	\$ 28.0	\$ 21.3	\$ 86.0	\$ 54.5
Depreciation & Amortization	6.1	5.2	17.5	12.0
Other Non-Cash Operating Items	13.0	12.6	44.5	30.7
Working Capital	(1.3)	8.0	(11.5)	7.0
Operating Cash Flow⁽⁶⁾	\$ 45.9	\$ 47.1	\$ 136.5	\$ 104.1
Additions to Property and Equipment	(0.9)	(2.3)	(2.5)	(3.7)
Free Cash Flow⁽²⁾	\$ 45.0	\$ 44.8	\$ 133.9	\$ 100.4
Acquisition Costs	0.8	0.8	0.8	13.2
Adjusted Free Cash Flow⁽²⁾	\$ 45.8	\$ 45.5	\$ 134.7	\$ 113.6

Dollar values in millions.

Comments

Debt Profile & Financial Compliance:

- Net Debt at 12/31/15 of \$1,429 million comprised of:
 - Cash on hand of \$49 million
 - \$828 million of term loan and revolver
 - \$650 million of bonds
- Leverage ratio⁽³⁾ of ~4.8x
- Pro forma leverage ratio⁽³⁾ of ~5.1x at year-end including acquisition of DenTek

FY 16 Outlook and the Road Ahead

Staying the Strategic Course to Continue Shareholder Value Creation

Strong Consumption Trends

- Consumption driving **good momentum into Q4**
- **Retail environment continues to present headwinds**, expected to continue through FY 17
- Expected **Fx impact** of approximately +\$15MM full year, no impact expected on EPS or FCF

Brand Building

- Continued **focus on investment in brand building** for FY 16
- **Invest and innovate in Core OTC brands and international platform**
- Continue to **build new product pipeline** for the long term

M&A Strategy

- **Rapidly integrate DenTek** upon closing
- Focus on **DenTek brand building and new product development pipeline**
- **Rapidly de-levering** and building meaningful M&A capacity

Confident in Full FY 16 Outlook

- **Revenue growth of +10% to +11%** to reflect current Fx rates, Q4 +0.5% to +1.5%
- **Expect full year Adjusted EPS at high end of \$2.05 to \$2.10⁽⁷⁾ range, or slightly above**
- **Free cash flow of \$175MM⁽⁸⁾ or more**
- Continued **A&P investment** in portfolio

Note: Figures exclude impact of DenTek Acquisition and related financing.

Q&A

Appendix

- (1) Revenue Growth and Organic Revenue Growth on a constant currency basis are Non-GAAP financial measures and are reconciled to their most closely related GAAP financial measures in our earnings release in the “About Non-GAAP Financial Measures” section.
- (2) Adjusted Gross Margin, Adjusted G&A, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted EPS, Free Cash Flow and Adjusted Free Cash Flow are Non-GAAP financial measures and are reconciled to their most closely related GAAP financial measures in our earnings release in the “About Non-GAAP Financial Measures” section.
- (3) Leverage ratio reflects net debt / covenant defined EBITDA.
- (4) Pro forma Net Sales for FY 15 as if Insight and Hydralyte were acquired on April 1, 2014.
- (5) Based on Company's organic long-term plan. Source: Company data.
- (6) Operating cash flow is equal to GAAP net cash provided by operating activities.
- (7) Adjusted EPS for FY 16 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 \$2.00 to \$2.05 plus \$0.05 of cost associated with legal and professional fees associated with acquisitions, term loan refinancing and CEO retirement totaling \$2.05 to \$2.10.
- (8) Free Cash Flow for FY 16 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 \$181 million less projected capital expenditures of \$6 million.