

# Prestige Consumer HEALTHCARE

## Review of Fourth Quarter and FY 2020 Results May 7<sup>th</sup>, 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 revenue growth and free cash flow conversion; the Company’s ability to adapt to the current changing environment, including ensuring the health and safety of employees and maintain business continuity; the Company’s ability to de-lever and create long-term shareholder value; the expected growth and consumption trends for the Company’s brands; the impact of brand-building and product introductions on the Company’s financial results; and the Company’s disciplined capital allocation strategy. 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 management initiatives, disruptions to distribution and supply chain, unexpected costs or liabilities, the scope and duration of the COVID-19 pandemic, government actions and the consequences for the global economy, uncertainties regarding how distribution channels and consumer behaviors will evolve over time in response to the pandemic, and its impact on our business, operations, results of operations and financial condition, including, among others, manufacturing, distribution and supply chain disruptions, reduced demand for our products and services, and the financial condition of our suppliers and customers, including their ability to fund their operations and pay their invoices 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 May 7, 2020 earnings release in the “About Non-GAAP Financial Measures” section.

# Agenda for Today's Discussion

- I. **Our Top Priorities in a Changing Environment**
- II. **Solid FY20 Financial Results**
- III. **Well-Positioned in a Dynamic Environment**
- IV. **FY 21 Outlook**

# Our Top Priorities in a Changing Environment

## People First

Ensure health & safety of employees

## Business Continuity

Robust continuity plans in place across the supply chain

## Protect Brands

Continue brand-building playbook, focused on opportunities

## Understand Consumer

Adapt to a dynamic consumer environment

## Disciplined Capital Strategy

Continued capital allocation optionality with focus on liquidity

**Remain Well Positioned for Long-Term Shareholder Value Creation**

## II. Solid FY20 Financial Results

**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**

**FESS**

# Strong Finish to Fiscal '20 in Q4

Revenue of \$251.2 million, up 4.6%<sup>(1)</sup> vs PY on an organic basis

Consumption growth of 7.0%<sup>(2)</sup> led by strong e-commerce, international growth and consumer stocking in March

Adjusted Gross Margin of 59.4%<sup>(3)</sup>, up 200 bps vs PY driven by mix and volume

Adjusted EPS of \$0.82<sup>(3)</sup>, up 13.9% versus PY

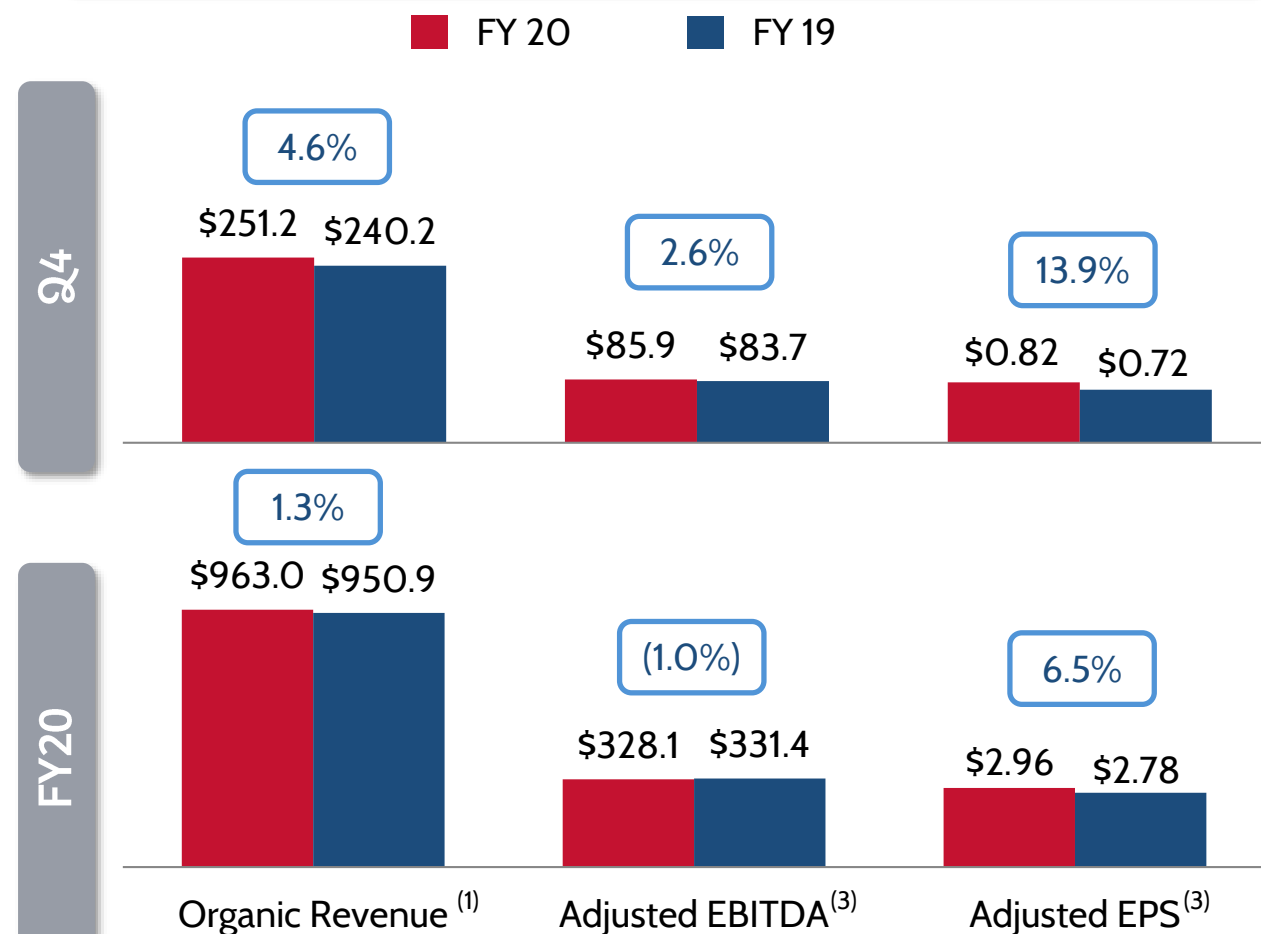
Strong cash flow generation of \$52.5 million and disciplined capital strategy

# Solid Financial Performance in FY 20

## FY 20 Financial Highlights

- Revenue of \$963.0 million, up 1.3%<sup>(1)</sup> versus FY 19 on an organic basis
  - Solid consumption growth of ~3%<sup>(2)</sup> aided by long-term brand building efforts
  - Strong growth in international and e-commerce
- Adjusted EBITDA margin of 34.1%<sup>(3)</sup> roughly flat versus prior year
- Adjusted EPS of \$2.96<sup>(3)</sup>, up 6.5% versus FY 19 Adjusted EPS
- Continued solid Adjusted Free Cash Flow of \$206.8 million<sup>(3)</sup>

## Q4 FY 20 and Full Year



Dollar values in millions, except per share data.

# FY 20 Fourth Quarter and Full-Year Consolidated Financial Summary

## 3 Months Ended

## 12 Months Ended

## Fiscal Year Commentary

	Q4 FY 20	Q4 FY 19	% Chg	FY 20	FY 19	% Chg
<b>Total Revenue</b>	\$ 251.2	\$ 241.0	4.2%	\$ 963.0	\$ 975.8	(1.3%)
<b>Adjusted Gross Margin<sup>(3)</sup></b>	<b>149.1</b>	<b>138.2</b>	<b>7.9%</b>	<b>561.4</b>	<b>555.7</b>	<b>1.0%</b>
% Margin	59.4%	57.4%		58.3%	57.0%	
<b>A&amp;P</b>	<b>40.2</b>	<b>34.4</b>	<b>16.7%</b>	<b>147.2</b>	<b>143.1</b>	<b>2.9%</b>
% Total Revenue	16.0%	14.3%		15.3%	14.7%	
<b>Adjusted G&amp;A<sup>(3)</sup></b>	<b>23.6</b>	<b>21.3</b>	<b>10.7%</b>	<b>89.1</b>	<b>85.5</b>	<b>4.2%</b>
% Total Revenue	9.4%	8.8%		9.3%	8.8%	
<b>D&amp;A (ex. COGS D&amp;A)</b>	<b>6.2</b>	<b>6.5</b>	<b>(4.0%)</b>	<b>24.8</b>	<b>27.0</b>	<b>(8.4%)</b>
% Total Revenue	2.5%	2.7%		2.6%	2.8%	
<b>Adjusted Operating Income<sup>(3)</sup></b>	<b>\$ 79.1</b>	<b>\$ 76.0</b>	<b>4.1%</b>	<b>\$ 300.3</b>	<b>\$ 300.1</b>	<b>0.1%</b>
% Margin	31.5%	31.5%		31.2%	30.8%	
<b>Adjusted Earnings Per Share<sup>(3)</sup></b>	<b>\$ 0.82</b>	<b>\$ 0.72</b>	<b>13.9%</b>	<b>\$ 2.96</b>	<b>\$ 2.78</b>	<b>6.5%</b>
<b>Adjusted EBITDA<sup>(3)</sup></b>	<b>\$ 85.9</b>	<b>\$ 83.7</b>	<b>2.6%</b>	<b>\$ 328.1</b>	<b>\$ 331.4</b>	<b>(1.0%)</b>
% Margin	34.2%	34.7%		34.1%	34.0%	

- Organic Revenue growth of 1.3%<sup>(1)</sup> vs prior year
  - Impacted by retailer inventory reductions
- Adjusted Gross Margin of 58.3%<sup>(3)</sup>, up 130 bps vs prior year
  - Gross Margin gain primarily related to shift in mix
  - Completed transition to new logistics provider at end of Q4
- Adjusted EPS of \$2.96<sup>(3)</sup> up 6.5% vs prior year
- Adjusted EBITDA margin of 34.1%<sup>(3)</sup> roughly flat
  - Reinvested Gross Margin savings in A&P for brand-building growth

Dollar values in millions, except per share data.

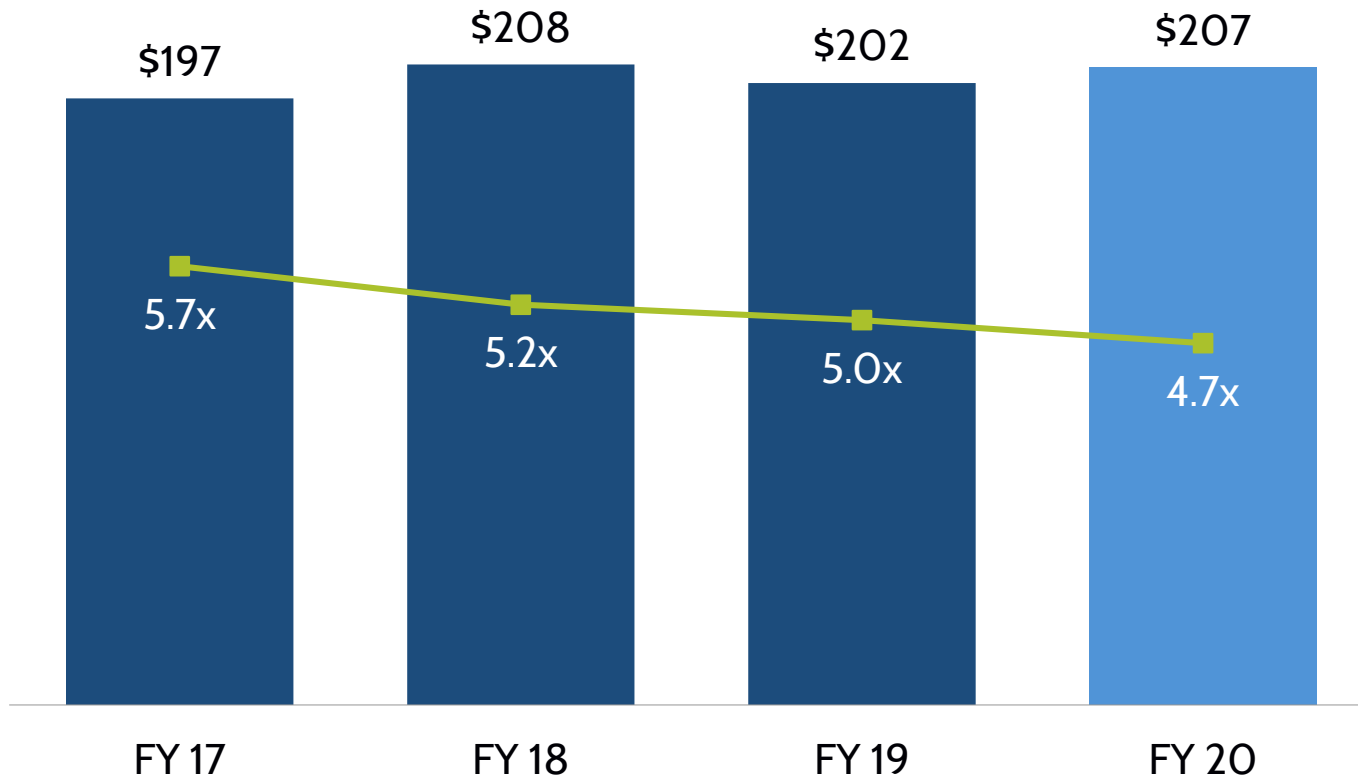
\*Includes depreciation as a component of Adjusted Gross Profit



# Industry Leading and Consistent Free Cash Flow Trends

## Adjusted Free Cash Flow<sup>(3)</sup>

— Leverage Ratio



Dollar values in millions

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

## Comments

- FY20 Adjusted Free Cash Flow<sup>(3)</sup> of \$206.8 million
  - Free Cash Flow conversion of 136% for FY20\*
- Net Debt<sup>(3)</sup> at March 31 of ~\$1.6 billion; leverage ratio of 4.7x<sup>(4)</sup> at end of FY20
  - \$107 million remaining availability on existing credit lines as of March 31st
  - Proactively expanded cash balance to ~\$95 million
- Reduced Net Debt<sup>(3)</sup> by \$135.2 million in FY20
  - Earliest debt instrument maturity January 2024
- Completed \$56.7 million in share repurchases in FY20

# III. Well-Positioned in a Dynamic Environment

**Compound W**  
WART REMOVER

**Fleet**

Summer's Eve

Dramamine

**DenTek**

**LUDEN'S**

**LITTLE  
REMEDIES**

**Efferdent**  
ANTI-BACTERIAL DENTURE CLEANSER

**Clear  
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**BC**

**Goody's**

**Chloraseptic**  
FAST ACTING

**Nix**  
PERMETHRIN

eat the foods you love!  
**beano**

**Hydralyte**

**MONISTAT**

**Gaviscon**  
and it's gone

**Debrox**

**FESS**

# FY 20: Delivered Against Three Pillars of our Strategy

#1

## Invest for Growth

- Brand building continued to drive consumption growth
- Successful new product launches across the portfolio
- Continued solid results in International segment

#2

## Cash Generation

- Strong & consistent adjusted free cash flow of \$207 million<sup>(3)</sup>
- Execution resulting in capital allocation opportunities

#3

## Capital Allocation

- Reduced Net Debt<sup>(3)</sup> by \$135 million
- Executed share repurchases of \$57 million
- Successfully transitioned to new logistics provider

# Strategy in Place for Long-term Shareholder Value Creation



**Robust Business Continuity Plans**



**Diverse Portfolio of Leading Consumer Healthcare Brands**



**Consumer Brand-Building Support Strategy**



**Ability to Adapt to a Dynamic Retail Environment**



**Disciplined Capital Allocation**

**Well-Positioned in a Dynamic Environment**

# Robust Business Continuity Plans



## Workforce



*Prioritizing health & safety while staffing appropriately*

## Supply Base



*Working closely with suppliers to ensure continued supply*

## Service

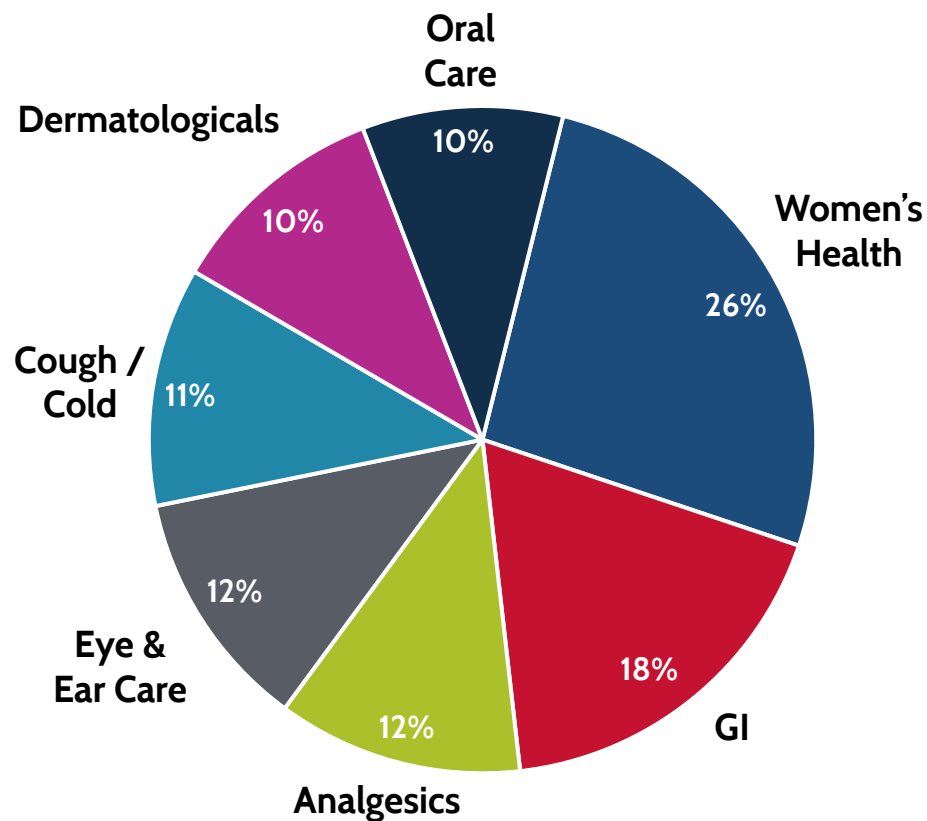


*Monitoring and maintaining ample inventory on critical items and brands*

# Advantages of a Diversified Portfolio of Leading Brands



## Total Sales by Category



Note: Sales reflect FY 20; Excludes 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**

**Goody's**  
FAST PAIN RELIEF

#1 Sore Throat Liquids/Lozenge

**Chloraseptic**  
FAST ACTING

#1 Allergy & Redness Relief Drop

**Clear eyes**

#1 Wart Removal  
#1 Lice/Parasite Treatments

**Compound W**  
WART REMOVER

**Nix**  
FOR HEAD Lice

# Portfolio Well-Positioned in a Changing Environment



**Dramamine**



**Diverse Portfolio Addressing Broad Range of Needs**

**A&P Reallocation Towards Higher Opportunity Brands**

**Benefit from Consumer Stocking of Certain Brands**

**Balance Short-Term Opportunity with Long-Term Positioning**

- Usage rates likely impacted by stay-at-home guidance
- Incidence rates will likely remain consistent
- Increased interest for cough & cold treatments and feminine care products

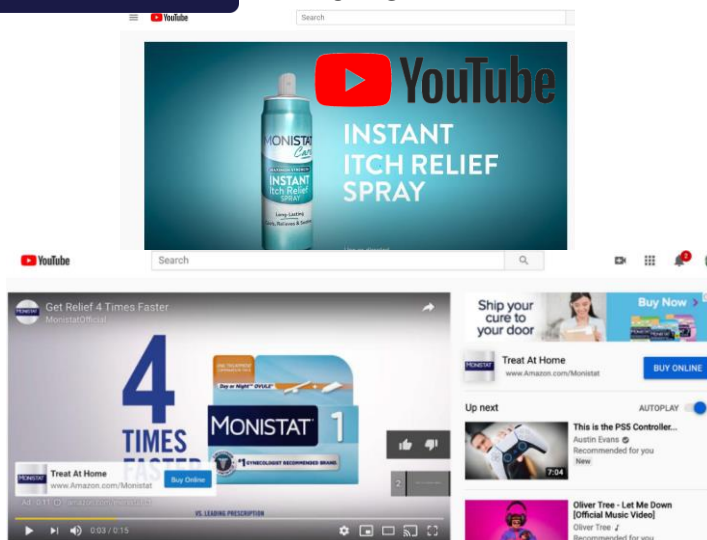
# Nimble Marketing Approach



## Shifting Media Mix

**MONISTAT**

- Reaching consumers at home



*Increased Focus on Digital and Addressable TV*

## Tailored Messaging



- Highlighting at-home usage opportunities



*Feel clean & fresh anytime, anywhere*

## Aiding the Front Line



- Thank you from Clear Eyes, the brand that whitens more eyes



*Donation of 100,000 bottles to NY Presbyterian and Mt. Sinai*



# Increased Support of E-Commerce in Response to Retail Trends



## Accelerated Growth in Q4



- More new people on eCommerce
- Increased media spend at end of March to capture more new users
- Incremental consumer interest in omni-channel features like Click-and-Collect

## Opportunistically Increased Support in E-Commerce Channel

### Relevant Messaging to Drive Traffic



### Expanded Symptoms to Target New Users



### E-Commerce Products and Packs

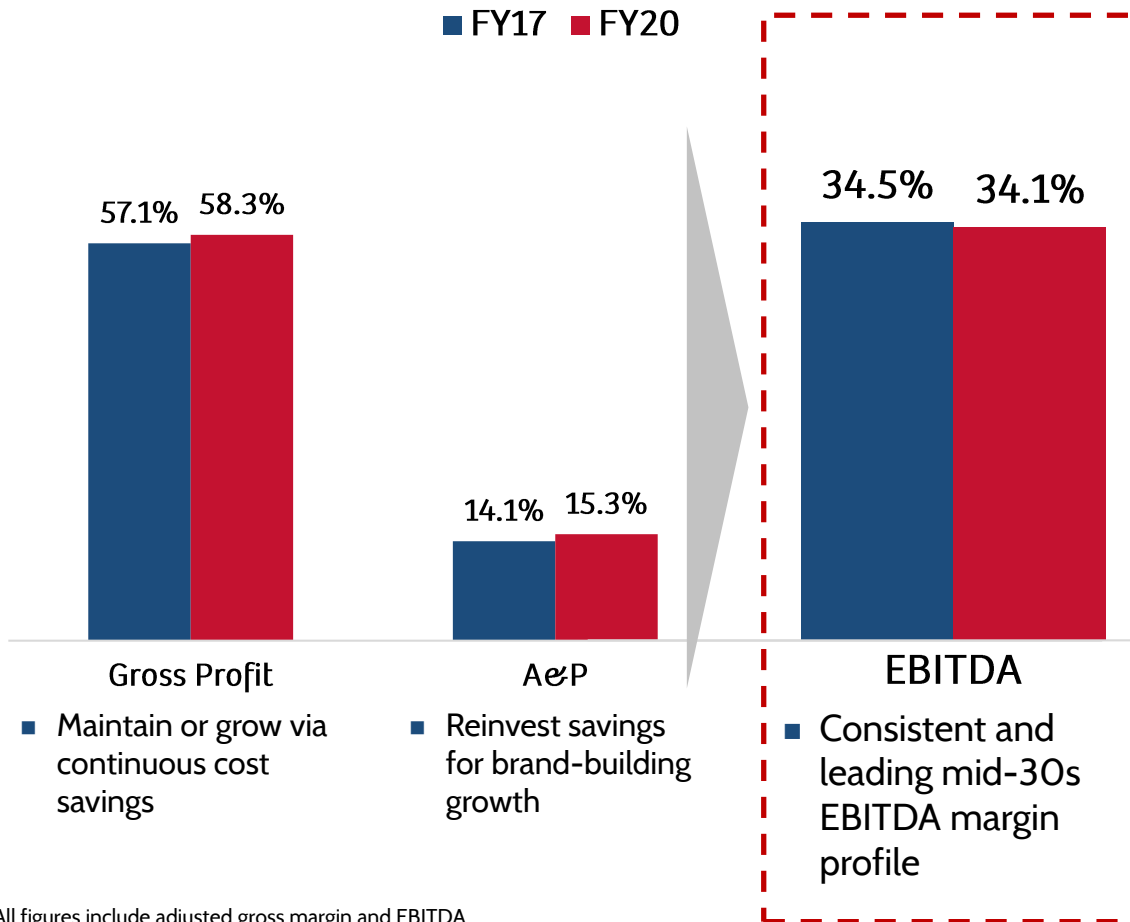


\*People who have not visited eCommerce and new to PBH brands

# Financial & Free Cash Flow Profiles Enable Flexibility



## Superior Profitability<sup>(3)</sup>



## Capital Allocation Strategy

- 1 Investment in Current Brand Portfolio to Drive Organic Growth
- 2 Continued Strategy of De-Leveraging
- 3 Share Repurchases
- 4 Pursue M&A that is Accretive to Shareholders

**Priorities are Clear and Remain Unchanged**

Note: All figures include adjusted gross margin and EBITDA. See appendix reconciliation tables.

# IV. FY 21 Outlook

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# FY 21 Outlook: Staying the Strategic Course to Create Value

## Time-Tested Playbook

- Business and strategy are well-positioned to weather changing environment
- Focus on brand-building to drive growth
- Leverage business model to drive strong free cash flow conversion

## Financial Outlook & Strategy

- Business environment too fluid to enable full-year guidance
  - Early considerations include expected consumption declines and FX headwind, partially offset by retailer catch up
  - Q1 FY21 outlook: \$220 million revenue or more, EPS of \$0.70 or more, but admittedly challenging to predict
- Continue to focus on debt reduction
- Proactively manage liquidity in uncertain environment
- Maintain business continuity

# 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 in the “About Non-GAAP Financial Measures” section.
- (2) Total company consumption is based on domestic IRI multi-outlet + C-Store retail sales for the period ending 3-22-20, retail sales 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, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Income, Adjusted Net Income, Adjusted EPS, Free Cash Flow, 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 earnings release in the “About Non-GAAP Financial Measures” section.
- (4) Leverage ratio reflects net debt / covenant defined EBITDA.

# Reconciliation Schedules

## Organic Revenue Growth

	Three Months Ended March 31,		Year Ended March 31,	
	2020	2019	2020	2019
<i>(In Thousands)</i>				
GAAP Total Revenues	\$ 251,235	\$ 241,026	\$ 963,010	\$ 975,777
Revenue Growth	<u>4.2%</u>		<u>(1.3%)</u>	
<u>Adjustments:</u>				
Revenue associated with divestiture	-	-	-	(19,811)
Allocated costs that remain after divestiture	-	-	-	(659)
Impact of foreign currency exchange rates	-	(836)	-	(4,370)
Total Adjustments	\$ -	\$ (836)	\$ -	\$ (24,840)
Non-GAAP Organic Revenues	\$ 251,235	\$ 240,190	\$ 963,010	\$ 950,937
Non-GAAP Organic Revenues Growth	<u>4.6%</u>		<u>1.3%</u>	

# Reconciliation Schedules (Continued)

## Adjusted Gross Margin

	Three Months Ended March 31,		Year Ended March 31,		
	2020	2019	2020	2019	2017
<i>(In Thousands)</i>					
GAAP Total Revenues	\$ 251,235	\$ 241,026	\$ 963,010	\$ 975,777	\$ 882,060
GAAP Gross Profit	\$ 143,910	\$ 138,246	\$ 552,223	\$ 555,576	\$ 500,286
GAAP Gross Profit as a Percentage of GAAP Total Revenue	57.3%	57.4%	57.3%	56.9%	56.7%
<b>Adjustments:</b>					
Inventory step-up charges and other costs associated with acquisitions	-	-	-	-	1,664
Transition and other costs associated with new warehouse and divestiture <sup>(a)</sup>	5,208	-	9,170	170	1,367
Total adjustments	5,208	-	9,170	170	3,031
Non-GAAP Adjusted Gross Margin	\$ 149,118	\$ 138,246	\$ 561,393	\$ 555,746	\$ 503,317
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	59.4%	57.4%	58.3%	57.0%	57.1%

- a) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Items related to divestiture represent costs related to divesting of assets sold.

## Adjusted Ge/A

	Three Months Ended March 31,		Year Ended March 31,	
	2020	2019	2020	2019
<i>(In Thousands)</i>				
GAAP General and Administrative Expense	\$ 23,584	\$ 21,299	\$ 89,112	\$ 89,759
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	9.4%	8.8%	9.3%	9.2%
<b>Adjustments:</b>				
Transition and other costs associated with divestiture <sup>(a)</sup>	-	-	-	4,272
Total adjustments	-	-	-	4,272
Non-GAAP Adjusted General and Administrative Expense	\$ 23,584	\$ 21,299	\$ 89,112	\$ 85,487
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	9.4%	8.8%	9.3%	8.8%

- a) Items related to divestiture represent costs related to divesting of assets sold, including (but not limited to) costs to exit or convert contractual obligations, severance and consulting costs; and certain costs related to the consummation of the divestiture process such as legal and other related professional fees.



# Reconciliation Schedules (Continued)

## Adjusted EBITDA

	Three Months Ended March 31,		Year Ended March 31,		
	2020	2019	2020	2019	2017
<i>(In Thousands)</i>					
GAAP Net Income (Loss)	\$ 37,046	\$ (139,274)	\$ 142,281	\$ (35,800)	\$ 69,395
Interest expense, net	22,452	25,745	96,224	105,082	93,343
Provision (benefit) for income taxes	13,489	(39,756)	48,870	(2,255)	41,455
Depreciation and amortization	7,331	7,526	28,995	31,779	25,792
Non-GAAP EBITDA	80,318	(145,759)	316,370	98,806	229,985
Non-GAAP EBITDA Margin	32.0%	(60.5%)	32.9%	10.1%	26.1%
<b>Adjustments:</b>					
Inventory step-up charges and other costs associated with acquisitions	-	-	-	-	1,664
Transition and other costs associated with new warehouse and divestiture in Cost of Goods Sold <sup>(a)</sup>	5,208	-	9,170	170	1,367
Transition and other costs associated with divestiture in Advertising and Promotion Expense	-	-	-	-	2,242
Transition and other costs associated with divestiture in General and Administrative Expense <sup>(b)</sup>	-	-	-	4,272	16,015
Loss on disposal of assets	382	-	382	-	-
Goodwill and tradename impairment	-	229,461	-	229,461	-
Loss on extinguishment of debt	-	-	2,155	-	1,420
Loss (gain) on divestiture	-	-	-	(1,284)	51,820
Total adjustments	5,590	229,461	11,707	232,619	74,528
Non-GAAP Adjusted EBITDA	\$ 85,908	\$ 83,702	\$ 328,077	\$ 331,425	\$ 304,513
Non-GAAP Adjusted EBITDA Margin	34.2%	34.7%	34.1%	34.0%	34.5%

- a) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Items related to divestiture represent costs related to divesting of assets sold.
- b) Items related to divestiture represent costs related to divesting of assets sold, including (but not limited to) costs to exit or convert contractual obligations, severance and consulting costs; and certain costs related to the consummation of the divestiture process such as legal and other related professional fees.

# Reconciliation Schedules (Continued)

## Adjusted Net Income and Adjusted EPS

	Three Months Ended March 31,				Year Ended March 31,			
	2020		2019		2020		2019	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
<i>(In Thousands, except per share data)</i>								
GAAP Net Income (Loss) <sup>(a)</sup>	\$ 37,046	\$ 0.73	\$ (139,274)	\$ (2.67)	\$ 142,281	\$ 2.78	\$ (35,800)	\$ (0.68)
<b>Adjustments:</b>								
Transition and other costs associated with new warehouse and divestiture in Cost of Goods Sold <sup>(b)</sup>	5,208	0.10	-	-	9,170	0.18	170	-
Transition and other costs associated with divestiture in General and Administrative Expense <sup>(c)</sup>	-	-	-	-	-	-	4,272	0.08
Loss on disposal of assets	382	0.01	-	-	382	0.01	-	-
Accelerated amortization of debt origination costs	-	-	-	-	-	-	706	0.01
Goodwill and tradename impairment	-	-	229,461	4.40	-	-	229,461	4.38
Loss on extinguishment of debt	-	-	-	-	2,155	0.04	-	-
Gain on divestiture	-	-	-	-	-	-	(1,284)	(0.02)
Tax impact of adjustments <sup>(d)</sup>	(1,420)	(0.03)	(58,283)	(1.12)	(2,974)	(0.06)	(57,863)	(1.10)
Normalized tax rate adjustment <sup>(e)</sup>	653	0.01	5,717	0.11	318	0.01	6,132	0.11
<b>Total Adjustments</b>	<b>4,823</b>	<b>0.09</b>	<b>176,895</b>	<b>3.39</b>	<b>9,051</b>	<b>0.18</b>	<b>181,594</b>	<b>3.46</b>
<b>Non-GAAP Adjusted Net Income and Adjusted EPS</b>	<b>\$ 41,869</b>	<b>\$ 0.82</b>	<b>\$ 37,621</b>	<b>\$ 0.72</b>	<b>\$ 151,332</b>	<b>\$ 2.96</b>	<b>\$ 145,794</b>	<b>\$ 2.78</b>

Note: Amounts may not add due to rounding.

- a) Reported GAAP for loss periods is calculated using diluted shares outstanding. Diluted shares outstanding for the three and twelve months ended March 31, 2019 are 52,197 and 52,373, respectively.
- b) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Items related to divestiture represent costs related to divesting of assets sold.
- c) Items related to divestiture represent costs related to divesting of assets sold, including (but not limited to) costs to exit or convert contractual obligations, severance and consulting costs; and certain costs related to the consummation of the divestiture process such as legal and other related professional fees.
- d) 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.
- e) Income tax adjustment to adjust for discrete income tax items.

# Reconciliation Schedules (Continued)

## Adjusted Free Cash Flow

	Three Months Ended March 31,		Year Ended March 31,	
	2020	2019	2020	2019
<i>(In Thousands)</i>				
GAAP Net Income	\$ 37,046	\$ (139,274)	\$ 142,281	\$ (35,800)
<b>Adjustments:</b>				
Adjustments to reconcile net income (loss) to net cash provided by operating activities as shown in the Statement of Cash Flows	20,056	195,975	66,041	233,400
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	(976)	(5,854)	8,802	(8,316)
Total Adjustments	19,080	190,121	74,843	225,084
GAAP Net cash provided by operating activities	56,126	50,847	217,124	189,284
Purchase of property and equipment	(5,505)	(3,341)	(14,560)	(10,480)
Non-GAAP Free Cash Flow	50,621	47,506	202,564	178,804
Transition and other payments associated with new warehouse and divestiture <sup>(a)</sup>	1,876	-	4,203	10,902
Additional income tax payments associated with divestiture	-	-	-	12,656
Non-GAAP Adjusted Free Cash Flow	\$ 52,497	\$ 47,506	\$ 206,767	\$ 202,362

- a) Payments related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition. Payments related to divestiture represent costs related to divesting of assets sold, including (but not limited to) costs to exit or convert contractual obligations, severance, and consulting costs; and certain costs related to the consummation of the divestiture process such as legal and other related professional fees.

# Reconciliation Schedules (Continued)

## Adjusted Free Cash Flow

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
GAAP Net Income	\$ 69,395	\$ 339,570	\$ (35,800)	\$ 142,281
<u>Adjustments</u>				
Adjustments to reconcile net income to net cash provided by operating activities as shown in the statement of cash flows	92,613	(113,698)	233,400	66,041
Changes in operating assets and liabilities, net of effects from acquisitions as shown in the statement of cash flows	(13,336)	(15,762)	(8,316)	8,802
Total adjustments	<u>79,277</u>	<u>(129,460)</u>	<u>225,084</u>	<u>74,843</u>
<b>GAAP Net cash provided by operating activities</b>	<b>148,672</b>	<b>210,110</b>	<b>189,284</b>	<b>217,124</b>
Purchases of property and equipment	(2,977)	(12,532)	(10,480)	(14,560)
<b>Non-GAAP Free Cash Flow</b>	<b>145,695</b>	<b>197,578</b>	<b>178,804</b>	<b>202,564</b>
Premium payment on 2010 Senior Notes	-	-	-	-
Premium payment on extinguishment of 2012 Senior Notes	-	-	-	-
Accelerated payments due to debt refinancing	9,184	182	-	-
Integration, transition and other payments associated with acquisitions	10,448	10,358	10,902	4,203
Pension contribution	6,000	-	-	-
Additional income tax payments associated with divestitures	25,545	-	12,656	-
Total adjustments	<u>51,177</u>	<u>10,540</u>	<u>23,558</u>	<u>4,203</u>
<b>Non-GAAP Adjusted Free Cash Flow</b>	<b><u>\$ 196,872</u></b>	<b><u>\$ 208,118</u></b>	<b><u>\$ 202,362</u></b>	<b><u>\$ 206,767</u></b>