Helen of Troy

Investor Presentation
July 2019



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. Generally, the words “anticipates”, “believes”, “expects”, “plans”, “may”, “will”, “should”, “seeks”, “estimates”, “project”, “predict”, “potential”, “continue”, “intends”, and other similar words identify forward-looking statements. All statements that address operating results, events or developments that the Company expects or anticipates will occur in the future, including statements related to sales, earnings per share 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 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, 2019, 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 Company's ability to deliver products to its customers in a timely manner and according to their fulfillment standards, the costs of complying with the business demands and requirements of large sophisticated customers, the Company's relationships with key customers and licensors, its dependence on the strength of retail economies and vulnerabilities to any prolonged economic downturn, its dependence on sales to several large customers and the risks associated with any loss or substantial decline in sales to top customers, expectations regarding any proposed restructurings, its recent and future acquisitions or divestitures, including its ability to realize anticipated cost savings, synergies and other benefits along with its ability to effectively integrate acquired businesses or separate divested businesses, circumstances which may contribute to future impairment of goodwill, intangible or other long-lived assets, the retention and recruitment of key personnel, foreign currency exchange rate fluctuations, risks associated with weather conditions, the duration and severity of the cold and flu season and other related factors, its dependence on foreign sources of supply and foreign manufacturing, and associated operational risks including, but not limited to, long lead times, consistent local labor availability and capacity, and timely availability of sufficient shipping carrier capacity, labor and energy on cost of goods sold and certain operating expenses, the risks associated with significant tariffs or other restrictions on imports from China or any retaliatory trade measures taken by China, the geographic concentration and peak season capacity of certain U.S. distribution facilities increases its exposure to significant shipping disruptions and added shipping and storage costs, its projections of product demand, sales and net income are highly subjective in nature and future sales and net income could vary in a material amount from such projections, the risks associated with the use of trademarks licensed from and to third parties, its ability to develop and introduce a continuing stream of new products to meet changing consumer preferences, trade barriers, exchange controls, expropriations, and other risks associated with U.S. and foreign operations, the risks to its liquidity as a result of changes to capital and credit market conditions, limitations under its financing arrangements and other constraints or events that impose constraints on its cash resources and ability to operate its business, the costs, complexity and challenges of upgrading and managing its global information systems, the risks associated with cybersecurity and information security breaches, the risks associated with global legal developments regarding privacy and data security could result in changes to our business practices, penalties, increased cost of operations, or otherwise harm our business, the risks associated with product recalls, product liability, other claims, and related litigation against us, the risks associated with accounting for tax positions, tax audits and related disputes with taxing authorities, the risks of potential changes in laws in the U.S. or abroad, including tax laws, regulations or treaties, employment and health insurance laws and regulations, and laws relating to environmental policy, personal data, financial regulation, transportation policy and infrastructure policy along with the costs and complexities of compliance with such laws, its ability to continue to avoid classification as a controlled foreign corporation, and legislation enacted in Bermuda and Barbados in response to the European Union’s review of harmful tax competition could adversely affect our operations. The Company undertakes no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise.

This presentation includes non-GAAP financial measures. Adjusted Operating Income, Adjusted Income, Adjusted Diluted EPS, Adjusted Operating Margin, Adjusted EPS, Free Cash Flow, and Adjusted Operating Income may be considered non-GAAP financial information as set forth in SEC Regulation G, Rule 100. The tables in the appendix attached to this presentation reconcile these measures to their corresponding GAAP-based measures presented in our condensed consolidated statements of income. We believe that Adjusted Operating Income, Adjusted Income, Adjusted Diluted EPS, Adjusted Operating Margin, Adjusted EPS, Free Cash Flow, and Adjusted Operating Income provide useful information to management and investors regarding financial and business trends relating to our financial condition and results of operations. We believe that these non-GAAP financial measures, in combination with our financial results calculated in accordance with GAAP, provide investors with additional perspective regarding the impact of such charges on applicable income, margin and earnings per share measures. We also believe that these non-GAAP measures facilitate a more direct comparison of our performance to our competitors. We further believe that including the excluded charges would not accurately reflect the underlying performance of our continuing operations for the period in which the charges are incurred, even though such charges may be incurred and reflected in our 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 measures do not reflect the full economic impact of our activities. Our Adjusted Operating Income, Adjusted Income, Adjusted Diluted EPS, Adjusted Operating Margin, Adjusted EPS, Free Cash Flow, and Adjusted Operating Income are not prepared in accordance with GAAP, are not an alternative to GAAP financial information and may be calculated differently than non-GAAP financial information disclosed by other companies. Accordingly, undue reliance should not be placed on non-GAAP information.

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HELE Business Overview

A leading global consumer products company offering creative solutions for its customers through a strong diversified portfolio of well-recognized and widely-trusted brands in Health & Home, Beauty and Housewares.

- Highly Favorable Business Fundamentals
- Powerful Global Brands
- Exciting Growth Drivers
- Track Record of Results

FY19 Total Consolidated Net Sales $1.564 Billion

Health & Home

FY19 Net Sales: $695.2 million (44.4% of total)

PUR, Febreze, BRAUN, Honeywell, VICKS

Housewares

FY19 Net Sales: $523.8 million (33.5% of total)

OXO, Hydro Flask

Beauty

FY19 Net Sales: $345.1 million (22.1% of total)

HOT TOOLS PROFESSIONAL, REVLON, SURE, BRUT, BED HEAD TIGI, PERT, INFUSIUM

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We Believe We Have Strengths and Qualities That Set Us Apart

Strengths

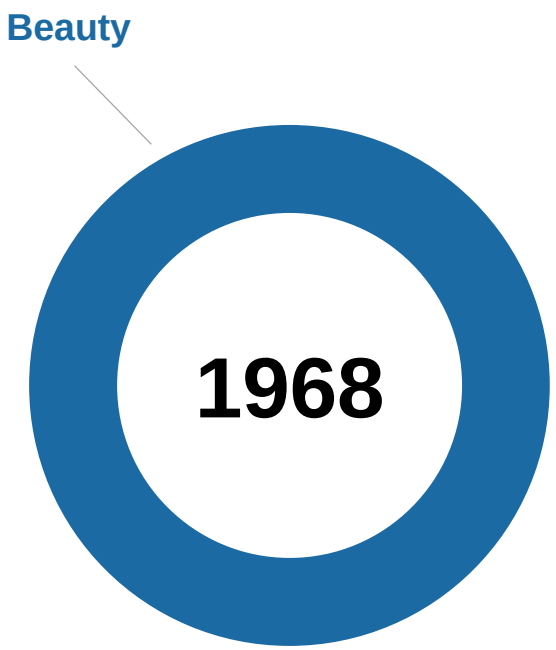
- Operational excellence
- Strategic plan and operating company structure
- Depth of business integration
- Scalable acquisition platform and playbook
- Ability to generate strong cash flow
- Optimal debt structure for our strategy and risk profile
- Tax efficiency and sustainability

Qualities

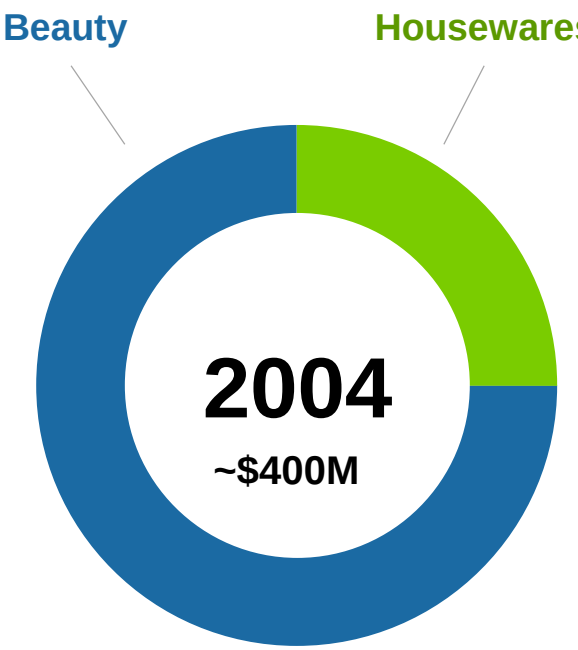
- Track record of consistent results
- Above average returns with below average risk
- High say-to-do ratio, credibility and transparency
- Diversification, resiliency and risk management
- Primed to deploy capital with low risk and leverage
- Undervalued in comparison to most of our peers
- Still in the “middle innings”; the best is yet to come

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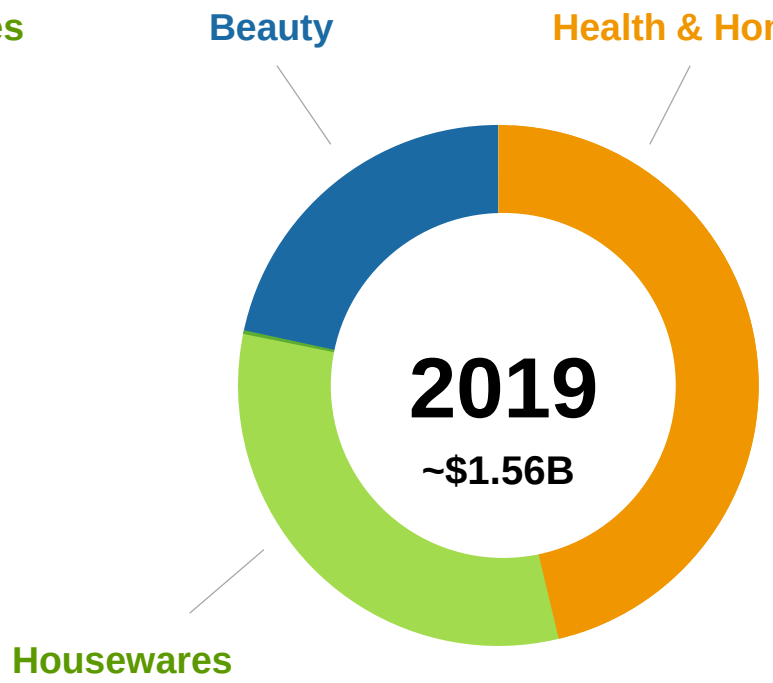
Our Business Today is Vastly Different From Where We Began



A beauty company is born



Helen of Troy expands beyond Beauty

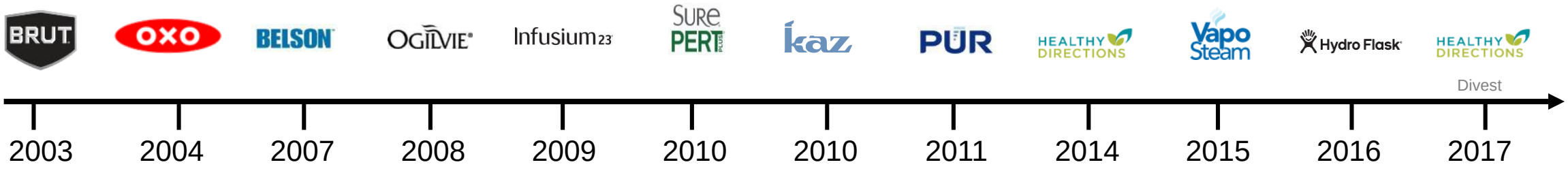


Three divisions powering our growth

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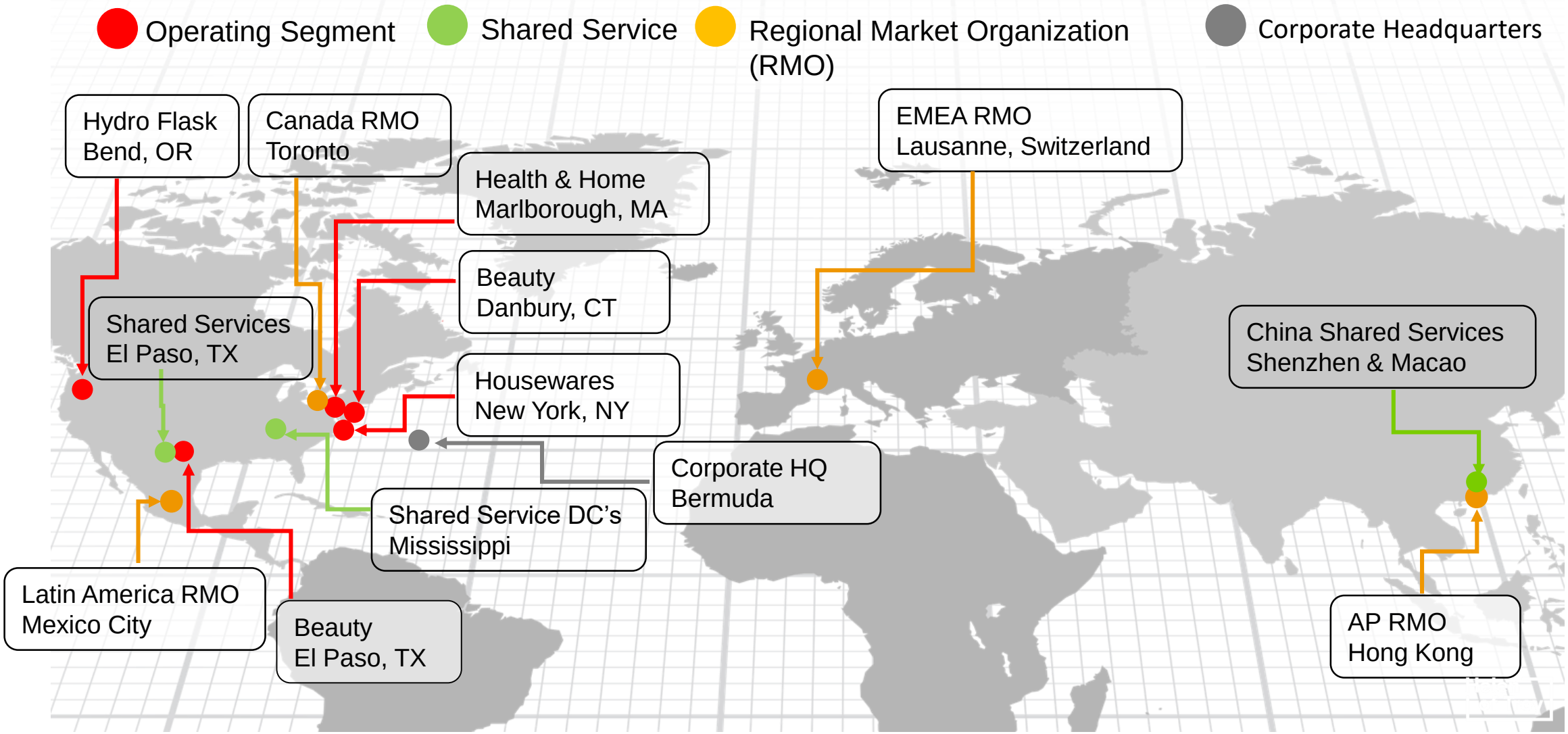
Proven Ability to Acquire and Integrate in Attractive Sectors

- **FY19 Net sales of $1.564B:** built from acquisition and organic growth
- **Bolting On**: success adding new categories, geographies and channels
- **Tucking In:** new brands and adjacencies for additional growth
- **Right Balance:** of integration and independence



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Our Global Footprint



Evolution of Transformation Strategy

Phase I: FY15-FY19



Phase II: FY20-FY24



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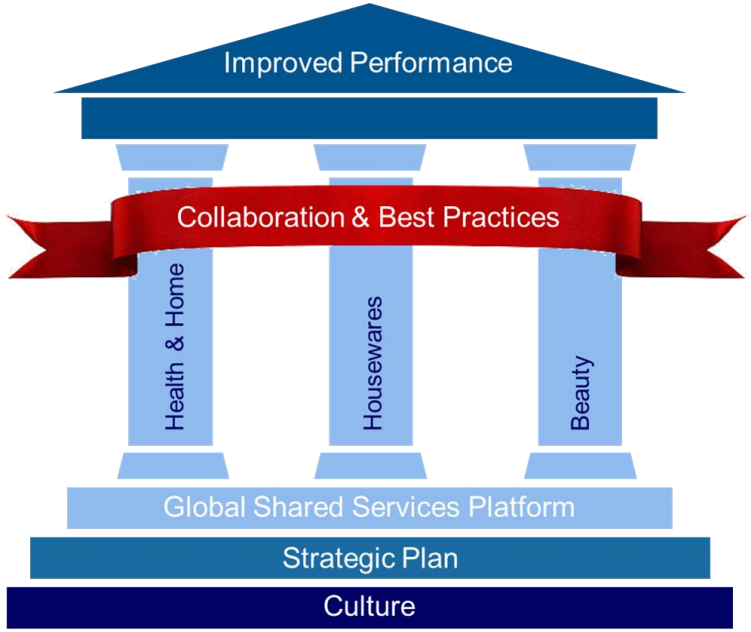
Key Elements of Phase I: FY15-FY19

Transformational Strategy



+

More Efficient and Collaborative Operating Structure



+

Leadership Brands

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OXO

Honeywell

BRAUN

VICKS

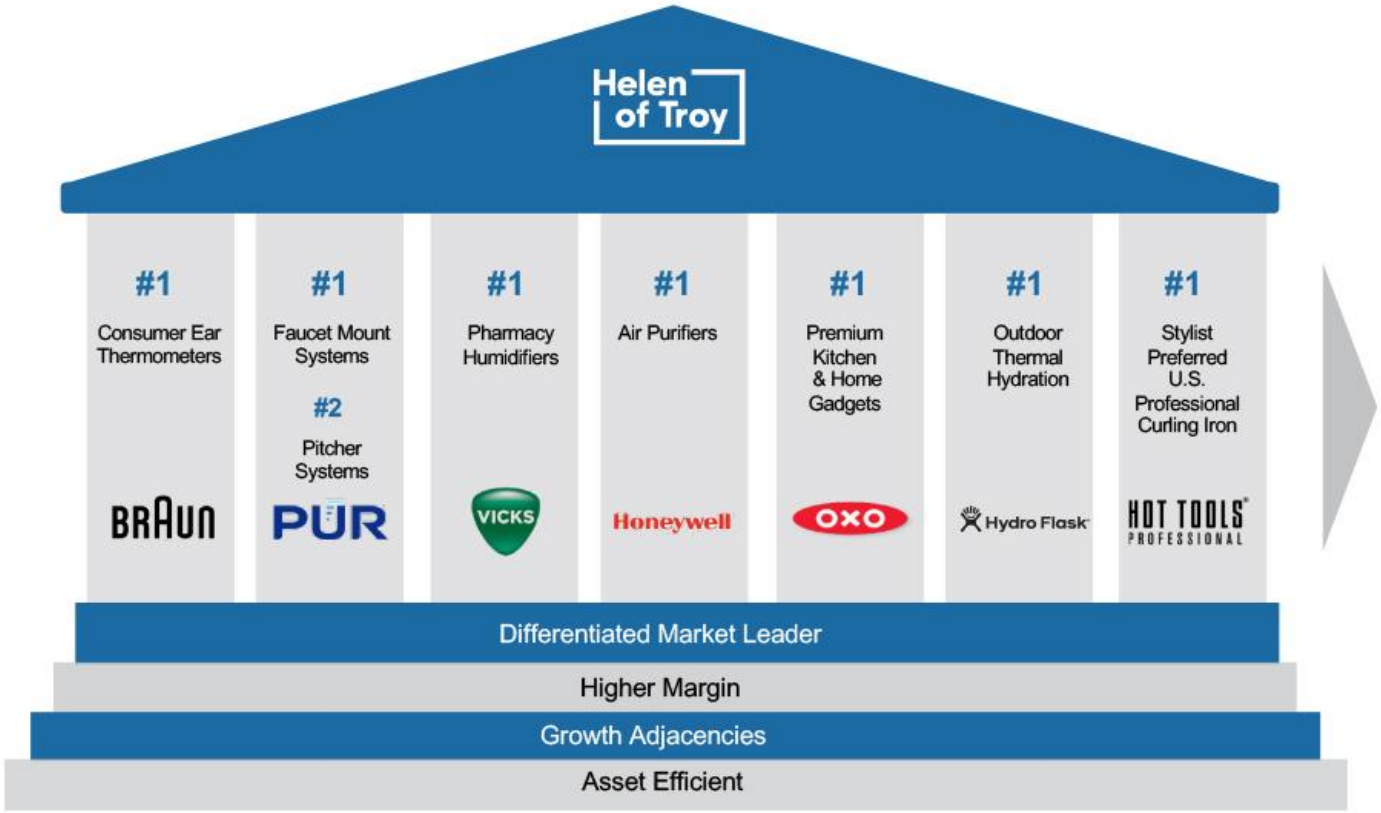
Hydro Flask

PUR

HOT TOOLS PROFESSIONAL

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Strong Portfolio of Leadership Brands

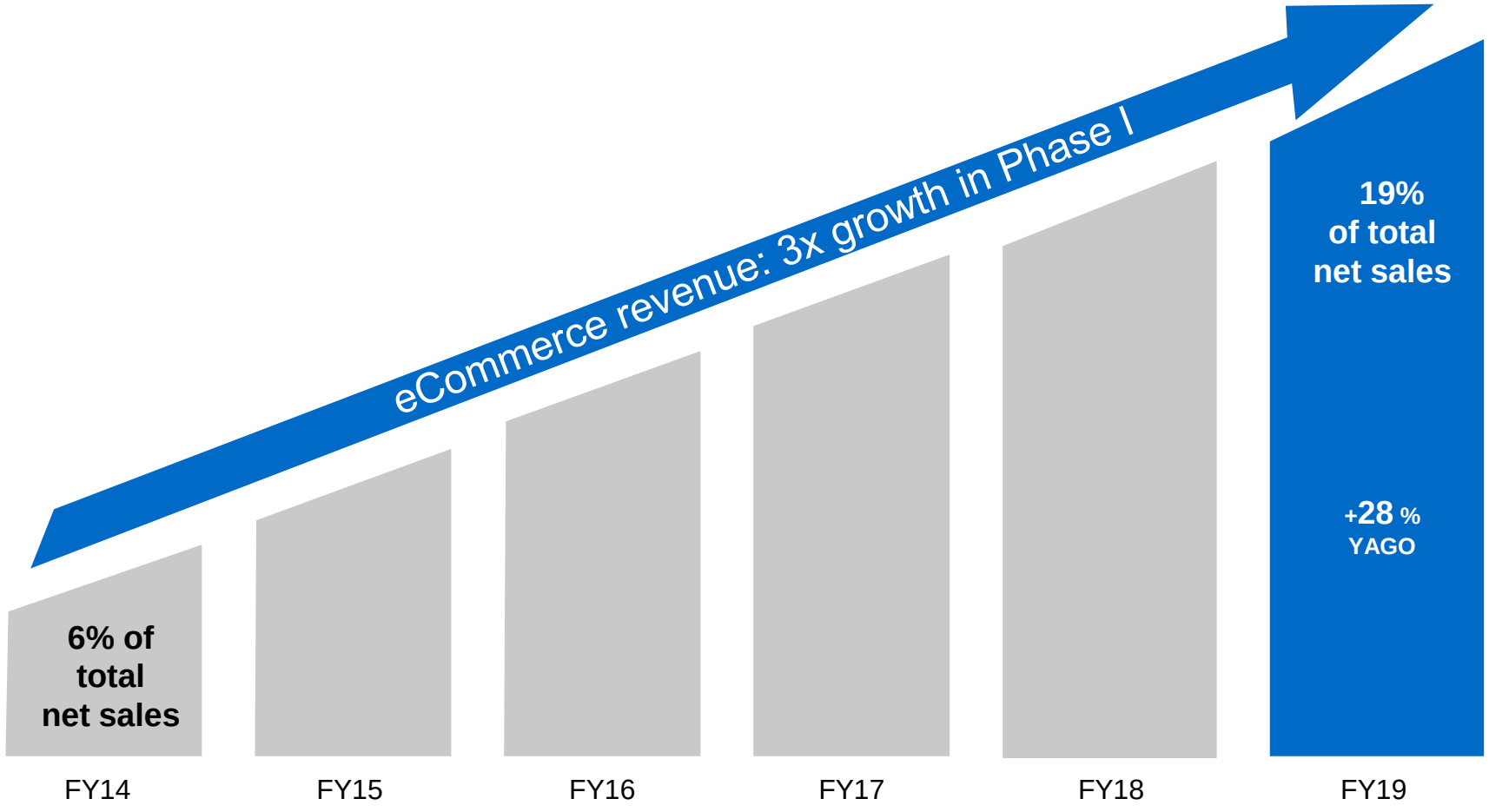


Phase I 11.1% Leadership Brand Net Sales CAGR

FY19 +8.9% vs YAGO
~80% of total net sales

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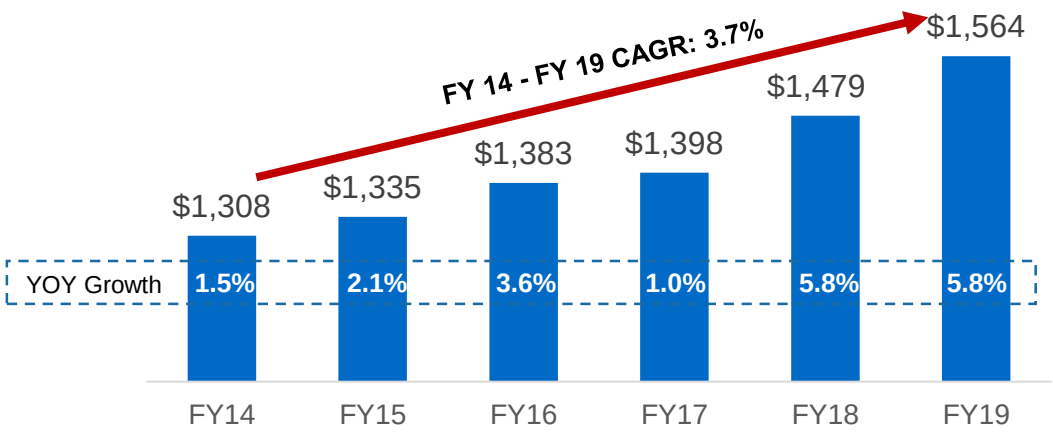
Investments in Digital are Driving Online Sales



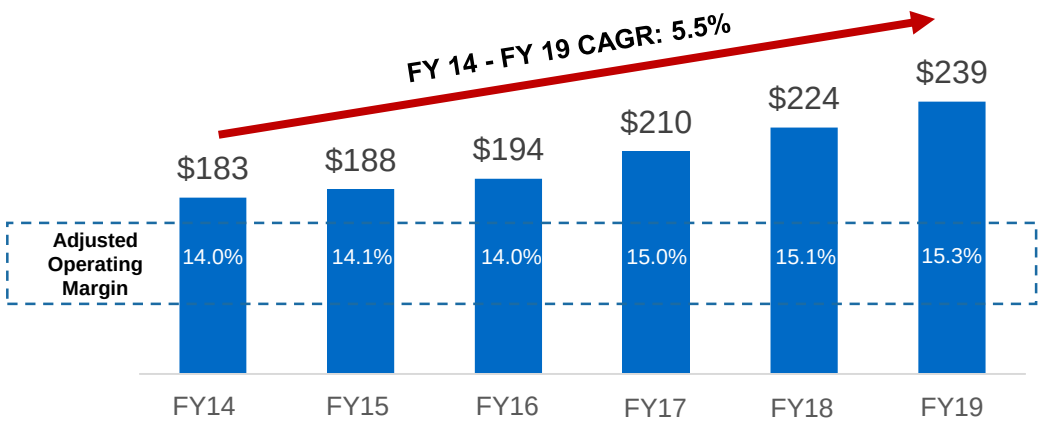
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Phase I Produced Strong Results

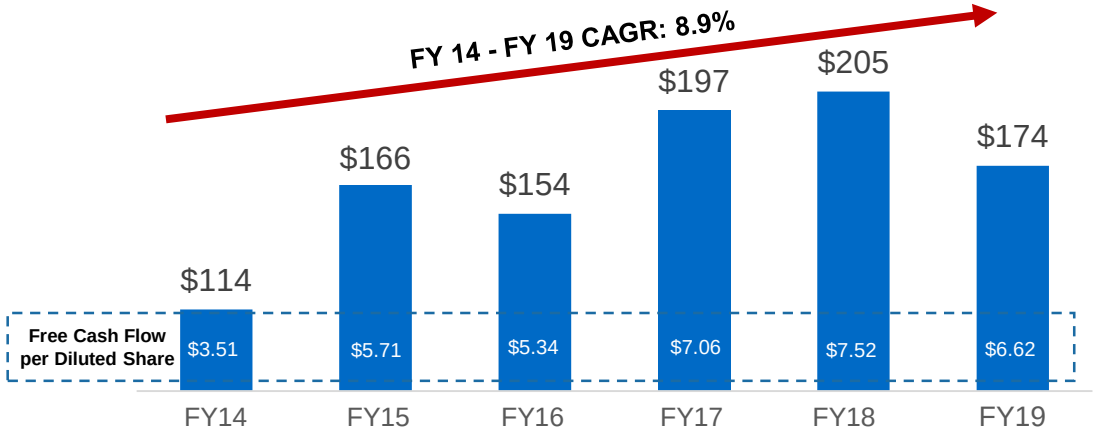
Revenue ($ in Millions)



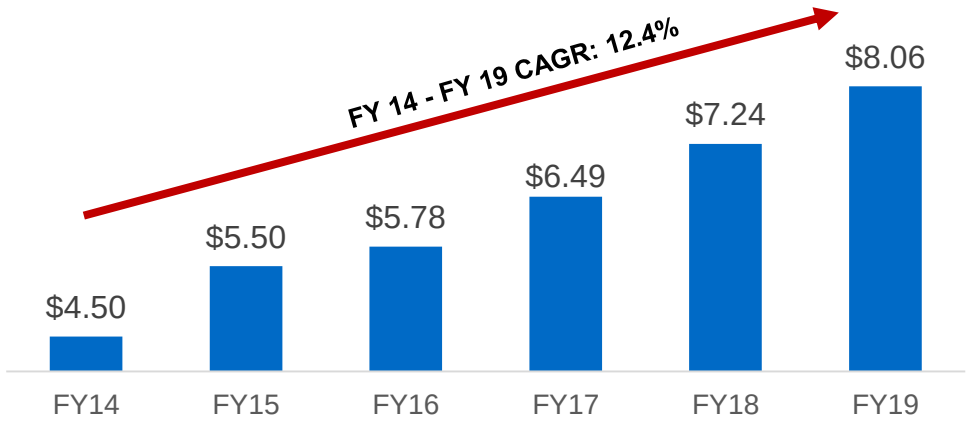
Adjusted Operating Income ($ in Millions)



Free Cash Flow ($ in Millions)

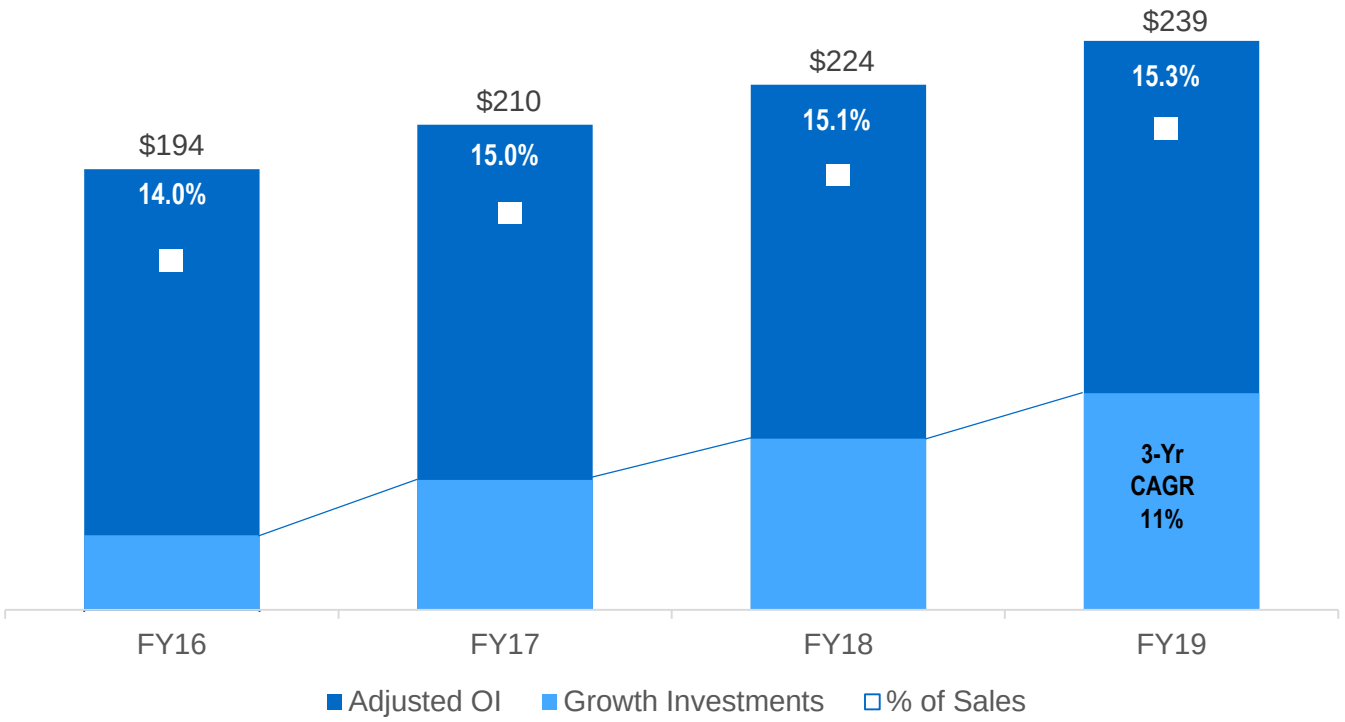


Non-GAAP Adjusted Diluted EPS



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Phase I Adjusted Operating Margin and Growth Investment Progression



Margin Expansion Formula:

Drivers:

+ Leadership Brand Growth
+ New Product Development
+ Portfolio Enhancement
+ Project Refuel
+ Shared Service Efficiency

Investments:

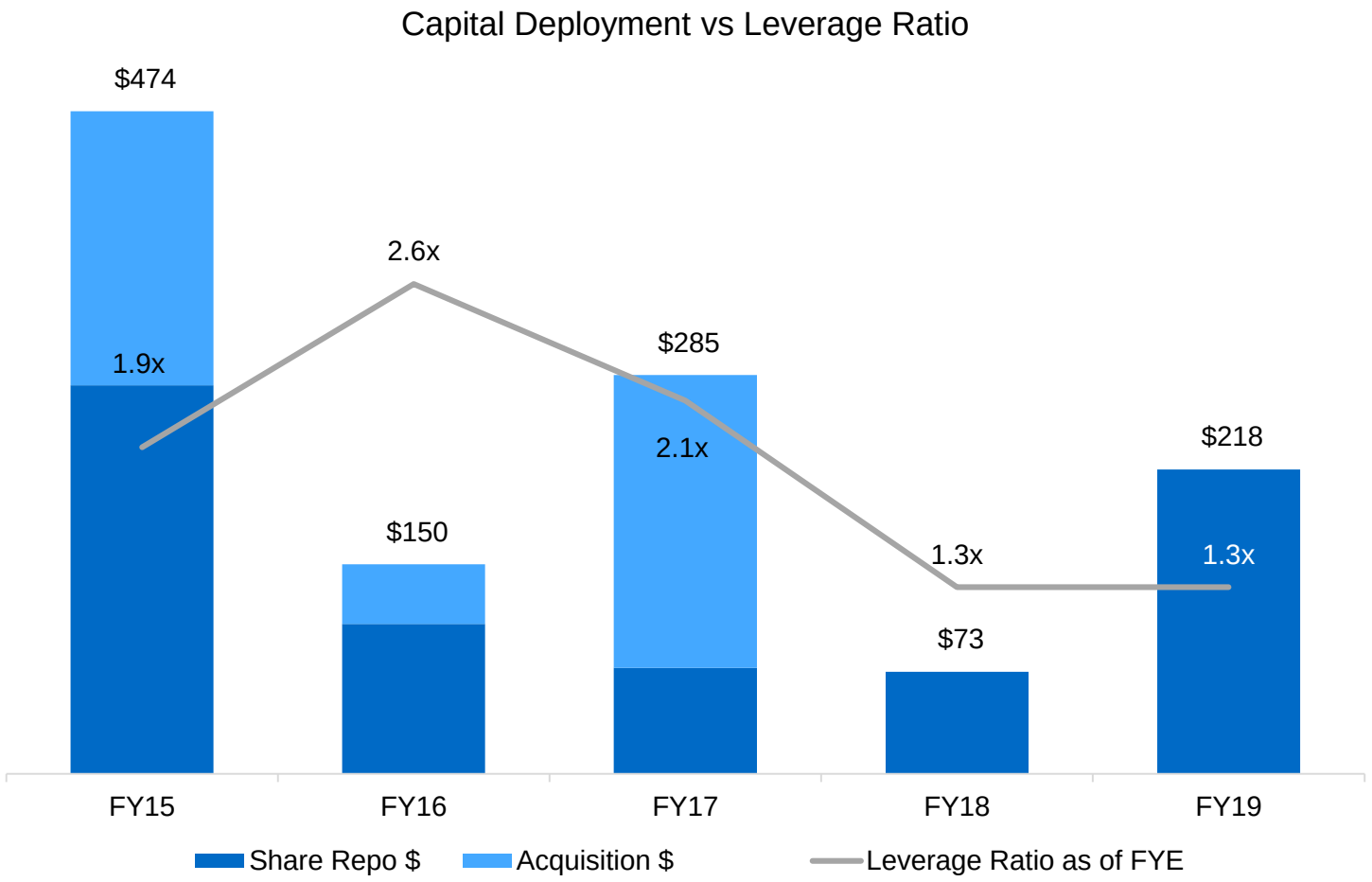
- Growth investment CAGR of 11%
- Organizational investments

Headwinds:

- Unfavorable FY19 tariff impact of $4M

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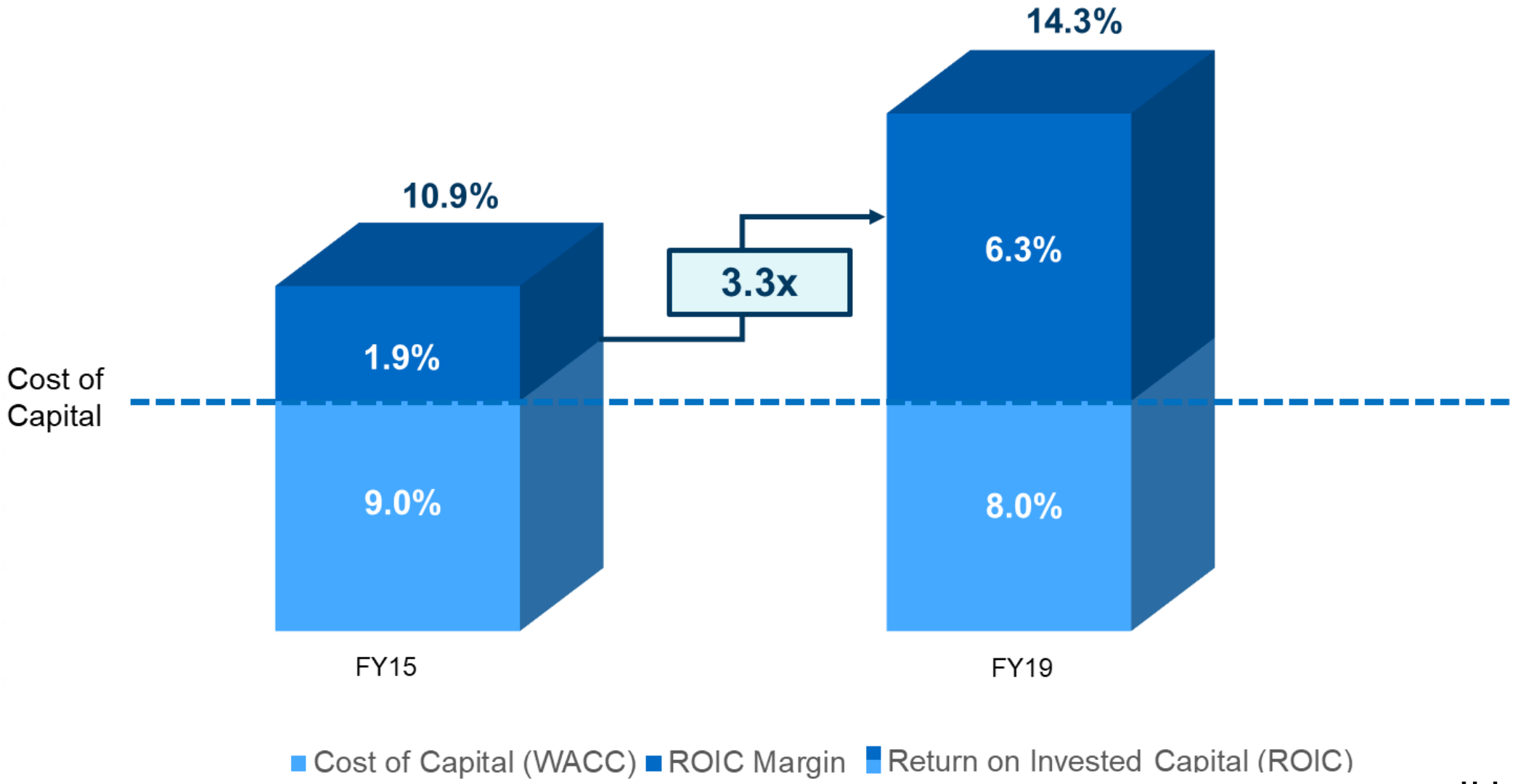
Phase I Capital Deployment with Low Leverage and Risk



- Deployed a total of ~$1.2B of capital without exceeding 2.6x leverage
- Share repurchases of ~$750M
- Acquisition totaling ~$450M
- Ability to deploy over ~$1.3B of capital in Phase II without exceeding 3.0x leverage
- Low interest cost compared to peers
- Higher leverage in FY16 due to pre-borrowing at end of the year to fund Hydro Flask acquisition at the beginning of FY17

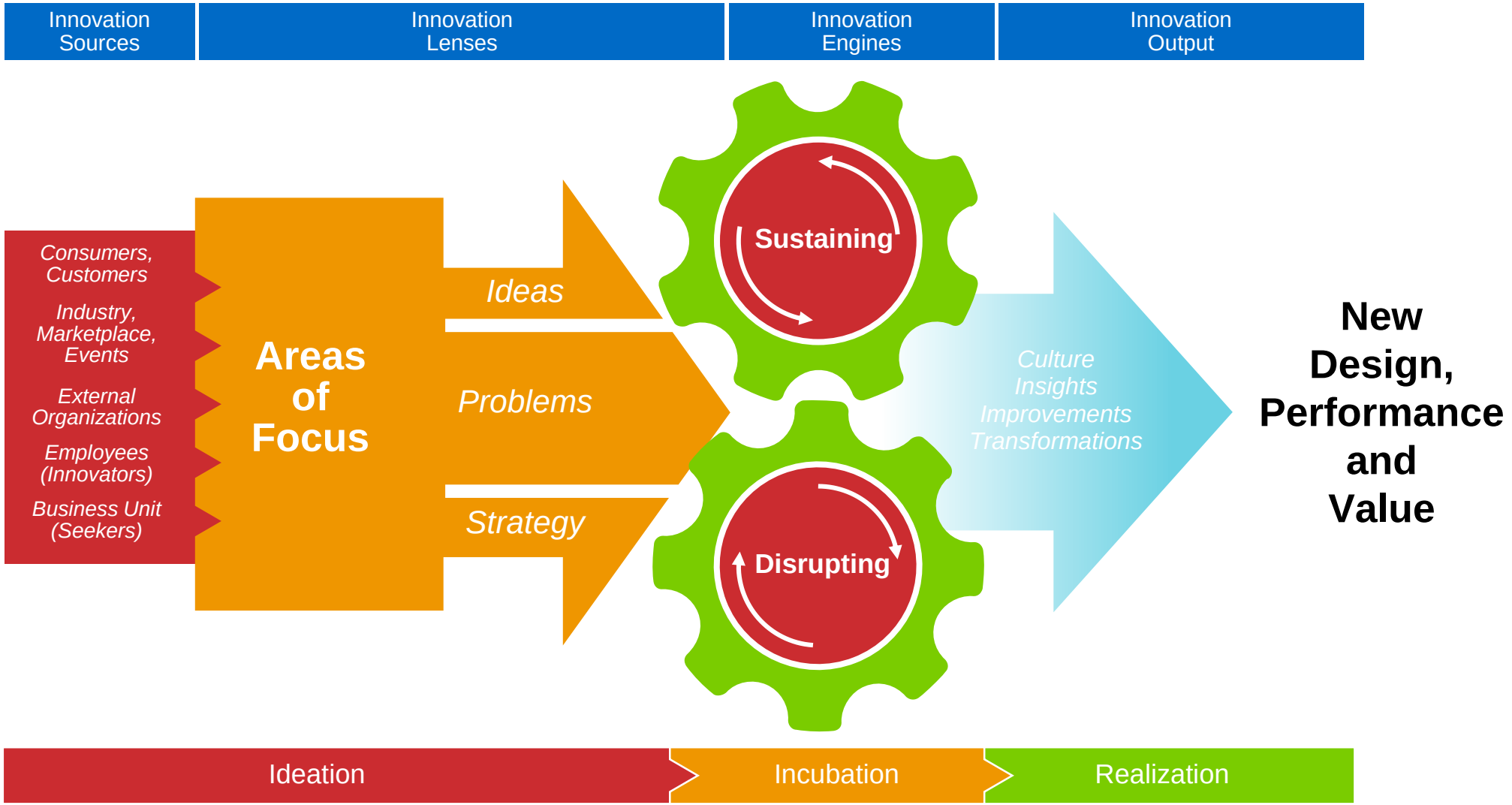
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Phase I Generated Strong Return on Invested Capital



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Consumer Centric Innovation is a Healthy Obsession at Helen of Troy



39 Industry Awards Since 2018 for Outstanding Innovation, Design & Performance

Honeywell HUL430 Humidifier
BNA 100 Nasal Aspirator
BNT 400 Thermometer
Braun iCheck 7 Blood Pressure Monitor
Braun ActivScan 9 Upper Arm Monitor

Braun iCheck 7 Blood Pressure Monitor
Braun ActivScan 9 Upper Arm Monitor

OXO Silicone Dough Rolling Bag
OXO Coffee Grounds Cleaning Scoop
OXO Toilet brush with Rim cleaner
OXO POP 2.0 Containers
Braun iCheck 7 Blood Pressure Monitor
Braun ActivScan 9 Upper Arm Monitor

OXO TOT Silicone Self Feeder (Feeding)
OXO Potty Chair
OXO TOT Silicone Self Feeder (Weaning)

Pur Advanced Filtration System

Hydro Flask Soft Cooler Pack
Hydro Flask Soft Cooler Tote
Hydro Flask Straw Lid
Hydro Flask Cooler Cup

HOT Tools Marcel Curing Iron
HOT Tools 1” 24K Gold Curling Iron

HOT Tools Signature Series

HOT Tools Curlbar Iron

Revlon 360 Surround Styler

HOT Tools 1” Ionic Salon Flat Iron

OXO Brew Conical Burr Coffee Grinder

HOT Tools Radiant Blue Turbo Dryer

Braun IRT 6520 Thermometer

HOT Tools Signature Series Gold Iron

HOT Tools Brand

Braun ExactFit 5 Connect BPM
Braun ExactFit 3 BPM

Revlon Ultimate Glow Sonic Facial Brush

OXO Good Gravy Fat Separator
OXO Silicone Pressure Cooker Rack
OXO POP 2.0 Containers

Revlon One Step Volumizer

Winning in the Marketplace

2017

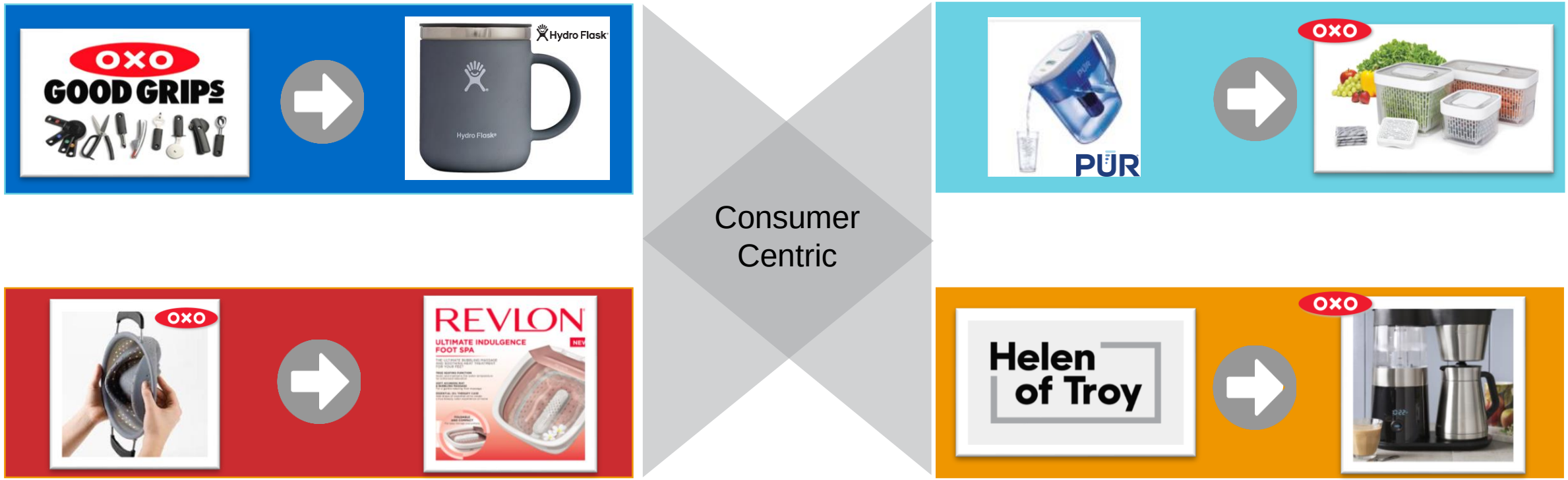


2018



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Innovation Powered by Outstanding New Products & New Era of Cross-fertilization



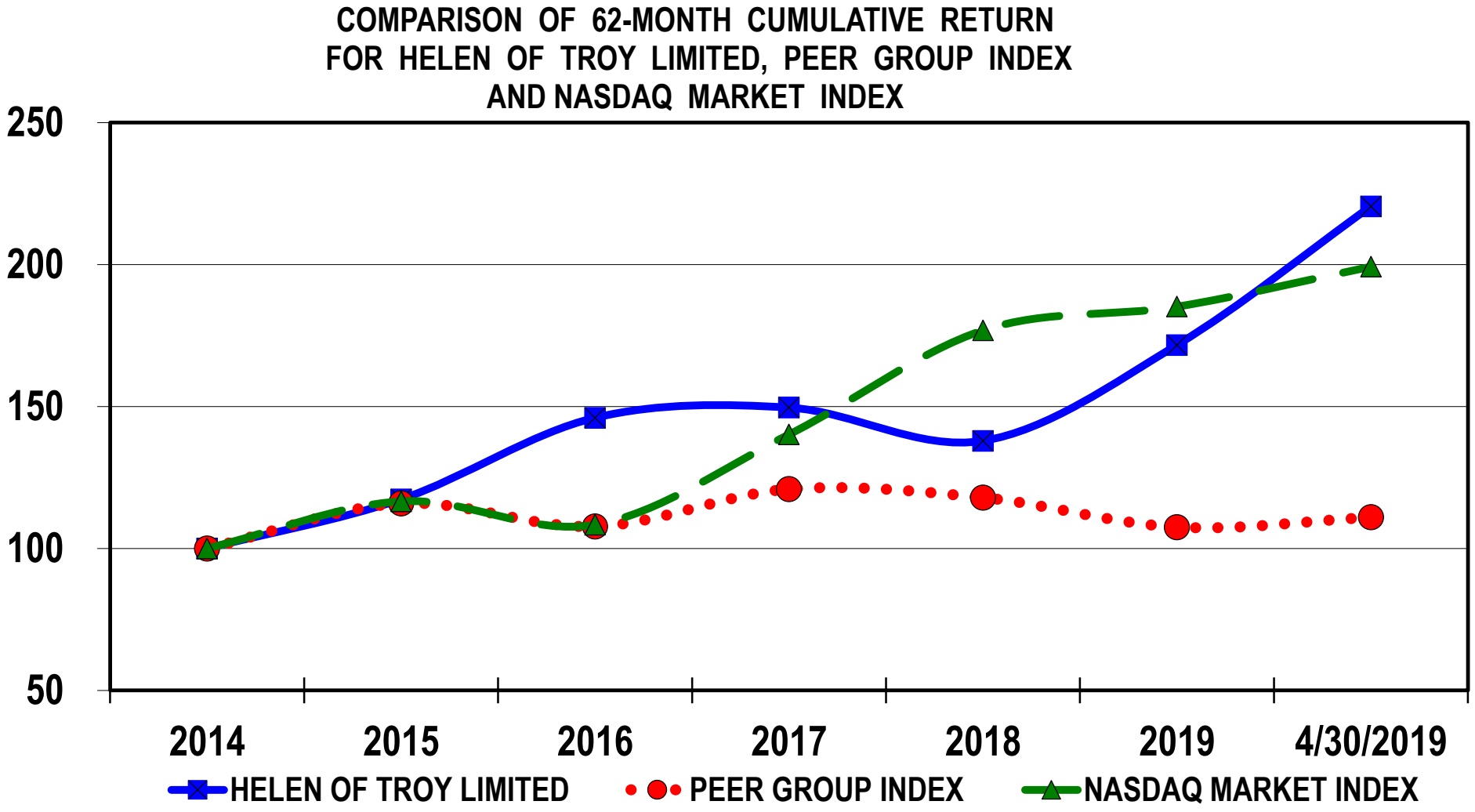
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Strong Track Record as a Best-in-Class Licensee



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Strong Shareholder Return; Opportunity to Create Even More Value in Phase II



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Phase II Transformation Began in FY20



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Phase II is Designed to Deliver to All Key Stakeholders

Associates

Elevate our culture and management capability to Attract, Retain, Unify and Train the best people for rewarding long-term careers

Customers

Provide Leadership Brands that deliver profitable growth



Consumers

Elevate lives every day with high-quality solutions from trusted, compelling brands

Shareholders

Strive to deliver superior long-term performance

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Phase II Financial Targets*

	Phase II Targets*
Annual Core Business Sales Growth	2.5% to 3.5%
Annual Operating Margin Expansion (1)	20 to 30 bps
Annual EPS Growth (2)	≥ 8%
Annual Growth Investment Increase	≥ 10%
ROIC (1)	≥ 20% by FY24
Annual Cash Flow From Operations Growth (1)	≥ 10%
Annual Capital Expenditures (1)	$20M - $25M

(1) Excludes acquisitions, material currency fluctuations and future tariff impacts
(2) Excludes share repurchases, acquisitions, material currency fluctuations and future tariff impacts
* Annual targets are averages

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Culture is a Driver of Helen of Troy's Phase II Plan

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Elevating Lives, Soaring Together

At Helen of Troy, we seek out and build world-class brands. Their meaningful positions and outstanding products elevate people's lives everywhere, every day.

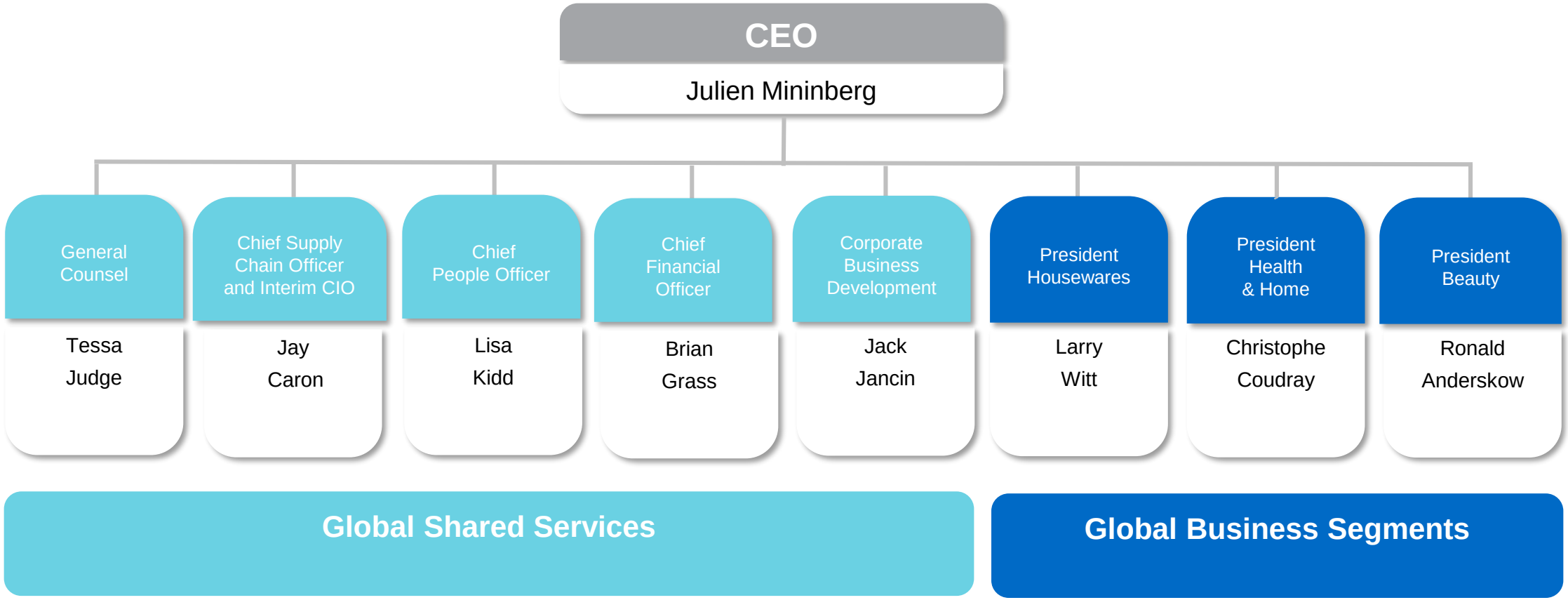
We boldly bring brands into our family, where we nurture what makes them great. We collaborate internally and externally, always striving to provide the consumer-centric innovation, operational excellence, scale, global reach, and stellar shared services to make them soar.

We are proudly powered by our exceptional people, who feel and act like passionate owners. Every day, their experience and skills build superb businesses and create best-in-class capabilities in every corner of our company. We cultivate careers and celebrate our shared success as we create long-term sustainable value together.

With over 50 years of experience, we are just getting started.
We elevate lives. We soar together. We are Helen of Troy.

I	R	I	S	E
In Touch	**Mutual Respect**	**Ingenuity**	**Shared Success**	**Exceptional People**
We are deeply connected internally and externally. Internally, we understand each other and are unified by a common culture, shared strategic plan, and aligned goals. Externally, our superior understanding of consumers, customers, shareholders, partners and competitors is a source of competitive advantage.	We treat each other as each of us wants to be treated—with integrity, professionalism, and transparency. At Helen of Troy, what you see is what you get. We listen to each other and always assume noble intent. We are at our strongest when we work together, learn from each other, and respect what all parties bring to the table.	Our passion for delighting consumers keeps us ideating, and inventing better ways to elevate the lives of people everywhere every day. Our healthy dissatisfaction with the status quo drives continuous improvement in every corner of the company.	Helen of Troy's success and that of our people are linked. We soar together. Our people working in our Business Units, RMOs and Shared Services give their very best individually and in teams. Together, we achieve what none of us can do alone. We reward winning results and invest in the communities where we live and work.	A great organization is powered by people. Our people feel and act like passionate owners. Their experience and skills build our business and the people around them. Their passion for excellence and winning is contagious. We invest in developing our people and cultivating rewarding careers.

Highly Experienced Global Leadership Team



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Most Recent Results

Three-Months
Q1 FY 2020

Continued Sales Momentum

- Net sales +6.1%, including:
  - Leadership Brands +7.4%
  - Online channel +28.0%
  - Core business +6.8%

Strong EPS Growth Despite External Challenges

- Adj. operating margin increased 0.2 percentage points despite:
  - Strategic choice to increase growth investments to support Leadership Brands
- Adj. diluted EPS from continuing operations increased 10.2% to $2.06:
  - Successful tariff increase mitigation efforts

Increased Full Year Outlook

- Now expect consolidated net sales revenue in the range of $1.590 to $1.620 billion, which implies growth of 1.7% to 3.6% vs. prior expectation of 1% to 3%, and includes:
  - Housewares growth of 6-8% vs. prior expectation of 4% - 6%
  - Health & Home growth of 2-3%, which remains the same
  - Beauty decline in the low-single digits, which remains the same.
- Now expect adjusted diluted EPS from continuing operations in the range of $8.40 to $8.65 vs. prior expectation of $8.25 to 8.50

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Revised Fiscal 2020 Outlook and Key Assumptions

Headwinds/ Tailwinds

Tailwinds

- New product and category introductions
- Consumer-centric investment in greatest opportunities

Headwinds

- Tough comparison to first half of FY19
- Variable softness at certain brick and mortar retailers
- Freight cost inflation
- Expected impact of new U.K. ORIP Tax
- Unfavorable foreign exchange rates

Assumptions

- Normal cold/flu season
- Incremental growth investments of +12% to +17% YOY
- June 2019 currency rates hold for remainder of year
- Cash flow hedges in place for portion of FX exposure
- No additional share repurchases, impairments or acquisitions

Revised FY20 Outlook

- Consolidated net sales revenue of $1.590 billon to $1.620 billion
  - implies growth of 1.7% to 3.6%, on top of growth of 5.8% in FY19
- Consolidated GAAP diluted EPS of $6.80 to $6.97
- Consolidated non-GAAP adjusted diluted EPS of $8.40 to $8.65
  - Implies YoY growth of 4.2% to 7.3% while increasing growth investments
  - Expect growth of 4% to 6% in 1H FY19 YoY
  - Growth expected to be concentrated in second half of fiscal year due to strong performance comparison and specific events in first half of FY19
- Reported GAAP effective tax rate range of 9.9% to 11.9%, and an adjusted effective tax rate range of 9.1% to 10.7%

Revised FY20 Outlook by Business Segment

	FY20 Sales Growth Outlook
Health & Home	2% to 3%
Housewares	6% to 8%
Beauty	LSD
Total	1.7% to 3.6%

LSD = Low single digit

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Phase II Strategic Choices

WHERE TO PLAY

Phase I

- Invest in Our Core
- Strategic, Disciplined M&A

Phase II

- Invest in Leadership Brands
- Double Down on International
- Selective & Strategic M&A

HOW TO WIN

Phase I

- Consumer-Centric Innovation
- Upgrade Our Organization & People Systems
- Best in Class Shared Services
- Attack Waste
- Asset Efficiency
- Shareholder-Friendly Policies

Phase II

- Consumer Centric
- Unify & Elevate the Best People
- Accelerate Shared Services Excellence
- Maximize Operating Efficiency
- Optimize Capital Deployment

Transformation Phase II: Key Messages



01

FY19 and 3-year financial results show acceleration

02

Strategic formula is enabling margin expansion while making higher levels of investment

03

Track record of consistent annual results

04

Strong shareholder return with the opportunity to create even more value in Phase II

05

We believe we are a true operating company with strengths and qualities that set us apart

06

Key metrics illustrate we remain undervalued compared to most of our peers

07

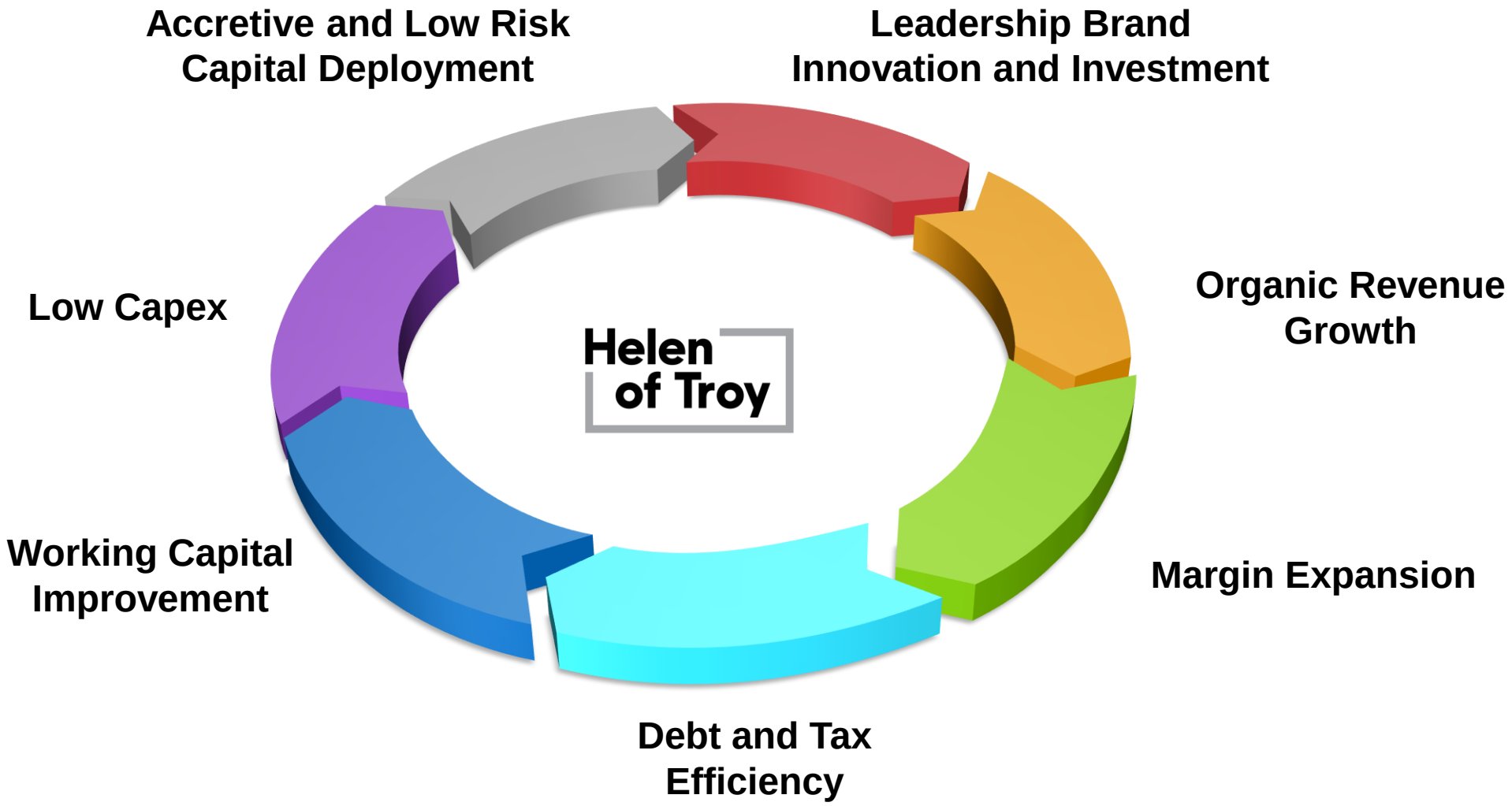
Proven ability to deploy capital while maintaining low leverage and risk

08

We believe the best is yet to come

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Value Creation Flywheel



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Business Segments

Health & Home
Award-winning, Global Branded, Consumer Device Business

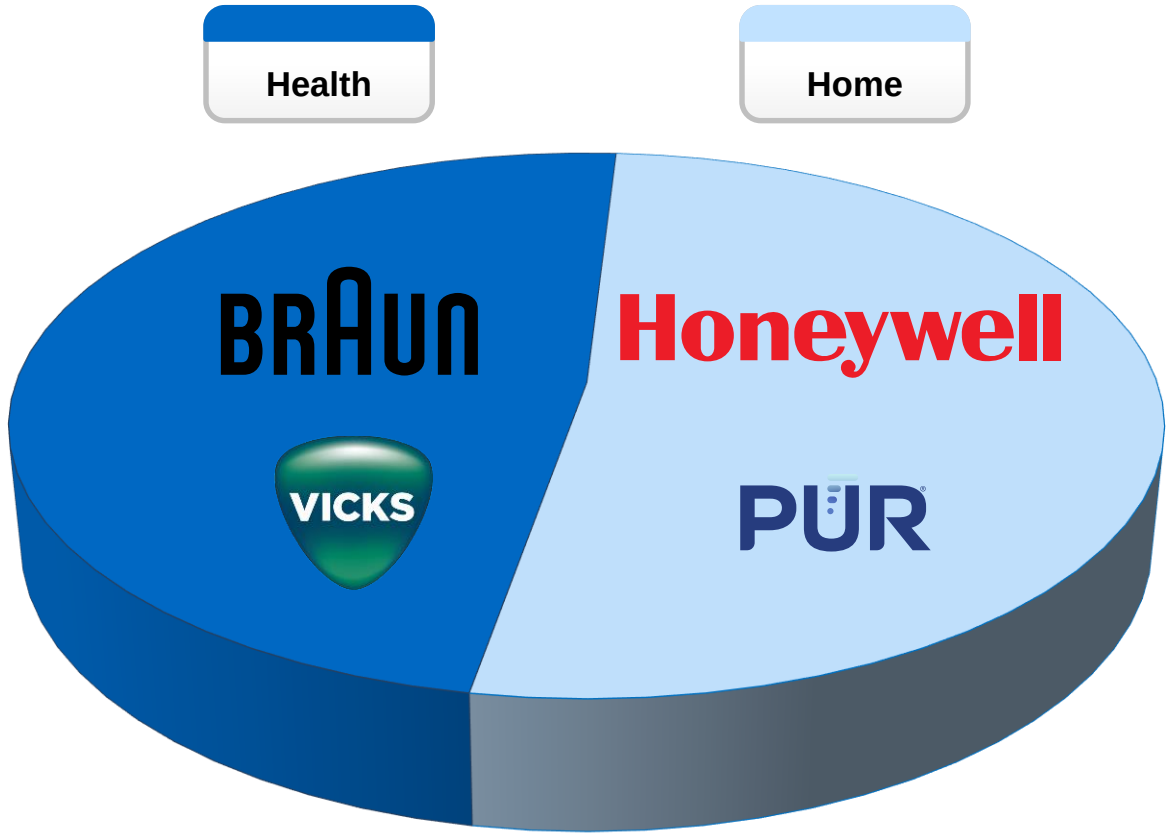
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BRAUN

VICKS

Honeywell

PUR



Delighting consumers with trusted solutions for healthy living and peace of mind

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Health

BRAUN


Theregionscan 7


Theregionscan 5


Theregionscan 3


Lens Filters


3-in-1 No Touch


No Touch + Forehead


Forehead


Digital Stick

THERMOMETERS


Nasal Aspirator

SINUS


ActivScan 9


iCheck 7

BLOOD PRESSURE MONITORS

VICKS


Vaporizer


Warm Mist


Sinus Inhaler


Mini Filter Free Cool Mist


Sweet Dreams Cool Mist


Filter Free Cool Mist


Germ Free Cool Mist


Easy Fill Cool Mist

HUMIDIFICATION



VAPOPADS & STEAM


15 Second Oral/Rectal/UA


8 Second Oral/Rectal


2 Second Oral/Rectal


Tracking


Rectal

THERMOMETERS

Home

Honeywell



Cool Moisture Med Room



Cool Moisture Lg Room



Warm Mist 99.9% Germ-free



Cool Mist Ultrasonic



Cool Mist Tower Lg Room



Cool Moisture Multi-room



Humidity Monitors

HUMIDIFIERS

ACCESSORIES



True HEPA



True HEPA Bluetooth Connected



True HEPA Tower



Quiet Clean Tower



Air Genius Permanent Compact



Air Genius Permanent Tower



Air Genius Permanent Bluetooth Connected



Ture HEPA Professional Series

AIR PURIFICATION

PUR



Classic



Basic CleanSensor™



Advanced Mineral Clear ®



Ultimate Bluetooth

FAUCET MOUNTS



7 Cup Basic & Ultimate



11 Cup Classic & Ultimate



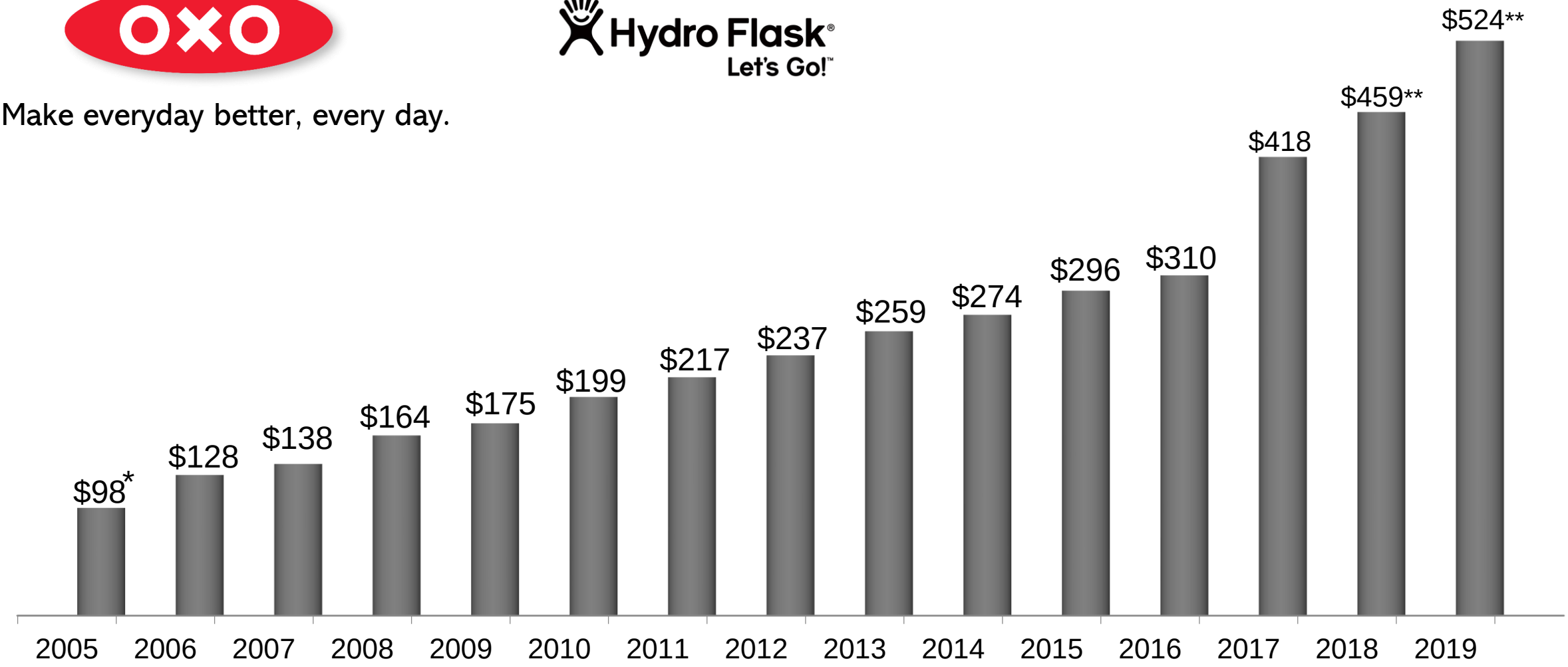
18 Cup Classic & Ultimate

PITCHERS/DISPENSERS

Housewares Division

Make everyday better, every day.

Hydro Flask® Let's Go!™



Source: Helen of Troy
* Proforma FY 2005 Sales – HOT acquired June 2004.
** Results for Fiscal 2018 and Fiscal 2019 have been recast for the adoption of ASU 2014-09, "Revenue from Contracts with Customers".

Helen of Troy

940 Products



TOOLS



GADGETS



MEASURING



BAKING TOOLS



BAKEWARE



COOKWARE



DRY FOOD STORAGE



WET FOOD STORAGE



BATH CLEANING



BATH ORG.



COFFEE



BEVERAGE



UTILITY



TOT SEATING



TOT FEEDING



TOT BATH



TOT ON THE GO



TOT CLEANING

Helen of Troy

Hydro Flask®
Let's Go!™

69 products













HYDRATION | COFFEE | DRINKWARE | BEER WINE SPIRITS | FOOD | ACCESSORIES





SOFT COOLERS | HYDRATION PACKS | NEW CATEGORIES

Helen of Troy

Beauty Portfolio

We make everyone look and feel more beautiful

HOT TOOLS PROFESSIONAL



Flat Irons

HOT TOOLS | SIGNATURE SERIES



Curling Irons



Dryers



Specialty

GOLD N HOT



PROFESSIONAL

REVLON







BRUSHES COMBS & ACCESSORIES

REVLON



Dryers



Flat Irons



Curing Irons



Specialty

HOT TOOLS | SIGNATURE SERIES



Dryers



Curing Irons

Flat Irons

BED HEAD TIGI



RETAIL APPLIANCES

BRUT



PERT



Sure



INFUSIUM



PERSONAL CARE

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Appendix

Glossary of Terms

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

Adjusted Income – GAAP net income excluding Toys “R” Us bankruptcy charge, CEO succession costs, acquisition-related expenses, tax reform, Venezuelan currency re-measurement related charges, patent litigation charges, non-cash asset impairment charges, restructuring charges, non-cash share-based compensation expense, and intangible asset amortization expense (as applicable)

Adjusted Operating Income – GAAP operating income excluding TRU bankruptcy charge, CEO succession costs, acquisition-related expenses, Venezuelan currency re-measurement related charges, patent litigation charges, non-cash asset impairment charges, restructuring charges, non-cash share-based compensation expense, and intangible asset amortization expense(as applicable)

Adjusted Operating Margin – Non-GAAP Adjusted Operating Income divided by net sales

Capital Deployment – Combination of capital used to repurchase shares of common stock and capital used in acquisitions

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

Continuing Operations – All references to the Company’s continuing operations exclude the Nutritional Supplements segment with the exception of stockholders’ equity for the periods presented, which is presented on a consolidated basis and includes discontinued operations.

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

Free Cash Flow (FCF) – Trailing 12 months net cash provided by operating activities less capital and intangible asset expenditures

Free Cash Flow per Share – Free cash flow divided by diluted share count as reported at the end of the fiscal period

Growth Investment – Expenses included in SG&A consisting of selling (marketing and advertising) expenses and new product development expenses

Leadership Brand Net Sales (LB) – Consists of revenue from the OXO, Honeywell, Braun, PUR, Hydro Flask, Vicks, and Hot Tools brands

Leverage Ratio – Total current and long-term debt divided by EBITDA plus proforma effect of acquisitions

Online Channel Net Sales – Net sales from pure-play online retailers and net sales made direct to consumers through Company-owned websites

Peer Group Median – Derived from the Company’s compensation peer group for FY19, which includes Church & Dwight Co. Inc., The Clorox Company, Coty Inc., Edgewell Personal Care Company, Energizer Holdings, Inc., La-Z-Boy Incorporated, Libbey Inc., Lifetime Brands Inc., Newell Brands, Inc., Nu Skin Enterprises Inc., Prestige Consumer Healthcare, Inc., Revlon Inc., Spectrum Brand Holdings Inc., Tempur Sealy International Inc., and Tupperware Brands Corp. The median shown in the presentation is derived from public filings of the compensation peer group, excluding Coty Inc., Libbey Inc., Revlon Inc., and Spectrum Brands Holdings Inc. as outliers

Individual Peers - A subset of the Company’s compensation peer group was selected for direct comparison on valuation metrics based on as-reported amounts in public filings. This subset includes Church & Dwight Co. Inc., The Clorox Company, Edgewell Personal Care Company, Prestige Consumer Healthcare, Inc., Lifetime Brands, Inc., and Newell Brands Inc.

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Glossary of Terms

Project Refuel – In fiscal 2018, we announced a restructuring plan (referred to as “Project Refuel”). Project Refuel includes charges for a reduction-in-force and the elimination of certain contracts. Project Refuel targets total annualized profit improvements of approximately $8.0 million to $10.0 million over the duration of the plan. We estimate the plan to be completed during fiscal 2020 and expect to incur total restructuring charges of approximately $7.0 million.

Restructuring charges – Charges incurred in conjunction with the Company’s restructuring plan (Project Refuel).

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 annual income tax expense. Invested capital is the average of the current and prior fiscal years’ ending balances of debt and shareholder’s equity, less the average of the current and prior fiscal years’ ending balances of cash and cash equivalents

Return on Invested Capital Margin (ROIC Margin) – ROIC less the weighted average cost of capital (WACC)

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 to Adjusted Operating Income (non-GAAP)(Unaudited) (in thousands)

	Fiscal Years Ended the Last Day of February											
	2014		2015		2016		2017		2018		2019	
Operating income, as reported (GAAP)	$ 117,100	9.0%	$ 152,215	11.4%	$ 116,294	8.4%	$ 169,664	12.1%	$ 169,062	11.4%	$ 199,379	12.7%
Asset Impairment charges	12,049	0.9%	9,000	0.7%	6,000	0.4%	2,900	0.2%	15,447	1.0%	-	-%
Restructuring charges	-	-%	-	-%	-	-%	-	-%	1,857	0.1%	3,586	0.2%
Toys "R" Us bankruptcy charge	-	-%	-	-%	-	-%	-	-%	3,596	0.2%	-	-%
CEO succession costs	18,228	1.4%	-	-%	6,003	0.4%	-	-%	-	-%	-	-%
Acquisition-related expenses	-	-%	-	-%	698	0.1%	-	-%	-	-%	-	-%
Venezuela re-measurement related charges	-	-%	-	-%	18,733	1.4%	-	-%	-	-%	-	-%
Patent litigation charge	-	-%	-	-%	17,830	1.3%	1,468	0.1%	-	-%	-	-%
Subtotal	147,377	11.3%	161,215	12.1%	165,558	12.0%	174,032	12.4%	189,962	12.8%	202,965	13.0%
Amortization of intangible assets, net of tax	21,614	1.7%	21,156	1.6%	21,514	1.6%	22,024	1.6%	18,854	1.3%	14,204	0.9%
Non-cash share-based compensation, net of tax	14,232	1.1%	5,541	0.4%	7,164	0.5%	13,861	1.0%	15,054	1.0%	22,053	1.4%
Adjusted operating income (non-GAAP)	$ 183,223	14.0%	$ 187,912	14.1%	$ 194,236	14.0%	$ 209,917	15.0%	$ 223,870	15.1%	$ 239,222	15.3%

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Reconciliation of GAAP Diluted Earnings Per Share ("EPS") to Adjusted Diluted EPS (non-GAAP) (Unaudited)

	Fiscal Years Ended the Last Day of February					
	2014	2015	2016	2017	2018	2019
Diluted EPS as reported (GAAP)	$ 2.66	$ 4.36	$ 3.23	$ 5.17	$ 4.73	$ 6.62
Tax Reform	-	-	-	-	0.66	-
Asset impairment charges, net of tax	0.37	0.28	0.18	0.09	0.51	-
Restructuring charges, net of tax	-	-	-	-	0.07	0.13
Toys "R" Us bankruptcy charge, net of tax	-	-	-	-	0.12	-
CEO succession costs, net of tax	0.51	-	0.14	-	-	-
Acquisition-related expenses, net of tax	-	-	0.02	-	-	-
Venezuela re-measurement related charges, net of tax	-	-	0.65	-	-	-
Patent litigation charge, net of tax	-	-	0.62	0.05	-	-
Subtotal	$ 3.54	$ 4.64	$ 4.85	$ 5.32	$ 6.08	$ 6.75
Amortization of intangible assets, net of tax	0.64	0.70	0.71	0.73	0.66	0.53
Non-cash share-based compensation, net of tax	0.32	0.16	0.22	0.44	0.49	0.79
Adjusted diluted EPS (non-GAAP)	$ 4.50	$ 5.50	$ 5.78	$ 6.49	$ 7.24	$ 8.06
Weighted average shares of common stock used in computing diluted EPS	32,344	29,035	28,749	27,891	27,254	26,303

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

	Fiscal Years Ended the Last Day of February					
	2014	2015	2016	2017	2018	2019
Net cash provided by operating activities (GAAP)	$ 154,165	$ 171,742	$ 170,263	$ 212,491	$ 218,609	$ 200,568
Less: Capital and intangible asset expenditure	(40,463)	(5,908)	(16,676)	(15,507)	(13,605)	(26,385)
Free cash flow (non-GAAP)	$ 113,702	$ 165,834	$ 153,587	$ 196,984	$ 205,004	$ 174,183

Helen of Troy

Condensed Consolidated Statements of Income and Reconciliation of Non-GAAP Financial Measures – Adjusted Operating Income, Adjusted Income from Continuing Operations and Adjusted Diluted Earnings Per Share ("EPS") from Continuing Operations (Unaudited) (in thousands, except per share data)

	Three Months Ended May 31, 2019					
	As Reported (GAAP)		Adjustments		Adjusted (Non-GAAP)	
Sales revenue, net	$ 376,335	100.0%	—		$ 376,335	100.0%
Cost of goods sold	222,608	59.2%	—		222,608	59.2%
Gross profit	153,727	40.8%	—		153,727	40.8%
SG&A	105,901	28.1%	(3,876)	(1)	94,421	25.1%
			(7,604)	(2)		
Restructuring charges	619	0.2%	(619)		—	-%
Operating income	47,207	12.5%	12,099		59,306	15.8%
Nonoperating income, net	132	-%	—		132	-%
Interest expense	(3,308)	(0.9)%	—		(3,308)	(0.9)%
Income before income tax	44,031	11.7%	12,099		56,130	14.9%
Income tax expense	3,337	0.9%	699		4,036	1.1%
Income from continuing operations	$ 40,694	10.8%	11,400		52,094	13.8%
Diluted EPS from continuing operations	$ 1.61		$ 0.45		$ 2.06	
Weighted average shares of common stock used in computing diluted EPS	25,245				25,245	

(1) Amortization of intangible assets
(2) Non-cash share-based compensation

Helen of Troy

Condensed Consolidated Statements of Income and Reconciliation of Non-GAAP Financial Measures – Adjusted Operating Income, Adjusted Income from Continuing Operations and Adjusted Diluted Earnings Per Share ("EPS") from Continuing Operations (Unaudited) (in thousands, except per share data)

	Three Months Ended May 31, 2018					
	As Reported (GAAP)		Adjustments		Adjusted (Non-GAAP)	
Sales revenue, net	$ 354,679	100.0%	$ —		$ 354,679	100.0%
Cost of goods sold	208,121	58.7%	—		208,121	58.7%
Gross profit	146,558	41.3%	—		146,558	41.3%
SG&A	101,506	28.6%	(4,121)	(1)	91,061	25.7%
			(6,324)	(2)		
Restructuring charges	1,725	0.5%	(1,725)		—	—%
Operating income	43,327	12.2%	12,170		55,497	15.6%
Nonoperating income, net	75	—%	—		75	—%
Interest expense	(2,687)	(0.8%)	—		(2,687)	(0.8%)
Income before income tax	40,715	11.5%	12,170		52,885	14.9%
Income tax expense	2,542	0.7%	546		3,088	0.9%
Income from continuing operations	38,173	10.8%	11,624		49,797	14.0%
Diluted EPS from continuing operations	$ 1.43		$ 0.44		$ 1.87	
Weighted average shares of common stock used in computing diluted EPS	26,614				26,614	

(1) Amortization of intangible assets
(2) Non-cash share-based compensation

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Consolidated and Segment Net Sales, Operating Margin and Adjusted Operating Margin (non-GAAP)(Unaudited)(in thousands)

	Three Months Ended May 31,			
	Housewares	Health & Home	Beauty	Total
Fiscal 2019 sales revenue, net	$ 117,303	$ 163,431	$ 73,945	$ 354,679
Core business growth (decline)	27,930	(6,593)	2,840	24,177
Impact of foreign currency	(291)	(1,895)	(335)	(2,521)
Change in sales revenue, net	27,639	(8,488)	2,505	21,656
Fiscal 2020 sales revenue, net	$ 144,942	$ 154,943	$ 76,450	$ 376,335
Total net sales revenue growth (decline)	23.6%	(5.2)%	3.4%	6.1%
Core business growth (decline)	23.8%	(4.0)%	3.8%	6.8%
Impact of foreign currency	(0.2)%	(1.2)%	(0.5)%	(0.7)%
Operating margin (GAAP)				
Fiscal 2020	21.5%	9.7%	1.2%	12.5%
Fiscal 2019	18.9%	12.0%	2.0%	12.2%
Adjusted operating margin (non-GAAP)				
Fiscal 2020	23.7%	13.7%	4.8%	15.8%
Fiscal 2019	21.7%	15.3%	6.8%	15.6%

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Leadership Brand Net Sales Revenue (Unaudited)(in thousands)

	Three Months Ended May 31,	
	2019	2018
Leadership Brand sales revenue, net	$ 301,559	$ 280,759
All other sales revenue, net	74,776	73,920
Total sales revenue, net	$ 376,335	$ 354,679

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

	Three Months Ended May 31, 2019							
	Housewares		Health & Home		Beauty		Total	
Operating income, as reported (GAAP)	$ 31,200	21.5%	$ 15,056	9.7%	$ 951	1.2%	$ 47,207	12.5%
Restructuring charges	88	0.1%	-	-	531	0.7%	619	0.2%
Subtotal	31,288	21.6%	15,056	9.7%	1,482	1.9%	47,826	12.7%
Amortization of intangibles assets	518	0.4%	2,798	1.8%	560	0.7%	3,876	1.0%
Non-cash share-based compensation	2,574	1.8%	3,374	2.2%	1,656	2.2%	7,604	2.0%
Adjusted operating income (non-GAAP)	$ 34,380	23.7%	$ 21,228	13.7%	$ 3,698	4.8%	$ 59,306	15.8%

	Three Months Ended May 31, 2018							
	Housewares		Health & Home		Beauty		Total	
Operating income, as reported (GAAP)	$ 22,183	18.9%	$ 19,657	12.0%	$ 1,487	2.0%	$ 43,327	12.2%
Restructuring charges	760	0.6%	358	0.2%	607	0.8%	1,725	0.5%
Subtotal	22,943	19.6%	20,015	12.2%	2,094	2.8%	45,052	12.7%
Amortization of intangible assets	474	0.4%	2,704	1.7%	943	1.3%	4,121	1.2%
Non-cash share-based compensation	1,986	1.7%	2,326	1.4%	2,012	2.7%	6,324	1.8%
Adjusted operating income (non-GAAP)	$ 25,403	21.7%	$ 25,045	15.3%	$ 5,049	6.8%	$ 55,497	15.6%

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Reconciliation of GAAP Income and Diluted Earnings Per Share ("EPS") from Continuing Operations to Adjusted Income and Adjusted EPS from Continuing Operations (non-GAAP) (Unaudited) (dollars in thousands, except per share data)

	Three Months Ended May 31, 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)	$ 44,031	$ 3,337	$ 40,694	$ 1.74	$ 0.13	$ 1.61
Restructuring charges	619	2	617	0.02	-	0.02
Subtotal	44,650	3,339	41,311	1.77	0.13	1.64
Amortization of intangible assets	3,876	121	3,755	0.15	-	0.15
Non-cash share-based compensation	7,604	576	7,028	0.30	0.02	0.28
Adjusted (non-GAAP)	$ 56,130	$ 4,036	$ 52,094	$ 2.22	$ 0.16	$ 2.06
Weighted average shares of common stock used in computing diluted EPS						25,245

	Three Months Ended May 31, 2018					
	Income from Continuing Operations			Diluted EPS from Continuing Operations		
	Before Tax	Tax	Net of Tax	Before Tax	Tax	Net of Tax
As reported (GAAP)	$ 40,715	$ 2,542	$ 38,173	$ 1.53	$ 0.10	$ 1.43
Restructuring charges	1,725	142	1,583	0.06	0.01	0.06
Subtotal	42,440	2,684	39,756	1.59	0.10	1.49
Amortization of intangible assets	4,121	135	3,986	0.15	0.01	0.15
Non-cash share-based compensation	6,324	269	6,055	0.24	0.01	0.23
Adjusted (non-GAAP)	$ 52,885	$ 3,088	$ 49,797	$ 1.99	$ 0.12	$ 1.87
Weighted average shares of common stock used in computing diluted EPS						26,614

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Selected Consolidated Balance Sheet, Cash Flow and Liquidity Information (Unaudited)
(in thousands)

	May 31,	
	2019	**2018**
Balance Sheet:		
Cash and cash equivalents	$ 18,375	$ 16,929
Receivables, net	262,511	255,674
Inventory, net	335,344	256,268
Total assets, current	635,994	543,968
Total assets, current	1,702,831	1,602,974
Total liabilities, current	289,058	258,863
Total long-term liabilities	377,594	320,414
Total Debt	321,139	300,123
Consolidated stockholders' equity	1,036,179	1,023,697
Liquidity:		
Working Capital	$ 346,936	$ 285,105

	Three Months Ended May 31,	
	2019	**2018**
Cash Flow from continuing operations:		
Depreciation and amortization	$ 7,767	$ 7,982
Net cash provided by operating activities	15,676	28,911
Capital and intangible asset expenditures	3,718	4,182
Net debt proceeds	100	10,000
Payments for repurchases of common stock	8,788	41,548

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Fiscal 2020 Updated Outlook for Net Sales Revenue (Unaudited) (in thousands)

	Fiscal 2019	Updated Outlook for Fiscal 2020		
Net sales revenue	$ 1,564,151	$ 1,590,000	-	$ 1,620,000
		1.7%	-	3.6%

Reconciliation of Fiscal 2020 Updated Outlook for GAAP Diluted Earnings Per Share ("EPS") from Continuing Operations to Adjusted Diluted EPS from Continuing Operations (non-GAAP) (Unaudited)

	Three Months Ended May 31, 2019	Outlook for the Balance of the Fiscal Year (Nine Months)			Updated Outlook Fiscal 2020		
Diluted EPS from continuing operations, as reported (GAAP)	$ 1.61	$ 5.19	-	$ 5.36	$ 6.80	-	$ 6.97
Restructuring charges, net of tax	0.02	0.02	-	0.03	0.04	-	0.05
Subtotal	1.64	5.21	-	5.39	6.84	-	7.02
Amortization of intangible assets, net of tax	0.15	0.55	-	0.57	0.70	-	0.72
Non-cash share-based compensation, net of tax	0.28	0.58	-	0.63	0.86	-	0.91
Adjusted diluted EPS from continuing operations (non-GAAP)	$ 2.06	$ 6.34	-	$ 6.59	$ 8.40	-	$ 8.65

Effective Tax Rate (GAAP) and Adjusted Effective Tax Rate (non-GAAP) (Unaudited)

	Three Months Ended May 31, 2019	Outlook for the Balance of the Fiscal Year (Nine Months)			Updated Outlook Fiscal 2020		
Effective tax rate, as reported (GAAP)	7.6%	10.6%	-	13.1%	9.9%	-	11.9%
Restructuring charges	(0.1)%	-%	-	(0.1)%	(0.1)%	-	(0.1)%
Subtotal	7.5%	10.6%	-	13.1%	9.8%	-	11.8%
Amortization of intangible assets	(0.3)%	(0.7)%	-	(0.9)%	(0.6)%	-	(0.7)%
Non-cash share-based compensation	-%	(0.2)%	-	(0.4)%	(0.2)%	-	(0.4)%
Adjusted effective tax rate	7.2%	9.7%	-	11.8%	9.1%	-	10.7%

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