



First Quarter Fiscal Year 2020 Earnings Call

November 7, 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 net sales growth, adjusted gross margin, adjusted earnings per diluted share, EBITDA, and adjusted EBITDA. 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 our financial results that are presented in accordance with GAAP.

Q1 2020 Consolidated Financial Results



	Q1 2020		Q1 2019	YoY Change%	
	As Reported	Constant Currency		As Reported	Constant Currency
Net Sales	\$ 482.1	\$ 493.8	\$ 518.5	-7.0%	-4.8%
Adjusted Growth				-0.7%	
Gross Profit	97.8	99.8	88.9	10.0%	12.2%
Gross Margin %	20.3%	20.2%	17.1%		
Adjusted Gross Profit	100.6	102.6	95.8	5.1%	7.2%
Adjusted Gross Margin %	20.9%	20.8%	18.5%		
Adjusted EBITDA	32.1	33.2	28.7	11.8%	15.6%
Adjusted EPS	\$ 0.08	\$ 0.08	\$ 0.09	-11.1%	-11.1%

Note: See slide 3 for reconciliation of Adjusted Net Sales Growth to Net Sales Growth. See appendix for reconciliation of Adjusted Gross Profit to Gross Profit, Adjusted EBITDA to Net Income and Adjusted EPS to Earnings Per Diluted Share.

Q1 2020 Net Sales Growth Reconciliation



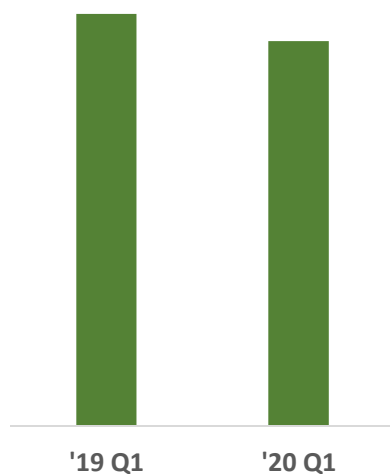
	As Reported	FX Effect	Divestitures	SKU Rat	Adjusted Growth
North America	-6.7%	0.1%	0.6%	4.7%	-1.2%
International	-7.4%	5.0%	--	2.5%	0.0%
Hain Consolidated	-7.0%	2.3%	0.4%	3.7%	-0.7%

Q1 2020 North America Segment Results

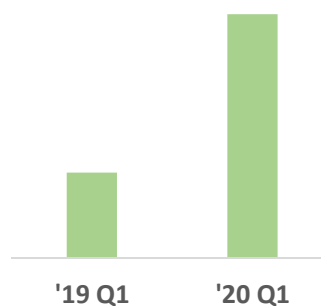


\$ in millions

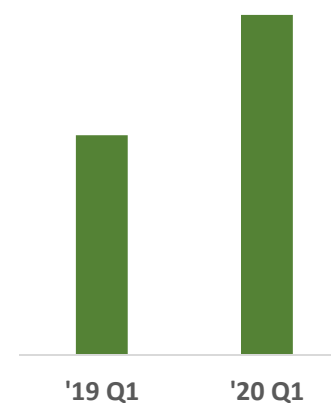
Net Sales



Adjusted Gross Profit



Adjusted EBITDA



Reported	\$291.2	\$271.7	\$55.0	\$64.1	\$15.6	\$24.0
Reported Margin			18.9%	23.6%	5.3%	8.8%
Constant Currency	\$291.2	\$272.1	\$55.0	\$64.1	\$15.6	\$24.1
Constant Currency Margin			18.9%	23.6%	5.3%	8.8%

Note: See appendix for reconciliation of Adjusted Gross Profit to Gross Profit and Adjusted EBITDA to Operating Income.

Q1 2020 International Segment Results

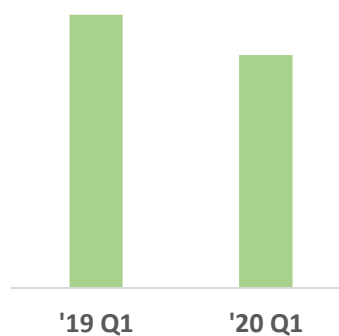


\$ in millions

Net Sales



Adjusted Gross Profit



Adjusted EBITDA



Reported	\$227.3	\$210.4	\$40.8	\$36.5	\$20.0	\$19.7
Reported Margin			18.0%	17.4%	8.8%	9.4%
Constant Currency	\$227.3	\$221.7	\$40.8	\$38.5	\$20.0	\$20.7
Constant Currency Margin			18.0%	17.4%	8.8%	9.4%

Note: See appendix for reconciliation of Adjusted Gross Profit to Gross Profit and Adjusted EBITDA to Operating Income.

Fiscal 2020 Guidance vs. 2019 Performance



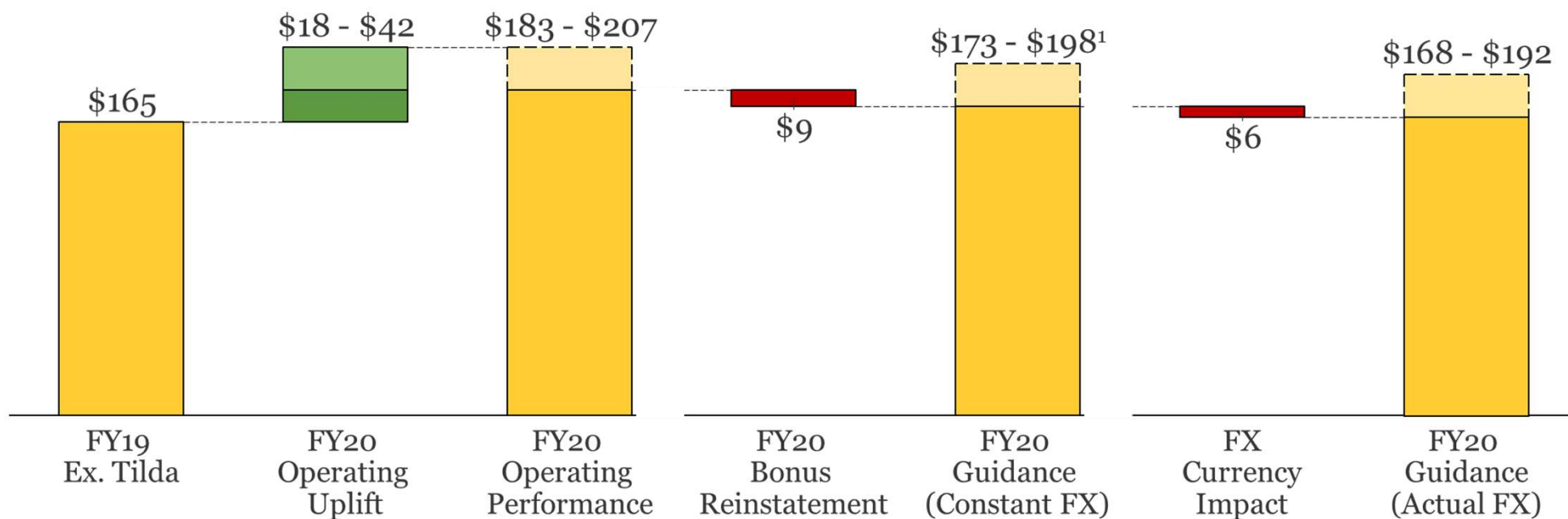
	FY '19 Reported	FY '20 Guidance	
		Constant Currency	Reported
Adjusted EBITDA	\$165 MM	\$173 - \$198 MM	\$168 - \$192 MM
Adjusted EPS	\$0.60	\$0.62 - \$0.75	\$0.59 - \$0.72

Note: See appendix for reconciliation of Adjusted EBITDA to Net Income 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)



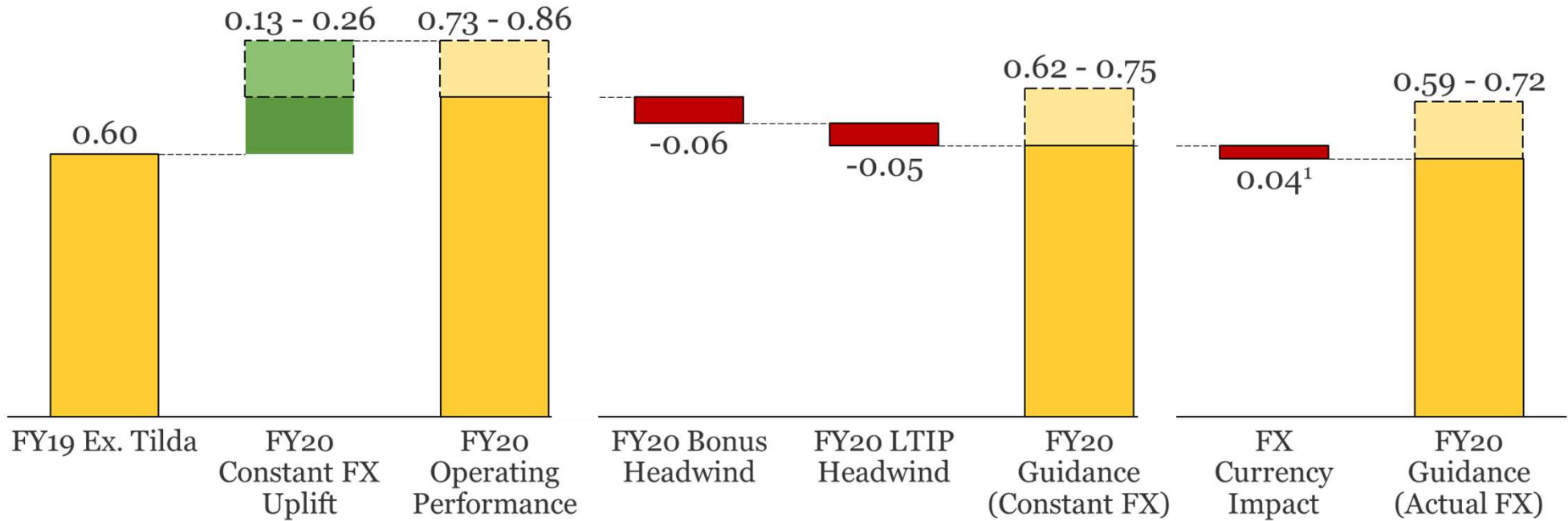
¹ Includes Rounding

Note: See appendix for reconciliation of Adjusted EBITDA to Net Income for fiscal 2019. For fiscal year 2020 the Company cannot reconcile its expected Adjusted EBITDA to Net Income 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 EPS Guidance



Adjusted EPS



1. Includes Rounding

Note: See appendix for reconciliation of Adjusted EPS to Earnings Per Diluted Share for fiscal 2019. For fiscal year 2020 the Company cannot reconcile its expected 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 Cadence: 1H vs. 2H



	2H19	1H20	2H20
Top Line Growth			
Adjusted Gross Margin			
Adjusted EBITDA Margin			



APPENDIX

Net Sales, Gross Profit and Operating Income (Loss) by Segment



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

	North America	International	Corporate/Other	Total
Net Sales				
Net sales - Three months ended 9/30/19	\$ 271,701	\$ 210,375	\$ -	\$ 482,076
Net sales - Three months ended 9/30/18	\$ 291,191	\$ 227,287	\$ -	\$ 518,478
% change - FY'20 net sales vs. FY'19 net sales	(6.7)%	(7.4)%		(7.0)%
Gross Profit				
<u>Three months ended 9/30/19</u>				
Gross profit	\$ 62,361	\$ 35,470	\$ -	\$ 97,831
Non-GAAP adjustments ⁽¹⁾	1,725	1,076	-	2,801
Adjusted gross profit	\$ 64,086	\$ 36,546	\$ -	\$ 100,632
Gross margin	23.0%	16.9%		20.3%
Adjusted gross margin	23.6%	17.4%		20.9%
<u>Three months ended 9/30/18</u>				
Gross profit	\$ 49,624	\$ 39,284	\$ -	\$ 88,908
Non-GAAP adjustments ⁽¹⁾	5,329	1,533	-	6,862
Adjusted gross profit	\$ 54,953	\$ 40,817	\$ -	\$ 95,770
Gross margin	17.0%	17.3%		17.1%
Adjusted gross margin	18.9%	18.0%		18.5%
Operating income (loss)				
<u>Three months ended 9/30/19</u>				
Operating income (loss)	\$ 15,132	\$ 9,107	\$ (21,784)	\$ 2,455
Non-GAAP adjustments ⁽¹⁾	3,896	2,344	8,222	14,462
Adjusted operating income (loss)	\$ 19,028	\$ 11,451	\$ (13,562)	\$ 16,917
Operating income margin	5.6%	4.3%		0.5%
Adjusted operating income margin	7.0%	5.4%		3.5%
<u>Three months ended 9/30/18</u>				
Operating income (loss)	\$ 4,506	\$ 5,660	\$ (38,130)	\$ (27,964)
Non-GAAP adjustments ⁽¹⁾	6,826	6,646	31,495	44,967
Adjusted operating income (loss)	\$ 11,332	\$ 12,306	\$ (6,635)	\$ 17,003
Operating income (loss) margin	1.5%	2.5%		(5.4)%
Adjusted operating income margin	3.9%	5.4%		3.3%

(1) See accompanying table of "Reconciliation of GAAP Results to Non-GAAP Measures"

Segment EBITDA and Adjusted EBITDA



THE HAIN CELESTIAL GROUP, INC.
Segment EBITDA and Adjusted EBITDA
Three Months Ended
(unaudited and dollars in thousands)

North America

	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Operating Income	\$ 15,132	\$ 4,506
Depreciation and amortization	4,348	4,275
Long-lived asset impairment	-	(7)
Other	665	(45)
EBITDA	<u>\$ 20,145</u>	<u>\$ 8,729</u>
Productivity and transformation costs	2,168	1,504
Warehouse/manufacturing facility start-up costs	1,879	4,599
Plant closure related costs	37	729
SKU rationalization	(190)	-
Adjusted EBITDA	<u>\$ 24,039</u>	<u>\$ 15,561</u>

International

	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Operating Income	\$ 9,107	\$ 5,660
Depreciation and amortization	7,926	8,172
Long-lived asset impairment	-	4,243
Other	432	(69)
EBITDA	<u>\$ 17,465</u>	<u>\$ 18,006</u>
Productivity and transformation costs	1,272	853
Plant closure related costs	795	1,099
SKU rationalization	179	-
Litigation and related expenses	-	19
Adjusted EBITDA	<u>\$ 19,711</u>	<u>\$ 19,977</u>

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)

	Three Months Ended September 30,					
	2019 GAAP	Adjustments	2019 Adjusted	2018 GAAP	Adjustments	2018 Adjusted
Net sales	\$ 482,076	-	\$ 482,076	\$ 518,478	-	\$ 518,478
Cost of sales	384,245	(2,801)	381,444	429,570	(6,862)	422,708
Gross profit	97,831	2,801	100,632	88,908	6,862	95,770
Operating expenses (a)	83,763	(48)	83,715	83,572	(4,805)	78,767
Productivity and transformation costs	14,175	(14,175)	-	10,333	(10,333)	-
Chief Executive Officer Succession Plan expense, net	-	-	-	19,553	(19,553)	-
Proceeds from insurance claims	(2,562)	2,562	-	-	-	-
Accounting review and remediation costs	-	-	-	3,414	(3,414)	-
Operating income (loss)	2,455	14,462	16,917	(27,964)	44,967	17,003
Interest and other expense (income), net (b)	7,622	(2,659)	4,963	4,914	(590)	4,324
(Benefit) provision for income taxes	(531)	3,800	3,269	(9,966)	13,467	3,501
Net (loss) income from continuing operations	(4,953)	13,321	8,368	(23,087)	32,090	9,003
Net (loss) income from discontinued operations, net of tax	(102,068)	102,068	-	(14,338)	14,338	-
Net (loss) income	(107,021)	115,389	8,368	(37,425)	46,428	9,003
Diluted net (loss) income per common share from continuing operations	(0.05)	0.13	0.08	(0.22)	0.31	0.09
Diluted net (loss) income per common share from discontinued operations	(0.98)	0.98	-	(0.14)	0.14	-
Diluted net (loss) income per common share	(1.03)	1.11	0.08	(0.36)	0.45	0.09

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



Detail of Adjustments:

	<u>Three Months Ended September 30, 2019</u>	<u>Three Months Ended September 30, 2018</u>
Warehouse/manufacturing facility start-up costs	\$ 1,879	\$ 4,599
Plant closure related costs	933	2,263
SKU rationalization	(11)	-
Cost of sales	<u>2,801</u>	<u>6,862</u>
Gross profit	<u>2,801</u>	<u>6,862</u>
Long-lived asset impairment charge associated with plant closure	-	4,236
Litigation and related expenses	48	569
Operating expenses (a)	<u>48</u>	<u>4,805</u>
Productivity and transformation costs	14,175	10,333
Productivity and transformation costs	<u>14,175</u>	<u>10,333</u>
Chief Executive Officer Succession Plan expense, net	-	19,553
Chief Executive Officer Succession Plan expense, net	<u>-</u>	<u>19,553</u>
Proceeds from insurance claims	(2,562)	-
Proceeds from insurance claims	<u>(2,562)</u>	<u>-</u>
Accounting review and remediation costs	-	3,414
Accounting review and remediation costs	<u>-</u>	<u>3,414</u>
Operating income (loss)	<u>14,462</u>	<u>44,967</u>
Unrealized currency losses	1,684	590
Deferred financing cost write-off	975	-
Interest and other expense (income), net (b)	<u>2,659</u>	<u>590</u>
Income tax related adjustments	(3,800)	(13,467)
(Benefit) provision for income taxes	<u>(3,800)</u>	<u>(13,467)</u>
Net (loss) income from continuing operations	<u>\$ 13,321</u>	<u>\$ 32,090</u>

^(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 and other expense (income), net.

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 <u>June 30, 2019</u>
Warehouse/manufacturing facility start-up costs	\$ 17,636
SKU rationalization	12,381
Plant closure related costs	<u>7,606</u>
Cost of sales	<u>37,623</u>
Gross profit	<u>37,623</u>
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	<u>622</u>
Operating expenses (a)	<u>37,316</u>
Project Terra costs and other	<u>40,107</u>
Project Terra costs and other	<u>40,107</u>
Chief Executive Officer Succession Plan expense, net	<u>30,156</u>
Chief Executive Officer Succession Plan expense, net	<u>30,156</u>
Proceeds from insurance claims	<u>(4,460)</u>
Proceeds from insurance claims	<u>(4,460)</u>
Accounting review and remediation costs, net of insurance proceeds	<u>4,334</u>
Accounting review and remediation costs, net of insurance proceeds	<u>4,334</u>
Operating (loss) income	<u>145,076</u>
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	<u>347</u>
Interest and other expense (income), net (b)	<u>1,669</u>
Income tax related adjustments	<u>(28,116)</u>
(Benefit) provision for income taxes	<u>(28,116)</u>
Net (loss) income from continuing operations	<u>\$ 118,628</u>

^(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