

# Edgewell Personal Care



Morgan Stanley Global Consumer  
Conference  
November 30, 2021

# Forward-looking statements

Please note that in this presentation we may discuss events or results that have not yet occurred or been realized, commonly referred to as forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of Edgewell Personal Care Company (“Edgewell”, “we” or “our Company”) or any of our businesses. Forward-looking statements generally can be identified by the use of words or phrases such as “believe,” “expect,” “expectation,” “anticipate,” “may,” “could,” “intend,” “belief,” “estimate,” “plan,” “target,” “predict,” “likely,” “will,” “should,” “forecast,” “outlook,” or other similar words or phrases. These statements are not based on historical facts, but instead reflect our expectations, estimates, or projections concerning future results or events, including, without limitation, the future earnings and performance of our Company or any of our businesses. These statements are not guarantees of performance and are inherently subject to known and unknown risks, uncertainties and assumptions that are difficult to predict and could cause our actual results to differ materially from those indicated by those statements. Many factors outside our control (including the ongoing COVID-19 pandemic) could affect the realization of these estimates. We cannot assure you that any of our expectations, estimates or projections will be achieved. The forward-looking statements included in this report are only made as of the date of this report, and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances, except as required by law. You should not place undue reliance on these statements.

In addition, other risks and uncertainties not presently known to us or that we presently consider immaterial could significantly affect the forward-looking statements. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Risks and uncertainties include those detailed from time to time in our publicly filed documents, including in Item 1A. Risk Factors of Part I of our 2021 Annual Report on Form 10-K filed with the Securities and Exchange Commission on November 19, 2021.

Certain product information, competitive position data, peer data and market trends contained in this presentation have been prepared internally and have not been verified by any third party. Use of different methods for preparing, calculating or presenting such information may lead to different results and such differences may be material. In addition, certain industry and market data described in this presentation was obtained from industry and general publications and research, surveys and studies conducted by third parties. While the Company believes this information is reliable and appropriate, such information has not been verified by any independent source. You are cautioned not to place undue reliance on this information or data.

# Non-GAAP financial measures

While the Company reports financial results in accordance with accounting principles generally accepted in the U.S. ("GAAP"), this discussion also includes non-GAAP measures. These non-GAAP measures are referred to as "adjusted", "organic" or "underlying" and exclude items such as restructuring charges, acquisition and integration costs, cost of early debt retirement, UK tax rate increase, impairment charges, COVID-19 pandemic expenses, advisory expenses in connection with the evaluation of the Feminine and Infant Care businesses, Sun Care reformulation costs, investor settlement expenses, the disposition of the Infant and Pet Care business, the related tax effects of these items and the impact of the Tax Cuts and Jobs Act of 2017.

This non-GAAP information is provided as a supplement to, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP. The Company uses this non-GAAP information internally to make operating decisions and believes it is helpful to investors because it allows more meaningful period-to-period comparisons of ongoing operating results. Given certain significant events, including the Project Fuel restructuring and recent acquisitions and divestitures, we view the use of non-GAAP measures that take into account the impact of these unique events as particularly valuable in understanding our underlying operational results and providing insights into future performance. The information can also be used to perform analysis and to better identify operating trends that may otherwise be masked or distorted by the types of items that are excluded. This non-GAAP information is a component in determining management's incentive compensation. Finally, the Company believes this information provides a higher degree of transparency.

For definitions of these terms and reconciliations to GAAP measures, refer to the Company's earnings release for the fourth quarter of the 2021 fiscal year and other materials that can be found on the Company's Investor Relations website at <http://ir.edgewell.com>.

# Today's Speakers



**Rod R. Little**  
*President and Chief  
Executive Officer*



**Dan Sullivan**  
*Chief Financial Officer*

# A New Strategy to unlock sustained value creation

## A Compelling new Strategy.....

### Make Useful Things Joyful

We will transform into a **growing, sustainable and consumer-centric** Personal Care company and we will drive stable **topline growth** and predictable **cash generation**, delivering a meaningful total shareholder return

#### Strategic Priorities

- Expand presence in attractive categories
- Build brands consumers love with consumer-centric innovation
- Be a trusted strategic partner to retailers
- Simplify "everything"
- Be a company people love to work for

#### Strategic Outcomes

Accelerate topline growth in categories where we have a **Right to Win**



Stabilize the Profit Pool in categories where we have a **Right to Play**

## ....driving a new Financial Algorithm

**Deliver Organic Topline Growth**  
Reshaped portfolio as the catalyst for sustainable organic growth

**Save to Strategically Invest**  
Continued savings initiatives fund disciplined reinvestment in brands and capabilities to optimize portfolio performance

**Drive Consistent Gross Margin Performance**  
Strengthen gross margin profile through continued cost focus and enhanced revenue management

**Capital Allocation Priorities**  
Strong cash flow generation enables capital investment and capital return

**A Long-Term Financial Algorithm**

**2% - 3%**  
Organic Net Sales growth

**4% - 6%**  
Adjusted EBITDA growth

**6% - 7%**  
Adjusted EPS growth

**>100%**  
Free Cash Flow conversion

- Leveraging clear **Right to Win**
- Disciplined, prioritized **investment cadence**
- Consumer centric innovation** at the core
- Strengthened gross margin** profile
- Next level **cost reduction**
- Investment stance** towards our brands
- Strong FCF** generation provides optionality for the business
- Disciplined **capital allocation** strategy
- Net debt **leverage target** ~2-3x

# Over the last two years, we have significantly strengthened our business model

## Consumer Focused Innovation



## Enhanced Commercial Capabilities



## Demonstrated Cost Reduction



## Disciplined Capital Management



# Key business and financial successes in FY2021



**4%**

organic sales growth

+13% growth rate for **Right to Win**  
and +1% for **Right to Play**



**70%+**

Of U.S. portfolio

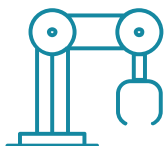
In 4Q21, percent of portfolio(value)  
holding or gaining **market share**



**25%**

eCommerce growth

**9% of total Company sales** via  
eCommerce channels



**+30bps**

Gross Margin expansion

Improved **Gross Margin** despite  
macro inflationary headwinds



**\$175M**

Free cash flow

Initiated a dividend, de-levered to ~2x,  
and announced intent to repurchase  
\$300M shares over 3 years



**\$280M**

Project Fuel cost savings

**Delivered efficiency** in our cost base  
to re-invest into +12% A&P and  
+19% capex

Note: Edgewell internal financials; October 2021 MULO L13w market shares.

# A Different Company.....Guided by new Purpose, Values, Behaviors

## 1 Sustainability is core to our business model

Announced Sustainable Care 2030 and 50% carbon reduction commitment

## 2 Diversity, Equity, and Inclusiveness (DEI) is a Strength

Advanced focus on DEI to support our global workforce, consumers, and the communities we serve

## 3 Employee Wellness and Development is a Priority

“People First” attitude focusing on wellbeing and development has improved employee engagement



# Over-delivering on expectations in 2021



## Algorithm

**2% - 3%**

Organic Net Sales growth

## Fiscal 2021 <sup>(1)</sup>

**3.7%**

Organic Net Sales growth

Organic topline growth at the top end of our long-term range

- Strong gross margin results
- Step-up commercial investments
- Good cost control

Strong gross margin delivery (+30bps) despite macro challenges

**4% - 6%**

Adjusted EBITDA growth

**7%**

Invested heavily in our brands and key markets

**6% - 7%**

Adjusted EPS growth

**11%**

Net debt leverage  
**~2.1x**

Over-delivered on our Outlook in 2021

# Commercial Strengths for 2022

## Strong Innovation and Product Development Pipeline in 2022

## Improved Distribution Outcomes on Shelf



# Expected strong performance in FY22



## Algorithm

**2% - 3%**

Organic Net Sales growth

## Fiscal 2022 Outlook <sup>(1)(2)</sup>

**~3%**

Organic Net Sales growth

Sustained topline growth across all segments and geographies

- Increased A&P Spending (\$)
- Accelerating productivity and efficiency efforts
- Stable operating margin

Maintaining investment stance while absorbing significant cost pressures to deliver stable operating margin

Announced opportunity to unlock \$125M further savings in FY22-FY23

**4% - 6%**

Adjusted EBITDA growth

**\$365-\$385M**

**\$2.98-3.26**

Net debt leverage

**~2x-3x**

Delivering our algorithm on a 2-year CAGR

**6% - 7%**

Adjusted EPS growth

# Balanced, Disciplined Capital Allocation



Invest for growth

Investing in our **brands** and growth opportunities, accretive **M&A**, capex for **innovation** and productivity



Improve capital return

Return of cash to shareholders through the initiation of a **dividend** and **systemic buy back** of shares



Remain disciplined in debt management

Manage to a **net debt leverage** ratio of approximately 2.0-3.0x



~20% Dividend Payout Ratio

\$300M Systemic Share Buyback

# An Exciting Acquisition...



# Transaction Overview

Edgewell acquires Billie in an all-cash transaction with a **purchase price of \$310 million** – **~3.5x revenue multiple**

- Simultaneous sign and close

Billie generated **net revenue of approximately \$90 million** over the 12 months ended September 30, 2021, with a compounded annual growth rate of approximately 50% over the last 3 years <sup>(1)</sup>

- Edgewell generated net revenue of approximately \$22 million through sales to Billie over the comparable timeframe

Acquisition aligned with Edgewell's **growth and portfolio strategy**

- Selective bolt-on of fast-growing attractive brands with the ability to accelerate topline growth and strengthen portfolio as part of the Edgewell platform
- Leading digital capabilities that will further the Edgewell transformation
- Exclusive retail launch beginning in January 2022

Edgewell will update its fiscal year outlook, including Billie, during its fiscal Q1 earnings call

- The acquisition is expected to be slightly positive to Edgewell's adjusted cash earnings per share <sup>(2)</sup> during fiscal 2022



**Entrepreneur.**

100 BRILLIANT COMPANIES



# Omnichannel Strategy in 2022

A strong digital ecosystem meets omnichannel distribution.

### Leading DTC Capabilities

2x

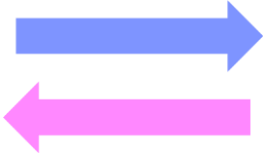
**STRONG CONVERSION**  
6% website conversion rate;  
~2x industry average

37%

**ENGAGED CUSTOMERS**  
37% email open rate;  
~2x industry average

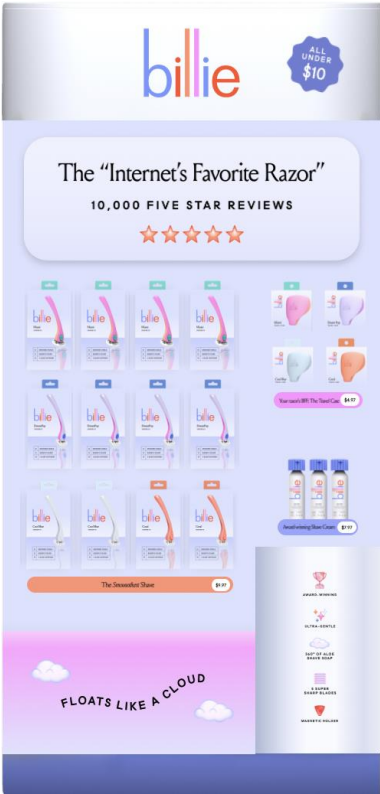
1.4M

**DIRECT RELATIONSHIPS**  
Over 1.4M customer interactions

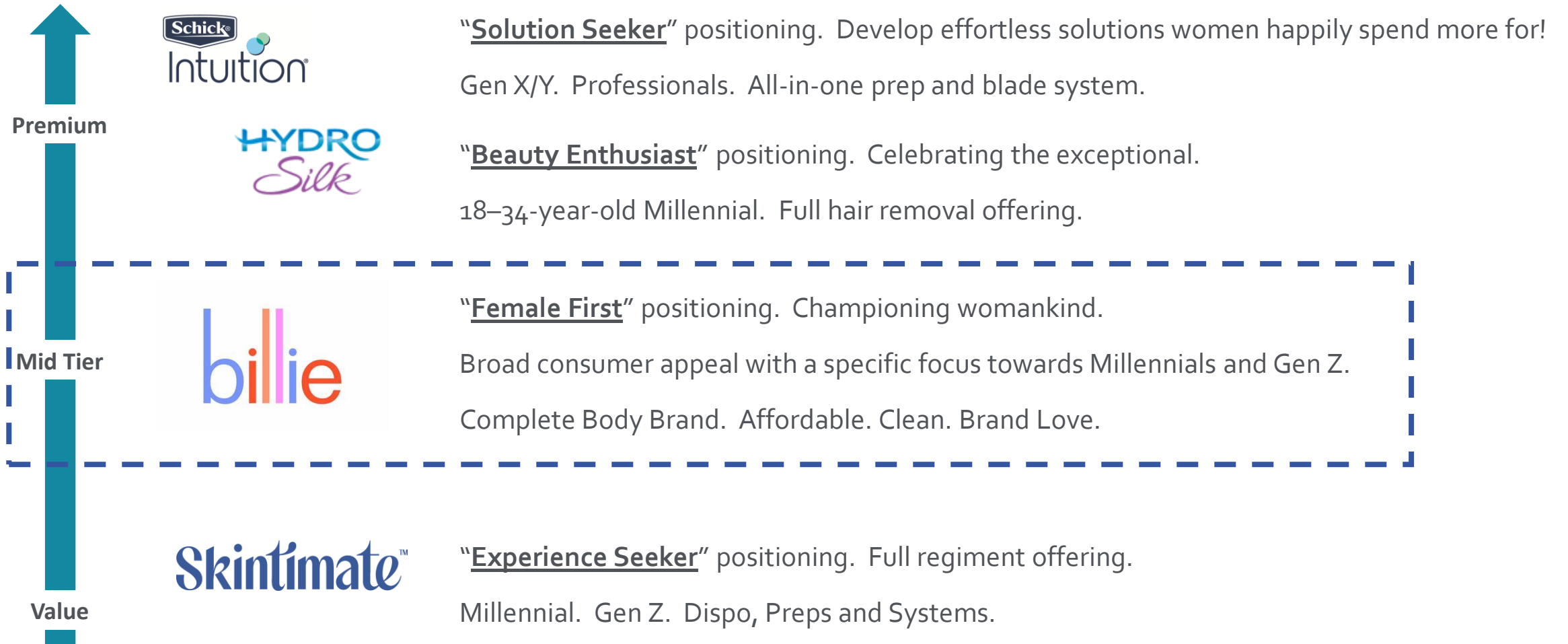


### 2022 Exclusive Launch

Nationwide distribution  
25% of women's razor aisle  
Significant in-store marketing support all year around



# A Branded Portfolio across all Price Tiers



# Strategic Rationale

- **Strong history of DTC Growth coupled with committed retail expansion**

- One of the fastest growing DTC brands on the verge of expansion to brick-and-mortar retail with exclusive launch in 2022

- **Demonstrated digital capabilities**

- Social media leader, with more followers and engagement than the rest of the women’s razor brands combined
- Strong conversion rates, highly engaged customers

- **Consumer-centric Brand Building**

- Unapologetically female-first brand with over 2.5M acquired customers and a growing portfolio of products

- **Profitable stand-alone business model in 2022**

- Standalone business expected to be slightly profitable in 2022 despite continued investment in customer acquisition

- **Low risk, tuck-in acquisition funded by on-hand cash/revolver**

- Seamless integration across existing core category provides low risk execution that is paid for through on-hand cash and revolver





Q&A