



Third Quarter Fiscal Year 2021 Earnings Call

May 6, 2021

Safe Harbor Statement



Safe Harbor Statement

Certain statements contained in this presentation constitute “forward-looking statements” within the meaning of federal securities laws, including the Private Securities Litigation Reform Act of 1995. Forward-looking statements are predictions based on expectations and projections about future events and are not statements of historical fact. You can identify forward-looking statements by the use of forward-looking terminology such as “plan,” “continue,” “expect,” “anticipate,” “intend,” “predict,” “project,” “estimate,” “likely,” “believe,” “might,” “seek,” “may,” “will,” “remain,” “potential,” “can,” “should,” “could,” “future” and similar expressions, or the negative of those expressions, or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. You can also identify forward-looking statements by discussions of the Company’s strategic initiatives, including productivity and transformation, the Company’s guidance for fiscal year 2021 and our future performance and results of operations.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, levels of activity, performance or achievements of the Company, or industry results, to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements, and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods that may be incorrect or imprecise and may not be able to be realized. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). Such factors include, among others, challenges and uncertainty resulting from the COVID-19 pandemic, the impact of competitive products and changes to the competitive environment, changes to consumer preferences, general economic and financial market conditions, potential legal claims and other risks relating to regulatory requirements, government investigations and other regulatory enforcement actions, the United Kingdom’s exit from the European Union, consolidation of customers or the loss of a significant customer, reliance on independent distributors, risks associated with our international sales and operations, our ability to manage our supply chain effectively, volatility in the cost of commodities, ingredients, freight and fuel, our ability to implement cost savings initiatives, the impact of our debt covenants, the potential discontinuation of LIBOR, our ability to manage our financial reporting and internal control system processes, costs incurred due to pending and future litigation, potential liability, including in connection with indemnification obligations to our former officers and members of our Board of Directors that may not be covered by insurance, potential liability if our products cause illness or physical harm, impairments in the carrying value of goodwill or other intangible assets, our ability to consummate divestitures, the availability of organic ingredients, disruption of operations at our manufacturing facilities, loss of one or more independent co-packers, disruption of our transportation systems, risks relating to the protection of intellectual property, the risk of liabilities and claims with respect to environmental matters, the reputation of our brands, our reliance on independent certification for a number of our products, and other risks detailed from time-to-time in the Company’s reports filed with the United States Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and our subsequent reports on Forms 10-Q and 8-K. As a result of the foregoing and other factors, the Company cannot provide any assurance regarding future results, levels of activity and achievements of the Company, and neither the Company nor any person assumes responsibility for the accuracy and completeness of these statements. All forward-looking statements contained herein apply as of the date hereof or as of the date they were made and, except as required by applicable law, the Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors or new methods, future events or other changes.

Non-GAAP Financial Measures

This presentation and the accompanying appendix include non-GAAP financial measures, including adjusted operating income and its related margin, adjusted gross margin, adjusted net income, adjusted earnings per diluted share, net sales adjusted for the impact of foreign exchange, divestitures and discontinued brands, adjusted EBITDA and its related margin and net debt. The reconciliations of these non-GAAP financial measures to the comparable GAAP financial measures are included in this presentation and the appendix to this presentation. Management believes that the non-GAAP financial measures presented provide useful additional information to investors about current trends in the Company’s operations and are useful for period-over-period comparisons of operations. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP measures may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded. They should be read only in connection with the Company’s Consolidated Balance Sheets and Statements of Operations and Cash Flows presented in accordance with GAAP.

Hain Performance Has Been Driven by Four Core Transformation Strategies



1



SIMPLIFY

the portfolio &
organization

2



STRENGTHEN

capabilities

3



EXPAND

margins and
cash flow

4



REINVIGORATE

profitable topline
growth

Q3 2021 Performance Delivered Against Guidance

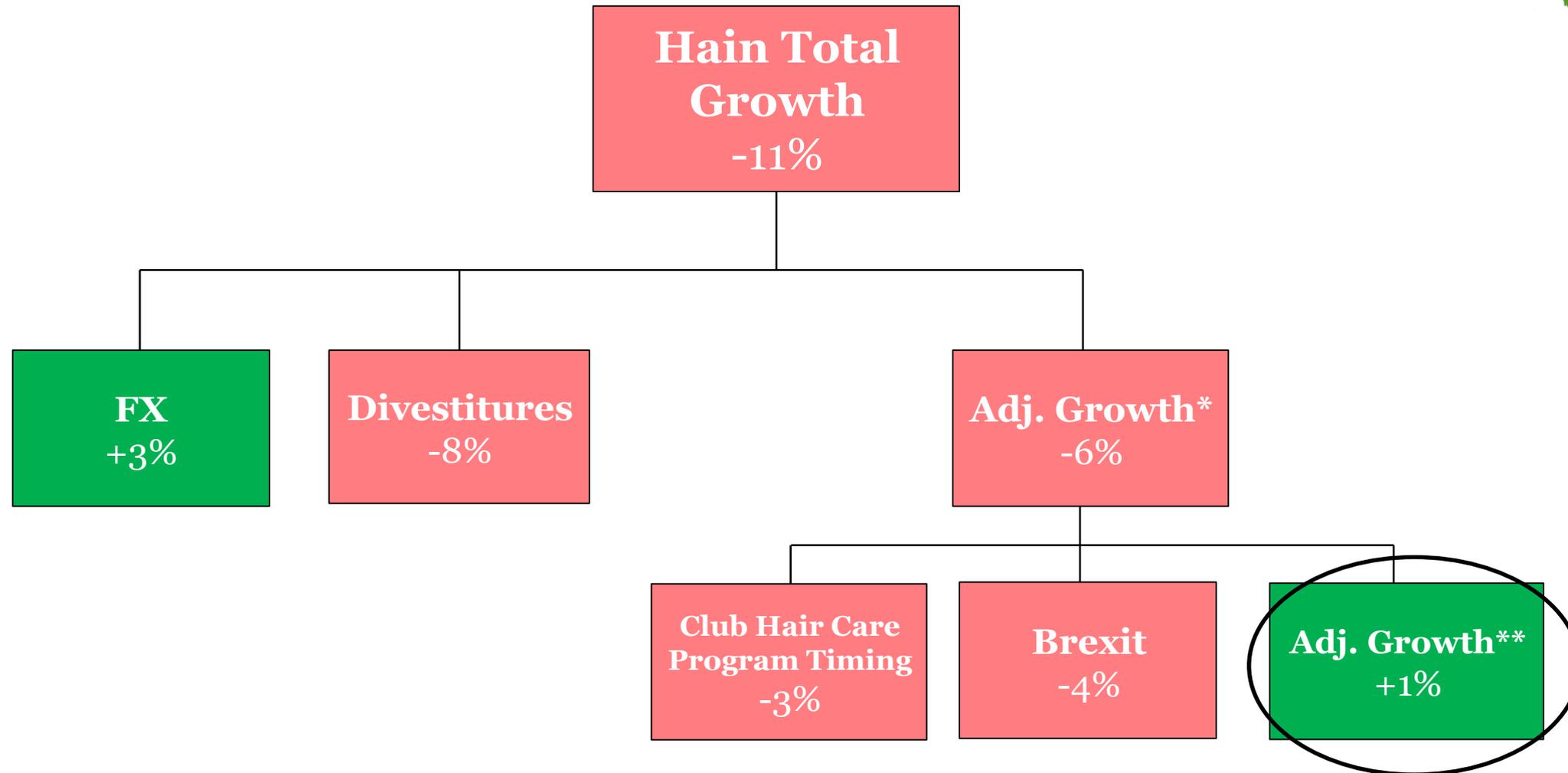


	Q3 2021	Q3 2021 Guidance
Net Sales Growth	-11%	~10% decrease on as reported basis ⁽¹⁾
Adj Gross Margin Improvement	+317 bps	Strong Margin Improvement
Adj EBITDA \$ Growth	+21.5%	Near 10%
Adj EBITDA Margin Improvement	+400 bps	Strong Margin Improvement

Note: See appendix for reconciliation of Adjusted Gross Profit to Gross Profit, Adjusted EBITDA to Net Income

⁽¹⁾ 1500-1600 bps impact from divestitures, discontinued brands, Brexit pull forward and lapping of club program, partially offset by 500-600 bps of organic growth

Q3 Topline Growth Decomposition vs FY20

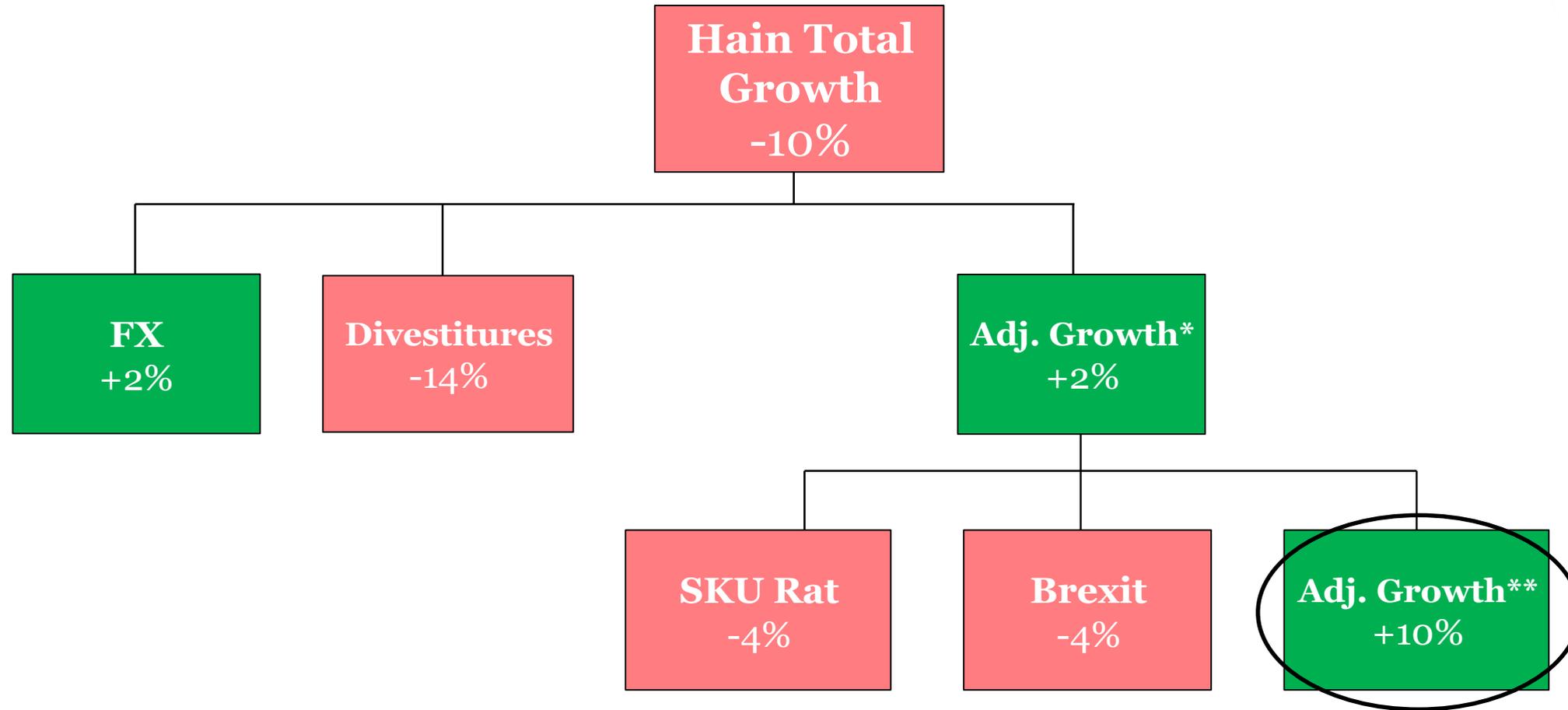


Underlying growth of about 1% after adjusting for above factors

*adjusted for foreign exchange movement, divestitures and discontinued brands

**further adjusted for Brexit pull forward and Club Hair Care Program Timing

Q3 Topline Growth Decomposition vs FY19

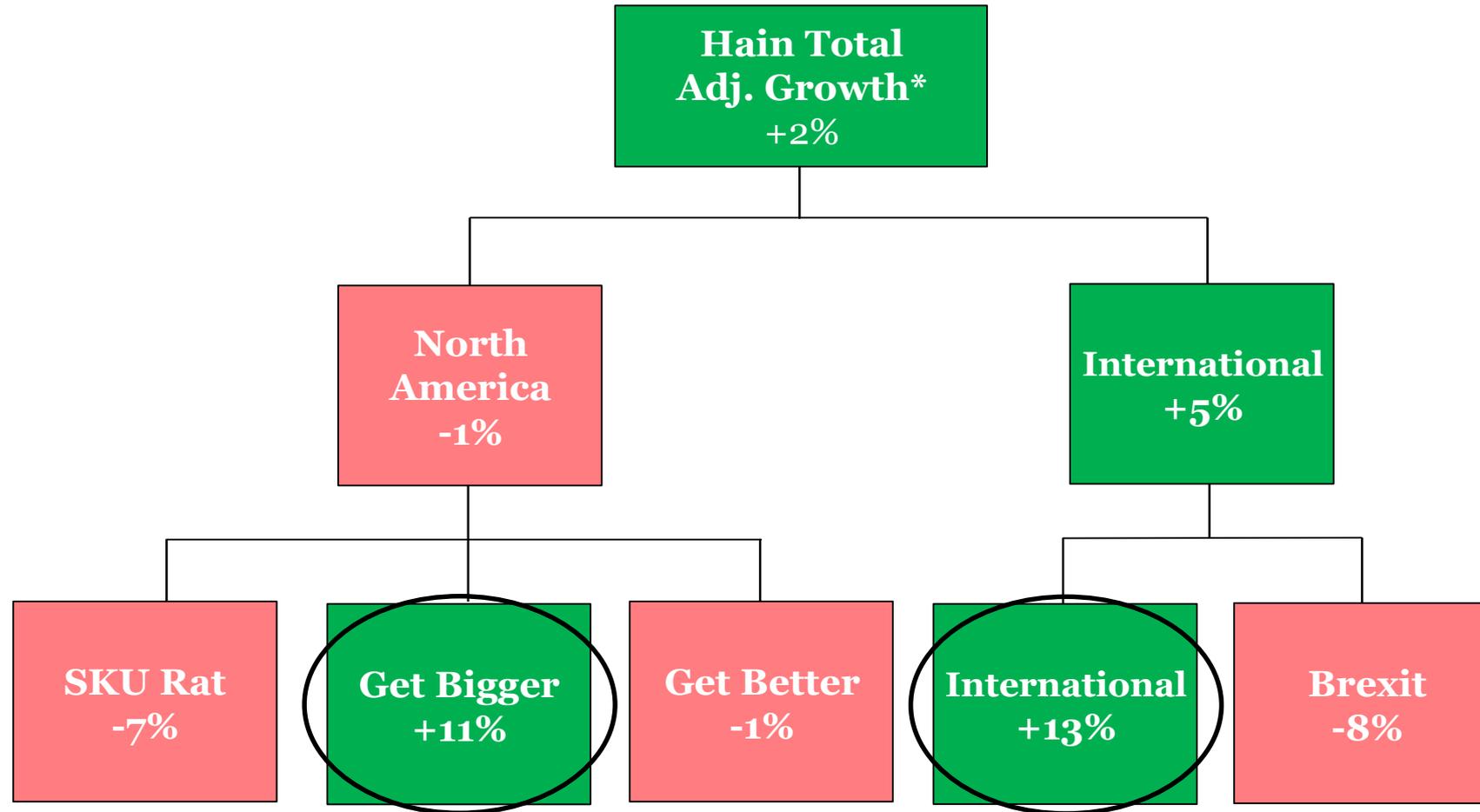


Underlying growth versus FY19 of about 10% after adjusting for above factors

*adjusted for foreign exchange movement, divestitures and discontinued brands

** further adjusted for Brexit pull forward and SKU Rat

Q3 Topline Growth Decomposition vs FY19 (Cont'd)



North America Get Bigger brands and International region showing double digit growth versus FY19 after adjusting for above factors

*adjusted for foreign exchange movement, divestitures and discontinued brands

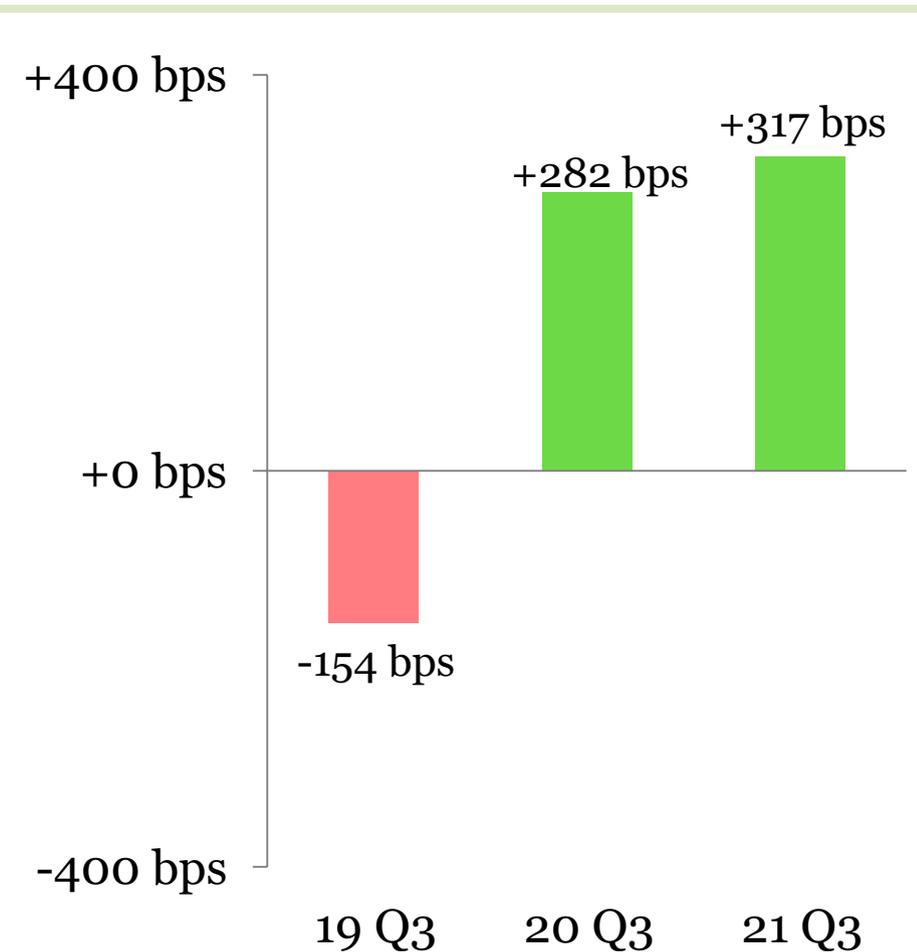
Q3 Consolidated Trending Gross Profit & Margin Growth



Adjusted Gross Profit Growth %



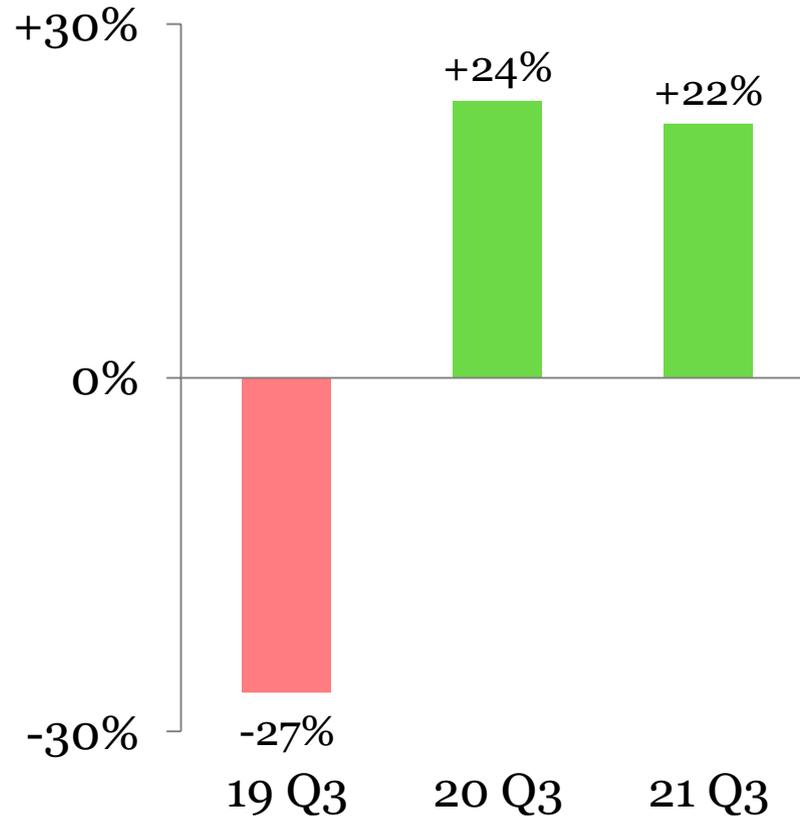
Adjusted Gross Margin Growth (bps)



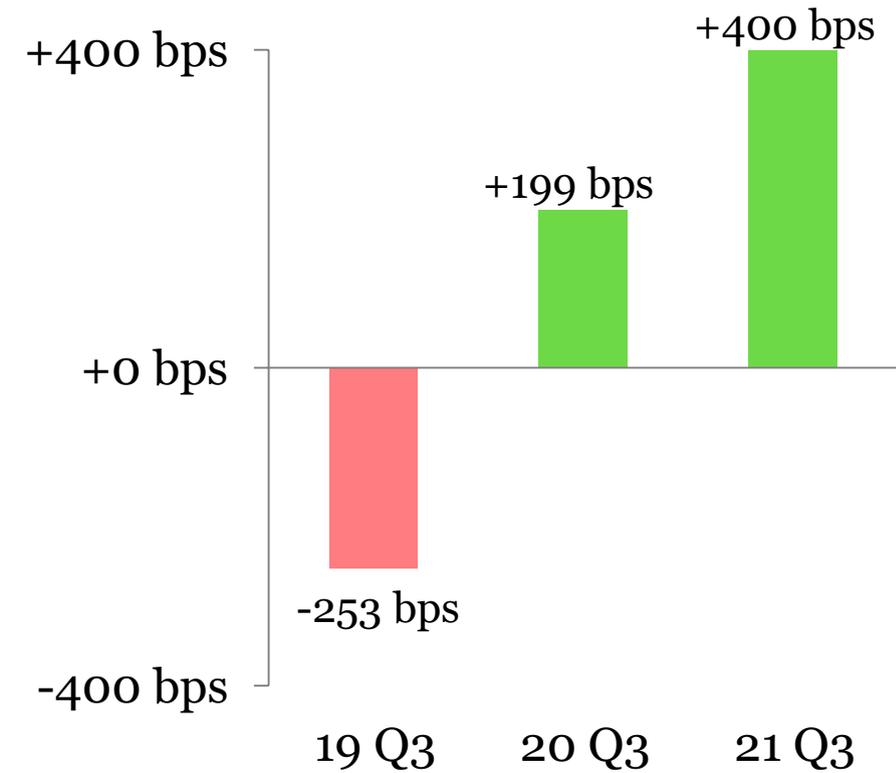
Q3 Consolidated Trending EBITDA & Margin Growth



Adjusted EBITDA \$ Growth



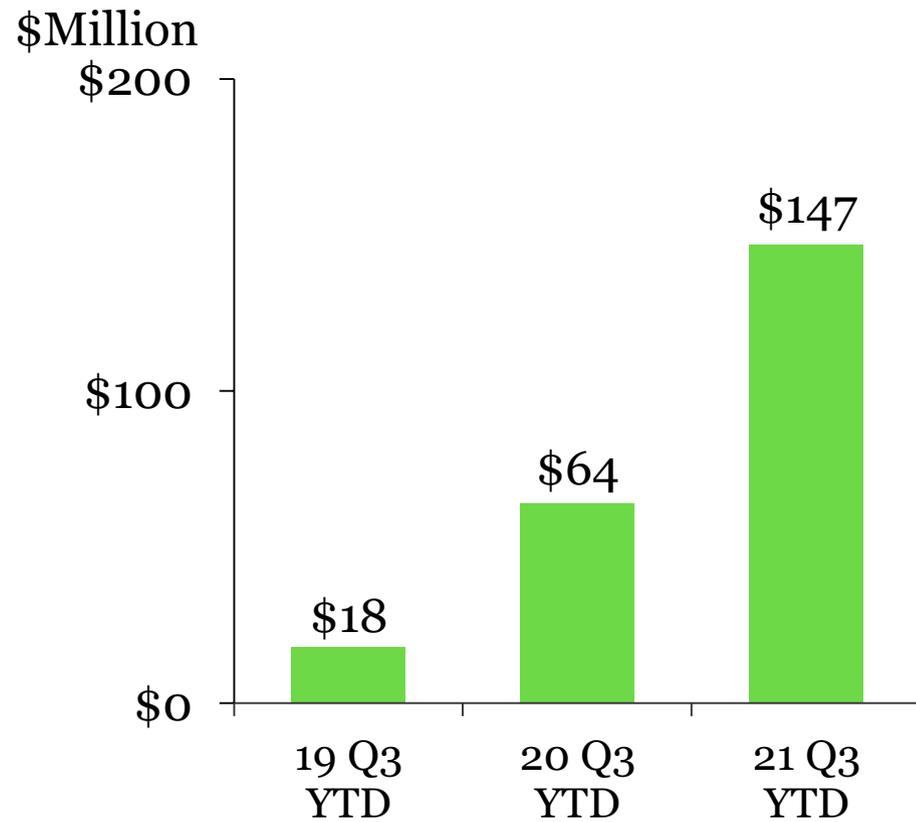
Adjusted EBITDA Margin (bps) Growth



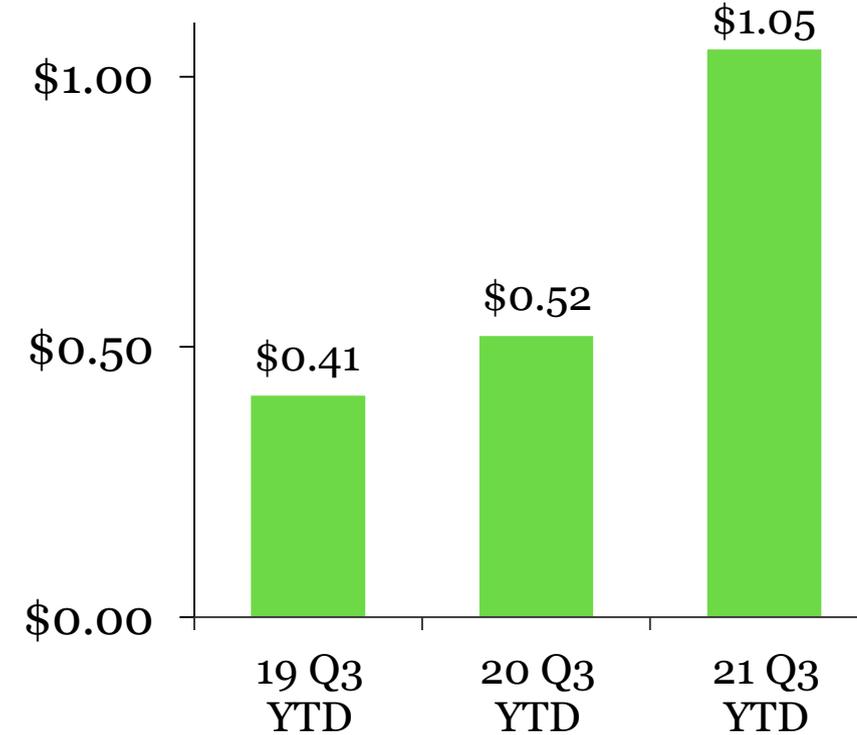
Q3 YTD Operating Cash Flow & EPS Growth



Operating Cash Flow



Adjusted EPS



Note: See appendix for reconciliation of Adj. EPS to EPS



APPENDIX

Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income & Adjusted EPS (FY21, FY20 and FY19 Q3)



THE HAIN CELESTIAL GROUP, INC.
Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income and Adjusted EPS
(unaudited and in thousands, except per share amounts)

	Third Quarter								
	2021 GAAP	Adjustments	2021 Adjusted	2020 GAAP	Adjustments	2020 Adjusted	2019 GAAP	Adjustments	2019 Adjusted
Net sales	\$ 492,604	\$ -	\$ 492,604	\$ 553,297	\$ -	\$ 553,297	\$ 547,257	\$ -	\$ 547,257
Cost of sales	362,698	(5,226)	357,472	420,902	(1,873)	419,029	434,049	(4,153)	429,896
Gross profit	129,906	5,226	135,132	132,395	1,873	134,268	113,208	4,153	117,361
Operating expenses ^(a)	76,368	(905)	75,463	102,146	(13,551)	88,595	84,353	(1,023)	83,330
Productivity and transformation costs	4,553	(4,553)	-	11,514	(11,514)	-	9,408	(9,408)	-
Proceeds from insurance claim	(592)	592	-	(400)	400	-	-	-	-
Former Chief Executive Officer Succession Plan expense, net	-	-	-	-	-	-	455	(455)	-
Operating income	49,577	10,092	59,669	19,135	26,538	45,673	18,992	15,039	34,031
Interest and other expense (income), net ^(b)	3,596	(2,346)	1,250	3,777	679	4,456	7,061	(1,522)	5,539
Provision (benefit) for income taxes	11,797	1,950	13,747	(10,242)	22,129	11,887	2,943	5,136	8,079
Net income from continuing operations	34,254	10,488	44,742	25,036	3,730	28,766	8,783	11,425	20,208
Net (loss) income from discontinued operations, net of tax	-	-	-	(697)	697	-	(74,620)	74,620	-
Net income	34,254	10,488	44,742	24,339	4,427	28,766	(65,837)	86,045	20,208
Diluted net income per common share from continuing operations	0.34	0.10	0.44	0.24	0.04	0.28	0.08	0.11	0.19
Diluted net (loss) income per common share from discontinued operations	-	-	-	(0.01)	0.01	-	(0.72)	0.72	-
Diluted net income per common share	0.34	0.10	0.44	0.23	0.05	0.28	(0.63)	0.82	0.19

^(a) Operating expenses include amortization of acquired intangibles, selling, general and administrative expenses and long-lived asset and intangibles impairment.

^(b) Interest and other expense (income), net includes interest and other financing expenses, net and

Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income & Adjusted EPS (FY21, FY20 and FY19 Q3, cont.)



Detail of Adjustments:

	Q3 FY21	Q3 FY20	Q3 FY19
Warehouse/manufacturing consolidation and other costs	\$ 3,560	\$ 511	\$ 3,222
Plant closure related costs	1,666	-	426
SKU rationalization and inventory write-down	-	1,362	505
Cost of sales	<u>5,226</u>	<u>1,873</u>	<u>4,153</u>
Gross profit	<u>5,226</u>	<u>1,873</u>	<u>4,153</u>
Litigation and related expenses	644	-	371
Warehouse/manufacturing consolidation and other costs	263	26	-
Plant closure related costs	(2)	-	69
Long-lived asset impairment	-	5,875	-
Intangibles impairment	-	7,650	-
Stock-based compensation acceleration	-	-	583
Operating expenses ^(a)	<u>905</u>	<u>13,551</u>	<u>1,023</u>
Productivity and transformation costs	4,553	11,514	9,408
Productivity and transformation costs	<u>4,553</u>	<u>11,514</u>	<u>9,408</u>
Proceeds from insurance claim	(592)	(400)	-
Proceeds from insurance claim	<u>(592)</u>	<u>(400)</u>	<u>-</u>
Former Chief Executive Officer Succession Plan expense, net	-	-	455
Former Chief Executive Officer Succession Plan expense, net	<u>-</u>	<u>-</u>	<u>455</u>
Operating income	<u>10,092</u>	<u>26,538</u>	<u>15,039</u>
Unrealized currency losses (gains)	442	(1,011)	1,522
Loss on sale of businesses	1,904	332	-
Interest and other expense (income), net ^(b)	<u>2,346</u>	<u>(679)</u>	<u>1,522</u>
Income tax related adjustments	(1,950)	(22,129)	(5,136)
Benefit for income taxes	<u>(1,950)</u>	<u>(22,129)</u>	<u>(5,136)</u>
Net income from continuing operations	<u>\$ 10,488</u>	<u>\$ 3,730</u>	<u>\$ 11,425</u>

^(a) Operating expenses include amortization of acquired intangibles, selling, general and administrative expenses and long-lived asset and intangibles impairment.

^(b) Interest and other expense (income), net includes interest and other financing expenses, net and other expense,

Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income & Adjusted EPS (FY21, FY20 and FY19 Q3 YTD)



THE HAIN CELESTIAL GROUP, INC.
Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income and Adjusted EPS
(unaudited and in thousands, except per share amounts)

	Third Quarter Year to Date								
	2021 GAAP	Adjustments	2021 Adjusted	2020 GAAP	Adjustments	2020 Adjusted	2019 GAAP	Adjustments	2019 Adjusted
Net sales	\$ 1,519,649	\$ -	\$ 1,519,649	\$ 1,542,157	\$ -	\$ 1,542,157	\$ 1,599,301	\$ -	\$ 1,599,301
Cost of sales	1,140,614	(10,307)	1,130,307	1,206,324	(10,703)	1,195,621	1,295,834	(15,309)	1,280,525
Gross profit	379,035	10,307	389,342	335,833	10,703	346,536	303,467	15,309	318,776
Operating expenses ^(a)	301,442	(58,616)	242,826	270,065	(15,651)	254,414	269,216	(25,857)	243,359
Productivity and transformation costs	12,371	(12,371)	-	37,949	(37,949)	-	29,613	(29,613)	-
Proceeds from insurance claim	(592)	592	-	(2,962)	2,962	-	-	-	-
Former Chief Executive Officer Succession Plan expense, net	-	-	-	-	-	-	30,156	(30,156)	-
Accounting review and remediation costs, net of insurance proceeds	-	-	-	-	-	-	4,334	(4,334)	-
Operating income	65,814	80,702	146,516	30,781	61,341	92,122	(29,852)	105,269	75,416
Interest and other expense (income), net ^(b)	5,968	(758)	5,210	17,380	(3,278)	14,102	17,774	(2,551)	15,223
Provision (benefit) for income taxes	33,197	215	33,412	(9,753)	31,818	22,065	(1,926)	19,537	17,611
Net income from continuing operations	25,624	81,245	106,869	21,935	32,801	54,736	(46,091)	88,283	42,192
Net income (loss) from discontinued operations, net of tax	11,255	(11,255)	-	(105,581)	105,581	-	(123,672)	123,672	-
Net income (loss)	36,879	69,990	106,869	(83,646)	138,382	54,736	(169,763)	211,955	42,192
Diluted net income per common share from continuing c	0.25	0.80	1.05	0.21	0.31	0.52	(0.44)	0.85	0.41
Diluted net income (loss) per common share from disco	0.11	(0.11)	-	(1.01)	1.01	-	(1.19)	1.19	-
Diluted net income (loss) per common share	0.36	0.69	1.05	(0.80)	1.32	0.52	(1.63)	2.04	0.41

^(a) Operating expenses include amortization of acquired intangibles, selling, general and administrative expenses and long-lived asset and intangibles impairment.

^(b) Interest and other expense (income), net includes interest and other financing expenses, net and other

Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income & Adjusted EPS (FY21, FY20 and FY19 Q3 YTD, cont.)



Detail of Adjustments:

	Q3 FY21 YTD	Q3 FY20 YTD	Q3 FY19 YTD
Warehouse/manufacturing consolidation and other costs	\$ 7,275	\$ 2,866	\$ 9,529
Plant closure related costs	2,721	2,559	3,745
SKU rationalization and inventory write-down	311	5,278	2,035
Cost of sales	<u>10,307</u>	<u>10,703</u>	<u>15,309</u>
Gross profit	<u>10,307</u>	<u>10,703</u>	<u>15,309</u>
Long-lived asset impairment	57,676	5,875	5,809
Litigation and related expenses	644	48	1,062
Warehouse/manufacturing consolidation and other costs	263	189	-
Plant closure related costs	33	-	503
Intangibles impairment	-	9,539	17,900
Stock-based compensation acceleration	-	-	583
Operating expenses ^(a)	<u>58,616</u>	<u>15,651</u>	<u>25,857</u>
Productivity and transformation costs	12,371	37,949	29,613
Productivity and transformation costs	<u>12,371</u>	<u>37,949</u>	<u>29,613</u>
Proceeds from insurance claim	(592)	(2,962)	-
Proceeds from insurance claim	<u>(592)</u>	<u>(2,962)</u>	<u>-</u>
Former Chief Executive Officer Succession Plan expense, net	-	-	30,156
Former Chief Executive Officer Succession Plan expense, net	<u>-</u>	<u>-</u>	<u>30,156</u>
Accounting review and remediation costs, net of insurance proceeds	-	-	4,334
Accounting review and remediation costs, net of insurance proceeds	<u>-</u>	<u>-</u>	<u>4,334</u>
Operating income	<u>80,702</u>	<u>61,341</u>	<u>105,269</u>
Unrealized currency (gains) losses	(535)	188	2,551
Loss on sale of businesses	1,293	2,115	-
Deferred financing cost write-off	-	975	-
Interest and other expense (income), net ^(b)	<u>758</u>	<u>3,278</u>	<u>2,551</u>
Income tax related adjustments	(215)	(31,818)	(19,537)
Provision (benefit) for income taxes	<u>(215)</u>	<u>(31,818)</u>	<u>(19,537)</u>
Net income from continuing operations	<u>\$ 81,245</u>	<u>\$ 32,801</u>	<u>\$ 88,283</u>

^(a) Operating expenses include amortization of acquired intangibles, selling, general and administrative expenses and long-lived asset and intangibles impairment.

^(b) Interest and other expense (income), net includes interest and other financing expenses, net and other expense, net.

Adjusted Net Sales Growth (FY21 and FY20 Q3)



THE HAIN CELESTIAL GROUP, INC.
Adjusted Net Sales Growth
(unaudited and in thousands)

	<u>North America</u>	<u>International</u>	<u>Hain Consolidated</u>
Q3 FY21			
Net sales	\$ 287,500	\$ 205,104	\$ 492,604
Divestitures and discontinued brands	(320)	(4,144)	(4,464)
Impact of foreign currency exchange	(2,042)	(15,428)	(17,470)
Net sales on a constant currency basis adjusted for divestitures and discontinued brands	<u>\$ 285,138</u>	<u>\$ 185,532</u>	<u>\$ 470,670</u>
Q3 FY20			
Net sales	\$ 320,440	\$ 232,857	\$ 553,297
Divestitures and discontinued brands	(10,717)	(42,462)	(53,179)
Net sales adjusted for divestitures and discontinued brands	<u>\$ 309,723</u>	<u>\$ 190,395</u>	<u>\$ 500,118</u>
Net sales decline	(10.3)%	(11.9)%	(11.0)%
Impact of divestitures and discontinued brands	3.0%	15.9%	8.2%
Impact of foreign currency exchange	(0.6)%	(6.6)%	(3.2)%
Net sales decline on a constant currency basis adjusted for divestitures and discontinued brands	<u>(7.9)%</u>	<u>(2.6)%</u>	<u>(6.0)%</u>

Adjusted EBITDA (FY21 and FY20 Q3)



THE HAIN CELESTIAL GROUP, INC.
Adjusted EBITDA
(unaudited and in thousands)

	Third Quarter	
	2021	2020
Net income (loss)	\$ 34,254	\$ 24,339
Net (loss) income from discontinued operations, net of tax	-	(697)
Net income from continuing operations	\$ 34,254	\$ 25,036
Provision (benefit) for income taxes	11,797	(10,242)
Interest expense, net	1,327	3,332
Depreciation and amortization	12,814	12,927
Equity in net (income) loss of equity-method investees	(70)	564
Stock-based compensation, net	3,698	3,761
Unrealized currency losses (gains)	442	(1,011)
Productivity and transformation costs	3,915	10,967
Proceeds from insurance claim	(592)	(400)
Long-lived asset and intangibles impairment	-	13,525
Warehouse/manufacturing consolidation and other costs	3,598	537
Loss on sale of businesses	1,904	332
Litigation and related expenses	644	-
Plant closure related costs	21	-
SKU rationalization and inventory write-down	-	1,362
Adjusted EBITDA	<u>\$ 73,752</u>	<u>\$ 60,690</u>

Adjusted EBITDA & Adjusted EBITDA Margin by Segment (FY21 and FY20 Q3)



THE HAIN CELESTIAL GROUP, INC.
Adjusted EBITDA and Adjusted EBITDA Margin by Segment
(unaudited and in thousands)

	<u>North America</u>	<u>International</u>	<u>Corporate/Other</u>	<u>Hain Consolidated</u>
Q3 FY21				
Operating income (loss)	\$ 39,492	\$ 26,774	\$ (16,689)	\$ 49,577
Depreciation and amortization	4,432	7,688	694	12,814
Productivity and transformation costs	1,129	621	2,165	3,915
Proceeds from insurance claim	-	-	(592)	(592)
Warehouse/manufacturing consolidation and other costs	2,591	1,007	-	3,598
Plant closure related costs	21	-	-	21
Loss on sale of businesses	-	1,050	854	1,904
Litigation and related expenses	-	-	644	644
Other	842	(394)	1,423	1,871
Adjusted EBITDA	<u>\$ 48,507</u>	<u>\$ 36,746</u>	<u>\$ (11,501)</u>	<u>\$ 73,752</u>
Net sales	\$ 287,500	\$ 205,104		\$ 492,604
Adjusted EBITDA margin	16.9%	17.9%		15.0%
Q3 FY20				
Operating income (loss)	\$ 28,873	\$ 18,660	\$ (28,398)	\$ 19,135
Depreciation and amortization	4,240	7,993	694	12,927
Productivity and transformation costs	5,000	941	5,026	10,967
Proceeds from insurance claim	-	-	(400)	(400)
Long-lived asset and intangibles impairment	2,303	3,571	7,651	13,525
SKU rationalization and inventory write-down	1,362	-	-	1,362
Warehouse/manufacturing consolidation and other costs	537	-	-	537
Loss on sale of businesses	253	-	79	332
Other	352	(238)	2,191	2,305
Adjusted EBITDA	<u>\$ 42,920</u>	<u>\$ 30,927</u>	<u>\$ (13,157)</u>	<u>\$ 60,690</u>
Net sales	\$ 320,440	\$ 232,857		\$ 553,297
Adjusted EBITDA margin	13.4%	13.3%		11.0%

Quarterly Year over Year Adjusted Net Sales Growth



\$ in thousands	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21
Net sales as reported	\$ 547,257	\$ 505,305	\$ 482,076	\$ 506,784	\$ 553,297	\$ 511,746	\$ 498,627	\$ 528,418	\$ 492,604
Divestitures and discontinued brands	(11,685)	(15,790)	-	(181)	(1,412)	(2,123)	(4,287)	(406)	(4,464)
SKU rationalization	(11,495)	(8,545)	(6,436)	(3,531)	(1,354)	(1,710)	-	-	-
Impact of foreign currency exchange	18,628	14,395	11,694	2,012	5,572	8,192	(9,523)	(10,284)	(17,470)
Net sales on a constant currency basis adjusted for divestitures, discontinued brands and SKU rationalization	<u>\$ 542,705</u>	<u>\$ 495,365</u>	<u>\$ 487,334</u>	<u>\$ 505,084</u>	<u>\$ 556,103</u>	<u>\$ 516,105</u>	<u>\$ 484,817</u>	<u>\$ 517,728</u>	<u>\$ 470,670</u>
Net sales - prior year	\$ 582,563	\$ 568,247	\$ 518,478	\$ 533,566	\$ 547,257	\$ 505,305	\$ 482,076	\$ 506,784	\$ 553,297
Divestitures and discontinued brands	(17,598)	(25,250)	(1,931)	(7,205)	(11,685)	(15,790)	(21,321)	(17,742)	(53,179)
SKU rationalization	(22,471)	(18,990)	(25,906)	(17,342)	(11,495)	(8,545)	-	-	-
Castle contract termination	(2,036)	-	-	-	-	-	-	-	-
Net sales adjusted for divestitures, discontinued brands, SKU rationalization and other	<u>\$ 540,458</u>	<u>\$ 524,007</u>	<u>\$ 490,641</u>	<u>\$ 509,019</u>	<u>\$ 524,077</u>	<u>\$ 480,970</u>	<u>\$ 460,755</u>	<u>\$ 489,042</u>	<u>\$ 500,118</u>
Net sales growth on a constant currency basis adjusted for divestitures, discontinued brands, SKU rationalization and other	0%	-5%	-1%	-1%	6%	7%	5%	6%	-6%

Net Sales Growth (FY21 and FY19 Q3)



\$ in thousands

Q3 FY21

	North America	International	Hain Consolidated
Net sales	\$ 287,500	\$ 205,104	\$ 492,604
Divestitures and discontinued brands	(320)	(4,144)	(4,464)
Impact of foreign currency exchange ⁽¹⁾	(1,702)	(11,361)	(13,063)
Net sales on a constant currency basis excluding divestitures and discontinued brands	<u>\$ 285,478</u>	<u>\$ 189,599</u>	<u>\$ 475,077</u>

Q3 FY19

Net sales	\$ 314,321	\$ 232,936	\$ 547,257
Divestitures and discontinued brands	(11,685)	-	(11,685)
Net sales adjusted for divestitures and discontinued brands	<u>\$ 302,636</u>	<u>\$ 232,936</u>	<u>\$ 535,572</u>
Divestitures and discontinued brands from FY21 & FY20 ⁽²⁾	(15,217)	(51,818)	(67,034)
Net sales adjusted for divestitures and discontinued brands	<u>\$ 287,419</u>	<u>\$ 181,118</u>	<u>\$ 468,538</u>
Net sales decline as reported	-9%	-12%	-10%
Impact of foreign currency exchange	-1%	-5%	-2%
Impact of divestitures and discontinued brands	9%	22%	14%
Net sales (decline) growth in constant currency excluding divestitures and discontinued brands	-1%	5%	2%

⁽¹⁾In relation to FY19

⁽²⁾Impact of FY20 & FY21 divestitures, discontinued brands and SKU rationalization to compare to FY19

Quarterly Adjusted Gross Profit and Adjusted Gross Margin



\$ in thousands	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21
Net Sales	\$ 547,257	\$ 505,305	\$ 482,076	\$ 506,784	\$ 553,297	\$ 511,746	\$ 498,627	\$ 528,418	\$ 492,604
Gross profit	\$ 113,208	\$ 95,030	\$ 97,831	\$ 105,607	\$ 132,395	\$ 129,937	\$ 119,164	\$ 129,965	\$ 129,906
SKU rationalization and inventory write-down	505	10,346	(11)	3,927	1,362	(1,103)	204	107	-
Warehouse/manufacturing consolidation and other costs	3,222	8,107	1,879	476	511	385	390	3,325	3,560
Plant closure related costs	426	1,138	933	1,626	-	3	579	476	1,666
Adjusted gross profit	<u>\$ 117,361</u>	<u>\$ 114,622</u>	<u>\$ 100,632</u>	<u>\$ 111,636</u>	<u>\$ 134,268</u>	<u>\$ 129,222</u>	<u>\$ 120,337</u>	<u>\$ 133,873</u>	<u>\$ 135,132</u>
Gross margin	20.7%	18.8%	20.3%	20.8%	23.9%	25.4%	23.9%	24.6%	26.4%
Adjusted gross margin	21.4%	22.7%	20.9%	22.0%	24.3%	25.3%	24.1%	25.3%	27.4%

Q3 Year over Year Adjusted Gross Profit and Adjusted Gross Margin Growth



\$ in thousands	Q3 FY18	Q3 FY19	Q3 FY20	Q3 FY21
Net Sales	\$ 582,563	\$ 547,257	\$ 553,297	\$ 492,604
Gross profit	\$ 121,413	\$ 113,208	\$ 132,395	\$ 129,906
SKU rationalization and inventory write-down	4,913	505	1,362	-
Warehouse/manufacturing consolidation and other costs	-	3,222	511	3,560
Plant closure related costs	3,246	426	-	1,666
Losses on terminated chilled desserts contract	2,938	-	-	-
Co-packer disruption	826	-	-	-
Machine break-down costs	317	-	-	-
Recall and other related costs	273	-	-	-
Adjusted gross profit	<u>\$ 133,926</u>	<u>\$ 117,361</u>	<u>\$ 134,268</u>	<u>\$ 135,132</u>
Gross margin	20.8%	20.7%	23.9%	26.4%
Adjusted gross margin	23.0%	21.4%	24.3%	27.4%
Adjusted gross profit growth (%)		-12%	14%	1%
Adjusted gross margin growth (bps)		(154)	282	317

Quarterly Adjusted EBITDA



\$ in thousands	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21
Net (loss) income	\$ (65,837)	\$ (13,551)	\$ (107,021)	\$ (964)	\$ 24,339	\$ 3,239	\$ 485	\$ 2,140	\$ 34,254
Net (loss) income from discontinued operations	(74,620)	(6,215)	(102,068)	(2,816)	(697)	(460)	11,266	(11)	-
Net income (loss) from continuing operations	\$ 8,783	\$ (7,336)	\$ (4,953)	\$ 1,852	\$ 25,036	\$ 3,699	\$ (10,781)	\$ 2,151	\$ 34,254
Provision (benefit) for income taxes	2,943	(1,306)	(531)	1,020	(10,242)	15,958	12,962	8,438	11,797
Interest expense, net	5,278	5,484	4,552	4,000	3,332	2,467	2,154	1,300	1,327
Depreciation and amortization	12,483	13,350	13,923	13,219	12,927	12,019	13,761	11,193	12,814
Equity in net loss (income) of equity-method investees	205	264	317	338	564	770	19	1,076	(70)
Stock-based compensation, net	3,927	3,982	2,737	3,083	3,761	3,497	4,367	3,823	3,698
Goodwill impairment	-	-	-	-	-	394	-	-	-
Long-lived asset and intangibles impairment	-	10,010	-	1,889	13,525	12,079	32,497	25,179	-
Unrealized currency losses (gains)	1,522	(3,401)	1,684	(485)	(1,011)	355	(1,202)	225	442
Productivity and transformation costs	9,259	10,494	14,175	12,260	10,967	10,194	1,150	5,363	3,915
Former Chief Executive Officer Succession Plan expense, net	455	-	-	-	-	-	-	-	-
Proceeds from insurance claim	-	(4,460)	(2,562)	-	(400)	-	-	-	(592)
(Gain) loss on sale of businesses	-	(534)	-	1,783	332	1,448	(620)	9	1,904
Warehouse/manufacturing consolidation and other costs	3,222	8,107	1,879	639	537	385	390	3,325	3,598
Plant closure related costs	184	1,232	832	1,522	-	3	(6)	2	21
SKU rationalization and inventory write-down	505	10,346	(11)	3,927	1,362	(1,103)	204	107	-
Litigation and related expenses	371	455	48	-	-	-	-	-	644
Realized currency loss on repayment of international loans	-	2,706	-	-	-	-	-	-	-
Adjusted EBITDA	<u>\$ 49,137</u>	<u>\$ 49,393</u>	<u>\$ 32,090</u>	<u>\$ 45,047</u>	<u>\$ 60,690</u>	<u>\$ 62,165</u>	<u>\$ 54,895</u>	<u>\$ 62,191</u>	<u>\$ 73,752</u>

Q3 Year over Year Adjusted EBITDA and Adjusted EBITDA Margin Growth



\$ in thousands	<u>Q3 FY18</u>	<u>Q3 FY19</u>	<u>Q3 FY20</u>	<u>Q3 FY21</u>
Net Sales	\$ 582,563	\$ 547,257	\$ 553,297	\$ 492,604
Net income (loss)	\$ 12,686	\$ (65,837)	\$ 24,339	\$ 34,254
Net loss from discontinued operations	(10,847)	(74,620)	(697)	-
Net income from continuing operations	\$ 23,533	\$ 8,783	\$ 25,036	\$ 34,254
(Benefit) provision for income taxes	(1,497)	2,943	(10,242)	11,797
Interest expense, net	3,482	5,278	3,332	1,327
Depreciation and amortization	13,412	12,483	12,927	12,814
Equity in net loss (income) of equity-method investees	101	205	564	(70)
Stock-based compensation, net	2,936	3,927	3,761	3,698
Long-lived asset and intangibles impairment	4,841	-	13,525	-
Unrealized currency (gains) losses	(1,465)	1,522	(1,011)	442
Productivity and transformation costs	4,753	9,259	10,967	3,915
Former Chief Executive Officer Succession Plan expense, net	-	455	-	-
Proceeds from insurance claim	-	-	(400)	(592)
Accounting review and remediation costs, net of insurance proceeds	3,313	-	-	-
Loss on sale of businesses	-	-	332	1,904
Warehouse/manufacturing consolidation and other costs	-	3,222	537	3,598
Plant closure related costs	3,246	184	-	21
SKU rationalization and inventory write-down	4,913	505	1,362	-
Litigation and related expenses	235	371	-	644
Losses on terminated chilled desserts contract	2,938	-	-	-
Co-packer disruption	826	-	-	-
Toys "R" Us bad debt	897	-	-	-
Recall and other related costs	273	-	-	-
Machine break-down costs	317	-	-	-
Adjusted EBITDA	<u>\$ 67,054</u>	<u>\$ 49,137</u>	<u>\$ 60,690</u>	<u>\$ 73,752</u>
Adjusted EBITDA margin	11.5%	9.0%	11.0%	15.0%
Adjusted EBITDA growth (%)		-27%	24%	22%
Adjusted EBITDA margin growth (bps)		(253)	199	400

Net Debt



	March 31, 2021	June 30, 2020
\$ in thousands		
Long-term debt, less current portion	\$ 255,540	\$ 281,118
Current portion of long-term debt	699	1,656
Total debt	256,239	282,774
Less: Cash and cash equivalents	53,014	37,771
Net debt	\$ 203,225	\$ 245,003