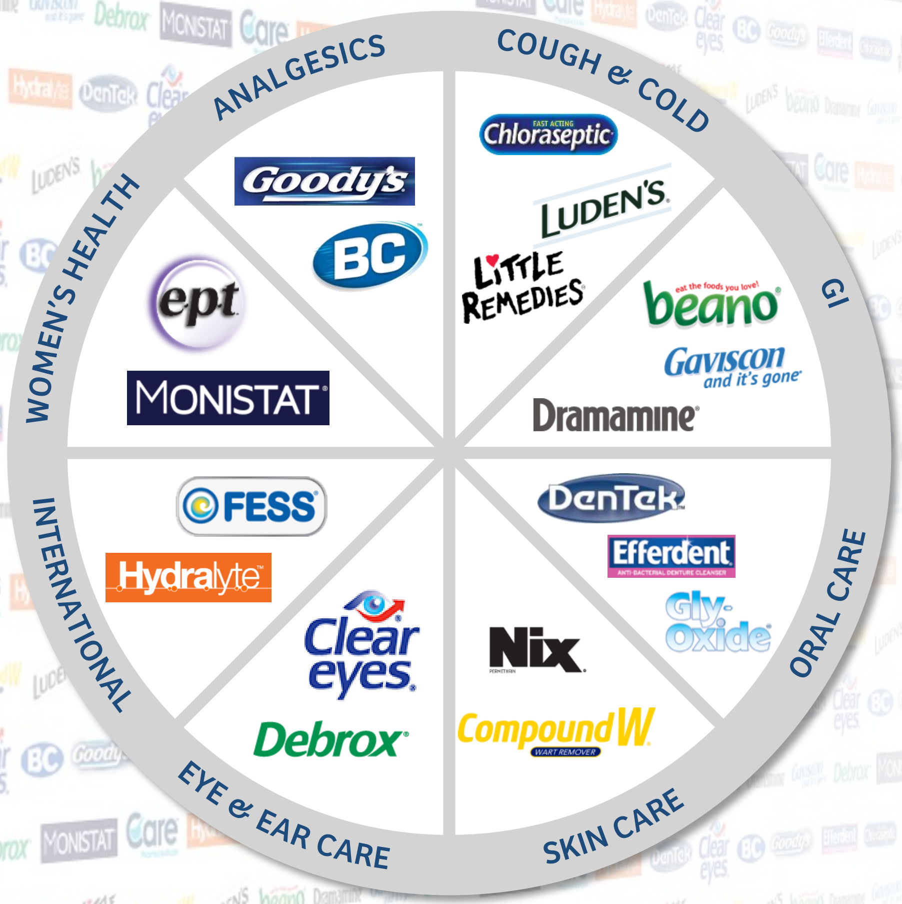
Prestige Brands



Investor Day

May 25, 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 Company's expected financial performance, including revenue growth, EPS, cash flow, adjusted free cash flow, gross margin, EBITDA margin and G&A, the Company's investment in brand-building and A&P, the Company's ability to de-lever, increase financing capacity and increase M&A capacity, the Company's ability to increase shareholder value, 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, general economic and business conditions, regulatory matters, competitive pressures, the impact of our advertising and promotional initiatives, supplier issues, unexpected costs, 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. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of 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.

Today's Presenters

Ron Lombardi
President & Chief Executive Officer

David Marberger
Chief Financial Officer

Tim Connors
Executive VP, Sales & Marketing

Agenda for Today's Discussion

I. Setting the Stage

II. PrestigeBrands Value Proposition

III. Sustainable Growth Through Brand Building

IV. Financial Results and Outlook

V. Long-Term Value Creation Model

VI. Q&A

Setting the Stage

Ron Lombardi

President & CEO

Our Corporate Mission

To Be the Best Mid-Sized, Public Company in the Consumer Health Care Market

The following principles guide us in this endeavor:

- **Deliver** outstanding shareholder value through superior growth in sales, profits, and cash flow
- **Create** innovative products that exceed our consumers expectations
- **Engage** in true partnerships with our suppliers and customers
- **Build** a company culture founded on leadership, trust, change and execution

Helping Consumers Care for Themselves

5+ Billion eye drops per year

Clear eyes

650 Million throat drops for every cold season

Luden's
Chloraseptic

17 Million doses of pain relief per week

BC
Goody's

Source: Company records

Prestige Brands Snapshot

Leading OTC Platform
in North America

$850 Million(2)
in Revenue Across Leading OTC Franchises

$4.5 Billion(1)
Enterprise Value

92%(1)
Shareholder Return Since 2013 Investor Day
+3.8x vs. S&P 500

(1) Market data as of May 20, 2016
(2) Includes approximate run-rate revenue pro forma for the acquisition of DenTek

Key Messages

Investor Day 2013

"Transformation"

- **New** team
- **New** OTC focus
- **New** emphasis on brand building

Investor Day 2016

"Sustainable Growth Formula"

- **Durable** value proposition
- **Sustainable** formula for growth
- **Proven** long-term value creation model

Meaningful Continued Progress Along A Number of Dimensions

M&A

Portfolio

Growth

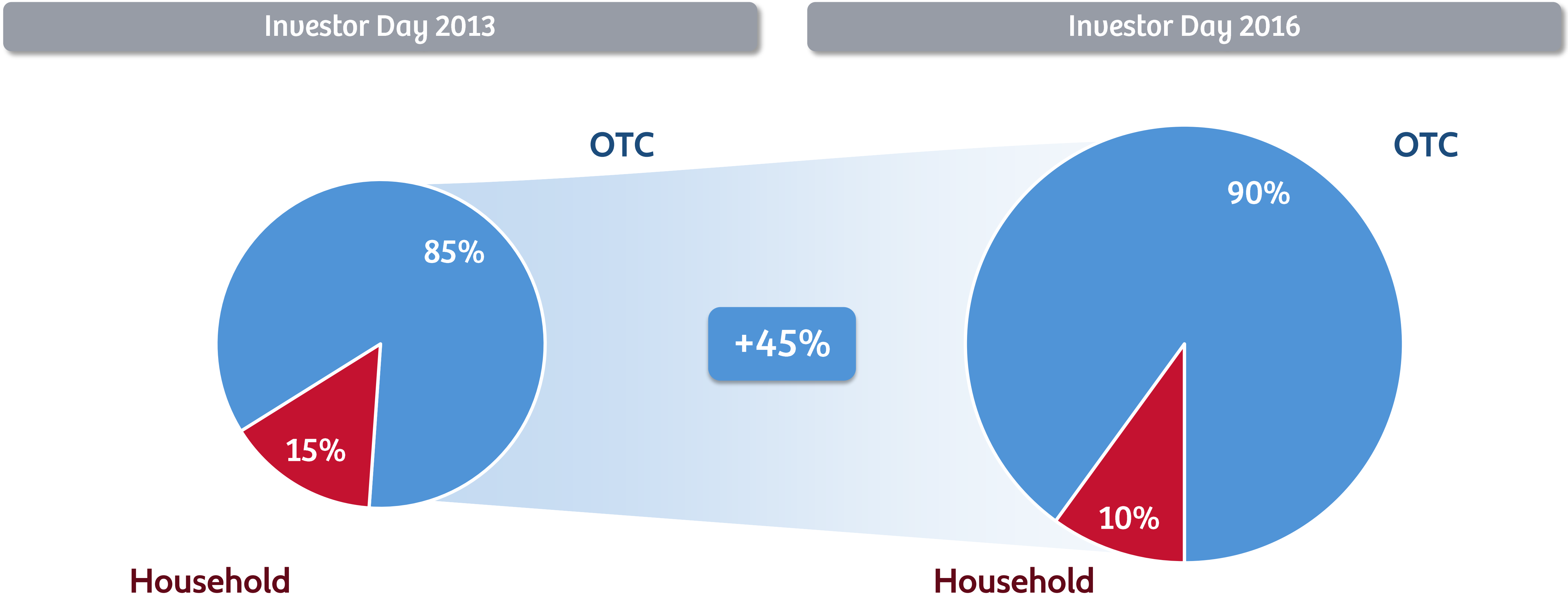
PrestigeBrands

Core Brands

International

Categories

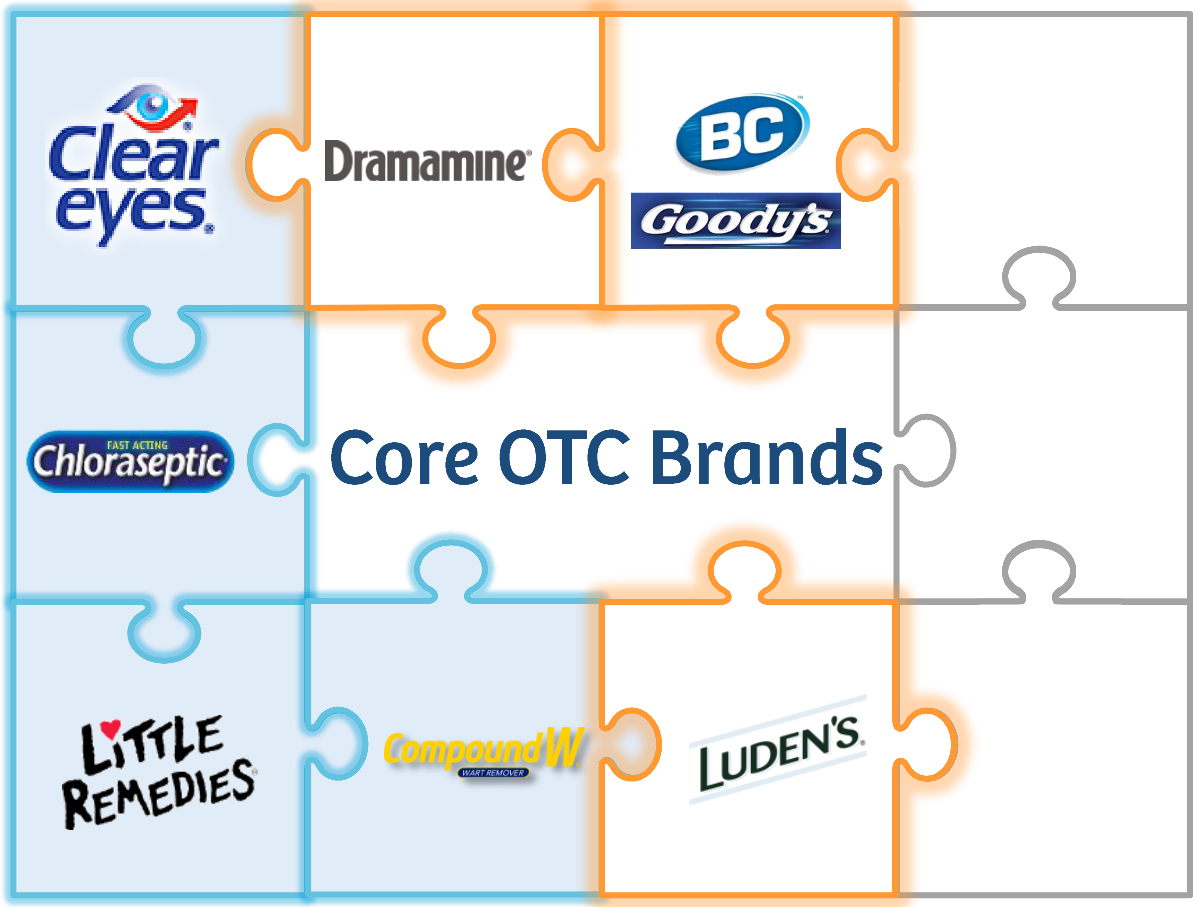
OTC Represents A Greater Share of the Portfolio



Note: 2016 figures Include approximate run-rate revenue pro forma for the acquisition of DenTek

Meaningful Additions to Core OTC Portfolio

Investor Day 2013



Investor Day 2016

Portfolio Supported by Consumer Megatrends

Consumer Dynamics → **Health Care Dynamics** → **Consumer Response**

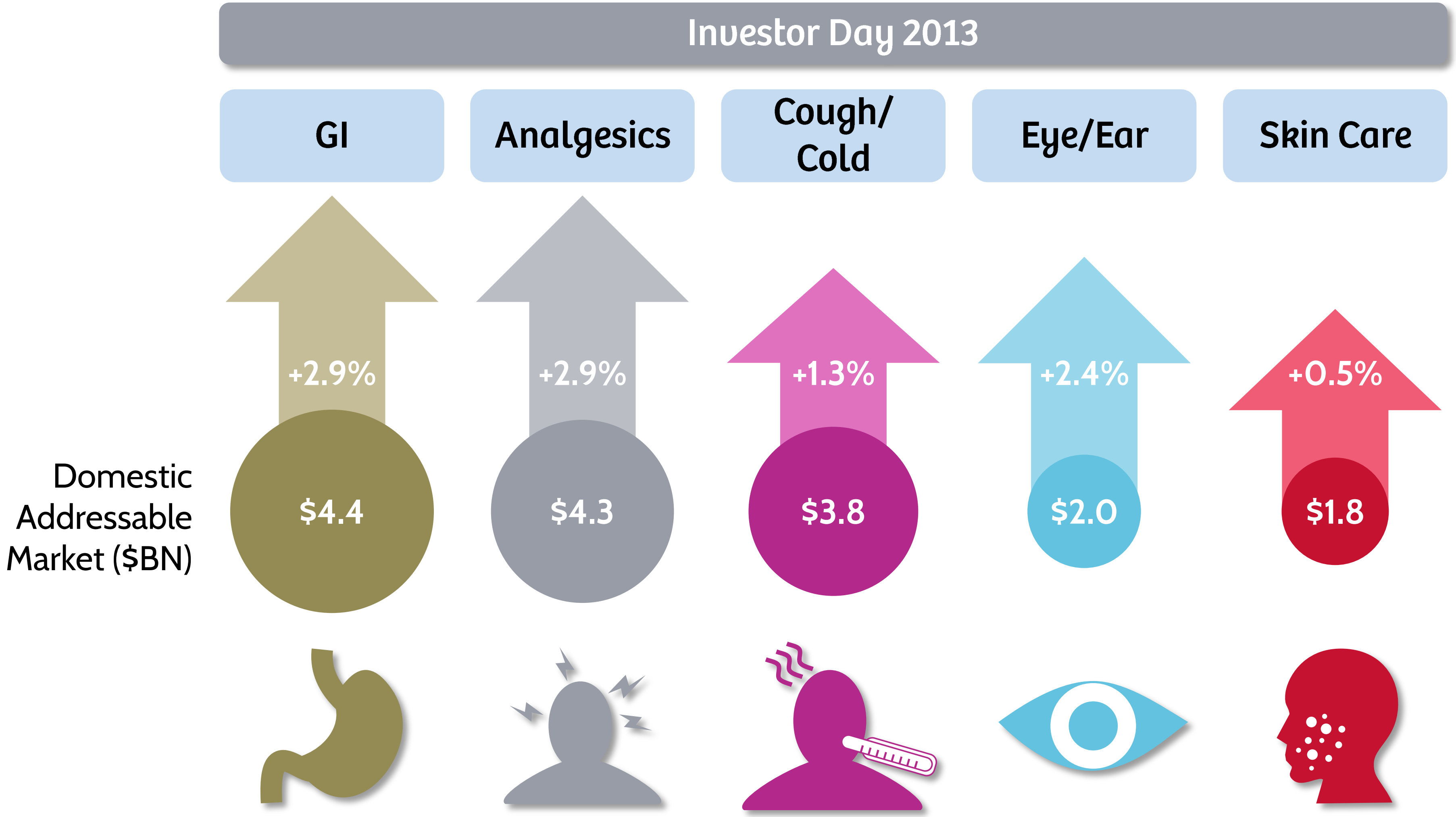
Consumer Dynamics
- Boomers Accelerating Demand for Health Care
- Growing Incidence of Chronic Disease
- Digital Explosion of Health Information

Health Care Dynamics
- Employers Shift Responsibility to Employees
- ACA Increasing Demand with More Newly Insured
- Shortage of Primary Care Physicians

Consumer Response

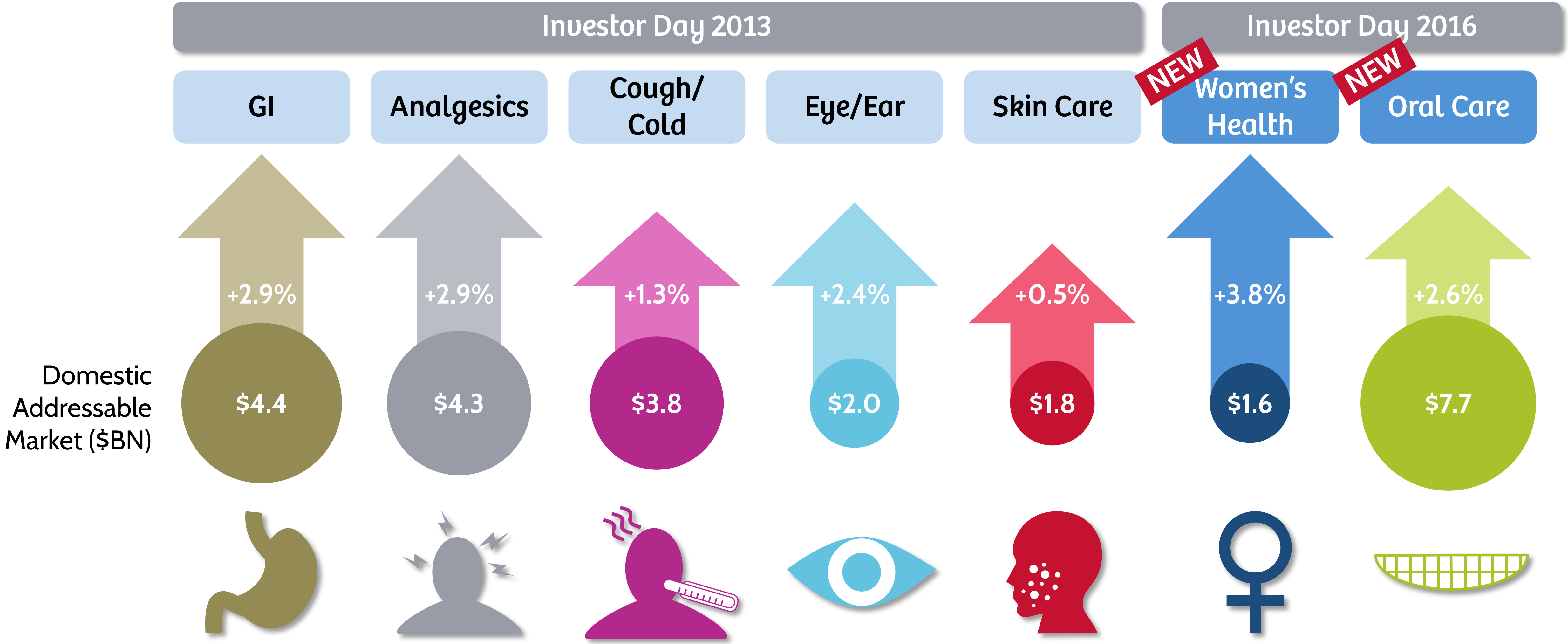
Increasing Focus on Wellness and Self-Care

Participate in Large & Growing Categories



Source: Company information; Y/Y LTM growth; IRI MULO for the LTM period ending March 20, 2016

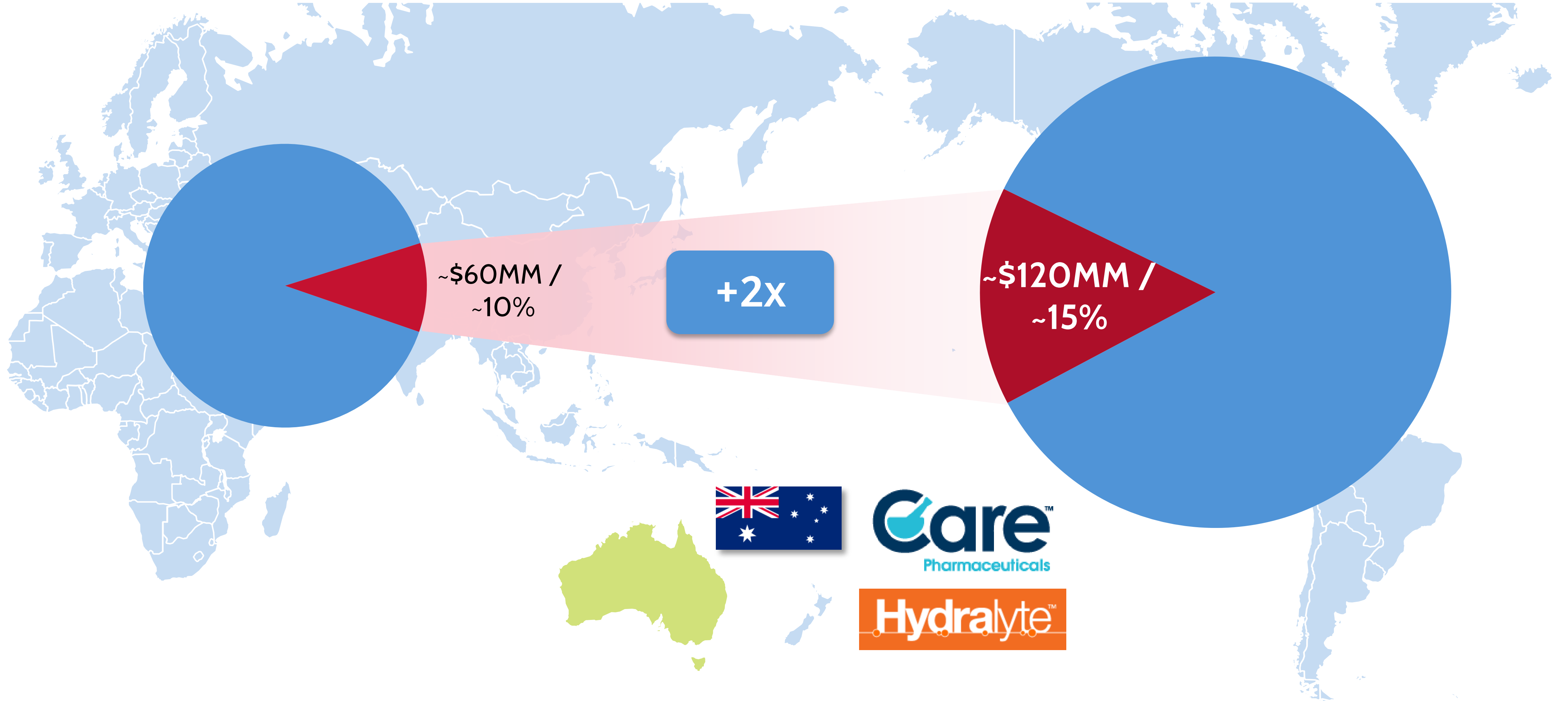
Prestige Added Two Attractive, Scale Category Platforms Since the Last Investor Day



Source: Company information; Y/Y LTM growth; IRI MULO for the LTM period ending March 20, 2016

Our International Business Has Doubled

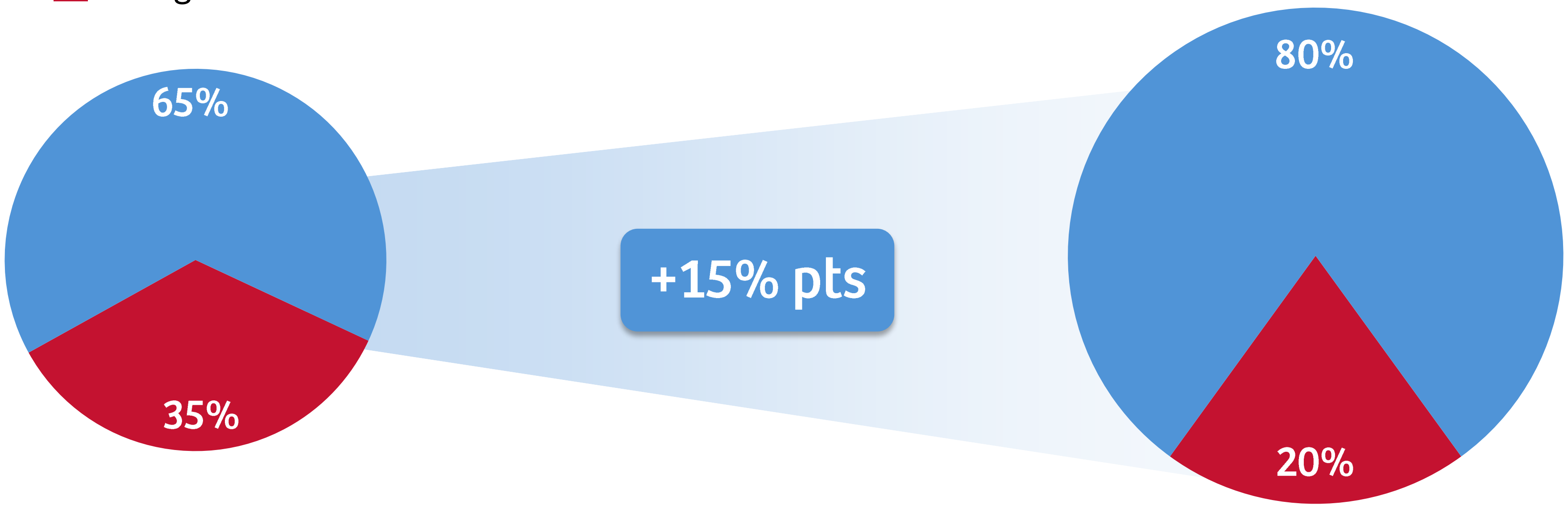
Investor Day 2013	Investor Day 2016



Invest for Growth Portfolio

Investor Day 2013	Investor Day 2016

Invest for Growth Manage for Cash



Organic Revenue Growth: 1.4%[(1)] +2x 2.8%[(2)]

(1) FY 2013 Fourth Quarter Results presentation
(2) Company information per attached reconciliation schedule; reflected on a constant currency basis

Proven and Repeatable M&A Strategy

Investor Day 2013			Investor Day 2016			
Luden's, Efferdent	Dramamine	BC, Ecotrin, Goody's, beano, Debrox, Fiber Choice, Gaviscon	Care Pharmaceuticals	Hydralyte	Monistat, Nix	DenTek
Sep 2010	Dec 2010	Dec 2011	Jul 2013	Apr 2014	Apr 2014	Nov 2015

International

$900MM Enterprise Value

$1.1BN Enterprise Value

PrestigeBrands

Value Proposition

Ron Lombardi

President & CEO

Prestige's Value Proposition

1. **Diversified Portfolio** of Leading, Trusted Brands

+

2. **Leading Branded Competitor** Across Key Categories

+

3. **Established Organic Growth** Playbook

+

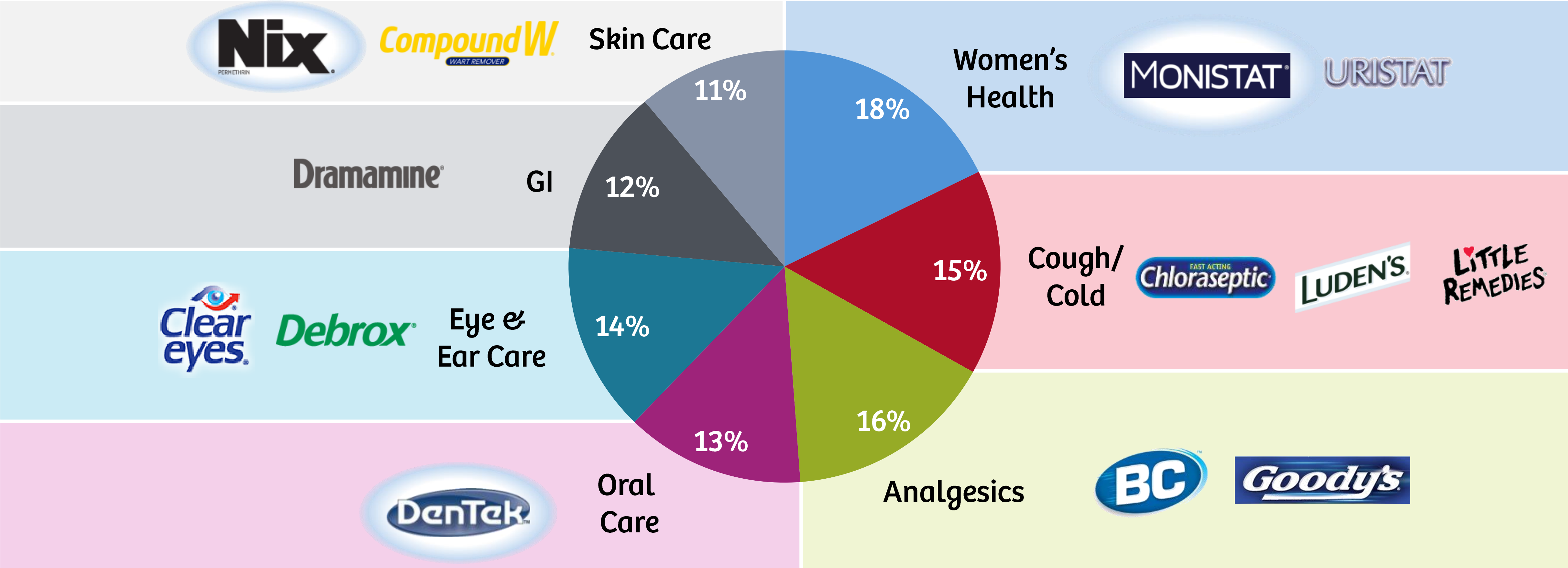
4. **Scalable** and Efficient **Platform**

+

5. Organic Growth Engine **Reinforced by M&A**

Superior Shareholder Value Creation

Diversified Portfolio of Leading, Trusted Brands



Source: Company filings for OTC revenues for FY 16
Note: Pro forma for DenTek acquisition; excludes Household

Portfolio Composed of Brands with #1 / #2 Positions Across Key Segments Within Larger Categories

Gastrointestinal

- Dramamine #1
- Beano #1
- Gaviscon #2

Skin Care

- Nix #2
- Compound W #1
- New-Skin #1

Women's Health

- Monistat #1

Eye & Ear Care

- Clear Eyes #1
- Debrox #1

Cough/Cold

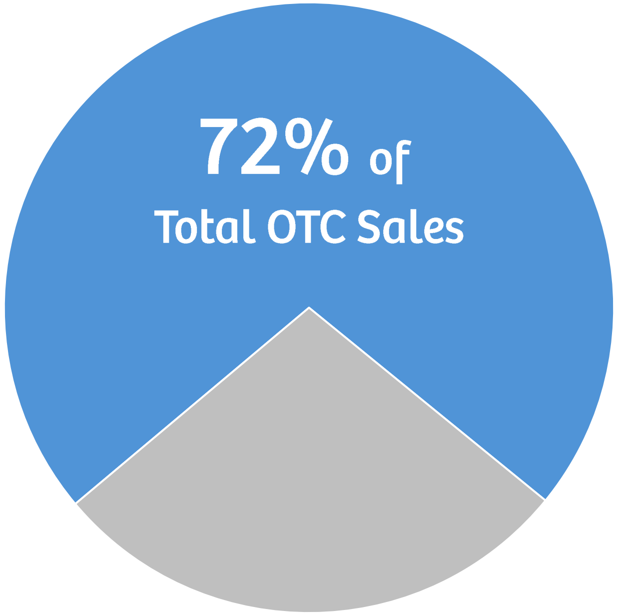
- Chloraseptic #1

Oral Care

- DenTek #1
- Efferdent #2

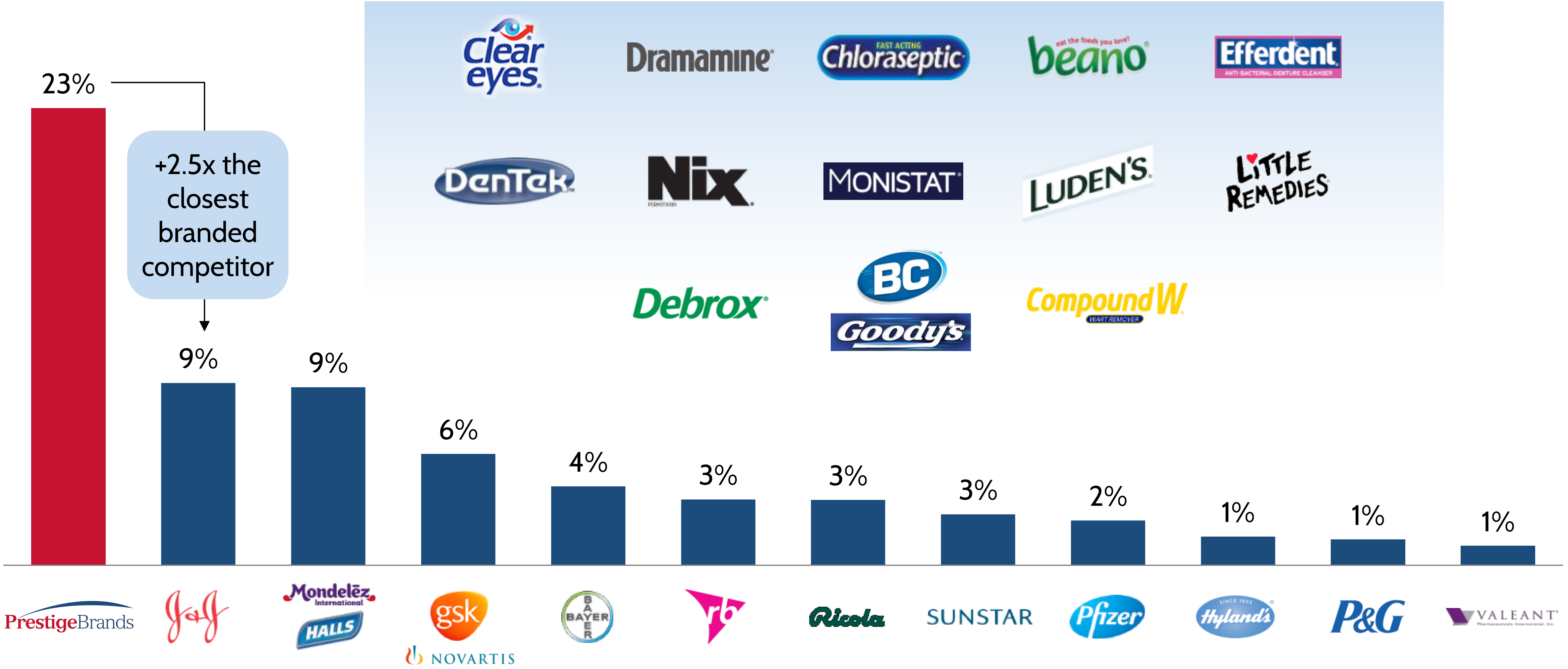
Analgesics

- BC / Goody's #1



Source: Company information; illustrative set of #1/#2 brands shown; reflects brand level gross sales for FY 16

Competitively Advantaged Position in Niche Segments Across Our Core OTC Categories

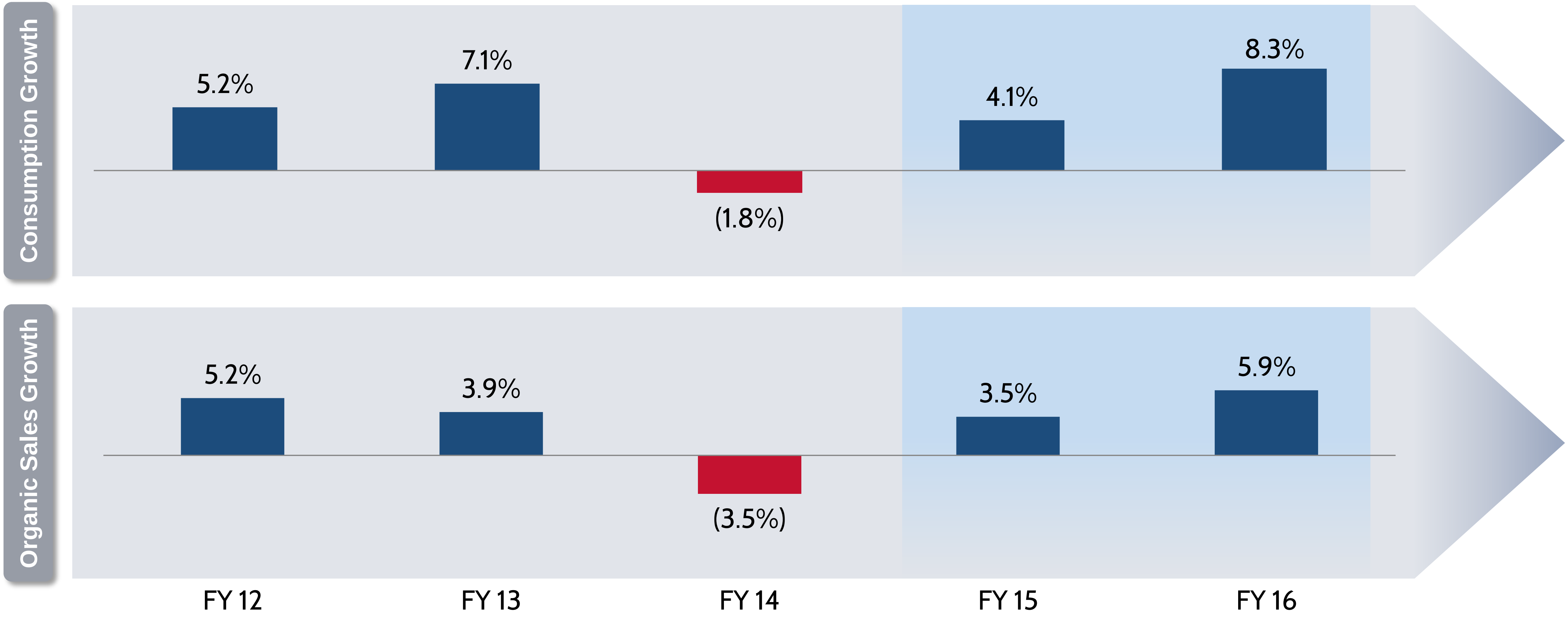


Company Information

Source: IRI MULO for the LTM period ending March 20, 2016; figures represent share of combined categories for Prestige's core brands

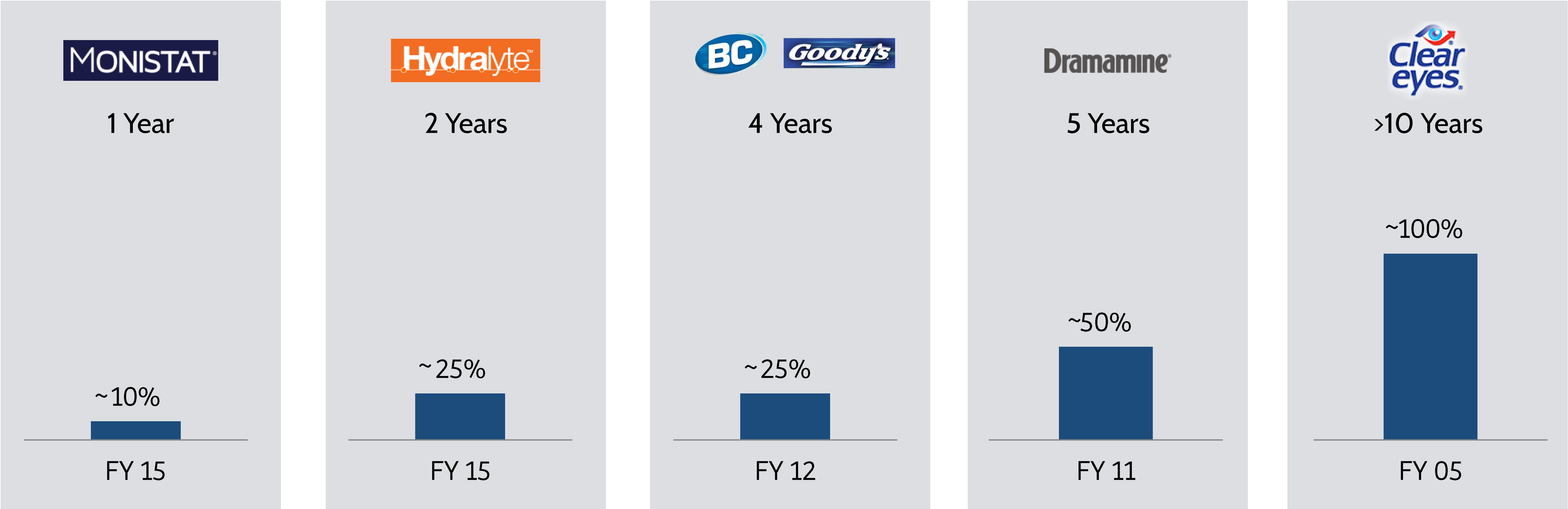
Note: Private Label share of 22% not shown

Demonstrated Track Record of Core OTC Organic Growth



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

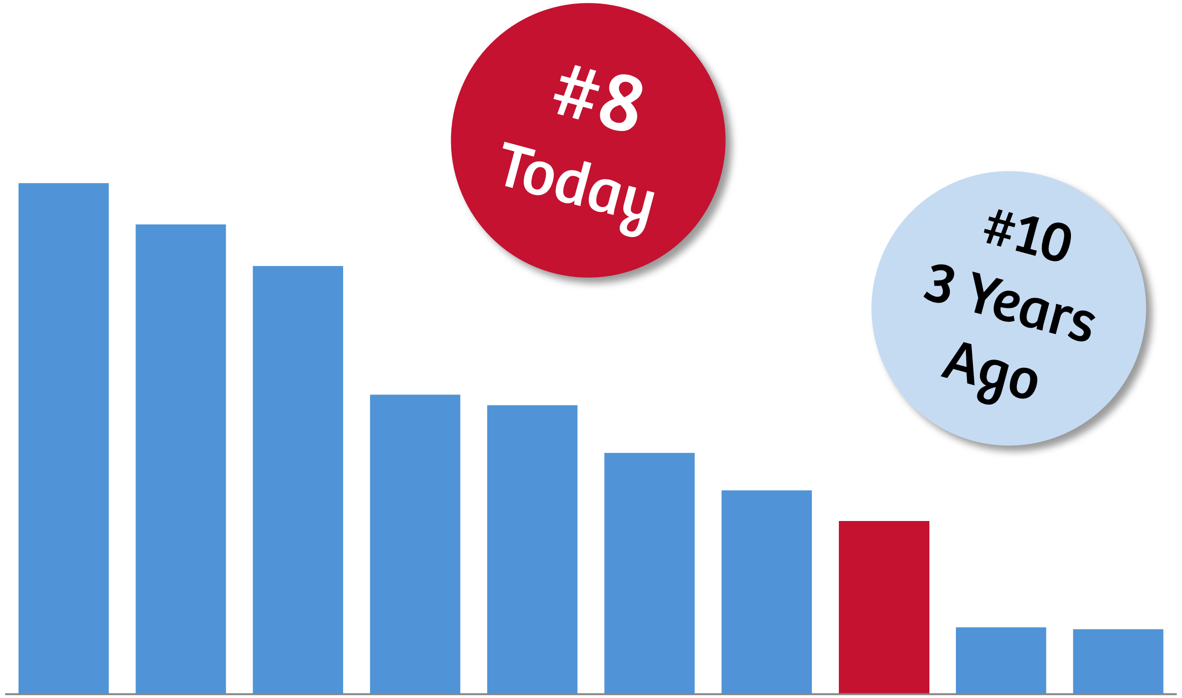
Proven Organic Growth Playbook



Winning with Professionals and Consumers	Driving Growth by Redefining the Category	Revitalizing Legacy Brands	Driving Category Growth	Long-Term Success Story

Source: Company information; figures represent approximate sales growth over ownership period

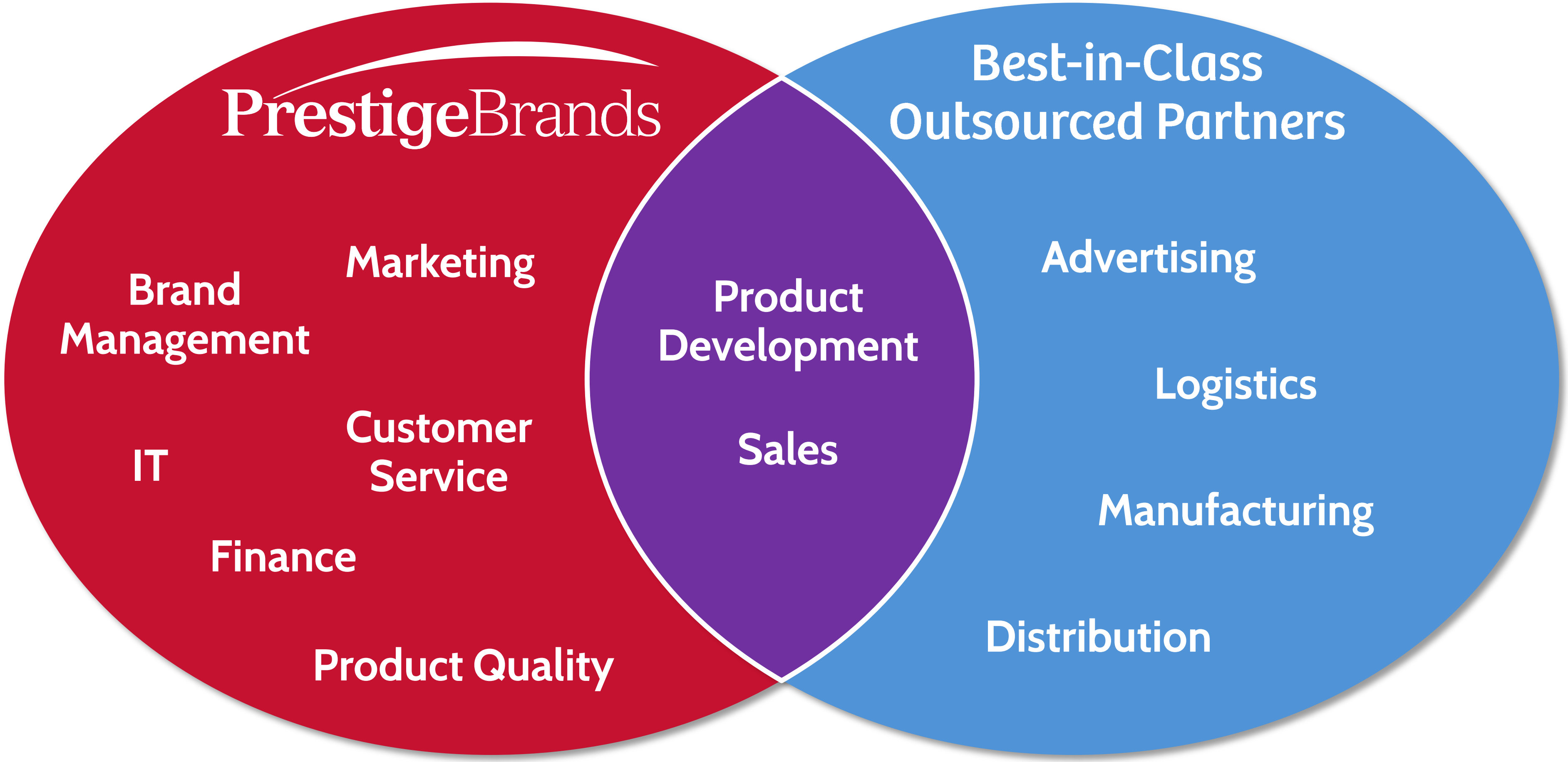
Prestige Is Now A Top 10 Player in the Branded U.S. OTC Market



Dollar values in billions
Source: IRI MULO Retail Dollar Sales, Latest 52 Weeks Ending March 20, 2016

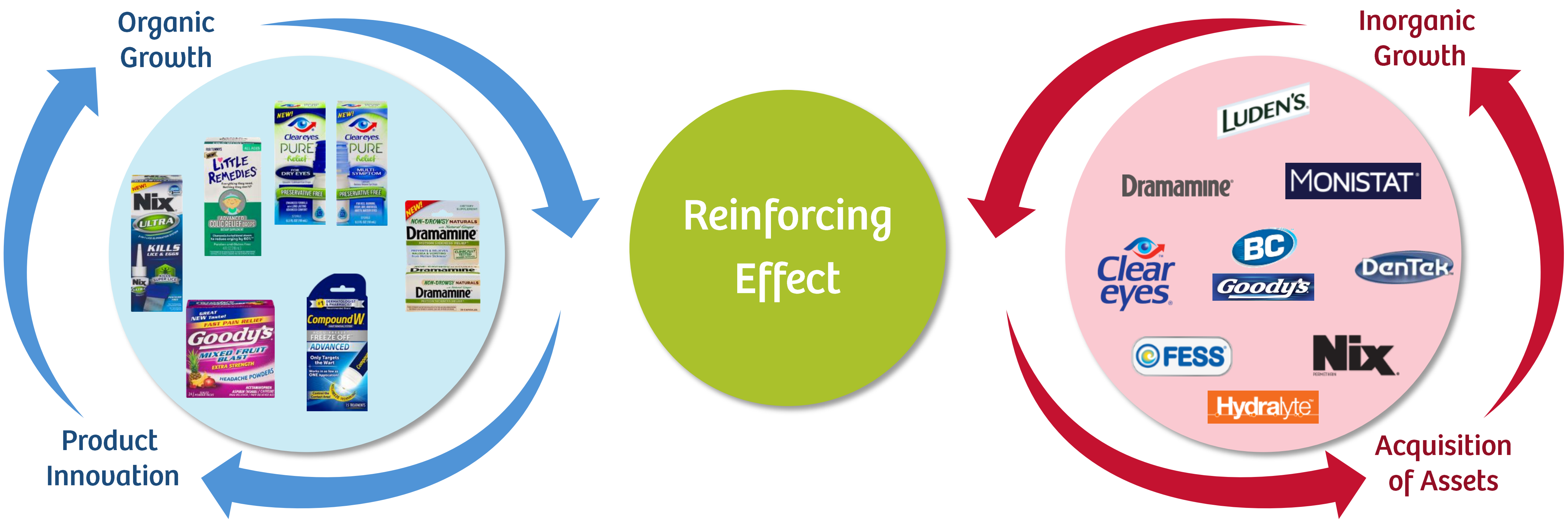
Scalable and Efficient Platform

Leverage Internal and External Resources as One Integrated System



Organic Growth Engine Fueled by M&A Activities

Brand Building | **M&A**

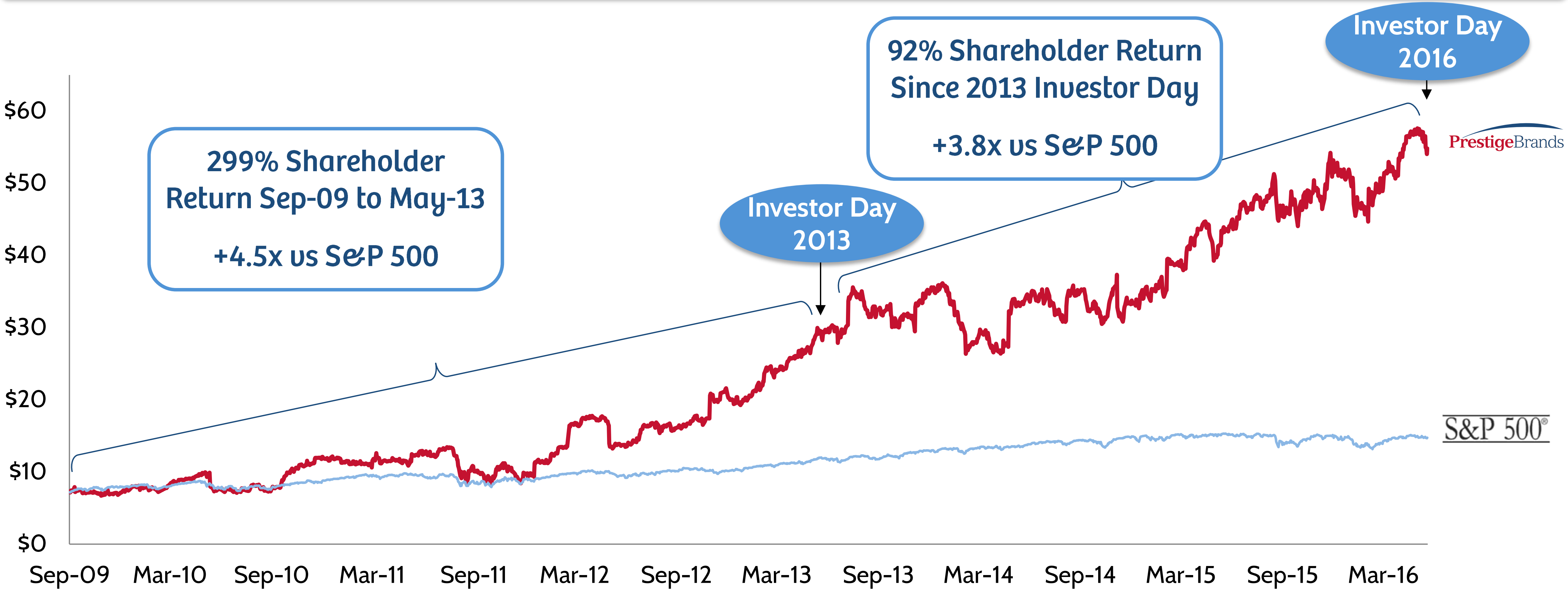


Marketing and Innovation Drive Brand Building and Organic Growth

Acquisitions Leverage Existing Infrastructure and Channels

Superior Shareholder Value Creation Since 2009

PBH Share Price Versus S&P Indexed Returns



Source: Capital IQ market data as of May 20, 2016

Note: S&P 500 Indexed to Prestige Brands price as of Sep-09

Sustainable Growth Through Brand Building

Tim Connors

Executive VP, Sales & Marketing

Brand Building to Drive Consistent, Organic Revenue Growth

Mission	Be Preeminent Brand Building and Sales Execution Company
Focus	Invest in Our Growth Portfolio
Formula	Consumer Insights, Product Innovation, Breakthrough Marketing and Superior Sales Execution
Standard for Success	Organic Growth and Market Share Gains

Be Preeminent Brand Building and Sales Execution Company

- Mining consumer insights
- Invest in growth brands
- Innovative consumer, professional and digital marketing campaigns

- Collaborative business planning
- Sell-in and sell-through
- Effective shopper marketing programs that drive loyalty

- Develop products that consumers need, want and value
- Unique, meaningful benefits
- Innovative technology

Expanding Organizational Capabilities

Team

- Experienced CPG Marketers
- Seasoned Product Development Directors
- Channel Expertise
- Pipeline of Future Leaders

Capabilities

- Consumer Insights
- Digital / Social Media
- Customer Business Planning
- New Product Technical Skills
- Packaging Design

Performance Standards

- Consumption & Share Gains
- Profitable Revenue Growth
- P&L Accountability
- Customer Performance Scorecards

Our Portfolio of Invest for Growth OTC Brands

"Power" Core $100MM+ Brands

- Monistat
- Clear eyes
- BC
- Goody's
- DenTek

Core

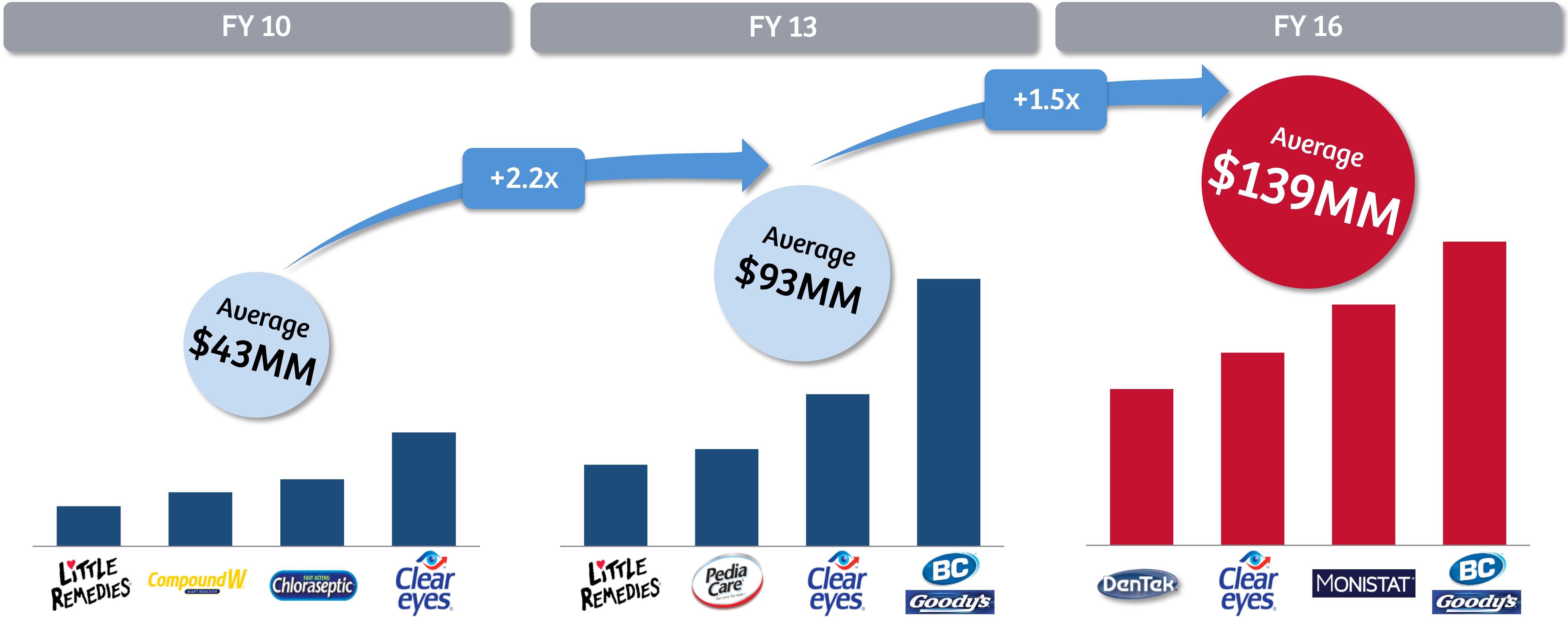
- Dramamine
- Nix
- Debrox
- Chloraseptic
- Luden's
- Little Remedies
- Compound W

International

- Care Pharmaceuticals
- Hydralyte
- FESS
- Gaviscon (Canada)

Source: IRI MULO+C-Store period ending March 20, 2016; Retail Dollar Sales

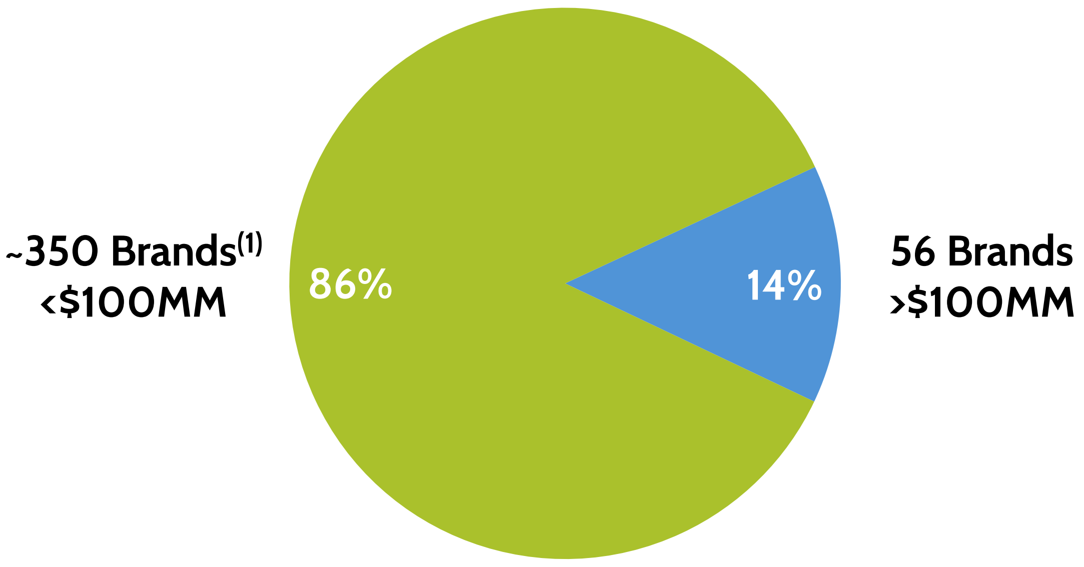
Larger Scale Brands Averaging Over $100MM at Retail



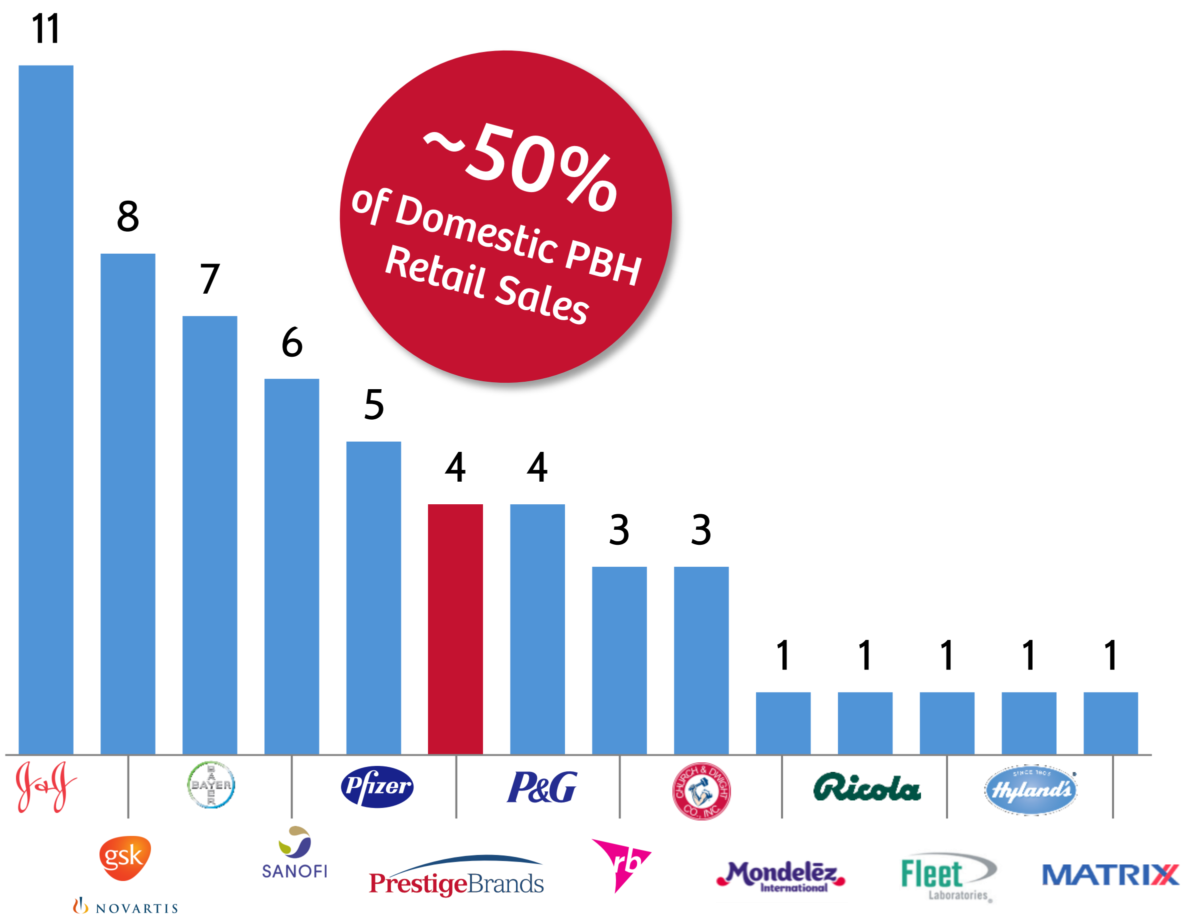
Source: IRI MULO+C-Store period ending March 20, 2016; Retail Dollar Sales

$100MM+ OTC Brands Represent a Large Portion of Our Sales…

$100MM+ OTC Brands are Highly Scarce in the U.S.

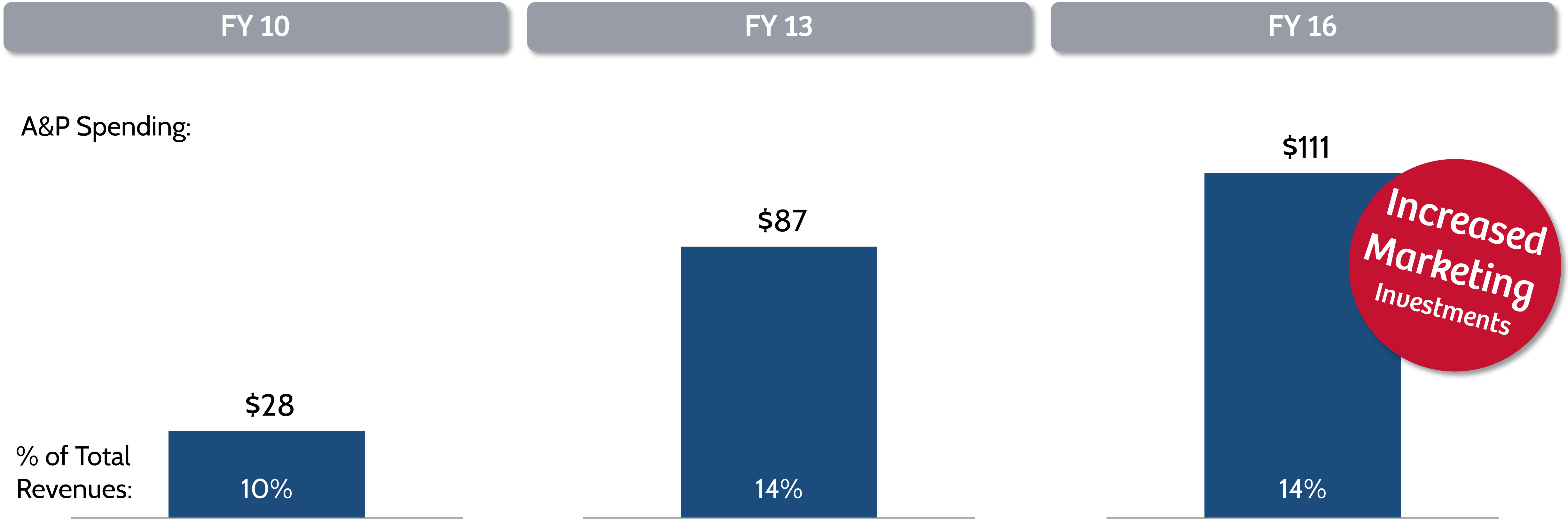


$100MM OTC Brands Distributed Among Few Players



Source: IRI Multi-Outlet period ending March 20, 2016
(1) Represents brands with consumption exceeding $1MM OTC

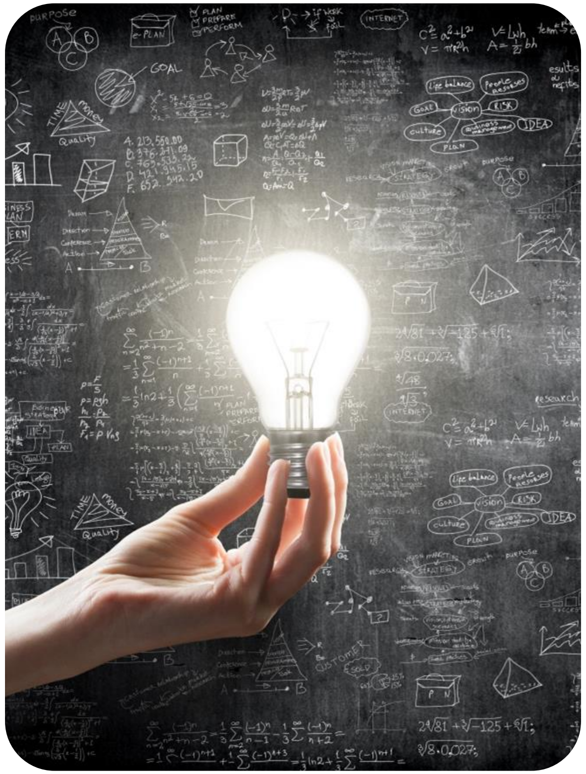
...And Enable Prestige to Put More Dollars to Work to Drive Growth



Dollar values in millions
Source: Company filings

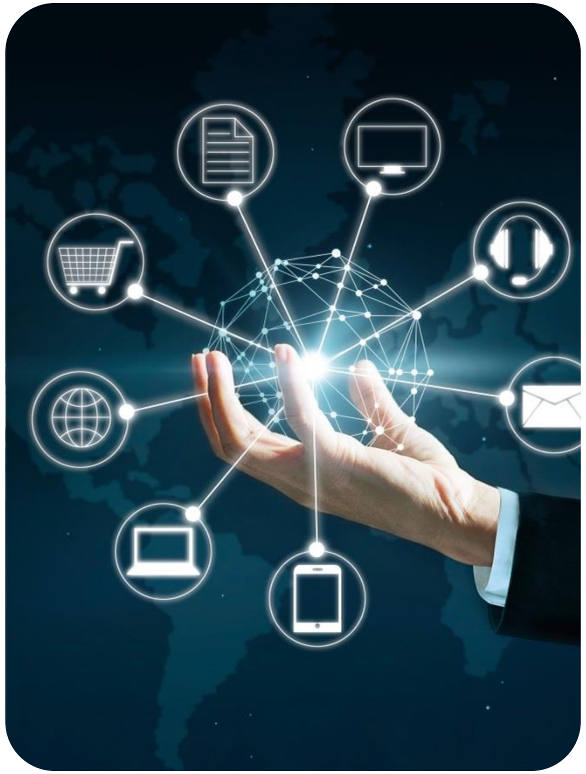
Our Approach to Driving Sustained Organic Growth

Continuous Innovation



Marketing Investments

Channel Development



Go-To-Market Strategy

Delivered Consistent, Durable Growth

MONISTAT — Winning with Professionals and Consumers

Hydralyte — Driving Growth by Redefining the Category

BC / Goody's — Revitalizing Legacy Brands

Dramamine — Driving Category Growth

Clear eyes — Long-Term Success Story

MONISTAT®

Winning with Professionals and Consumers

Monistat is A Rx to OTC Switch with A 40+ Year Heritage

MONISTAT

Rx Heritage | **OTC Launch** | **Market Development**

1974

- Market Introduction

MONISTAT Rx

1991

- OTC switch

1991 – 2007

- Professional detailing through 2007

2008 – 2013

- Market share decline vs private label and Rx

2014 – Today

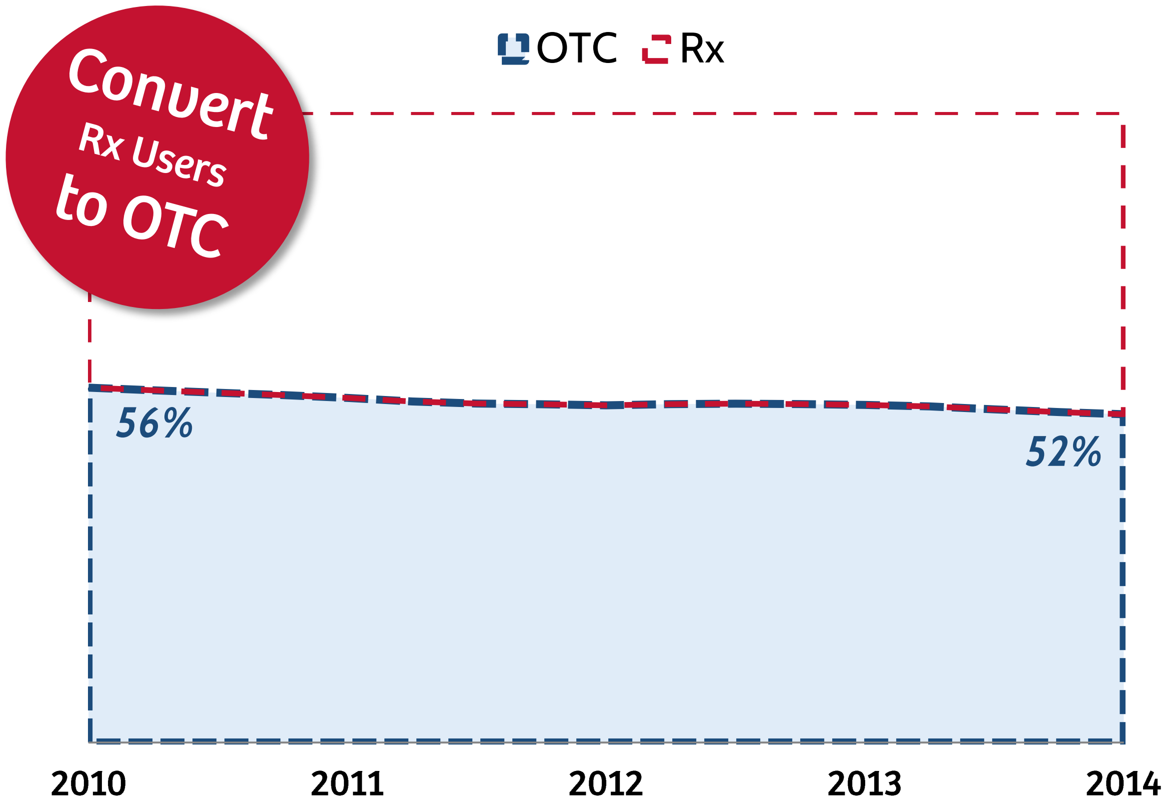
PrestigeBrands

- Acquisition by Prestige in 2014

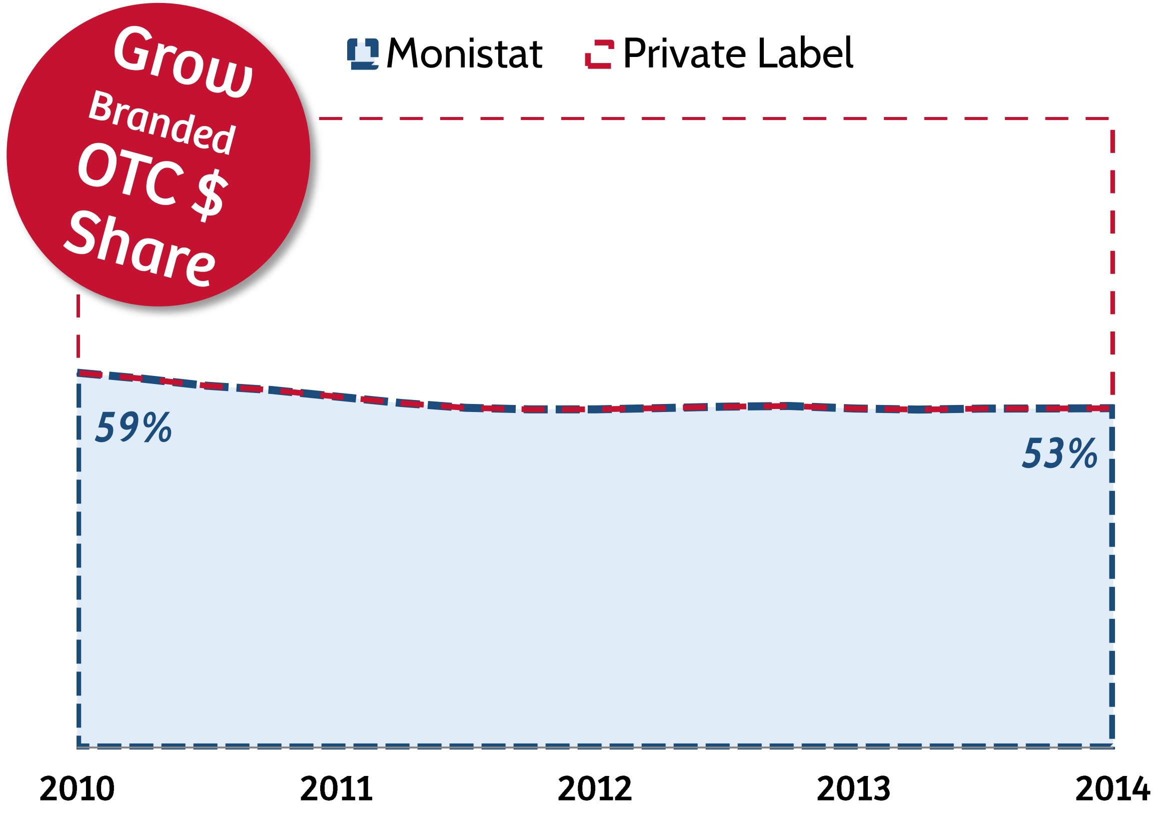
Clearly Defined Opportunity for Growth at Time of Acquisition

MONISTAT®

OTC Losing Share to Rx (Units)(1)



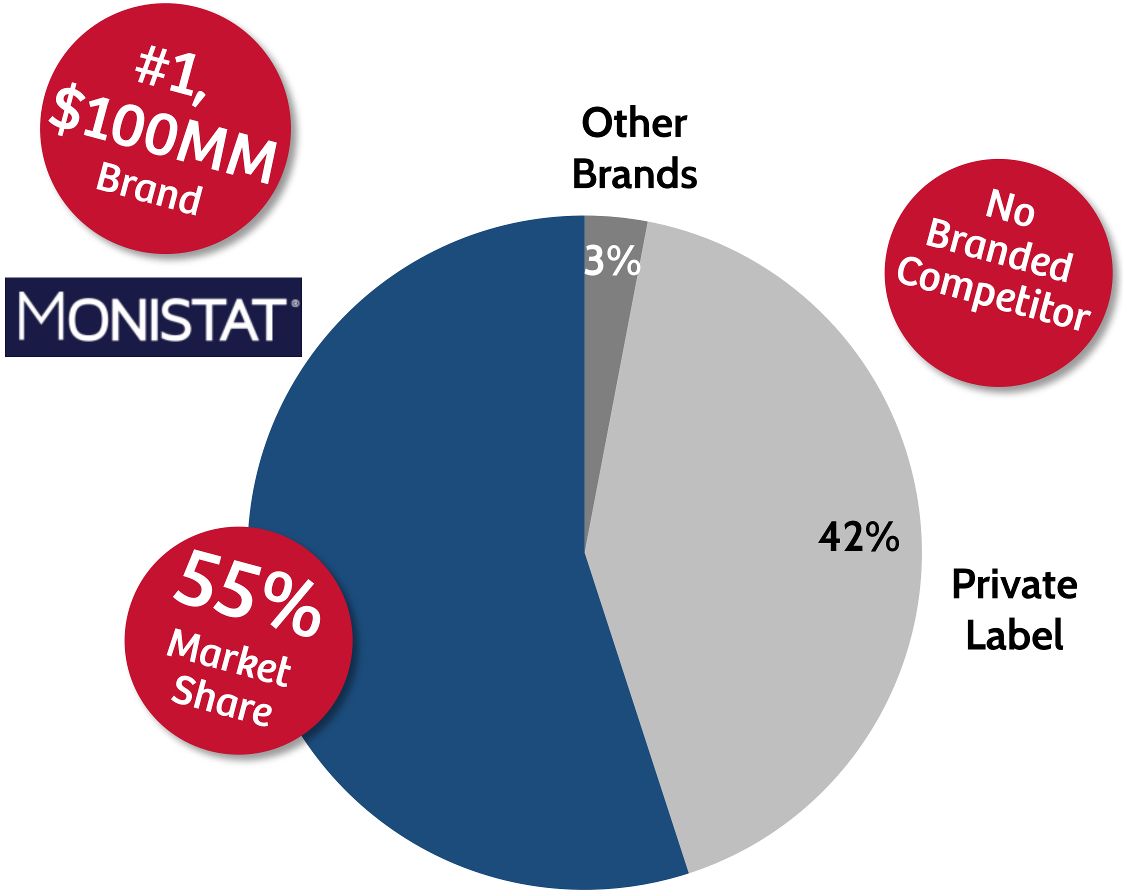
Branded OTC Losing Share to Private Label (Dollars)(2)



(1) Rx data per IMS, data represents unit share of VAF category
(2) IRI MULO quarterly rolling LTM data from 2010 through 2014, data represents dollar share of OTC VAF category; Private Label includes other branded offerings

Monistat is the Only Branded Offering in the VAF Category

MONISTAT®



Source: IRI MULO+C-Store period ending March 20, 2016; data represents dollar share of VAF category

Capturing the Monistat Opportunity

MONISTAT®

Prestige's 4-Part Plan for Monistat's Success

- Re-engage with Health Care Providers
- Re-engage with Retailers
- Re-engage with Consumers
- Invest in New Product Development

Systematically Build Health Care Professional Advocacy

MONISTAT

Sampling

Education Materials

Physician and OBGYN Detailing

Professional Conferences

AMERICAN COLLEGE of NURSE-MIDWIVES

NPWH NURSE PRACTITIONERS IN WOMEN'S HEALTH *Caring for Women*

ACOG THE AMERICAN CONGRESS OF OBSTETRICIANS AND GYNECOLOGISTS

ISSVD 1970

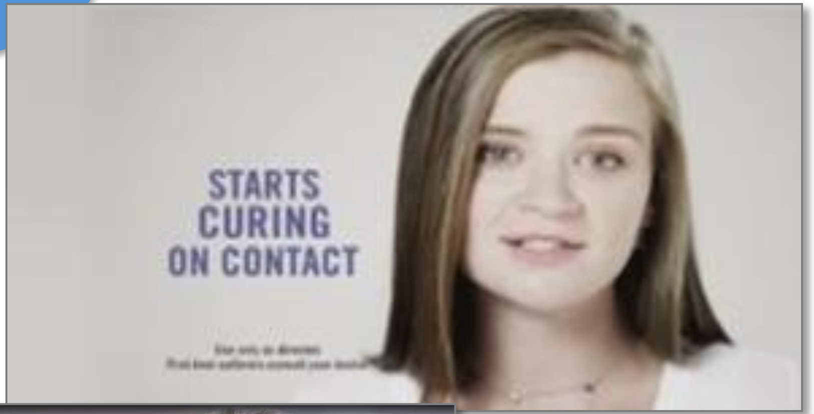
Professional Partnerships

WebMD℠

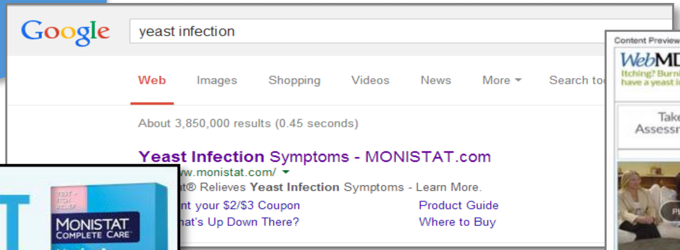
Drive Trial and Awareness with Millennials

MONISTAT

Targeted Messaging



Online Education



Social Media

Monistat Cure Television Copy

MONISTAT

Winning at Point of Purchase: Packaging, Pricing, Merchandising

Product Portfolio Differentiation

Shopper Marketing and Education

Trade Support

Key Retailer Partnerships

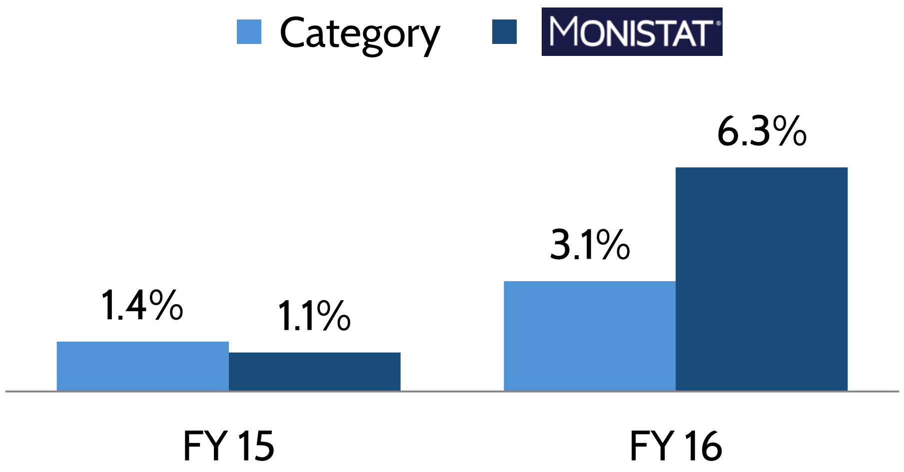
The Results to Date are Clear

MONISTAT®

Accelerating Momentum and Category Growth

Category Growth Doubled in FY 16

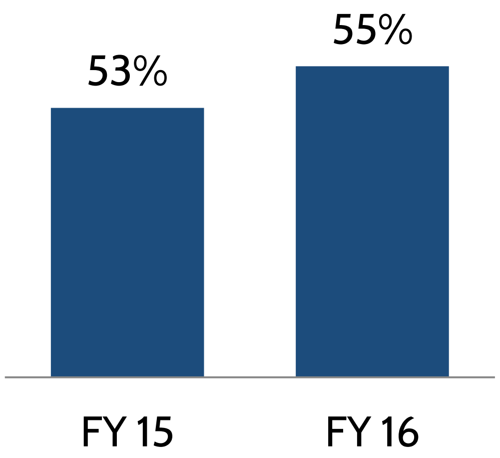
Monistat 2x Category Growth

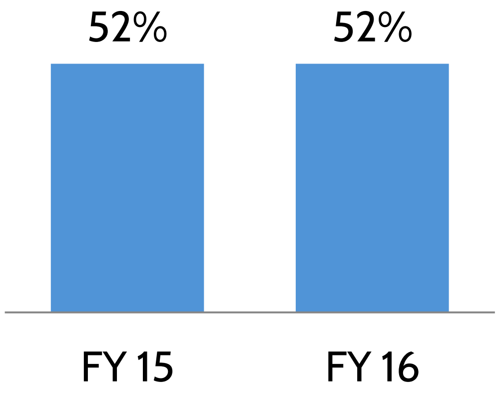


Gaining Share in Branded OTC and vs Rx

Monistat +200bps Y/Y OTC Share

OTC vs Rx Stabilized





Source: IRI MULO+C-Store period ending March 20, 2016
(1) Represents OTC and Rx treatments

Hydralyte™

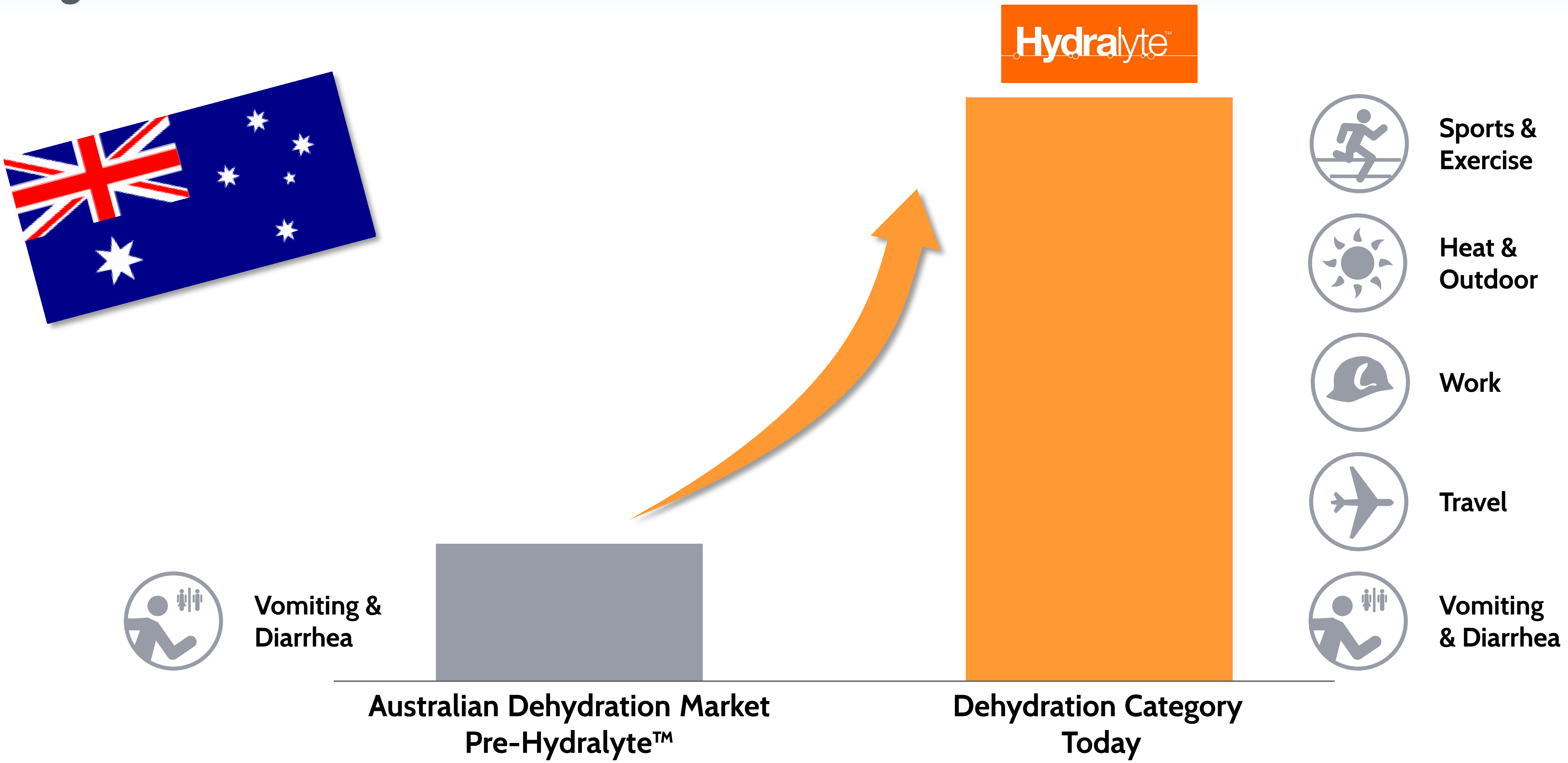
Driving Growth by Redefining the Category

Expanding Product Offering and Form to Increase Usage Occasions

Australian Dehydration Market
Pre-Hydralyte™

Expanding Product Offering and Form to Increase Usage Occasions

Hydralyte™



Hydralyte Effectively Addresses All Your Oral Hydration Needs

Hydralyte™

Excessive Alcohol[1]

Heat Exhaustion

Pregnancy

Vomiting Diarrhea

Travel

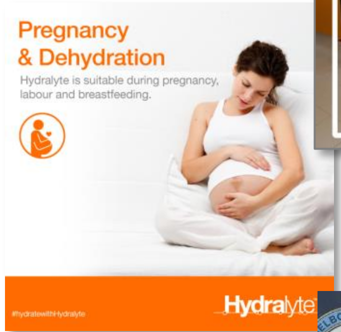
Fever

(1) Claim made in Australian market only

Highly Targeted Marketing Activation

Health Care Professionals

Family



Sports

Enhanced Placement in Other Locations

Hydralyte

Pop Up Section	End Caps	Dedicated Refrigeration
		

Leverage Product Innovation as Growth Driver

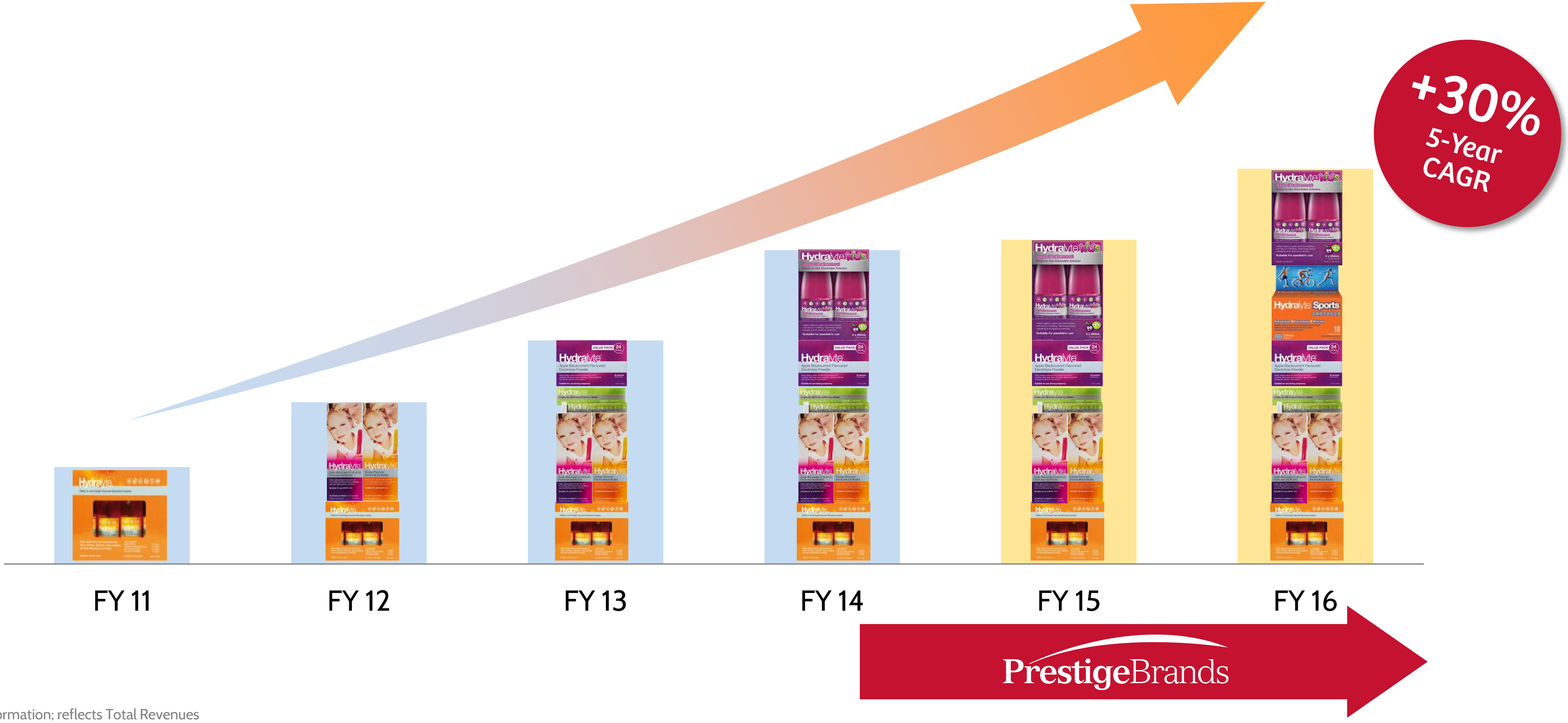
Hydralyte

Hydralyte Sports

Launching into Sports Nutrition

New Pediatric Offering

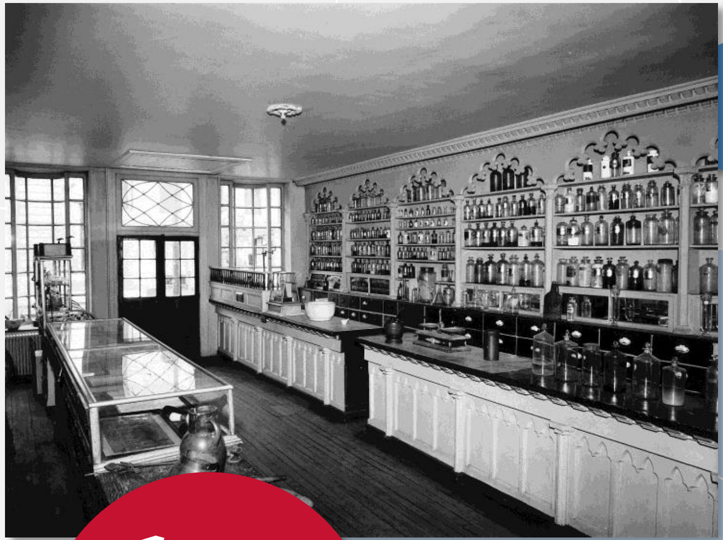
Accelerating Growth Under Prestige's Ownership



Source: Company Information; reflects Total Revenues

Revitalizing Legacy Brands

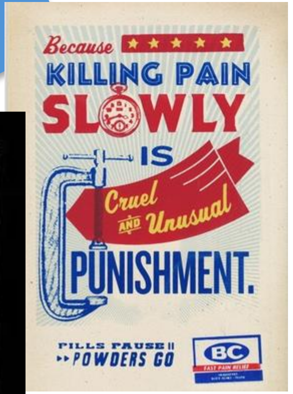
Brand Equity with a Rich Heritage



100+
Years of History

Deep Southern Roots

1906, Durham, North Carolina



1932, Winston-Salem, North Carolina

Revitalizing a Legacy Brand

Better Insights
- Understanding Consumer Insights and Differentiating the Brand
- New Marketing Campaigns towards New Targets

Better Offering
- Continuous Product Innovations
- BC/Goody's Continues to Drive Growth vs the Category

Better Execution
- BC/Goody's is the #1 Analgesic in the Convenience Channel
- Core Competency in C-Store Fuels Growth of other Core Brands

Sustainable Results

Source: IRI C-Store for the LTM period ending March 20, 2016 for BC/Goody's combined

Revitalizing Legacy Brands through Brand Building

C-Store

Packaging

Product Extensions

Delivery Form

Flavors

Marketing Focused on Speed

TV & Digital

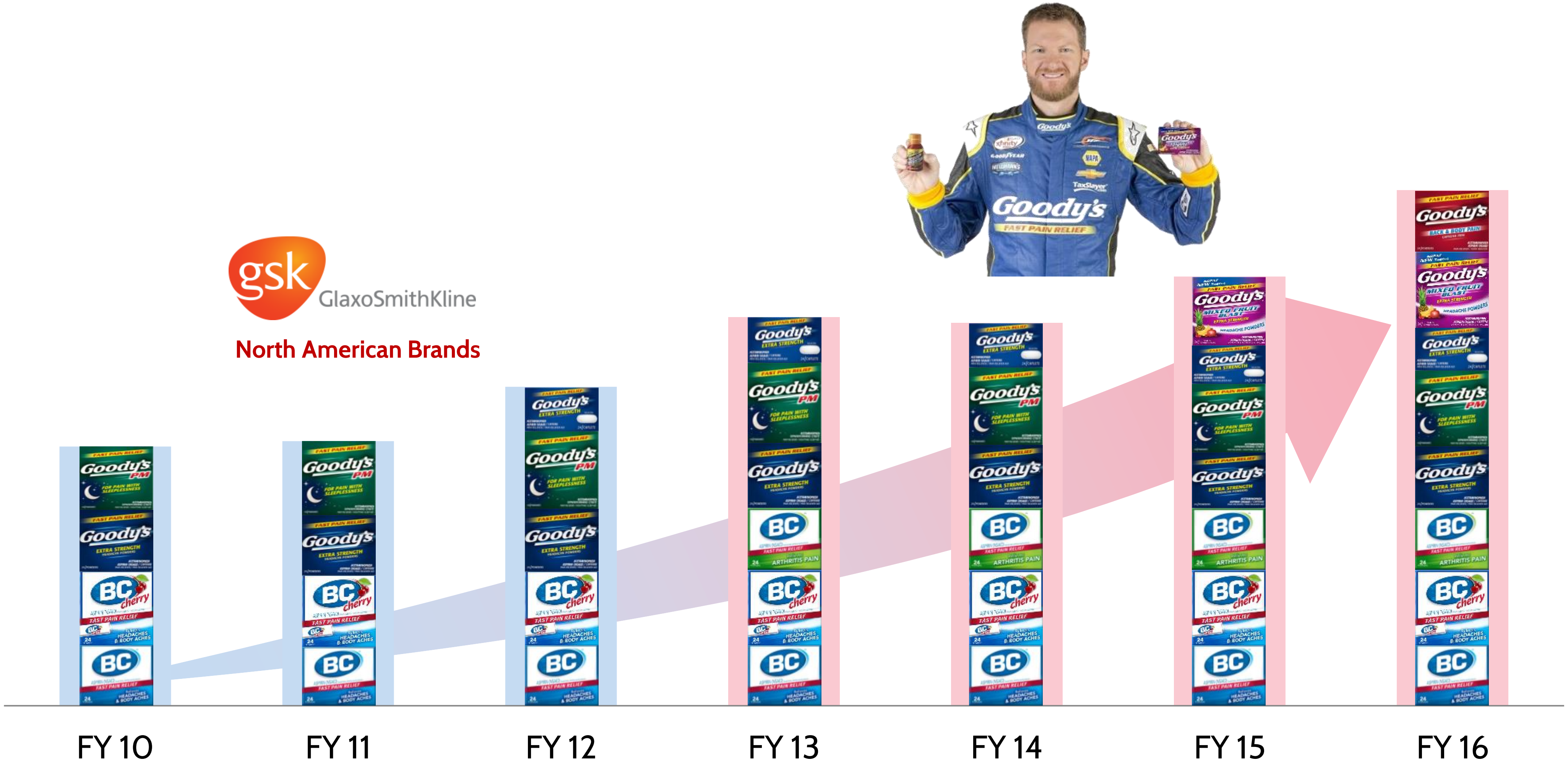
Sponsorship / Sampling

Hispanic Marketing

Shopper Marketing

Dale Jr. Partnership

Accelerating Consumption Growth in the First 4 Years



5.1% CAGR Since Acquired

Source: IRI MULO+C-Store period ending March 20, 2016

Dramamine®

Driving Category Growth

A “Classic” Prestige Growth Opportunity

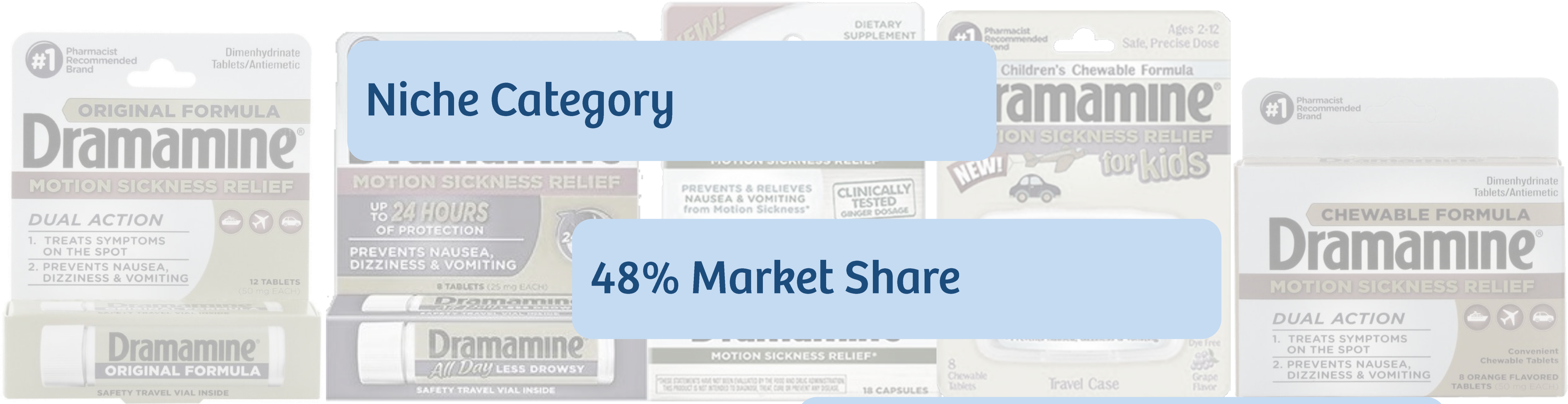
Dramamine

#1 Brand

Niche Category

48% Market Share

3.5x Next Branded Competitor

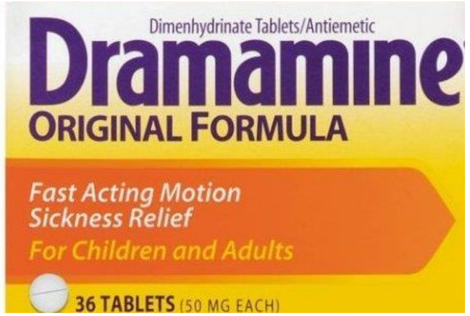


Source: IRI MULO+C-Store period ending March 20, 2016

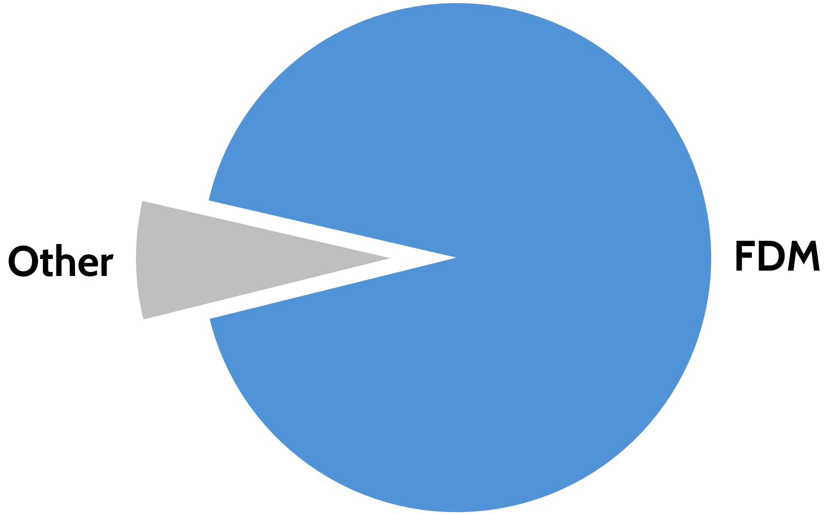
In 2011, We Acquired a Great Brand with Tremendous Untapped Potential

Dramamine

Limited Offering



Traditional Distribution Footprint



Source: Company information

Innovation in Packaging and Product

Dramamine

Original	Less Drowsy	Kids	Non-Drowsy Natural
Revitalized Packaging	More Impactful Claims	New Users	New Formulation
			
2012	2012	2014	2015

Communicating with Consumers When and Where They Need It

Dramamine

Digital Contextual Targeting …

… In the Most Relevant Locations

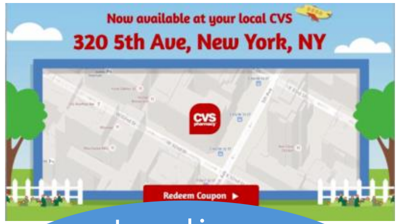
Amusement Park Restrooms

Gas Pump Toppers

Rollercoaster Lines

Taxi Tops

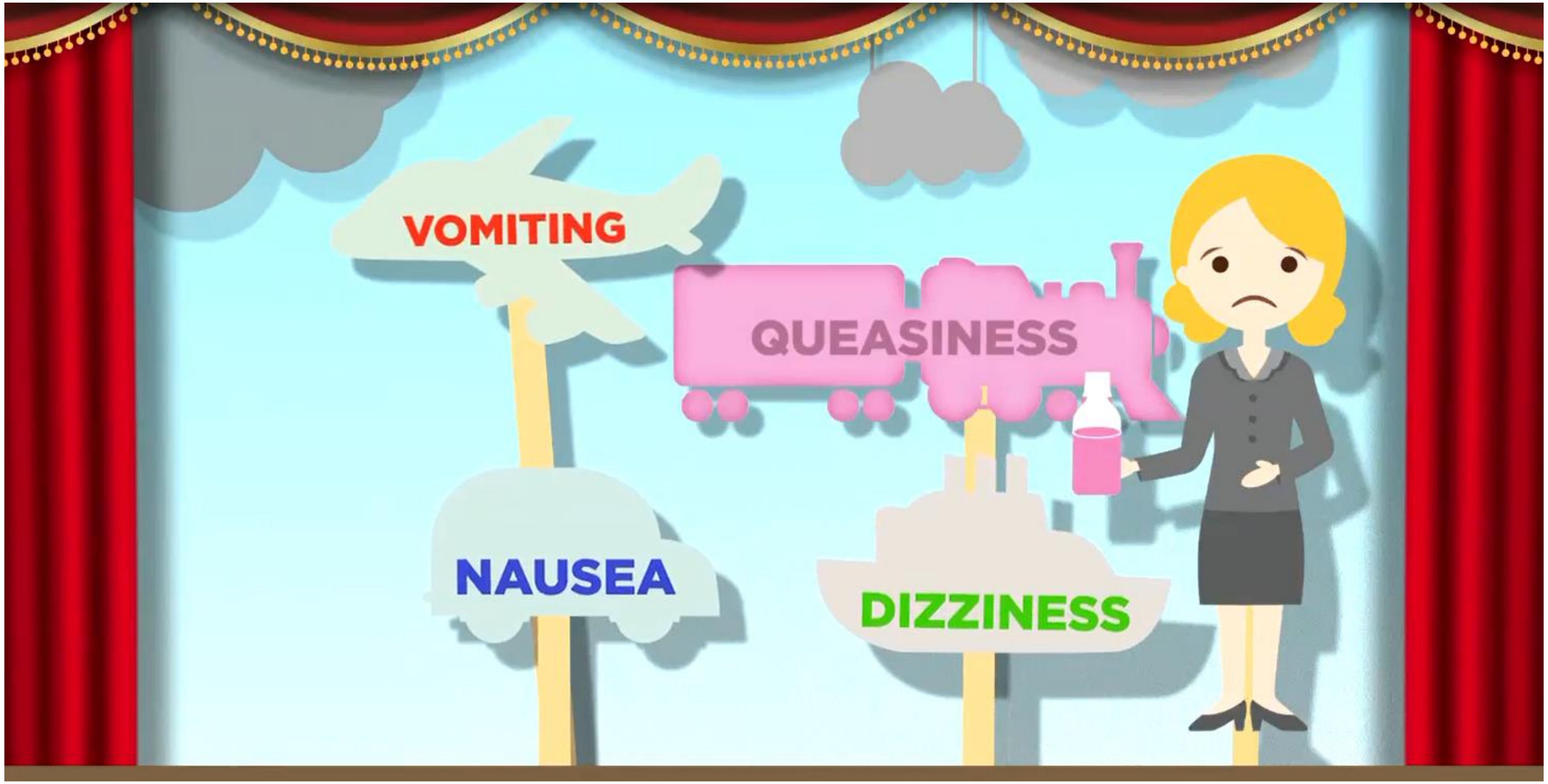
Location-Based Mobile Ads



Road-Side Billboards

Insight Driven Digital Video

Dramamine



Growing a Winning Franchise

Dramamine

Source: IRI MULO+C-Store period ending March 20, 2016

Clear eyes®

Long-Term Success Story

Clear Eyes: A Homegrown Success Story

Acquired in 2004

Compelling Brand Equity Attributes

Favorable Category Dynamics

Highly Receptive to Product Innovation

Sustained Innovation Has Built A Comprehensive Product Line

Itchy Eyes

Redness Relief

Dry Eyes

Core Offering

Multi-Symptom

Clear Eyes' Innovation Toolkit

Our Most Recent Innovation: Clear Eyes® Pure Relief™

Preservative Free Eye Drops

Pure Relief™ for Dry Eyes

Pure Relief™ Multi-Symptom

Iconic, Highly Memorable Advertising

"The difference is clear … Clear Eyes"

"I trust my eyes to Clear Eyes"

2004 | 2013 | Today

Clear Eyes Pure Relief

The Ultimate Mark of Success: Winning in the Marketplace

6 Year CAGR +9.2%

Clear Eyes 2x Growth of Category

Dollar values in millions
Source: MULO + C-Store data, reflects retail dollar sales for respective LTM period

Our Latest Acquisition

Our Latest Acquisition

Innovative, scale brand with a **leading position** in a number of the **highest growth oral care "pegable section" categories**

New product opportunities

Distributed opportunities in the U.S. and abroad

Significant opportunity to **increase household penetration**

DenTek has Many Avenues to Grow

- Outcompete Large CPG
- International
- Drive Category Growth HH Penetration/ Awareness
- Professional Endorsement

Financial Results and Outlook

Dave Marberger

Chief Financial Officer

Industry Leading Financial Profile Underpins Strategy for Growth

FY 10 to FY 16 CAGR

Net Revenues
+18.6%

Adjusted EBITDA
21.9%

Adj. Free Cash Flow
20.9%

Adjusted EPS
21.6%

Source: Company information per attached reconciliation schedule

Our Three Financial Priorities

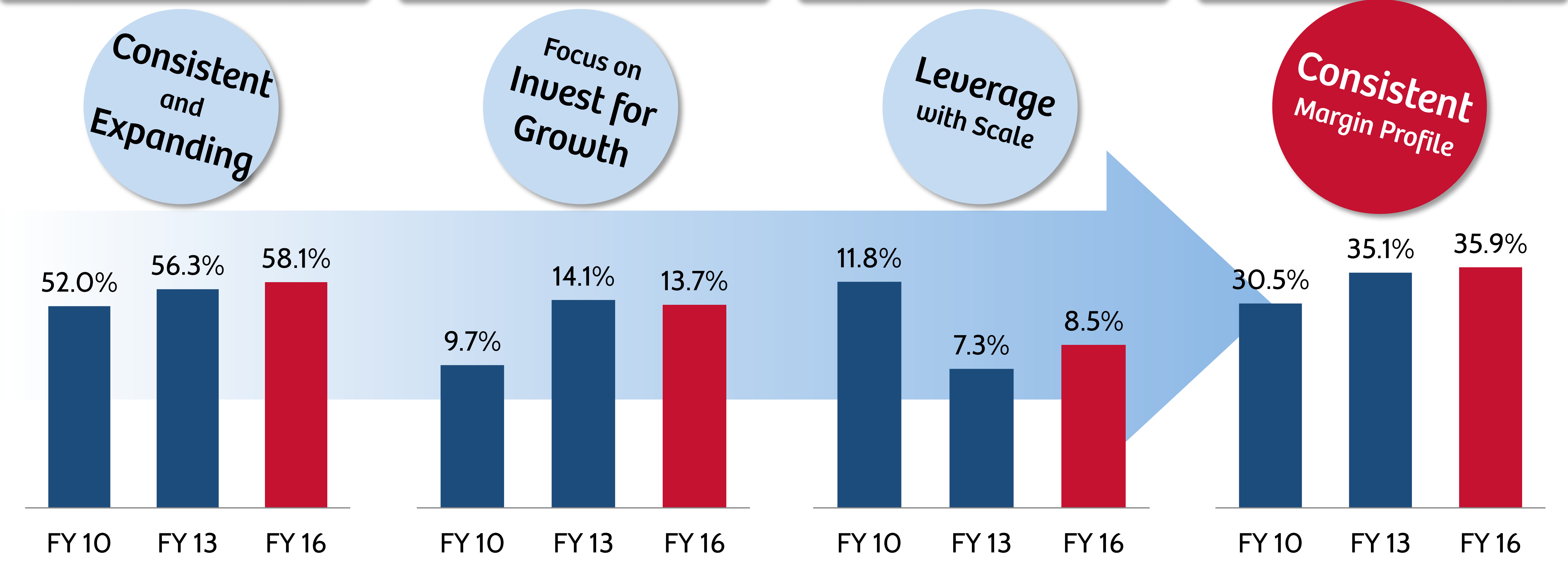
#1	Invest for Growth	~80% of portfolio positioned for durable, consistent organic growth
#2	Debt Reduction	~$430MM of cumulative Adjusted FCF since 2013 Investor Day
#3	M&A	Completed 4 acquisitions since 2013 Investor Day aggregating $1.1BN

Source: Company information per attached reconciliation schedule

Stable and Strengthening Financial Profile

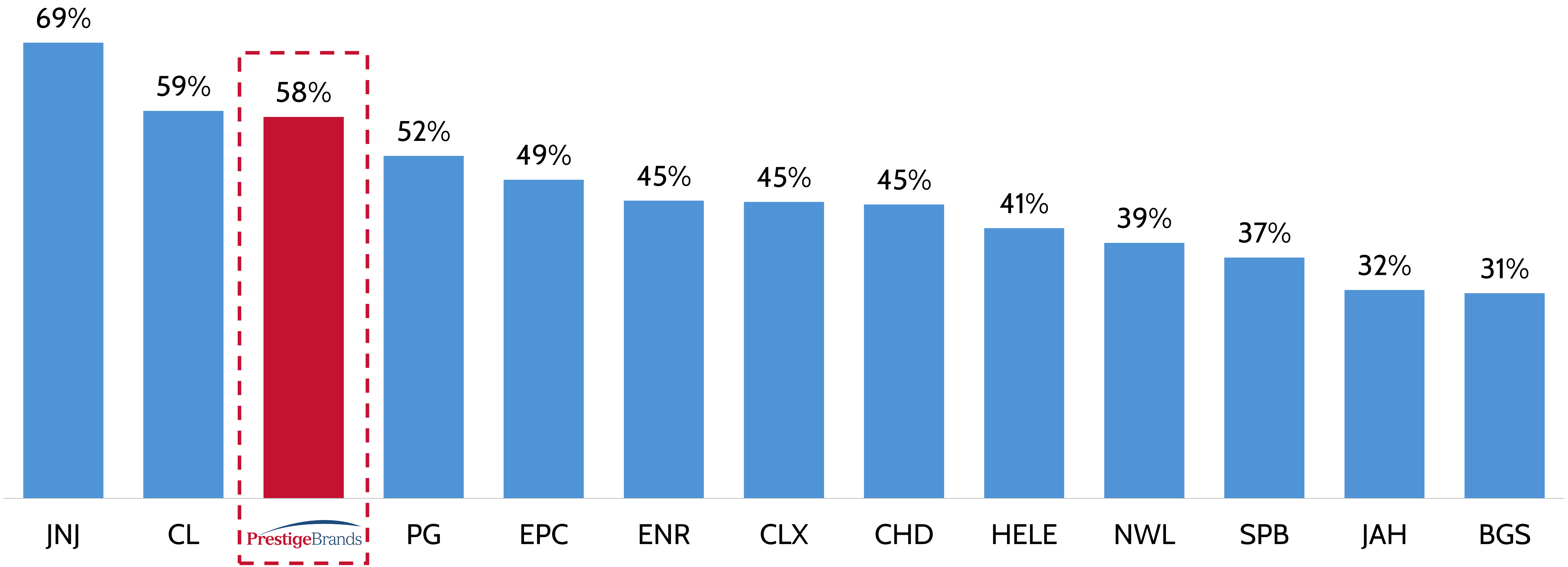
Our Objective: Reinvest Gross Margin and G&A Improvements in A&P While Maintaining Best in Class EBITDA Margin

Adjusted Gross Margin	A&P Spend (% of Revenue)	Adj. G&A (% of Revenue)	Adjusted EBITDA Margin



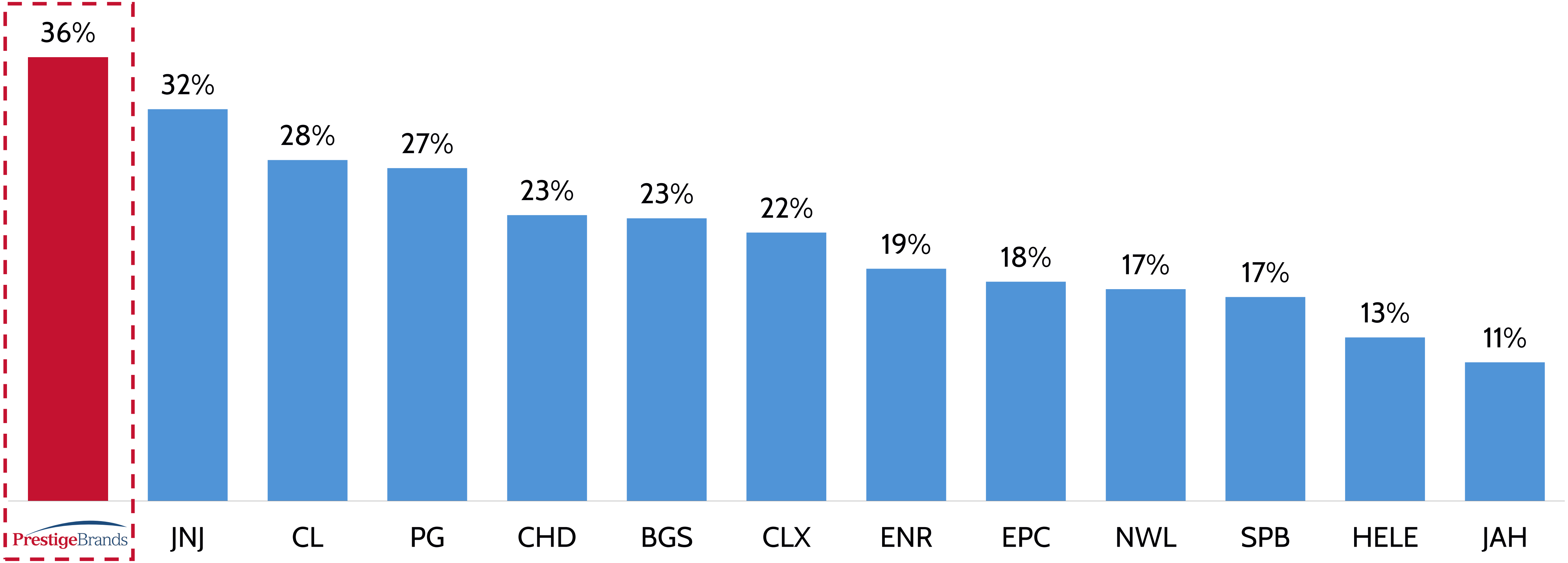
Source: Company information per attached reconciliation schedule

Branded OTC Portfolio Drives Superior Gross Margin Profile



Source: Capital IQ Market data as of May 20, 2016; comparable set includes selected HPC companies
Company information per attached reconciliation schedule
Jarden and Newell shown separately pre-combination

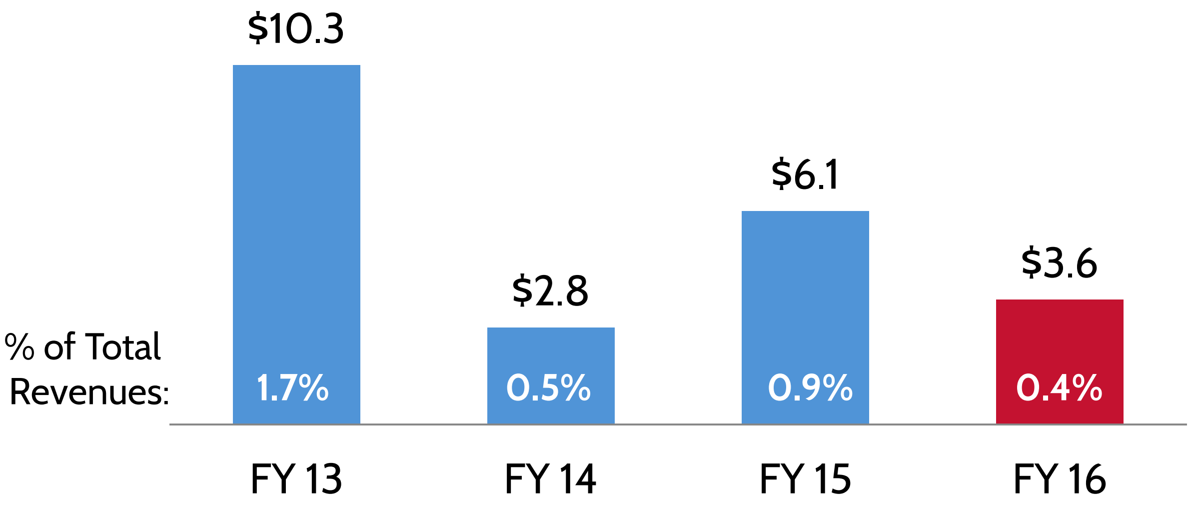
Business Model Results in Superior EBITDA Margin



Source: Capital IQ Market data as of May 20, 2016; comparable set includes selected HPC companies
Jarden and Newell shown separately pre-combination
Company information per attached reconciliation schedule

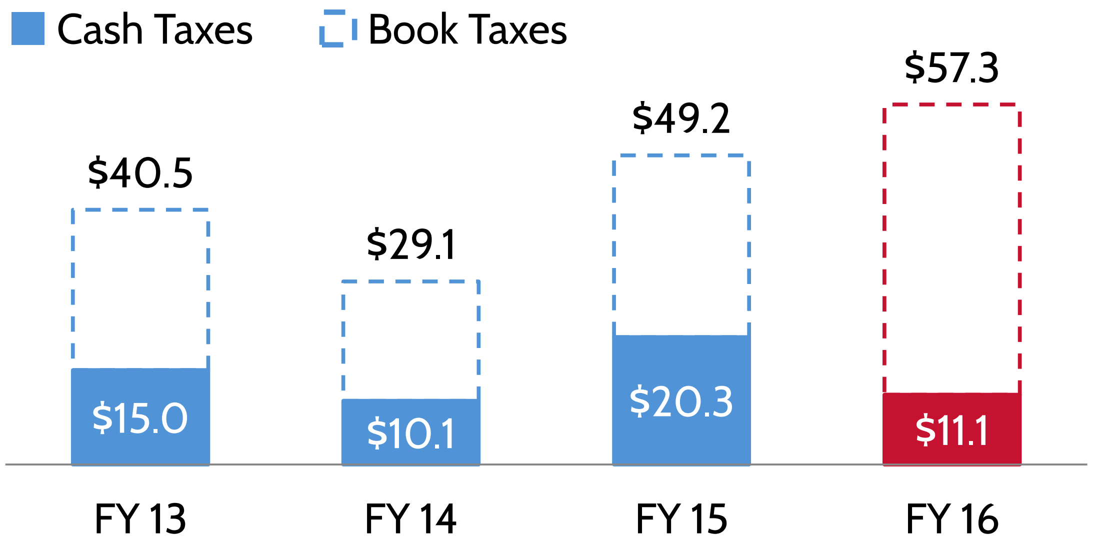
Low Capital Expenditures and Cash Tax Rates…

Capital Expenditures



- Outsourced operating model requires limited capital expenditures

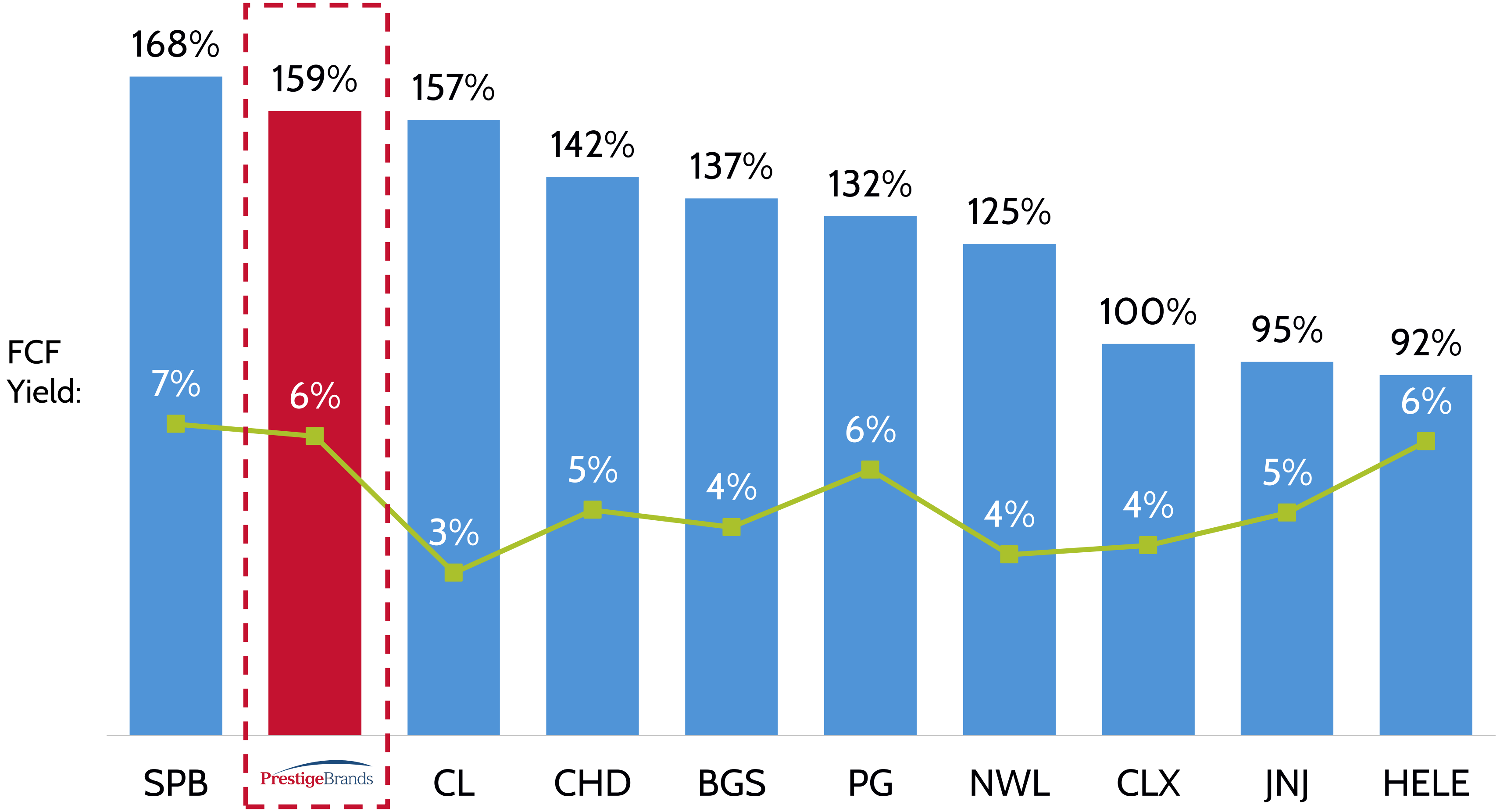
Minimal Cash Taxes



- Tax basis of acquisitions and NOLs generate lower cash tax rates
- We expect acquisition-related tax benefits will continue into the future

Dollar values in millions
Source: Company information per attached reconciliation schedule

...Drive Best-in-Class Free Cash Flow Conversion



159% Free Cash Flow Conversion

6% Free Cash Flow Yield

Source: Capital IQ Market data as of May 20, 2016; comparable set includes selected HPC companies

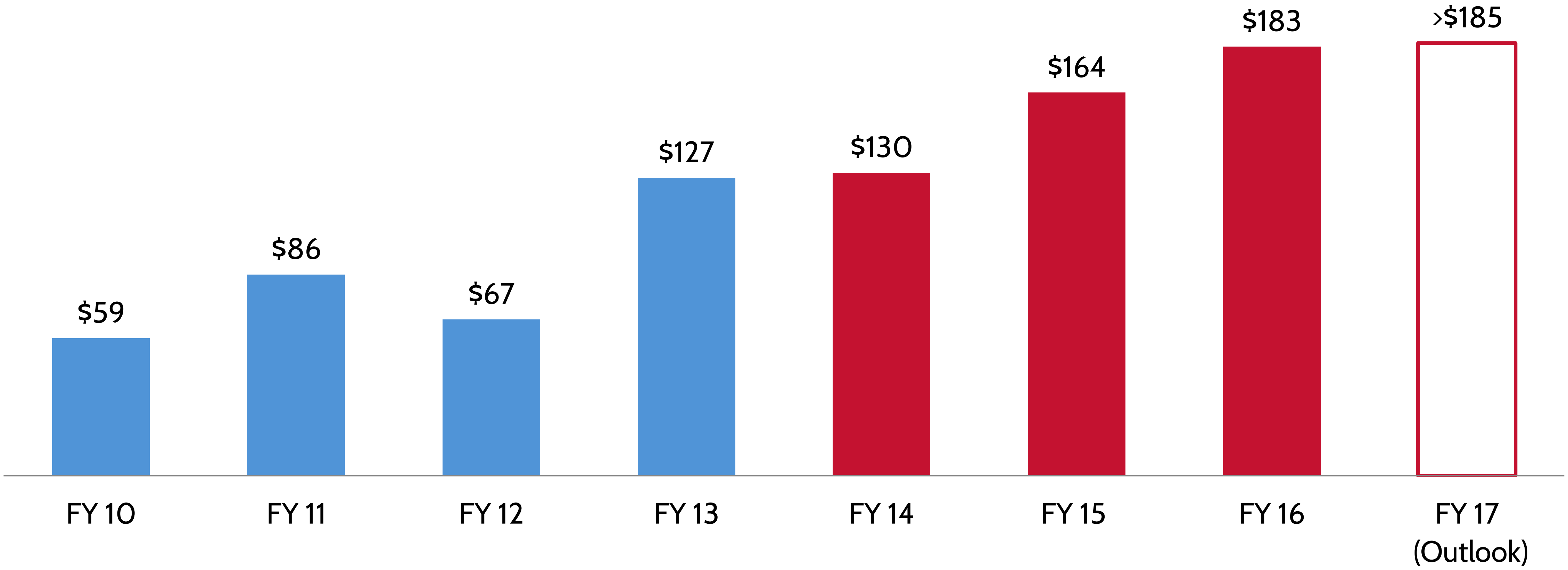
Note: Free Cash Flow Conversion defined as Non-GAAP Operating Cash Flow less Capital Expenditures over Adjusted Net Income; Adj. Free Cash Flow Yield defined as Free Cash Flow divided by Market Cap as of May 20, 2016

EPC and ENR excluded due to cash flow items related to completed spinoff; Newell pro forma for combination with Jarden

Company information per attached reconciliation schedule

Robust and Consistent Free Cash Flow Supports Rapid De-levering

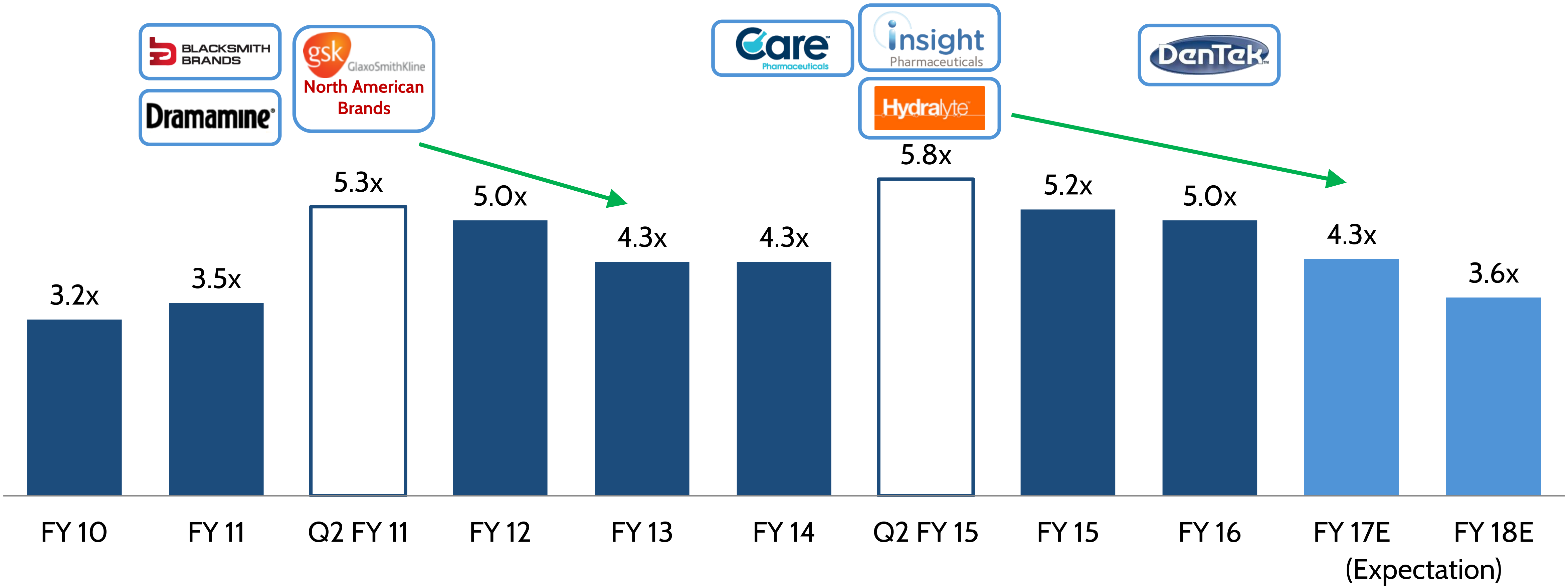
Adjusted Free Cash Flow(1)



Dollar values in millions
Source: Company information per attached reconciliation schedule

Demonstrated Ability to De-Lever Quickly

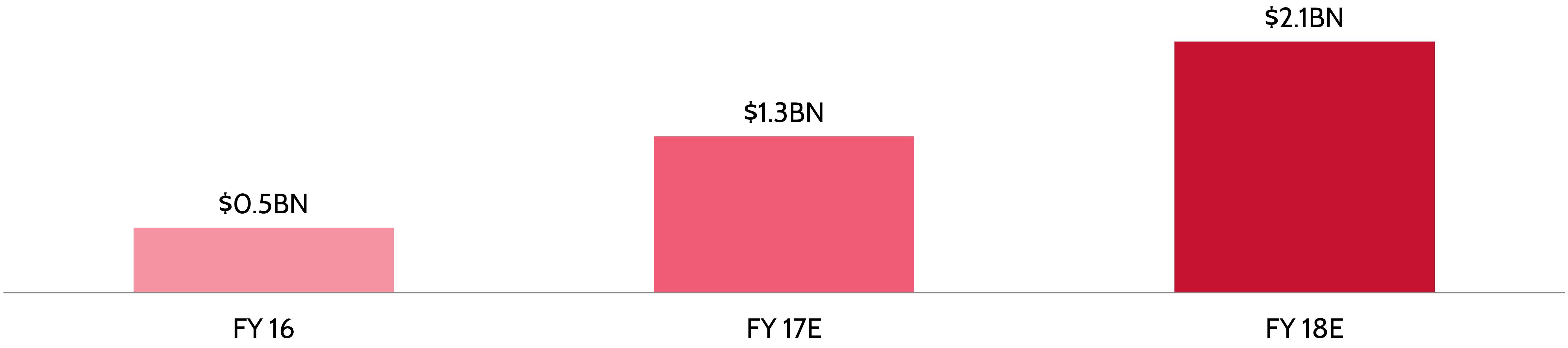
Leverage Ratio[1]



Dollar values in millions; Company information
(1) Leverage ratio reflects net debt / covenant defined EBITDA

Rapid De-Leveraging Builds Capacity for Future Acquisitions

Illustrative Financing Capacity



Dollar values in billions; Company information
Note: Assumes maximum leverage of 5.5x and average EBITDA acquisition multiple of 8.5x

Prestige's Disciplined Acquisition Strategy

M&A Focus on Brands That

- Compete in categories where we can win
- Have a strong heritage and connection with consumers
- Respond to investments and provide innovation opportunities
- Add to existing core categories or provide entry to new platforms

Financial Criteria

- Strong financial profile
- Accretive to earnings and cash flow
- Maintain prudent capital structure
- Driven by potential shareholder value creation

Combination Benefits

- Management experience
- Advertising and promotional expertise
- Distribution channels
- New product competency
- Low-cost operating model

The Value Proposition at Work

Dollar values in millions, except price per share
Source: Company information per attached reconciliation schedule

FY 16 Highlights and FY 17 Outlook

	FY 16	FY 17
Revenue	■ $806MM, up 12.8% ■ Organic growth of 2.8%	■ Expected growth of +6% to +8% ■ Organic growth of +1.5% to +2.0%
Adjusted Free Cash Flow and Leverage	■ $183MM ■ Leverage of 5.0x	■ $185MM or more ■ Leverage of ~4.3x
Adjusted E.P.S.	■ $2.17, up 16.7%	■ $2.30 to $2.36, up +6% to +9%

Dollar values in millions
Source: Company information per attached reconciliation schedule

Long-Term Value Creation Model

Ron Lombardi

President & CEO

Key Messages

Investor Day 2013

“Transformation”

- **New** team
- **New** OTC focus
- **New** emphasis on brand building

Investor Day 2016

“Sustainable Growth Formula”

- **Durable** value proposition
- **Sustainable** formula for growth
- **Proven** long-term value creation model

Key Messages

Strategy

- Proven and Repeatable with Long Runway

Ability to Execute

- Depth of Leadership Team

Brand leadership

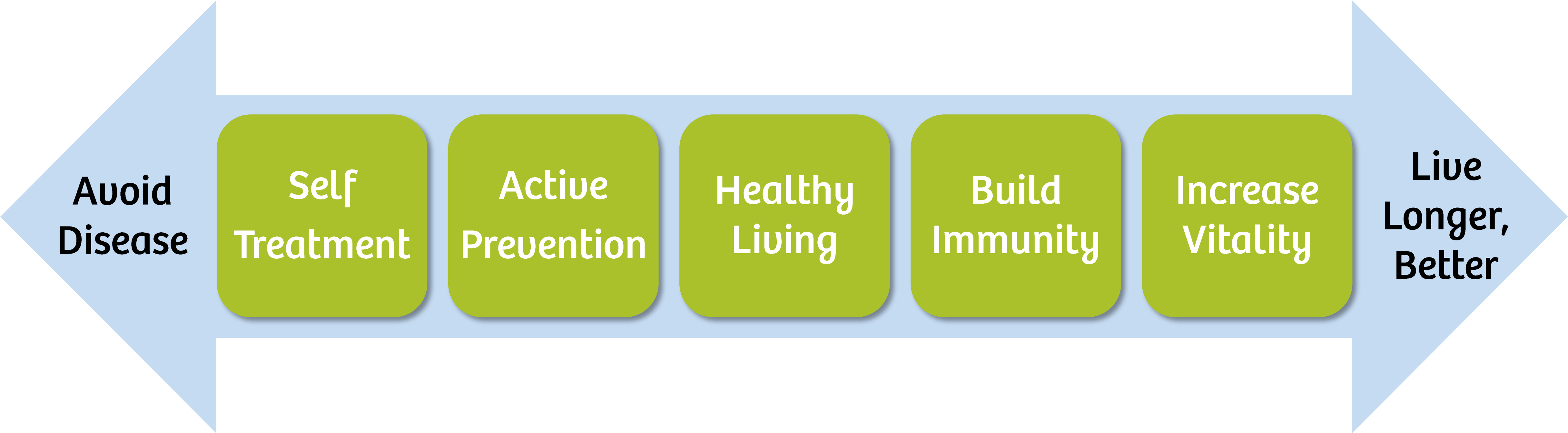
- Strong Market Positions in Niche Categories

Financial Model

- Proven Operating Model with Superior Profile

Delivering Consistent, Sustainable Growth Going Forward: Driving Business Strategy from Consumer Insights

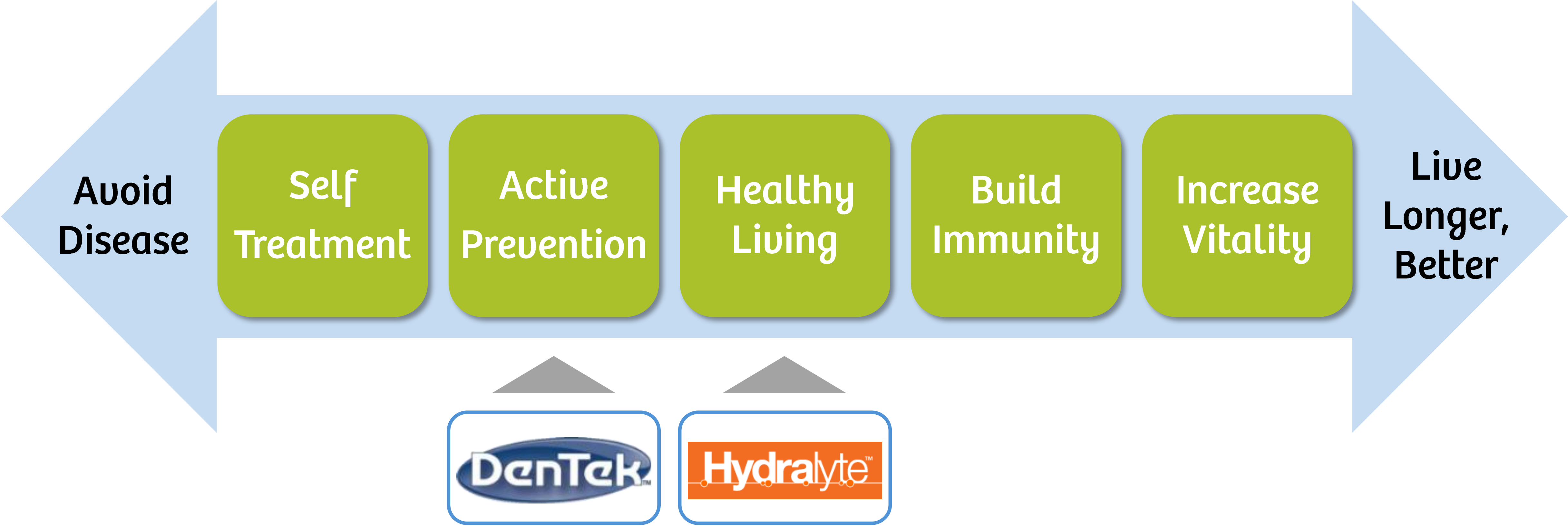
Meeting Challenging Consumer Preferences Along the Spectrum of Proactive Self-Care



Source: "Health & Wellness Strategy", Market Performance Group 2016

Delivering Consistent, Sustainable Growth Going Forward: Driving Business Strategy from Consumer Insights

Meeting Challenging Consumer Preferences Along the Spectrum of Proactive Self-Care



Source: "Health & Wellness Strategy", Market Performance Group 2016

Delivering Against the Drivers of Our Stated Long-Term Value-Creation Strategy

Expectation for Future

Long-Term Organic Growth of 2.0% to 3.0%

+

High Free Cash Flow Generation

Proven and Repeatable M&A Strategy

8 – 10% Long-Term E.P.S. Growth

+

Upside Potential

Long-Term Value Creation Strategy

Q&A

About Non-GAAP Financial Measures

We define Non-GAAP Organic Revenues on a Constant Currency basis as Total Revenues excluding acquisitions and divestitures and the impact of current year foreign exchange rates on total revenues. We define Non-GAAP Adjusted EBITDA as earnings before interest expense (income), income taxes, depreciation and amortization, inventory step-up charges, certain other legal and professional fees, other acquisition-related costs, costs associated with our CEO transition, gain on sale of asset, and loss on extinguishment of debt. Non-GAAP Adjusted EBITDA Margin is calculated as Non-GAAP Adjusted EBITDA divided by GAAP Total Revenues. We define Non-GAAP Adjusted Gross Margin as Gross Profit before inventory step up charges, and certain other acquisition and integration-related costs. Non-GAAP Adjusted Gross Margin percentage is calculated based on Non-GAAP Adjusted Gross Margin divided by GAAP Total Revenues. We define Non-GAAP Adjusted General and Administrative expenses as General and Administrative expenses minus certain other legal and professional fees, acquisition and other integration costs, and costs associated with our CEO transition. Non-GAAP Adjusted General and Administrative expense percentage is calculated based on Non-GAAP Adjusted General and Administrative expense divided by GAAP Total Revenues. We define Non-GAAP Adjusted Net Income as Net Income before inventory step-up charges, certain other legal and professional fees, other acquisition and integration-related costs, costs associated with our CEO transition, accelerated amortization of debt origination costs, gain on sale of asset, loss on extinguishment of debt, and the applicable tax impacts associated with these items and other non-deductible items. Non-GAAP Adjusted EPS is calculated based on Non-GAAP Adjusted Net Income, divided by the weighted average number of common and potential common shares outstanding during the period. We define Non-GAAP Free Cash Flow as net cash provided by operating activities less cash paid for capital expenditures. We define Non-GAAP Adjusted Free Cash Flow as net cash provided by operating activities less purchases of property and equipment plus payments associated with a premium on extinguishment of the 2012 Senior Notes and acquisitions for integration, transition, and other payments associated with acquisitions. We define Non-GAAP Cash Tax Expense as GAAP Provision for Income Taxes less deferred income tax from the cash flow statement. Non-GAAP Organic Revenues on a Constant Currency basis, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted EBITDA Margin, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Gross Margin percentage, Non-GAAP Adjusted General and Administrative Expense, Non-GAAP Adjusted General and Administrative Expense percentage, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Free Cash Flow, Non-GAAP Adjusted Free Cash Flow and Non-GAAP Cash Tax Expense may not be comparable to similarly titled measures reported by other companies.

About Non-GAAP Financial Measures Cont'd

We are presenting Non-GAAP Organic Revenues on a Constant Currency basis, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted EBITDA Margin, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Gross Margin percentage, Non-GAAP Adjusted General and Administrative Expense, Non-GAAP Adjusted General and Administrative Expense percentage, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Free Cash Flow, Non-GAAP Adjusted Free Cash Flow, and Non-GAAP Cash Tax Expense because they provide additional ways to view our operation when considered with both our GAAP results and the reconciliation to net income and net cash provided by operating activities, respectively, which we believe provides a more complete understanding of our business than could be obtained absent this disclosure. Each of Non-GAAP Organic Revenues on a Constant Currency basis, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted EBITDA Margin, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Gross Margin percentage, Non-GAAP Adjusted General and Administrative Expense, Non-GAAP Adjusted General and Administrative Expense percentage, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Free Cash Flow, Non-GAAP Adjusted Free Cash Flow and Non-GAAP Cash Tax Expense is presented solely as a supplemental disclosure because (i) we believe it is a useful tool for investors to assess the operating performance of the business without the effect of these items; (ii) we believe that investors will find this data useful in assessing shareholder value; and (iii) we use Non-GAAP Organic Revenues on a Constant Currency basis, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted EBITDA Margin, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Gross Margin percentage, Non-GAAP Adjusted General and Administrative Expense, Non-GAAP Adjusted General and Administrative Expense percentage, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Free Cash Flow, Non-GAAP Adjusted Free Cash Flow and Non-GAAP Cash Tax Expense internally to evaluate the performance of our personnel and also as a benchmark to evaluate our operating performance or compare our performance to that of our competitors. The use of Non-GAAP Organic Revenues on a Constant Currency basis, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted EBITDA Margin, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Gross Margin percentage, Non-GAAP Adjusted General and Administrative Expense, Non-GAAP Adjusted General and Administrative Expense percentage, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Free Cash Flow, Non-GAAP Adjusted Free Cash Flow and Non-GAAP Cash Tax Expense have limitations, and you should not consider these measures in isolation from or as an alternative to GAAP measures such as Total Revenues, General and Administrative expense, Operating income, Net income, Provision for Income Taxes, Net cash flow provided by operating activities, or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity.

The following tables set forth the reconciliation of Non-GAAP Organic Revenues on a Constant Currency basis, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted EBITDA Margin, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Gross Margin percentage, Non-GAAP Adjusted General and Administrative Expense, Non-GAAP Adjusted General and Administrative Expense percentage, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Free Cash Flow, Non-GAAP Adjusted Free Cash Flow and Non-GAAP Cash Tax Expense all of which are non-GAAP financial measures, to GAAP Gross Profit, GAAP General and Administrative expense, GAAP Net Income, GAAP Provision for Income Taxes, GAAP Diluted EPS and GAAP Net cash provided by operating activities, our most directly comparable financial measures presented in accordance with GAAP.

Reconciliation Schedules

Organic Revenue Growth

	2016	2015
GAAP Total Revenues	806,247	714,623
Adjustments:		
Hydralyte revenues	(1,217)	-
Insight revenues	(73,630)	-
DenTek revenues	(10,687)	-
Total adjustments	(85,534)	-
Non-GAAP Organic Revenues	720,713	714,623
Organic Revenue Growth	0.9%	
Impact of foreign currency exchange rates		(13,862)
Non-GAAP Organic Revenues on a constant currency basis	720,713	700,761
Constant Currency Organic Revenue Growth	**2.8%**	

Dollar values in thousands

Reconciliation Schedules Cont'd

Adjusted Gross Margin

	2010	2011	2012	2013	2014	2015	2016
GAAP Total Revenues	$ 289,652	$ 332,905	$ 437,819	$ 620,529	$ 597,381	$ 714,623	$ 806,247
GAAP Gross Margin	$ 150,494	$ 167,273	$ 224,118	$ 343,737	$ 335,551	$ 406,223	$ 467,211
Adjustments							
Inventory step up associated with acquisitions	-	7,273	1,795	23	577	2,225	1,387
Additional inventory transition and supplier costs associated with acquisitions	-	-	-	5,646	407	-	-
Total adjustments	-	7,273	1,795	5,669	984	2,225	1,387
Non-GAAP Adjusted Gross Margin	$ 150,494	$ 174,546	$ 225,913	$ 349,406	$ 336,535	$ 408,448	$ 468,598
Non-GAAP Adjusted Gross Margin %	52.0%	52.4%	51.6%	56.3%	56.3%	57.2%	58.1%

Adjusted G&A

	2010	2011	2012	2013	2014	2015	2016
GAAP General and Administrative expenses	$ 34,195	$ 41,960	$ 56,700	$ 51,467	$ 48,481	$ 81,273	$ 72,418
Adjustments							
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
Transition and other acquisition costs	-	-	3,588	5,811	-	13,473	289
Unsolicited porposal costs	-	-	1,737	534	-	-	-
Total adjustments	-	7,729	19,132	6,443	1,111	24,447	3,807
Non-GAAP Adjusted G&A	$ 34,195	$ 34,231	$ 37,568	$ 45,024	$ 47,370	$ 56,826	$ 68,611
Non-GAAP Adjusted G&A %	11.8%	10.3%	8.6%	7.3%	7.9%	8.0%	8.5%

Dollar values in thousands

Reconciliation Schedules Cont'd

Adjusted EBITDA

	2010	2011	2012	2013	2014	2015	2016
GAAP Total Revenues	**$ 289,652**	**$ 332,905**	**$ 437,819**	**$ 620,529**	**$ 597,381**	**$ 714,623**	**$ 806,247**
GAAP Net Income	$ 32,115	$ 29,220	$ 37,212	$ 65,505	$ 72,615	$ 78,260	$ 99,907
Income from Disc Ops	112	(591)	-	-	-	-	-
Loss on sale of disc ops	(157)	550	-	-	-	-	-
Interest Expense, net	22,935	27,317	41,320	84,407	68,582	81,234	85,160
Provision for income taxes	20,664	19,349	23,945	40,529	29,133	49,198	57,278
Depreciation and amortization	10,001	9,876	10,734	13,235	13,486	17,740	23,676
Non-GAAP EBITDA	**85,670**	**85,721**	**113,211**	**203,676**	**183,816**	**226,432**	**266,021**
Sales costs related to acquisitions	-	-	-	411	-	-	-
Inventory step up	-	7,273	1,795	23	577	2,225	1,387
Inventory related acquisition costs	-	-	-	220	407	-	-
Additional 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
Integration, transition and other costs associated with acquisitions	-	-	3,588	5,811	-	10,533	289
Stamp Duty	-	-	-	-	-	2,940	-
Unsolicited porposal costs	-	-	1,737	534	-	-	-
Loss on extinguishment of debt	2,656	300	5,409	1,443	18,286	-	17,970
Gain on settlement	-	-	(5,063)	-	-	-	-
Gain on sale of asset	-	-	-	-	-	(1,133)	-
Adjustments to EBITDA	**2,656**	**15,302**	**21,273**	**13,966**	**20,381**	**25,539**	**23,164**
Non-GAAP Adjusted EBITDA	**$ 88,326**	**$ 101,023**	**$ 134,484**	**$ 217,642**	**$ 204,197**	**$ 251,971**	**$ 289,185**
Non-GAAP Adjusted EBITDA %	**30.5%**	**30.3%**	**30.7%**	**35.1%**	**34.2%**	**35.3%**	**35.9%**

Dollar values in thousands

Reconciliation Schedules Cont'd

Adjusted Net Income and Adjusted EPS

	2010		2011		2012		2013		2014		2015		2016	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
GAAP Net Income	$ 32,115	$ 0.64	$ 29,220	$ 0.58	$ 37,212	$ 0.73	$ 65,505	$ 1.27	$ 72,615	$ 1.39	$ 78,260	$ 1.49	$ 99,907	$ 1.88
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	-	-	-	-	-	-	-	-	-	-
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
Inventory related acquisition costs	-	-	-	-	-	-	220	-	407	0.01	-	-	-	-
Additional supplier costs	-	-	-	-	-	-	5,426	0.11	-	-	-	-	-	-
Costs associated with CEO transition	-	-	-	-	-	-	-	-	-	-	-	-	1,406	0.02
Legal and other professional fees assoc. with acq'ns	-	-	7,729	0.15	13,807	0.27	98	-	1,111	0.02	10,974	0.21	2,112	0.04
Transition and other Acq costs	-	-	-	-	3,588	0.07	5,811	0.11	-	-	10,533	0.20	289	0.01
Stamp Duty	-	-	-	-	-	-	-	-	-	-	2,940	0.05	-	-
Unsolicited porposal costs	-	-	-	-	1,737	0.03	534	0.01	-	-	-	-	-	-
Loss on extinguishment of debt	2,656	0.05	300	0.01	5,409	0.11	1,443	0.03	18,286	0.35	-	-	17,970	0.34
Gain on settlement	-	-	-	-	(5,063)	(0.10)	-	-	-	-	-	-	-	-
Gain on sale of asset	-	-	-	-	-	-	-	-	-	-	(1,133)	(0.02)	-	-
Accelerated amort. of debt discounts and issue costs	-	-	-	-	-	-	7,746	0.15	5,477	0.10	218	-	-	-
Tax impact on adjustments	(1,009)	(0.01)	(5,513)	(0.11)	(8,091)	(0.16)	(8,329)	(0.16)	(9,100)	(0.17)	(5,968)	(0.11)	(7,608)	(0.15)
Impact of state tax adjustments	(352)	(0.01)	-	-	(237)	-	(1,741)	(0.03)	(9,465)	(0.18)	-	-	-	-
Total adjustments	1,295	0.03	10,548	0.21	12,945	0.26	11,642	0.23	7,293	0.14	19,789	0.37	15,556	0.29
Non-GAAP Adjusted Net Income and Non-GAAP Adjusted EPS	$ 33,410	$ 0.67	$ 39,768	$ 0.79	$ 50,157	$ 0.99	$ 77,147	$ 1.50	$ 79,908	$ 1.53	$ 98,049	$ 1.86	$115,463	$ 2.17

Dollar values in thousands, except per share data

Reconciliation Schedules Cont'd

Adjusted Free Cash Flow

	2010	2011	2012	2013	2014	2015	2016
GAAP Net Income	$ 32,115	$ 29,220	$ 37,212	$ 65,505	$ 72,615	$ 78,260	$ 99,907
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
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)
Total adjustments	27,312	57,450	30,240	72,100	38,967	77,995	74,443
GAAP Net cash provided by operating activities	**59,427**	**86,670**	**67,452**	**137,605**	**111,582**	**156,255**	**174,350**
Purchases of property and equipment	(673)	(655)	(606)	(10,268)	(2,764)	(6,101)	(3,568)
Non-GAAP Free Cash Flow	**58,754**	**86,015**	**66,846**	**127,337**	**108,818**	**150,154**	**170,782**
Premiuim payment on 2010 Senior Notes	-	-	-	-	15,527	-	-
Premiuim payment on extinguishment of 2012 Senior Notes	-	-	-	-	-	-	10,158
Accelerated interest payments due to debt refinancing	-	-	-	-	4,675	-	-
Integration, transition and other payments associated with acquisitions	-	-	-	-	512	13,563	2,461
Total adjustments	-	-	-	-	20,714	13,563	12,619
Non-GAAP Adjusted Free Cash Flow	**$ 58,754**	**$ 86,015**	**$ 66,846**	**$ 127,337**	**$ 129,532**	**$ 163,717**	**$ 183,401**

Dollar values in thousands

Reconciliation Schedules Cont'd

Cash Tax Expense

	2013	2014	2015	2016
GAAP Provision for Income Taxes	$ 40,529	$ 29,133	$ 49,198	$ 57,278
Adjustments				
Deferred Income Taxes	(25,505)	(19,012)	(28,922)	(46,152)
Non-GAAP Cash Tax Expense	**15,024**	**10,121**	**20,276**	**11,126**

Dollar values in thousands

Outlook for Fiscal Year 2017

Projected E.P.S.

	Low		High	
Projected FY'17 GAAP EPS	$	2.22	$	2.28
Adjustments:				
Costs associated with DenTek integration		0.08		0.08
Total adjustments		0.08		0.08
Projected Non-GAAP Adjusted EPS	**$**	**2.30**	**$**	**2.36**

Projected Free Cash Flow

Projected FY'17 GAAP Net cash provided by operating activities	$	190
Additions to property and equipment for cash		(8)
Projected Non-GAAP Free Cash Flow		182
Payments associated with acquisitions		3
Adjusted Non-GAAP Projected Free Cash Flow	**$**	**185**

Dollar values in thousands