## Hain Celestial Reports First Quarter Fiscal Year 2022 Financial Results

November 9, 2021

**Better than Expected First Quarter Net Sales of $454.9 million versus Previous Guidance**
**First Quarter GAAP EPS of $0.20 and Adjusted EPS of $0.25**
**Company Reaffirms Full Fiscal Year 2022 Guidance**

LAKE SUCCESS, N.Y., Nov. 9, 2021 /PRNewswire/ -- The Hain Celestial Group, Inc. (Nasdaq: HAIN) ("Hain Celestial", "Hain" or the "Company"), a leading organic and natural products company with operations in North America, Europe, Asia and the Middle East providing consumers with A Healthier Way of Life®, today reported financial results for the first quarter ended September 30, 2021.

Mark L. Schiller, Hain Celestial's President and Chief Executive Officer, commented, "We are pleased to have delivered better top line and bottom line first quarter performance than our guidance as we navigated a challenging operating environment affected by industry-wide inflation and labor challenges. In September, we held our Investor Day, during which we shared our Hain 3.0 vision and strategy for the next several years at Hain, focused on building a global healthy food and beverage company with industry-leading top line growth. We believe that we are well positioned for the future, and we expect another strong year as we continue to create shareholder value."

**FINANCIAL HIGHLIGHTS***

**Summary of First Quarter Results from Continuing Operations**

- Net sales decreased 9% to $454.9 million, or 11% on a constant currency basis, compared to the prior year period.
- When adjusted for foreign exchange, divestitures and discontinued brands, net sales were flat compared to the prior year period.
- Gross margin of 23.2%, a 72 basis point decrease from the prior year period.
- Adjusted gross margin of 23.9%, a 24 basis point decrease from the prior year period.
- Operating income of $25.5 million compared $3.3 million in the prior year period.
- Adjusted operating income of $34.3 million compared to $38.8 million in the prior year period.
- Net income of $19.4 million compared to a net loss of $10.8 million in the prior year period.
- Adjusted net income of $23.8 million compared to $27.4 million in prior year period.
- Adjusted EBITDA of $47.3 million compared to $54.9 million in the prior year period.
- Adjusted EBITDA margin of 10.4%, a 61 basis point decrease compared to the prior year period.
- Earnings per diluted share ("EPS") of $0.20 compared to a loss of $0.11 in the prior year period.
- Adjusted EPS of $0.25 compared to $0.27 in the prior year period.
- Repurchased 4.5 million shares, or 4.6% of the outstanding common stock, at an average price of $38.80 per share.

**SEGMENT HIGHLIGHTS FROM CONTINUING OPERATIONS**

The Company operates under two reportable segments: North America and International.

**North America**
North America net sales in the first quarter were $265.5 million, a decrease of 5% compared to the prior year period. When adjusted for foreign exchange, divestitures and discontinued brands, net sales decreased 1% from the prior year period.

Segment gross profit in the first quarter was $56.8 million, a 24% decrease from the prior year period. Adjusted gross profit was $59.2 million, a decrease of 22% from the prior year period. Gross margin was 21.4%, a 533 basis point decrease from the prior year period, and adjusted gross margin was 22.3%, a 476 basis point decrease from the prior year period.

Segment operating income in the first quarter was $16.8 million, a 49% decrease from the prior year period. Adjusted operating income was $20.5 million, a 41% decrease from the prior year period.

Adjusted EBITDA in the first quarter was $24.1 million, a 38% decrease from the prior year period. As a percentage of sales, North America adjusted EBITDA margin was 9.1%, a 486 basis point decrease from the prior year period.

**International**
International net sales in the first quarter were $189.4 million, a decrease of 13% compared to the prior year period. When adjusted for foreign exchange, divestitures and discontinued brands, net sales increased 2% compared to the prior year period.

Segment gross profit in the first quarter was $48.6 million, a 10% increase from the prior year period. Adjusted gross profit was $49.5 million, an increase of 11% from the prior year period. Gross margin was 25.7%, a 541 basis point increase from the prior year period, and adjusted gross margin was 26.1%, a 576 basis point increase from the prior year period.

Segment operating income in the first quarter was $24.1 million, compared to a loss of $15.9 million in the prior year period. Adjusted operating income was $25.2 million, an increase of 46% from the prior year period.

Adjusted EBITDA in the first quarter was $32.4 million, a 21% increase from the prior year period. As a percentage of sales, International adjusted EBITDA margin was 17.1%, a 487 basis point increase from the prior year period.

**CAPITAL MANAGEMENT**

As previously disclosed, the Board of Directors of the Company approved an additional $300 million share repurchase authorization in August 2021. Share repurchases under the 2021 authorization commenced in August 2021, after the 2017 authorization was fully utilized. The extent to which the Company repurchases its shares and the timing of such repurchases will be at the Company's discretion and will depend upon market conditions and other corporate considerations. Repurchases may be made from time to time in the open market, pursuant to pre-set trading plans, in private transactions or otherwise.

During the first quarter of fiscal year 2022, the Company repurchased 4.5 million shares, or 4.6% of the outstanding common stock, at an average price of $38.80 per share for a total of $175.6 million, excluding commissions. As of September 30, 2021, the Company had $206.8 million remaining under the 2021 authorization.

**FISCAL YEAR 2022 GUIDANCE**

For full fiscal year 2022, compared to fiscal year 2021, the Company continues to expect:

- Low single digit adjusted net sales growth,
- Modest adjusted gross margin expansion, and
- Mid to high single digit adjusted EBITDA growth.

Given the elevated demand during the first half of fiscal year 2021 from the COVID-19 pandemic, a highly inflationary current environment and the timing of the price increase, among other factors, the Company expects:

- Net sales to be down low single digit on an adjusted basis in the first half of fiscal year 2022 and up by mid to high single digit in the second half, and
- Adjusted EBITDA to be down mid-single digit in the first half of fiscal year 2022 and up low double digits in the second half.

Notes: Adjusted net sales is defined as adjusted for the impact of foreign currency changes, divestitures and discontinued brands. All references in this "Fiscal Year 2022 Guidance" section to growth or declines in adjusted net sales or adjusted EBITDA compared to a prior period represent percentage growth or percentage decline.

**Conference Call and Webcast Information**
Hain Celestial will host a conference call and webcast today at 8:00 AM Eastern Time to discuss its results and business outlook. Investors interested in participating in the live call can dial 855-327-6837 from the U.S. and 631-891-4304 internationally. The call will be webcast and the accompanying presentation will be available under the Investor Relations section of the Company's website at www.hain.com.

**About The Hain Celestial Group, Inc.**
The Hain Celestial Group (Nasdaq: HAIN), headquartered in Lake Success, NY, is a leading organic and natural products company with operations in North America, Europe, Asia and the Middle East. Hain Celestial participates in many natural categories with well-known brands that include Celestial Seasonings®, Clarks™, Cully & Sully®, Earth's Best®, Ella's Kitchen®, Frank Cooper's®, Gale's®, Garden of Eatin'®, Hain Pure Foods®, Hartley's®, Health Valley®, Imagine®, Joya®, Lima®, Linda McCartney's® (under license), MaraNatha®, Natumi®, New Covent Garden Soup Co.®, Robertson's®, Rose's® (under license), Sensible Portions®, Spectrum®, Sun-Pat®, Terra®, The Greek Gods®, Yorkshire Provender® and Yves Veggie Cuisine®. The Company's personal care products are marketed under the Alba Botanica®, Avalon Organics®, JASON®, Live Clean® and Queen Helene® brands.

**Forward-Looking Statements**
This press release contains forward-looking statements within the meaning of safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, our results may differ materially from those expressed or implied by such forward-looking statements. The words "believe," "expect," "anticipate," "may," "should," "plan," "intend," "potential," "will" and similar expressions are intended to identify such forward-looking statements. Forward-looking statements include, among other things, our beliefs or expectations relating to our future performance, results of operations and financial condition; our strategic initiatives, business strategy, supply chain, brand portfolio and product performance; the COVID-19 pandemic; current or future macroeconomic trends; and future corporate acquisitions or dispositions.

Risks and uncertainties that may cause actual results to differ materially from forward-looking statements include: challenges and uncertainty resulting from the impact of competition; challenges and uncertainty resulting from the COVID-19 pandemic; our ability to manage our supply chain effectively; disruption of operations at our manufacturing facilities; reliance on independent contract manufacturers; changes to consumer preferences; customer concentration; reliance on independent distributors; the availability of organic ingredients; risks associated with our international sales and operations; risks associated with outsourcing arrangements; our ability to execute our cost reduction initiatives and related strategic initiatives; our reliance on independent certification for a number of our products; the reputation of our Company and our brands; our ability to use and protect trademarks; general economic conditions; input cost inflation; the United Kingdom's exit from the European Union; cybersecurity incidents; disruptions to information technology systems; the impact of climate change; liabilities, claims or regulatory change with respect to environmental matters; potential liability if our products cause illness or physical harm; the highly regulated environment in which we operate; pending and future litigation; compliance with data privacy laws; compliance with our credit agreement; the discontinuation of LIBOR; concentration in the ownership of our common stock; our ability to issue preferred stock; the adequacy of our insurance coverage; impairments in the carrying value of goodwill or other intangible assets; and other risks and matters described in our most recent Annual Report on Form 10-K and our other filings from time to time with the U.S. Securities and Exchange Commission.

We undertake no obligation to update forward-looking statements to reflect actual results or changes in assumptions or circumstances, except as required by applicable law.

**Non-GAAP Financial Measures**
This press release and the accompanying tables include non-GAAP financial measures, including, among others, adjusted operating income and its related margin, adjusted gross profit and its related 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 operating free cash flow. The reconciliations of these non-GAAP financial measures to the comparable GAAP financial measures are provided herein in the tables. 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 Statements of Operations and Cash Flows presented in accordance with GAAP.

Certain forward-looking non-GAAP financial measures included in this press release are not reconciled to the comparable forward-looking GAAP financial measures. The Company is not able to reconcile these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures without unreasonable efforts because the Company is unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact GAAP measures but would not impact the non-GAAP measures. Such items may include litigation and related expenses, transaction costs associated with acquisitions and divestitures, productivity and transformation costs, impairments, gains or losses on sales of assets and businesses, foreign exchange movements and other items. The unavailable information could have a significant impact on the Company's GAAP financial results.

The Company believes presenting net sales at constant currency provides useful information to investors because it provides transparency to underlying performance in the Company's consolidated net sales by excluding the effect that foreign currency exchange rate fluctuations have on period-to-period comparability given the volatility in foreign currency exchange markets. To present this information for historical periods, current period net sales for entities reporting in currencies other than the U.S. dollar 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.

The Company provides net sales adjusted for the impact of foreign currency, divestitures and discontinued brands to understand the growth rate of net sales excluding the impact of such items. The Company's management believes net sales adjusted for such items is useful to investors because it enables them to better understand the growth of our business from period-to-period.

The Company defines adjusted EBITDA as net income (loss) before income taxes, net interest expense, depreciation and amortization, equity in net loss of equity-method investees, stock-based compensation, unrealized currency gains and losses, transaction costs associated with acquisitions and divestitures, productivity and transformation costs, proceeds from an insurance claim, impairment of long-lived assets, warehouse and manufacturing consolidation and other costs, gains or losses on sales of assets and businesses, litigation and related expenses, plant closure related costs, inventory write-downs and other adjustments. The Company's management believes that these presentations provide useful information to management, analysts and investors regarding certain additional financial and business trends relating to its results of operations and financial condition. In addition, management uses these measures for reviewing the financial results of the Company as well as a component of performance-based executive compensation.

The Company defines operating free cash flow as cash provided by or used in operating activities from continuing operations (a GAAP measure) less purchases of property, plant and equipment. The Company views operating free cash flow as an important measure because it is one factor in evaluating the amount of cash available for discretionary investments.

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* Notes:

(1) The results contained in this press release are presented with the Tilda operating segment being treated as discontinued operations. Unless otherwise noted, all results included in this press release are from continuing operations.

(2) This press release includes certain non-GAAP financial measures, which are intended to supplement, not substitute for, comparable GAAP financial measures. Reconciliations of non-GAAP financial measures to GAAP financial measures and other non-GAAP financial calculations are provided in the tables included in this press release.

**THE HAIN CELESTIAL GROUP, INC.**
**Consolidated Balance Sheets**
(unaudited and in thousands)

| | September 30, 2021 | June 30, 2021 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 28,962 | $ 75,871 |
| Accounts receivable, net | 181,048 | 174,066 |
| Inventories | 280,176 | 285,410 |
| Prepaid expenses and other current assets | 38,496 | 39,834 |
| Assets held for sale | 3,642 | 1,874 |
| Total current assets | 532,324 | 577,055 |
| Property, plant and equipment, net | 312,426 | 312,777 |
| Goodwill | 863,348 | 871,067 |
| Trademarks and other intangible assets, net | 308,588 | 314,895 |
| Investments and joint ventures | 16,718 | 16,917 |
| Operating lease right-of-use assets, net | 88,387 | 92,010 |
| Other assets | 20,474 | 21,187 |
| Total assets | $ 2,142,265 | $ 2,205,908 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 172,733 | $ 171,947 |
| Accrued expenses and other current liabilities | 123,296 | 117,957 |
| Current portion of long-term debt | 335 | 530 |
| Total current liabilities | 296,364 | 290,434 |
| Long-term debt, less current portion | 345,414 | 230,492 |
| Deferred income taxes | 40,345 | 42,639 |
| Operating lease liabilities, noncurrent portion | 82,176 | 85,929 |
| Other noncurrent liabilities | 29,210 | 33,531 |
| Total liabilities | 793,509 | 683,025 |
| Total stockholders' equity | 1,348,756 | 1,522,883 |
| Total liabilities and stockholders' equity | $ 2,142,265 | $ 2,205,908 |

**THE HAIN CELESTIAL GROUP, INC.**
**Consolidated Statements of Operations**
(unaudited and in thousands, except per share amounts)

| | First Quarter | |
|---|---|---|
| | 2022 | 2021 |
| Net sales | $ 454,903 | $ 498,627 |
| Cost of sales | 349,485 | 379,463 |
| Gross profit | 105,418 | 119,164 |
| Selling, general and administrative expenses | 73,989 | 79,521 |
| Amortization of acquired intangible assets | 2,095 | 2,433 |
| Productivity and transformation costs | 3,983 | 1,433 |
| Proceeds from insurance claim | (196) | - |
| Long-lived asset impairment | - | 32,497 |
| Operating income | 25,547 | 3,280 |
| Interest and other financing expense, net | 1,856 | 2,453 |
| Other income, net | (788) | (1,373) |
| Income from continuing operations before income taxes and equity in net loss of equity-method investees | 24,479 | 2,200 |
| Provision for income taxes | 4,542 | 12,962 |
| Equity in net loss of equity-method investees | 526 | 19 |
| Net income (loss) from continuing operations | $ 19,411 | $ (10,781) |
| Net income from discontinued operations, net of tax | - | 11,266 |
| Net income | $ 19,411 | $ 485 |
| | | |
| Net income (loss) per common share: | | |
| Basic net income (loss) per common share from continuing operations | $ 0.20 | $ (0.11) |
| Basic net income per common share from discontinued operations | - | 0.11 |
| Basic net income per common share | $ 0.20 | $ - |
| | | |
| Diluted net income (loss) per common share from continuing operations | $ 0.20 | $ (0.11) |
| Diluted net income per common share from discontinued operations | - | 0.11 |
| Diluted net income per common share | $ 0.20 | $ - |
| | | |
| Shares used in the calculation of net income (loss) per common share: | | |
| Basic | 97,121 | 101,558 |
| Diluted | 97,438 | 101,558 |

**THE HAIN CELESTIAL GROUP, INC.**
**Consolidated Statements of Cash Flows**
(unaudited and in thousands)

| | First Quarter | |
|---|---|---|
| | 2022 | 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | $ 19,411 | $ 485 |
| Net income from discontinued operations, net of tax | - | 11,266 |
| Net income (loss) from continuing operations | 19,411 | (10,781) |
| Adjustments to reconcile net income (loss) from continuing operations to net cash provided by operating activities from continuing operations: | | |
| Depreciation and amortization | 10,855 | 13,761 |
| Deferred income taxes | (2,105) | (930) |
| Equity in net loss of equity-method investees | 526 | 19 |
| Stock-based compensation | 4,287 | 4,367 |
| Long-lived asset impairment | - | 32,497 |
| Gain on sale of assets | (276) | - |
| Gain on sale of businesses | - | (620) |
| Other non-cash items, net | (1,093) | (1,047) |
| (Decrease) increase in cash attributable to changes in operating assets and liabilities: | | |
| Accounts receivable | (9,443) | (3,575) |
| Inventories | 2,277 | (44,962) |
| Other current assets | 900 | 37,869 |
| Other assets and liabilities | (1,566) | (1,541) |
| Accounts payable and accrued expenses | 13,813 | 15,612 |
| Net cash provided by operating activities from continuing operations | 37,586 | 40,669 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property, plant and equipment | (17,810) | (12,155) |
| Investment in joint venture | (408) | - |
| Proceeds from sale of assets | 164 | - |
| Proceeds from sale of businesses, net and other | - | 4,427 |
| Net cash used in investing activities from continuing operations | (18,054) | (7,728) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Borrowings under bank revolving credit facility | 120,000 | 55,000 |
| Repayments under bank revolving credit facility | (5,000) | (47,000) |
| Repayments of other debt, net | (237) | (1,439) |
| Share repurchases | (177,103) | (42,052) |
| Shares withheld for payment of employee payroll taxes | (1,175) | (468) |
| Net cash used in financing activities from continuing operations | (63,515) | (35,959) |
| Effect of exchange rate changes on cash from continuing operations | (2,926) | 2,500 |
| Net decrease in cash and cash equivalents | (46,909) | (518) |
| Cash and cash equivalents at beginning of period | 75,871 | 37,771 |
| Cash and cash equivalents at end of period | $ 28,962 | $ 37,253 |

**THE HAIN CELESTIAL GROUP, INC.**
**Net Sales, Gross Profit and Operating Income (Loss) by Segment**
(unaudited and in thousands)

| | North America | International | Corporate/Other | Hain Consolidated |
|---|---|---|---|---|
| **Net Sales** | | | | |
| Net sales - Q1 FY22 | $ 265,525 | $ 189,378 | $ - | $ 454,903 |
| Net sales - Q1 FY21 | $ 280,668 | $ 217,959 | $ - | $ 498,627 |
| % change - FY22 net sales vs. FY21 net sales | (5.4)% | (13.1)% | | (8.8)% |
| | | | | |
| **Gross Profit** | | | | |
| Q1 FY22 | | | | |
| Gross profit | $ 56,809 | $ 48,609 | $ - | $ 105,418 |
| Non-GAAP adjustments(1) | 2,410 | 875 | - | 3,285 |
| Adjusted gross profit | $ 59,219 | $ 49,484 | $ - | $ 108,703 |
| Gross margin | 21.4% | 25.7% | | 23.2% |
| Adjusted gross margin | 22.3% | 26.1% | | 23.9% |
| | | | | |
| Q1 FY21 | | | | |
| Gross profit | $ 75,015 | $ 44,149 | $ - | $ 119,164 |
| Non-GAAP adjustments(1) | 933 | 240 | - | 1,173 |
| Adjusted gross profit | $ 75,948 | $ 44,389 | $ - | $ 120,337 |
| Gross margin | 26.7% | 20.3% | | 23.9% |
| Adjusted gross margin | 27.1% | 20.4% | | 24.1% |
| | | | | |
| **Operating income (loss)** | | | | |
| Q1 FY22 | | | | |
| Operating income (loss) | $ 16,842 | $ 24,069 | $ (15,364) | $ 25,547 |
| Non-GAAP adjustments(1) | 3,695 | 1,176 | 3,926 | 8,797 |
| Adjusted operating income (loss) | $ 20,537 | $ 25,245 | $ (11,438) | $ 34,344 |
| Operating income margin | 6.3% | 12.7% | | 5.6% |
| Adjusted operating income margin | 7.7% | 13.3% | | 7.5% |
| | | | | |
| Q1 FY21 | | | | |
| Operating income (loss) | $ 33,256 | $ (15,889) | $ (14,087) | $ 3,280 |
| Non-GAAP adjustments(1) | 1,488 | 33,194 | 805 | 35,487 |
| Adjusted operating income (loss) | $ 34,744 | $ 17,305 | $ (13,282) | $ 38,767 |
| Operating income (loss) margin | 11.8% | (7.3)% | | 0.7% |
| Adjusted operating income margin | 12.4% | 7.9% | | 7.8% |

*(1)See accompanying table "Adjusted Gross Profit, Adjusted Operating Income, Adjusted Net Income and Adjusted EPS"*

**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)

| | First Quarter | | | | | |
|---|---|---|---|---|---|---|
| | 2022 GAAP | Adjustments | 2022 Adjusted | 2021 GAAP | Adjustments | 2021 Adjusted |
| Net sales | $ 454,903 | $ - | $ 454,903 | $ 498,627 | $ - | $ 498,627 |
| Cost of sales | 349,485 | (3,285) | 346,200 | 379,463 | (1,173) | 378,290 |
| Gross profit | 105,418 | 3,285 | 108,703 | 119,164 | 1,173 | 120,337 |
| Operating expenses(a) | 76,084 | (1,725) | 74,359 | 114,451 | (32,881) | 81,570 |
| Productivity and transformation costs | 3,983 | (3,983) | - | 1,433 | (1,433) | - |
| Proceeds from insurance claim | (196) | 196 | - | - | - | - |
| Operating income | 25,547 | 8,797 | 34,344 | 3,280 | 35,487 | 38,767 |
| Interest and other expense (income), net(b) | 1,068 | 1,469 | 2,537 | 1,080 | 1,822 | 2,902 |
| Provision (benefit) for income taxes | 4,542 | 2,910 | 7,452 | 12,962 | (4,562) | 8,400 |
| Net income (loss) from continuing operations | 19,411 | 4,418 | 23,829 | (10,781) | 38,227 | 27,446 |
| Net income (loss) from discontinued operations, net of tax | - | - | - | 11,266 | (11,266) | - |
| Net income | 19,411 | 4,418 | 23,829 | 485 | 26,961 | 27,446 |
| | | | | | | |
| Diluted net income (loss) per common share from continuing operations | 0.20 | 0.05 | 0.25 | (0.11) | 0.38 | 0.27 |
| Diluted net income (loss) per common share from discontinued operations | - | - | - | 0.11 | (0.11) | - |
| Diluted net income per common share | 0.20 | 0.05 | 0.25 | - | 0.27 | 0.27 |

Detail of Adjustments:

| | Q1 FY22 | Q1 FY21 |
|---|---|---|
| Inventory write-down | $ - | $ 204 |
| Plant closure related costs | 996 | 579 |
| Warehouse/manufacturing consolidation and other costs | 2,289 | 390 |
| Cost of sales | 3,285 | 1,173 |
| | | |
| Gross profit | 3,285 | 1,173 |
| | | |
| Acquisitions & divestitures transaction costs, net | (231) | 369 |
| Litigation expenses | 1,956 | - |
| Long-lived asset impairment | - | 32,497 |

| | | |
|---|---|---|
| Plant closure related costs | - | 15 |
| Operating expenses[a] | 1,725 | 32,881 |
| Productivity and transformation costs | 3,983 | 1,433 |
| Productivity and transformation costs | 3,983 | 1,433 |
| Proceeds from insurance claim | (196) | - |
| Proceeds from insurance claim | (196) | - |
| Operating income | 8,797 | 35,487 |
| Gain on sale of assets | (446) | - |
| Gain on sale of businesses | - | (620) |
| Unrealized currency gains | (1,023) | (1,202) |
| Interest and other expense (income), net[b] | (1,469) | (1,822) |
| Income tax related adjustments | (2,910) | 4,562 |
| (Benefit) provision for income taxes | (2,910) | 4,562 |
| Net income from continuing operations | $ 4,418 | $ 38,227 |

[a]Operating expenses include amortization of acquired intangibles, selling, general and administrative expenses and long-lived asset impairment.

[b]Interest and other expense (income), net includes interest and other financing expenses, net, unrealized currency gains, gain on sale of assets and businesses and other expense, net.

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

| **Q1 FY22** | **North America** | **International** | **Hain Consolidated** |
|---|---|---|---|
| Net sales | $ 265,525 | $ 189,378 | $ 454,903 |
| Divestitures and discontinued brands | (178) | - | (178) |
| Impact of foreign currency exchange | (1,719) | (8,269) | (9,988) |
| Net sales on a constant currency basis adjusted for divestitures and discontinued brands | $ 263,628 | $ 181,109 | $ 444,737 |
| **Q1 FY21** | | | |
| Net sales | $ 280,668 | $ 217,959 | $ 498,627 |
| Divestitures and discontinued brands | (13,621) | (39,630) | (53,251) |
| Net sales adjusted for divestitures and discontinued brands | $ 267,047 | $ 178,329 | $ 445,376 |
| Net sales decline | (5.4)% | (13.1)% | (8.8)% |
| Impact of divestitures and discontinued brands | 4.7% | 18.5% | 10.7% |
| Impact of foreign currency exchange | (0.6)% | (3.8)% | (2.0)% |
| Net sales (decline) growth on a constant currency basis adjusted for divestitures and discontinued brands | (1.3)% | 1.6% | (0.1)% |

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

| | **First Quarter** | |
|---|---|---|
| | **2022** | **2021** |
| Net income | $ 19,411 | $ 485 |
| Net income from discontinued operations, net of tax | - | 11,266 |
| Net income (loss) from continuing operations | $ 19,411 | $ (10,781) |
| Depreciation and amortization | 10,855 | 13,761 |
| Equity in net loss of equity-method investees | 526 | 19 |
| Interest expense, net | 1,146 | 2,154 |
| Provision for income taxes | 4,542 | 12,962 |
| Stock-based compensation | 4,287 | 4,367 |
| Unrealized currency gains | (1,023) | (1,202) |
| Litigation & related costs | | |
| Litigation expenses | 1,956 | - |
| Proceeds from insurance claim | (196) | - |
| Restructuring activities | | |
| Plant closure related costs | 996 | (6) |
| Productivity and transformation costs | 3,204 | 781 |
| Warehouse/manufacturing consolidation and other costs | 2,289 | 390 |
| Acquisitions & divestitures | | |
| Acquisitions & divestitures transaction costs, net | (231) | 369 |
| Gain on sale of assets | (446) | - |
| Gain on sale of businesses | - | (620) |
| Impairment charges | | |
| Inventory write-down | - | 204 |

| | | |
|---|---|---|
| Long-lived asset impairment | - | 32,497 |
| Adjusted EBITDA | $ 47,316 | $ 54,895 |

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

| Q1 FY22 | North America | International | Corporate/Other | Hain Consolidated |
|---|---|---|---|---|
| Operating income (loss) | $ 16,842 | $ 24,069 | $ (15,364) | $ 25,547 |
| Depreciation and amortization | 3,742 | 6,410 | 703 | 10,855 |
| Stock-based compensation | 636 | 721 | 2,930 | 4,287 |
| Acquisitions & divestitures transaction costs, net | (341) | - | 110 | (231) |
| Litigation expenses | - | - | 1,956 | 1,956 |
| Proceeds from insurance claim | - | - | (196) | (196) |
| Plant closure related costs | 996 | - | - | 996 |
| Productivity and transformation costs | 1,625 | 299 | 1,280 | 3,204 |
| Warehouse/manufacturing consolidation and other costs | 1,413 | 876 | - | 2,289 |
| Other | (811) | 59 | (639) | (1,391) |
| Adjusted EBITDA | $ 24,102 | $ 32,434 | $ (9,220) | $ 47,316 |
| | | | | |
| Net sales | $ 265,525 | $ 189,378 | | $ 454,903 |
| Adjusted EBITDA margin | 9.1% | 17.1% | | 10.4% |

| Q1 FY21 | North America | International | Corporate/Other | Hain Consolidated |
|---|---|---|---|---|
| Operating income (loss) | $ 33,256 | $ (15,889) | $ (14,087) | $ 3,280 |
| Depreciation and amortization | 4,145 | 8,862 | 754 | 13,761 |
| Stock-based compensation | 864 | 675 | 2,828 | 4,367 |
| Acquisitions & divestitures transaction costs, net | (51) | 68 | 352 | 369 |
| Plant closure related costs | (57) | 51 | - | (6) |
| Productivity and transformation costs | 605 | 377 | (201) | 781 |
| Warehouse/manufacturing consolidation and other costs | 200 | 190 | - | 390 |
| Inventory write-down | 204 | - | - | 204 |
| Long-lived asset impairment | (11) | 32,508 | - | 32,497 |
| Other | (33) | (138) | (577) | (748) |
| Adjusted EBITDA | $ 39,122 | $ 26,704 | $ (10,931) | $ 54,895 |
| | | | | |
| Net sales | $ 280,668 | $ 217,959 | | $ 498,627 |
| Adjusted EBITDA margin | 13.9% | 12.3% | | 11.0% |

**THE HAIN CELESTIAL GROUP, INC.**
**Operating Free Cash Flow**
(unaudited and in thousands)

| | First Quarter | |
|---|---|---|
| | 2022 | 2021 |
| Net cash provided by operating activities from continuing operations | $ 37,586 | $ 40,669 |
| Purchases of property, plant and equipment | (17,810) | (12,155) |
| Operating free cash flow from continuing operations | $ 19,776 | $ 28,514 |

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