



May 4<sup>th</sup>, 2023

# Full-Year FY 23 Results

# Safe Harbor Disclosure

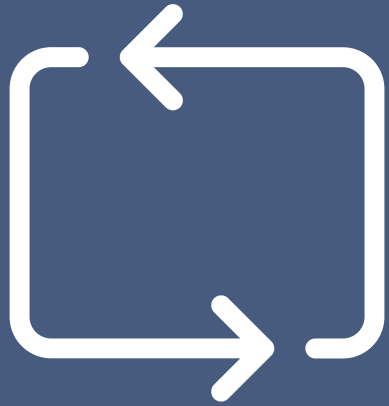
This presentation contains certain “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements regarding the Company’s expected financial performance, including revenues, diluted EPS, leverage, free cash flow, and organic revenue growth; the Company’s ability to execute on its value-creation and growth strategy; the Company’s planned share repurchase program; the Company’s capital allocation strategy, including its focus on reducing debt. Words such as “target,” “continue,” “will,” “expect,” “project,” “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, the impact of the COVID-19 pandemic and geopolitical instability, including on economic and business conditions, consumer trends, retail management initiatives, and disruptions to the manufacturing, distribution and supply chain and related price increases; labor shortages; competitive pressures; the impact of the Company’s advertising and promotional and new product development initiatives; customer inventory management initiatives; the ability to pass along rising costs to customers without impacting sales; fluctuating foreign exchange rates; 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, 2022. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this presentation. Except to the extent required by applicable law, the Company undertakes no obligation to update any forward-looking statement contained in this presentation, whether as a result of new information, future events, or otherwise.

All adjusted GAAP numbers presented are footnoted and reconciled to their closest GAAP measurement in the attached reconciliation schedule or in our May 4, 2023 earnings release in the “About Non-GAAP Financial Measures” section.

# Agenda for Today's Discussion

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- I. FY 23 and Performance Recap
- II. Diverse Portfolio Driving Growth
- III. Financial Strategy & Capital Allocation
- IV. The Road Ahead & FY 24 Outlook



# I. FY 23 and Performance Recap

# Proven Strategy & Execution Delivered Record FY 23 Results

## FY 23 Sales Drivers

- Strong sales growth in FY 23 up 3.8% vs. record FY 22
- Consumers continuing to seek out trusted brands
- Benefitting from diverse portfolio across 7 key categories

## Superior Earnings and FCF

- Gross Margin as anticipated; Adjusted EBITDA Margin<sup>(3)</sup> stable
- Adjusted EPS<sup>(3)</sup> of \$4.21 up 3.7% vs. FY 22
- Leading FCF profile driving Free Cash Flow<sup>(3)</sup> generation

## Disciplined Capital Allocation

- Disciplined capital allocation resulting in leverage of 3.3x<sup>(4)</sup>
- Capital allocation priorities remain unchanged, with continued focus on deleveraging

# History of Superior Performance

## Proven Ability to Execute Value Creation Strategy

1

Investing for Growth with Proven Brand-Building Playbook

2

Superior Business Attributes Drive Strong Free Cash Flow

3

Scalable & Efficient Platform Enables Capital Allocation Optionality

**+5.4%**  
3-Yr CAGR

Revenue

**+3.5%**  
3-Yr CAGR

Organic Growth<sup>(1)</sup>

**+12.4%**  
3-Yr CAGR

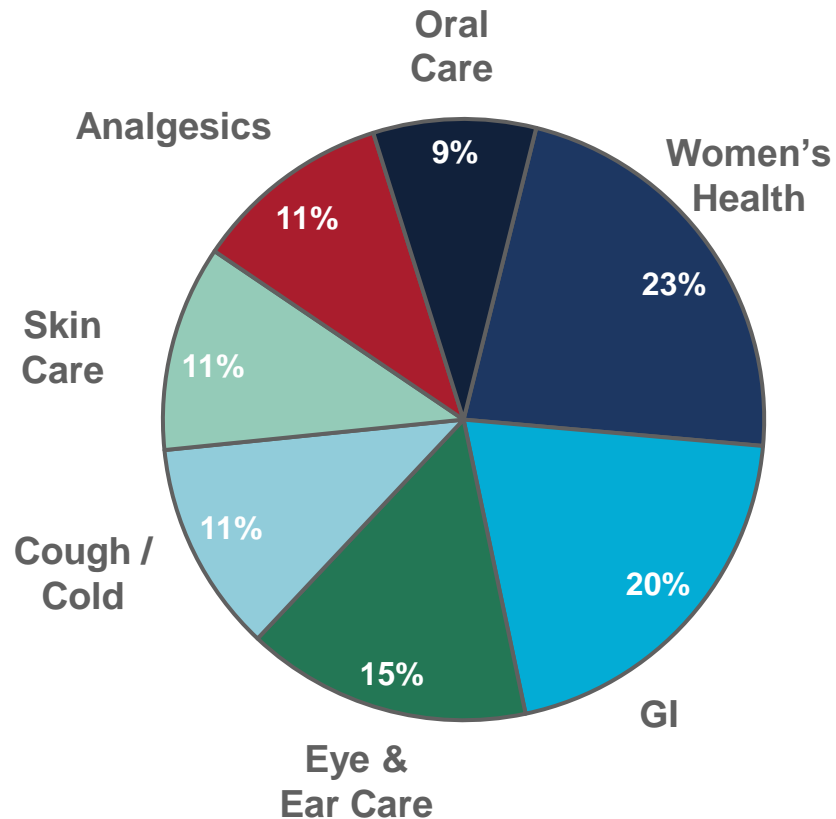
Adj. EPS<sup>(3)</sup>



## II. Diverse Portfolio Driving Growth

# Diversified Portfolio of Leading Consumer Healthcare Brands

## Total Sales by Category



FY 23 Revenues; Other OTC not shown (less than 1%)

## Diverse Portfolio of Market-Leading Brands

Feminine Hygiene  
Vaginal Anti-Fungal

**MONISTAT**

Summer's Eve

Rehydration  
Motion Sickness

**Dramamine** **Hydralyte**

Allergy & Redness Relief Drop  
Dry Eye Relief Treatment

**Clear eyes** **thera tears**

Sore Throat Liquids/Lozenge

**LUDEX** **Chloraseptic**

Wart Removal  
Lice/Parasite Treatment

**Compound W** **Nix**

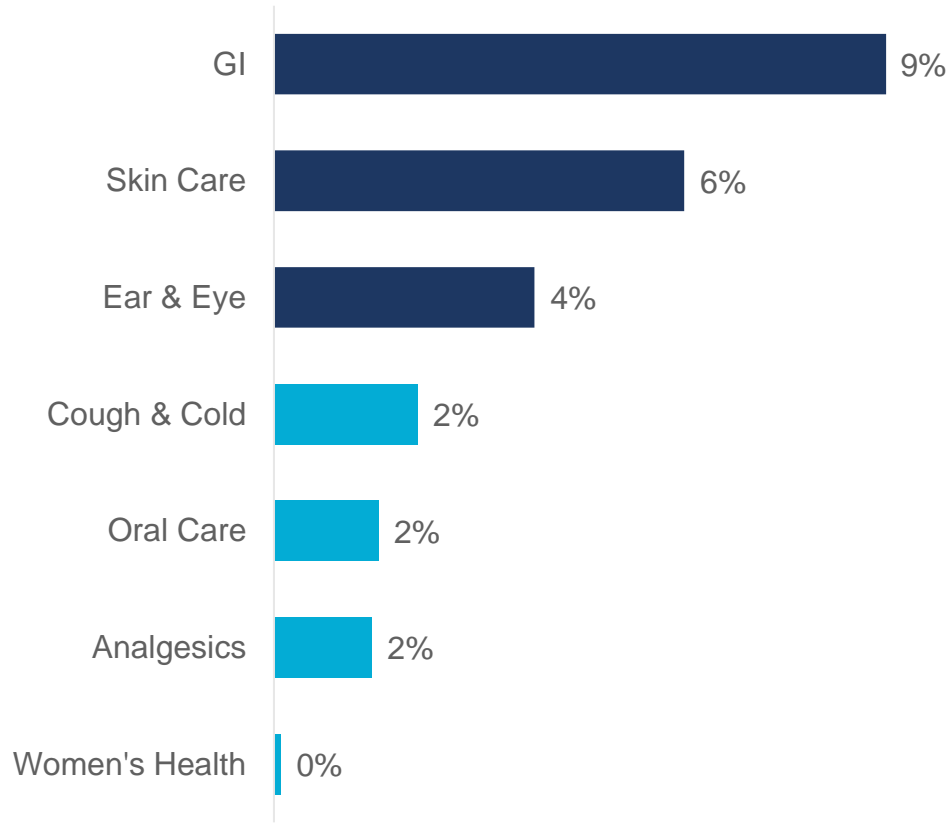
Powdered Analgesic

**BC** **Goody's**



# Robust Growth Across Key Categories

## 3-Yr Organic Growth CAGR



Portfolio Diversity Driving +3.5% 3-Year Organic Growth<sup>(1)</sup> CAGR

## Numerous Drivers of Success

GI



Skin Care



Eye & Ear Care



# Strategic Focus Positions Us for Long-Term Growth



1 Understanding Consumer Insights and Opportunity

2 Flexible & Agile Brand Strategies in an Evolving Environment

3 E-Commerce Success through Investments

4 Proven New Product Development

Resulting Long-Term Success Across Channels & Categories Over Time



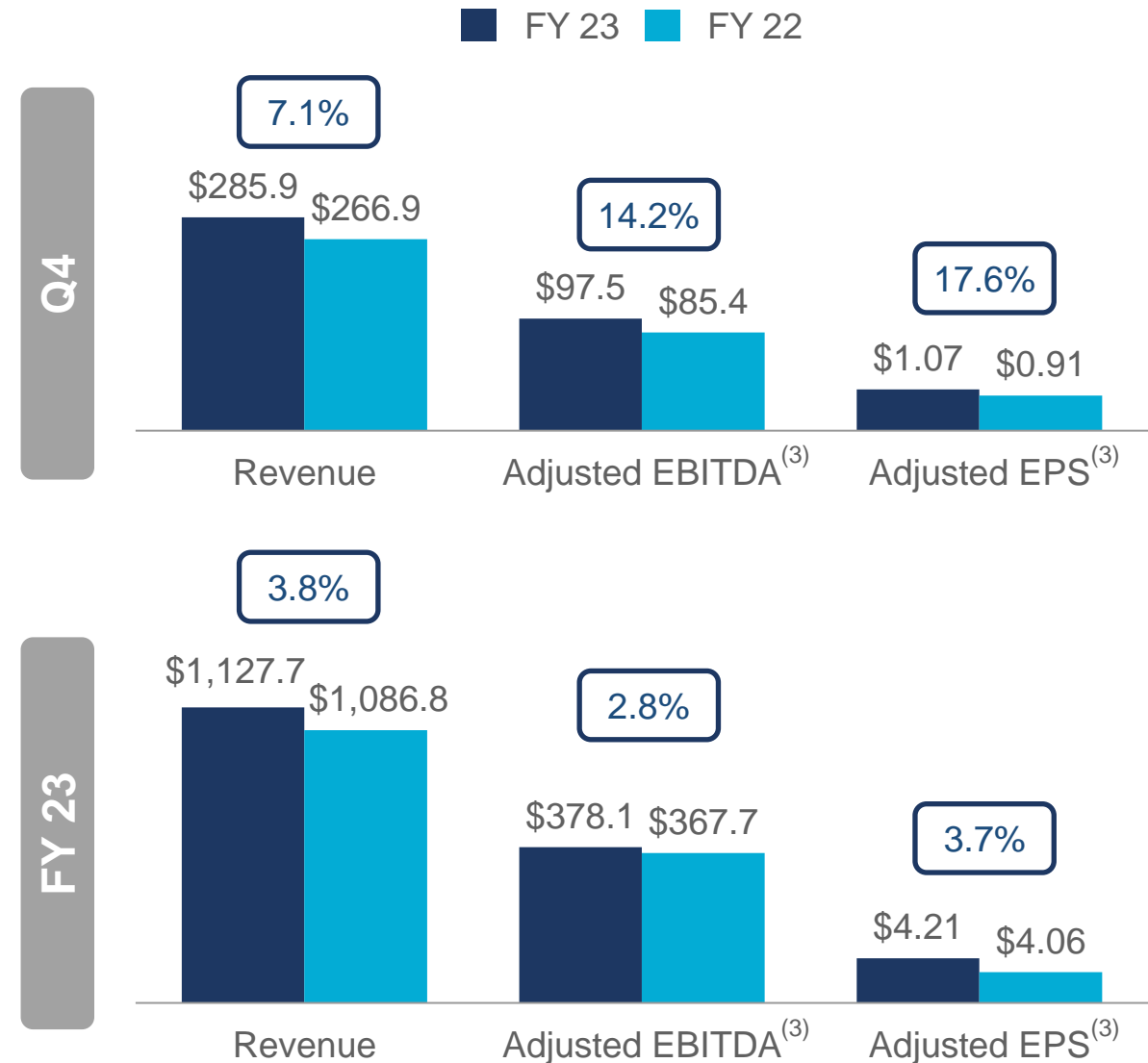
## III. Financial Strategy & Capital Allocation

# Key Financial Results for Fourth Quarter and FY 23 Performance

Revenue of \$285.9 million, up 8.0% vs. PY Q4 on an organic basis<sup>(1)</sup>

Adjusted EBITDA<sup>(3)</sup> of \$97.5 million up 14.2% vs. PY Q4

Adjusted EPS<sup>(3)</sup> of \$1.07 up 17.6% vs. PY Q4



Dollar values in millions, except per share data.

# Financial Results for FY 23

	3 Months Ended			12 Months Ended		
	Q4 FY 23	Q4 FY 22	% Chg	FY 23	FY 22	% Chg
<b>Total Revenue</b>	<b>\$ 285.9</b>	<b>\$ 266.9</b>	<b>7.1%</b>	<b>\$ 1,127.7</b>	<b>\$ 1,086.8</b>	<b>3.8%</b>
<b>Adj. Gross Margin<sup>(3)</sup></b>	<b>153.8</b>	<b>148.9</b>	<b>3.3%</b>	<b>625.3</b>	<b>622.2</b>	<b>0.5%</b>
<i>% Margin</i>	53.8%	55.8%		55.4%	57.3%	
A&M	30.9	36.9	(16.4%)	145.1	157.3	(7.8%)
<i>% Total Revenue</i>	10.8%	13.8%		12.9%	14.5%	
Adj. G&A <sup>(3)</sup>	27.7	27.8	(0.5%)	107.4	103.4	3.8%
<i>% Total Revenue</i>	9.7%	10.4%		9.5%	9.5%	
D&A (ex. COGS)	6.0	6.7	(10.2%)	25.1	24.9	0.8%
<b>Adj. Operating Income<sup>(3)</sup></b>	<b>\$ 89.2</b>	<b>\$ 77.4</b>	<b>15.2%</b>	<b>\$ 347.8</b>	<b>\$ 336.6</b>	<b>3.3%</b>
<i>% Margin</i>	31.2%	29.0%		30.8%	31.0%	
<b>Adj. Earnings Per Share<sup>(3)</sup></b>	<b>\$ 1.07</b>	<b>\$ 0.91</b>	<b>17.6%</b>	<b>\$ 4.21</b>	<b>\$ 4.06</b>	<b>3.7%</b>
<b>Adj. EBITDA<sup>(3)</sup></b>	<b>\$ 97.5</b>	<b>\$ 85.4</b>	<b>14.2%</b>	<b>\$ 378.1</b>	<b>\$ 367.7</b>	<b>2.8%</b>
<i>% Margin</i>	34.1%	32.0%		33.5%	33.8%	

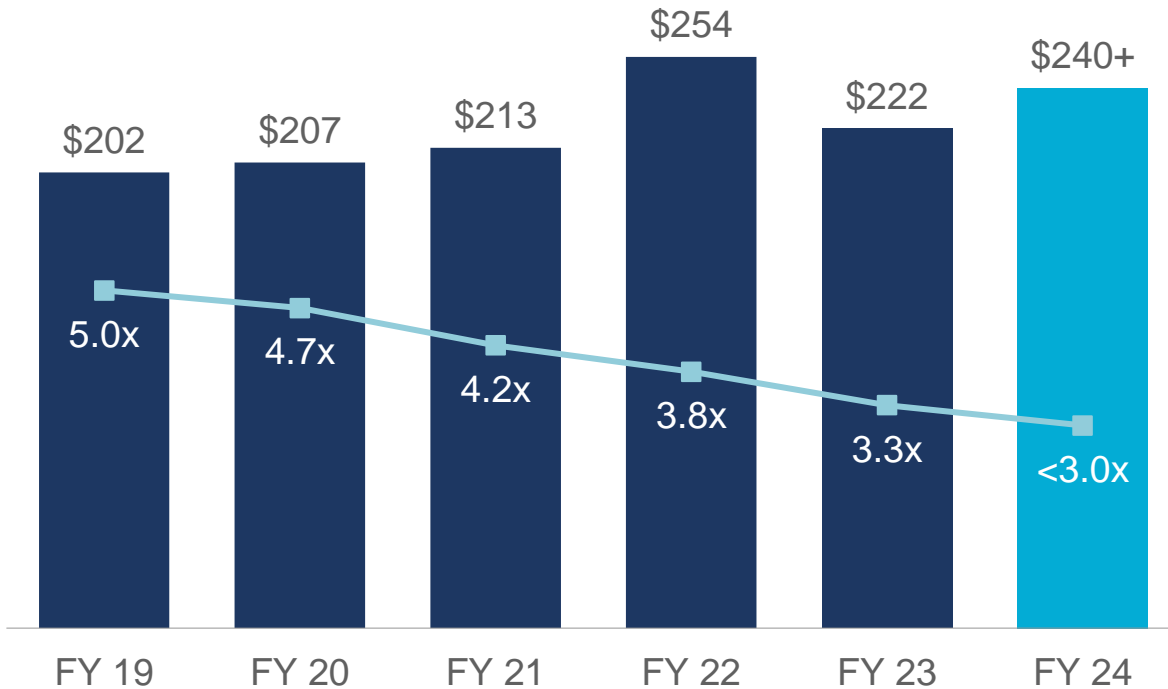
- Revenue up 3.5% vs. PY organically<sup>(1)</sup>
  - Broad & diverse portfolio helped to achieve record year in sales
  - Strong E-Commerce channel growth continued
- Gross Margin of 55.4% consistent with expectations
- A&M of 12.9% of Revenue, as expected
- Adjusted G&A<sup>(3)</sup> of 9.5% of Revenue
- Adjusted EPS<sup>(3)</sup> up 3.7% vs. PY

Dollar values in millions, except per share data  
Amounts may not add due to rounding

Note: Adjusted numbers exclude FY23 impairments  
and FY22 integration adjustments & related tax implications

# Consistent, Strong Free Cash Flow Continued in FY 23

## Adj. FY Free Cash Flow & Net Leverage<sup>(4)</sup>



Dollar values in millions

## Key Business Attributes

Model with  
Low Capital Expenditures

Leading Margin Profile

Long-Term  
Cash Tax Savings

Ongoing Focus on Profitability

**Robust Free Cash Flow Generation Enables Both Continued Capital Deployment and Revised Long-Term Leverage Target of Less Than 3.0x<sup>(4)</sup>**

# Capital Allocation Priorities Remain Unchanged

1

**Invest in Current Brands  
to Drive Organic Growth**

2

**Continue Strategy of  
Deleveraging**

3

**Pursue M&A That is  
Accretive to Shareholders**

4

**Strategic Share  
Repurchases**



## **IV. The Road Ahead & FY 24 Outlook**



# Portfolio & Strategy Well-Positioned for Continued Value Creation

1

Diversified Portfolio of Leading, Trusted Brands

2

Established Organic Growth Playbook

3

Superior Financial Profile Generating Consistent Cash Flow

4

Scalable Platform

5

Organic Growth Engine Reinforced by M&A

**Prestige's Business Attributes & Execution Drive Superior Shareholder Value Creation**

# FY 24 Outlook

## Top Line Trends

- Remain well-positioned in dynamic macro environment
- Anticipate diverse portfolio delivering organic growth off of record FY 23
- Revenue of \$1,135 million to \$1,140 million
  - Organic growth of 1% to 2% ex-FX
  - Organic growth of 2% to 3% when excluding strategic exit of private label business

## EPS

- Diluted EPS of \$4.27 to \$4.32
  - ~2% temporary headwind from higher interest rates

## Free Cash Flow & Allocation

- Free Cash Flow<sup>(5)</sup> of \$240 million or more
- Cash flow supports newly-authorized \$25 million share repurchase
- Anticipate Net Debt / EBITDA of less than 3.0x by year-end FY 24



# Q&A

# Appendix

- (1) Organic Revenue is a Non-GAAP financial measure and is reconciled to the most closely related GAAP financial measure in the attached Reconciliation Schedules and / or our earnings release dated May 4, 2023 in the “About Non-GAAP Financial Measures” section.
- (2) Company consumption and market share are based on domestic IRI multi-outlet + C-Store retail sales for the period ending 3/26/23, retail sales data from other 3<sup>rd</sup> parties for certain untracked channels in North America for leading retailers, Australia consumption based on IMS data, and other international net revenues as a proxy for consumption.
- (3) Adjusted Gross Margin, Adjusted G&A, Adjusted Operating Income, Adjusted EPS, EBITDA & EBITDA Margin, Adjusted EBITDA & Adjusted EBITDA Margin, Adjusted Free Cash Flow, 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 dated May 4, 2023 in the “About Non GAAP Financial Measures” section.
- (4) Leverage ratio reflects net debt / covenant defined EBITDA.
- (5) Free Cash Flow for FY 24 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 cash payments associated with discrete items.

# Reconciliation Schedules

## Organic Revenue Change

<i>(In Thousands)</i>	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022
GAAP Total Revenues	\$ 285,869	\$ 266,936	\$ 1,127,725	\$ 1,086,812
Revenue Change	7.1%		3.8%	
<b>Adjustments:</b>				
Revenues associated with acquisition <sup>(a)</sup>	-	-	(12,624)	-
Impact of foreign currency exchange rates	-	(2,120)	-	(9,372)
Total adjustments	\$ -	\$ (2,120)	\$ (12,624)	\$ (9,372)
Non-GAAP Organic Revenues	\$ 285,869	\$ 264,816	\$ 1,115,101	\$ 1,077,440
Non-GAAP Organic Revenue Change	8.0%		3.5%	

a) Revenues of our Akorn acquisition for the three months ended June 30, 2022 are excluded for purposes of calculating Non-GAAP organic revenues.

## Adjusted Gross Margin

<i>(In Thousands)</i>	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022
GAAP Total Revenues	\$ 285,869	\$ 266,936	\$ 1,127,725	\$ 1,086,812
GAAP Gross Profit	\$ 153,764	\$ 148,862	\$ 625,294	\$ 620,646
GAAP Gross Profit as a Percentage of GAAP Total Revenue	53.8%	55.8%	55.4%	57.1%
<b>Adjustments:</b>				
Inventory step-up charges associated with acquisition <sup>(a)</sup>	-	-	-	1,567
Total adjustments	-	-	-	1,567
Non-GAAP Adjusted Gross Margin	\$ 153,764	\$ 148,862	\$ 625,294	\$ 622,213
Non-GAAP Adjusted Gross Margin as a Percentage of GAAP Total Revenues	53.8%	55.8%	55.4%	57.3%

a) Inventory step-up charges relate to our North American OTC Healthcare segment.

# Reconciliation Schedules (Continued)

## Adjusted G&A

<i>(In Thousands)</i>	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022
GAAP General and Administrative Expense <sup>(a)</sup>	\$ 27,666	\$ 27,810	\$ 107,354	\$ 108,516
GAAP General and Administrative Expense as a Percentage of GAAP Total Revenue	9.7%	10.4%	9.5%	10.0%
<b>Adjustments:</b>				
Costs associated with acquisition <sup>(b)</sup>	-	-	-	5,127
Total adjustments	-	-	-	5,127
Non-GAAP Adjusted General and Administrative Expense	\$ 27,666	\$ 27,810	\$ 107,354	\$ 103,389
Non-GAAP Adjusted General and Administrative Expense Percentage as a Percentage of GAAP Total Revenues	9.7%	10.4%	9.5%	9.5%

a) Includes tradename impairment of \$1.1 million in both the three months and year ended March 31, 2022.

b) Costs related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

# Reconciliation Schedules (Continued)

## Adjusted EBITDA Margin

	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022
<i>(In Thousands)</i>				
GAAP Net (Loss) Income	\$ (240,552)	\$ 52,086	\$ (82,306)	\$ 205,381
Interest expense, net	18,976	15,973	69,164	64,287
Provision for income taxes	(58,970)	8,879	(11,609)	57,077
Depreciation and amortization	7,863	8,485	32,625	32,092
Non-GAAP EBITDA	(272,683)	85,423	7,874	358,837
Non-GAAP EBITDA Margin	(95.4%)	32.0%	0.7%	33.0%
<b>Adjustments:</b>				
Inventory step-up charges associated with acquisition in Cost of Sales <sup>(a)</sup>	-	-	-	1,567
Costs associated with acquisition in General and Administrative Expense <sup>(b)</sup>	-	-	-	5,127
Goodwill and tradename impairment	370,217	-	370,217	-
Loss on extinguishment of debt	-	-	-	2,122
Total adjustments	370,217	-	370,217	8,816
Non-GAAP Adjusted EBITDA	\$ 97,534	\$ 85,423	\$ 378,091	\$ 367,653
Non-GAAP Adjusted EBITDA Margin	34.1%	32.0%	33.5%	33.8%

a) Inventory step-up charges relate to our North American OTC Healthcare segment.

b) Costs related to the consummation of the acquisitions process such as insurance costs, legal and other acquisition related professional fees.

# Reconciliation Schedules (Continued)

## Adjusted Net Income & Adjusted EPS

	Three Months Ended March 31,				Year Ended March 31,			
	2023		2022		2023		2022	
	Net Income	Adjusted EPS	Net Income	Adjusted EPS	Net Income	Adjusted EPS	Net Income	Adjusted EPS
<i>(In Thousands, except per share data)</i>								
GAAP Net (Loss) Income and Diluted EPS <sup>(a)</sup>	\$ (240,552)	\$ (4.78)	\$ 52,086	\$ 1.02	\$ (82,306)	\$ (1.63)	\$ 205,381	\$ 4.04
Adjustments:								
Inventory step-up charges and other costs associated with acquisition in Cost of Sales <sup>(b)</sup>	-	-	-	-	-	-	1,567	0.03
Costs associated with acquisition in General and Administrative Expense <sup>(c)</sup>	-	-	-	-	-	-	5,127	0.10
Goodwill and tradename impairment	370,217	7.35	-	-	370,217	7.35	-	-
Loss on extinguishment of debt	-	-	-	-	-	-	2,122	0.04
Tax impact of adjustments <sup>(d)</sup>	(88,852)	(1.76)	-	-	(88,852)	(1.76)	(2,134)	(0.04)
Normalized tax rate adjustment <sup>(e)</sup>	12,915	0.26	(5,753)	(0.11)	12,915	0.26	(5,753)	(0.11)
Total Adjustments	<b>294,280</b>	<b>5.85</b>	<b>(5,753)</b>	<b>(0.11)</b>	<b>294,280</b>	<b>5.85</b>	<b>929</b>	<b>0.02</b>
Non-GAAP Adjusted Net Income and Adjusted EPS	<b>\$ 53,728</b>	<b>\$ 1.07</b>	<b>\$ 46,333</b>	<b>\$ 0.91</b>	<b>\$ 211,974</b>	<b>\$ 4.21</b>	<b>\$ 206,310</b>	<b>\$ 4.06</b>

a) Reported GAAP is calculated using diluted shares outstanding. Diluted shares outstanding are 50,358 for the three months ended March 31, 2023 and 50,384 for the year ended March 31, 2023.

b) Inventory step-up charges relate to our North American OTC Healthcare segment.

c) Costs related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees.

d) The income tax adjustments are determined using applicable rates in the taxing jurisdictions in which the above adjustments relate and includes both current and deferred income tax expense (benefit) based on the specific nature of the specific Non-GAAP performance measure.

e) Income tax adjustment to adjust for discrete income tax items.

Note: Amounts may not add due to rounding



# Reconciliation Schedules (Continued)

## Adjusted Free Cash Flow

	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022
(In Thousands)				
GAAP Net (Loss) Income	\$ (240,552)	\$ 52,086	\$ (82,306)	\$ 205,381
<u>Adjustments:</u>				
Adjustments to reconcile net (loss) income to net cash provided by operating activities as shown in the Statement of Cash Flows	309,410	13,207	365,877	65,487
Changes in operating assets and liabilities as shown in the Statement of Cash Flows	(9,871)	(2,167)	(53,855)	(10,946)
Total adjustments	299,539	11,040	312,022	54,541
GAAP Net cash provided by operating activities	58,987	63,126	229,716	259,922
Purchases of property and equipment	(2,558)	(3,161) <sup>2</sup>	(7,784)	(9,642)
Non-GAAP Free Cash Flow	<b>56,429</b>	<b>59,965</b>	<b>221,932</b>	<b>250,280</b>
Payments associated with acquisition <sup>(a)</sup>	-	-	-	3,465
Non-GAAP Adjusted Free Cash Flow	<b>\$ 56,429</b>	<b>\$ 59,965</b>	<b>\$ 221,932</b>	<b>\$ 253,745</b>

a) Payments related to the consummation of the acquisition process such as insurance costs, legal and other acquisition related professional fees

## Projected Free Cash Flow

<i>(In millions)</i>	
Projected FY'24 GAAP Net Cash provided by operating activities	\$ 250
Additions to property and equipment for cash	(10)
Projected Non-GAAP Free Cash Flow	<b>\$ 240</b>

# Reconciliation Schedules (Continued)

## Adjusted Free Cash Flow

	<u>2019</u>	<u>2020</u>	<u>2021</u>
GAAP Net Income	\$ (35,800)	\$ 142,281	\$ 164,682
<u>Adjustments</u>			
Adjustments to reconcile net income to net cash provided by operating activities as shown in the statement of cash flows	233,400	66,041	76,523
Changes in operating assets and liabilities, net of effects from acquisitions as shown in the statement of cash flows	(8,316)	8,802	(5,598)
Total adjustments	<u>225,084</u>	<u>74,843</u>	<u>70,925</u>
<b>GAAP Net cash provided by operating activities</b>	<b>189,284</b>	<b>217,124</b>	<b>235,607</b>
Purchases of property and equipment	(10,480)	(14,560)	(22,243)
<b>Non-GAAP Free Cash Flow</b>	<b>178,804</b>	<b>202,564</b>	<b>213,364</b>
Integration, transition and other payments associated with acquisitions/divestitures	10,902	4,203	-
Additional income tax payments associated with divestitures	12,656	-	-
Total adjustments	<u>23,558</u>	<u>4,203</u>	<u>-</u>
<b>Non-GAAP Adjusted Free Cash Flow</b>	<b><u>\$ 202,362</u></b>	<b><u>\$ 206,767</u></b>	<b><u>\$ 213,364</u></b>

# Reconciliation Schedules (Continued)

## Organic Revenue Change

	Year Ended March 31,	
	2023	2020
<i>(In Thousands)</i>		
GAAP Total Revenues	\$ 1,127,725	\$ 963,010
Revenue Change	17.1%	
<u>Adjustments:</u>		
Revenues associated with acquisition <sup>(a)</sup>	(58,798)	-
Impact of foreign currency exchange rates	-	(245)
Total adjustments	\$ (58,798)	\$ (245)
Non-GAAP Organic Revenues	\$ 1,068,927	\$ 962,765
Non-GAAP Organic Revenue CAGR	3.5%	

a) Revenues of our Akorn acquisition for the year ended March 31, 2023 are excluded for purposes of calculating Non-GAAP organic revenues.

# Reconciliation Schedules (Continued)

## Adjusted Net Income & Adjusted EPS

	Year Ended March 31,			
	2021		2020	
	Net Income	Adjusted EPS	Net Income	Adjusted EPS
<i>(In Thousands, except per share data)</i>				
GAAP Net Income	\$ 164,682	\$ 3.25	\$ 142,281	\$ 2.78
<u>Adjustments:</u>				
Transition and other costs associated with new warehouse in Cost of Goods Sold <sup>(a)</sup>	-	-	9,170	0.18
Loss on disposal of assets	-	-	382	0.01
Loss on extinguishment of debt	12,327	0.24	2,155	0.04
Tax impact of adjustments <sup>(b)</sup>	(2,986)	(0.06)	(2,974)	(0.06)
Normalized tax rate adjustment <sup>(c)</sup>	(10,025)	(0.20)	318	0.01
<b>Total Adjustments</b>	<b>(684)</b>	<b>(0.01)</b>	<b>9,051</b>	<b>0.18</b>
<b>Non-GAAP Adjusted Net Income and Adjusted EPS</b>	<b>\$ 163,998</b>	<b>\$ 3.24</b>	<b>\$ 151,332</b>	<b>\$ 2.96</b>

a) Items related to new warehouse represent costs to transition to the new warehouse and duplicate costs incurred during the transition.

b) 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.

c) Income tax adjustment to adjust for discrete income tax items.

Note: Amounts may not add due to rounding