

Prestige Consumer HEALTHCARE

Morgan Stanley Global Consumer & Retail Conference
November 13th, 2018



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 market position and consumption trends for the Company’s brands; the Company’s focus on brand-building; the timing and impact of the packaging rollout for BC & Goody’s and the impact of the divestiture of the Household Cleaning business. 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, supplier issues, consumer acceptance of new packaging, disruptions to distribution, 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, 2018. 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 schedules or in our November 1, 2018 earnings release in the “About Non-GAAP Financial Measures” section.

I. Introduction to Prestige Consumer

Healthcare

II. Value Creation Model

III. Financial Review and Outlook

Ron Lombardi

Chairman & Chief Executive Officer

Christine Sacco

Chief Financial Officer

Phil Terpolilli

Director, Investor Relations

I. Introduction to Prestige Consumer Healthcare

Compound W
WART REMOVER

Fleet

Summer's Eve

Dramamine

DenTek

LUDEN'S

**LITTLE
REMEDIES**

Efferdent
ANTI-BACTERIAL DENTURE CLEANSER

**Clear
eyes**

BC

Goody's

Chloraseptic
FAST ACTING

Nix
PERMETHRIN

**BOUDREAU'S
BUTT PASTE**
Let's kick some rash.

Hydralyte

MONISTAT

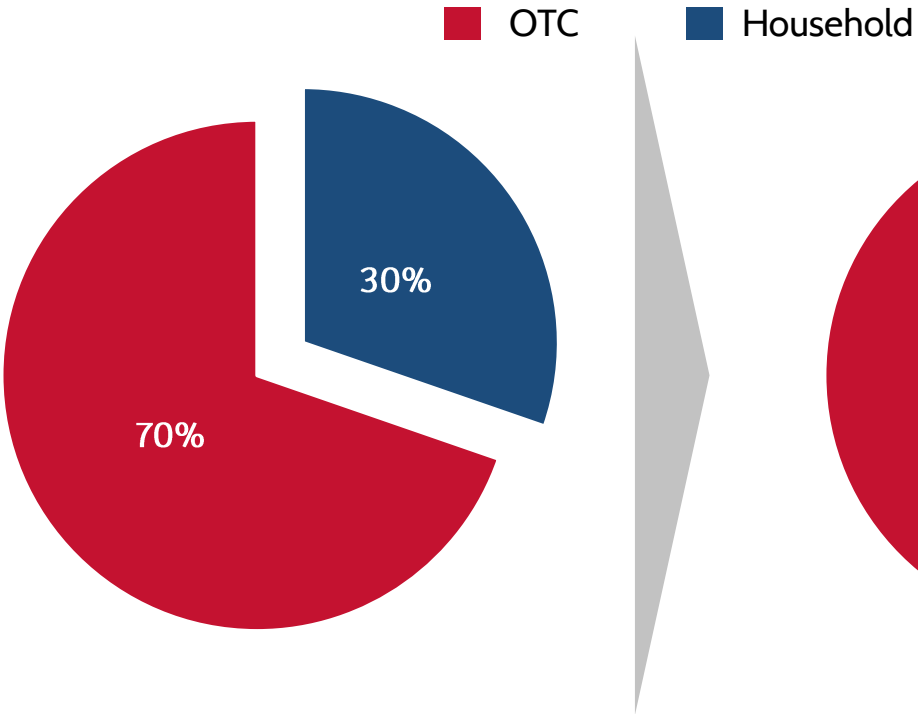
Gaviscon
and it's gone

Debrox

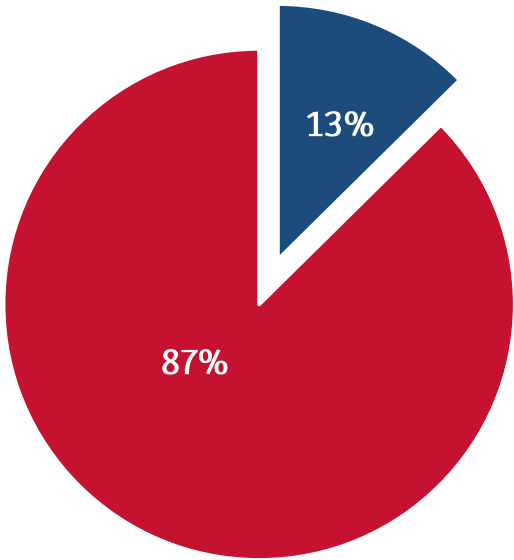
FESS

Evolution to a Focused Consumer Healthcare Portfolio

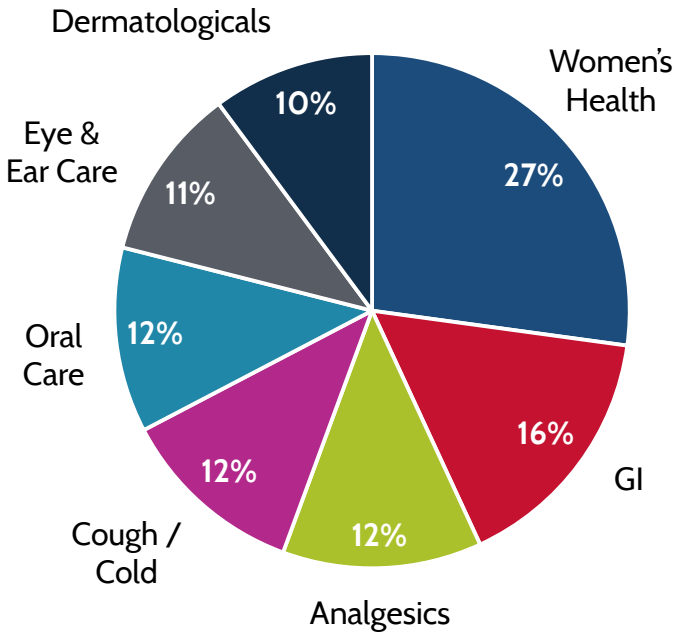
FY 2011



FY 2015



FY 2019 PF – 100% OTC*



~\$1 Billion Focused Consumer Healthcare Company*

*Based on FY18 reported revenue figures excluding the Household Cleaning Segment



Prestige Consumer
HEALTHCARE

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



8
Million

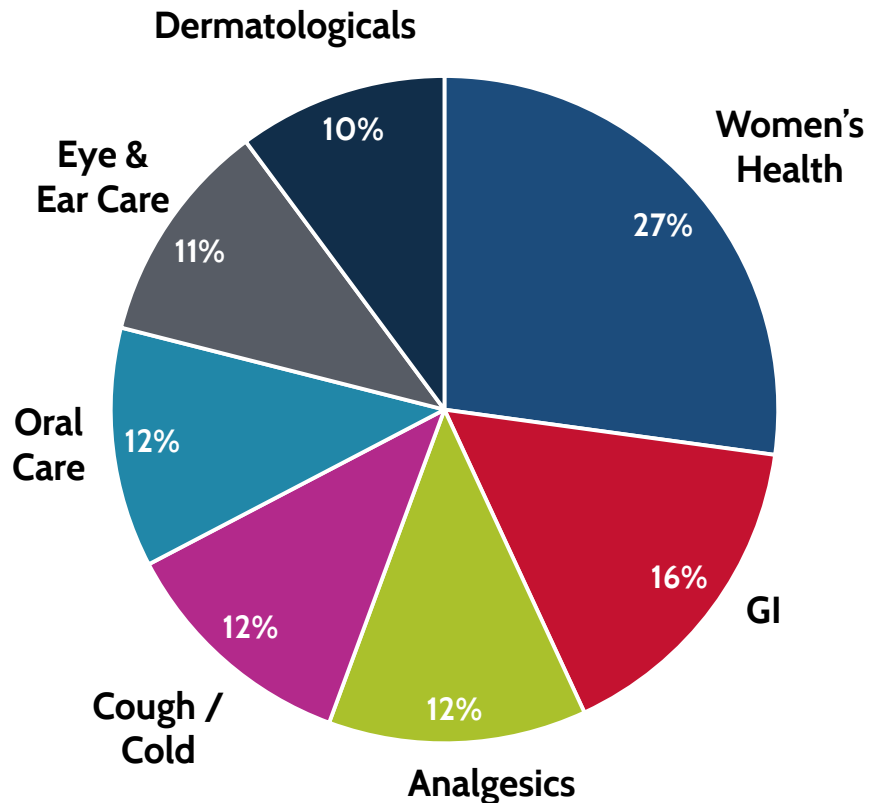
infections treated annually



Source: Company records

Diversified Portfolio of Leading, Trusted Consumer Healthcare Brands

Total Sales* by Category



* FY18 Revenues, Excludes Divested Household Cleaning Segment
 Note: Excludes other OTC (less than 1%).

#1 Brands Represent Two-Thirds of Total Sales*

#1 Feminine Hygiene
 #1 Vaginal Anti-Fungal

MONISTAT®

Summer's Eve®

#1 Enemas & Suppositories
 #1 Motion Sickness

Dramamine® Fleet®

#1 Powdered Analgesic

BC®

FAST PAIN RELIEF
 Goody's®

#1 Sore Throat Liquids/Lozenge

FAST ACTING
 Chloraseptic®

#1 Allergy & Redness Relief Drop

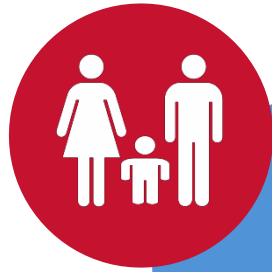
Clear eyes®

#1 Wart Removal
 #1 Lice/Parasite Treatments

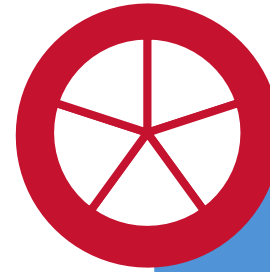
Compound W®
 WART REMOVER

Nix®
 FOR HEAD Lice

Business Positioned for Long-Term Success



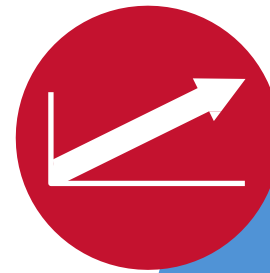
**OTC Attributes
Structural Tailwind
to Portfolio**



**Leading Brands
Across Niche
Categories**



**Solid Financial
Profile Generates
Durable Cash Flows**



**History of
Market Share
Gains & Growth**

II. Value Creation Model

Compound W
WART REMOVER

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Proven, Consistent & Repeatable Strategy

#1

Invest for Growth

- Positioned for long-term 2% to 3% Organic growth
- Brand building to drive long-term success

#2

Cash Generation

- Industry-leading financial profile
- Consistent and strong FCF generation
- Enables capital allocation opportunities

#3

Capital Allocation Options

- Completed 5 acquisitions since CY 2013
- Recently completed \$50 million stock buyback
- Continue to seek strategic M&A

Resilient Position in an Evolving Retail Environment

Category Leading, Trusted Brands

- #1 brands represent large majority of sales
- Leading positions enable focus on long-term category growth



On Trend & Innovative

- Consumer driven innovation
- Aligned with macro- Health & Wellness trends



Retail Traffic Driver

- Need-based products sought by consumers
- Retail channel agnostic
- Category growth focus helps buyers

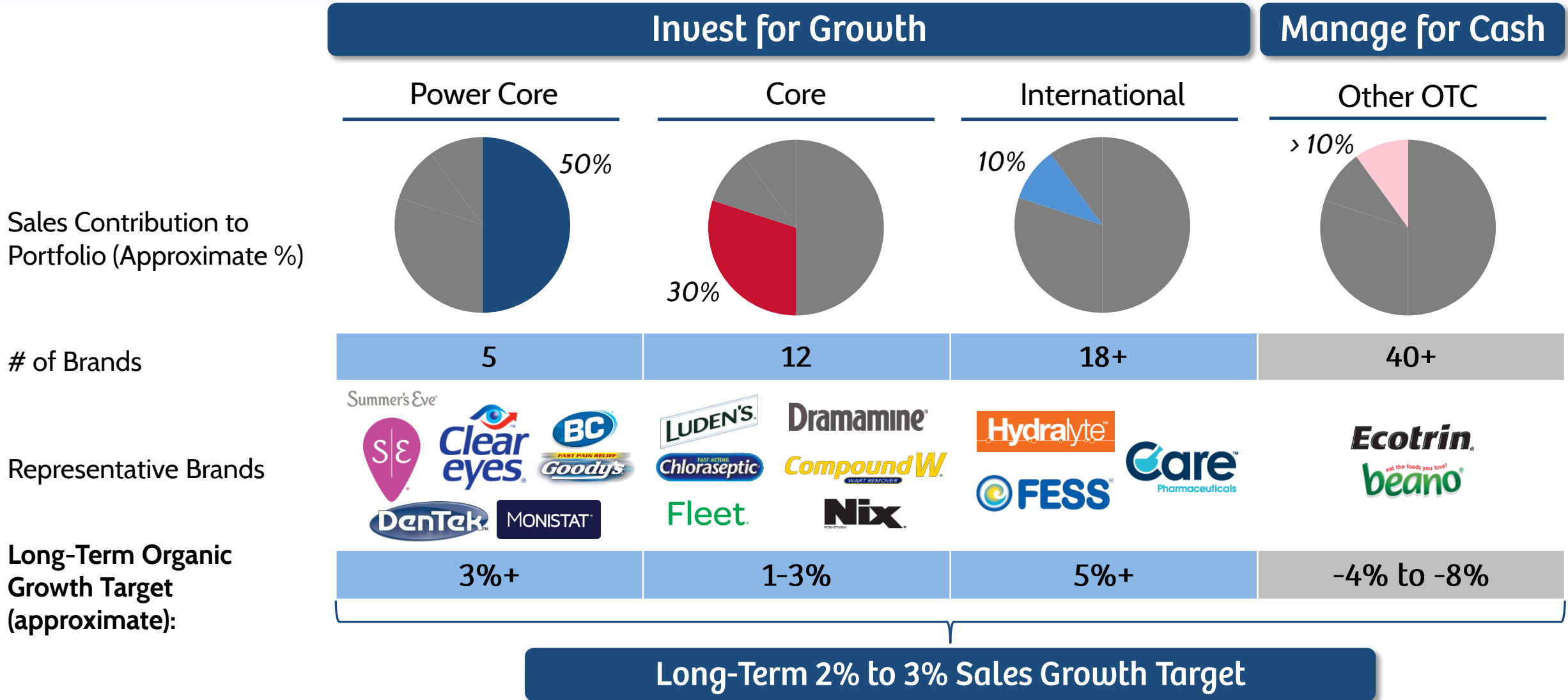


E-Commerce Brand of Choice

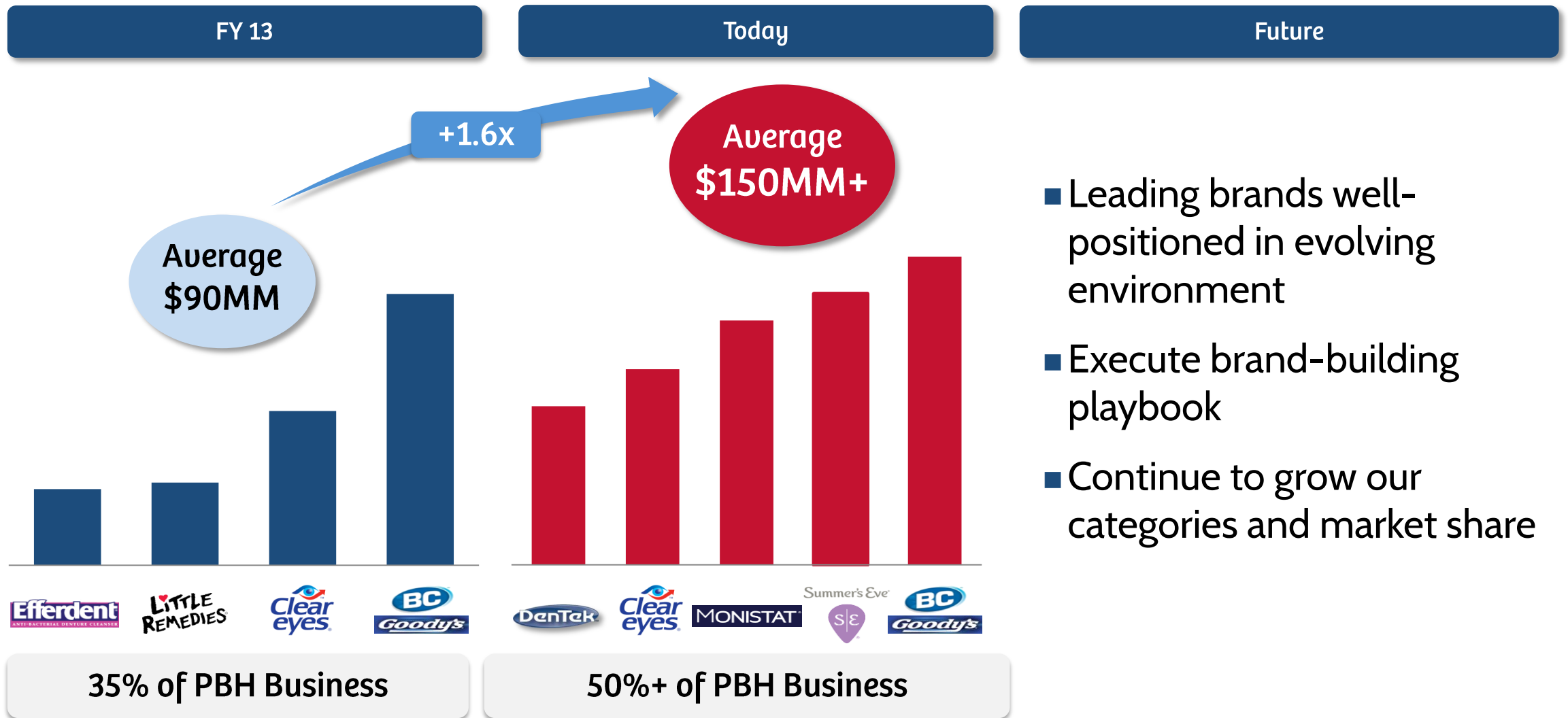
- Channel remains an opportunity, not a threat
- Ongoing channel investments
- Optimal consumer connection opportunities



Investment Across Key Brands Drives Organic Growth



Five "Power Core" Brands Now Average Over \$150MM at Retail



- Leading brands well-positioned in evolving environment
- Execute brand-building playbook
- Continue to grow our categories and market share

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

BC & Goody's: Continuing Our Long-Term Brand Building Playbook

Brand Success Under Ownership

- Purchased two iconic brands in 2012
- 100+ year heritage in Southeast
- Expanded brand building investments



- Only powdered analgesic brands
- Expanded distribution
- Brand extensions into cough/cold with BC Sinus Launch
- Significant support at retail by leveraging strategic partnerships

>25%
Growth Since Acquisition

New Packaging Launched in FY 19

Continued Innovation to Grow the Brand and the Category



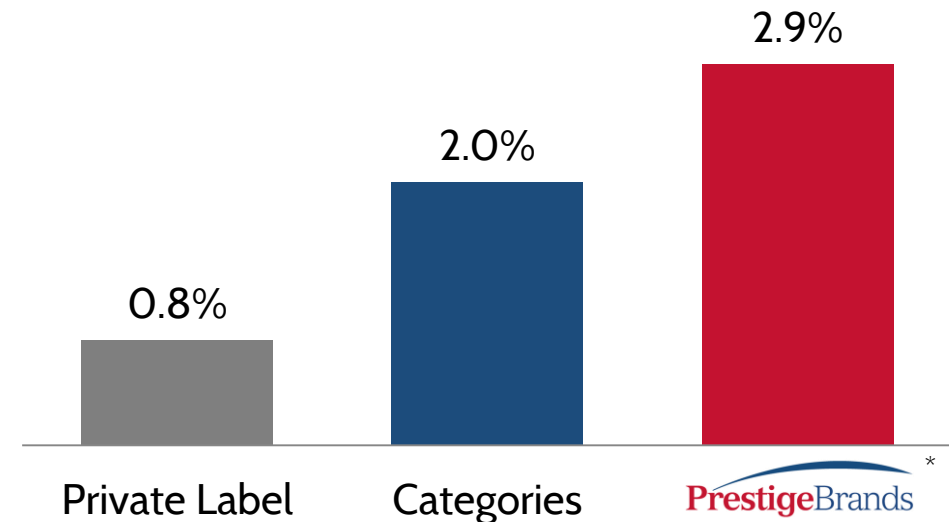
Brand-Building Drives Category Growth and Share Gains

Long-Term Brand-Building Toolkit

- Leverage portfolio's long-standing brand heritage with focused digital and content marketing
- Develop consumer insights to refine brand-building efforts
- Focus new product development on attractive opportunities that are key to category growth
- Capitalize on new channel development opportunities

Growing the Category and Outpacing Private Label

2017 Performance Consumption Growth*



Brand-Building Differentiates versus Private Label and Branded Competition

* IRI MULO Data as of calendar year-end 2017; Categories include those pertaining to PBH's domestic power core and core brands

Proven, Consistent & Repeatable Strategy: Cash Generation

Cash Generation

- Industry-leading financial profile
- Consistent and strong FCF generation
- Enables capital allocation opportunities

Near-term Considerations

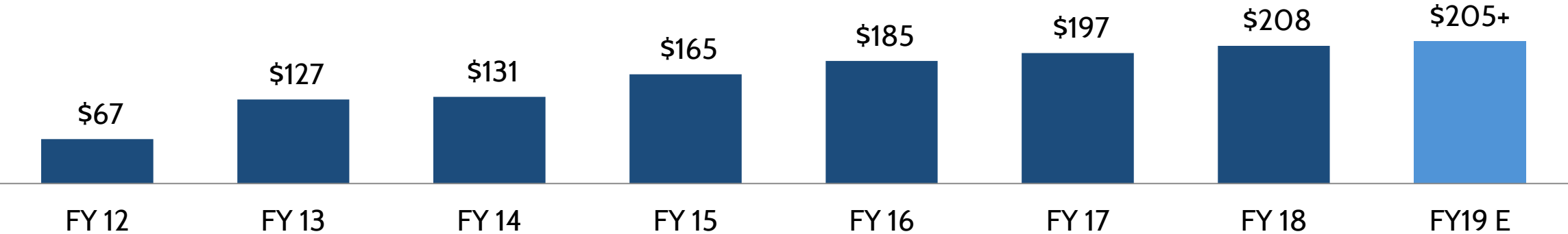
- Net Debt at September 30 of ~\$1.9 billion; leverage ratio of 5.2x⁽³⁾ at end of Q2 19
 - Targeting leverage of ~4.9x by year-end FY 19
- Debt reduction of \$209 million in FY 18

Long-Term Positioning

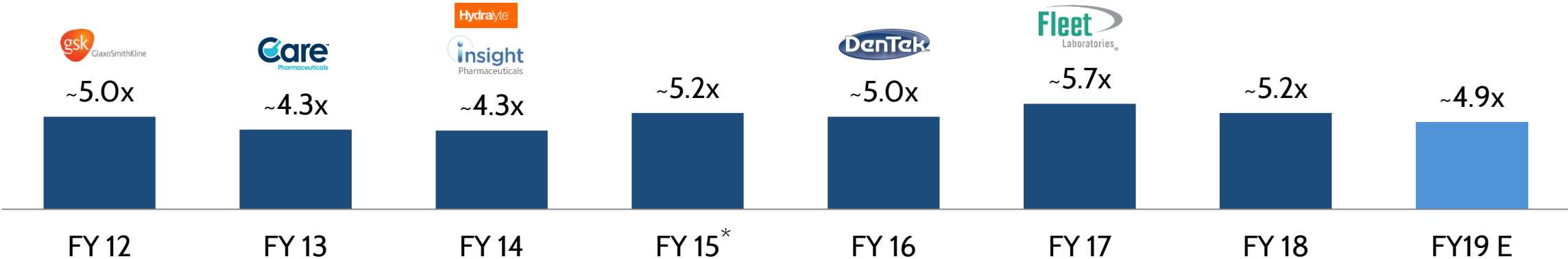
- High Free Cash Flow Generation
 - Portfolio characteristics drives high EBITDA margins
 - Strong FCF conversion (minimal capital outlays, low cash tax rate via tax attributes)
- A&P reinvestment to drive top-line growth
- Maintain approximate mid-30s EBITDA margin target

Strong and Consistent Cash Flow Leads to Rapid De-Levering

Adjusted Free Cash Flow⁽²⁾⁽⁴⁾



Leverage Ratio⁽³⁾



Dollar values in millions.

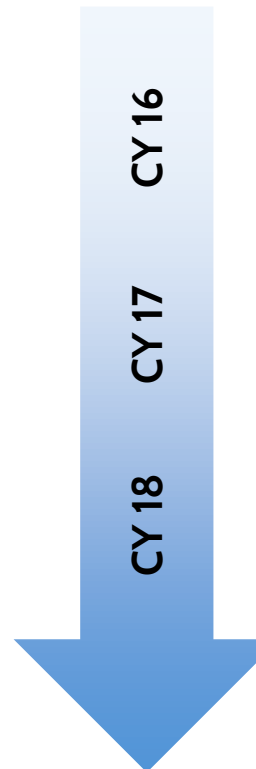
* Peak leverage of 5.75x at close of the Insight Acquisition in September 2014

Disciplined Capital Allocation Enhances Shareholder Value

Capital Allocation Priorities

- 1 Invest in Current Brands to Drive Organic Growth
- 2 Continued Strategy of De-Leveraging
- 3 Share Repurchases
- 4 Pursue Me&A that is Accretive to Shareholders

Timeline of Recent Capital Allocation Decisions

- 
- Acquisition of DenTek brand for \$220 million
 - Divestiture of 7 non-core brands for \$110 million gross proceeds

 - Acquisition of C.B. Fleet portfolio for \$825 million

 - Opportunistic \$50 million share repurchase
 - Divestiture of Household segment enabled \$50 million of incremental debt paydown and capital redeployment

III. Financial Review and FY 19 Outlook

Compound W
WART REMOVER

Fleet

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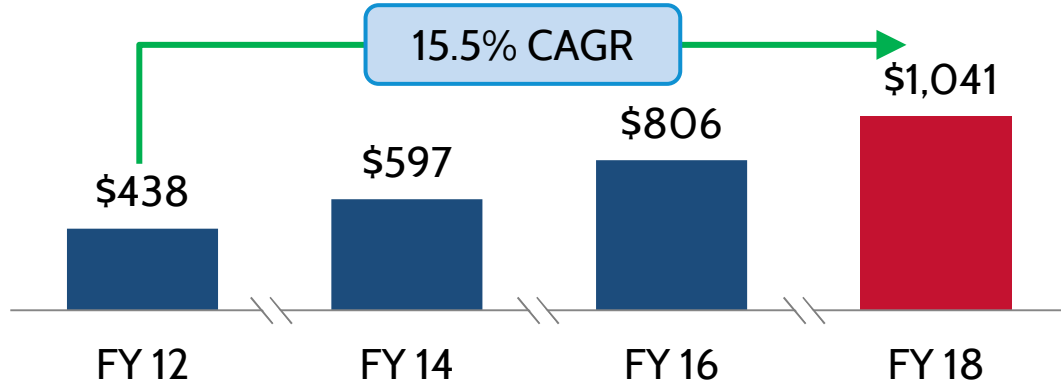
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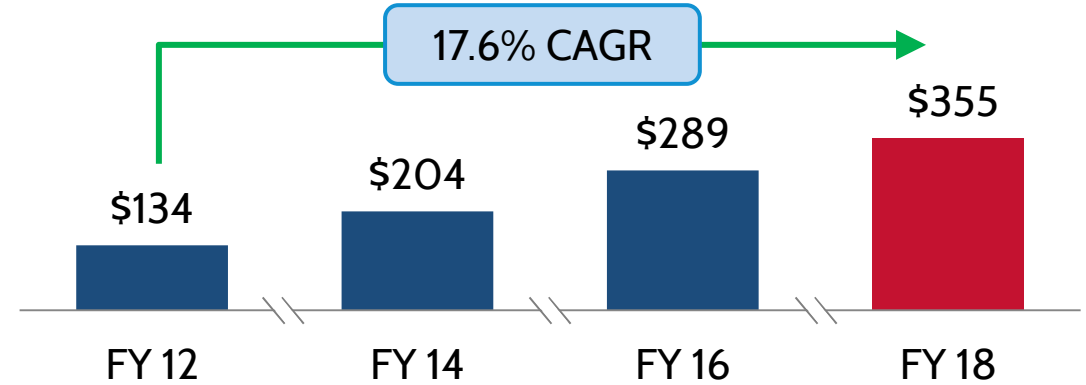
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Strategy Has Delivered Consistently Strong Financial Performance

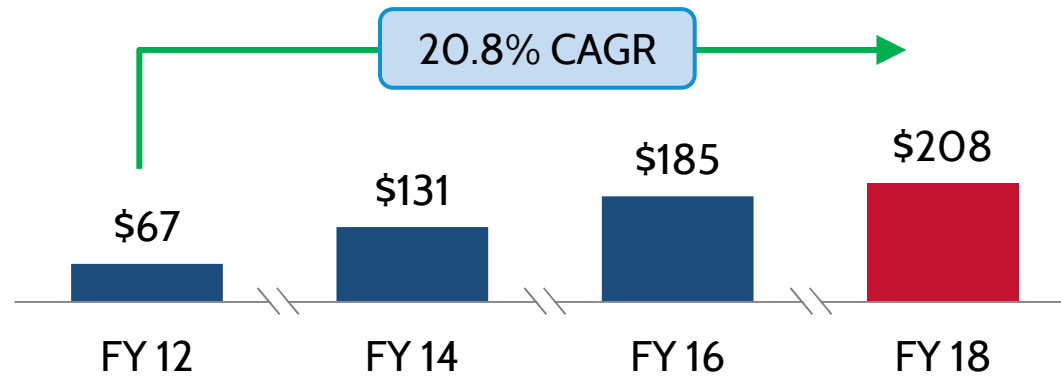
Net Sales



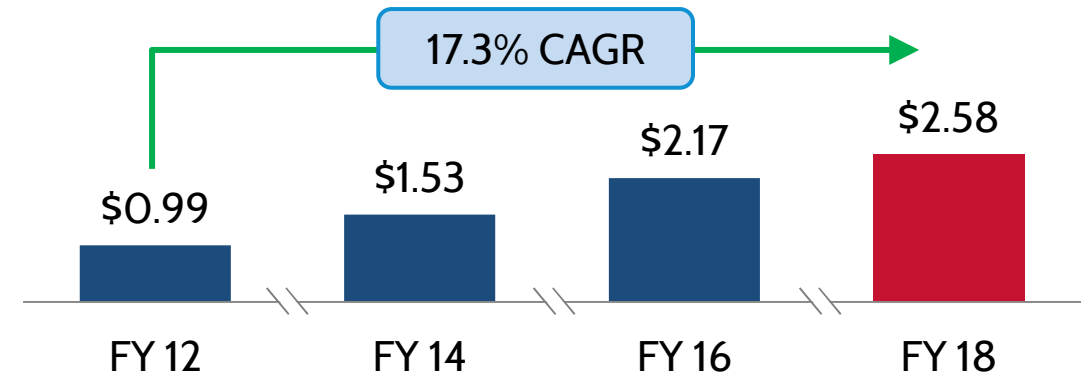
Adjusted EBITDA⁽²⁾



Adjusted Free Cash Flow⁽²⁾



Adjusted EPS⁽²⁾



Dollar values in millions, except Adjusted EPS.

Strong Financial Performance in First Half FY 19

Revenue of \$493.3 million, up 0.4%⁽¹⁾ organically versus 1H FY 18; in-line with expectations

Freight and warehouse costs continue to improve and have largely returned to normalized levels

Adjusted EPS of \$1.33⁽²⁾, up 4.7% versus 1H FY 18

Reiterated full year outlook for Revenue, Adjusted EPS⁽²⁾ and Adjusted Free Cash Flow⁽⁴⁾

FY 19 Full Year Outlook Unchanged

Top Line Trends

- Strong momentum across our portfolio; continue to win share versus categories and private label
- Household divestiture enables sole focus on consumer healthcare business
- Continue to gain market share with consumers and grow categories with retailers
- Prestige's portfolio of leading brands continues to be well positioned for long-term growth despite macro headwinds at retail

Revenue Outlook

- Revenue outlook of \$985 to \$995 million; organic growth of 0.5% to 1.5%
 - Expect consumption growth in excess of shipment growth
 - 2H FY 19 Revenue growth concentrated in Q4

Adjusted EPS⁽²⁾ Outlook

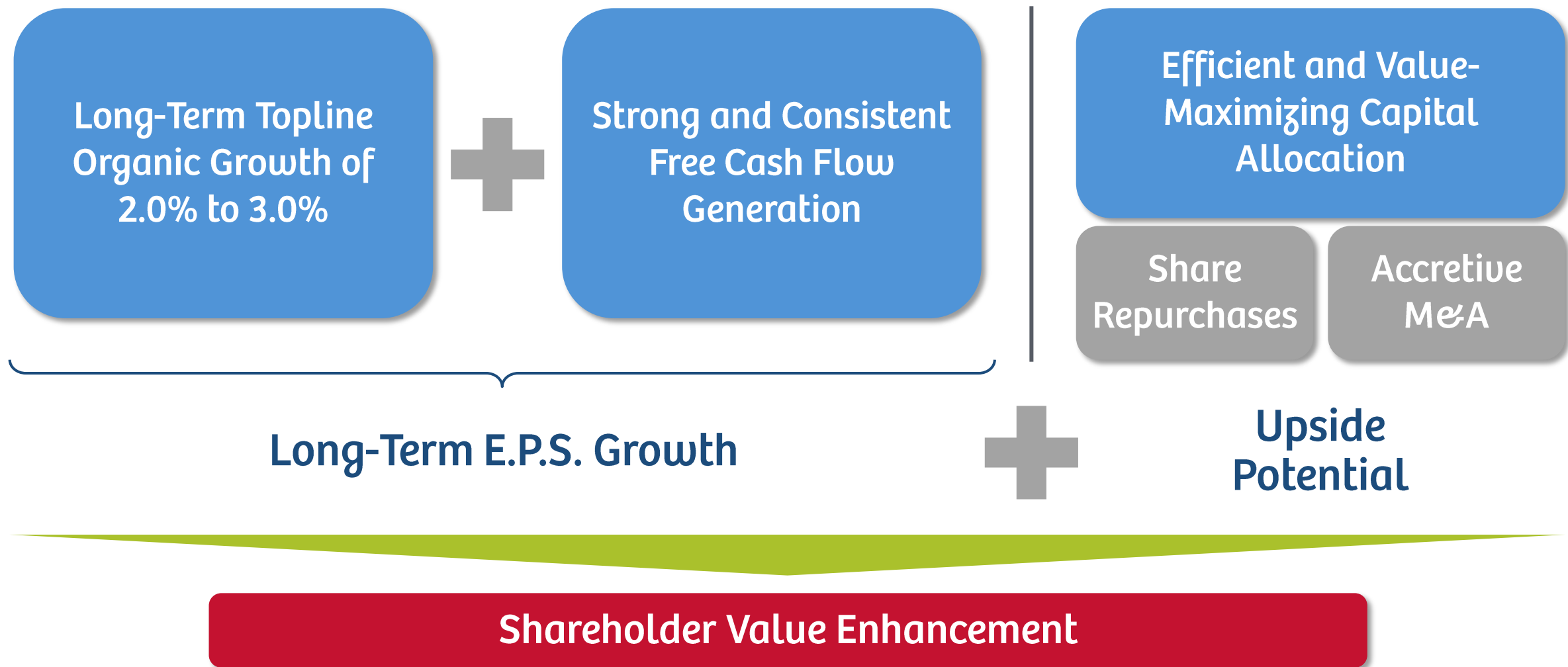
- Adjusted EPS +10% to +13% (\$2.84 to \$2.92)⁽²⁾
 - 2H FY 19 EPS growth concentrated in Q4 due to multiple timing factors

Adjusted Free Cash Flow⁽⁴⁾ Outlook

- Adjusted Free Cash Flow of \$205 million or more⁽⁴⁾

Dollar values in millions, except per share data.

Continuing Our Long-Term Value Creation Strategy



Appendix

- (1) Organic Revenue Growth 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 November 1, 2018 earnings release in the “About Non-GAAP Financial Measures” section.
- (2) Adjusted EBITDA, Adjusted EPS, Adjusted Free Cash Flow and Net Debt are Non-GAAP financial measures and are reconciled to their most closely related GAAP financial measures in the attached Reconciliation Schedules and / or in our November 1, 2018 earnings release in the “About Non-GAAP Financial Measures” section.
- (3) Leverage ratio reflects net debt / covenant defined EBITDA.
- (4) Adjusted Free Cash Flow for FY 19 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 November 1, 2018 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 acquisitions less tax effect of payments associated with acquisitions.

Reconciliation Schedules

Organic Revenue Growth

	Three Months Ended Sept. 30,		Six Months Ended Sept. 30,	
	2018	2017	2018	2017
<i>(In Thousands)</i>				
GAAP Total Revenues	\$ 239,357	\$ 258,026	\$ 493,337	\$ 514,599
Revenue Growth	<u>(7.2%)</u>		<u>(4.1%)</u>	
<u>Adjustments:</u>				
Revenue associated with divestiture	-	(21,767)	(19,811)	(41,627)
Allocated costs that remain after divestiture	-	(700)	-	(1,400)
Total Adjustments	\$ -	\$ (22,467)	\$ (19,811)	\$ (43,027)
Non-GAAP Organic Revenues	\$ 239,357	\$ 235,559	\$ 473,526	\$ 471,572
Non-GAAP Organic Revenues Growth	<u>1.6%</u>		<u>0.4%</u>	

Reconciliation Schedules (Continued)

Adjusted Net Income and Adjusted EPS

	Three Months Ended Sept. 30,				Six Months Ended Sept. 30,			
	2018		2017		2018		2017	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
<i>(In Thousands, except per share data)</i>								
GAAP Net Income	\$ 30,841	\$ 0.59	\$ 30,705	\$ 0.57	\$ 65,307	\$ 1.24	\$ 64,464	\$ 1.20
Adjustments:								
Integration, transition and other costs associated with divestitures and acquisitions in Cost of Goods Sold	-	-	1,143	0.02	170	-	3,719	0.07
Integration, transition and other costs associated with acquisitions in Advertising and Promotion Expense	-	-	(231)	-	-	-	(192)	-
Integration, transition and other costs associated with divestitures and acquisitions in General and Administrative Expense	2,850	0.05	888	0.02	4,272	0.08	1,472	0.03
Gain on divestiture	(1,284)	(0.02)	-	-	(1,284)	(0.02)	-	-
Accelerated amortization of debt origination costs	706	0.01	-	-	706	0.01	-	-
Tax impact of adjustments	824	0.02	(658)	(0.01)	420	0.01	(1,825)	(0.03)
Normalized tax rate adjustment	222	-	614	0.01	415	0.01	312	-
Total Adjustments	3,318	0.06	1,756	0.04	4,699	0.09	3,486	0.07
Non-GAAP Adjusted Net Income and Adjusted EPS	\$ 34,159	\$ 0.65	\$ 32,461	\$ 0.61	\$ 70,006	\$ 1.33	\$ 67,950	\$ 1.27

Reconciliation Schedules (Continued)

Projected EPS

	2019 Projected EPS	
	Low	High
Projected FY'19 GAAP EPS	\$ 2.75	\$ 2.83
<u>Adjustments:</u>		
Sale of Household Cleaning Business	0.07	0.07
Tax Adjustment	0.02	0.02
Total Adjustments	0.09	0.09
Projected Non-GAAP Adjusted EPS	\$ 2.84	\$ 2.92

Projected Free Cash Flow

	2019 Projected Free Cash Flow
<i>(In millions)</i>	
Projected FY'19 GAAP Net Cash provided by operating activities	\$ 195
Additions to property and equipment for cash	(13)
Projected Non-GAAP Free Cash Flow	182
Payments associated with divestiture	23
Projected Non-GAAP Adjusted Free Cash Flow	\$ 205

Reconciliation Schedules (Continued)

Adjusted Free Cash Flow

	2012	2013	2014	2015	2016	2017	2018
GAAP Net Income	\$ 37,212	\$ 65,505	\$ 72,615	\$ 78,260	\$ 99,907	\$ 69,395	\$ 339,570
Adjustments							
Adjustments to reconcile net income to net cash provided by operating activities as shown in the statement of cash flows	35,674	59,497	52,562	65,998	98,181	92,613	(113,698)
Changes in operating assets and liabilities, net of effects from acquisitions as shown in the statement of cash flows	(5,434)	12,603	(11,945)	13,327	(21,778)	(13,336)	(15,762)
Total adjustments	30,240	72,100	40,617	79,325	76,403	79,277	(129,460)
GAAP Net cash provided by operating activities	67,452	137,605	113,232	157,585	176,310	148,672	210,110
Purchases of property and equipment	(606)	(10,268)	(2,764)	(6,101)	(3,568)	(2,977)	(12,532)
Non-GAAP Free Cash Flow	66,846	127,337	110,468	151,484	172,742	145,695	197,578
Premium payment on 2010 Senior Notes	-	-	15,527	-	-	-	-
Premium payment on extinguishment of 2012 Senior Notes	-	-	-	-	10,158	-	-
Accelerated payments due to debt refinancing	-	-	4,675	-	-	9,184	182
Integration, transition and other payments associated with acquisitions	-	-	512	13,563	2,461	10,448	10,358
Pension contribution	-	-	-	-	-	6,000	-
Additional income tax payments associated with divestitures	-	-	-	-	-	25,545	-
Total adjustments	-	-	20,714	13,563	12,619	51,177	10,540
Non-GAAP Adjusted Free Cash Flow	\$ 66,846	\$ 127,337	\$ 131,182	\$ 165,047	\$ 185,361	\$ 196,872	\$ 208,118

Dollar values in thousands.

Reconciliation Schedules (Continued)

Adjusted Net Income and Adjusted EPS

	2012		2013		2014		2015		2016		2017		2018	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
GAAP Net Income	\$ 37,212	\$0.73	\$ 65,505	\$ 1.27	\$ 72,615	\$ 1.39	\$ 78,260	\$ 1.49	\$ 99,907	\$ 1.88	\$ 69,395	\$ 1.30	\$ 339,570	\$ 6.34
Adjustments														
Additional expense as a result of Term Loan debt refinancing	-	-	-	-	-	-	-	-	-	-	9,184	0.17	270	-
Sales costs related to acquisitions	-	-	411	0.01	-	-	-	-	-	-	-	-	-	-
Inventory step up	1,795	0.04	23	-	577	0.01	2,225	0.04	1,387	0.03	1,664	0.03	-	-
Inventory related acquisition costs	-	-	220	-	407	0.01	-	-	-	-	-	-	-	-
Add'l supplier costs	-	-	5,426	0.11	-	-	-	-	-	-	-	-	-	-
Costs associated with CEO transition	-	-	-	-	-	-	-	-	1,406	0.02	-	-	-	-
Integration, Transition, and other Acquisition/Divestiture costs	17,395	0.34	5,909	0.11	1,111	0.02	21,507	0.41	2,401	0.05	19,624	0.37	5,528	0.11
Stamp Duty	-	-	-	-	-	-	2,940	0.05	-	-	-	-	-	-
Unsolicited proposal costs	1,737	0.03	534	0.01	-	-	-	-	-	-	-	-	-	-
Loss on extinguishment of debt	5,409	0.11	1,443	0.03	18,286	0.35	-	-	17,970	0.34	1,420	0.03	2,901	0.05
Gain on settlement	(5,063)	(0.10)	-	-	-	-	-	-	-	-	-	-	-	-
(Gain) loss on divestitures	-	-	-	-	-	-	(1,133)	(0.02)	-	-	51,820	0.97	-	-
Accelerated amortization of debt discounts and debt issue costs	-	-	7,746	0.15	5,477	0.10	218	-	-	-	1,706	0.03	392	0.01
Tradename impairment	-	-	-	-	-	-	-	-	-	-	-	-	99,924	1.87
Tax adj. associated with acquisition in G&A expense	-	-	-	-	-	-	-	-	-	-	-	-	704	0.01
Tax impact on adjustments	(8,091)	(0.16)	(8,329)	(0.16)	(9,100)	(0.17)	(5,968)	(0.11)	(7,608)	(0.15)	(28,024)	(0.52)	(38,804)	(0.72)
Normalized tax rate adjustment	(237)	-	(1,741)	(0.03)	(9,465)	(0.18)	-	-	-	-	(199)	-	(272,201)	(5.09)
Total adjustments	12,945	0.26	11,642	0.23	7,293	0.14	19,789	0.37	15,556	0.29	57,195	1.07	(201,286)	(3.76)
Non-GAAP Adjusted Net Income and Non-GAAP Adjusted EPS	\$50,157	\$0.99	\$ 77,147	\$ 1.50	\$79,908	\$ 1.53	\$98,049	\$ 1.86	\$115,463	\$ 2.17	\$126,590	\$ 2.37	\$138,284	\$ 2.58

Dollar values in thousands, except per share data

Note: Reported GAAP is calculated using diluted shares outstanding. Diluted shares outstanding for the three months ended March 31, 2018 are 53,512

Reconciliation Schedules (Continued)

Adjusted EBITDA

	2012	2013	2014	2015	2016	2017	2018
GAAP Net Income (Loss)	\$ 37,212	\$ 65,505	\$ 72,615	\$ 78,260	\$ 99,907	\$ 69,395	\$ 339,570
Interest Expense, net	41,320	84,407	68,582	81,234	85,160	93,343	105,879
Provision (benefit) for income taxes	23,945	40,529	29,133	49,198	57,278	41,455	(232,484)
Depreciation and amortization	10,734	13,235	13,486	17,740	23,676	25,792	33,426
Non-GAAP EBITDA	113,211	203,676	183,816	226,432	266,021	229,985	246,391
Sales costs related to acquisitions	-	411	-	-	-	-	-
Inventory step up	1,795	23	577	2,225	1,387	1,664	-
Inventory related acquisition costs	-	220	407	-	-	-	-
Add'l supplier costs	-	5,426	-	-	-	-	-
Costs associated with CEO transition	-	-	-	-	1,406	-	-
Integration, transition, and other Acquisition/Divestiture costs	17,395	5,909	1,111	21,507	2,401	19,624	5,528
Stamp Duty	-	-	-	2,940	-	-	-
Unsolicited proposal costs	1,737	534	-	-	-	-	-
Loss on extinguishment of debt	5,409	1,443	18,286	-	17,970	1,420	2,901
Tradename impairment	-	-	-	-	-	-	99,924
Gain on settlement	(5,063)	-	-	-	-	-	-
(Gain) Loss on divestitures	-	-	-	(1,133)	-	51,820	-
Tax adjustment associated with acquisitions	-	-	-	-	-	-	704
Adjustments to EBITDA	21,273	13,966	20,381	25,539	23,164	74,528	109,057
Non-GAAP Adjusted EBITDA	\$134,484	\$ 217,642	\$204,197	\$ 251,971	\$ 289,185	\$304,513	\$ 355,448

Dollar values in thousands.