ICR Conference

January 9, 2024

Noel Geoffroy

Chief Operating Officer

Incoming CEO:
Effective March 1, 2024



Helen of Troy

Elevate for Growth

Forward-Looking Statements and Reconciliation of Non-GAAP Financial Measures

Forward-Looking Statements:

Certain written and oral statements made by the Company and subsidiaries of the Company may constitute "forward-looking statements" as defined under the Private Securities Litigation Reform Act of 1995. This includes statements made in this presentation, in other filings with the SEC, and in certain other oral and written presentations. Generally, the words "anticipates", "believes", "expects", "plans", "may", "will", "might", "would", "should", "seeks", "estimates", "project", "predict", "potential", "currently", "continue", "intends", "outlook", "forecasts", "targets", "could", and other similar words identify forward-looking statements. All statements that address operating results, events or developments that the Company expects or anticipates may occur in the future, including statements related to sales, expenses, earnings per share ("EPS") results, and statements expressing general expectations about future operating results, are forward-looking statements and are based upon its current expectations and various assumptions. The Company believes there is a reasonable basis for these expectations and assumptions, but there can be no assurance that the Company will realize these expectations or that these assumptions will prove correct. Forward-looking statements are only as of the date they are made and are subject to risks that could cause them to differ materially from actual results. Accordingly, the Company cautions readers not to place undue reliance on forward-looking statements. The forward-looking statements contained in this presentation should be read in conjunction with, and are subject to and qualified by, the risks described in the Company's Form 10-K for the year ended February 28, 2023, and in the Company's other filings with the SEC. Investors are urged to refer to the risk factors referred to above for a description of these risks. Such risks include, among others, the occurrence of cyber incidents or failure by the Company or its third-party service providers to maintain cybersecurity and the integrity of confidential internal or customer data, a cybersecurity breach, obsolescence or interruptions in the operation of the Company's central global Enterprise Resource Planning systems and other peripheral information systems, the geographic concentration of certain United States ("U.S.") distribution facilities which increases its risk to disruptions that could affect the Company's ability to deliver products in a timely manner, the Company's ability to develop and introduce a continuing stream of innovative new products to meet changing consumer preferences, actions taken by large customers that may adversely affect the Company's gross profit and operating results, the Company's dependence on sales to several large customers and the risks associated with any loss of, or substantial decline in, sales to top customers, the Company's dependence on third-party manufacturers, most of which are located in Asia, and any inability to obtain products from such manufacturers, the Company's ability to deliver products to its customers in a timely manner and according to their fulfillment standards, the risks associated with trade barriers, exchange controls, expropriations, and other risks associated with domestic and foreign operations including uncertainty and business interruptions resulting from political changes and events in the U.S. and abroad, and volatility in the global credit and financial markets and economy, the Company's dependence on the strength of retail economies and vulnerabilities to any prolonged economic downturn, including a downturn from the effects of macroeconomic conditions, any public health crises or similar conditions, risks associated with the use of licensed trademarks from or to third parties, risks associated with weather conditions, the duration and severity of the cold and flu season and other related factors, the Company's reliance on its Chief Executive Officer and a limited number of other key senior officers to operate its business, the Company's ability to execute and realize expected synergies from strategic business initiatives such as acquisitions, divestitures and global restructuring plans, including Project Pegasus, the risks of potential changes in laws and regulations, including environmental, employment and health and safety and tax laws, and the costs and complexities of compliance with such laws, the risks associated with increased focus and expectations on climate change and other environmental, social and governance matters, the risks associated with significant changes in or the Company's compliance with regulations, interpretations or product certification requirements, the risks associated with global legal developments regarding privacy and data security that could result in changes to its business practices, penalties, increased cost of operations, or otherwise harm the business, the Company's dependence on whether it is classified as a "controlled foreign corporation" for U.S. federal income tax purposes which impacts the tax treatment of its non-U.S. income, the risks associated with legislation enacted in Bermuda and Barbados in response to the European Union's review of harmful tax competition, the risks associated with accounting for tax positions and the resolution of tax disputes, the risks of significant tariffs or other restrictions being placed on imports from China, Mexico or Vietnam or any retaliatory trade measures taken by China, Mexico or Vietnam, the risks associated with product recalls, product liability and other claims against the Company, and associated financial risks including but not limited to, significant impairment of the Company's goodwill, indefinite-lived and definite-lived intangible assets or other long-lived assets, increased costs of raw materials, energy and transportation, the risks to the Company's liquidity or cost of capital which may be materially adversely affected by constraints or changes in the capital and credit markets, interest rates and limitations under its financing arrangements, risks associated with foreign currency exchange rate fluctuations, and projections of product demand, sales and net income, which are highly subjective in nature, and from which future sales and net income could vary in a material amount. The Company undertakes no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise.

Reconciliation of Non-GAAP Financial Measures:

This presentation includes non-GAAP financial measures. Adjusted Operating Income, Adjusted Operating Margin, Adjusted Effective Tax Rate, Adjusted Income, Adjusted Diluted EPS, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and Net Leverage Ratio ("Non-GAAP Financial Measures") that are discussed in this presentation or in the accompanying tables may be considered non-GAAP financial measures as defined by SEC Regulation G, Rule 100. Accordingly, the Company is providing the tables within this presentation that reconcile these measures to their corresponding GAAP-based financial measures. The Company is unable to present a quantitative reconciliation of certain forward-looking expected measures to their most directly comparable forward-looking GAAP financial measure, because such information is not available, and management cannot reliably predict all of the necessary components of such GAAP financial measure without unreasonable effort or expense. In addition, the Company believes such reconciliation would imply a degree of precision that would be confusing or misleading to investors. The Company believes that these Non-GAAP Financial Measures provide useful information to management and investors regarding financial and business trends relating to its financial condition and results of operations. The Company believes that these Non-GAAP Financial Measures, in combination with the Company's financial results calculated in accordance with GAAP, provide investors with additional perspective regarding the impact of certain charges and benefits on applicable income, margin and earnings per share measures. The Company also believes that these Non-GAAP Financial Measures facilitate a more direct comparison of the Company's performance with its competitors. The Company further believes that including the excluded charges and benefits would not accurately reflect the underlying performance of the Company's operations for the period in which the charges and benefits are incurred, even though such charges and benefits may be incurred and reflected in the Company's GAAP financial results in the near future. The material limitation associated with the use of the Non-GAAP Financial Measures is that the Non-GAAP Financial Measures do not reflect the full economic impact of the Company's activities. These Non-GAAP Financial Measures are not prepared in accordance with GAAP, are not an alternative to GAAP financial measures, and may be calculated differently than non-GAAP financial measures disclosed by other companies. Accordingly, undue reliance should not be placed on non-GAAP financial measures.

Helen of Troy















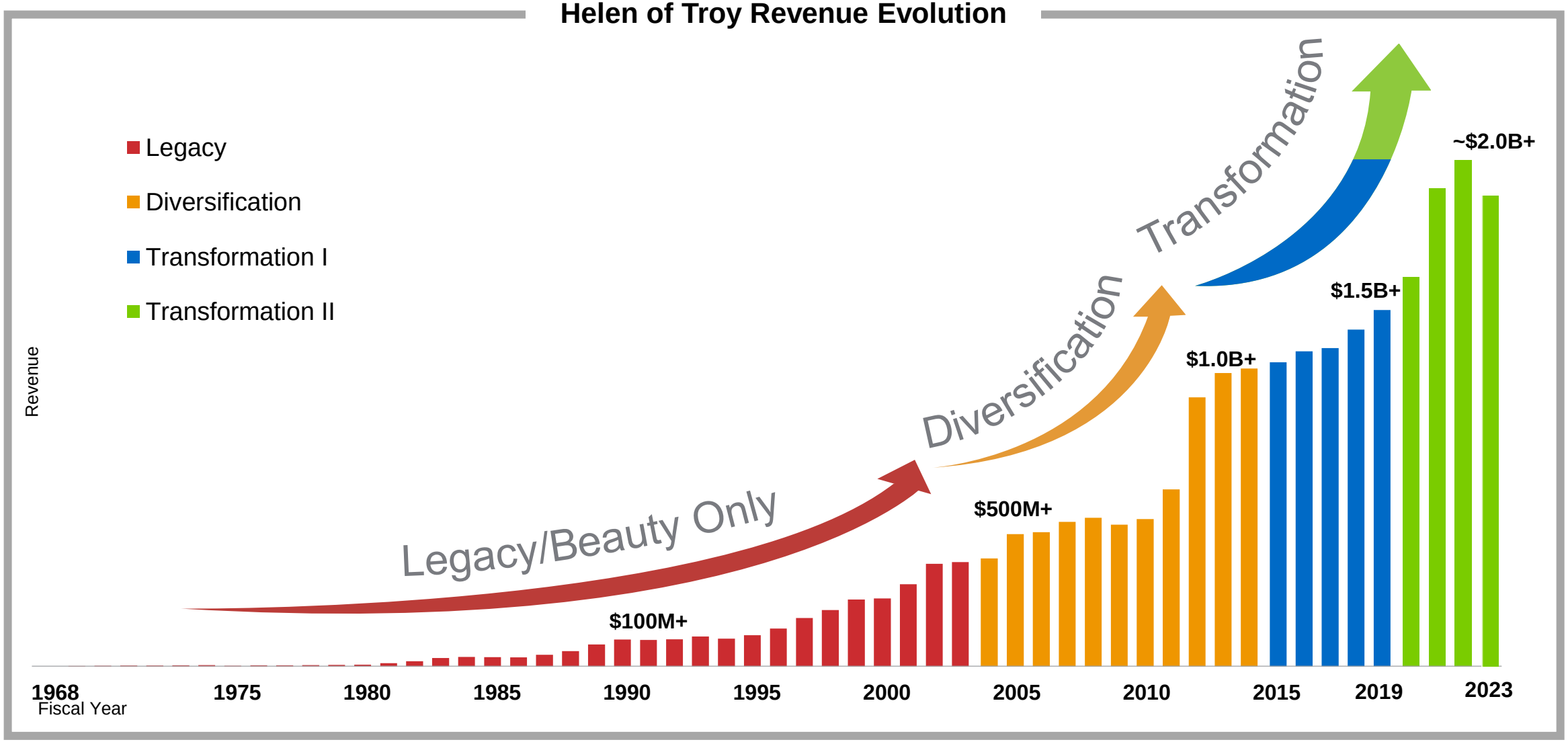








Helen of Troy has Evolved into a $2+ Billion Consumer Products Company



* Source: Public Fundamental Data provided by Morningstar, Inc.

Embrace and Leverage Our New Operating Model

	Fully Autonomous Units	End-to-End, with Shared Services	Empowered, but Leveraged
Description	• Business Units (BU) operate with full autonomy	• BU's collaborate with shared service experts: varying levels of adoption	• BU's laser focused on brands, consumers and innovation • RMOs are experts on market, retail customer and shopper • Fully leverage shared service expertise
	Greater Autonomy		**Greater Centralization**
Key Actions	• Created global shared services • Overhauled organization and people systems • Raised the bar on our culture, people and talent acquisition	• Doubled down on shared services • Increased speed, eliminated duplication, leveraged expertise and standardized processes • Unified all Associates under IRISE & Power of One	• Further Standardize, Systematize and Simplify • Further leverage scale and reduce cost • Use savings to improve profitability and reinvest in flywheel
Helen of Troy Evolution	**Phase I**	**Phase II**	**Elevate for Growth**







Helen of Troy

Elevate for Growth

Purpose, Vision and Values Are Foundation We Are Building On

Elevating Lives, Soaring Together

PURPOSE

Why we exist and how we improve the world

Elevating lives in moments that matter everywhere, every day

VISION

Who we want to be and where we want to go

To curate and build a distinguished family of highly trusted brands that delight consumers in their everyday lives

VALUES

What we believe at our core and how we operate

- **I** — **I**n Touch
- **R** — Mutual **R**espect
- **I** — **I**ngenuity
- **S** — **S**hared Success
- **E** — **E**xceptional People



Elevate for Growth

We Have a Set of Clear and Compelling Strategic Choices

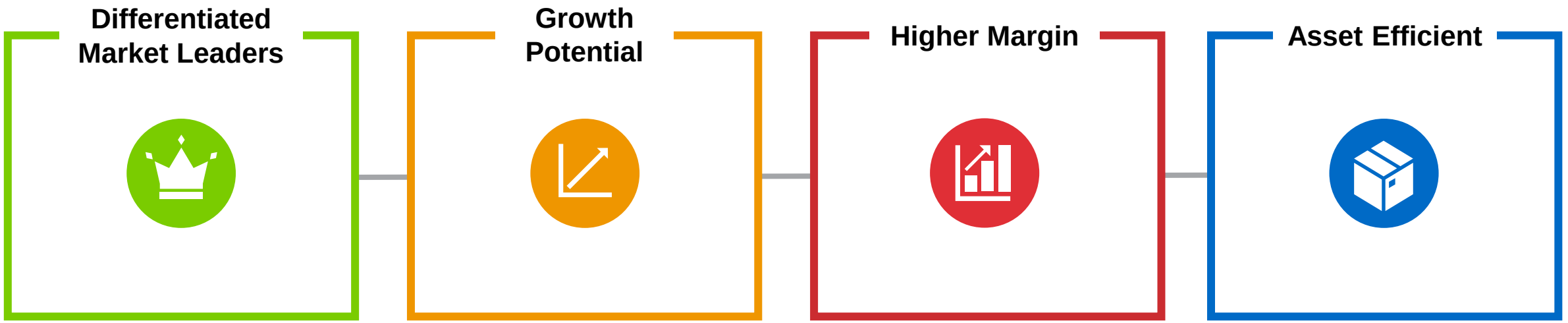
Where to Play

- Shape and Invest in a Growth Portfolio
- Win with Winning Customers
- Strategically Grow International
- Continue *Better Together* M&A

How to Win

- ▸ **Foster a winning culture**
- ▸ **Strengthen end-to-end M&A capabilities**
- ▸ **Embrace next-level data and analytics**
- ▸ **Fully leverage operational scale & assets**
- ▸ **Be and win where the shopper shops**
- ▸ **Strategically extend our brands**
- ▸ **Be consumer obsessed**

Shape and Invest in a Growth Portfolio; Be Consumer Obsessed



New Brand Portfolio Classifications

Invest to Grow	Stronghold	Optimize

Win with Winning Customers via the North America RMO

North America Sales

- US/Canada Beauty Sales
- US/Canada Home & Outdoor Sales
- US/Canada Health & Wellness Sales

Helen of Troy North America RMO

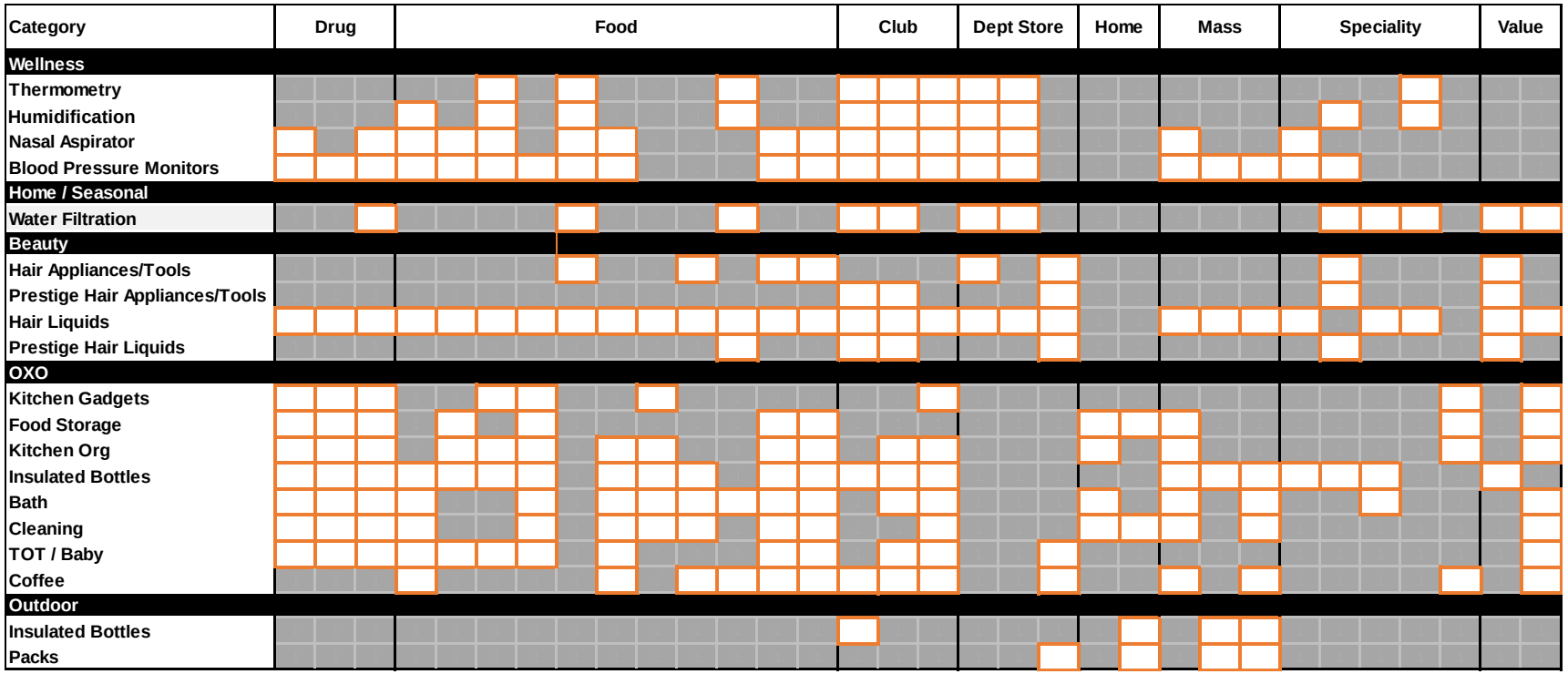


RMO: Regional Market Organization

Be and Win Where the Shopper Shops

Leverage NA RMO to Strategically Expand Distribution

How we assessed North America white space opportunities



= Current distribution or customer does not carry the category

= Potential distribution opportunity

What we plan to do next

- Leverage our NA RMO to continue to identify new distribution opportunities at existing customers
- Use a shopper mindset to identify new customers for expansion

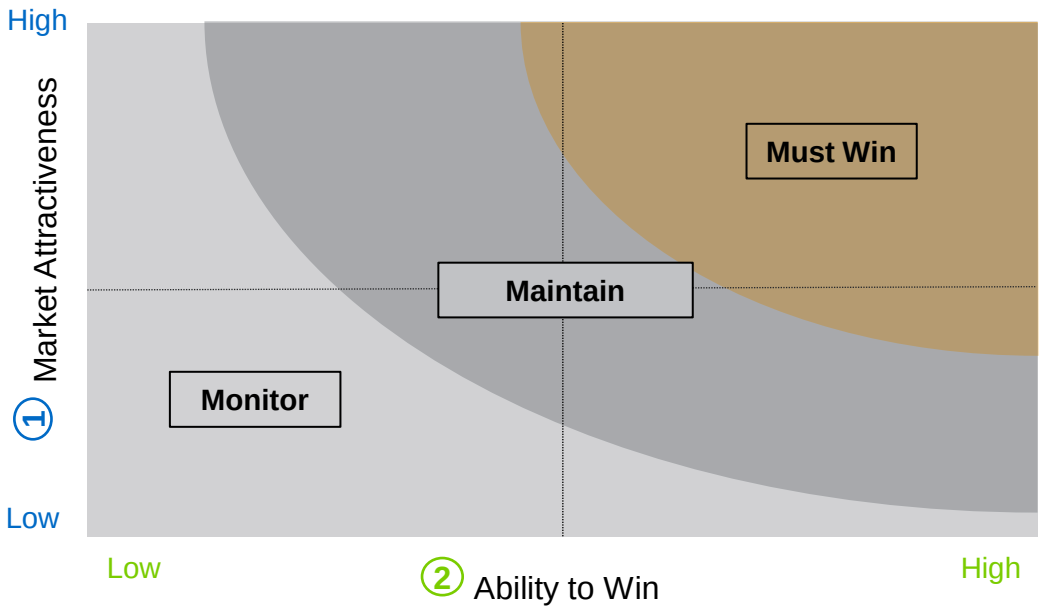
Helen of Troy Elevate for Growth

Strategically Grow International

How we assessed brand-market combinations

1 Market Attractiveness

- Current Market Size
- Expected Growth
- Profitability
- Ease of doing business



2 Ability to Win

- Current Market Share
- Competitive Intensity
- Talent & Team
- Innovation
- Growth Story
- Distributor Network

Next big opportunities to pursue

- Disproportionately resource highest potential and most financially attractive brand + market combinations
- Assess annually through planning process to identify next big opportunities to pursue

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Continue *Better Together* M&A

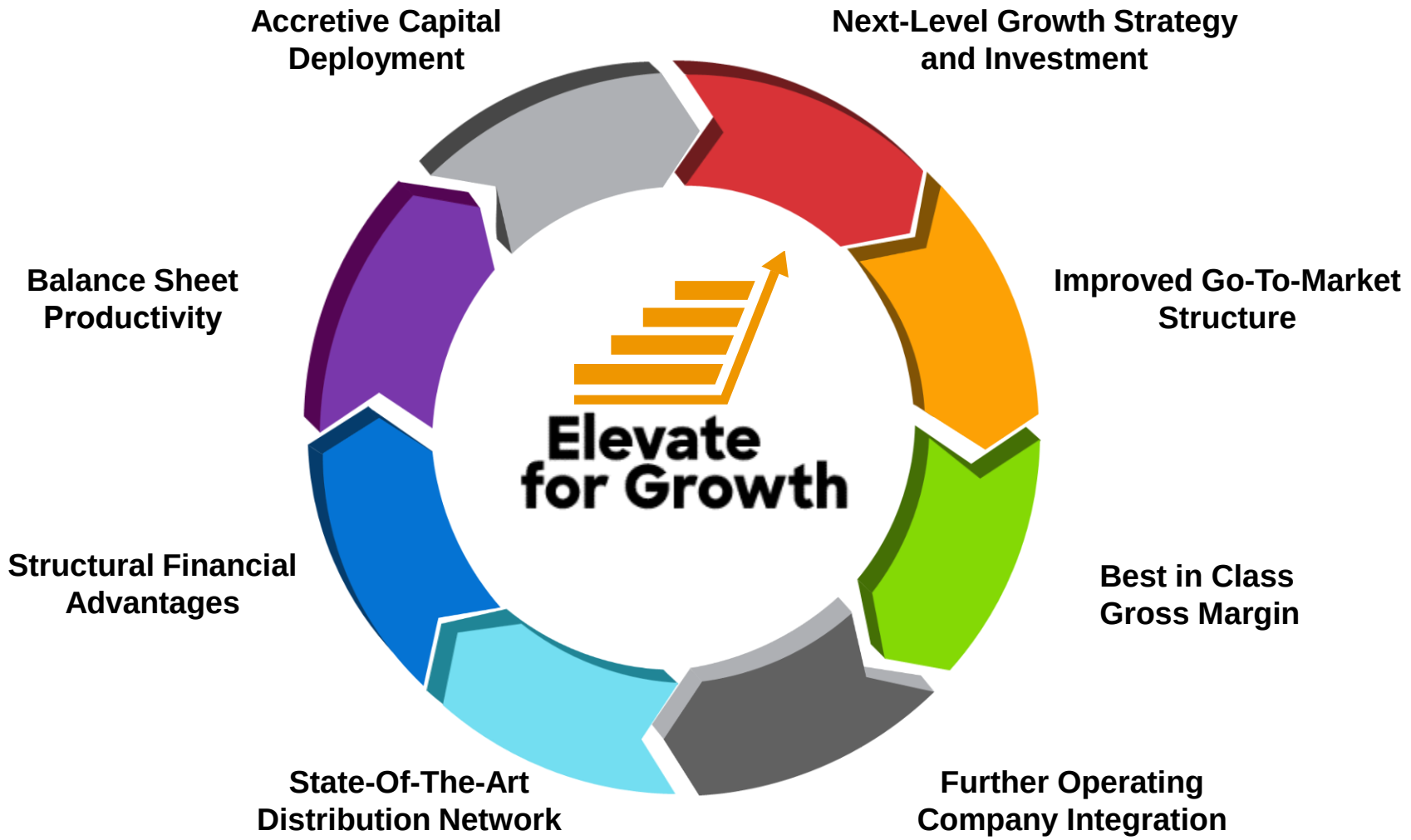


We expect to **continue our String of Pearls strategy**, looking for brands that complement our portfolio

Better Together

- **Better for Helen of Troy**: accretive to fleet average
- **Better for the acquired brand**: we can add value and scale

Next-Level Flywheel Creates the Next Virtuous Cycle



Brian Grass

Chief Financial Officer



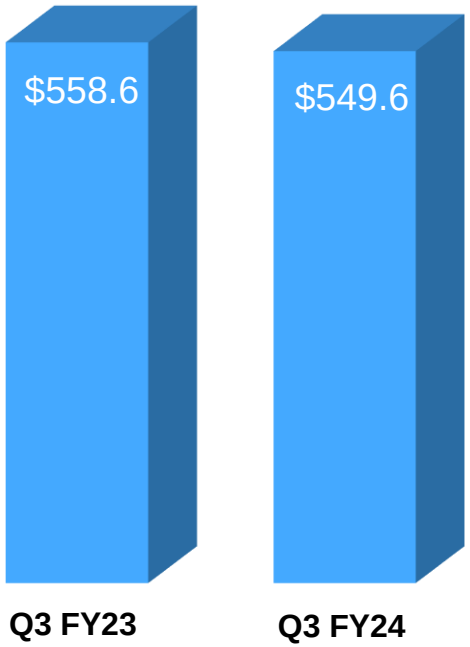
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Q3 Fiscal 2024 Results

Net Sales in Millions

-1.6% vs. Q3 FY23



Adjusted Diluted EPS

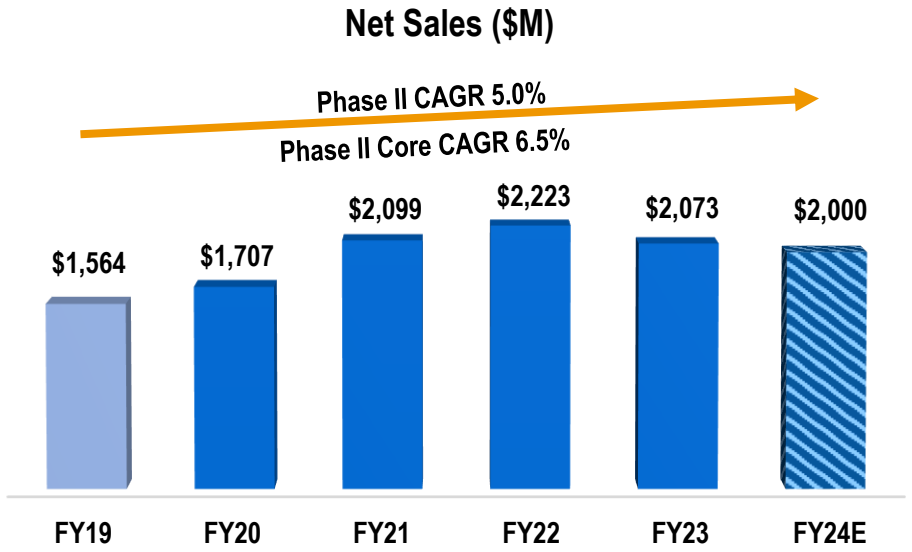
+1.5% vs. Q3 FY23

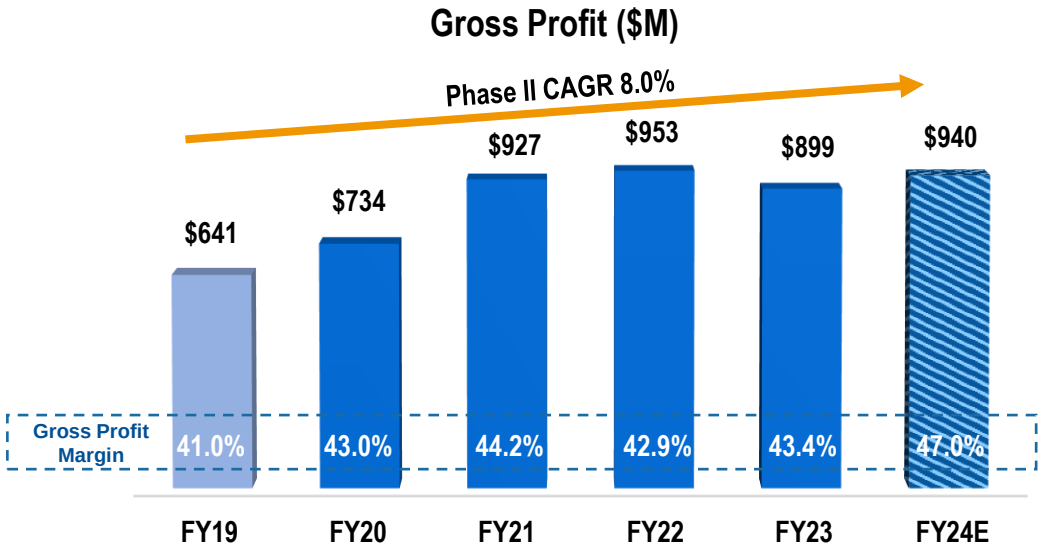


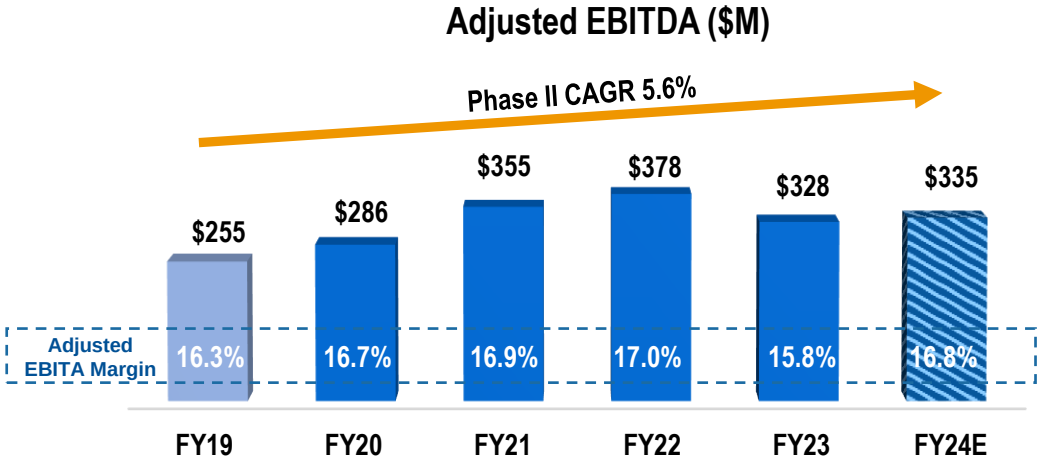
Key Third Quarter Takeaways

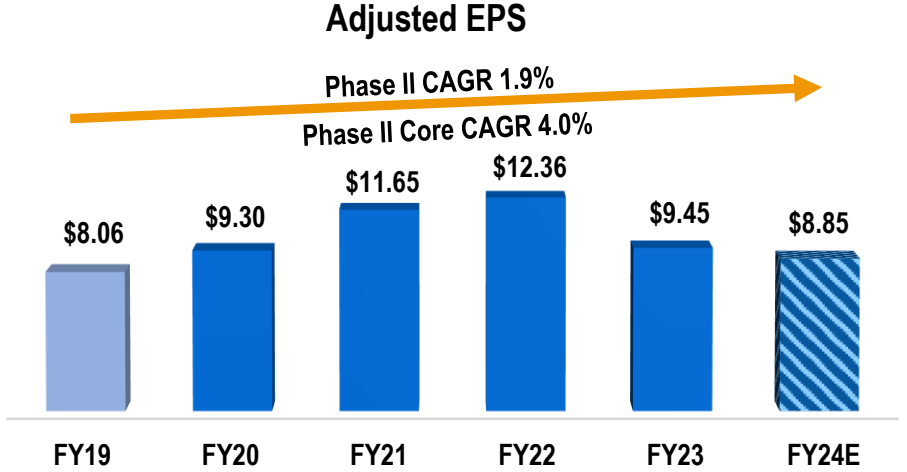
- We achieved better than expected net sales, further strengthened gross margin, grew adjusted EPS, and generated strong cash from operations that put us slightly ahead of schedule on our plan to deleverage, at this point in the year.
- Our adjusted EBITDA margin was largely flat despite lower operating leverage and higher annual incentive compensation and marketing expense compared to the same period last year.
- Our adjusted EPS of $2.79 exceeded expectations even as we overcame a charge of approximately 5 cents related to the Rite Aid bankruptcy during the quarter.

Strong Phase II Performance Despite Significant Macro Disruption Provides Healthy Base as We Enter *Elevate for Growth*









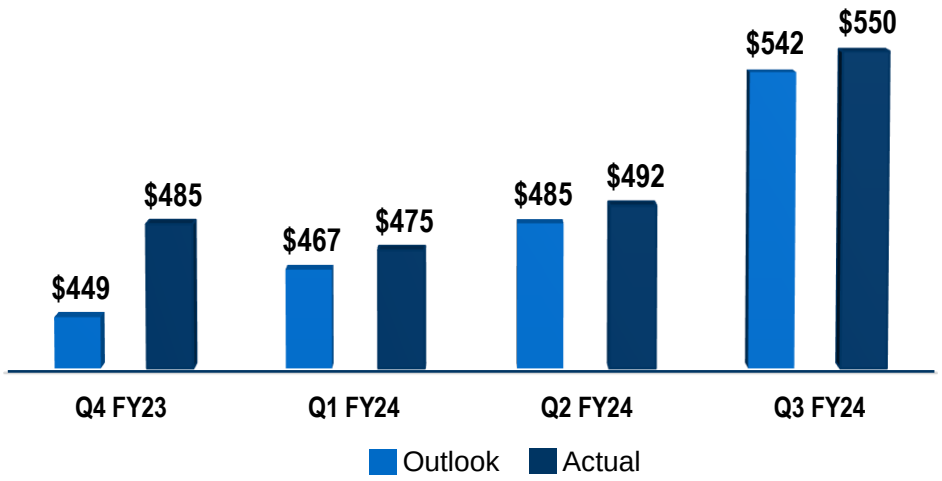
Note: 1) FY24E represents the implied results at the high end of the Company's FY24 outlook range provided on January 8, 2024.
2) "Core" refers to Core Business Net Sales and Core Business Adjusted EPS as used in SEC filings and as defined in the glossary. It reflects net sales growth excluding the impact of divested business in all relevant periods.

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Elevate for Growth

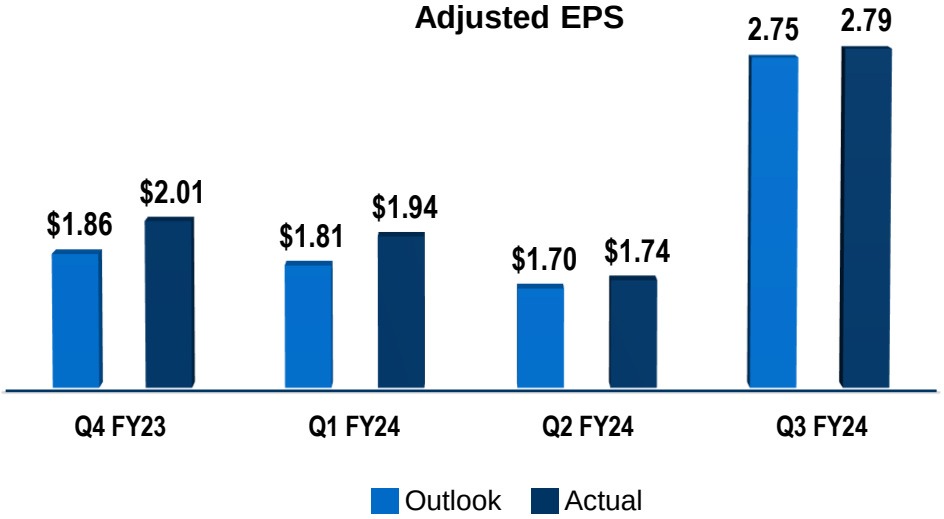
Consistency of Performance *with* Margin Expansion and Free Cash Flow Growth

Consistency of Performance vs. Outlook Midpoint

Net Sales ($M)

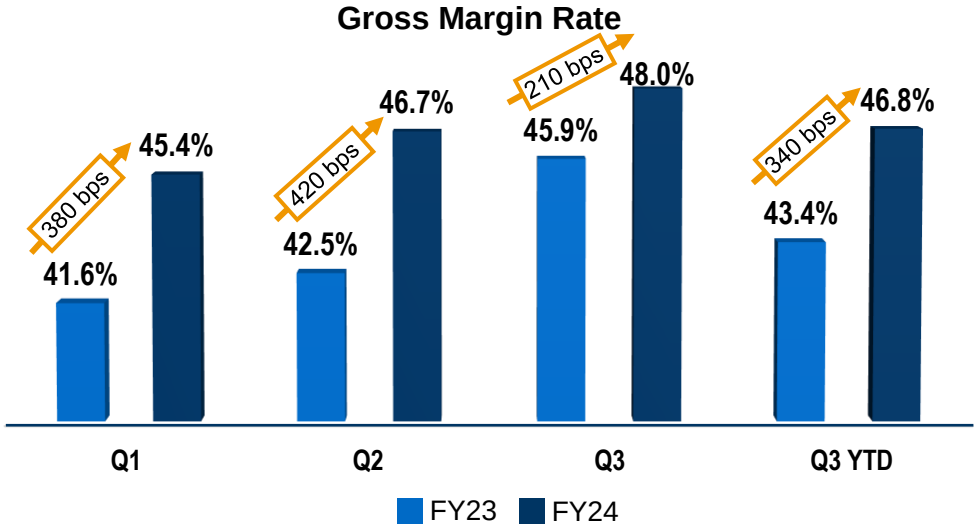


Adjusted EPS

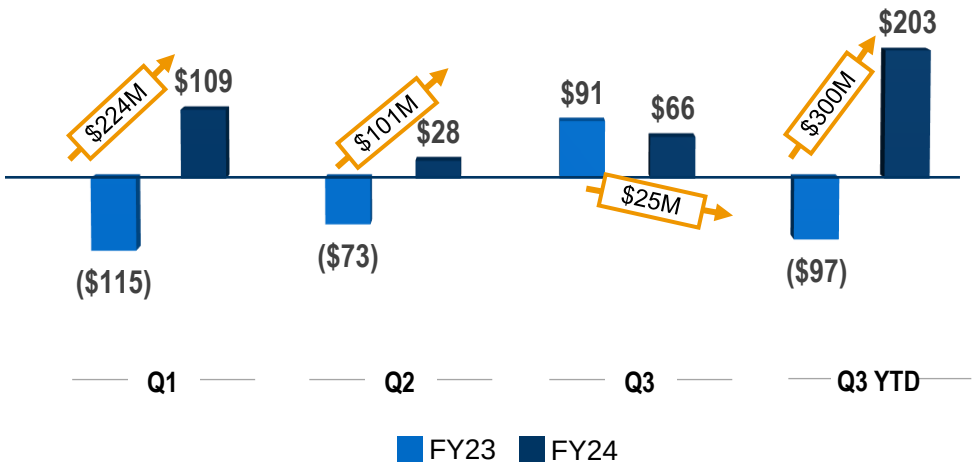


Year-Over-Year Improvement

Gross Margin Rate

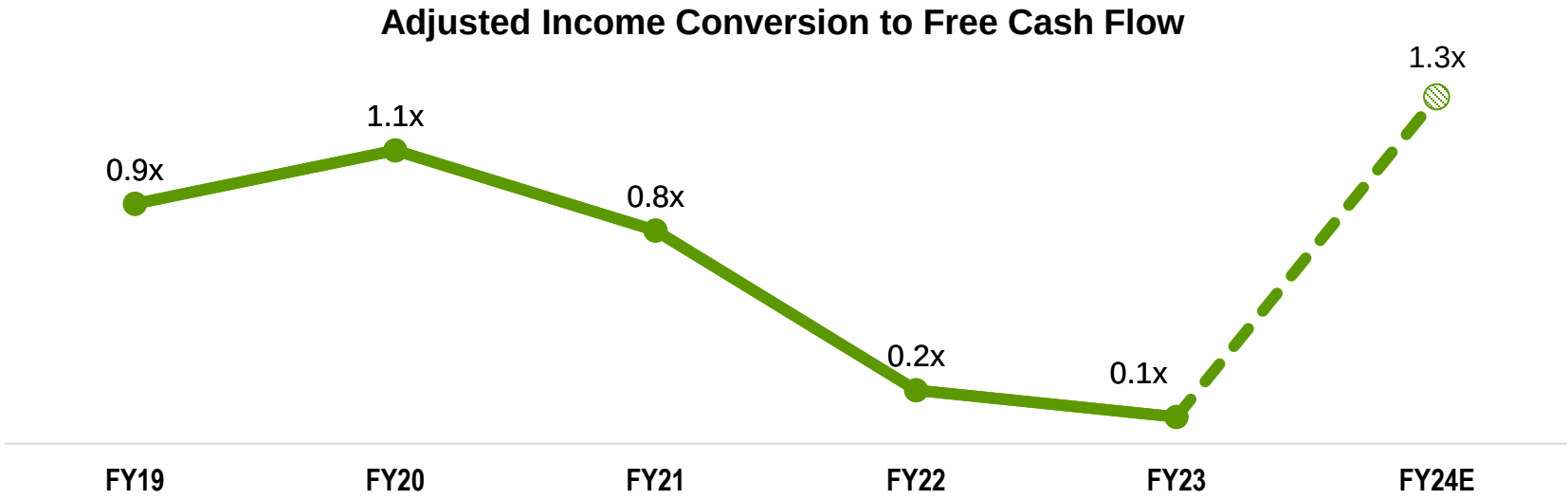


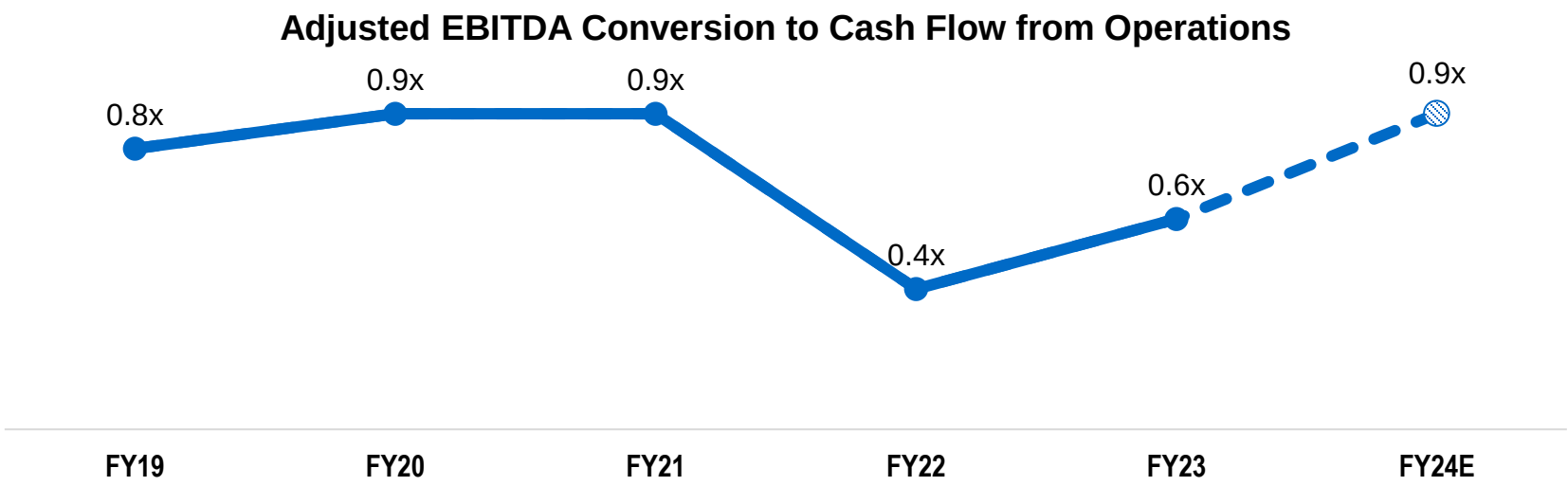
Free Cash Flow ($M)



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Elevate for Growth

Adjusted Income and Adjusted EBITDA Cash Conversion Back on Track





Notes: 1) FY24E represents the implied results at the high end of the Company's outlook range provided on January 8, 2024
2) FY22, FY23 and FY24 include investments related to our new state-of-the art distribution facility in Galloway, TN (referred to as "Iron Giant")

Introduction to *Elevate for Growth*

Executive Summary

- We estimate strong financial outcomes over the course of the plan, built by bottom-up **organic revenue growth** assumptions**, acquisition and divestiture** inputs**,** and **required investment** inputs
- We modeled various scenarios and selected one we believe to be **most representative** of a potential outcome for purposes of setting **average annual organic targets** and **presenting illustrations** for perspective
- Model assumes organic revenue growth in line with **brand prioritization** and **two acquisitions** in 2H FY26 and 1H FY28 (each $300M purchase price with $150M revenue and $25M EBITDA) for **illustrative purposes** as timing and transaction economics cannot be reasonably estimated
- Model assumes **Pegasus savings** in line with previous disclosures and a **reinvestment** of a portion of that savings; **divestiture** in Q1 FY25 and annual **share repurchase of $100 million** for **illustrative purposes**
- Model assumes key input costs such as **commodities and freight** to remain at **current levels,** slight moderation in **interest rates** beginning in FY25, and **other inputs** were assumed to **increase by low single digits** beyond FY25

Average Annual Organic Target Highlights

Net Sales Growth (1)	3.0 - 4.0%
Adjusted EBITDA Margin Expansion	30 - 40 bps
Adjusted EPS Growth (2)	≥10%
FY30 Return on Invested Capital (ROIC)	≥18%
Reinvestment / Earnings Growth Ratio	67% / 33%
Growth Investment % of Sales	≥9%

(1) Excludes acquisitions, divestitures and material currency fluctuations
(2) Excludes acquisitions, divestitures, and material currency fluctuations; includes share repurchases

Elevate for Growth Targets; Another Step Up

Average Annual Organic Targets	Phase I	Phase II	*Elevate for Growth*
Net Sales Growth (1)	2.0% - 3.0%	2.5% - 3.5%	3.0% - 4.0%
Operating Margin Expansion	30 - 40 bps	20 - 30 bps	--
Adjusted EBITDA Margin Expansion	--	--	30 - 40 bps
Adjusted EPS Growth (2)	7%	≥8%	≥10%
Growth Investment Increase	--	≥10%	--
Growth Investment % of Sales	--	--	≥ 9%
ROIC	--	≥ 20% by FY24	≥ 18% by FY30
Cash Flow from Operations Growth	--	≥ 10%	10% - 12%
Capital Expenditures	--	$20M - $25M	$25M - $30M

(1) Excludes acquisitions, divestitures, and material currency fluctuations
(2) Excludes acquisitions, divestitures, and material currency fluctuations; includes share repurchases

Launched Pegasus to Expand Margins, Create Efficiency and Fuel Growth

- **Objective:**
  - Provide new efficiencies to amplify and accelerate growth
  - Invest more in growing market share and developing new products
  - Expand our operating margins
  - Improve our cash flow
- **Targeted annualized pre-tax operating profit improvements:**
  - ~ $75M to $85M
  - Began in FY24
  - Expect to be substantially achieved by the end of FY26
- **Total profit improvements to be realized:**
  - ~ 60% through reduced COGS
  - ~ 40% through lower SG&A
- **Estimated savings recognition cadence:**
  - ~ 25% in FY24
  - ~ 50% in FY25
  - ~ 25% in FY26
- **Total one-time pre-tax restructuring charges*:**
  - ~ $60M to $65M over the duration of the plan
  - Expected to be completed during FY25

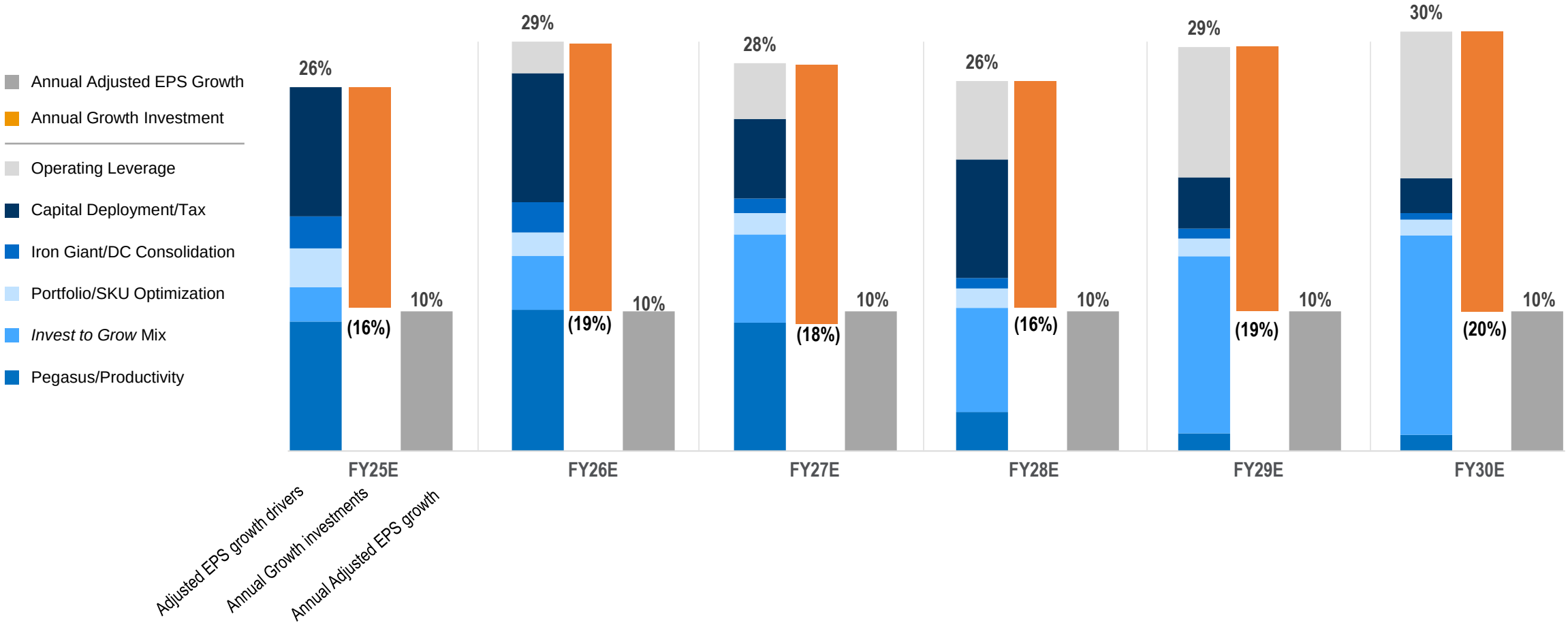
Project Pegasus Initiatives



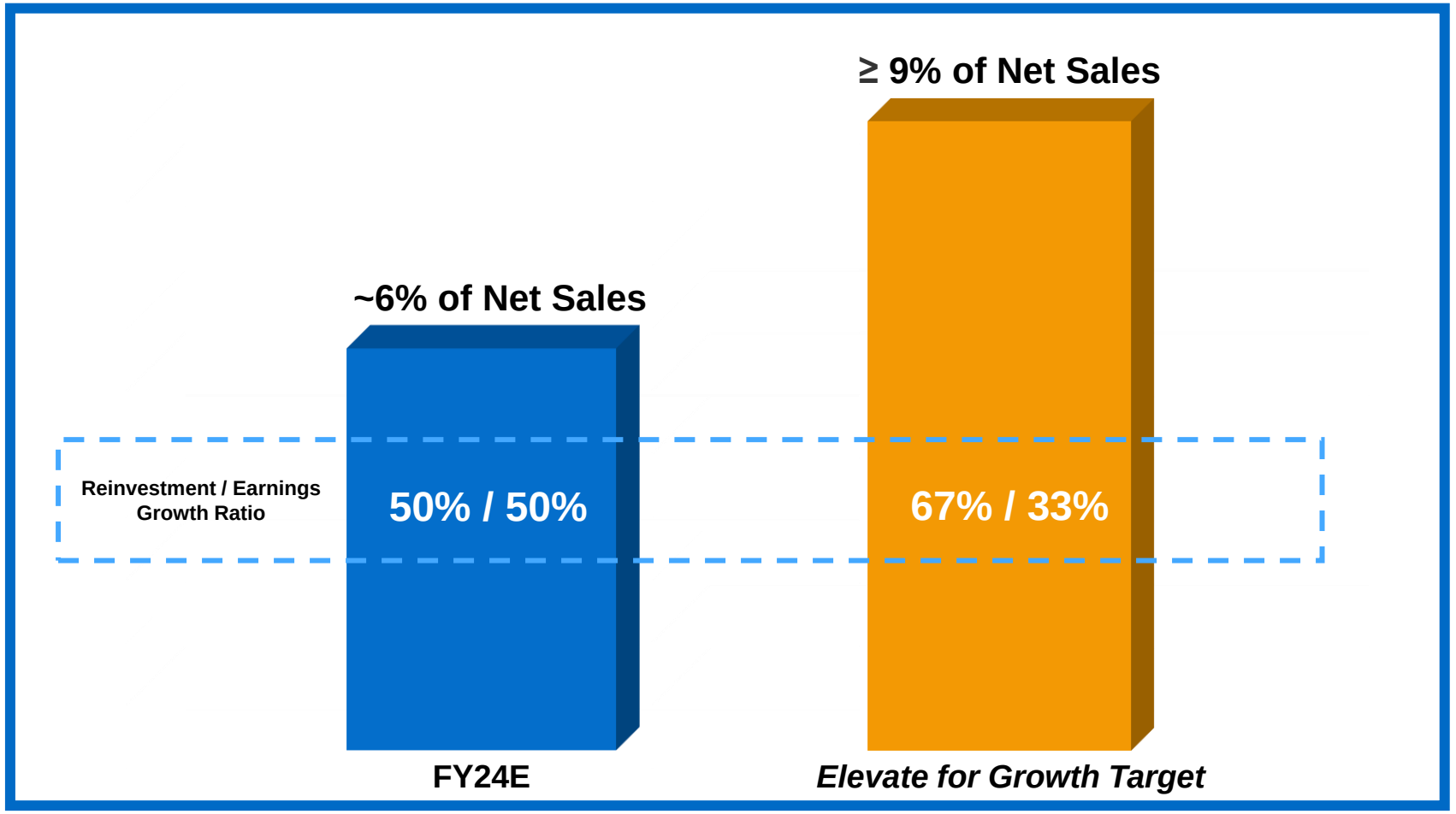
*Primarily severance & employee related costs, professional fees, contract termination costs, and other exit and disposal costs

Helen of Troy Elevate for Growth

Illustration of Numerous Drivers that Can Fuel Revenue *and* EPS Growth



Pegasus Fuels Step-Level Increase in Growth Investment

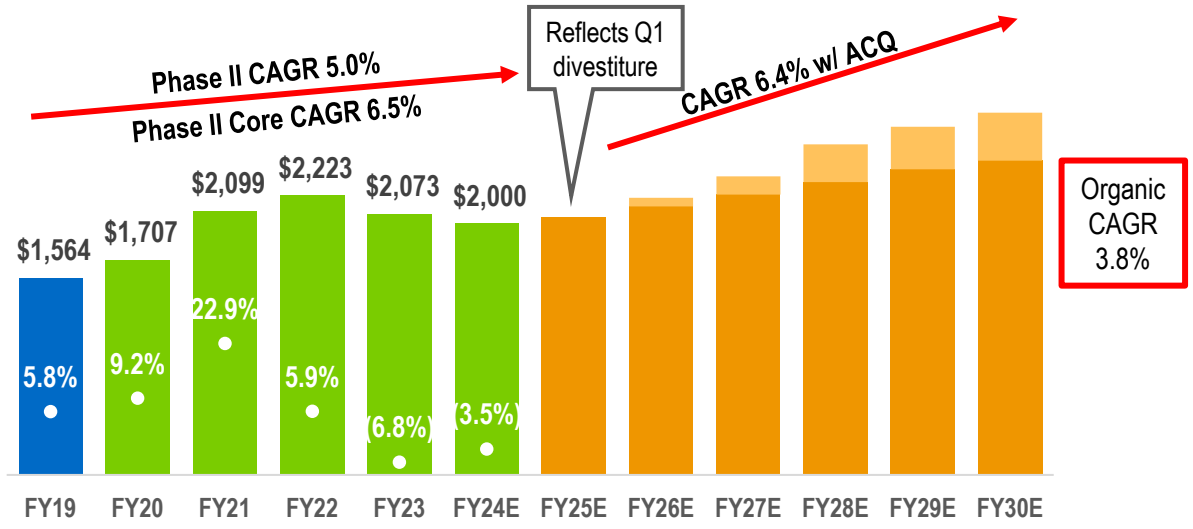


Note: Growth investment as presented does not include trade advertising, promotions and other programs that are recorded as a reduction to sales as required by GAAP.

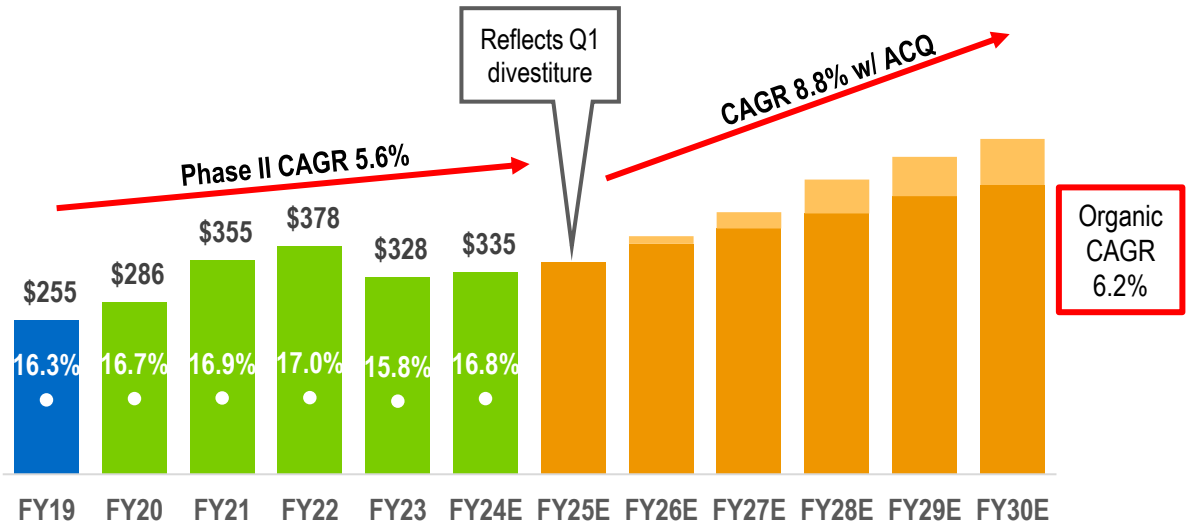
Summary of *Elevate for Growth* Model

Phase I | Phase II | *Elevate for Growth* Organic | *Elevate for Growth* Inorganic

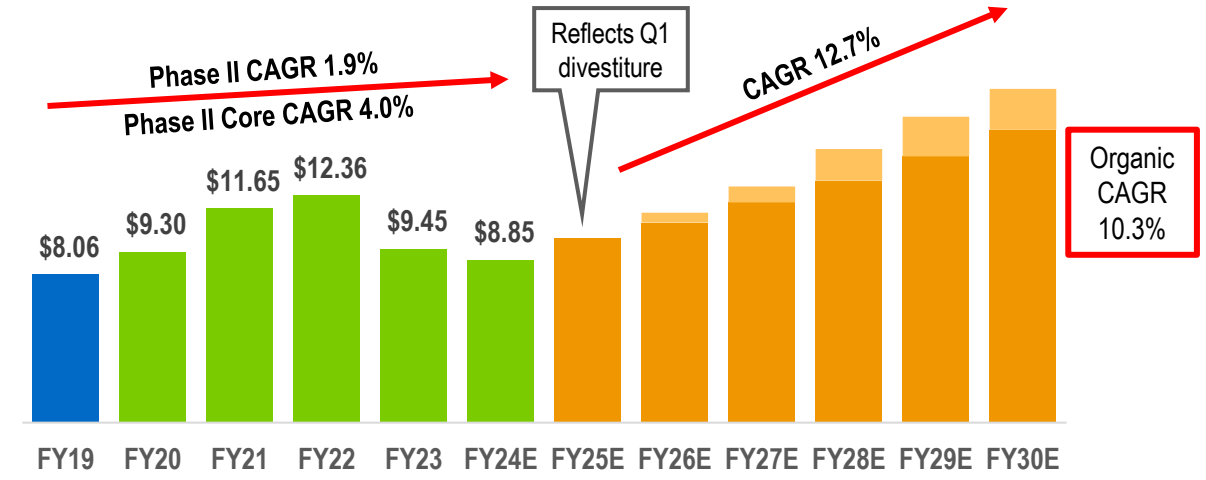
Net Sales Revenue ($M) and YOY Growth



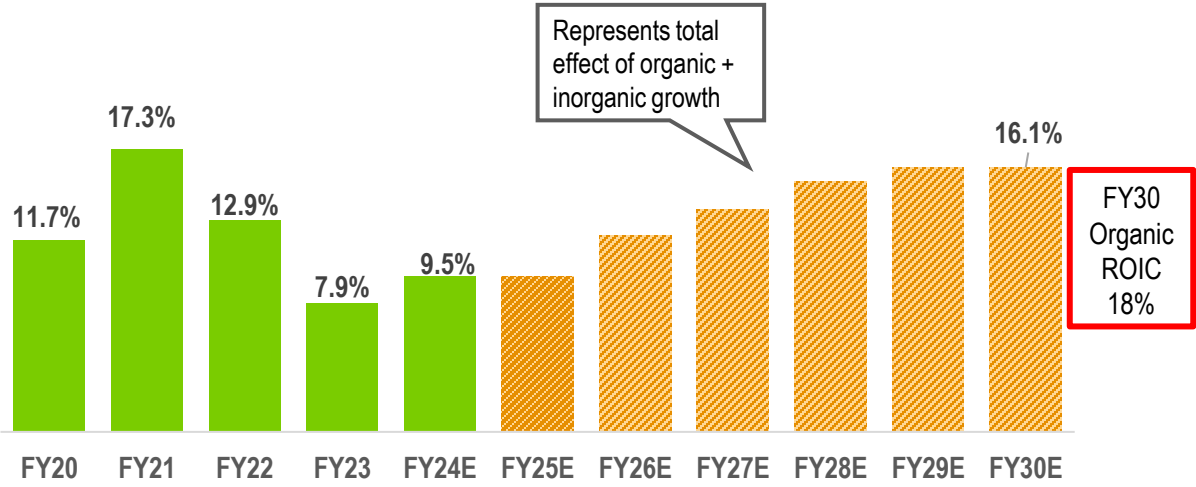
Adjusted EBITDA and Margin



Adjusted EPS



Return on Invested Capital (ROIC)



Note: 1) FY24E represents the implied results at the high end of the Company's FY24 outlook range provided on January 8, 2024
2) "Core" refers to Core Business net sales as used in SEC filings and as defined in the glossary, which excludes the impact of divested business.
3) Model includes the impact of an illustrative divestiture in the first quarter of FY25.

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Next-Level Flywheel Creates the Next Virtuous Cycle

Accretive Capital Deployment

- Even more *Better Together* M&A
- Amplify the *Invest to Grow* portfolio
- Improve M&A Platform, Process & Capability
- Balanced share repurchase and debt paydown

Next-Level Growth Strategy and Investment

- Greater focus on higher growth and higher margin brands
- Significantly more brand and product investment fueled by Pegasus
- Improve and shape the core with commercial innovation and portfolio enhancement

Balance Sheet Productivity

- Further working capital efficiency during *Elevate for Growth* era through distribution network consolidation, SKU rationalization, more North American sourcing and portfolio enhancement
- Long-term asset productivity driven by facility rationalization, consolidation and operating company integration, and portfolio enhancement



Improved Go-To-Market Structure

- Consolidation of the North American sales organization allows for deeper retailer relationships and helps maximize opportunities across the retail customer base
- Allows segment leadership to focus on new product development and brand building
- Centralized marketing leadership leverages best practices and scale across the Company

Structural Financial Advantages

- Sustainable tax advantage supplements free cash flow and gains efficiency as pre-tax income grows
- Capex and employee light model allows for greater scale and free cash flow
- Product sourcing model and expertise provides a tangible cost advantage

Best in Class Gross Margin

- Best in class margin fueled by Pegasus operating efficiency, supply chain reset and SKU rationalization
- Allows for amplification of brand re-investment *and* robust earnings growth
- Portfolio enhancement and ongoing productivity initiatives to build off platform established by Pegasus

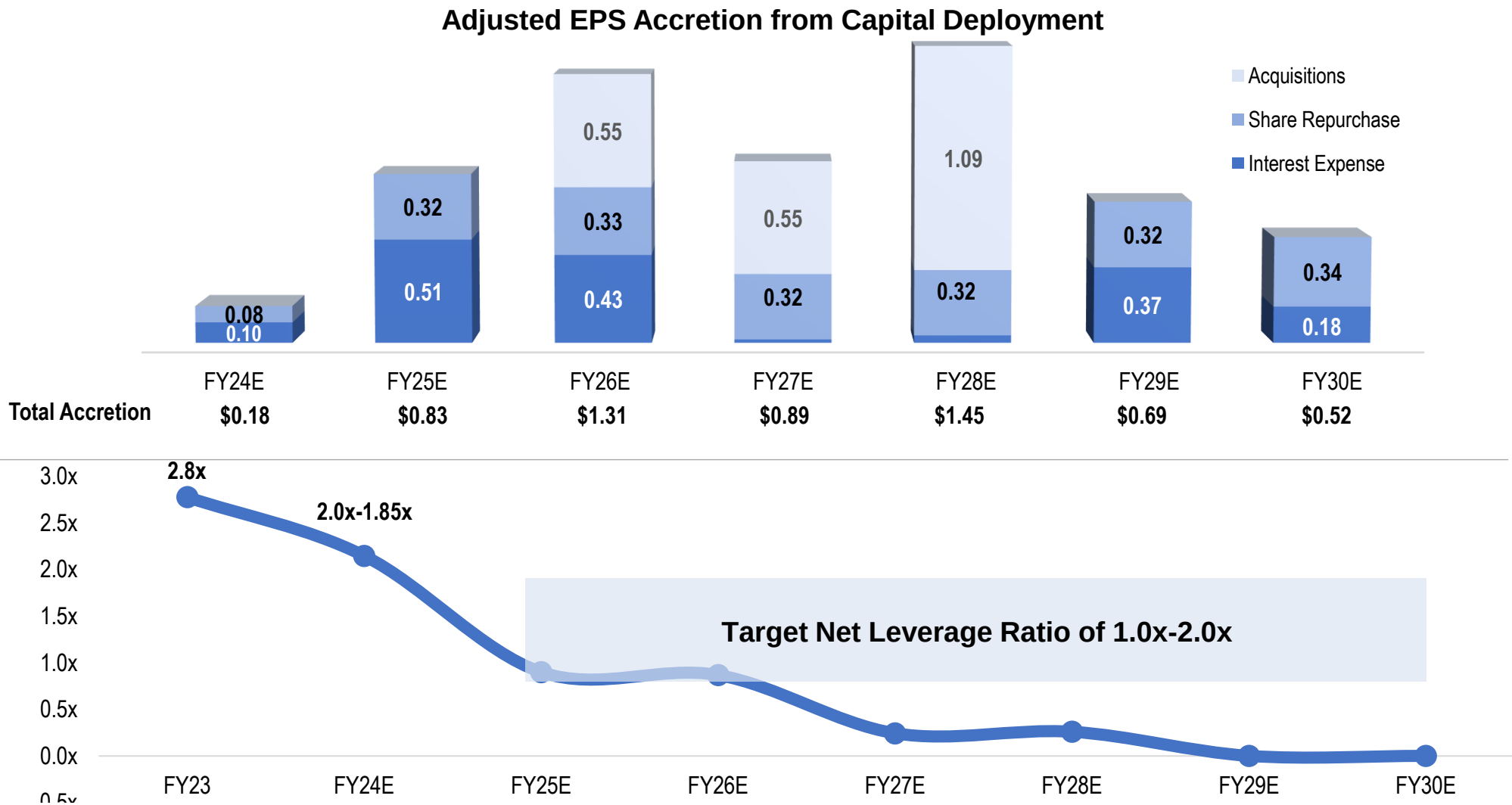
State-Of-The-Art Distribution Network

- Iron Giant highly automated state-of-the-art distribution capability creates leverage and scale for years to come
- Unlocks opportunity to fully leverage ecommerce upside
- Project largely on time and budget despite significant macro disruption
- Opportunity to fully streamline network by FY26

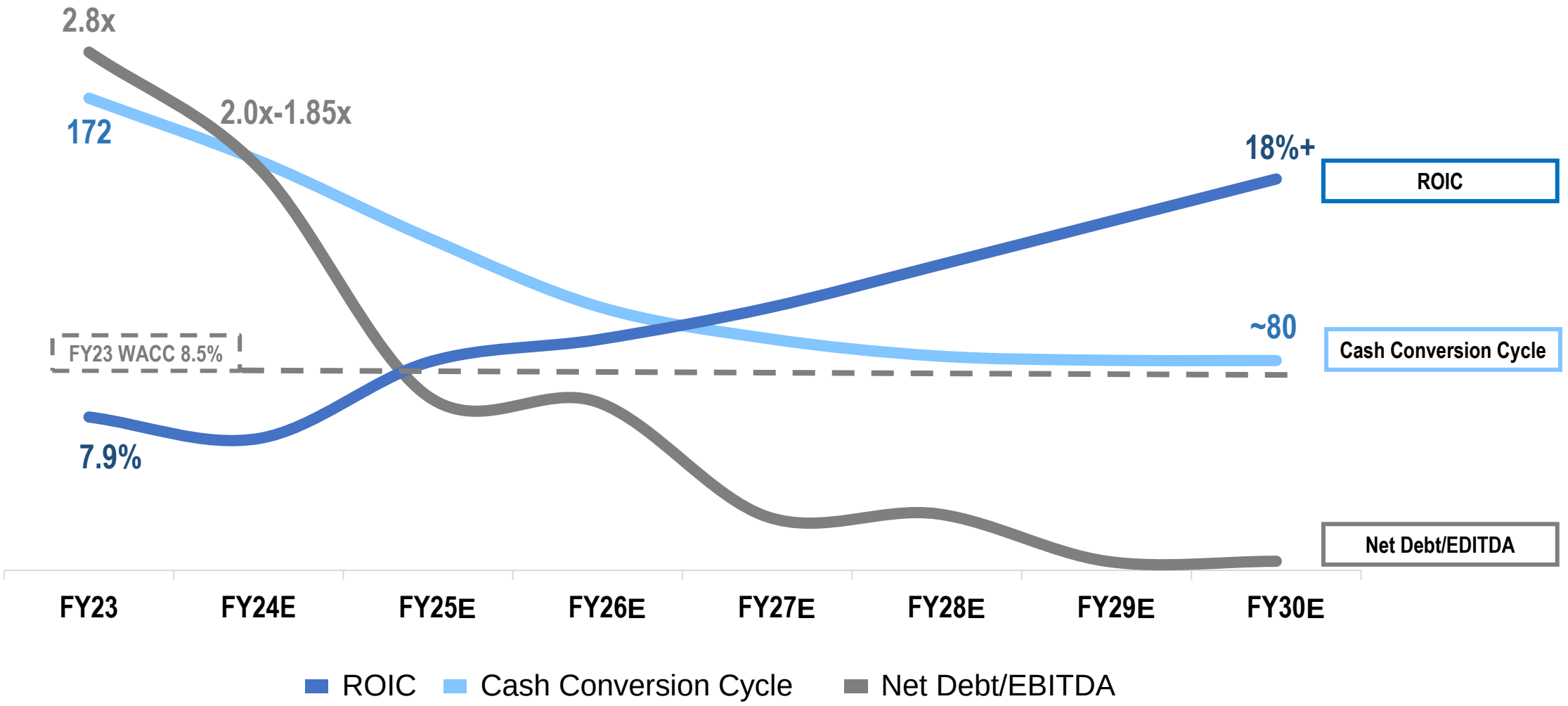
Further Operating Company Integration

- Next level operating company integration in place as part of Pegasus
- Implementation of North American RMO
- Consolidation of Beauty & Wellness
- Further centralization of supply chain and finance
- Centralized marketing and business insights leadership

Capital Deployment Illustration - Significant Earnings Accretion with Remaining Dry Powder to Further Deploy



Operating Profit Growth, Tax Efficiency, Working Capital Improvement and Debt Reduction Combine to Drive Return on Invested Capital



Key Investment Highlights

- Trailing 12-month trends and FY24 outlook signal an inflection point in fundamentals and operating results
- Pegasus provides next-level reinvestment fuel, operating efficiency and organizational capability
- Key metrics and related cash conversion ratios indicate that Helen of Troy is undervalued relative to peers
- Recent strategic investments and initiatives provide a strong platform for growth
- Rapidly improving balance sheet provides capital deployment optionality that can drive significant accretion
- Multiple earnings growth drivers fuel next-level reinvestment ***and*** double digit adjusted EPS accretion
- Opportunity to establish an even better M&A platform and better capabilities
- *Elevate for Growth* plan has potential to produce strong financial results with capital deployment upside:
  - 6% revenue CAGR with illustrative acquisition; 4% organic CAGR
  - 12% adjusted EPS CAGR with illustrative acquisition; 10% organic CAGR
  - 8% adjusted EBITDA CAGR with illustrative acquisition; 6% organic CAGR
  - 16% ROIC by FY30 with illustrative acquisition; 18% organic ROIC
  - FY30 implied share price of $296 with modest multiple improvement; ~$400 at FY21/22 trading multiple

Elevating Lives, Soaring Together

Helen of Troy

Elevate for Growth

Glossary of Terms

Acquisition-related Expenses – Expenses associated with the definitive agreement to acquire Drybar Product LLC, Osprey and Curlsmith

Adjusted Diluted Earnings per Share (Adjusted Diluted EPS or Adjusted EPS) – Non-GAAP Adjusted Income divided by diluted shares outstanding

Adjusted EBITDA - Earnings before interest, taxes, depreciation, acquisition-related expenses, asset impairment charges, restructuring charges, non-cash share-based compensation expense, intangible asset amortization expense, EPA compliance costs, gain from insurance recoveries, gain on sale of distribution and office facilities, and Bed, Bath & Beyond bankruptcy (as applicable)

Adjusted EBITDA Conversion to Cash Flow from Operations or Adjusted EBITDA Cash Conversion – Cash flow from operations divided by Adjusted EBITDA

Adjusted EBITDA Margin – Non-GAAP Adjusted EBITDA divided by net sales

Adjusted EPS Accretion from Capital Deployment – Represents the estimated impact on Non-GAAP Adjusted EPS from acquisitions for the first year after acquisition, reduced interest expense, and share repurchases.

Adjusted Income - GAAP net income excluding acquisition-related expenses, tax reform, asset impairment charges, restructuring charges, non-cash share-based compensation expense, intangible asset amortization expense, EPA compliance costs, gain from insurance recoveries, gain on sale of distribution and office facilities, and Bed, Bath & Beyond bankruptcy (as applicable)

Adjusted Income Conversion to Free Cash Flow – Non-GAAP Free Cash Flow divided by Adjusted Income

Adjusted Operating Income – GAAP operating income excluding acquisition-related expenses, restructuring charges, non-cash share-based compensation expense, intangible asset amortization expense, EPA compliance costs, gain from insurance recoveries, and gain on sale of distribution and office facilities (as applicable)

Bed, Bath, & Beyond bankruptcy – Represents a charge for uncollectible receivables due to the bankruptcy of Bed, Bath & Beyond

Capital Deployment – Combination of capital used to repurchase shares of common stock and capital used in acquisitions, capital expenditures and in some cases working capital

Cash Conversion Cycle – Calculated as days in the year divided by Inventory Turns, plus days sales outstanding, minus days payable outstanding

Compound Annual Growth Rate (CAGR) – Implied annual rate of return that would be required for compounded growth from a beginning balance to an ending balance

Core Business – Core business is defined as strategic business that the Company expects to be an ongoing part of its operations.

Core Business Adjusted Diluted EPS (Core Adjusted EPS) – GAAP and Non-GAAP Core Adjusted Income divided by diluted shares outstanding

E or Est. – Represents an estimate

EBITDA – Earnings before interest, taxes, depreciation and amortization expense, as reported

EPA – U.S. Environmental Protection Agency

EPA Compliance Costs – Charges incurred in conjunction with EPA packaging compliance for certain products in the air filtration, water filtration and humidification categories within the Beauty & Wellness segment

Free Cash Flow (FCF) – Net cash provided by operating activities less capital and intangible asset expenditures

FY – Fiscal year ending on the last day of February of the respective year

FY24E - Represents the results implied at the high end of the Company's outlook range provided on January 8, 2024

Glossary of Terms

Gain from insurance recoveries – Gain from insurance recoveries on damaged inventory resulting from a severe weather-related incident that impacted a third-party warehouse facility that the Company used for the Beauty & Wellness segment

Gain on sale of distribution and office facilities – Gain on the sale of distribution and office facilities in El Paso, Texas during the third quarter of fiscal year 2024

Growth Investment % of Sales – The percentage of revenue used for growth investments

Inventory Turns – Derived by using 12-month trailing cost of goods sold divided by average inventory for the same period. The current and four prior quarters' ending balances of inventory are used for the purposes of computing the average balance.

Leadership Brands – Represents the OXO, Hydro Flask, Osprey, Vicks, Braun, Honeywell, PUR, Hot Tools and Drybar brands

Net Leverage Ratio - Calculated as (a) total borrowings under the Company's credit agreement plus outstanding letters of credit, net of unrestricted cash and cash equivalents at the end of the current period, divided by (b) Adjusted EBITDA per the Company's credit agreement (calculated as EBITDA plus non-cash charges and certain allowed addbacks, less certain non-cash income, plus the pro forma effect of acquisitions and certain pro forma run-rate cost savings for acquisitions and dispositions, as applicable for the trailing twelve months ended as of the current period)

Organic Revenue - Net sales revenue associated with product lines or brands after the first twelve months from the date the product line or brand was acquired, excluding the impact that foreign currency remeasurement had on reported net sales revenue. Net sales revenue from internally developed brands or product lines is considered Organic business activity.

Peer, Peers or Peer Set - Includes Church & Dwight Co., Inc., The Clorox Company, Coty Inc., Edgewell Personal Care Company, Energizer Holdings, Inc., La-Z-Boy Incorporated, Newell Brands Inc., Nu Skin Enterprises, Inc., Prestige Consumer Healthcare Inc., Tempur Sealy International, Inc. and Yeti Holdings, Inc.

Regional Marketing Organization (RMO) – Organizations within the Company responsible for sales and go to market strategies for all categories and channels within specific geographic region.

Reinvestment/Earnings Growth Ratio – The percentage of earnings reinvested into the business for growth versus the percentage of earnings retained in net income.

Restructuring Charges - Charges in connection with the Company's current restructuring plan, Project Pegasus, and its prior restructuring plan, Project Refuel, which was completed during the fourth quarter of fiscal 2022

Return on Invested Capital (ROIC) – Net operating profit after tax (NOPAT) divided by average invested capital. NOPAT is defined as annual operating income, as reported, less the effective income tax expense, excluding the tax impact from other income/(loss). Average invested capital is the average of the current and prior fiscal years' ending balances of debt and stockholders' equity, less the average of the current and prior fiscal years' ending balances of cash and cash equivalents.

Weighted Average Cost of Capital (WACC) – Calculated by proportionally weighting the Company's cost of equity and after-tax cost of debt based on their respective market values. The cost of equity is estimated using the capital asset pricing model (CAPM) method to determine the Company's systematic risk versus a market proxy.

Reconciliation of Non-GAAP Financial Measures - GAAP Operating Income and Operating Margin to Adjusted Operating Income and Adjusted Operating Margin (Non-GAAP) (Unaudited) (in thousands)

	Three Months Ended November 30, 2023					
	Home & Outdoor		Beauty & Wellness		Total	
Operating income, as reported (GAAP)	$ 49,514	21.0 %	$ 57,413	18.3 %	$ 106,927	19.5 %
Gain on sale of distribution and office facilities	(16,175)	(6.9)%	(18,015)	(5.7)%	(34,190)	(6.2)%
Restructuring charges	583	0.2 %	3,307	1.1 %	3,890	0.7 %
Subtotal	33,922	14.4 %	42,705	13.6 %	76,627	13.9 %
Amortization of intangible assets	1,781	0.8 %	2,827	0.9 %	4,608	0.8 %
Non-cash share-based compensation	4,061	1.7 %	4,518	1.4 %	8,579	1.6 %
Adjusted operating income (non-GAAP)	$ 39,764	16.9 %	$ 50,050	16.0 %	$ 89,814	16.3 %

	Three Months Ended November 30, 2022					
	Home & Outdoor		Beauty & Wellness		Total	
Operating income, as reported (GAAP)	$ 30,847	13.5 %	$ 46,346	14.1 %	$ 77,193	13.8 %
Acquisition-related expenses	(2)	— %	2	— %	—	— %
EPA compliance costs	—	— %	2,103	0.6 %	2,103	0.4 %
Gain from insurance recoveries	—	— %	(9,676)	(2.9)%	(9,676)	(1.7)%
Restructuring charges	5,090	2.2 %	5,373	1.6 %	10,463	1.9 %
Subtotal	35,935	15.7 %	44,148	13.4 %	80,083	14.3 %
Amortization of intangible assets	1,756	0.8 %	2,896	0.9 %	4,652	0.8 %
Non-cash share-based compensation	2,169	0.9 %	5,772	1.8 %	7,941	1.4 %
Adjusted operating income (non-GAAP)	$ 39,860	17.4 %	$ 52,816	16.0 %	$ 92,676	16.6 %

Reconciliation of Non-GAAP Financial Measures - GAAP Net Cash Provided by Operating Activities to Free Cash Flow (Non-GAAP) (Unaudited) (in thousands)

	Outlook Fiscal 2024			Fiscal Years Ended Last Day of February,				
				2023	2022	2021	2020	2019
Net cash provided by operating activities (GAAP)	$ 295,000	—	$ 310,000	$ 208,242	$ 140,823	$ 314,106	$ 271,293	$ 200,568
Less: Capital and intangible asset expenditures	(45,000)	—	(40,000)	(174,864)	(78,039)	(98,668)	(17,759)	(26,385)
Free cash flow (non-GAAP)	$ 250,000	—	$ 270,000	$ 33,378	$ 62,784	$ 215,438	$ 253,534	$ 174,183

Reconciliation of Non-GAAP Financial Measures - GAAP Net Cash Provided by Operating Activities to Free Cash Flow (Non-GAAP) (Unaudited) (in thousands)

	Nine Months Ended November 30,	
	2023	2022
Net cash provided by operating activities (GAAP)	$ 232,459	$ 49,523
Less: Capital and intangible asset expenditures	(29,681)	(146,194)
Free cash flow (non-GAAP)	$ 202,778	$ (96,671)

Reconciliation of Non-GAAP Financial Measures - GAAP Net Cash Provided (Used) by Operating Activities to Free Cash Flow (Non-GAAP) (Unaudited) (in thousands)

	Three Months Ended November 30,	
	2023	2022
Net cash provided by operating activities (GAAP)	$ 74,727	$ 124,975
Less: Capital and intangible asset expenditures	(9,124)	(33,559)
Free cash flow (non-GAAP)	$ 65,603	$ 91,416

	Three Months Ended August 31,	
	2023	2022
Net cash provided (used) by operating activities (GAAP)	$ 36,676	$ (37,024)
Less: Capital and intangible asset expenditures	(8,680)	(36,433)
Free cash flow (non-GAAP)	$ 27,996	$ (73,457)

	Three Months Ended May 31,	
	2023	2022
Net cash provided (used) by operating activities (GAAP)	$ 121,056	$ (38,428)
Less: Capital and intangible asset expenditures	(11,877)	(76,202)
Free cash flow (non-GAAP)	$ 109,179	$ (114,630)

Reconciliation of Non-GAAP Financial Measures – GAAP Net Income to EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), Adjusted EBITDA and Adjusted EBITDA Margin (Non-GAAP) (Unaudited) (in thousands)

	Fiscal Years Ended Last Day of February				
	2023	2022	2021	2020	2019
Net Income, as reported (GAAP)	$ 143,273	$ 223,764	$ 253,946	$ 152,333	$ 174,224
Interest Expense	40,751	12,844	12,617	12,705	11,719
Income Tax Expense	28,016	36,202	15,484	13,607	13,776
Depreciation and amortization	44,683	35,829	37,718	37,409	29,927
EBITDA (non-GAAP)	256,723	308,639	319,765	216,054	229,646
Add: Acquisition-related expenses	2,784	2,424	—	2,546	—
Asset impairment charges	—	—	8,452	41,000	—
EPA compliance costs	23,573	32,354	—	—	—
Gain on insurance recoveries	(9,676)	—	—	—	—
Restructuring charges	27,362	380	350	3,313	3,586
Non-cash share-based compensation	26,753	34,618	26,418	22,929	22,053
Adjusted EBITDA (non-GAAP)	$ 327,519	$ 378,415	$ 354,985	$ 285,842	$ 255,285
Adjusted EBITDA margin (non-GAAP)	15.8 %	17.0 %	16.9 %	16.7 %	16.3 %

Reconciliation of Non-GAAP Financial Measures – GAAP Net Income to EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), Adjusted EBITDA and Adjusted EBITDA Margin (Non-GAAP) (Unaudited) (in thousands)

	Quarterly Period Ended				Twelve Months Ended
	February	May	August	November	November 30, 2023
Net income, as reported (GAAP)	$ 36,180	$ 22,581	$ 27,381	$ 75,898	$ 162,040
Interest expense	14,063	14,052	13,654	12,859	54,628
Income tax expense	3,534	4,145	5,958	18,350	31,987
Depreciation and amortization	11,353	10,715	13,891	12,431	48,390
EBITDA (non-GAAP)	65,130	51,493	60,884	119,538	297,045
Add: Bed, Bath & Beyond bankruptcy	—	4,213	—	—	4,213
EPA compliance costs	1,472	—	—	—	1,472
Gain on sale of distribution and office facilities	—	—	—	(34,190)	(34,190)
Restructuring charges	12,121	7,355	3,617	3,890	26,983
Non-cash share-based compensation	(5,302)	9,297	7,229	8,579	19,803
Adjusted EBITDA (non-GAAP)	$ 73,421	$ 72,358	$ 71,730	$ 97,817	$ 315,326
Adjusted EBITDA margin (non-GAAP)					15.8 %

Reconciliation of Non-GAAP Financial Measures - GAAP Diluted Earnings Per Share ("EPS") to Adjusted Diluted EPS (Non-GAAP) (Unaudited)

	Quarterly Period				
	Q3 FY24	Q2 FY24	Q1 FY24	Q4 FY23	Q3 FY23
Diluted EPS, as reported (GAAP)	$ 3.19	$ 1.14	$ 0.94	$ 1.50	$ 2.15
Bed, Bath & Beyond bankruptcy, net of tax	—	—	0.17	—	—
EPA compliance costs, net of tax	—	—	—	0.06	0.09
Gain from insurance recoveries, net of tax	—	—	—	—	(0.40)
Gain on sale of distribution and office facilities, net of tax	(1.07)	—	—	—	—
Restructuring charges, net of tax	0.16	0.15	0.30	0.49	0.43
Subtotal	2.28	1.29	1.41	2.06	2.27
Amortization of intangible assets, net of tax	0.17	0.17	0.17	0.16	0.17
Non-cash share-based compensation, net of tax	0.34	0.28	0.36	(0.21)	0.31
Adjusted Diluted EPS (non-GAAP)	$ 2.79	$ 1.74	$ 1.94	$ 2.01	$ 2.75
Weighted average shares of common stock used in computing diluted EPS	23,813	24,041	24,134	24,103	24,078

Reconciliation of Non-GAAP Financial Measures - GAAP Diluted EPS to Adjusted Diluted EPS (Non-GAAP) (Unaudited)

	Fiscal Years Ended Last Day of February,				
	2023	2022	2021	2020	2019
Diluted EPS as reported (GAAP)	$ 5.95	$ 9.17	$ 10.08	$ 6.02	$ 6.62
EPA compliance costs, net of tax	0.96	1.31	—	—	—
Gain from insurance recoveries, net of tax	(0.40)	—	—	—	—
Tax reform	—	—	(0.37)	—	—
Asset impairment charges, net of tax	—	—	0.30	1.44	—
Restructuring charges, net of tax	1.12	0.02	0.01	0.12	0.13
Acquisition-related expenses, net of tax	0.12	0.10	—	0.10	—
Subtotal	7.75	10.58	10.02	7.68	6.75
Amortization of intangible assets, net of tax	0.67	0.48	0.67	0.79	0.53
Non-cash share-based compensation, net of tax	1.03	1.30	0.97	0.83	0.79
Adjusted diluted EPS (non-GAAP)	$ 9.45	$ 12.36	$ 11.65	$ 9.30	$ 8.06
Weighted average shares of common stock used in computing diluted EPS	24,090	24,410	25,196	25,322	26,303

Reconciliation of Non-GAAP Financial Measures - GAAP Income and Diluted EPS to Adjusted Income and Adjusted Diluted EPS (Non-GAAP) (Unaudited) (in thousands, except per share data)

	Fiscal Year Ended February 28, 2023					
	Income			Diluted EPS		
	Before Tax	Tax	Net of Tax	Before Tax	Tax	Net of Tax
As reported (GAAP)	$ 171,289	$ 28,016	$ 143,273	$ 7.11	$ 1.16	$ 5.95
Acquisition-related expenses	2,784	2	2,782	0.12	—	0.12
EPA compliance costs	23,573	354	23,219	0.98	0.01	0.96
Gain from insurance recoveries	(9,676)	(121)	(9,555)	(0.40)	(0.01)	(0.40)
Restructuring charges	27,362	388	26,974	1.14	0.02	1.12
Subtotal	215,332	28,639	186,693	8.94	1.19	7.75
Amortization of intangible assets	18,322	2,275	16,047	0.76	0.09	0.67
Non-cash share-based compensation	26,753	1,830	24,923	1.11	0.08	1.03
Adjusted (non-GAAP)	$ 260,407	$ 32,744	$ 227,663	$ 10.81	$ 1.36	$ 9.45
Weighted average shares of common stock used in computing diluted EPS						24,090

	Fiscal Year Ended February 28, 2022					
	Income			Diluted EPS		
	Before Tax	Tax	Net of Tax	Before Tax	Tax	Net of Tax
As reported (GAAP)	$ 259,966	$ 36,202	$ 223,764	$ 10.65	$ 1.48	$ 9.17
Acquisition-related expenses	2,424	87	2,337	0.10	—	0.10
EPA compliance costs	32,354	485	31,869	1.33	0.02	1.31
Restructuring charges	380	6	374	0.02	—	0.02
Subtotal	295,124	36,780	258,344	12.09	1.51	10.58
Amortization of intangible assets	12,764	1,010	11,754	0.52	0.04	0.48
Non-cash share-based compensation	34,618	2,965	31,653	1.42	0.12	1.30
Adjusted (non-GAAP)	$ 342,506	$ 40,755	$ 301,751	$ 14.03	$ 1.67	$ 12.36
Weighted average shares of common stock used in computing diluted EPS						24,410

Reconciliation of Non-GAAP Financial Measures - GAAP Income and Diluted EPS to Adjusted Income and Adjusted Diluted EPS (Non-GAAP) (Unaudited) (in thousands, except per share data)

	Fiscal Year Ended February 28, 2021					
	Income			Diluted EPS		
	Before Tax	Tax	Net of Tax	Before Tax	Tax	Net of Tax
As reported (GAAP)	$ 269,430	$ 15,484	$ 253,946	$ 10.69	$ 0.61	$ 10.08
Asset impairment charges	8,452	1,009	7,443	0.34	0.04	0.30
Restructuring charges	350	2	348	0.01	—	0.01
Tax reform	—	9,357	(9,357)	—	0.37	(0.37)
Subtotal	278,232	25,852	252,380	11.04	1.03	10.02
Amortization of intangible assets	17,643	865	16,778	0.70	0.03	0.67
Non-cash share-based compensation	26,418	1,926	24,492	1.05	0.08	0.97
Adjusted (non-GAAP)	$ 322,293	$ 28,643	$ 293,650	$ 12.79	$ 1.14	$ 11.65
Weighted average shares of common stock used in computing diluted EPS						25,196

	Fiscal Year Ended February 29, 2020					
	Income			Diluted EPS		
	Before Tax	Tax	Net of Tax	Before Tax	Tax	Net of Tax
As reported (GAAP)	$ 165,940	$ 13,607	$ 152,333	$ 6.55	$ 0.54	$ 6.02
Acquisition-related expenses	2,546	38	2,508	0.10	—	0.10
Asset impairment charges	41,000	4,574	36,426	1.62	0.18	1.44
Restructuring charges	3,313	161	3,152	0.13	0.01	0.12
Subtotal	212,799	18,380	194,419	8.40	0.73	7.68
Amortization of intangible assets	21,271	1,245	20,026	0.84	0.05	0.79
Non-cash share-based compensation	22,929	1,803	21,126	0.91	0.07	0.83
Adjusted (non-GAAP)	$ 256,999	$ 21,428	$ 235,571	$ 10.15	$ 0.85	$ 9.30
Weighted average shares of common stock used in computing diluted EPS						25,322

Reconciliation of Non-GAAP Financial Measures - GAAP Income and Diluted EPS from Continuing Operations to Adjusted Income and Adjusted Diluted EPS from Continuing Operations (Non-GAAP) (Unaudited)
(in thousands, except per share data)

	Fiscal Year Ended February 28, 2019					
	Income From Continuing Operations			Diluted EPS From Continuing Operations		
	Before Tax	Tax	Net of Tax	Before Tax	Tax	Net of Tax
As reported (GAAP)	$ 188,000	$ 13,776	$ 174,224	$ 7.15	$ 0.52	$ 6.62
Restructuring charges	3,586	215	3,371	0.14	0.01	0.13
Subtotal	191,586	13,991	177,595	7.28	0.53	6.75
Amortization of intangible assets	14,204	372	13,832	0.54	0.01	0.53
Non-cash share-based compensation	22,053	1,395	20,658	0.84	0.05	0.79
Adjusted (non-GAAP)	$ 227,843	$ 15,758	$ 212,085	$ 8.66	$ 0.60	$ 8.06
Weighted average shares of common stock used in computing diluted EPS						26,303

Fiscal 2024 Outlook for Net Sales Revenue (Unaudited)
(in thousands)

	Fiscal 2023	Outlook Fiscal 2024		
Net sales revenue	$ 2,072,667	$ 1,975,000	—	$ 2,000,000
Net sales revenue decline		(4.7)%	—	(3.5)%

Reconciliation of Non-GAAP Financial Measures - Fiscal 2024 Outlook for GAAP Operating Income to EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), Adjusted EBITDA and Adjusted EBITDA Margin (Non-GAAP) (Unaudited) (in thousands)

	Nine Months Ended November 30, 2023	Outlook for the Balance of the Fiscal Year (Three Months)			Outlook Fiscal 2024		
Operating income, as reported (GAAP)	$ 194,413	$ 54,662	—	$ 67,633	$ 249,075	—	$ 262,046
Depreciation and amortization	37,037	18,901	—	13,901	55,938	—	50,938
Non-operating income, net	465	760	—	510	1,225	—	975
EBITDA (non-GAAP)	231,915	74,323	—	82,044	306,238	—	313,959
Add: Bed, Bath & Beyond bankruptcy	4,213	—	—	—	4,213	—	4,213
Gain on sale of distribution and office facilities	(34,190)	—	—	—	(34,190)	—	(34,190)
Restructuring charges	14,862	5,000	—	3,000	19,862	—	17,862
Non-cash share-based compensation	25,105	8,772	—	8,051	33,877	—	33,156
Adjusted EBITDA (non-GAAP)	$ 241,905	$ 88,095	—	$ 93,095	$ 330,000	—	$ 335,000
Adjusted EBITDA margin (non-GAAP)					16.7 %	—	16.8 %

Reconciliation of Non-GAAP Financial Measures - Fiscal 2024 Outlook for GAAP Diluted EPS to Adjusted Diluted EPS (Non-GAAP) and GAAP Effective Tax Rate to Adjusted Effective Tax Rate (Non-GAAP) (Unaudited)

	Nine Months Ended November 30, 2023	Outlook for the Balance of the Fiscal Year (Three Months)			Outlook Fiscal 2024			Tax Rate Outlook Fiscal 2024		
Diluted EPS, as reported (GAAP)	$ 5.25	$ 1.42	—	$ 1.80	$ 6.67	—	$ 7.05	20.0 %	—	19.0 %
Bed, Bath & Beyond bankruptcy	0.18	—	—	—	0.18	—	0.18		—	
Gain on sale of distribution and office facilities	(1.42)	—	—	—	(1.42)	—	(1.42)		—	
Restructuring charges	0.62	0.21	—	0.13	0.83	—	0.75		—	
Amortization of intangible assets	0.58	0.20	—	0.17	0.78	—	0.75		—	
Non-cash share-based compensation	1.05	0.36	—	0.33	1.41	—	1.38		—	
Income tax effect of adjustments	0.22	(0.07)	—	(0.06)	0.15	—	0.16	(5.5)%		(5.5)%
Adjusted diluted EPS (non-GAAP)	$ 6.45	$ 2.15	—	$ 2.40	$ 8.60	—	$ 8.85	14.5 %	—	13.5 %

Reconciliation of Non-GAAP Financial Measures – Net Leverage Ratio (Non-GAAP) (Unaudited) (in thousands)

		Fiscal Year Ended February 28, 2023
Adjusted EBITDA (non-GAAP)	$	327,519
Plus: Pro forma effect of acquisitions		1,985
Adjusted EBITDA per the credit agreement	$	329,504
Total borrowings under the credit agreement, as reported (GAAP)	$	936,875
Add: Outstanding letters of credit		18,176
Less: Unrestricted cash and cash equivalents		(28,797)
Net debt	$	926,254
Net leverage ratio (non-GAAP)		2.81

Reconciliation of Non-GAAP Financial Measures – Net Leverage Ratio (Non-GAAP) (Unaudited) (in thousands)

	Quarterly Period Ended				Twelve Months Ended
	February	May	August	November	November 30, 2023
Adjusted EBITDA (non-GAAP)	$ 73,421	$ 72,358	$ 71,730	$ 97,817	$ 315,326
Bed, Bath & Beyond bankruptcy	—	(4,213)	—	—	(4,213)
Adjusted EBITDA per the credit agreement	$ 73,421	$ 68,145	$ 71,730	$ 97,817	$ 311,113
Total borrowings under the credit agreement, as reported (GAAP)					$ 737,188
Add: Outstanding letters of credit					15,485
Less: Unrestricted cash and cash equivalents					(25,247)
Net debt					$ 727,426
Net leverage ratio (non-GAAP)					2.34