PrestigeBrands

# Who We Are and Review of 3Q Results

## J.P. Morgan Global High Yield and Leveraged Finance Conference

February 27-28, 2017

# 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, adjusted EPS, and adjusted free cash flow; the impact of the Fleet acquisition on revenues; the timing of the Fleet integration; the Company's expected leverage and ability to meet financial covenants; the expected growth and market position of the acquired Fleet brands; the impact of the Fleet acquisition on the Company's brand-building and product development initiatives; the ability to achieve synergies from the Fleet acquisition; and the Company's ability to leverage the Fleet manufacturing facility and R&D resources. 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, difficulties successfully integrating the Fleet brands, manufacturing facility and R&D resources, supplier issues, unexpected costs or liabilities, disruptions resulting from the integration of Fleet, 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 and in Part II, Item 1A. Risk Factors in the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2016. 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 earnings release in the "About Non-GAAP Financial Measures" section.

# Agenda for Today's Discussion

I. Who is Prestige Brands?

II. Performance Highlights

III. Fleet Overview

IV. FY 17 Outlook and the Road Ahead

# I. Who is Prestige Brands?

**Prestige Brands is the largest independent OTC products Company in North America.**

The Company markets and sells well-known, brand name, over-the-counter healthcare and household cleaning products throughout the U.S. and Canada, Australia, and certain other international markets. We operate in niche segments within these categories in which the strength of our brand names, our established retail distribution network, a low cost operating model and experienced management team are key to our success.

# Helping Consumers Care for Themselves

**5+ Billion** eye drops per year

**650 Million** throat drops for every cold season

**17 Million** doses of pain relief per week

Source: Company records

# Prestige Brands Snapshot

**Leading OTC Platform** in North America

**~$1 Billion**** in Revenue Across Leading OTC Franchises

**$5+ Billion*** Enterprise Value

**90%*** Shareholder Return Since 2013 Investor Day

**+2.0x** vs. S&P 500

* Market data as of February 21st, 2017
** Includes approximate run-rate revenue pro forma for the acquisition of DenTek and pending acquisition of Fleet

# 3 Key Drivers of Long-Term Shareholder Value

**#1** Invest for Growth

- ~85% of portfolio now positioned for durable, consistent organic growth

**#2** Debt Reduction

- Best-in-class ongoing FCF generation
- \$190M+ [6] of adjusted FCF expected for FY17

**#3** M&A

- Completed 4 acquisitions since 2013 Investor Day, plus Fleet acquisition announcement

# Repeatable and Consistently Disciplined Approach to M&A

2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016

**Platform Expansion**

North American Brands

September 2010

December 2010

December 2011

April 2014

November 2015

December 2016

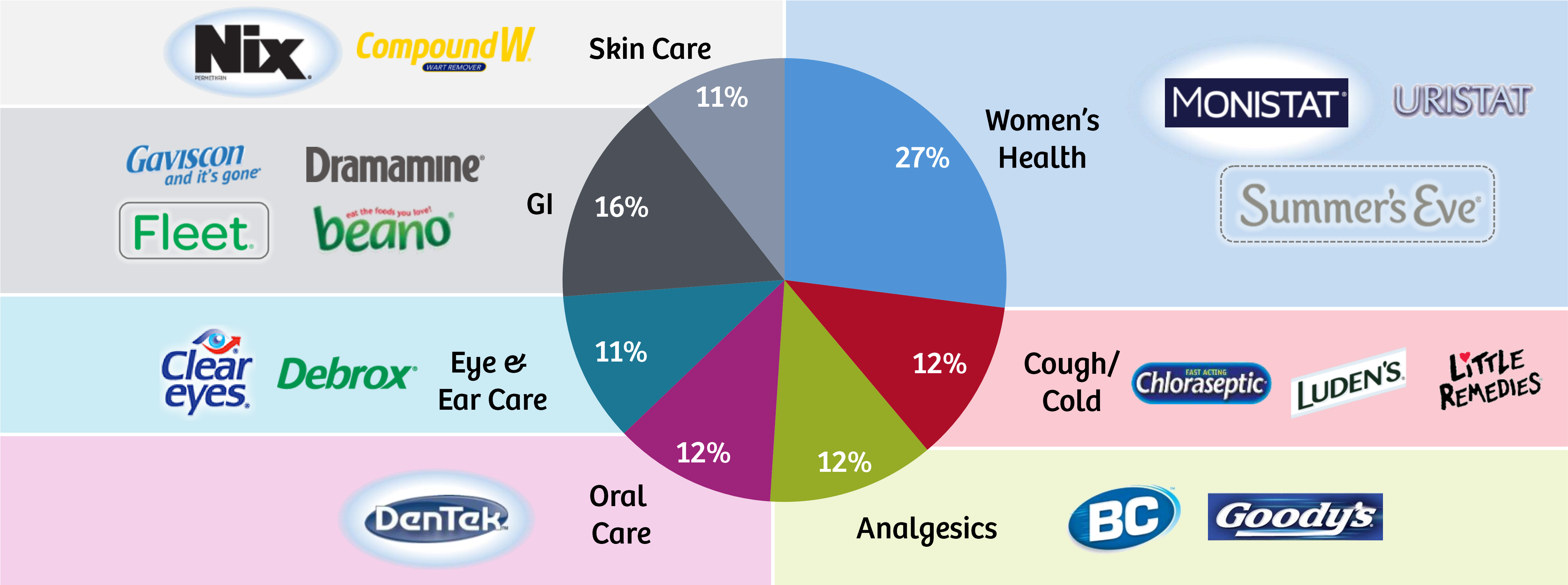
**Geographic Expansion**

July 2013

April 2014

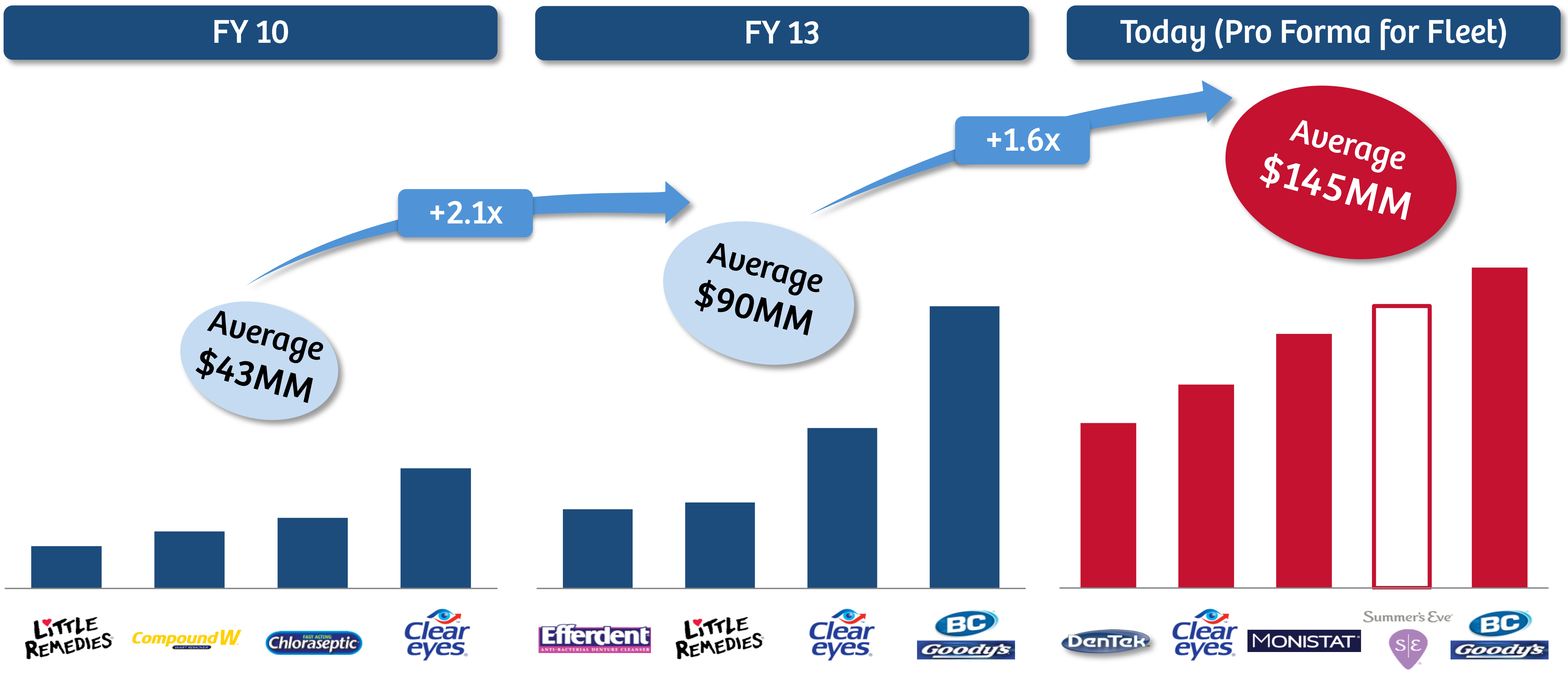
**Eight Acquisitions in Past ~Six Years**

# Diversified Portfolio of Leading, Trusted Brands




Source: OTC revenues for FY 16
Note: Pro forma for DenTek acquisition and pending Fleet acquisition; excludes Household

# Company Brands Firmly Average Over $100MM at Retail




Source: IRI MULO+C-Store (Retail Dollar Sales).

# II. Performance Highlights

# Strong Financial Performance in YTD Q3 FY 17

Revenue of $641.4 million, up 7.2% versus YTD Q3 FY 16

Organic Revenue growth of +1.0%[1] on a constant currency basis

Adjusted EPS of $1.83[2], up 10.9% versus YTD Q3 FY 16

Adjusted Free Cash Flow of $149.1 million[2], up 10.7% versus YTD Q3 FY 16

Net debt reduction of $251.6 million from free cash flow generation and brand divestitures

# FY 17 Third Quarter Consolidated Financial Summary

## 3 Months Ended | 9 Months Ended | Comments

| | Three Months Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | Q3 FY 17 | Q3 FY 16 | *% Chg* | Q3 FY 17 | Q3 FY 16 | *% Chg* |
| **Total Revenue** | $ 216.8 | $ 200.2 | *8.3%* | $ 641.4 | $ 598.4 | *7.2%* |
| **Gross Margin** | 124.5 | 116.8 | *6.6%* | 370.1 | 349.0 | *6.1%* |
| *% Margin* | *57.5%* | *58.3%* | | *57.7%* | *58.3%* | |
| A&P | 30.7 | 29.9 | *2.5%* | 86.9 | 84.3 | *3.2%* |
| *% Total Revenue* | *14.2%* | *15.0%* | | *13.6%* | *14.1%* | |
| Adjusted G&A[2] | 18.9 | 17.1 | *10.7%* | 53.6 | 49.8 | *7.6%* |
| *% Total Revenue* | *8.7%* | *8.6%* | | *8.3%* | *8.3%* | |
| **Adjusted EBITDA[2]** | $ 74.9 | $ 69.7 | *7.4%* | $ 229.6 | $ 214.9 | *6.8%* |
| *% Margin* | *34.6%* | *34.8%* | | *35.8%* | *35.9%* | |
| **Adjusted Net Income[2]** | $ 32.6 | $ 28.4 | *14.9%* | $ 97.8 | $ 87.5 | *11.7%* |
| **Adjusted Earnings Per Share[2]** | $ 0.61 | $ 0.53 | *15.1%* | $ 1.83 | $ 1.65 | *10.9%* |

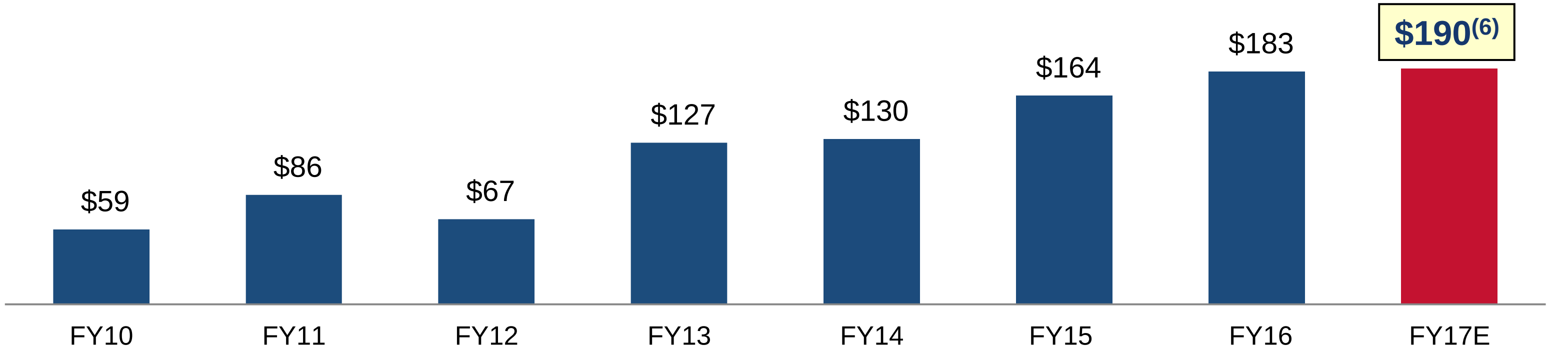
- Revenue growth of +8.3%
  - Organic growth of 2.8% excluding the impact of Fx[1]
  - DenTek contributed $17.3 million of revenue during the quarter
- Gross Margin of 57.5%
- A&P 14.2% of Revenue, or $30.7 million
- Adjusted EBITDA Margin of 34.6%[2]
- Adjusted Net Income +15.1%[2] over Q3 FY 16, ahead of topline growth

Dollar values in millions, except per share data.

# Industry Leading Free Cash Flow Provides Rapid Deleveraging

- Superior EBITDA margin profile
- Largely outsourced manufacturing with minimal capital outlays
- Disciplined acquisition strategy with proven integration synergies
- Low cash tax rate from significant long-term tax attributes

## Adjusted Free Cash Flow in Millions(2)




## Recent Opportunistic Divestitures Accelerate Deleveraging

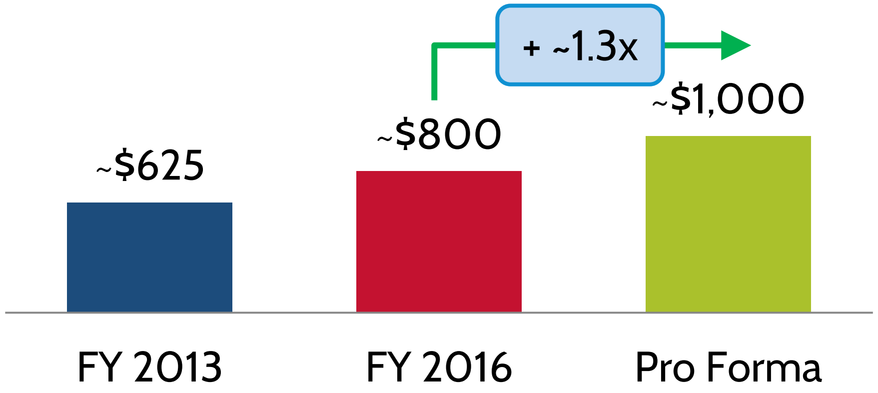
| Timing | Brands Divested | Gross Proceeds |
|---|---|---|
| December 2016 | ept Family Planning Solutions | **$110+ million** Total Gross Proceeds Year-to-Date |
| December 2016 | Dermoplast | |
| August 2016 | Comet | |
| July 2016 | new-skin, Pedia Care, Fiber Choice | |

- FY17 strategic divestitures aid deleveraging, shift in focus towards core “invest-for-growth” portfolio
- Prestige consistently generates strong cash flow, rapidly delevers, and will continue to review its portfolio to further monetize assets and accelerate deleveraging when appropriate

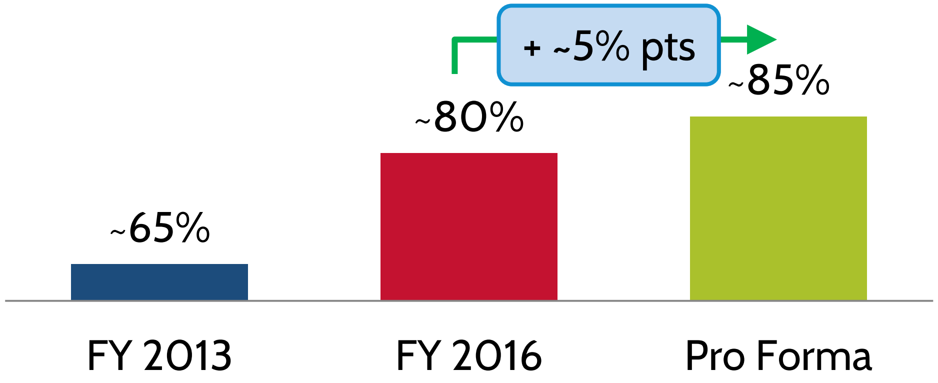
# III. Fleet Overview

# Acquisition of C.B. Fleet is a Milestone in the Evolution of the Prestige Platform

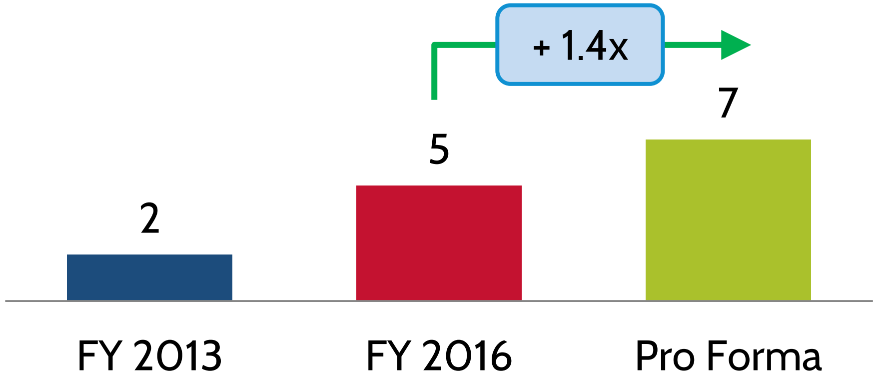
## $1 Billion in Revenue



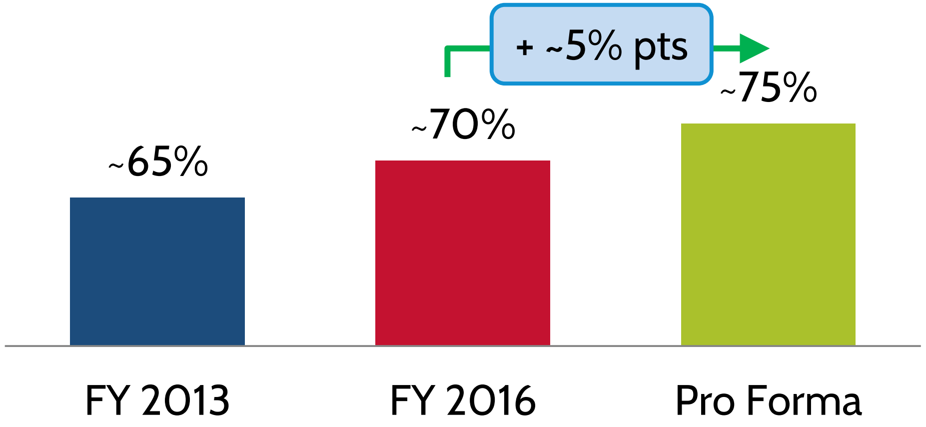

## 85% of Portfolio “Invest for Growth”




## $100MM+ OTC Platforms




## Leading Brands




Dollar values in millions
Note: All charts refer to Total Revenue or Revenue mix as % of total.

# C.B. Fleet Strengthens Platforms in Women's Health, Gastrointestinal and Dermatologicals

| Women's Health | GI | Cough & Cold | Analgesics | Oral Care | Eye & Ear Care | Dermatologicals |
|---|---|---|---|---|---|---|
| Summer's Eve | Fleet | Chloraseptic | BC | DenTek | Clear eyes | Boudreaux's Butt Paste |
| Monistat | Dramamine | Luden's | Goody's | Efferdent | Debrox | Compound W |
| | beano | | | | | |
| Vitron-C | Phazyme | Little Remedies | Anacin | The Doctor's | Murine | Dermarest |
| Uristat | Pedia-Lax | Fess | Ecotrin | Gly-Oxide | Stye | Nix |
| ~$275 | ~$150 | ~$120 | ~$120 | ~$110 | ~$110 | ~$100 |

Dollar values in millions

Note: Figures represent approximate annualized Total Revenues pro forma for C.B. Fleet acquisition.

# Summer's Eve : Our Fifth and Largest OTC "Power" Core Brand, with Leading Franchises in the Most Attractive Feminine Hygiene Categories

| | Internals | Externals (~80% of Total Summer's Eve) | | |
|---|---|---|---|---|
| | **Douche** | **Wash** | **Cloth** | **Spray** |
| |  |  |  |  |
| **Description** | ■ **Temporary relief** of minor vaginal **irritation and itching**<br>■ pH-balanced, gentle formulas | ■ **Cleanses odor-causing bacteria**<br>■ pH-balanced, alcohol-free and hypoallergenic | ■ **Quick and discreet**<br>■ pH-balanced, alcohol-free and hypoallergenic | ■ **Neutralizes odor and absorbs moisture**<br>■ Hypoallergenic and infused with Vitamin E |
| **Year Introduced** | 1972 | 1987 | 1989 | 1998 |

**Summer's Eve Has Leading Market Share in the Externals Category**

**Source:** IRI MULO period ending 12-25-16.

# Integration and Synergy Recapture Based on Proven Competencies

| | |
|---|---|
| **Sales & Distribution** | ▪ Leverage Prestige's scale to expand distribution<br>▪ Strengthen and accelerate international growth |
| **Brand Building** | ▪ Invest meaningfully in Fleet's brands and accelerate new product pipeline<br>▪ Broaden established leadership in women's health |
| **Supply Chain** | ▪ Optimize operations to derive significant synergies over time<br>▪ Identify opportunities to manufacture existing brands in-house and leverage R&D capabilities |
| **General & Administrative** | ▪ Expect meaningful G&A savings that exceed 9% of C.B. Fleet's Net Revenue<br>▪ Integration and timing consistent with past transactions |

# IV. FY 17 Outlook and the Road Ahead

# FY 17 Updated Full Year Outlook

| | Updated FY Outlook* |
|---|---|
| Revenue | ■ Revenue growth remains +4.5% to +6.0% for the year<br>– Q3 YTD Actual +7.2%<br>– Includes impact of divested brands<br>– Continuing to expect organic growth of +1.5% to +2.0% in second half |
| Adjusted EPS(5) | ■ Expect high end of $2.30 to $2.36 range |
| Adjusted Free Cash Flow(6) | ■ Adjusted Free Cash Flow of $190 million or more |

* Excludes impact of C.B. Fleet acquisition

# 3 Key Drivers of Long-Term Shareholder Value

## Grow Our Invest for Growth Portfolio

- Portfolio of recognizable brands in attractive consumer health industry
- Established expertise in brand-building and product innovation
- Demonstrated ability to gain market share long-term

## Deliver Industry-Leading and Consistent Free Cash Flow

- Strong and consistent cash flow driven by industry leading EBITDA margins, capital-lite business model & significant benefit of deferred taxes
- Rapid deleveraging allows for expanded acquisition capacity and continued investment in brand building
- Non-core brands' contribution to cash flow
- Debt repayment reduces cash interest expense and adds to EPS

## Strategic and Disciplined M&A Strategy

- Demonstrated track record of 8 successful acquisitions during the past ~6 years
- Effective consolidation platform positioned for consistent pipeline of opportunities
- Proven ability to source from varied sellers
- Fragmented industry and acquisition activity creates a consistent pipeline of opportunity

# Q&A

# Appendix

(1) Organic Revenue Growth on a constant currency basis is a Non-GAAP financial measure and is reconciled to its most closely related GAAP financial measure in our earnings release in the "About Non-GAAP Financial Measures" section.

(2) Adjusted G&A, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted EPS, Adjusted Free Cash Flow are Non-GAAP financial measures and are reconciled to their most closely related GAAP financial measures in the attached Reconciliation Schedules and in our earnings release in the "About Non-GAAP Financial Measures" section.

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

(4) Operating cash flow is equal to GAAP net cash provided by operating activities.

(5) Adjusted EPS for FY 17 is a projected Non-GAAP financial measure, is reconciled to projected GAAP EPS in our earnings release in the "About Non-GAAP Financial Measures" section and is calculated based on projected GAAP EPS of $1.55 to $1.61 plus $0.08 of costs associated with DenTek integration plus $0.67 of costs associated with the loss on sale of assets, resulting in $2.30 to $2.36. The reconciliation of this forward-looking non-GAAP financial measure excludes the recently acquired Fleet business primarily due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts.

(6) Adjusted Free Cash Flow for FY 17 is a projected Non-GAAP financial measure, is reconciled to projected GAAP Net Cash Provided by Operating Activities in our earnings release in the "About Non-GAAP Financial Measures" section and is calculated based on projected Net Cash Provided by Operating Activities of $191 million less projected capital expenditures of $4 million plus payments associated with acquisitions of $3 million.

# Reconciliation Schedules

## Organic Revenue Growth

| | Three Months Ended Dec. 31, | | Nine Months Ended Dec. 31, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| *(In Thousands)* | | | | |
| GAAP Total Revenues | $ 216,763 | $ 200,195 | $ 641,390 | $ 598,392 |
| Adjustments: | | | | |
| DenTek revenues | (17,327) | - | (51,168) | - |
| Revenues associated with divested brands | - | (6,636) | - | (13,542) |
| Total adjustments | (17,327) | (6,636) | (51,168) | (13,542) |
| Non-GAAP Organic Revenues | 199,436 | 193,559 | 590,222 | 584,850 |
| Organic Revenue Growth (Decline) | 3.0% | | 0.9% | |
| Impact of foreign currency exchange rates | | 384 | | (521) |
| Non-GAAP Organic Revenues on a constant currency basis | $ 199,436 | $ 193,943 | $ 590,222 | $ 584,329 |
| **Constant Currency Organic Revenue Growth** | **2.8%** | | **1.0%** | |

# Reconciliation Schedules Cont'd

## Adjusted G&A

| | Three Months Ended Dec. 31, | | Nine Months Ended Dec. 31, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| ***(In Thousands)*** | | | | |
| **GAAP General and Administrative Expense** | **$ 22,131** | **$ 18,135** | **$ 60,383** | **$ 52,186** |
| Adjustments: | | | | |
| Costs Associated with CEO transition | - | - | - | 1,406 |
| Legal and professional fees associated with acquisitions and divestitures | 2,544 | 1,016 | 3,129 | 1,016 |
| Integration, transition and other costs associated with acquisitions and divestitures | 638 | - | 3,699 | - |
| Total adjustments | 3,182 | 1,016 | 6,828 | 2,422 |
| **Non-GAAP Adjusted General and Administrative Expense** | **$ 18,949** | **$ 17,119** | **$ 53,555** | **$ 49,764** |
| **Non-GAAP Adjusted General and Administrative Expense Percentage** | **8.7%** | **8.6%** | **8.3%** | **8.3%** |

# Reconciliation Schedules Cont'd

## Adjusted EBITDA

| | Three Months Ended Dec. 31, | | Nine Months Ended Dec. 31, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| ***(In Thousands)*** | | | | |
| GAAP Net (Loss) Income | $ 31,641 | $ 27,995 | $ 58,305 | $ 85,971 |
| Interest expense, net | 18,554 | 19,462 | 60,511 | 62,013 |
| (Benefit) provision for income taxes | 19,092 | 15,186 | 33,743 | 46,611 |
| Depreciation and amortization | 5,852 | 6,071 | 18,700 | 17,478 |
| **Non-GAAP EBITDA** | **75,139** | **68,714** | **171,259** | **212,073** |
| Adjustments: | | | | |
| Costs associated with CEO transitions | - | - | - | 1,406 |
| Legal and professional fees associated with acquisitions and divestitures | 2,544 | 1,016 | 3,129 | 1,016 |
| Integration, transition and other costs associated with acquisitions and divestitures | 638 | - | 3,699 | - |
| Loss on extinguishment of debt | - | - | - | 451 |
| (Gain) loss on divestitures | (3,405) | - | 51,552 | - |
| **Total adjustments** | **(223)** | **1,016** | **58,380** | **2,873** |
| **Non-GAAP Adjusted EBITDA** | **$ 74,916** | **$ 69,730** | **$ 229,639** | **$ 214,946** |
| **Non-GAAP Adjusted EBITDA Margin** | **34.6%** | **34.8%** | **35.8%** | **35.9%** |

# Reconciliation Schedules Cont'd

## Adjusted Net Income and Adjusted EPS

| | Three Months Ended Dec. 31, | | | | Nine Months Ended Dec. 31, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | Net Income | EPS | Net Income | EPS | Net Income | EPS | Net Income | EPS |
| *(In Thousands)* | | | | | | | | |
| **GAAP Net Income** | $ 31,641 | $ 0.59 | $ 27,995 | $ 0.53 | $ 58,305 | $ 1.09 | $ 85,971 | $ 1.62 |
| Adjustments: | | | | | | | | |
| Costs associated with CEO transition | - | - | - | - | - | - | 1,406 | 0.03 |
| Legal and professional fees associated with acquisitions and divestitures | 2,544 | 0.05 | 1,016 | 0.02 | 3,129 | 0.06 | 1,016 | 0.02 |
| Integration, transition and other costs associated with acquisitions and divestitures | 638 | 0.01 | - | - | 3,699 | 0.07 | - | |
| Accelerated amortization of debt orgination costs | - | - | - | - | 1,131 | 0.02 | - | |
| Loss on extinguishment of debt | - | - | - | - | - | - | 451 | 0.01 |
| (Gain) loss on divestitures | (3,405) | (0.06) | - | - | 51,552 | 0.97 | - | - |
| Tax impact of adjustments | 2,638 | 0.05 | (657) | (0.02) | (18,586) | (0.35) | (1,314) | (0.03) |
| Tax impacts related to tax reserve adjustments | (1,477) | (0.03) | - | - | (1,477) | (0.03) | - | - |
| **Total Adjustments** | 938 | 0.02 | 359 | - | 39,448 | 0.74 | 1,559 | 0.03 |
| **Non-GAAP Adjusted Net Income and Adjusted EPS** | $ 32,579 | $ 0.61 | $ 28,354 | $ 0.53 | $ 97,753 | $ 1.83 | $ 87,530 | $ 1.65 |

# Reconciliation Schedules Cont'd

## Adjusted Free Cash Flow

| | Three Months Ended Dec. 31, 2016 | Three Months Ended Dec. 31, 2015 | Nine Months Ended Dec. 31, 2016 | Nine Months Ended Dec. 31, 2015 |
|---|---|---|---|---|
| ***(In Thousands)*** | | | | |
| GAAP Net (Loss) Income | $ 31,641 | $ 27,995 | $ 58,305 | $ 85,971 |
| Adjustments: | | | | |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities as shown in the Statement of Cash Flows | 3,978 | 19,119 | 70,366 | 62,015 |
| Changes in operating assets and liabilities, net of effects from acquisitions as shown in the Statement of Cash Flows | 4,447 | (1,253) | 11,677 | (11,535) |
| Total Adjustments | 8,425 | 17,866 | 82,043 | 50,480 |
| **GAAP Net cash provided by operating activities** | **40,066** | **45,861** | **140,348** | **136,451** |
| Purchase of property and equipment | (531) | (857) | (1,935) | (2,540) |
| **Non-GAAP Free Cash Flow** | **39,535** | **45,004** | **138,413** | **133,911** |
| Integration, transition and other payments associated with acquisitions and divestitures | 1,461 | 796 | 2,144 | 796 |
| Additional income tax payments associated with divestitures | 8,589 | - | 8,589 | - |
| **Non-GAAP Adjusted Free Cash Flow** | **$ 49,585** | **$ 45,800** | **$ 149,146** | **$ 134,707** |

# Reconciliation Schedules Cont'd

## Projected EPS

| | 2017 Projected EPS | |
|---|---|---|
| | Low | High |
| Projected FY'17 GAAP EPS | $ 1.55 | $ 1.61 |
| Adjustments: | | |
| Costs associated with DenTek integration | 0.08 | 0.08 |
| Loss on divestitures | 0.67 | 0.67 |
| Total Adjustments | 0.75 | 0.75 |
| **Projected Non-GAAP Adjusted EPS** | **$ 2.30** | **$ 2.36** |

## Projected Free Cash Flow

| *(In millions)* | 2017 Projected Free Cash Flow |
|---|---|
| Projected FY'17 GAAP Net Cash provided by operating activities | $ 191 |
| Additions to property and equipment for cash | (4) |
| Projected Non-GAAP Free Cash Flow | 187 |
| Payments associated with acquisitions | 3 |
| **Adjusted Non-GAAP Projected Free Cash Flow** | **$ 190** |