# Barclays Global Consumer Staples Conference

September 5, 2019

# Safe Harbor Statement

**Safe Harbor Statement**

Certain statements in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 relating to our business and financial outlook, which are based on our current beliefs, assumptions, expectations, estimates, forecasts and projections about future events only as of the date of this presentation, and are not statements of historical fact. We make such forward-looking statements pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by terminology such as the use of “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “intends,” “predicts,” “potential,” or “continue” and similar expressions, or the negative of those expressions. In particular, statements reflecting our guidance for fiscal year 2020 are forward-looking statements. These forward-looking statements are not guarantees of our future performance and involve risks, uncertainties, estimates and assumptions that are difficult to predict. Therefore, our actual outcomes and results may differ materially from those expressed in these forward-looking statements. You should not place undue reliance on any of these forward-looking statements. We undertake no obligation to further update any forward-looking statement to reflect new information, the occurrence of future events or circumstances or otherwise.

These forward-looking statements involve risks and uncertainties including, among others, the impact of competitive products and changes to the competitive environment, changes to consumer preferences, political uncertainty in the United Kingdom and the negotiation of its exit from the European Union, consolidation of customers or the loss of a significant customer, reliance on independent distributors, general economic and financial market conditions, 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 execute and realize cost savings initiatives, including SKU rationalization plans, the impact of our debt and our credit agreements on our financial condition and our business, our ability to manage our financial reporting and internal control system processes, potential liabilities due to legal claims, government investigations and other regulatory enforcement actions, costs incurred due to pending and future litigation, potential liability, including in connection with indemnification obligations to our current and 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, our ability to integrate past acquisitions, 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 our 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.

**Non-GAAP Financial Measures**

This presentation and the accompanying appendix include non-GAAP financial measures, including adjusted gross margin, adjusted earnings per diluted share, EBITDA, adjusted EBITDA, and free cash flow. The reconciliations of these non-GAAP financial measures to the comparable GAAP financial measures are included in 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 our financial results that are presented in accordance with GAAP.

**Mark Schiller**

*President and Chief Executive Officer*

# FY19 Performance In-Line with Expectations

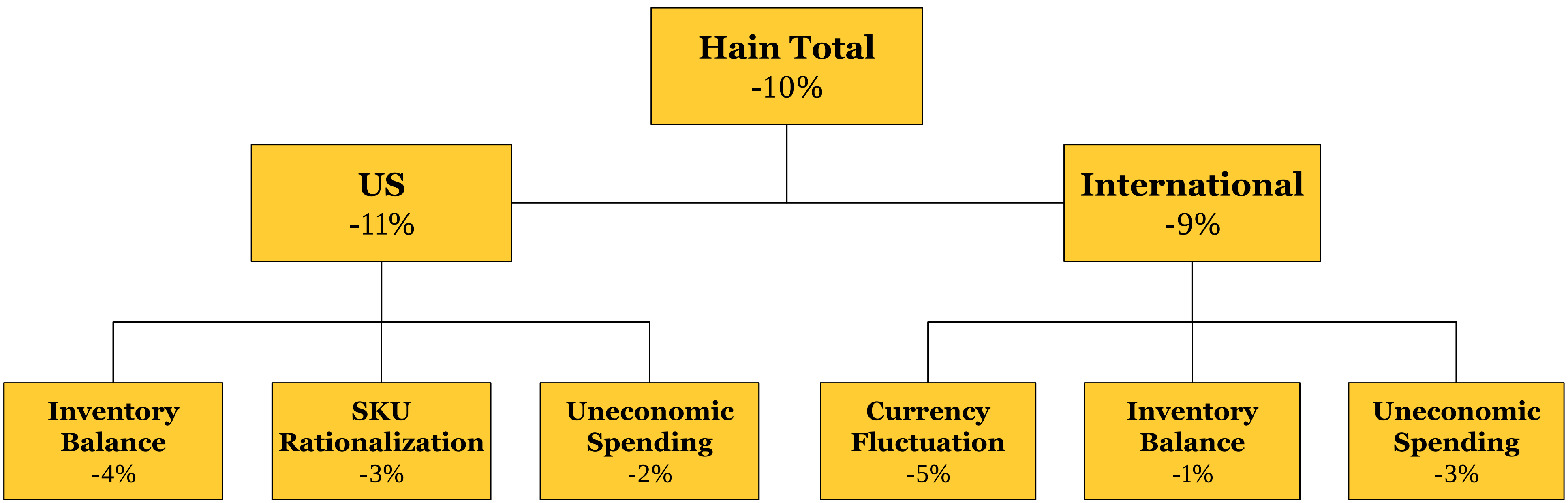
***"Hain will become smaller, faster growing, more profitable"***

| | FY19 Guidance | Constant Currency Performance | Reported Performance |
|---|---|---|---|
| Top Line Growth | -4 to -6% | -4.2% | -6.3% |
| Adj. EBITDA Margin | 7 to 9% | 8.4% | 8.3% |



Note: See appendix for reconciliation of Adjusted EBITDA Margin to net income and Constant Currency Performance to reported amounts.
Source: Hain Celestial Financials

# FY19 Q4 Topline Decomposition




Source: Hain Celestial Financials

# What We Told You Would Happen in FY19 H2

- ✓ Sequential improvement in adjusted gross margin
- ✓ Sequential improvement in adjusted EBITDA margin
- ✓ Continued shrinking topline
- ✓ Continued steady performance from international

# 4 Core Strategies to Transform the US Business

1

**SIMPLIFY**

the portfolio & organization

2

**STRENGTHEN**

capabilities

3

**EXPAND**

margins and cash flow

4

**REINVIGORATE**

profitable topline growth

# New US Hain Algorithm:
## How We Are Reshaping Our Business

| INVESTMENT |
|---|
| *Top and bottom line growth* |
| **GET BIGGER** |

| SUSTAINABLE CONTRIBUTORS | INCUBATION | PROFIT MAXIMIZATION |
|---|---|---|
| *Margin expansion and stable top line* | *Assess for investment* | *Profit expansion and simplification* |

**GET BETTER**

| | FY18 | 19H1 | 19H2 |
|---|---|---|---|
| % Sales | **50%** | **51%** | **54%** |
| EBITDA Margin | **18%** | **10%** | **15%** |

| | FY18 | 19H1 | 19H2 |
|---|---|---|---|
| % Sales | **50%** | **49%** | **46%** |
| EBITDA Margin | **4%** | **0%** | **4%** |

Source: Hain Celestial Financials

# Simplifying the Portfolio

## Addressing Low-Potential Brands

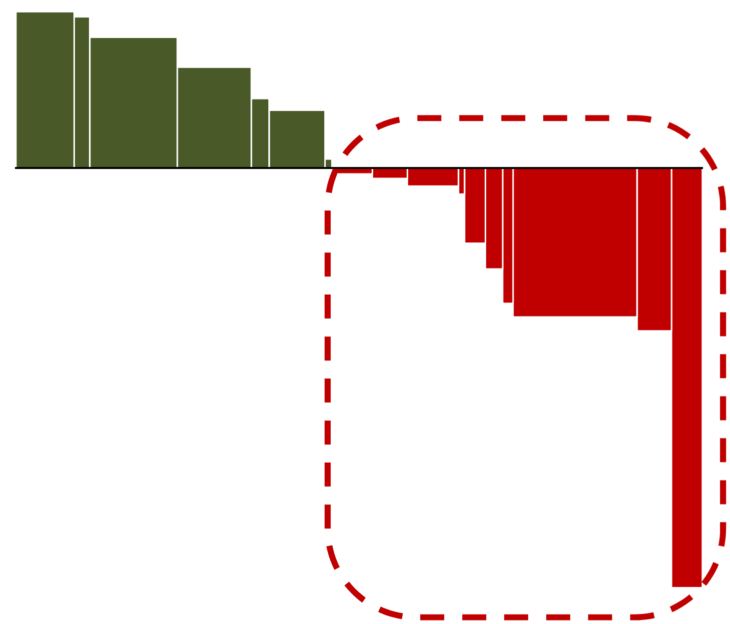
plainville FARMS

Empire KOSHER

FreeBird

WESTSOY

## Addressing Low-Potential SKUs



# Simplifying the Organization

**1 US Sales Force**

**HAIN Ventures**

DeBoles

SunSpire

Better Bean

BluePrint ORGANIC

**Global Expansion Team**

# 4 Core Strategies to Transform the US Business

HAIN CELESTIAL

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# Building a World Class Team

HAIN CELESTIAL

**NEW LEADERS**

**Kevin McGahren**
President North America

DANCING DEER BAKING CO.
Wessanen
KRAFT

**Seth Weis**
Business Development

TreeHouse
pwc
DUFF & PHELPS

**Chris Boever**
Chief Customer Officer

Hormel Foods
Pinnacle Foods Inc.
CONAGRA BRANDS

**Jerry Wolfe**
Chief Supply Chain Officer

McCormick
ERNST & YOUNG

**Alan Cranston**
Chief Transformation Officer

newell BRANDS
Deloitte.

**Jeff George**
Chief Innovation Officer

PEPSICO
Hillshire BRANDS
Campbell's

**James Langrock**
Chief Financial Officer

M
MOTOROLA
citi

**Kristy Meringolo**
Chief Legal Officer

AVON
DLA PIPER

# Building New Skills

**PROJECT MANAGEMENT**

**INNOVATION**

**PRICING**

**PRODUCTIVITY**

# 4 Core Strategies to Transform the US Business

HAIN CELESTIAL

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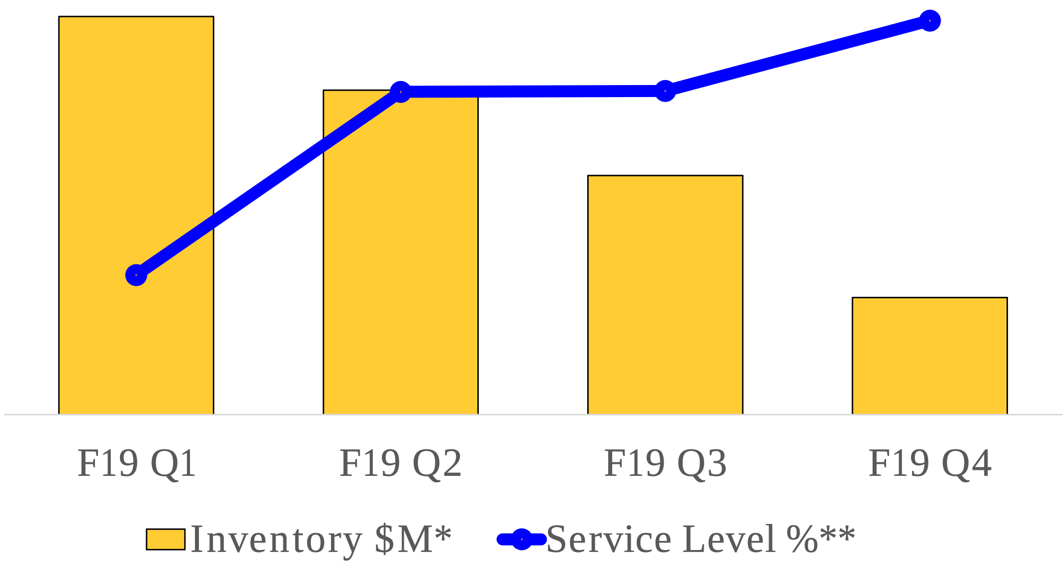
# Supply Chain Improvement

## Improved Service and Inventory Levels




## Savings Generated

| | |
|---|---|
| **Service Fines** | **-$2 MM** |
| **Distribution & Warehousing Costs** | **-$9 MM** |
| **Discards & Waste** | **-$3 MM** |



* Includes FG, Raw & Pack + Reserves; ** Excludes discontinued items
Source: Hain Celestial Financials

# 4 Core Strategies to Transform the US Business

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margins and cash flow

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**REINVIGORATE**

profitable topline growth

# 'Get Bigger' Brands:
## FY19 Q4 Sales Decomposition

**Total Sales**
**+0.4%**

**Non-Promoted Dollars**
**+2.6%**

**Promoted Dollars**
**-2.2%**

**Price**
**+1.2%**

**% ACV**
**+1.8%**

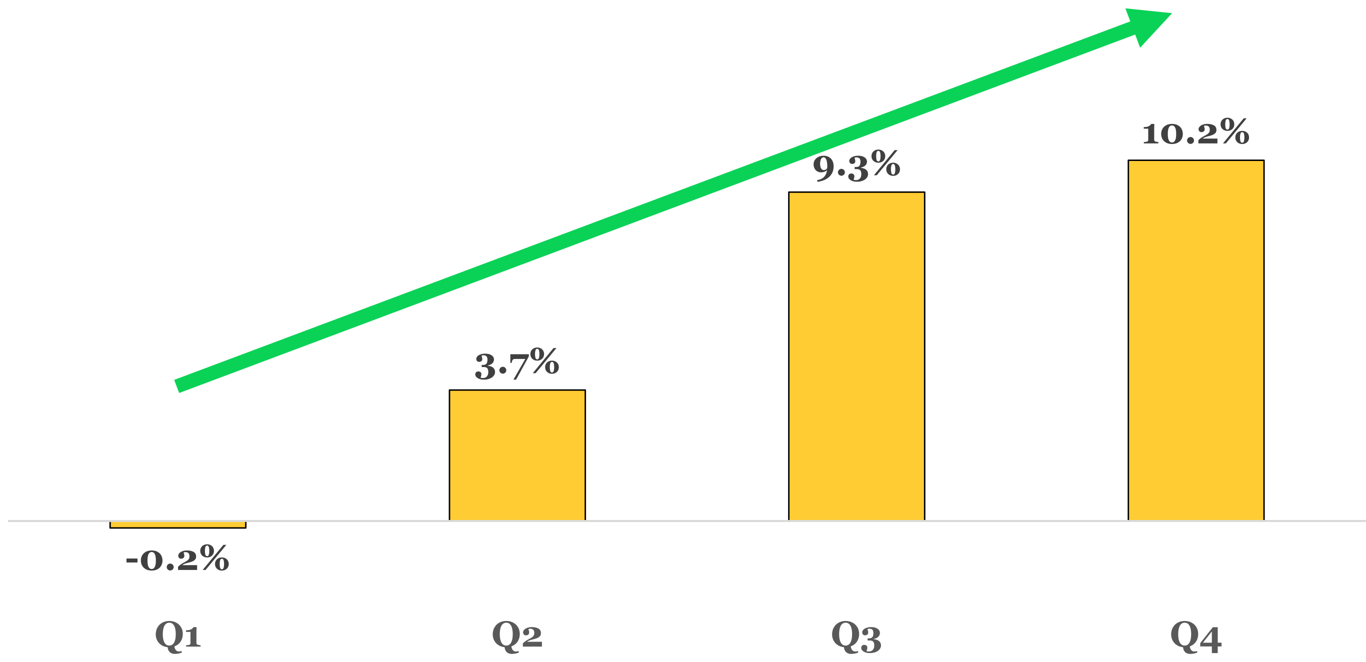
**Avg. Items Carried**
**-9.0%**

**Velocity**
**+10.2%**

Source: IRI, MULO + C 12 WE 6/30/19; 12 WE 7/14/19

# 'Get Bigger' Brands:
## Velocity

**FY 2019 Base Unit Velocity % Change vs. Year Ago**






Source: IRI MULO + C 12 Weeks Ended 9/30/18, 12/30/18, 3/24/19, 7/14/19

# Optimize Assortment & Distribution:
## Assortment Example

HAIN CELESTIAL

# Create World Class Innovation and Marketing

HAIN CELESTIAL


## Attributes:

- Organic
- Healthful benefits
- Premium price

## Test market Results:

- #2 premium tea
- 4 SKUs turning in Top 20 of category
- Drove 8% of the category growth

***Expanding distribution in fall resets***



Source: SPINS Retailer Specific Info; 12 WE 9/9/18 vs. 12 WE 12/2/18PE

# 4 Core Strategies to Transform the US Business

1

2

3

4

**SIMPI**

the portf
organization

cash flow

**GORATE**

le topline
growth

## IT'S WORKING

## James Langrock

*Executive Vice President and Chief Financial Officer*

# Fiscal 2020 Guidance vs. 2019 Performance

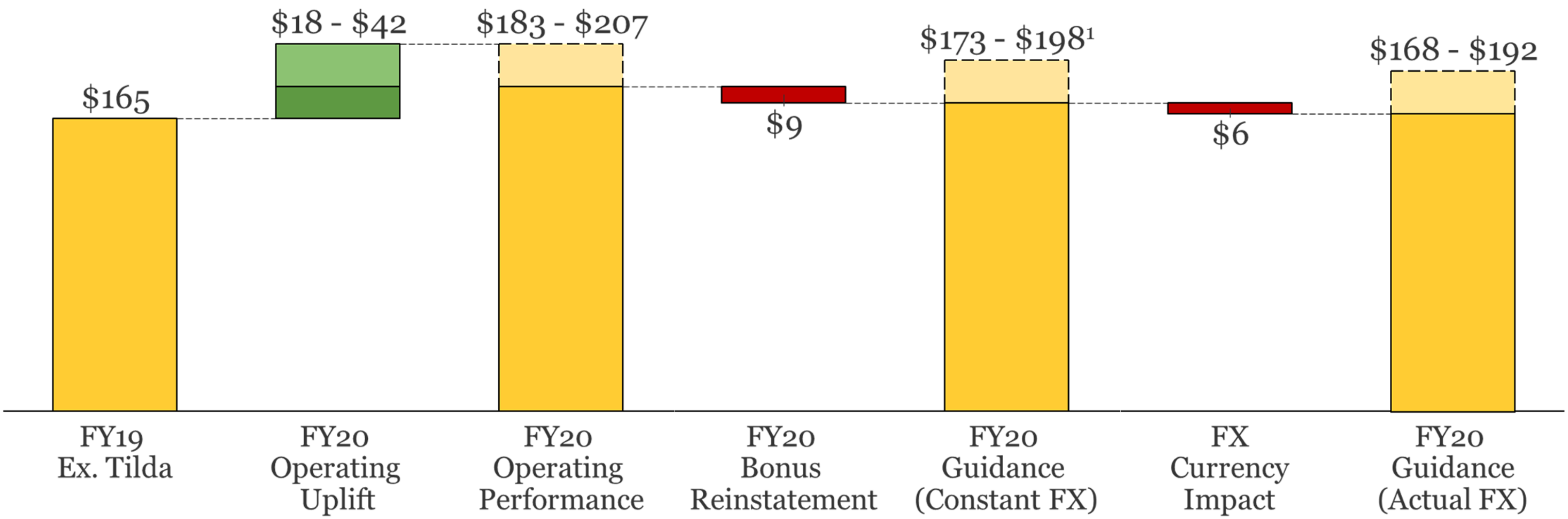
| | FY '19 Reported (Ex. Tilda) | FY '20 Guidance Constant Currency | FY '20 Guidance Reported |
|---|---|---|---|
| **Adjusted EBITDA** | $165 MM | $173 - $198 MM | $168 - $192 MM |
| **Adjusted EPS** | $0.60 | $0.62 - $0.75 | $0.59 - $0.72 |



Note: See appendix for reconciliation of Adjusted EBITDA to net incomes and Adjusted EPS to earnings per diluted share for fiscal 2019. For fiscal year 2020 the Company cannot reconcile its expected Adjusted EBITDA to net income or adjusted earnings per diluted share to earnings per diluted share without unreasonable effort because certain items that impact net income and other reconciling metrics are out of the Company's control and/or cannot be reasonably predicted at this time.

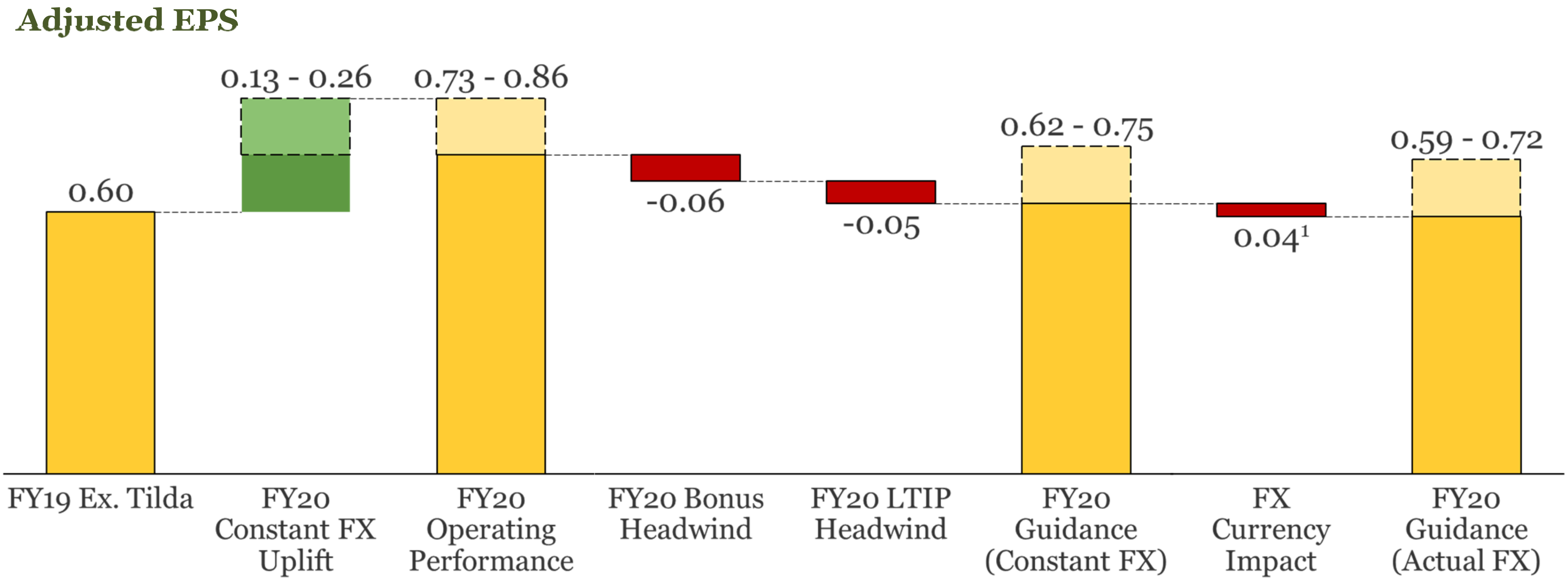
# Fiscal 2020 Adjusted EBITDA Guidance

## Adjusted EBITDA ($MM)




1. Includes Rounding

# Fiscal 2020 Adjusted EPS Guidance




1. Includes Rounding

# Brexit Mitigation Actions

**Operating**

- *Additional Inventory*
- *Alternate distribution patterns*
- *Production contingencies*
- *Price realization improvement*

**Portfolio**

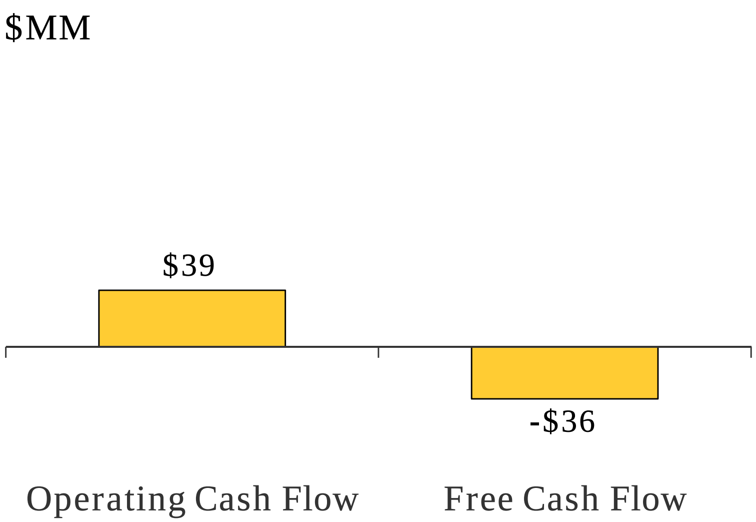
- *Tilda sale reduces exposure*
- *Address uneconomic UK businesses*

**Financial**

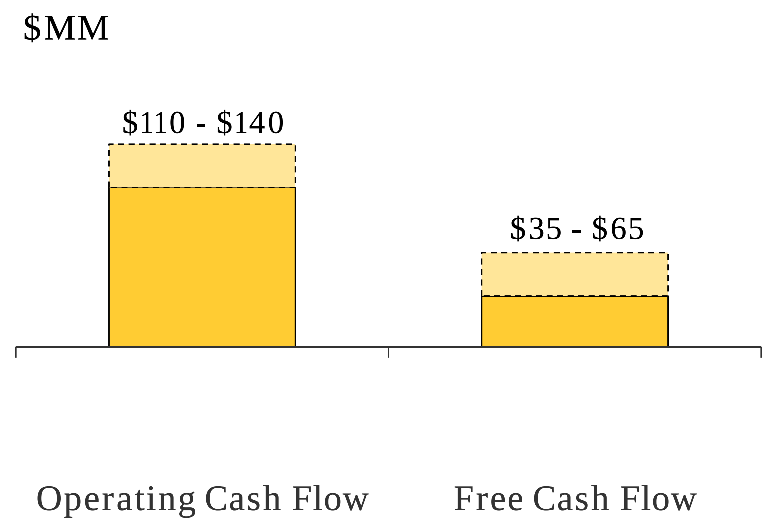
- *Hedging transactions*

# Cash and Capital: Significant Cash Generation

## Fiscal Year 2019




## FY 2020 Guidance




***15 Day reduction in cash conversion cycle***

***$70 - $100MM Year-on-Year free cash flow***

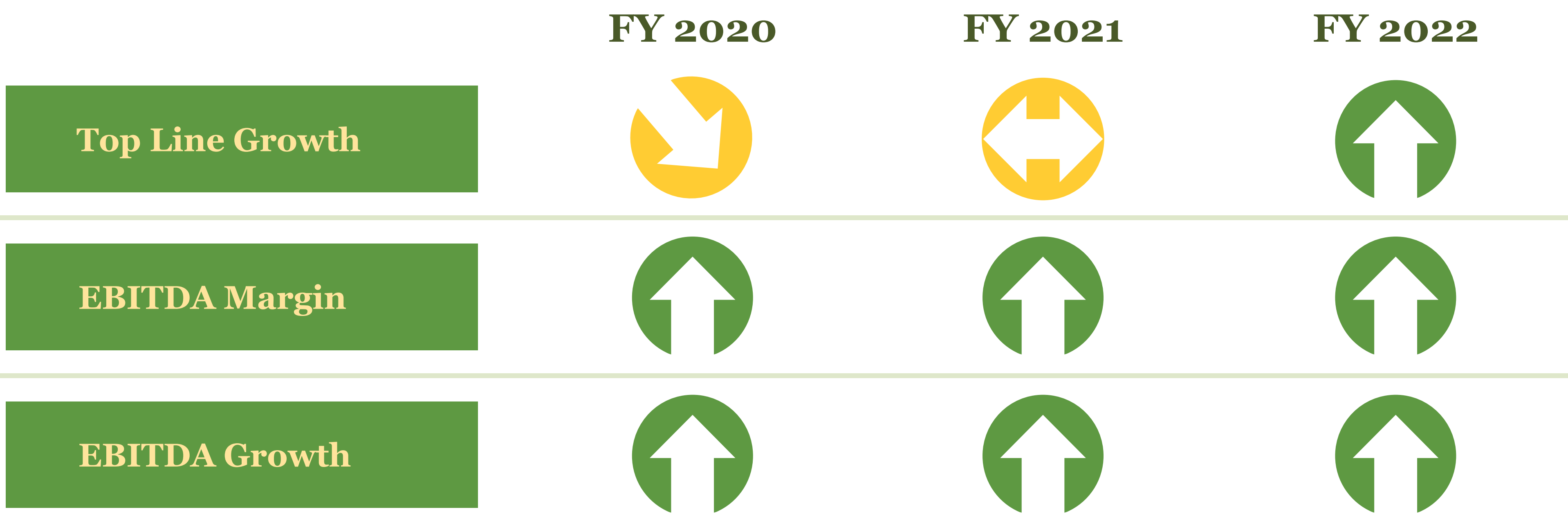


Note: See appendix for reconciliation of Free Cash Flow to operating cash flow for fiscal 2019.

# Fiscal 2020 Cadence: 1H vs. 2H

| | 2H19 | 1H20 | 2H20 |
|---|---|---|---|
| Top Line Growth | ↓ | ↓ | ↘ |
| Adjusted Gross Margin | ↑ | ↑ | ↑ |
| Adjusted EBITDA Margin | ↑ | ↑ | ↑ |

# Recap: New Hain Algorithm Migration Path




**Actions to address "Get Better" brands will influence pace of top line growth and margin**

# APPENDIX

# Reconciliation of GAAP Results to Non-GAAP Measures

**THE HAIN CELESTIAL GROUP, INC.**
**Reconciliation of GAAP Results to Non-GAAP Measures**
(unaudited and in thousands, except per share amounts)

| | Twelve Months Ended June 30, 2019 | | | | |
|---|---|---|---|---|---|
| | **GAAP** | **Adjustments** | **Non-GAAP** | **Less: Tilda** | **Adjusted** |
| Net sales | $ 2,302,468 | $ - | $ 2,302,468 | $ (197,863) | $ 2,104,605 |
| Cost of sales | 1,857,255 | (37,623) | 1,819,632 | (148,423) | 1,671,209 |
| Gross profit | 445,213 | 37,623 | 482,836 | (49,440) | 433,397 |
| Operating expenses (a) | 389,962 | (37,316) | 352,646 | (29,108) | 323,537 |
| Project Terra costs and other | 40,107 | (40,107) | - | - | - |
| Chief Executive Officer Succession Plan expense, net | 30,156 | (30,156) | - | - | - |
| Proceeds from insurance claims | (4,460) | 4,460 | - | - | - |
| Accounting review and remediation costs, net of insurance proceeds | 4,334 | (4,334) | - | - | - |
| Goodwill impairment | - | - | - | - | - |
| Operating (loss) income | (14,886) | 145,076 | 130,190 | (20,331) | 109,858 |
| Interest and other expense (income), net (b) | 37,100 | (1,669) | 35,431 | (13,589) | 21,842 |
| (Benefit) provision for income taxes | (2,697) | 28,116 | 25,419 | (153) | 25,267 |
| Net (loss) income from continuing operations | (49,945) | 118,628 | 68,683 | (6,590) | 62,094 |
| Net (loss) income from discontinued operations, net of tax | (133,369) | 133,369 | - | - | - |
| Net (loss) income | (183,314) | 251,997 | 68,683 | (6,590) | 62,094 |
| Diluted net (loss) income per common share from continuing operations | (0.48) | 1.14 | 0.66 | (0.06) | 0.60 |
| Diluted net (loss) income per common share from discontinued operations | (1.28) | 1.28 | - | - | - |
| Diluted net (loss) income per common share | (1.76) | 2.42 | 0.66 | (0.06) | 0.60 |

[a] Operating expenses include amortization of acquired intangibles, selling, general, and administrative expenses and long-lived asset and intangible impairment.
[b] Interest and other expenses (income), net include interest and other financing expenses, net and other (income)/expense, net.

# Reconciliation of GAAP Results to Non-GAAP Measures (cont.)

**Detail of Adjustments:**

| | Twelve Months Ended June 30, 2019 |
|---|---|
| Warehouse/manufacturing facility start-up costs | $ 17,636 |
| SKU rationalization | 12,381 |
| Plant closure related costs | 7,606 |
| Cost of sales | 37,623 |
| Gross profit | 37,623 |
| Stock-based compensation acceleration | 1,458 |
| Long-lived asset impairment charge associated with plant closure | 15,819 |
| Intangibles impairment | 17,900 |
| Litigation and related expenses | 1,517 |
| Plant closure related costs | 622 |
| Operating expenses (a) | 37,316 |
| Project Terra costs and other | 40,107 |
| Project Terra costs and other | 40,107 |
| Chief Executive Officer Succession Plan expense, net | 30,156 |
| Chief Executive Officer Succession Plan expense, net | 30,156 |
| Proceeds from insurance claims | (4,460) |
| Proceeds from insurance claims | (4,460) |
| Accounting review and remediation costs, net of insurance proceeds | 4,334 |
| Accounting review and remediation costs, net of insurance proceeds | 4,334 |
| Operating (loss) income | 145,076 |
| Unrealized currency gains | (850) |
| Realized currency loss on repayment of international loans | 2,706 |
| Gain on sale of business | (534) |
| Deferred financing cost write-off | 347 |
| Interest and other expense (income), net (b) | 1,669 |
| Income tax related adjustments | (28,116) |
| (Benefit) provision for income taxes | (28,116) |
| Net (loss) income from continuing operations | $ 118,628 |



(a) Operating expenses include amortization of acquired intangibles, selling, general, and administrative expenses and long-lived asset and intangible impairment.
(b) Interest and other expenses (income), net include interest and other financing expenses, net and other (income)/expense, net.

# Reconciliation of GAAP Results to Non-GAAP Measures (cont.)

**THE HAIN CELESTIAL GROUP, INC.**
**EBITDA AND ADJUSTED EBITDA**
(unaudited and in thousands)

| | Twelve Months Ended June 30, 2019 |
|---|---|
| Net (loss) income | $ (183,314) |
| Net loss from discontinued operations | (133,369) |
| Net (loss) income from continuing operations | $ (49,945) |
| (Benefit) provision for income taxes | (2,697) |
| Interest expense, net | 32,970 |
| Depreciation and amortization | 56,914 |
| Equity in net loss (income) of equity-method investees | 655 |
| Stock-based compensation, net | 9,503 |
| Stock-based compensation expense in connection with Chief Executive Officer Succession Agreement | 429 |
| Long-lived asset and intangibles impairment | 33,719 |
| Unrealized currency (gains)/losses | (850) |
| **EBITDA** | $ 80,698 |
| Project Terra costs and other | 39,958 |
| Chief Executive Officer Succession Plan expense, net | 29,727 |
| Proceeds from insurance claims | (4,460) |
| Accounting review and remediation costs, net of insurance proceeds | 4,334 |
| Warehouse/manufacturing facility start-up costs | 17,636 |
| SKU rationalization | 12,381 |
| Plant closure related costs | 7,457 |
| Realized currency loss on repayment of international loans | 2,706 |
| Litigation and related expenses | 1,517 |
| Gain on sale of business | (534) |
| **Adjusted EBITDA** | $ 191,420 |
| Less: Tilda | (26,307) |
| **Adjusted EBITDA excluding Tilda** | $ 165,113 |

# Net Sales and Adjusted EBITDA: Constant Currency

**THE HAIN CELESTIAL GROUP, INC.**
(unaudited and dollars in thousands)

**Net Sales Growth at Constant Currency**

| | | |
|---|---|---|
| Net sales - Twelve months ended 6/30/19 | $ | 2,302,468 |
| Impact of foreign currency exchange | | 52,622 |
| Net sales on a constant currency basis - Twelve months ended 6/30/19 | $ | 2,355,090 |
| Net sales - Twelve months ended 6/30/18 | $ | 2,457,769 |
| Net sales growth on a constant currency basis | | (4.2)% |

**Adjusted EBITDA Margin at Constant Currency**

| | | |
|---|---|---|
| Adjusted EBITDA - Twelve months ended 6/30/19 | $ | 191,420 |
| Impact of foreign currency exchange | | 6,781 |
| Adjusted EBITDA on a constant currency basis - Twelve months ended 6/30/19 | $ | 198,201 |
| Net sales on a constant currency basis - Twelve months ended 6/30/19 | $ | 2,355,090 |
| Adjusted EBITDA margin on a constant currency basis - Twelve months ended 6/30/19 | | 8.4% |

# Operating Free Cash Flow

**THE HAIN CELESTIAL GROUP, INC.**
**OPERATING FREE CASH FLOW**
(unaudited and in thousands)

**Twelve Months Ended June 30, 2019:**

| | Consolidated | Less: Tilda | Adjusted |
|---|---|---|---|
| Cash flow provided by operating activities - continuing operations | $ 49,519 | $ 10,186 | $ 39,333 |
| Purchases of property, plant and equipment | (77,128) | (1,336) | (75,792) |
| Operating Free Cash Flow - continuing operations | $ (27,609) | $ 8,850 | $ (36,459) |