



# Hain Celestial Business Review & Outlook

*Unique Growth Opportunity in Organic, Natural  
and Better-For-You Products*

June 22, 2017



# Safe Harbor Statement



## Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this press release constitute "forward-looking statements" within the meaning of 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 facts. You can also identify forward-looking statements by discussions of guidance for the remainder of the fourth quarter of fiscal year 2017 and the fiscal year 2018 outlook, strategy, plans or intentions related to our capital resources, performance and results of operations. Such 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, the Company's beliefs or expectations relating to (i) the Company's guidance for the Fourth Quarter of 2017 and Fiscal Year 2018 Outlook; (ii) the Company's strategic plan and execution against such plan and (iii) the Company's ability to deliver significant shareholder value creation; and the other risks detailed from time-to-time in the Company's reports filed with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended June 30, 2016, and our quarterly reports. As a result of the foregoing and other factors, no assurance can be given as to the 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 of new methods, future events or other changes.

## Non-GAAP Financial Measures

Management believes that the non-GAAP financial measures presented in this presentation 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 Statements of Income presented in accordance with GAAP.

The Company defines adjusted EBITDA as net income (a GAAP measure) before income taxes, net interest expense, depreciation and amortization, impairment of long lived assets, equity in the earnings of non-consolidated affiliates, stock-based compensation, acquisition-related expenses, including integration and restructuring charges, and other non-recurring items. The Company's management believes that this presentation provides useful information to management, analysts and investors regarding certain additional financial and business trends relating to the Company's results of operations and financial condition. In addition, management uses this measure for reviewing the financial results of the Company and as a component of performance-based executive compensation.

Management believes that the constant currency measure provides useful information to investors because it provides transparency to underlying performance in our consolidated net sales by excluding the effect that foreign currency exchange rate fluctuations have on the year-to-year comparability given volatility in foreign currency exchange markets. To present this information for historical periods, current period net sales for entities reporting in other than the U.S. dollars are translated into U.S. dollars at the average monthly exchange rates in effect during the corresponding period of the prior fiscal year, rather than at the actual average monthly exchange rate in effect during the current period of the current fiscal year. As a result, the foreign currency impact is equal to the current year results in local currencies multiplied by the change in average foreign currency exchange rate between the current fiscal period and the corresponding period of the prior fiscal year.

Reconciliations of non-GAAP financial measures to GAAP financial measures are provided in the Appendix of this presentation. Numbers in this presentation may not sum due to rounding.

# Today's Agenda



I	Introduction	Irwin Simon
II	Financial Review	James Langrock
III	Review of U.S. Strategy	Gary Tickle
IV	Review of International and HPP Strategy	Irwin Simon
V	Strategic Plan to Enhance Shareholder Value	Irwin Simon
VI	Summary/Q&A	



# Introduction – Irwin Simon

# Hain Celestial

To Create and Inspire a Healthier Way of Life™



**~\$3B<sup>1</sup>**

Worldwide Net Sales

**80+**

Countries with Products

**7,800+**

Employees

**37**

Global Manufacturing Facilities

**Leader in Authentic, On-Trend Organic, Natural and Better-For-You Brands**

**Strategic Plan to Accelerate Growth**

**Project Terra Cost Savings to Fund Growth Investments and Drive Margin Improvement**



**Increased Marketing Investment of \$40-50M Annually**

**Enhanced Leadership Team to Deliver Strategic Plan**

**Invest in Hain Celestial \$250M Share Repurchase Authorization**

Unique Pure-Play Growth Opportunity in Organic, Natural and Better-For-You Products

1. Estimated Net Sales for Fiscal Year 2017

# Accounting Review: No Material Changes to Previously Reported Financial Statements



- ✓ No material changes to previously reported financials
- ✓ No impact on cash flows or cash balances
- ✓ No impact on validity of underlying transactions
- ✓ No change to previously issued audit opinions of Ernst and Young
- ✓ Self-initiated, exhaustive review process including review of fiscal years back to FY 2014
- ✓ Fully independent review by:
  - Outside counsel
  - Audit Committee
  - Third-party experts



# Strong Finance Team and Controls



## Strong Finance Team

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- **CFO – James Langrock**
- **CAO – Michael McGuinness**
- **New Hires**
  - New Controller for the U.S. segment
  - New Head of Finance for the U.S. segment
  - New Global Revenue Controller
  - New Head of Internal Audit
  - New Chief Compliance Officer

## Improved Financial Controls

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- Enhanced standardized accounting policies and procedures
- Expanded review process and monitoring controls
- Instituted extensive, worldwide training program



# **Financial Review – James Langrock**



# Immaterial Corrections to Historical Financials



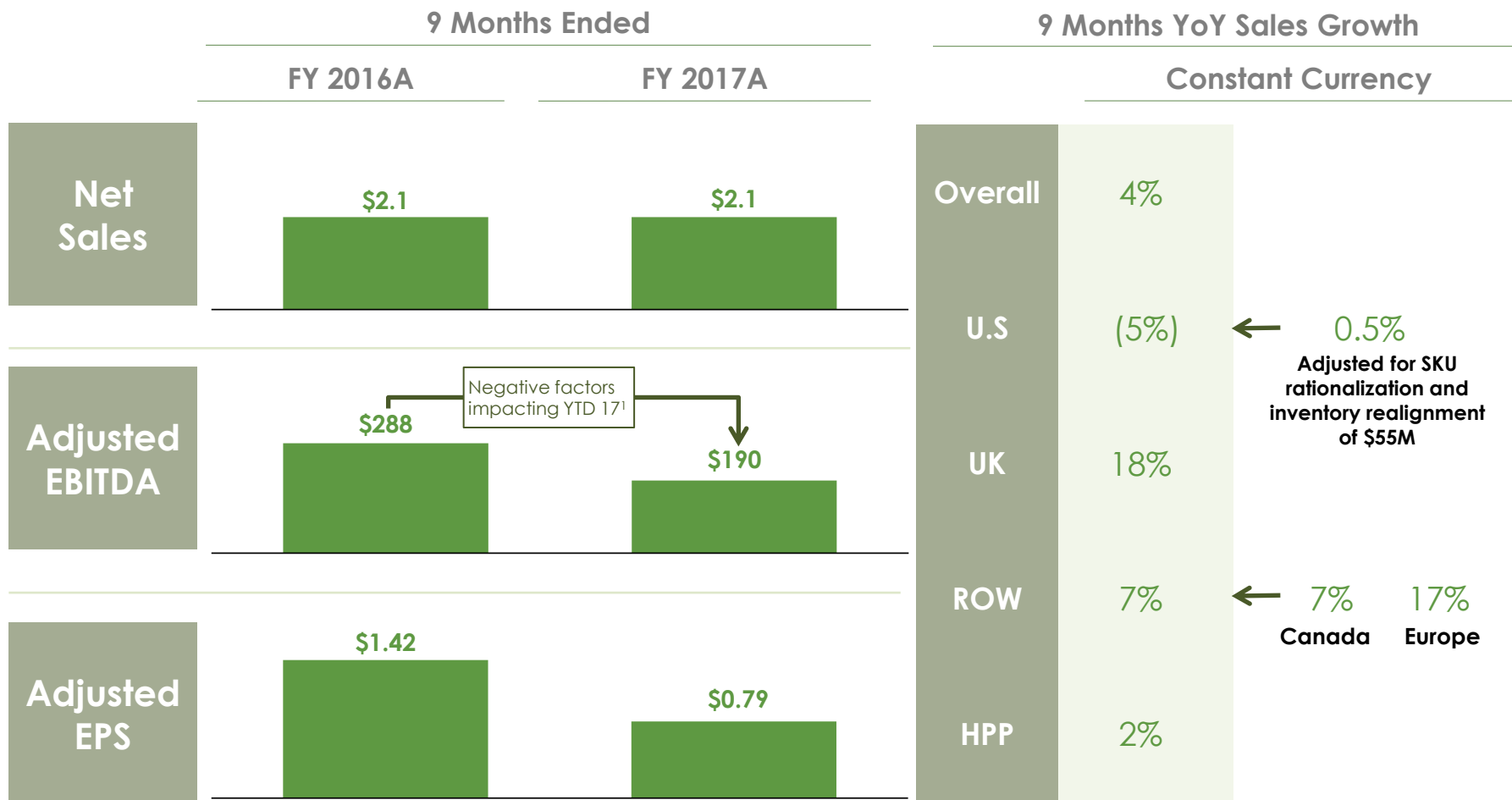
## Summary Financial Impact

		FY 2014A	FY 2015A	9 Months FY 16A
Net Sales	Original	\$2,154	\$2,689	\$2,190
	% YoY Growth		24.8%	
	Revised	\$2,108	\$2,610	\$2,148
	% YoY Growth		23.8%	
	\$ - difference	(\$46)	(\$79)	(\$42)
	% - difference	(2.1%)	(2.9%)	(1.9%)
GAAP EPS	Original	\$1.42 <sup>1</sup>	\$1.62	\$1.32
	Revised	\$1.32 <sup>1</sup>	\$1.60	\$1.31
	\$ - difference	(\$0.10)	(\$0.02)	(\$0.01)
	% - difference	(7.0%)	(1.2%)	(0.8%)
Non-GAAP EPS	Original	\$1.59	\$1.88	\$1.42
	Revised	\$1.51	\$1.83	\$1.42
	\$ - difference	(\$0.08)	(\$0.05)	\$ -
	% - difference	(5.0%)	(2.7%)	0.0%

Note: Net Sales in millions

1. Excludes the impact of discontinued operations

# 9 Months Ended FY 2017 Financial Summary and Top-line Highlights



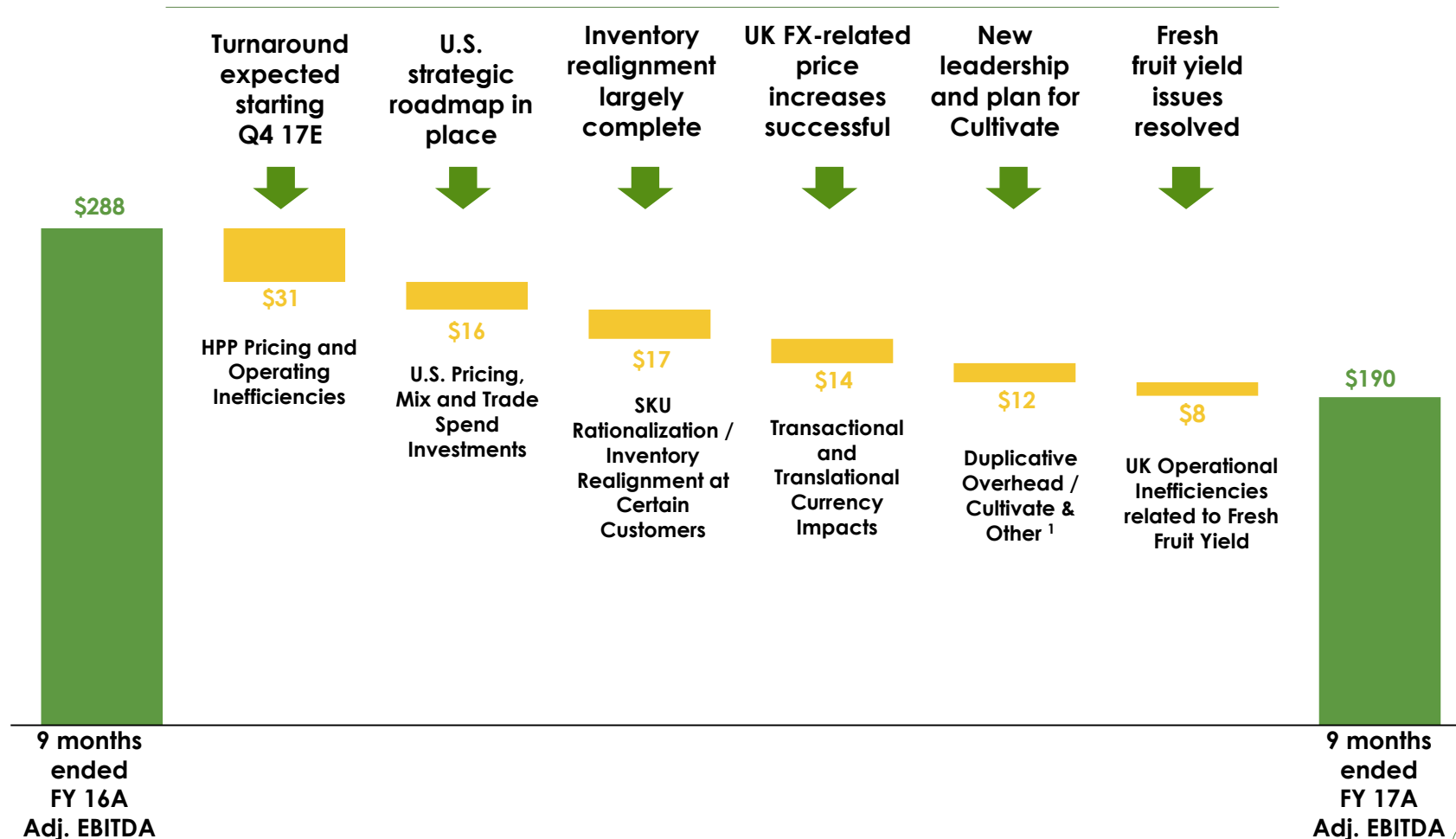
Note: Net Sales in billions. Adjusted EBITDA in millions

1. ~\$98 million of negative factors explained in more detail on the following page

# YTD 2017 Profitability Impacted by Several Negative Factors



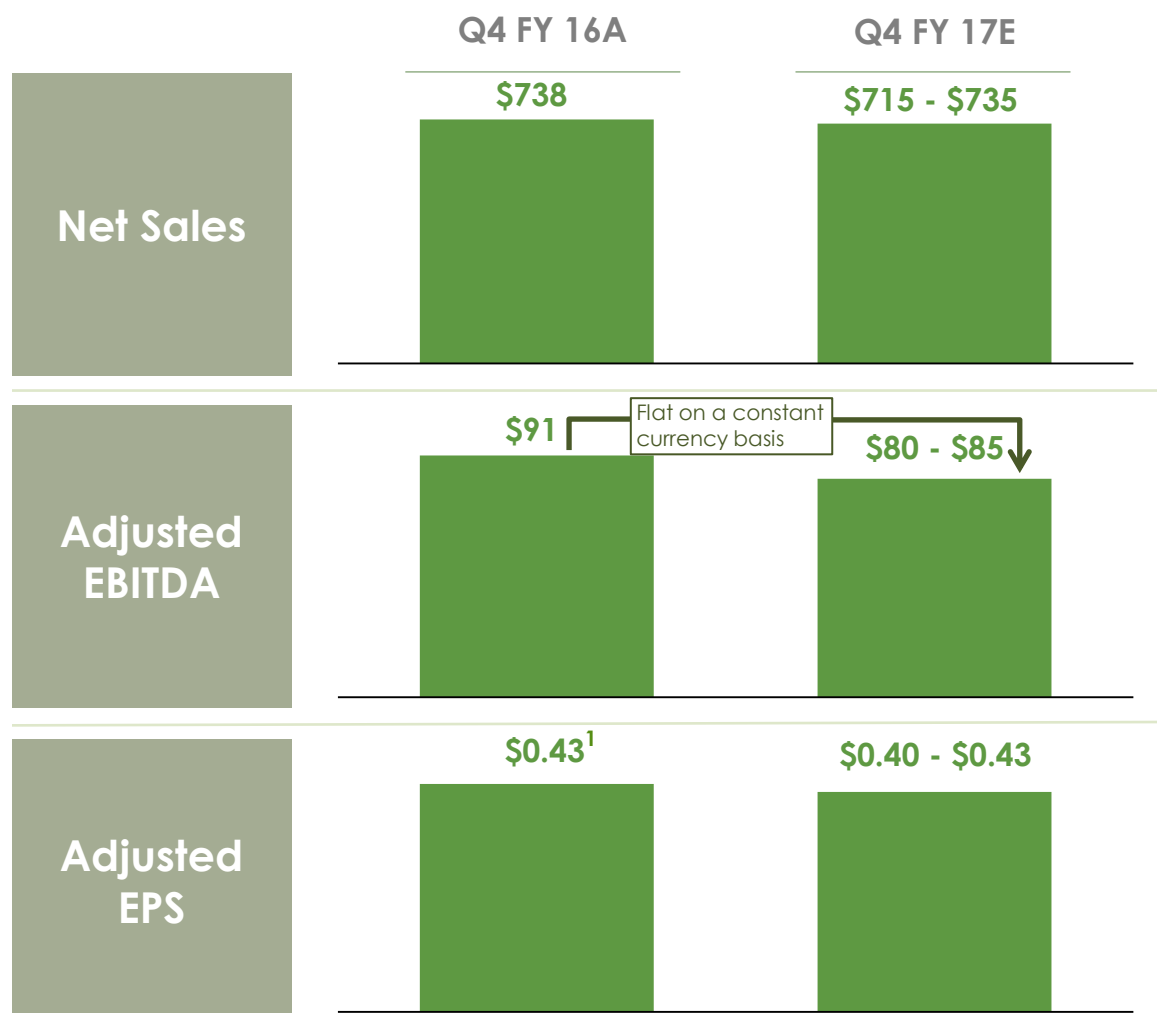
## Negative Factors Not Expected to Impact Results Going Forward



Note: \$ in millions

1. Includes the impact of duplicative overhead, Cultivate business reinvestment and other segment impacts

# Momentum in Q4 FY 2017



## Q4 FY 17E Commentary

### Net Sales

- Up 4% on a constant currency basis
- U.S. +1%<sup>2</sup>
- Other businesses up 7%

### Adjusted EBITDA

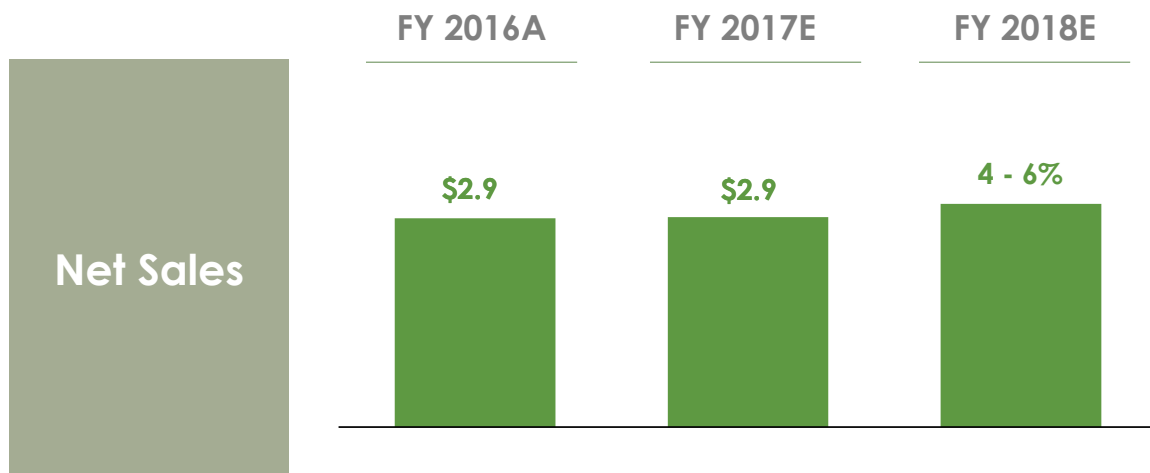
- Flat vs. Q4 FY 16A on a constant currency basis
- HPP recovery
- FX-related price realization in UK
- Marketing investments in the U.S. started

Note: Net sales and Adjusted EBITDA in millions

1. Excludes EPS impact of goodwill impairment charge of \$124 million recorded in Q4 FY 16 primarily related to Hain Celestial's UK segment

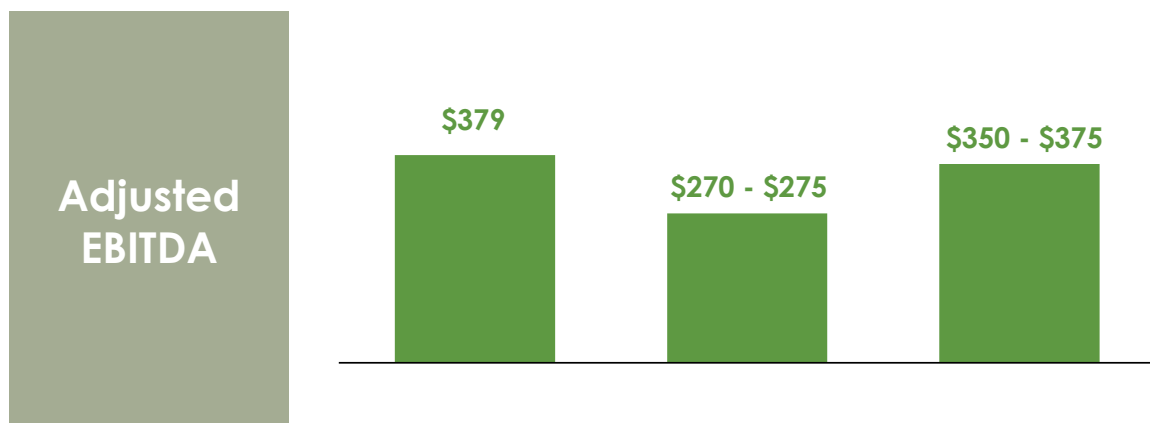
2. Excludes the expected impact of SKU rationalization and inventory realignment

# Guiding to Strong Recovery in FY 2018



## Expected Strong Sales Growth

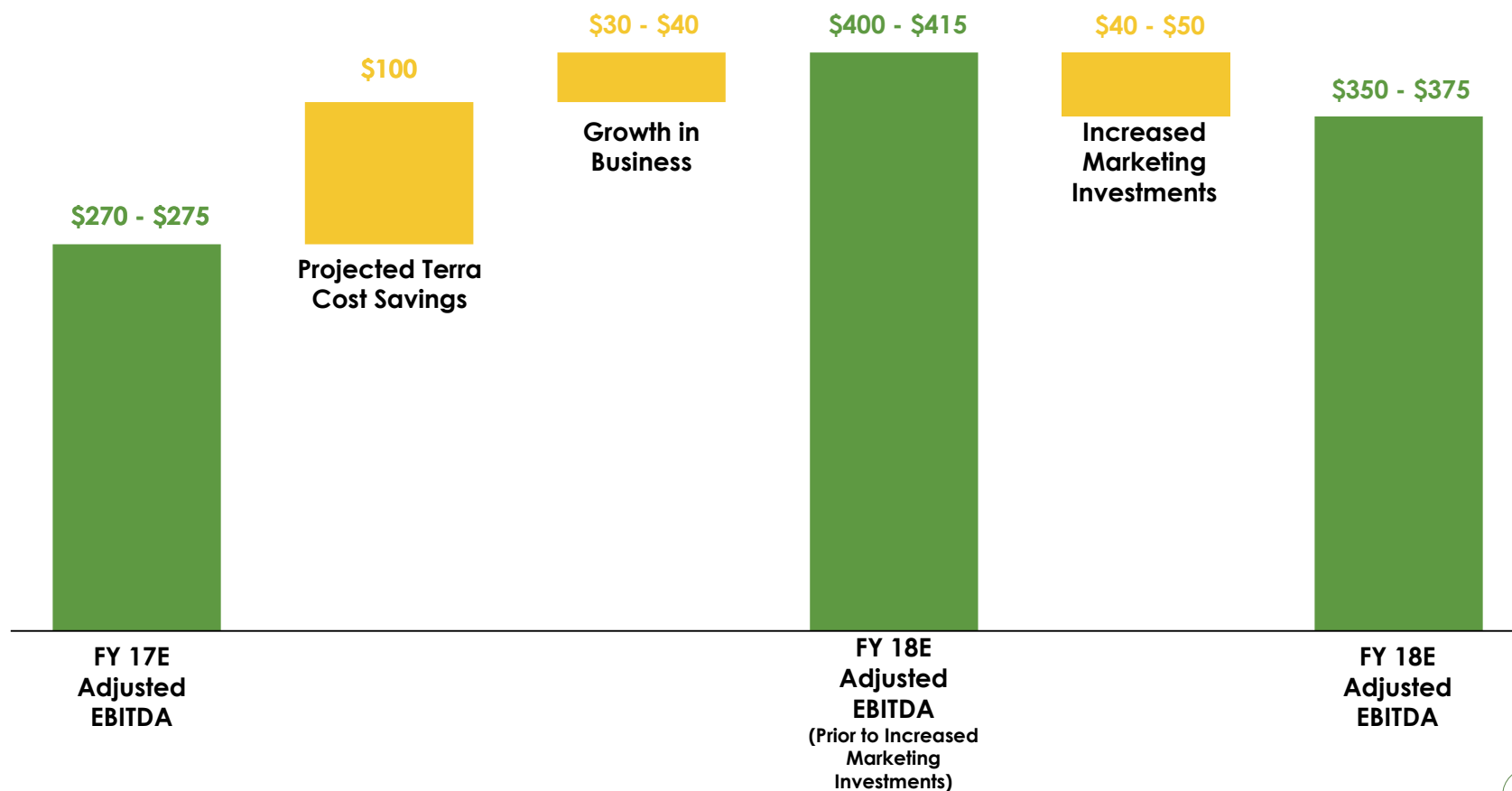
- **4 – 6% growth**
- Low to mid single-digit sales growth in U.S. and HPP
- Mid to high single-digit growth in international businesses
- SKU rationalization abating



## Expected Strong EBITDA Growth

- Margin contribution from top-line growth
- ~\$100M in productivity and cost savings including recovery in HPP
- Planned marketing investments of ~\$40-\$50M

# Strong Profit Recovery in FY 2018 With Increased Marketing Investments



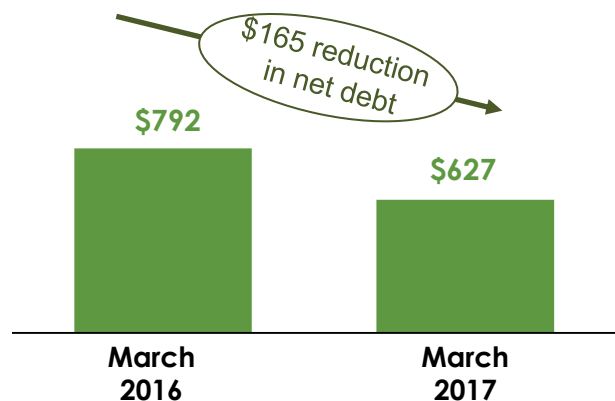
Note: \$ in millions



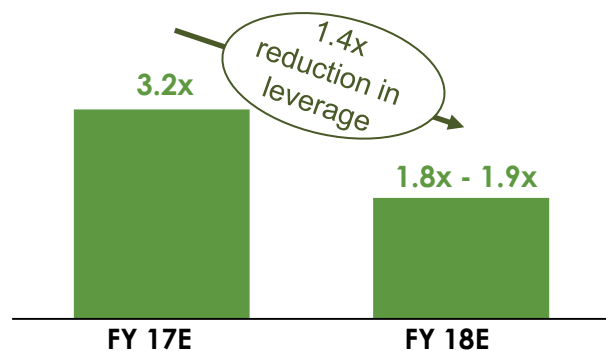
# Strong Cash Flow to Reduce Debt and Leverage in FY 2018



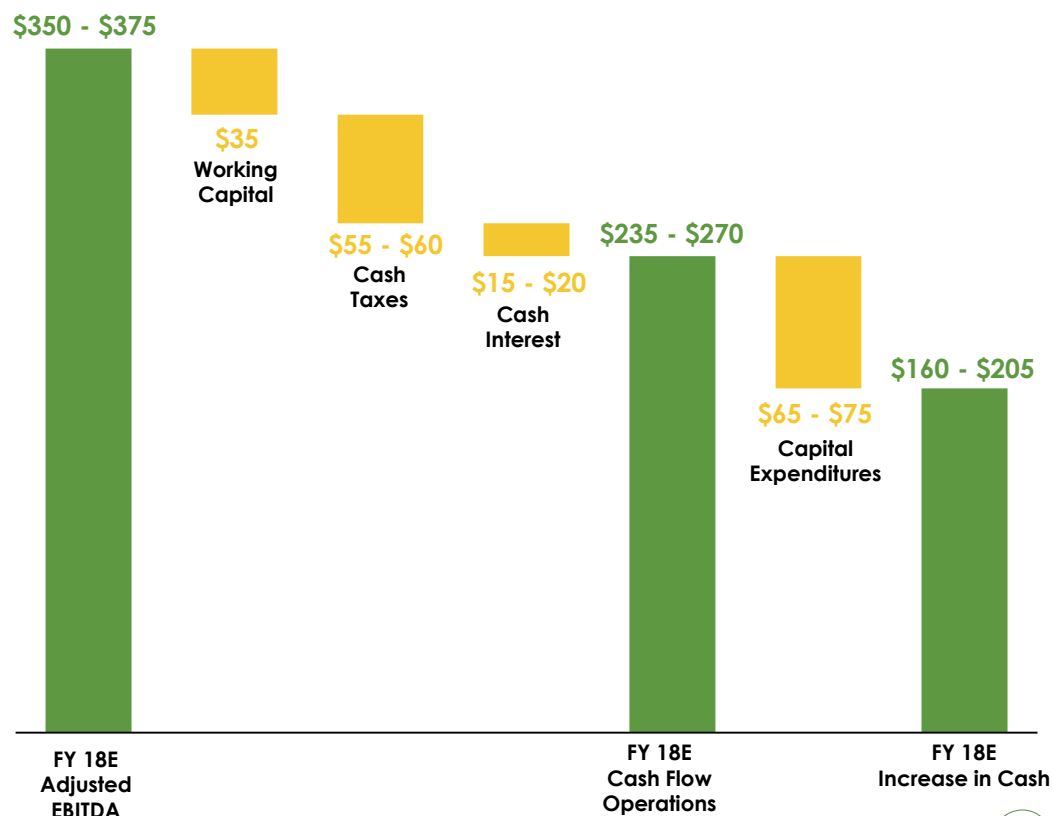
## Net Debt



## Total Debt/Bank EBITDA<sup>2</sup>



## FY 2018E Cash Flow Generation<sup>1</sup>



Note: \$ in millions

1. Excludes impact of potential one-time, non-recurring costs

2. Illustratively assumes \$100 million of FY 18E cash flow is used to pay-down debt. FY 17E Bank EBITDA of \$245 million



# **Review of U.S. Strategy – Gary Tickle**

# Brands Organized and Managed Around Core Growth Platforms



To Create and Inspire a Healthier Way of Life™



Better-for-You Snacking



Fresh Living



Better-for-You Baby



Better-for-You Pantry



Tea



Pure Personal Care



Cultivate Ventures



# Strategic Plan to Increase Long-Term Growth and Profitability



## Strategies

- Focus on top-selling brands and products
- Drive costs and complexity out of business
- Increase strategic investments and consumer engagement
- Enhance in-market and online retail activation

## Goals

- ✓ **Net Sales growth in low to mid-single digits**
- ✓ **Increase market share and household penetration**
- ✓ **Increase operating margins**

# Focus on Top-Selling Products and Increased Efficiency



## Focus on Top 500 SKUs

- Accounted for 90% of MULO+C consumption<sup>1,2</sup>
- Outperforming total business
- Total points of distribution up 5%<sup>2</sup>

## Realign inventory levels with distributor partners

- Transparent, collaborative planning cycle
- Improved service levels, reducing spoil rates

## Streamline Portfolio, eliminating ~600 SKUs

- Short-term drag on top-line growth (~180 bps)
- Reduces planning and manufacturing complexity

✓ **Recent growth 60% higher than industry<sup>3</sup>**

✓ **Current service levels > 97%**

✓ **>20% of U.S. SKUs rationalized by end of FY18**

1. MULO+C is Multiple Outlet with Convenience Stores and represented approximately 60% of U.S. Sales

2. For 52 weeks ending May 21, 2017

3. For 12 weeks ending May 21, 2017

# Increase Strategic Investments and Consumer Engagement



## Invest in Brand-Building Assets

- Consumer insights research
- Packaging redesigns

## New Marketing Programs

- Consumer engagement and communication
- Branded digital awareness programs

## Accelerate Innovation

- Product development
- Creative ways of working

✓ **50% increase in FY 18 in brand-building investments**

✓ **Success of “Magic of Tea” digital campaign**

✓ **Imagine® range growing +32% in MULO+C <sup>1</sup>**



# Enhance In-market and Online Retail Activation



## Broaden Household Penetration


- Online brand presence and reviews
- Shopper marketing – in-store activation

## Review Price/Value Mapping


- Competitive price points
- Commodity price shifts

## Invest With Strategic Partners

- Customer-centric dedicated teams
- Category thought leadership and insights

- 
- ✓ **3 of the top 10 snack brands in MULO+C<sup>1</sup>**



- 
- ✓ **Strong unit share growth Maranatha®**



- 
- ✓ **Double-digit growth with major mass retailer**



# Strong U.S. Leadership Team to Deliver Strategic Plan



## Proven Performers

### Julie Marchant-Houle

**GM, Personal Care**

Formerly Revlon, P&G

### Stephanos Margaritas

**National Sales Manager,  
Hain Celestial Refrigerated  
Foods**

Co-Founder, 3 Greek Gods

### Brett Hartmann

**Director,  
Better-For-You Snacking**

Formerly Kraft Foods, Playtex  
Products

### Basel Nassar

**Chief Operating Officer**

**Hain Celestial  
Refrigerated Foods**

Co-Founder, 3 Greek Gods

### Jared Simon

**Vice President,  
Better-For-You Baby**

Formerly Better-For-You  
Snacking, Kraft Foods

### Russ Forester

**SVP, Customer Insights &  
Analytics**

Formerly Mitchell Madison,  
Standard & Poor's

## Recent Hires

### Tim Collins

**Vice President,  
Celestial Seasonings**

Formerly Kraft Heinz, Starbucks  
and P&G

### Jay Erskin

**Chief Supply Chain Officer**

Formerly Chobani, Mars and  
Groupe Danone

### James Fallon

**SVP and U.S. Controller**

Formerly Henry Schein, Adecco

### Leah Dunmore

**Vice President,  
Better-For-You Pantry**

Formerly Campbell Soup, Mars  
and Nestlé

### Jamie Fay

**Chief Customer Officer**

Formerly Nature's Path, Mars  
and Groupe Danone

### Ari LaBell

**Vice President, Sales  
Operations & Strategy**

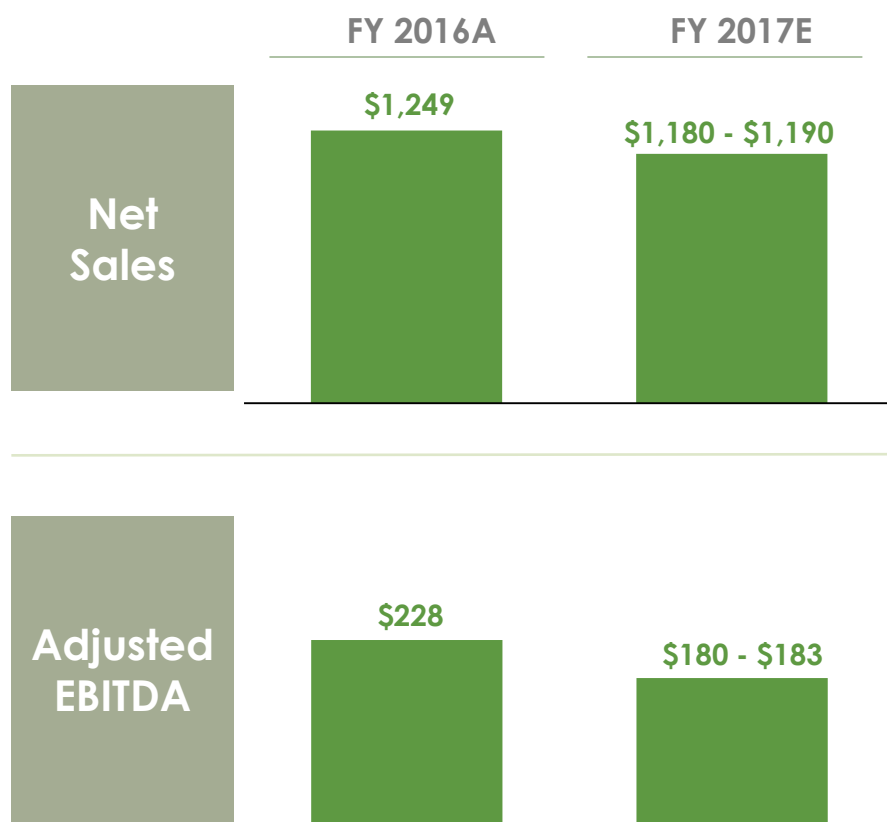
Formerly Safilo, Unilever

### Angela Han

**Vice President, FP&A,  
Brand Finance**

Formerly Revlon, Liz Claiborne  
and Wachovia

# U.S. Financial Performance and Outlook



## FY 2018E Outlook













- Low to mid single-digit net sales growth over FY 17E
- Reduced impact from inventory realignment
- Continued SKU rationalization through the end of FY 2018
- Ongoing and potential divestitures
- Low double-digit EBITDA growth over FY 17E
- Project Terra cost savings and SG&A rationalization efficiencies
- 50% increase in brand marketing spend over FY 17E
- Efficiencies fund increased marketing investment and improved operating margins

# **Review of International and HPP Strategy – Irwin Simon**

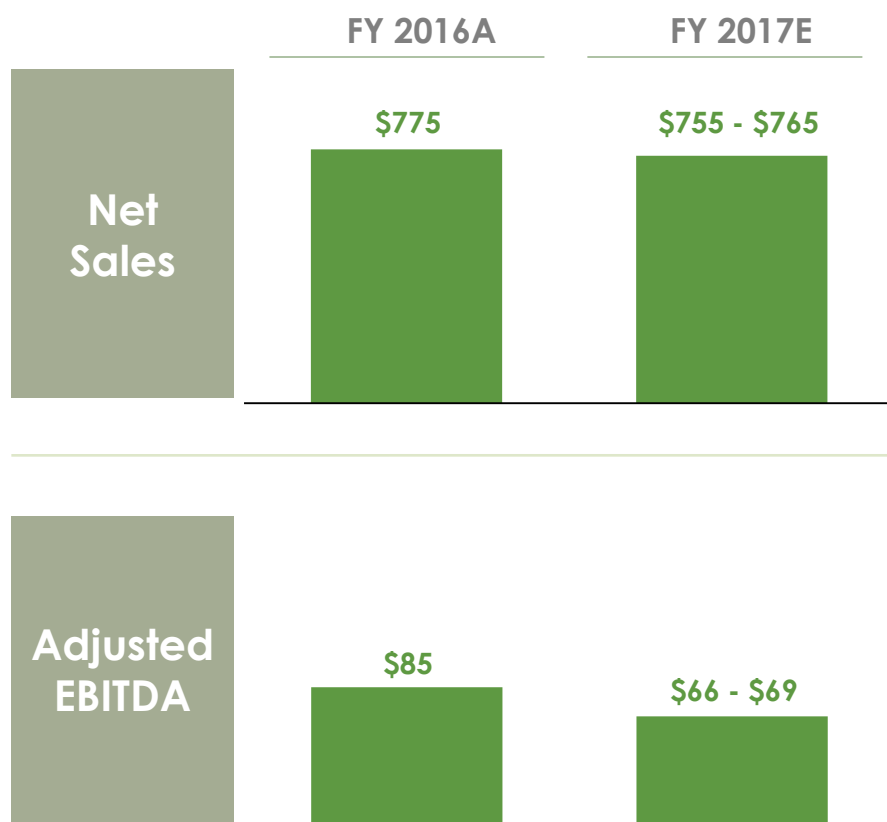
# Review of UK Positioning and Strategy



## Scale Business with Growth Potential

Key Brands	Current Positioning	Growth Strategies
	<ul style="list-style-type: none"> <li>#1 basmati rice broadening everyday use with Super Grains, Pulses &amp; Rice and Limited Edition products</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Expand geographic footprint in Europe and IMEA</b></li> <li>✓ <b>Seek new customers and sales channels</b></li> <li>✓ <b>Continue product innovation</b></li> <li>✓ <b>Pursue local manufacturing in the UK</b></li> </ul>
	<ul style="list-style-type: none"> <li>#1 baby food in the UK</li> <li>Growing food and snacks product lines for kids and toddlers</li> </ul>	
  	<ul style="list-style-type: none"> <li>#1 fresh soup positions in both UK and Ireland</li> <li>Growing strongly with planned launches in new channels and geographies</li> </ul>	
	<ul style="list-style-type: none"> <li>Strongly outperforming overall market with branded offerings</li> <li>Planning additional production capacity</li> </ul>	
<b>Other UK Brands</b>   	<ul style="list-style-type: none"> <li>#1 and/or fast-growing positions</li> <li>Provides scale and channel strength across the UK business</li> </ul>	
<b>Successful Global Brands</b>   	<ul style="list-style-type: none"> <li>Expansion and/or introduction of selected global brands</li> </ul>	

# UK Financial Performance and Outlook



## FY 2018E Outlook

- High single-digit net sales growth over FY 17E
- FX-related price increases successfully realized starting Q4 FY 2017
- Strong top-line contribution from Tilda® rice and Linda McCartney® meat-free
- Recovery in prepared fresh fruit and expansion of Yorkshire Provender™ chilled soups
- EBITDA expected to rebound strongly, representing double-digit growth over FY 16A levels
- Strong contribution from top-line growth
- Recovery driven by Project Terra cost savings – warehouse and manufacturing integration, and back-office consolidation



# Review of Europe Positioning and Strategy



## Fast-Growing Plant-Based Business and Achieving Scale Elsewhere

Key Brands	Current Positioning	Growth Strategies
  	<ul style="list-style-type: none"> <li>• 2<sup>nd</sup> largest volume producer of plant-based beverages</li> <li>• Leading plant-based food and desserts in health food and grocery channels</li> <li>• High-single to low double-digit growth driven by expanding channel presence and new product introductions</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Accelerate growth of branded and private label products</b></li> <li>✓ <b>Broaden household penetration through leadership in grocery and health food channels</b></li> <li>✓ <b>Continue pace of new product introductions</b></li> </ul>
 	<ul style="list-style-type: none"> <li>• Leading brands in Benelux, France and Germany in health food channels</li> <li>• Double-digit growth supported by product innovation</li> </ul>	
<p>Successful Global Brands</p>	<ul style="list-style-type: none"> <li>• Expansion and/or introduction of selected global brands</li> </ul>	

# Review of Canada Positioning and Strategy



## Business Well-Positioned to Achieve Scale

### Key Brands



- #1 meat-alternative in Canada with growing position in the U.S. market
- New product launches broaden appeal beyond vegetarian consumers



- #1 natural shampoo, conditioner and body wash in Canada
- Expanding product lines and geographic footprint



- Support small brands with Hain infrastructure and dedicated sales and R&D



- #1 branded frozen fruit
- Growing presence in various Canadian regions

### Successful Global Brands

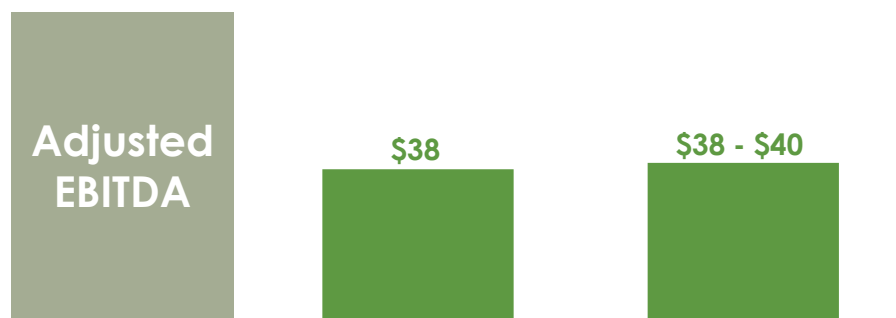
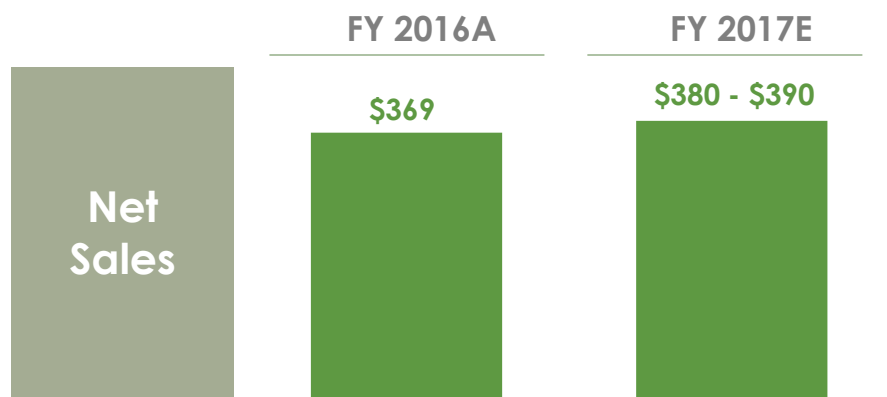


- Expansion and/or introduction of selected global brands

### Growth Strategies

- ✓ **Streamline portfolio toward top-selling products**
- ✓ **Leverage production capacity in personal care products**
- ✓ **Reposition Cultivate portfolio through brand investments and new leadership**

# ROW Financial Performance and Outlook



## FY 2018E Outlook

- High single-digit net sales growth over FY 17E
- Low double-digit net sales growth from Europe driven by plant-based non-dairy products
- Mid single-digit net sales growth from Canada driven by Yves® and Live Clean®
- Low double-digit EBITDA growth over FY 17E
- Margin improvement driven by strong top-line growth and increased contribution from Cultivate
- Project Terra cost savings – lean practices, reduced waste and improvement, equipment effectiveness

# HPP Positioning and Strategy



## Leadership Positioning in Fast Growing Fresh Protein Category

### Business Positioning

- Innovator and disruptor in on-trend fresh, anti-biotic-free and organic poultry category
- Organic protein category growing double digits
- Creates a presence for Hain Celestial in food service, fast-casual as well as the fast growing meal-kit delivery areas



### FY 2017 Review

#### YTD 2017 challenges

- Pricing at multi-year lows from oversupply
- FreeBird plant start-up inefficiencies
- Plainville warehouse disruptions pre Thanksgiving

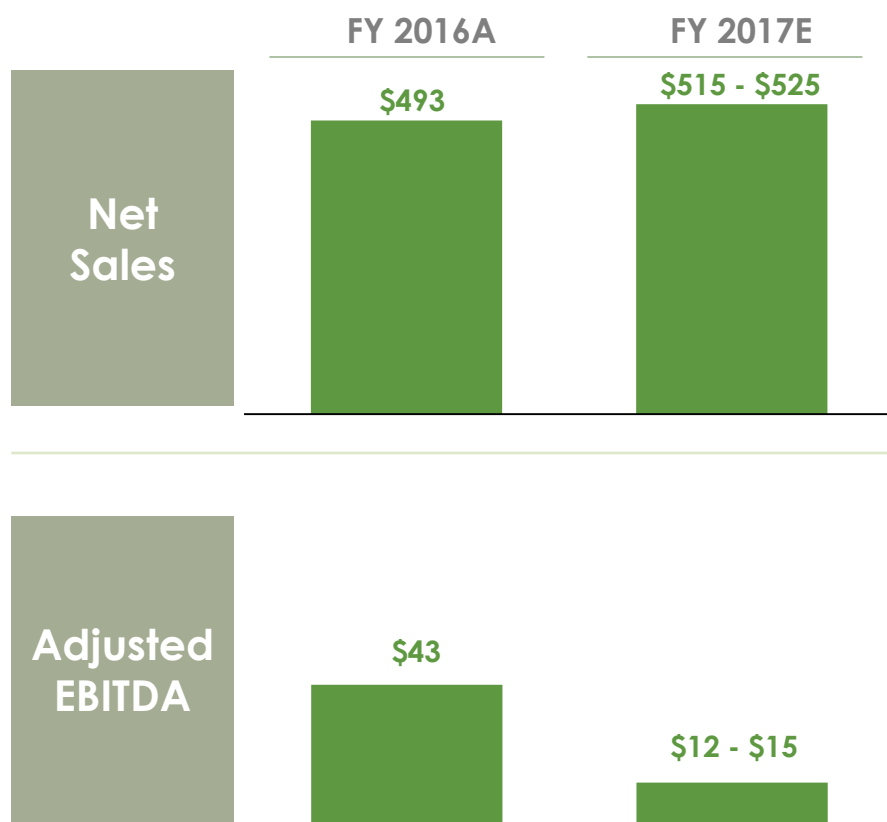
#### Expecting strong rebound starting Q4 FY 17

- New leadership with proven track record in place
- Plant start-up delays behind us
- Cost-cutting initiatives taking hold

### Growth Strategies

- Drive operational turnaround (that does not depend on pricing)
- Consolidate poultry infrastructure
- Improve mix through value-added (e.g. deli) and branded product sales
- Expand fast-casual and meal-kit delivery
- Access food service channels for other Hain Celestial products

# HPP Financial Performance and Outlook



## FY 2018E Outlook

- Low to mid single-digit net sales growth over FY 17E
- Does not assume any increases in pricing over current depressed levels – multi-year lows
- Secure advance orders for crucial holiday season
- EBITDA recovers back to FY 16 levels – without depending on price recovery
- Primarily driven by operational turnaround
  - New plant inefficiencies behind us
  - Rationalizing turkey production
  - Significant labor and cost reduction
- Q4 momentum reinforces recovery potential

# **Strategic Plan to Enhance Shareholder Value – Irwin Simon**

# Project Terra and Four-Point Strategic Plan



1 Invest in Top Brands and Capabilities to Grow Globally

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2 Expand Project Terra Cost Savings

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3 Enhanced Leadership Team to Deliver Strategic Plan

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4 Capital Allocation

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# Invest in Top Brands and Capabilities to Grow Globally



## Key Brand Resources

<p>Better-for-You Snacking</p>	
<p>Fresh Living</p>	
<p>Better-for-You Baby</p>	
<p>Better-for-You Pantry</p>	
<p>Beverages</p>	
<p>Pure Personal Care</p>	
<p>Cultivate Ventures</p>	

## Capabilities

First Mover in On-Trend Categories

Breadth of Distribution

Procurement Scale

Product Innovation

Broad Geographic Presence

Operational Expertise

M&A Execution and Integration

## Priorities

- Drive innovation through sharing of intellectual, process and go-to-market expertise across platforms
- Focus on brand-building initiatives in existing markets and continued expansion of brand footprint globally
- Leverage scale in procurement, geographies and distribution to identify on-trend, tuck-in opportunities



# Diversified, Multi-channel, Global Customer Base



# Expand Project Terra Cost Savings



Expect to realize \$350 million in cost savings through FY 2020

Reinvest savings in strategic growth initiatives

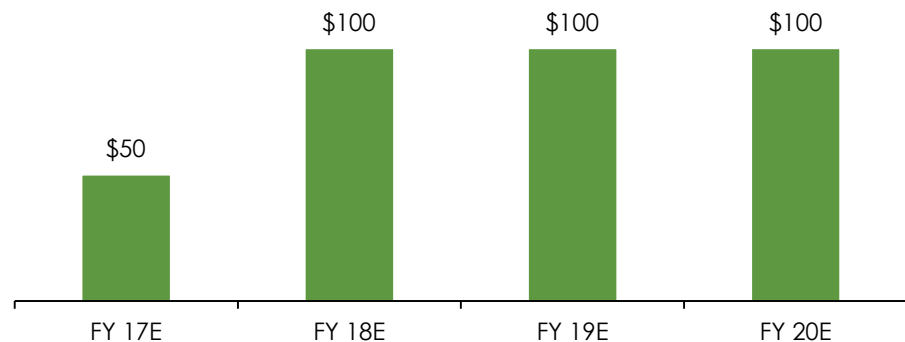
Improve operating margins

Dedicated team led by Hain Veteran John Carroll to execute on cost savings

## Global Productivity Initiatives

- **Manufacturing:** Plant productivity, co-pack savings, network optimization
- **Logistics** Sourcing and productivity improvements
- **Supply Chain:** Investments to drive efficiencies and lower costs across manufacturing, logistics and planning infrastructure

## Expected Incremental Cost Savings Timeline



# Enhanced Leadership Team to Deliver Strategic Plan



## Corporate/ Finance/ Legal

### **James Langrock**

**EVP, Chief Financial Officer**

Formerly Monster Worldwide,  
Motorola

### **John Carroll**

**EVP, Project Terra, Global  
Brands, Categories and New  
Business Ventures**

Formerly H.J. Heinz

### **Michael McGuinness**

**SVP, Chief Accounting Officer**

Formerly Monster Worldwide, Arthur  
Andersen

### **James Presser**

**SVP, Internal Audit**

Formerly Cablevision Systems,  
Arthur Andersen

### **Kristy Meringolo**

**SVP, Senior Litigation Counsel  
and Chief Compliance Officer**

Formerly Avon Products, DLA Piper

## U.S.

### **Gary Tickle**

**CEO, Hain Celestial North  
America**

Formerly Nestlé for 20+ years (U.S.  
& International)

### **Jim Meiers**

**CEO, Hain Pure Protein**

Formerly H.J. Heinz and Kraft  
Foods

### **Jeffrey Brown**

**President, Hain Pure Protein**

Formerly CEO of Empire, Ahold,  
Pennsylvania Department of  
Labor and Industry

## International

### **Mark Cuddigan**

**Managing Director,  
Ella's Kitchen**

Formerly Annabel Karmel,  
Lovedean Granola, Dormen  
Food

### **Bart Dobbelaere**

**CEO, Hain Celestial Europe**

Formerly Alpro and Campofrio  
Food Group

### **Beena Goldenberg**

**CEO, Canada and Cultivate**

Formerly Borden Foods Canada  
and Pillsbury

### **Wolfgang Goldenitsch**

**CEO, Hain Celestial Europe  
Grocery and Global Plant-  
Based Beverages**

Formerly Mona Group, Senna

### **Rajnish Ohri**

**Managing Director,**

**Tilda Hain IMEA,**

Formerly Coram, Zeus, Shriam

### **James Skidmore**

**CEO, Hain Daniels**

Formerly Orchard House Foods,  
Wellness Foods, Kerry Foods



## Investing in Highest Return Opportunities



### Review Current Portfolio

- High ROI investments in growth and productivity
- Potentially divest brands and categories that do not meet ROI targets or are no longer a strategic fit

### Pursue Strategic Bolt-on Acquisitions

- Target scale and synergies in core platforms
- Maintain pricing discipline

### Invest in Hain Celestial Opportunity

- \$250M repurchase authorization

# Corporate Governance and Shareholder Communication



## **New Lead Independent Director**

- Andrew Heyer: Appointed Lead Independent Director in May 2017

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## **Strengthen Board**

- In active discussions with accomplished executives to refresh Board of Directors

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## **Shareholder Engagement**

- Resume active dialogue with all shareholders
- Planned investor meetings

# Value Creation Algorithm



Net Sales

FY 2017E

\$2.9

FY 2018E

4 - 6%

Adjusted EBITDA

\$270 - \$275

\$350 - \$375

## Medium-Term Outlook

- **4 – 6% top-line growth**
- Mid single-digit net sales growth
- On-trend strategic acquisitions
- **9 – 11% margin growth**
- 200bps of margin expansion from operating leverage, and Project Terra cost savings

# Hain Celestial

To Create and Inspire a Healthier Way of Life™



**~\$3B<sup>1</sup>**

Worldwide Net Sales

**80+**

Countries with Products

**7,800+**

Employees

**37**

Global Manufacturing Facilities

**Leader in Authentic, On-Trend Organic, Natural and Better-For-You Brands**

**Strategic Plan to Accelerate Growth**

**Project Terra Cost Savings to Fund Growth Investments and Drive Margin Improvement**



**Increased Marketing Investment of \$40-50M Annually**

**Enhanced Leadership Team to Deliver Strategic Plan**

**Invest in Hain Celestial \$250M Share Repurchase Authorization**

Unique Pure-Play Growth Opportunity in Organic, Natural and Better-For-You Products

1. Estimated Net Sales for Fiscal Year 2017

# Summary/Q&A



# Appendix

## Reconciliation of Non-GAAP Financial Information and Revised Financial Statement



	9 Months Ended		12 Months Ended	3 Months Ended
	3/31/2017	3/31/2016	6/30/2016	6/30/2016
<b>Net Income</b>	<b>\$67,117</b>	<b>\$136,026</b>	<b>\$47,429</b>	<b>(\$88,597)</b>
Provision for income taxes	19,322	59,846	70,932	11,086
Interest expense, net	13,523	17,365	22,231	4,866
Depreciation and amortization	51,299	48,099	65,622	17,524
Equity in net loss (income) of equity method investees	(45)	108	47	(61)
Stock based compensation expense	7,519	10,005	12,688	2,683
Fixed asset impairment	-	-	3,476	3,476
Goodwill impairment	-	-	84,548	84,548
Intangibles impairment	-	-	39,724	39,724
Unrealized currency gains and losses	(1,486)	7,090	14,831	7,739
<b>EBITDA</b>	<b>\$157,249</b>	<b>\$278,539</b>	<b>\$361,528</b>	<b>\$82,988</b>
Acquisition related fees and expenses	3,599	10,239	12,393	\$2,156
Contingent consideration expense, net	-	1,511	1,511	-
HPPC production interruption costs	-	4,111	4,705	594
Inventory costs for products discontinued or redes.	5,360	-	3,050	3,050
Costs incurred due to co-packer default	-	-	770	770
UK deferred synergies due to CMA Board decision	918	-	949	949
UK factory start-up costs	-	743	743	-
US warehouse consolidation project	-	426	623	197
Recall and other related costs	809	-	-	-
Accounting review costs	20,089	-	-	-
Litigation expenses	-	-	1,200	1,200
Celestial Seasonings marketing support	-	1,000	1,000	-
Tilda fire insurance recovery costs	-	230	342	112
Luton closure costs	1,804	-	-	-
Gain on Tilda fire related fixed asset	-	(9,013)	(9,752)	(739)
<b>Adjusted EBITDA</b>	<b>\$189,828</b>	<b>\$287,786</b>	<b>\$379,062</b>	<b>\$91,277</b>

Refer to footnote 2, Correction of Immaterial Errors to Prior Period Financial Statements, of the Form 10-K for the Fiscal Year ended June 30, 2016 for reconciliation of previously reported to revised financials

# Appendix

## Reconciliation of Non-GAAP Financial Information and Revised Financial Statements



	Nine Months Ended	
	3/31/2017	3/31/2016
<b>Earnings per diluted share - GAAP</b>	<b>\$0.64</b>	<b>\$1.31</b>
Acquisition related fees and expenses	0.02	0.07
Accounting review costs	0.14	-
Inventory costs for products discontinued or redes.	0.04	-
HPP chiller breakdown related costs	-	0.02
UK factory start-up costs	-	0.01
Luton closure costs	0.01	-
Celestial marketing campaign costs	-	0.01
Unrealized currency impacts	(0.01)	0.05
Gain on insurance recovery on Tilda purchases	-	(0.06)
UK tax rate change impact on deferred taxes	(0.06)	-
Other adjustments	0.01	0.01
<b>Earnings per diluted share - Non-GAAP</b>	<b>\$0.79</b>	<b>\$1.42</b>

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# Appendix

## Reconciliation of Non-GAAP Financial Information and Revised Financial Statements



	Three Months Ended 6/30/2016
<b>Earnings per diluted share - GAAP</b>	<b>(\$0.86)</b>
Goodwill impairment	0.80
Intangibles impairment	0.30
Acquisition related fees and expenses	0.01
Fixed asset impairment	0.03
Inventory costs for products discontinued or redes.	0.02
Litigation expenses	0.01
Unrealized currency impacts	0.09
Uncertain tax position reserve	0.01
Other adjustments	0.02
<b>Earnings per diluted share - Non-GAAP</b>	<b>\$0.43</b>

# Appendix

## Reconciliation of Non-GAAP Financial Information and Revised Financial Statements



	Twelve Months Ended	
	6/30/2016	6/30/2015
<b>Earnings per diluted share - GAAP</b>	<b>\$0.46</b>	<b>\$1.60</b>
Goodwill impairment	0.81	-
Intangibles impairment	0.30	-
Acquisition related fees and expenses	0.08	0.09
Fixed asset impairment	0.03	0.01
Contingent consideration expense	0.01	-
Nut butter recall	-	0.20
European non-dairy beverage withdrawal	-	0.02
Inventory costs for products discontinued or redes.	0.02	-
HPP chiller breakdown related costs	0.03	-
UK factory start-up costs	0.01	0.09
Litigation expenses	0.01	0.04
Celestial marketing campaign	0.01	-
Unrealized currency impacts	0.17	0.05
Gain on insurance recovery on Tilda	(0.06)	-
Gain on pre-existing investment in HPPC and Empire	-	(0.07)
UK tax rate change impact on deferred taxes	(0.02)	(0.20)
Other adjustments	(0.01)	-
<b>Earnings per diluted share - Non-GAAP</b>	<b>\$1.85</b>	<b>\$1.83</b>

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# Appendix

## Reconciliation of Non-GAAP Financial Information and Revised Financial Statements



	Twelve Months Ended <u>6/30/2014</u>
<b>Earnings per diluted share - GAAP</b>	<b>\$1.30</b>
Discontinued net income per diluted share	(0.02)
Earnings per diluted share from continuing operations - GAAP	1.32
Intangibles impairment	0.05
Acquisition related fees and expenses	0.13
Contingent consideration expense	(0.04)
Fixed asset impairment	0.01
Nut butter recall	0.04
Factory start-up costs	0.04
Litigation expenses	0.01
Unrealized currency impacts	(0.03)
Other adjustments	(0.02)
<b>Earnings per diluted share from continuing operations - Non-GAAP</b>	<b>\$1.51</b>

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# Appendix

## Reconciliation of Non-GAAP Financial Information and Revised Financial Statements



	9 Months Ended									
	3/31/2017									
	United States		United Kingdom		Hain Pure Protein		Rest of World		Total	
Change in net sales	(\$60,427)	(6.4%)	\$15,272	2.7%	\$7,954	2.1%	\$17,400	6.5%	(\$19,801)	(0.9%)
Impact of foreign currency exchange	11,132	1.2%	84,359	15.1%	-	0.0%	660	0.3%	96,150	4.5%
<b>Change in net sales on a constant-currency basis</b>	<b>(\$49,295)</b>	<b>(5.2%)</b>	<b>\$99,631</b>	<b>17.8%</b>	<b>\$7,954</b>	<b>2.1%</b>	<b>\$18,060</b>	<b>6.8%</b>	<b>\$76,349</b>	<b>3.6%</b>
3/31/17 YTD Sales	\$882,273		\$573,542		\$387,412		\$284,799		\$2,128,026	
Impact of foreign currency exchange	11,132		84,359		-		660		96,150	
<b>3/31/17 YTD sales on a constant-currency basis</b>	<b>\$893,405</b>		<b>\$657,901</b>		<b>\$387,412</b>		<b>\$285,459</b>		<b>\$2,224,176</b>	
March 31, 2016 YTD Sales	\$942,700		\$558,269		\$379,459		\$267,399		\$2,147,827	
% Change from 2016	(5.2%)		17.8%		2.1%		6.8%		3.6%	

	United States	United Kingdom	Hain Pure Protein	Rest of World	Total
<b>Twelve months ended 06/30/16</b>					
Net Sales As Reported	\$1,321,547	\$774,877	\$492,510	\$296,440	\$2,885,374
Reorganization	(72,424)	-	-	72,424	-
<b>Net Sales As Reported Including Reorganization</b>	<b>\$1,249,123</b>	<b>\$774,877</b>	<b>\$492,510</b>	<b>\$368,864</b>	<b>\$2,885,374</b>

# Appendix

## Reconciliation of Non-GAAP Financial Information and Revised Financial Statements



	Twelve Months Ended June 30, 2016			
	US	UK	ROW	HPP
<b>EBITDA</b>	<b>\$221,689</b>	<b>\$92,889</b>	<b>\$36,597</b>	<b>\$38,351</b>
Acquisition related fees and expenses	641	48	908	245
Contingent consideration expense, net	-	-	-	-
HPPC production interruption costs	-	-	-	4,705
Inventory costs for products discontinued or with redes.	3,050	-	-	-
Costs incurred due to co-packer default	770	-	-	-
UK deferred synergies due to CMA Board decision	-	949	-	-
UK factory start-up costs	-	743	-	-
US warehouse consolidation project	623	-	-	-
Litigation expenses	-	-	-	-
Celestial Seasonings marketing support costs	1,000	-	-	-
Tilda fire insurance recovery costs	-	342	-	-
Gain on Tilda fire related fixed asset	-	(9,752)	-	-
<b>Adjusted EBITDA</b>	<b>\$227,773</b>	<b>\$85,219</b>	<b>\$37,505</b>	<b>\$43,301</b>