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<<Olivia Tong, Analyst, Raymond James>>

All right, good morning. Thank you for being here. I'm Olivia Tong, Raymond James's Beauty Health HPC analyst. And we're delighted to start our day this morning with Edgewell Personal Care. And joining us are Dan Sullivan, CFO, President, Europe and Latin America; and Chris Gough, Vice President of IR and Treasury. Rod Little apologizes for not being able to be here. Unfortunately, he is come down with the flu and such is life.

I'm going to turn it over to Dan to do some remarks, Chris to do some remarks and then Dan will walk us through the financials and then we'll have some time for Q&A. Thank you.

<<Chris Gough, Vice President Investor Relations and Treasury>>

Thanks, Olivia. Dan and I are happy to be here again this year. Last year we talked about things getting back to normal. I guess they're really normal now because Rod's got the good old flu, right? That's it. He's sick. So he's – his apologies and I know he really wanted to be here, quite inconsiderate of him because now I'm presenting along with Dan as well. So this is the time when IR gets to sit back. But nevertheless, we are happy to be here with you today. We'll be talking through some forward-looking statements and using some non-GAAP financial measures.

I'll start out very briefly to give an overview for those of you that don't know us as well. We launched a transformation of the Edgewell at an Investor Day in November of 2020 and we've been sticking to that plan ever since. I'll take you through that plan and Dan will hit on the – how we progress, which is pretty nicely and he'll talk about what's next, what you can expect next from Edgewell. You know this is really, you call this our strategy in a page and when we launched it was let's turn ourselves and transform into a growing sustainable consumer-centric personal care company. It sounds pretty simple. It wasn't at the time because the company, frankly, had been declining in sales for several years leading up to this.

So when we announced this in our ambition for growth and our algorithm, it was met with some skepticism and we had to go prove ourselves. So that's what we've been trying to do ever since. There is five strategic priorities that aligned with that. It's expanding our presence into attractive categories. You've seen us do that with the acquisitions that we've made over time including Cremo and Billie and Jack Black and Bulldog. Building brands, consumers love with a consumer-centric innovation. We had historically been a technology-driven innovation-led company. We were missing the mark several times in those years where we were declining and it's requiring a revamp into how we innovate and Dan is going to talk a lot more into that. Be a trusted strategic partner to retailers, so how we show up in shelf, focusing on distribution outcomes, having a seat at the table with retailers, very important to this turnaround.

And then the last two are more internally focused, but it's simplifying how we work. It's just becoming more efficient, taking complexity out of the business, and working with agility, something that we should do as a company, our size. It should be one of our advantages. And then finally, being a company that people love to work for. Engagement scores, when we present to this, we're quite low. Dan is going to talk about that some more, but you can't underestimate the importance of changing the culture and what's happened over the last several years. And then finally, we've structured it around the transformation of a portfolio, and we've bifurcated sales into accelerating the top-line growth, a Right to Win categories, and stabilizing the profit pool in our Right to Play, I'll talk a little bit more about that in this slide.

The left side of the page, we call our Right to Win. It's our grooming businesses, Sun Care, and Personal Hygiene, or Wet Ones. What defines this grouping is that the categories are growing pretty quickly. We have expectations for double-digit growth. We have leading market share positions in each of these. So we categorize that at the time as our Right to Win categories. That was roughly about 25% of the business at this point in time. The Right to Play is the areas you may know better, Wet Shave and Sun Care. Those categories are growing at a slower class, frankly, we were declining these categories at the time we launched this. And our ambition at the time was to grow with the market in that flatish to down slightly at the time. The categories have performed better since then, and we performed better. But the first step for us was just to grow with the market and stabilize this business, which we've done, and then some of Dan will talk more about that.

The geographical mix, we're about 60% in North America, 40% international. I'll double-click on the next slide, a diversified shave business as well, not just diversified from an international point of view. So if you look at our shave business, and a lot of people focus on U.S. Nielsen and how we're doing in men's, this kind of just gives you a different cut of our shave business. We're actually larger in international markets than in North America. We've got better market share positions internationally. There has been less disruption in the international markets. So that's one of the things leading to that. We also have quite a diverse subcategory brand. So you look at men's branded disposables, women's branded. Our women's branded business, which you'll hear a lot about today, is actually almost twice as big as our men's.

Look at the men's at 16% of the wet shave portfolio. If you substitute men's branded with North America men's branded, that's only 4%. So it's quite a diverse business, something that's unique Edgewell as our custom brands of business about a quarter of wet shave. That's the traditional private label to large retailers. It's selling, shaving into DTCs around the globe, similar to what we did to Billie before we acquired them. And it's custom brands for retailers. It's a growing area of the business. And it's quite profitable because there's no A&P. The contribution margin is in line with the wet shave average.

So as we've transformed over the last several years, we've focused on these three core capabilities and Dan is going to get a lot more into details. It's what I just discussed already, consumer-focused innovation. You can see some of the launches that we've had on the left. It's enhancing our commercial capabilities, how we show up in shelf, packaging, insights that we're using, our relationship with retailers are having a seat at the table. All of that's showing up under here. And then the last one that's really important to Edgewell is our ability to drive productivity savings. It's a core competency of the company. Frankly, it was a core competency before we launched our algorithm and it continues. It's been extremely important over the last several years for obvious reasons. And Dan is going to get into a lot more detail on that as well.

And importantly, all of that's underpinned by what we call strong fundamentals. So the categories we're in have strong gross margin profiles. And by the way, they're in everyday use categories as well. The cost management is a key component of what we do. That helps generate strong cash flow over time and gives us flexibility on a couple of allocation basis. We've taken that flexibility. And we've been able to invest in the business overtime through CapEx through M&A. We've improved capital return through dividends and share buyback. And we're focused on debt management. And what we've done here is it's changed over time. So several years ago we focused more on M&A. Right now with interest rates where they are, we're focusing a little bit more on debt management. Our fixed debt is about 90%, doesn't mature until 2028 and 2029. So we're in a good position there, but there's a lot of flex in this capital allocation approach, which we believe suits us well.

So that all ends in our algorithm. So Dan is going to take you through the details of how we've actually performed. But it's an algorithm that's fairly simple, top-line growth, modest top-line growth. But because of the market expansion capabilities and the productivity that we drive and the cash flow that we drive, we believe it's a pretty compelling bottom line algorithm as well, which hopefully generates TSR and value creation for shareholders. With that I'll turn it over to Dan.

<<Daniel Sullivan, Chief Financial Officer and President, Europe and Latin America>>

Thank you, Chris. Good morning. Hopefully that was a helpful reminder of both the strategy and the evolution of our strategy and the fundamentals of the business. What I'm going to take you through now is a little bit more detail on why we think it's working, what are the proof points that suggest we're on the right path and then where do we go from here? The first item that I would highlight as a clear proof point of the strategy is the durable, sustainable top-line growth that we've delivered. You see the numbers here on the page. I think what's interesting about this is that it's been driven both international and North America, so it's widespread, and it's been driven across essentially all segments. So, you have a growth profile now with healthier categories, sustainable growth, three plus years of that 4% growth and we're primed for another year of around 3% at the midpoint.

Now what's driven that growth? There are so many things we could point to. I think Chris hit on a couple of them around capabilities and how we're executing. For me, nothing says it easier than this slide. Very simply, we have healthier brands. We have a better portfolio. Our legacy brands are being activated in a far better way on shelf. We've made some thoughtful acquisitions that have only strengthened the portfolio pipeline. And when you do that not surprisingly and your innovation is a little bit better and you're activating with consumers in a better way, you show up on shelf better. The highlight here is the Billie brands. And if you know our story and you followed us back in 2015, 2016, 2017, you would have talked about our shave business being disrupted. But we now own the disruptor in the category and we brought Billie to retail and essentially grabbed about a 10 share of the women's space.

The second element, Chris pointed to this a bit, is we have a real mindset and demonstrated capability on cost excellence. Obviously much more important in the last couple of years, but our experience in our history here predates the COVID based inflation. We're really good at simplifying operations, taking waste out of the business, both in COGS but also in G&A. We've taken about $400 million of cost out in the last five years. And if you look to the right of the page, that doesn't stop now. We think we can continue to generate about 200 basis points of COGS offsets through continued cost discipline. So that would be point number two.

I think point number three is how we focus on controlling the controllables. We are maniacally focused on unit economics. You see the cost implications there in terms of what we've generated in cost savings. We're equally building muscles and capabilities in our revenue management. Some of that has been pricing, some of that has been better promotional execution, simplifying the portfolio, taking unproductive SKUs out of the range, getting better at mixed management and all the elements of just good revenue execution. Why that's important is because unlike the old days of Edgewell, we've stayed in investment mode. We are not cutting spend to prop bottom line. You see the numbers there over $700 million that's been invested behind the brands.

Next element is around cash flow. Chris talked about it around capital allocation, very simply put, this business throws off a lot of cash, and pretty consistently throws off cash. And for a business that is a manufacturer in many of the categories in which we compete, we're actually a fairly low CapEx business, less than 3% of net sales and you see the durability and sustainability of our cash profile that gives us tremendous optionality when it gets to capital allocation. M&A is always interesting for us. As Chris mentioned, debt pay down has been a priority given the heightened world we're living in today in terms of cost of capital, but very balanced in how we think about it as well, launched a dividend a couple of years ago, now in year three of a structural buyback program.

And then the last proof point is around our people. I wish Rod were here today because he's been the driver of this and it's a real passion for him. But to put some flavor on it, when I joined the company, we had an engagement score around the business that was below 60%. That means over 4 and 10 people who work for Edgewell were not engaged and committed to our success. That number today is over 80%. We've won some awards. We most recently were named to Forbes list for best mid cap companies to work for. I think more importantly though, we've created an environment that allows folks to be at their best. We've allowed ourselves to now attract and retain a level of talent that we were not talking to three, four years ago.

All of that then lands in 2024 in an algorithm that looks like this. The blue box is our look at the business both through a reported lens and a constant currency lens and then the right side is the algorithm, Chris showed you a few slides ago. What's the takeaway here? Continued top-line growth at the high end of our algorithm, profit growth in the zone in terms of what we've committed to on a constant currency basis and EPS at twice the level that we committed to in the algorithm three years ago. So those are the proof points. That's why we are committed to this path that we are on. That's why we believe it is the right one. We are really proud of the progress that we've made in a very difficult environment, but by no means are we satisfied.

So let me take you through a few of the elements of what we think still comes for this business. I think the first one is this journey that we are on around just really good commercial fundamentals, skills and capabilities. We are transforming our approach to innovation. We have gutted the entire platform. We've taken what was, a globally led effort and pushed it down into the local businesses. Every commercial leader of a main market for us has a seat at that table. We're faster to market and we're much more consumer centric. We continue to be really focused on return, where should we put the next dollar that we spend and, as I mentioned earlier, developing the muscles around price and revenue management.

I think the key for us though is really in that last line, which is around modern brand building capabilities. Much of the improvements or the benefits we've gained here have come through acquisition. And I want to actually take a minute and show you what we did behind the Billie launch as the brand now moved into body. And we'll talk about that in a bit more detail. But for here, I wanted to show you the execution. It is entirely in-house generated. All of the content is from the Edgewell organization through the Billie brand. It is a new way of thinking about brand building, that wasn't core to Edgewell prior to the Billie acquisition. And what you're going to see here is a communication done in a genuine authentic way for the Billie brand, very female positive with a catalyst or an ambassador, Jameela Jamil, who is a spokesperson for women's rights and for body positive thinking. And it's done in kind of a fun way around a movie that's celebrating its 25 year anniversary. So let me show you that as an example.

[Video Presentation]

The next element in terms of where we go from here, and Billie is certainly a big part of that, is how we are thinking about brands that can travel. And there's a few examples on the page that all unpacked because they all demonstrate different ways for brands to move out of their current zone. The first one is Cremo, you see that on the page, Cremo is a brand we bought a few years back that is now making a geographic move. It is available online only in Europe this year with actually some pretty interesting results and some compelling consumer feedback. So that's a geographic travel for the brand.

The Bulldog brand, which is now the number two brand in men's grooming in the UK, it just passed Nivea for that level. This brand now takes a step and travels into premium skin with the launch of a new piece of the portfolio around what we're calling Bulldog Advanced. And that is being largely piloted at Boots as we speak.

And then Billie, which is certainly the biggest example that we have on the page, this is a brand that when we bought it two years ago, as the manufacturer, we bought what we thought would be a leading shave brand that could become the preeminent women's lifestyle brand. That journey begins now with a pilot with Walmart where we will bring the brand out of shave and into three initial categories, APDO, body lotion and body wash. And you can see some examples of the execution here through Walmart. So a portfolio now that starts to travel beyond the traditional categories and traditional markets in which they were hatched.

International, a big opportunity for us to continue to grow at a rate higher than North America, higher than the Edgewell algorithm. Chris alluded to this earlier. You can see the results there.

This is a business largely through its shave portfolio. There's a bit of sun care in markets like Latin America and Australia. But it's predominantly a shave business today, growing at a 6% rate over the last couple of years and in that zone for 2024, as you can see on the page. We've made some pretty compelling leadership changes in our international business. I think first and foremost, we brought the business closer to the management team, we took out a layer and have those businesses now reporting directly into myself and Rod. I think more importantly, though, we've made leadership changes in key markets, Japan, China and Europe, proper commercial general managers, proper leadership around brand development and retail execution, a level of talent that we didn't have previously. Absolutely, proper to think about this business growing at that mid-single-digit range from here.

So let me wrap with this page and what you can expect from us going forward. We love our growth profile. We love the fact that we get asked more often than not, when will you update the algorithm as opposed to when will you hit the algorithm? We're really bullish on the brands in the portfolio and those brands' ability to move into new categories and new markets. And all of the work we're doing structurally around gross margin absolutely points us back to a margin profile at or above pre-COVID levels.

So with that, I'll pause the presentation, Olivia I hand it back to you.

<<Analyst, Raymond James>>

Thank you. So we’ve got about ten minutes.

<<Olivia Tong, Analyst, Raymond James>>

Okay thank you. First question I had was just around the transformation. You discussed a lot about how the transformation continues. So with ongoing changes with an innovation, brand building, the international organization among other areas that you discussed, can you give us a sense of how far along you are in those areas or maybe thinking about a different way what inning you think you're in?

<<Daniel Sullivan, Chief Financial Officer and President, Europe and Latin America>>

Yes, maybe a surprising answer. I think we are early. So early innings, you want to call the second inning, third inning, which might seem strange given what Chris and I just took you through and all the work that we've been doing over the last couple of years in a very difficult macro environment. Why do I say that? The last few pages of this presentation, I think, highlight why we are so bullish on Edgewell and the opportunities we have going forward. We don't even think we scratched the surface yet on the portfolio and the opportunities both in and outside of existing categories.

International remains a really bullish growth opportunity for us and we're going to continue to do the work that we need to do around innovation, capabilities, how we activate brand. So I think a lot of work done today we're certainly proud of where we've taken this business from pre short years ago but really, really excited about the runway that exists.

<<Olivia Tong, Analyst, Raymond James>>

Great, thanks. You also discussed getting back to pre-COVID levels of gross margin. Do you have a time frame for that or perhaps provide some scenarios that give us a sense of how quickly you can get there?

<<Daniel Sullivan, Chief Financial Officer and President, Europe and Latin America>>

Yes, this is the tricky one, right? And it's not tricky because of what we can control, it's tricky because of what we can. And if you looked at, you saw it in the presentation, we have a really clear line of sight to margin recovery based on cost takeout and revenue management. In fact, if you look at 2024 as a proxy, we expect to deliver about 300 basis points of offsets, 200 of that through cost, 100 of that roughly through revenue management. That's a really good proxy for us as we think about the margin profile going forward.

The problem is in 2024, you still see it. There is still inflation in the business. It may be less inflation than what we have seen over the last 18 months to two years and there is still currency headwinds, both of which add up to north of 100 basis points in 2024. So our timeline to gross margin recovery is largely based on those macro factors. We have a very clear line of sight and a high degree of confidence to continue to deliver 200 to 300 basis points in margin offsets. The question will be at what pace do we start to see God willing, some level of deflation in the environment and some low currency stabilization. That's the key to the timeline upon which we actually see margins recover in an accelerate rate.

<<Olivia Tong, Analyst, Raymond James>>

Got it. You mentioned 200 to 300 basis points of cost saves. What gets you from the 200 to the 300?

<<Daniel Sullivan, Chief Financial Officer and President, Europe and Latin America>>

Yes, so 200 basis points is purely the cost side of the equation for us. You saw that in Project Fuel and now we call it just productivity. The 100 basis points is around price, revenue management, mix management, really good promotional effectiveness. So think of it as 200 on the cost side of the house, 100 on the revenue side of the house. And it all goes back to this maniacal focus we have on unit economics and the behaviors and the skills that we've built most recently on the revenue side to get there.

<<Olivia Tong, Analyst, Raymond James>>

Got it. Great. And then you mentioned M&A. And so obviously as the M&A market hopefully begins to improve this year, do you continue to see a role for that and what type of businesses would be good and adds to your portfolio?

<<Daniel Sullivan, Chief Financial Officer and President, Europe and Latin America>>

Yes, look, M&A has been a really important catalyst for everything that you saw this morning. Now as Chris mentioned in the last 18 to 24 months, we've leaned back on M&A. We had done Cremo, we had done Billie, it's a really expensive environment with cost of capital to continue to prioritize M&A. We also feel really good about the portfolio. We don't see holes in the portfolio, which maybe we would have had a different answer two to three years ago. And so there is no burning platform for us on the M&A front.

Having said that, we look at a lot. We are active, probably looking at ten things a quarter that are interesting. As we move forward from here, M&A will likely continue to play a role for us, continue to allow us to diversify the portfolio. I think it's likely that M&A will continue to happen in the core. I think it's unlikely that we would look to use M&A as a vehicle to move meaningfully outside of core categories.

<<Olivia Tong, Analyst, Raymond James>>

Got it. Maybe turning to the current year for a moment, a lot of discussion in the industry about volume growth when it gets back to growing. How do you see volume growth playing out for the year by segment? And can you remind us of the key drivers of growth for the year?

<<Daniel Sullivan, Chief Financial Officer and President, Europe and Latin America>>

Yes, for us, for that 3% midpoint of the organic growth range, it's roughly two points volume, one point price. That's sort of how we've thought about it. I think you have to look category by category to really unpack the volume picture. What we're really encouraged by is in the U.S., we are seeing sequential improvement in volumes. If you look at January on a 52-week basis, you would see volumes down 5%, not surprising right with all the price that went into the categories in which we compete. If you look at it on a 13-week basis, that minus 5 is now minus 2. And if you look at it on a four-week basis, it's minus 1. So you're starting to see the recovery in volume.

Importantly, in certain categories, you continue to see growth. Women's shave volume is still growing. We are the reason for that. The Billie brand is the reason for that. We're also actually seeing growth in grooming. We also expect that to continue. The Billie brand now moving it to women's grooming as a key catalyst. Our expectation in other shave categories, men's and disposables is more of a flat volume picture. And then that brings us to Sun Care, where we fully expect with the help of some sunshine and good weather will have a very robust sun season with volume growth. So mixed picture here in the U.S., but certainly getting healthier as we now lap the pricing that's gone in for the last year.

<<Olivia Tong, Analyst, Raymond James>>

Hopefully more sunshine and good weather.

<<Daniel Sullivan, Chief Financial Officer and President, Europe and Latin America>>

Yes, definitely.

<<Olivia Tong, Analyst, Raymond James>>

Turning to Wet Shave. could you just talk about the state of the Wet Shave category? You categorize that business in your algo as a flat to slightly down business. Has your view of that changed over time? What's the current competitive environment look like both in the U.S., international and then in women's and men's as well?

<<Daniel Sullivan, Chief Financial Officer and President, Europe and Latin America>>

Yes, look, I think the best word I can use for the shave category right now is stable. You are not seeing the level of disruption that you had seen previously, including from ourselves and the Billie brand. I think what is on shelf is largely what you would expect to be on shelf this year, next year and going forward. You are not seeing the level of disruption from DTC brands making their way to shelf. So I think first and foremost, you see stability.

I think secondly, you're seeing a bit of a disproportionate move between women's and men's. And Chris pointed earlier to the importance of our women's shave business, slightly higher growth rate. We're seeing some interesting behavior from women coming out of COVID where it's more of a hair removal approach, it's more do it yourself, do it at home as opposed to returning to the spa. And so our business now has branched not just from shave, but into interesting sub categories around hair removal.

I think pricing is largely stable. We're not seeing any heightened level of promotions in the category. So I think all in all in the shave category here in the U.S. is largely stable. I think in other markets, Japan as an example, where we're the market leader, Europe, where we are the second solid number two player in the category, you're actually seeing a bit more growth. You're seeing that both through the branded side of the business and through disposable.

So I think that what you quoted earlier around a flat to declining shave business hasn't been what we've seen over the last two to three years. We're actually quite optimistic that this business can be flat to slightly positive as we move from here.

<<Olivia Tong, Analyst, Raymond James>>

Got it. Got a just about a minute and a half. So I wanted to ask two more questions. First one is around Sun Care, which has obviously been a big driver of growth, but you took a bit of a step back last year on market share. So how should we think about growth this year, market share assumptions? And can you give us an update on your everyday Sun Care brand?

<<Daniel Sullivan, Chief Financial Officer and President, Europe and Latin America>>

Yes, look, we are the leading Sun Care portfolio in the U.S. We have a share north of 25%. The share losses of a year ago were directly related to what happened the previous season, where you might have read a bunch of competitors, not ourselves, had to pull product off shelves, and/or had an issue of supply and we gained and we gained it a disproportionate rate. Pure math would show that it's logical we would have given some of that back last year and we did.

Having said that, I think, we are as optimistic about the season as we've been in a long time. We are seeing very positive distribution outcomes on shelf. We're getting more prominence at Walmart in the Islander program. And as you saw in the presentation, we're bringing some really interesting innovation to the category largely through a new form, a dispensing form, which is unique.

So I think our expectation, again, we are relying on land on weather and sunshine, but our expectation is really good distribution outcomes. We're certainly going to be ready on shelf in terms of inventory levels and expect to have a very positive season.

<<Olivia Tong, Analyst, Raymond James>>

Great. I just wanted to wrap up one last question. You discussed how your transformation is working. You certainly have vastly improved the business, yet the stock performance has not necessarily followed all the time. So what do you think investors are missing?

<<Daniel Sullivan, Chief Financial Officer and President, Europe and Latin America>>

Yes, look, I don't know that they're missing things. I certainly wouldn't criticize. I think markets have a long memory. And if you think back to how we performed coming out of split, 2015, 2016, 2017, at the exact moment, our main categories being disrupted. We didn't perform well. And I think we certainly own that.

I would position it slightly differently. And I would say if you close your eyes and didn't think of the name Edgewell, and you saw a business that has grown at 4% for the last three years, that has held or gained market share, that has made thoughtful acquisitions and has a much stronger portfolio is activating the brand in a very different way than it has and continues to be really good at cost takeout as it throws off cash. Like, if you imagine that business, that's a pretty strong and compelling place to be. That's where we are today. And so we would just ask, take another look. We think we're significantly undervalued based on that performance and based on what's left for us to do as a business.

<<Olivia Tong, Analyst, Raymond James>>

Great. Thank you, Dan. Thank you, Chris. Really appreciate it. Thank you all for joining us.

<<Chris Gough, Vice President, Investor Relations and Treasury>>

Thank you.

<<Daniel Sullivan, Chief Financial Officer and President, Europe and Latin America>>

Thanks, everyone.