

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 1, 2019

**PRESTIGE CONSUMER HEALTHCARE INC.**  
(Exact Name of Registrant as Specified in Charter)

Delaware  
(State or Other Jurisdiction of Incorporation)

001-32433  
(Commission File Number)

20-1297589  
(IRS Employer Identification No.)

660 White Plains Road, Tarrytown, New York 10591  
(Address of Principal Executive Offices) (Zip Code)

(914) 524-6800  
(Registrant's telephone number, including area code)

(Former Name or Former Address, if Changed Since Last Report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

**Common stock, par value \$0.01 per share**

**PBH**

**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

**Item 2.02 Results of Operations and Financial Condition.**

On August 1, 2019, Prestige Consumer Healthcare Inc. (the “Company”) announced financial results for the fiscal quarter ended June 30, 2019. A copy of the press release announcing the Company’s earnings results for the fiscal quarter ended June 30, 2019 is attached hereto as Exhibit 99.1 and incorporated herein by reference.

**Item 7.01 Regulation FD Disclosure.**

On August 1, 2019, representatives of the Company began making presentations to investors regarding the Company’s financial results for the quarter ended June 30, 2019 using slides attached to this Current Report on Form 8-K as Exhibit 99.2 (the “Investor Presentation”) and incorporated herein by reference. The Company expects to use the Investor Presentation, in whole or in part, and possibly with modifications, in connection with presentations to investors, analysts and others during the fiscal year ended March 31, 2020.

By filing this Current Report on Form 8-K and furnishing the information contained herein, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

The information contained in the Investor Presentation is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission (“SEC”) filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

The information presented in Items 2.02 and 7.01 of this Current Report on Form 8-K and Exhibits 99.1 and 99.2 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, unless the Company specifically states that the information is to be considered “filed” under the Exchange Act or specifically incorporates it by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

See Exhibit Index immediately following the signature page.



EXHIBIT INDEX

Exhibit	Description
99.1	<a href="#">Press Release dated August 1, 2019 announcing the Company's financial results for the fiscal quarter ended June 30, 2019 (furnished only).</a>
99.2	<a href="#">Investor Presentation in use beginning August 1, 2019 (furnished only).</a>

**Prestige Consumer Healthcare Inc. Reports Fiscal 2020 First Quarter Results**

- Revenue \$232.2 Million in Q1 Fiscal 2020; Organic Revenue Flat as Expected
- EPS of \$0.65 in Q1 Fiscal 2020
- Cash Flow From Operations of \$52.8 Million in Q1; Non-GAAP Free Cash Flow of \$50.8 Million
- Reduced Debt by \$20 Million and Repurchased Approximately \$30 million Shares in Q1 Fiscal 2020
- Reaffirming Previously Issued FY'20 Outlook

TARRYTOWN, N.Y.--(GLOBE NEWSWIRE)--August 1, 2019-- Prestige Consumer Healthcare Inc. (NYSE:PBH) today reported financial results for its first quarter fiscal 2020 ended June 30, 2019.

“Our first quarter represents a solid start to the fiscal year and we are reaffirming our fiscal year 2020 outlook. The business performance continues to benefit from solid consumption trends across our portfolio of leading brands, strong gross margins, a solid financial profile and cash generation. These attributes enabled us to invest behind our brands, opportunistically repurchase shares and further reduce debt during Q1” said Ron Lombardi, Chief Executive Officer of Prestige Consumer Healthcare.

**First Fiscal Quarter Ended June 30, 2019**

Reported revenues in the first quarter of fiscal 2020 decreased 8.6% to \$232.2 million compared to \$254.0 million in the first quarter of fiscal 2019. Revenues were flat on an organic basis, which excludes the impact related to the divested Household Cleaning segment and foreign currency. The revenue performance for the quarter was driven by strong international segment growth and consumption growth in the Company’s core brand portfolio domestically, offset by retailer inventory reductions.

Reported gross profit margin in the first quarter fiscal 2020 was 57.7%, compared to 55.4% for the prior year comparable period that included the divested Household Cleaning segment. First quarter fiscal 2020 gross profit margin increased sequentially from the fourth quarter fiscal 2019 gross margin of 57.4%.

Reported net income for the first quarter of fiscal 2020 totaled \$33.9 million versus the prior year comparable quarter’s net income of \$34.5 million or \$35.8 million on a non-GAAP adjusted basis. Diluted earnings per share were \$0.65 for the first quarter of fiscal 2020 compared to \$0.65 diluted earnings per share, and \$0.68 on a non-GAAP adjusted basis, in the prior year comparable period. The prior year comparable period results included profit contribution related to the divested Household Cleaning segment.

Adjustments to net income in the first quarter of fiscal 2019 included legal and various other costs associated with the Household Cleaning divestiture, and the related income tax effects of the adjustments.

**Free Cash Flow and Balance Sheet**

The Company’s net cash provided by operating activities for the first fiscal quarter of 2020 decreased to \$52.8 million from

\$55.9 million during the same period a year earlier. Non-GAAP free cash flow for the first fiscal quarter of 2020 was \$50.8 million, compared to \$53.4 million in the prior year comparable quarter. The Company's business experienced continued strong cash conversion but was offset by the loss of cash flow from the divestiture of the Company's Household Cleaning segment.

In the first quarter of fiscal 2020, the Company used its cash flow to reduce debt by \$20 million. The Company also executed a portion of its previously-authorized \$50 million share repurchase program, repurchasing 0.9 million shares at a total investment of \$28.8 million. Subsequent to the quarter, the Company completed its share repurchase program during July 2019.

The Company's net debt position as of June 30, 2019 was approximately \$1.8 billion, approximately flat versus the prior quarter as first quarter 2020 cash generation went primarily towards share repurchase. At June 30, 2019 the Company's covenant-defined leverage ratio was 5.0x.

#### **Segment Review**

*North American OTC Healthcare:* Segment revenues totaled \$210.8 million for the first quarter of fiscal 2020, compared to the prior year comparable quarter's revenues of \$214.8 million. The first quarter fiscal 2020 revenue performance was attributable to increased consumption among the majority of core OTC brands which was more than offset by retailer inventory reductions and unfavorable foreign currency of \$0.5 million.

*International OTC Healthcare:* Segment fiscal first quarter 2020 revenues totaled \$21.4 million, compared to \$19.4 million reported in the prior year comparable period. Revenues versus the prior year first quarter benefitted from consumption growth and the timing of distributor orders and shipments, partially offset by unfavorable foreign currency of approximately \$1 million.

*Household Cleaning:* As previously announced, the Company sold its Household Cleaning segment on July 2, 2018 and used net proceeds from the divestiture to pay down debt. For the first quarter of fiscal 2019, the Household Cleaning segment generated \$19.8 million in revenues, with no reported revenue in subsequent quarters.

#### **Commentary and Outlook for Fiscal 2020**

Ron Lombardi, CEO, stated, "We are pleased with our start to fiscal 2020, with solid revenue and profit results reinforcing confidence in our financial outlook for the year."

"Looking forward, we are pleased with the continuing overall top-line trends of our core portfolio, including market share gains for the majority of the Company's core brands. Regarding operations, following a strategic analysis we have decided to transition to a new third-party logistics provider and location over the balance of fiscal 2020 in order to best meet the needs of our business and customers for the long-term. We are maintaining our profit outlook on an adjusted basis and expect near-term costs associated with the transition to result in long-term savings to our business."

"Our stable financial profile and profit outlook for fiscal 2020 enables a disciplined capital allocation approach in which we anticipate our primary use of cash being debt reduction. We continue to benefit from a diverse portfolio of leading brands and remain confident in our long-term growth prospects," Mr. Lombardi concluded.

	<b><u>Fiscal 2020 Full-Year Outlook</u></b>
Revenue	\$951 to \$961 million
Organic Growth Percentage*	Approximately Flat
Adjusted E.P.S.*	\$2.76 to \$2.83
Adjusted Free Cash Flow*	\$200 million or more

#### **Fiscal Q1 2020 Conference Call, Accompanying Slide Presentation and Replay**

The Company will host a conference call to review its first quarter results today, August 1, 2019 at 8:30 a.m. ET. The toll-free dial-in numbers are 844-233-9440 within North America and 574-990-1016 outside of North America. The conference ID number is 5433939. The Company provides a live Internet webcast, a slide presentation to accompany the call, as well as an archived replay, all of which can be accessed from the Investor Relations page of the Company's website at [www.prestigeconsumerhealthcare.com](http://www.prestigeconsumerhealthcare.com). The slide presentation can be accessed from the Investor Relations page of the website by clicking on Webcasts and Presentations.

Telephonic replays will be available for one week following the completion of the call and can be accessed at 855-859-2056 within North America and at 404-537-3406 from outside North America. The conference ID is 5433939.

#### **Non-GAAP and Other Financial Information**

In addition to financial results reported in accordance with generally accepted accounting principles (GAAP), we have provided certain non-GAAP financial information in this release to aid investors in understanding the Company's performance. Each non-GAAP financial measure is defined and reconciled to its most closely related GAAP financial measure in the "About Non-GAAP Financial Measures" section at the end of this earnings release.

#### **Note Regarding Forward-Looking Statements**

This news release contains "forward-looking statements" within the meaning of the federal securities laws that are intended to qualify for the Safe Harbor from liability established by the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" generally can be identified by the use of forward-looking terminology such as "assumptions," "target," "guidance," "prospects," "outlook," "plans," "projection," "may," "will," "would," "expect," "intend," "estimate," "anticipate," "believe", "potential," or "continue" (or the negative or other derivatives of each of these terms) or similar terminology. The "forward-looking statements" include, without limitation, statements regarding the Company's expectations regarding future operating results including revenues, organic growth, earnings per share and free cash flow, the Company's disciplined capital allocation, the Company's ability to reduce debt and the Company's ability to position itself for long-term growth. These statements are based on management's estimates and assumptions with respect to future events and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results could differ materially from those expected as a result of a variety of factors, including the impact of the Company's advertising and promotional and new product development initiatives, customer inventory management initiatives, general economic and business conditions, fluctuating foreign exchange rates, consumer trends, competitive pressures, the impact of the transition

to a new third party logistics provider, and the ability of the Company's third party manufacturers and logistics providers and suppliers to meet demand for its products and to reduce costs. A discussion of other factors that could cause results to vary is included in the Company's Annual Report on Form 10-K for the year ended March 31, 2019 and other periodic reports filed with the Securities and Exchange Commission.

**About Prestige Consumer Healthcare Inc.**

Prestige Consumer Healthcare markets, sells, manufactures and distributes consumer healthcare products to retail outlets throughout the U.S. and Canada, Australia, and in certain other international markets. The Company's diverse portfolio of brands include Monistat® and Summer's Eve® women's health products, BC® and Goody's® pain relievers, Clear Eyes® eye care products, DenTek® specialty oral care products, Dramamine® motion sickness treatments, Fleet® enemas and glycerin suppositories, Chloraseptic® and Luden's® sore throat treatments and drops, Compound W® wart treatments, Little Remedies® pediatric over-the-counter products, Boudreaux's Butt Paste® diaper rash ointments, Nix® lice treatment, Debrox® earwax remover, Gaviscon® antacid in Canada, and Hydralyte® rehydration products and the Fess® line of nasal and sinus care products in Australia. Visit the Company's website at [www.prestigeconsumerhealthcare.com](http://www.prestigeconsumerhealthcare.com).

*\* See the "About Non-GAAP Financial Measures" section of this report for further presentation information.*



**Prestige Consumer Healthcare Inc.**  
**Condensed Consolidated Statements of Income and Comprehensive Income**  
*(Unaudited)*

<i>(In thousands, except per share data)</i>	Three Months Ended June 30,	
	2019	2018
<b>Revenues</b>		
Net sales	\$ 232,133	\$ 253,954
Other revenues	21	26
Total revenues	232,154	253,980
<b>Cost of Sales</b>		
Cost of sales excluding depreciation	97,100	112,069
Cost of sales depreciation	987	1,288
Cost of sales	98,087	113,357
Gross profit	134,067	140,623
<b>Operating Expenses</b>		
Advertising and promotion	34,801	37,111
General and administrative	21,706	23,941
Depreciation and amortization	6,074	7,084
Total operating expenses	62,581	68,136
Operating income	71,486	72,487
<b>Other (income) expense</b>		
Interest income	(43)	(100)
Interest expense	25,063	26,040
Other expense, net	416	87
Total other expense	25,436	26,027
Income before income taxes	46,050	46,460
Provision for income taxes	12,125	11,994
Net income	\$ 33,925	\$ 34,466
<b>Earnings per share:</b>		
Basic	\$ 0.66	\$ 0.65
Diluted	\$ 0.65	\$ 0.65
<b>Weighted average shares outstanding:</b>		
Basic	51,697	52,640
Diluted	52,047	52,942
<b>Comprehensive income, net of tax:</b>		
Currency translation adjustments	(224)	(2,974)
Total other comprehensive loss	(224)	(2,974)
Comprehensive income	\$ 33,701	\$ 31,492

**Prestige Consumer Healthcare Inc.**  
**Condensed Consolidated Balance Sheets**  
*(Unaudited)*

*(In thousands)*

	June 30, 2019	March 31, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 29,042	\$ 27,530
Accounts receivable, net of allowance of \$12,059 and \$12,965, respectively	142,927	148,787
Inventories	129,388	119,880
Prepaid expenses and other current assets	9,164	4,741
<b>Total current assets</b>	<b>310,521</b>	<b>300,938</b>
Property, plant and equipment, net	51,387	51,176
Operating lease right-of-use asset	16,097	—
Goodwill	578,309	578,583
Intangible assets, net	2,501,358	2,507,210
Other long-term assets	3,038	3,129
<b>Total Assets</b>	<b>\$ 3,460,710</b>	<b>\$ 3,441,036</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 62,109	\$ 56,560
Accrued interest payable	13,937	9,756
Operating lease liabilities, current portion	5,099	—
Other accrued liabilities	62,346	60,663
<b>Total current liabilities</b>	<b>143,491</b>	<b>126,979</b>
Long-term debt, net	1,779,380	1,798,598
Deferred income tax liabilities	403,750	399,575
Long-term operating lease liability, net of current portion	12,526	—
Other long-term liabilities	19,940	20,053
<b>Total Liabilities</b>	<b>2,359,087</b>	<b>2,345,205</b>
<b>Stockholders' Equity</b>		
<b>Preferred stock - \$0.01 par value</b>		
Authorized - 5,000 shares		
Issued and outstanding - None	—	—
<b>Common stock - \$0.01 par value</b>		
Authorized - 250,000 shares		
Issued - 53,741 shares at June 30, 2019 and 53,670 shares at March 31, 2019	537	536
Additional paid-in capital	480,805	479,150
Treasury stock, at cost - 2,848 shares at June 30, 2019 and 1,871 shares at March 31, 2019	(89,493)	(59,928)
Accumulated other comprehensive loss, net of tax	(25,971)	(25,747)
Retained earnings	735,745	701,820
<b>Total Stockholders' Equity</b>	<b>1,101,623</b>	<b>1,095,831</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 3,460,710</b>	<b>\$ 3,441,036</b>

**Prestige Consumer Healthcare Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
*(Unaudited)*

<i>(In thousands)</i>	<b>Three Months Ended June 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>Operating Activities</b>		
Net income	\$ 33,925	\$ 34,466
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,061	8,372
Loss on disposal of property and equipment	20	1
Deferred income taxes	4,206	6,755
Amortization of debt origination costs	851	920
Stock-based compensation costs	1,381	1,657
Non-cash operating lease cost	1,338	—
Changes in operating assets and liabilities:		
Accounts receivable	5,808	(4,357)
Inventories	(8,939)	(9,303)
Prepaid expenses and other current assets	(4,335)	623
Accounts payable	5,306	16,479
Accrued liabilities	7,616	347
Operating lease liabilities	(1,368)	—
Other	(93)	(108)
Net cash provided by operating activities	52,777	55,852
<b>Investing Activities</b>		
Purchases of property, plant and equipment	(1,956)	(2,469)
Net cash used in investing activities	(1,956)	(2,469)
<b>Financing Activities</b>		
Borrowings under revolving credit agreement	15,000	20,000
Repayments under revolving credit agreement	(35,000)	(20,000)
Proceeds from exercise of stock options	275	880
Fair value of shares surrendered as payment of tax withholding	(799)	(2,281)
Repurchase of common stock	(28,766)	(49,978)
Net cash used in financing activities	(49,290)	(51,379)
Effects of exchange rate changes on cash and cash equivalents	(19)	(283)
Increase in cash and cash equivalents	1,512	1,721
Cash and cash equivalents - beginning of period	27,530	32,548
Cash and cash equivalents - end of period	\$ 29,042	\$ 34,269
Interest paid	\$ 19,966	\$ 20,907
Income taxes paid	\$ 1,807	\$ 334

Prestige Consumer Healthcare Inc.  
Condensed Consolidated Statements of Income  
Business Segments  
(Unaudited)

Three Months Ended June 30, 2019

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Total segment revenues*	\$ 210,784	\$ 21,370	\$ —	\$ 232,154
Cost of sales	88,811	9,276	—	98,087
Gross profit	121,973	12,094	—	134,067
Advertising and promotion	31,014	3,787	—	34,801
Contribution margin	\$ 90,959	\$ 8,307	\$ —	99,266
Other operating expenses				27,780
Operating income				71,486
Other expense				25,436
Income before income taxes				46,050
Provision for income taxes				12,125
Net income				\$ 33,925

\* Intersegment revenues of \$0.8 million were eliminated from the North American OTC Healthcare segment.

Three Months Ended June 30, 2018

<i>(In thousands)</i>	North American OTC Healthcare	International OTC Healthcare	Household Cleaning	Consolidated
Total segment revenues*	\$ 214,775	\$ 19,394	\$ 19,811	\$ 253,980
Cost of sales	89,153	7,616	16,588	113,357
Gross profit	125,622	11,778	3,223	140,623
Advertising and promotion	33,258	3,423	430	37,111
Contribution margin	\$ 92,364	\$ 8,355	\$ 2,793	103,512
Other operating expenses				31,025
Operating income				72,487
Other expense				26,027
Income before income taxes				46,460
Benefit for income taxes				11,994
Net income				\$ 34,466

\* Intersegment revenues of \$2.7 million were eliminated from the North American OTC Healthcare segment.

### About Non-GAAP Financial Measures

In addition to financial results reported in accordance with GAAP, we disclose certain Non-GAAP financial measures ("NGFMs"), including, but not limited to, Non-GAAP Organic Revenues, Non-GAAP Organic Revenue Growth Percentage, 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 EBITDA, Non-GAAP EBITDA Margin, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted EBITDA Margin, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Free Cash Flow, Non-GAAP Adjusted Free Cash Flow and Net Debt. We use these NGFMs internally, along with GAAP information, in evaluating our operating performance and in making financial and operational decisions. We believe that the presentation of these NGFMs provides investors with greater transparency, and provides a more complete understanding of our business than could be obtained absent these disclosures, because the supplemental data relating to our financial condition and results of operations provides additional ways to view our operation when considered with both our GAAP results and the reconciliations below. In addition, we believe that the presentation of each of these NGFMs is useful to investors for period-to-period comparisons of results in assessing shareholder value, and we use these NGFMs internally to evaluate the performance of our personnel and also to evaluate our operating performance and compare our performance to that of our competitors.

These NGFMs are not in accordance with GAAP, should not be considered as a measure of profitability or liquidity, and may not be directly comparable to similarly titled NGFMs reported by other companies. These NGFMs have limitations and they should not be considered in isolation from or as an alternative to their most closely related GAAP measures reconciled below. Investors should not rely on any single financial measure when evaluating our business. We recommend investors review the GAAP financial measures included in this earnings release. When viewed in conjunction with our GAAP results and the reconciliations below, we believe these NGFMs provide greater transparency and a more complete understanding of factors affecting our business than GAAP measures alone.

### NGFMs Defined

We define our NGFMs presented herein as follows:

- *Non-GAAP Organic Revenues*: GAAP Total Revenues excluding revenues associated with divestiture, allocated cost that remain after divestiture and impact of foreign currency exchange rates in the periods presented.
- *Non-GAAP Organic Revenue Growth Percentage*: Calculated as the change in Non-GAAP Organic Revenues from prior year divided by prior year Non-GAAP Organic Revenues.
- *Non-GAAP Adjusted Gross Margin*: GAAP Gross Profit minus certain transition and divestiture-related costs.
- *Non-GAAP Adjusted Gross Margin Percentage*: Calculated as Non-GAAP Adjusted Gross Margin divided by GAAP Total Revenues.
- *Non-GAAP Adjusted General and Administrative Expense*: GAAP General and Administrative expenses minus certain transition and divestiture-related costs.
- *Non-GAAP Adjusted General and Administrative Expense Percentage*: Calculated as Non-GAAP Adjusted General and Administrative expense divided by GAAP Total Revenues.
- *Non-GAAP EBITDA*: GAAP Net Income (Loss) less net interest expense (income), income taxes provision (benefit), and depreciation and amortization.
- *Non-GAAP EBITDA Margin*: Calculated as Non-GAAP EBITDA divided by GAAP Total Revenues.
- *Non-GAAP Adjusted EBITDA*: Non-GAAP EBITDA less certain transition and divestiture-related costs.
- *Non-GAAP Adjusted EBITDA Margin*: Calculated as Non-GAAP Adjusted EBITDA divided by GAAP Total Revenues.
- *Non-GAAP Adjusted Net Income*: GAAP Net Income (Loss) before certain transition and divestiture-related costs, applicable tax impact associated with these items and normalized tax rate adjustment.
- *Non-GAAP Adjusted EPS*: Calculated as Non-GAAP Adjusted Net Income, divided by the weighted average number of common and potential common shares outstanding during the period.
- *Non-GAAP Free Cash Flow*: GAAP Net cash provided by operating activities less cash paid for capital expenditures.
- *Non-GAAP Adjusted Free Cash Flow*: Non-GAAP Free Cash Flow plus cash payments made for transition costs associated with divestiture.
- *Net Debt*: Calculated as total principal amount of debt outstanding (\$1,793,000 at June 30, 2019) less cash and cash equivalents (\$29,042 at June 30, 2019). Amounts in thousands.

The following tables set forth the reconciliations of each of our NGFMs to their most directly comparable financial measures presented in accordance with GAAP.

**Reconciliation of GAAP Total Revenues to Non-GAAP Organic Revenues and related Non-GAAP Organic Revenue Growth percentage:**

	Three Months Ended June 30,	
	2019	2018
<i>(In thousands)</i>		
GAAP Total Revenues	\$ 232,154	\$ 253,980
Revenue Growth	(8.6)%	
<b>Adjustments:</b>		
Revenues associated with divestiture	—	(19,811)
Allocated costs that remain after divestiture	—	(659)
Impact of foreign currency exchange rates	—	(1,402)
Total adjustments	—	(21,872)
Non-GAAP Organic Revenues	\$ 232,154	\$ 232,108
Non-GAAP Organic Revenue Growth as a Percentage of GAAP Total Revenues	—%	

**Reconciliation of GAAP Gross Profit to Non-GAAP Adjusted Gross Margin and related Non-GAAP Adjusted Gross Margin percentage:**

	Three Months Ended June 30,	
	2019	2018
<i>(In thousands)</i>		
GAAP Total Revenues	\$ 232,154	\$ 253,980
GAAP Gross Profit	\$ 134,067	\$ 140,623
GAAP Gross Profit as a Percentage of GAAP Total Revenue	57.7%	55.4%
<b>Adjustments:</b>		
Transition and other costs associated with divestiture <sup>(1)</sup>	—	170
Total adjustments	—	170
Non-GAAP Adjusted Gross Margin	\$ 134,067	\$ 140,793
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	57.7%	55.4%

(1) Items related to divestiture represent costs related to divesting of assets sold, including (but not limited to) costs to exit or convert contractual obligations.

**Reconciliation of GAAP General and Administrative Expense and related GAAP General and Administrative Expense percentage to Non-GAAP Adjusted General and Administrative Expense and related Non-GAAP Adjusted General and Administrative Expense percentage:**

	Three Months Ended June 30,	
	2019	2018
<i>(In thousands)</i>		
GAAP General and Administrative Expense	\$ 21,706	\$ 23,941
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	9.3%	9.4%
<b>Adjustments:</b>		
Transition and other costs associated with divestiture <sup>(1)</sup>	—	1,422
Total adjustments	—	1,422
Non-GAAP Adjusted General and Administrative Expense	\$ 21,706	\$ 22,519
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	9.3%	8.9%

(1) 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 insurance costs, legal and other related professional fees.

**Reconciliation of GAAP Net Income to Non-GAAP EBITDA and related Non-GAAP EBITDA Margin, Non-GAAP Adjusted EBITDA and related Non-GAAP Adjusted EBITDA Margin:**

	Three Months Ended June 30,	
	2019	2018
<i>(In thousands)</i>		
GAAP Net Income	\$ 33,925	\$ 34,466
Interest expense, net	25,020	25,940
Provision for income taxes	12,125	11,994
Depreciation and amortization	7,061	8,372
Non-GAAP EBITDA	78,131	80,772
Non-GAAP EBITDA Margin	33.7%	31.8%
<b>Adjustments:</b>		
Transition and other costs associated with divestiture in Cost of Goods Sold <sup>(1)</sup>	—	170
Transition and other costs associated with divestiture in General and Administrative Expense <sup>(1)</sup>	—	1,422
Total adjustments	—	1,592
Non-GAAP Adjusted EBITDA	\$ 78,131	\$ 82,364
Non-GAAP Adjusted EBITDA Margin	33.7%	32.4%

(1) 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 insurance costs, legal and other related professional fees.

**Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income and related Non-GAAP Adjusted Earnings Per Share:**

	Three Months Ended June 30,			
	2019	2019 Adjusted EPS	2018	2018 Adjusted EPS
<i>(In thousands, except per share data)</i>				
GAAP Net Income	\$ 33,925	\$ 0.65	\$ 34,466	\$ 0.65
<b>Adjustments:</b>				
Transition and other costs associated with divestiture in Cost of Goods Sold <sup>(1)</sup>	—	—	170	—
Transition and other costs associated with divestiture in General and Administrative Expense <sup>(1)</sup>	—	—	1,422	0.03
Tax impact of adjustments <sup>(2)</sup>	—	—	(404)	—
Normalized tax rate adjustment <sup>(3)</sup>	—	—	193	—
Total adjustments	—	—	1,381	0.03
Non-GAAP Adjusted Net Income and Adjusted EPS	\$ 33,925	\$ 0.65	\$ 35,847	\$ 0.68

(1) 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 insurance costs, legal and other related professional fees.

(2) 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.

(3) Income tax adjustment to adjust for discrete income tax items.

**Reconciliation of GAAP Net Income to Non-GAAP Free Cash Flow and Non-GAAP Adjusted Free Cash Flow:**

	Three Months Ended June 30,	
	2019	2018
<i>(In thousands)</i>		
GAAP Net Income	\$ 33,925	\$ 34,466
<b>Adjustments:</b>		
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	14,857	17,705
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	3,995	3,681
Total adjustments	18,852	21,386
GAAP Net cash provided by operating activities	52,777	55,852
Purchases of property and equipment	(1,956)	(2,469)
Non-GAAP Free Cash Flow	50,821	53,383
Transition and other payments associated with divestiture <sup>(1)</sup>	—	189
Non-GAAP Adjusted Free Cash Flow	\$ 50,821	\$ 53,572

(1) 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 insurance costs, legal and other related professional fees.

**Outlook for Fiscal Year 2020:**
**Reconciliation of Projected GAAP EPS to Projected Non-GAAP Adjusted EPS:**

	2020 Projected EPS	
	Low	High
Projected FY'20 GAAP EPS	\$ 2.61	\$ 2.68
<b>Adjustments:</b>		
Integration of new logistics provider <sup>(1)</sup>	0.15	0.15
Total Adjustments	0.15	0.15
Projected Non-GAAP Adjusted EPS	\$ 2.76	\$ 2.83

(1) Represents costs to integrate our new logistics provider into our operations.



Reconciliation of Projected GAAP Net cash provided by operating activities to Projected Non-GAAP Adjusted Free Cash Flow:

	<b>2020 Projected Free Cash Flow</b>	
<i>(In millions)</i>		
Projected FY'20 GAAP Net cash provided by operating activities	\$	205
Additions to property and equipment for cash		(15)
Projected Non-GAAP Free Cash Flow		190
Payments associated with integration of new logistics provider		10
Projected Non-GAAP Adjusted Free Cash Flow	\$	200

# Prestige Consumer HEALTHCARE First Quarter FY 2020 Results August 1<sup>st</sup>, 2019



## 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 revenues, organic growth, adjusted EPS, and adjusted free cash flow; the market position, expected growth and consumption trends for the Company’s brands; the expected cost of transition to a new logistics provider; the impact of brand-building and product innovation and the related impact on the Company’s revenues; the Company’s disciplined capital allocation; and the impact of retailer destocking. 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 inventory management initiatives, supplier issues, the impact of the transition to a new third party logistics provider, unexpected costs or liabilities, 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 August 1, 2019 earnings release in the “About Non-GAAP Financial Measures” section.

First Quarter FY 20 Results

PrestigeConsumer  
HEALTHCARE

# Agenda for Today's Discussion

**I. Performance Highlights**

**II. Financial Overview**

**III. FY 20 Outlook**

First Quarter FY 20 Results

PrestigeConsumer  
HEALTHCARE

# I. Performance Highlights



## Q1 FY 20 Performance Highlights

Revenue of \$232.2 million, flat vs PY on an organic basis<sup>(1)</sup>

Consumption growth of over 2%<sup>(2)</sup> led by core brand portfolio and international growth

EPS of \$0.65, down 4.4% vs Adjusted<sup>(3)</sup> PY Q1, which included profit contribution from Household Cleaning Segment

Free Cash Flow<sup>(3)</sup> of \$50.8 million used to pay down debt and repurchase shares

First Quarter FY 20 Results

Prestige Consumer  
HEALTHCARE

# Solid Financial Performance in Q1 FY 20

## Consistent Portfolio Performance

- Q1 Revenue of \$232.2 million, flat versus PY Q1 on an organic basis<sup>(1)</sup>
  - Strong international segment growth led by Australia
  - Consumption growth<sup>(2)</sup> in excess of 2% continues to meaningfully outpace revenue growth

## Strong Earnings and FCF

- EPS of \$0.65, down 4.4% versus Adjusted<sup>(3)</sup> PY Q1 which included profit contribution from Household Cleaning
- Gross Margin of 57.7% up 30 bps sequentially vs Q4 FY 19 and up 230 bps since Q1 FY 19
  - Consistent with 2H FY 19 Performance
- Continued solid Free Cash Flow<sup>(3)</sup> of \$50.8 million

## Capital Allocation

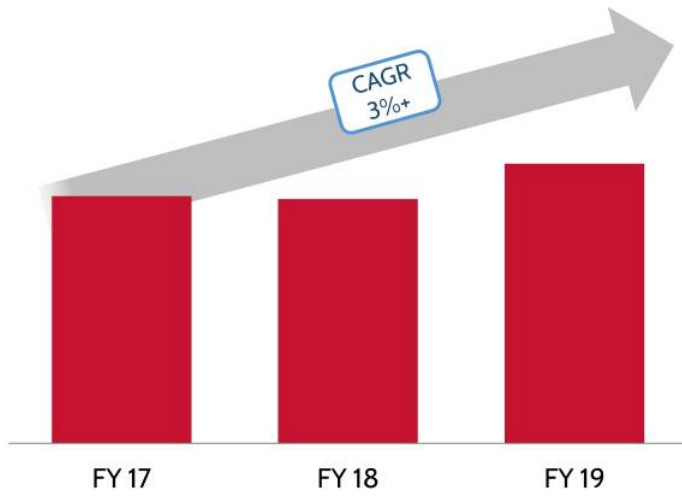
- Total debt paydown of \$20 million in the quarter
  - Continued debt paydown enables future capital allocation optionality
- ~\$30 million stock bought back in the quarter

First Quarter FY 20 Results

PrestigeConsumer  
HEALTHCARE

# Canada: Maintaining Strong Growth through Long-Term Brand Building and Category Leadership

## Solid Top-line Performance\*\*



Market Leading Brands



Iconic Marketing



New Product Innovation



\*\*organic growth; in constant CAD and excludes divestitures and Fleet acquisition

First Quarter FY 20 Results

Prestige Consumer HEALTHCARE



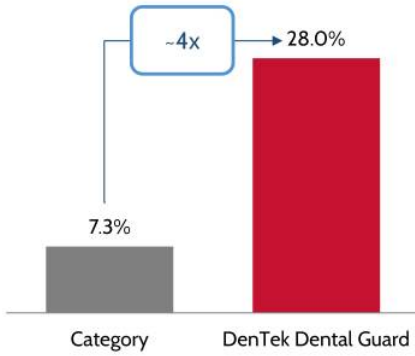
# DenTek: Executing on Brand Building Playbook



## DenTek Guards Momentum

- Recent innovation driving strong performance at key retailers

FY 20 YTD Consumption Growth<sup>(2)</sup>



#1 OTC Dental Guard Brand

## Partnering with Key Retailers



Co-developing merchandising strategies to drive category growth



Optimal product mix at key retailers



Educating retailers and collaborating across the fragmented peg set

Key "Peg Set" Partner

## Investing For Growth

- Continued Marketing Support



- New Product Innovation



Category Leading Growth

First Quarter FY 20 Results

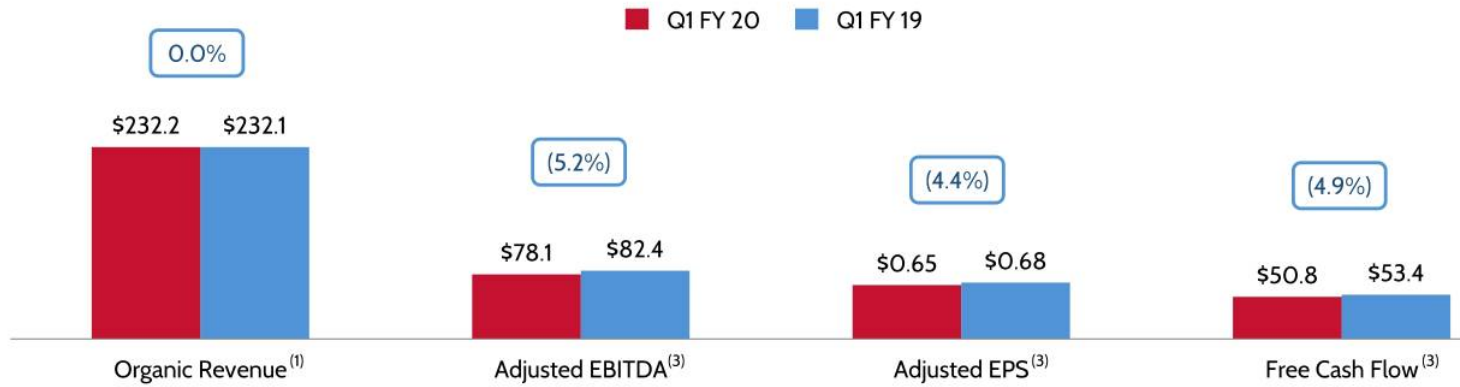
Prestige Consumer  
HEALTHCARE

## II. Financial Overview



# Key Financial Results for First Quarter Performance

- Overall financial performance in-line with expectations in the quarter vs PY Q1 which included Household Cleaning:
  - Revenue of \$232.2 million, flat vs PY on an organic basis<sup>(1)</sup>
  - EPS of \$0.65, down 4.4% vs Adjusted<sup>(3)</sup> PY
  - Free Cash Flow<sup>(3)</sup> decrease of 4.9% to \$50.8 million



Dollar values in millions, except per share data.

First Quarter FY 20 Results

PrestigeConsumer  
HEALTHCARE

# FY 20 First Quarter Consolidated Financial Summary

## 3 Months Ended

	Q1 FY 20	Q1 FY 19	% Chg
<b>Total Revenue</b>	<b>\$ 232.2</b>	<b>\$ 254.0</b>	<b>(8.6%)</b>
<b>Adjusted Gross Margin<sup>(3)</sup></b>	<b>134.1</b>	<b>140.8</b>	<b>(4.8%)</b>
<i>% Margin</i>	<i>57.7%</i>	<i>55.4%</i>	
<b>A&amp;P</b>	<b>34.8</b>	<b>37.1</b>	<b>(6.3%)</b>
<i>% Total Revenue</i>	<i>15.0%</i>	<i>14.6%</i>	
<b>G&amp;A</b>	<b>21.7</b>	<b>22.5</b>	<b>(3.6%)</b>
<i>% Total Revenue</i>	<i>9.3%</i>	<i>8.9%</i>	
<b>D&amp;A (ex. COGS D&amp;A)</b>	<b>6.1</b>	<b>7.1</b>	<b>(14.3%)</b>
<i>% Total Revenue</i>	<i>2.6%</i>	<i>2.8%</i>	
<b>Adjusted Operating Income<sup>(3)</sup></b>	<b>\$ 71.5</b>	<b>\$ 74.1</b>	<b>(3.5%)</b>
<i>% Margin</i>	<i>30.8%</i>	<i>29.2%</i>	
<b>Adjusted Earnings Per Share<sup>(3)</sup></b>	<b>\$ 0.65</b>	<b>\$ 0.68</b>	<b>(4.4%)</b>
<b>Adjusted EBITDA<sup>(3)</sup></b>	<b>\$ 78.1</b>	<b>\$ 82.4</b>	<b>(5.2%)</b>
<i>% Margin</i>	<i>33.6%</i>	<i>32.4%</i>	

Dollar values in millions, except per share data.

## Comments

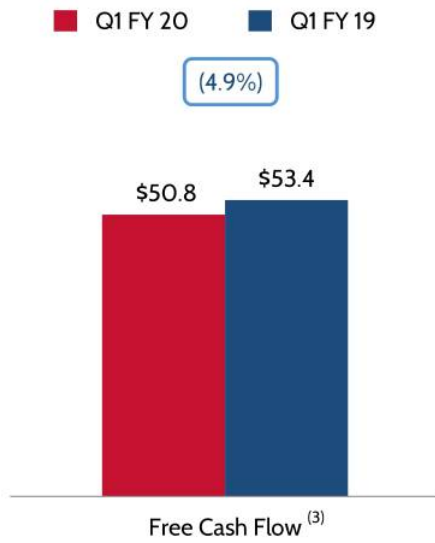
- Organic Revenue<sup>(1)</sup> flat vs PY
  - Increased consumption among majority of Core OTC brands; strong International growth
  - Offset by retailer inventory reduction
- Gross Margin of 57.7%, up 230 bps vs PY
  - Consistent with Q4 performance
- A&P of 15.0% of Revenue, as expected
- G&A dollars down slightly in Q1 vs PY
- EPS down 4.4% from Adjusted<sup>(3)</sup> Q1 FY 19

First Quarter FY 20 Results

Prestige Consumer  
HEALTHCARE

# Industry Leading Free Cash Flow Trends

## Free Cash Flow



Dollar values in millions.

## Comments

- Q1 Free Cash Flow <sup>(3)</sup> of \$50.8 million, down 4.9% vs PY
  - PY included Household Cleaning Segment
- Net Debt at June 30 of \$1.8 billion<sup>(3)</sup>; leverage ratio<sup>(4)</sup> of 5.0x at e
- \$20 million debt paydown in Q1
- \$28.8 million opportunistic share repurchases in Q1
  - Remainder of \$50 million authorized share repurchase prog completed in July
- Planned transition to new third-party logistics provider over bal FY 2020
  - \$10 million in estimated one-time transition cost

First Quarter FY 20 Results

PrestigeConsumer  
HEALTHCARE

### III. FY 20 Outlook



# Reaffirming FY 20 Full Year Outlook: Staying the Strategic Course to Create Value

## Top Line Trends

- Continue to gain market share with consumers and grow categories for retailers
- Prestige's portfolio of need-based brands continues to be well positioned for long-term growth, despite macro headwinds at retail

## Revenue

- Reported Revenue of \$951 to \$961 million, Organic Revenue expected to be approximately flat
  - Expect consumption growth in excess of shipment growth
  - Expect continued retailer de-stocking, particularly in the drug channel

## EPS

- Adjusted EPS approximately flat (\$2.76 to \$2.83)<sup>(5)</sup>
  - Expected EPS growth concentrated in 2H FY 20

## Free Cash Flow & Allocation

- Adjusted Free Cash Flow of \$200 million<sup>(6)</sup> or more
- Continue to execute disciplined capital allocation strategy

First Quarter FY 20 Results

PrestigeConsumer  
HEALTHCARE

QeA

First Quarter FY 20 Results

PrestigeConsumer  
HEALTHCARE



# 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 6-16-19, direct point of sale consumption 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, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Income, Adjusted Net Income, Adjusted EPS, 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.
- (5) Adjusted EPS for FY 20 is a projected Non-GAAP financial measure, is reconciled to projected GAAP EPS in the attached Reconciliation Schedules and / or in our earnings release in the "About Non-GAAP Financial Measures" section and is calculated based on projected GAAP EPS plus adjustments relating to the integration of our new logistics provider.
- (6) Adjusted Free Cash Flow for FY 20 is a projected Non-GAAP financial measure, is reconciled to projected GAAP Net Cash Provided by Operating Activities in the attached Reconciliation Schedules and / or in our earnings release in the "About Non-GAAP Financial Measures" section and is calculated based on projected Net Cash Provided by Operating Activities less projected capital expenditures plus payments associated with the integration of our new logistics provider.

# Reconciliation Schedules

## Organic Revenue Growth

	Three Months Ended Jun. 30,	
	2019	2018
<i>(In Thousands)</i>		
GAAP Total Revenues	\$ 232,154	\$ 253,980
Revenue Growth	<u>(8.6%)</u>	
<b>Adjustments:</b>		
Revenues associated with divestiture	-	(19,811)
Allocated costs that remain after divestiture	-	(659)
Impact of foreign currency exchange rates	-	(1,402)
Total adjustments	-	(21,872)
Non-GAAP Organic Revenues	\$ 232,154	\$ 232,108
Non-GAAP Organic Revenue Growth	<u>- %</u>	

First Quarter FY 20 Results

PrestigeConsumer  
HEALTHCARE

# Reconciliation Schedules Cont'd

## Adjusted Gross Margin

	Three Months Ended Jun. 30.	
	2019	2018
<i>(In Thousands)</i>		
GAAP Total Revenues	\$ 232,154	\$ 253,980
GAAP Gross Profit	\$ 134,067	\$ 140,623
GAAP Gross Profit as a Percentage of GAAP Total Revenue	57.7%	55.4%
<b>Adjustments:</b>		
Transition and other costs associated with divestiture	-	170
Total adjustments	-	170
Non-GAAP Adjusted Gross Margin	\$ 134,067	\$ 140,793
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	57.7%	55.4%

## Adjusted G&A

	Three Months Ended Jun. 30.	
	2019	2018
<i>(In Thousands)</i>		
GAAP General and Administrative Expense	\$ 21,706	\$ -
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	9.3%	-
<b>Adjustments:</b>		
Transition and other costs associated with divestiture	-	-
Total adjustments	-	-
Non-GAAP Adjusted General and Administrative Expense	\$ 21,706	\$ -
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	9.3%	-

First Quarter FY 20 Results

PrestigeConsumer  
HEALTHCARE

# Reconciliation Schedules Cont'd

## Adjusted EBITDA

	Three Months Ended Jun. 30,	
	2019	2018
<i>(In Thousands)</i>		
GAAP Net Income	\$ 33,925	\$ 34,466
Interest expense, net	25,020	25,940
Provision for income taxes	12,125	11,994
Depreciation and amortization	7,061	8,372
Non-GAAP EBITDA	78,131	80,772
Non-GAAP EBITDA Margin	33.7%	31.8%
<b>Adjustments:</b>		
Transition and other costs associated with divestiture in Cost of Goods Sold	-	170
Transition and other costs associated with divestiture in General and Administrative Expense	-	1,422
Total adjustments	-	1,592
Non-GAAP Adjusted EBITDA	\$ 78,131	\$ 82,364
Non-GAAP Adjusted EBITDA Margin	33.7%	32.4%

## Adjusted Net Income and Adjusted EPS

	Three Months Ended Jun. 30,		
	2019	2019	2018
<i>(In Thousands, except per share data)</i>			
GAAP Net Income	\$ 33,925	\$ 0.65	\$ 34,466
<b>Adjustments:</b>			
Transition and other costs associated with divestiture in Cost of Goods Sold	-	-	170
Transition and other costs associated with divestiture in General and Administrative Expense	-	-	1,422
Tax impact of adjustments	-	-	(404)
Normalized tax rate adjustment	-	-	193
Total Adjustments	-	-	1,381
Non-GAAP Adjusted Net Income and Adjusted EPS	\$ 33,925	\$ 0.65	\$ 35,847

First Quarter FY 20 Results

Prestige Consumer  
HEALTHCARE

## Reconciliation Schedules Cont'd

### Adjusted Free Cash Flow

<i>(In Thousands)</i>	Three Months Ended Jun. 30,	
	2019	2018
GAAP Net Income	\$ 33,925	\$ 34,466
<b>Adjustments:</b>		
Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows	14,857	17,705
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	3,995	3,681
Total Adjustments	18,852	21,386
GAAP Net cash provided by operating activities	52,777	55,852
Purchase of property and equipment	(1,956)	(2,469)
Non-GAAP Free Cash Flow	50,821	53,383
Transition and other payments associated with divestiture	-	189
Non-GAAP Adjusted Free Cash Flow	\$ 50,821	\$ 53,572

# Reconciliation Schedules Cont'd

## Projected Adjusted Free Cash Flow

2020  
Projected  
Free Cash  
Flow

*(In millions)*

Projected FY'20 GAAP Net Cash provided by operating activities	\$ 205
Additions to property and equipment for cash	(15)
Projected Non-GAAP Free Cash Flow	190
Payments associated with integration of new logistics provider	10
Non-GAAP Adjusted Free Cash Flow	\$ 200

## Projected Adjusted EPS

Projected FY'20 GAAP EPS	\$ 2.61	\$
<b>Adjustments:</b>		
Integration of new logistics provider	0.15	
Total Adjustments	0.15	
Projected Non-GAAP Adjusted EPS	\$ 2.76	\$

First Quarter FY 20 Results

PrestigeConsumer  
HEALTHCARE

