

**BUY:
EPC**

**Current Price:
\$36**

**Price Target:
\$45**

**Upside:
24%**

Edgewell Personal Care (NYSE: EPC)



Consumer Staples Personal & Household Products Sector

Sector Head: Bethany Goldstein

Senior Analysts: Joseph LoRubbio & Yoni Menasha

Junior Analysts: Gabrielle Hanellin & Caroline Kenrick

Industry Overview

Overview

In 2023, the revenue in the Personal Care market in the United States was US\$45.52bn

The market is projected to experience an annual growth rate of 1.75% (CAGR 2024-2028)

The US personal care market is experiencing a surge in demand for natural and organic

Prominent competitors



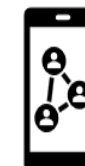
Industry Trends



Growing demand for skincare



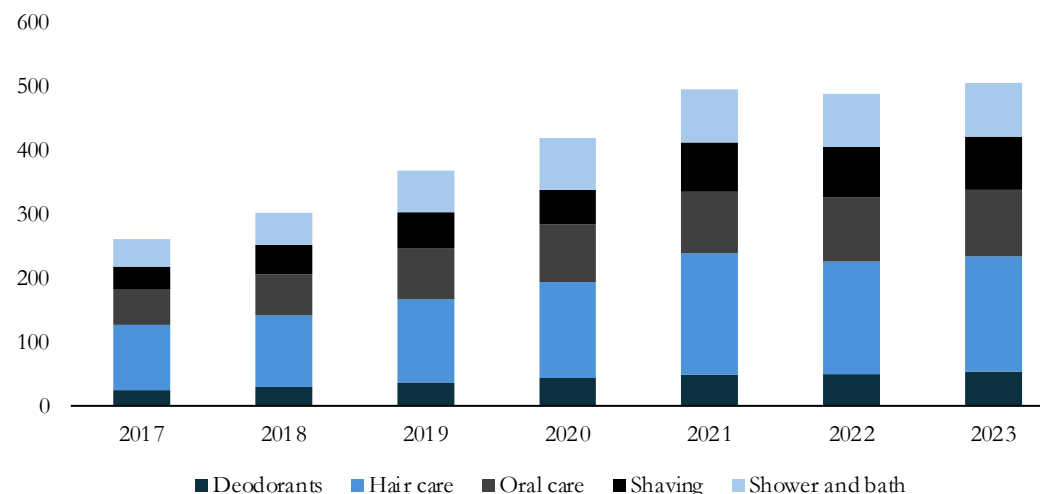
Gap in the market for affordability



Social media increases demand

Revenue Growth

Revenue in Personal Care



Company Overview

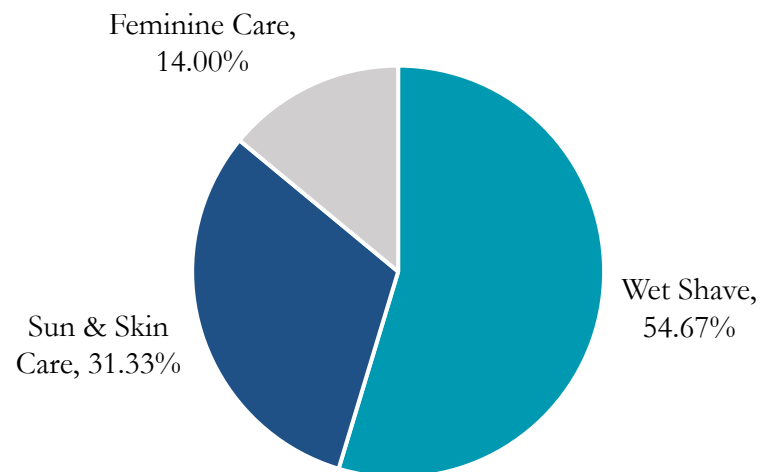
Business Overview

EPC's brand portfolio consists of **personal care products only**, offering shaving, sun care, feminine care, and skin care products

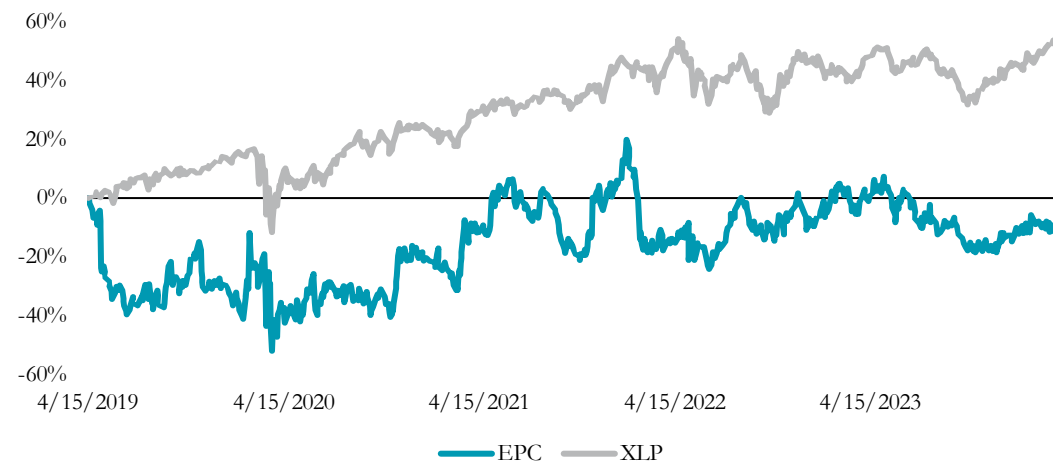
Alongside name brand holdings, EPC has a presence in **private labels**, specifically with persona.com and their Wet Shave segment

EPC owns **25 brands** and operates in **50 countries**, and has focal points on supply chain efficiency and sustainability.

Revenue Breakdown



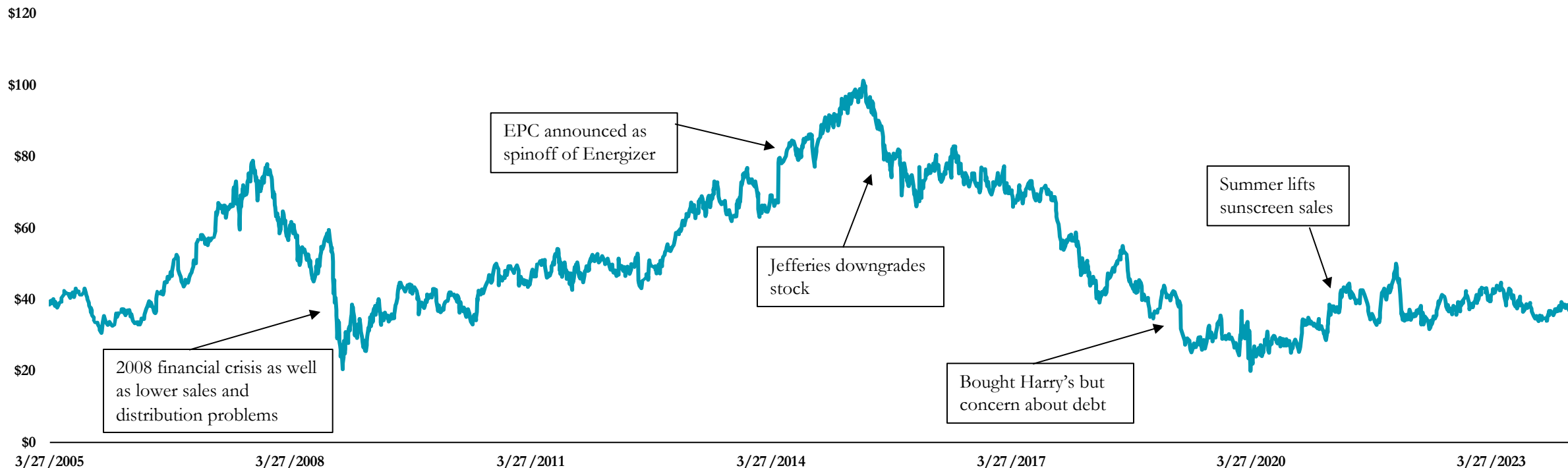
EPC vs. XLP % Change



Brand Holdings

Wet Shave	Sun/Skin Care	Grooming	Feminine Care

Why Buy Now?



Beauty Market

- Current beauty stocks like ULTA, ELF, HELE and more have seen significant decline over the past month after ULTA's CEO announced there was a decline in beauty demand, leading to the overall value of the beauty market to be undervalued

Global Warming

- Temperatures are getting hotter and hotter. Especially now with the increase in tropical storms causing higher temperatures around the globe, the need for suncare is increasing every year

Dividend Stocks

- While there is some shift towards more hot or faster growing stocks and sectors, there are still investors looking to invest in companies that have strong dividends. EPC is one of those companies and can even be used as a hedge

Investment Thesis

Global Warming & Sunscreen

As the temperature of the world continues to rise, the need for sunscreen and suncare products will increase, positioning EPC to grow significantly as they are one of the leaders in this market

Growth/Hedging

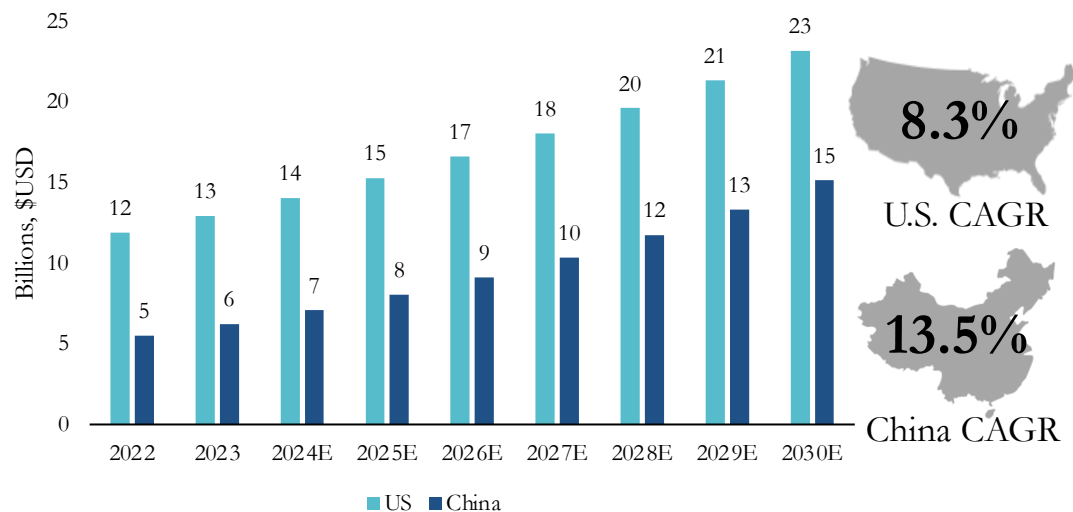
The increasing awareness of skincare, growing popularity of personal and self-care, and discovery of preventative anti-aging methods will help EPC's segments grow

Business and Industry Tailwinds

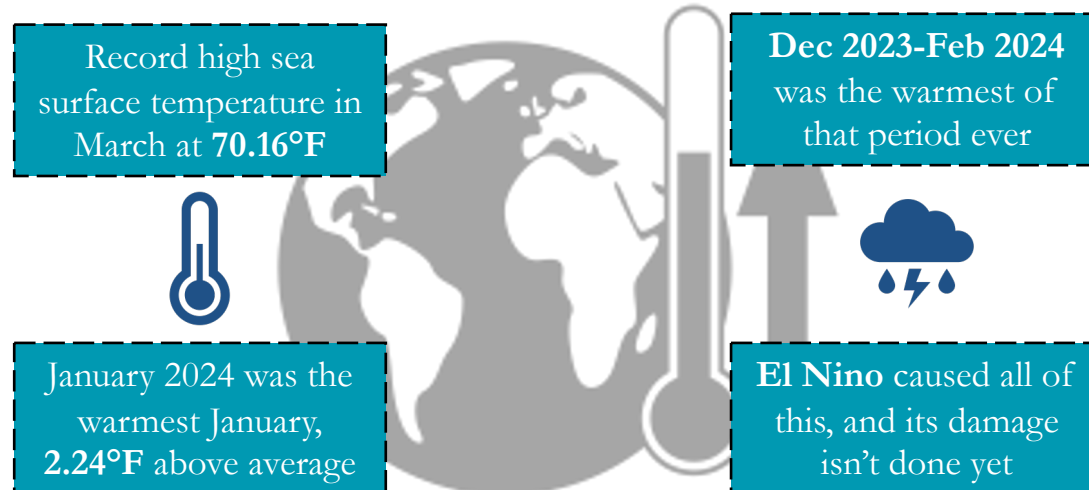
Factors such as increasing ACV, small-scale M&A expansion, international growth, and an expanding feminine care market are all potential tailwinds to drive EPC's price into 2H24' & FY25

A Hotter And Warmer World

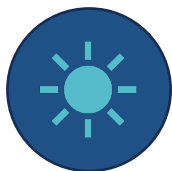
Sun-Care Products Market



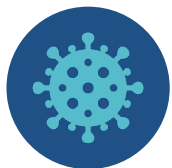
Global Warming



Skin Cancer



Melanoma is one of the most common types of cancer and **70%** of it caused from repeated sunlight exposure



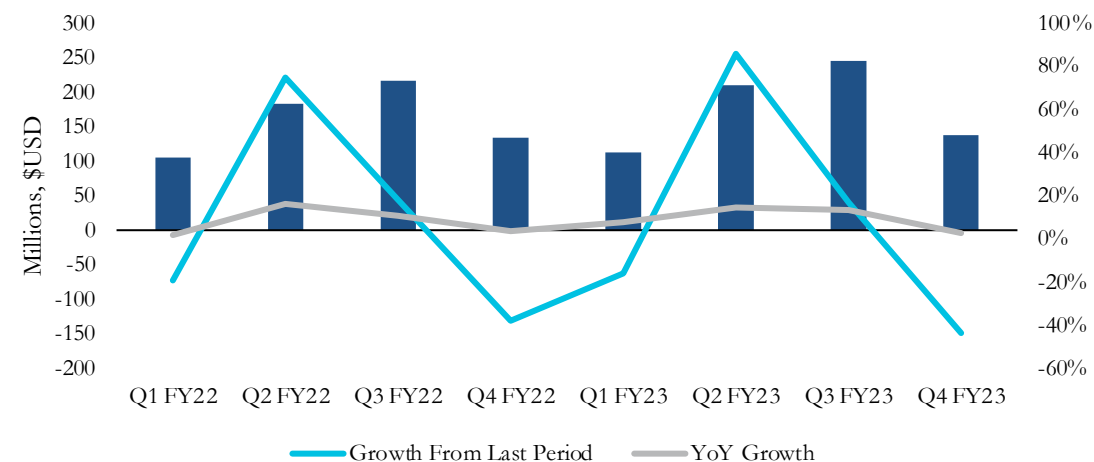
The 2024 estimates were for **186,680** new cases of melanoma diagnosed and **7,990** deaths from the disease



Studies show that the use of **SPF 15 sunscreen**, can lower your melanoma risk by **50 percent**

EPC Sun Care Segment

Has a 19.47% profit margin for that segment, highest out of 3 segments



Emerging Trends and High Potential Growth Opportunity

Growing Desire to Appear Younger



35% of Americans aged 50-80 have invested time or money in trying to look younger



Appearance is often linked to age and life stage, which can influence social stereotypes



The increasing popularity of social media and interconnectedness highlights appearance

Adoption of Skincare as a Routine

Nearly 3 in 4 Americans have both a morning and evening skincare routine

Moisturizers (93%), cleansers (85%), and sunscreens (83%) are the most widely used products

Massive growth in popularity of SPF moisturizers and sun protective cosmetics

Growing Popularity of Men's Personal Care

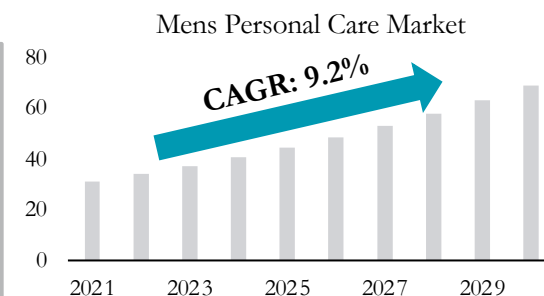
In the last few years there has been **increased levels of demand** for male personal care products.

Men's Grooming
CAGR:
5.7%

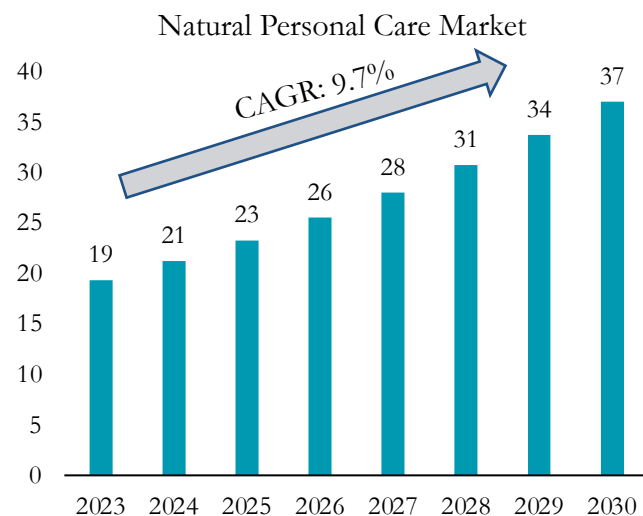
Men's Skin Care
CAGR:
6.4%

Men's Grooming
CAGR:
5.21%

Emerging fashion trends and the influence of social media have caused consumers to **ignore the gender binaries of personal care products and regimens as not "being for men"**



Growth of Clean Beauty

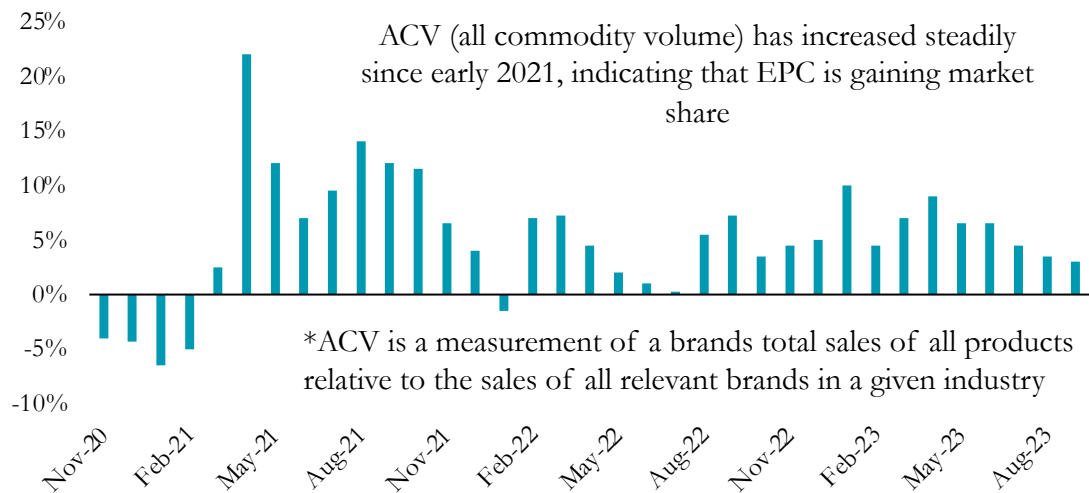


EPC is the worlds **leader** in **identification, development and production** of active **natural ingredients**

Because of this, EPC is positioned well to **supply consumer demand** for these natural products

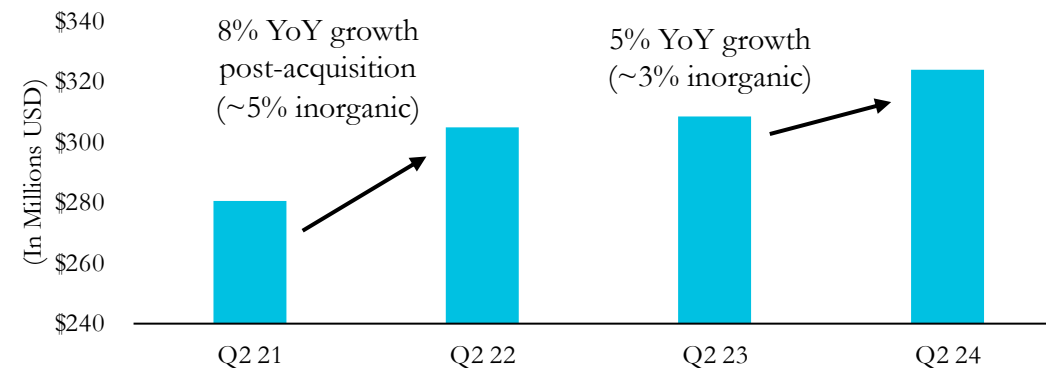
Business & Industry Tailwinds

ACV / UPC Improvement



Strategic Acquisitions

Edgewell will continue executing their long-term plan of small-scale M&A as it is cheaper than creating and marketing new organic brands



Acquired CREMO and Billie Inc in September 2020 and 2021, respectively

Accelerated International Growth



36% of revenue is international, up 10% over last 3 years

Leader in men's and women's shaving in Japan

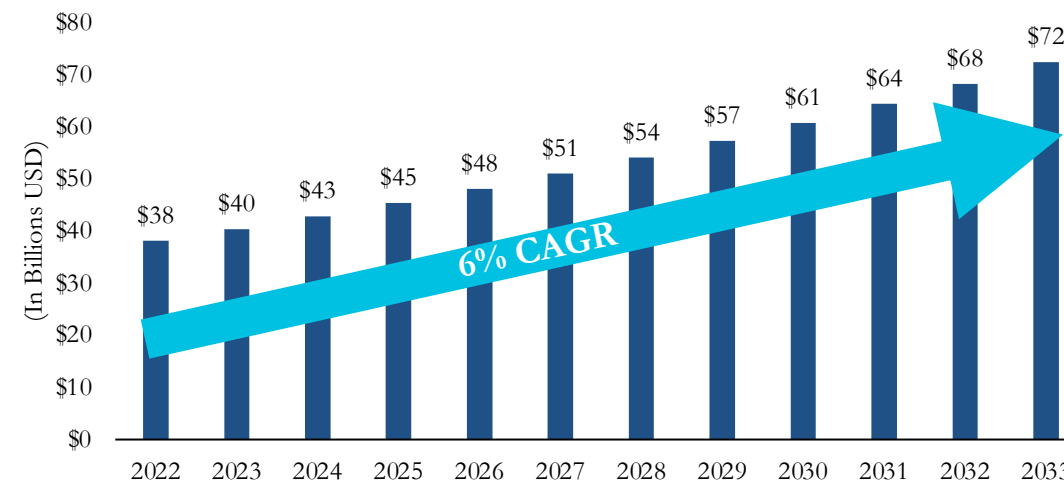
Best-selling sun care brand in Mexico and Australia

#2 selling shaving brand across all of Europe and Puerto Rico

EPC now has the capacity to partner with global retailers, which will propel sales in their key international markets

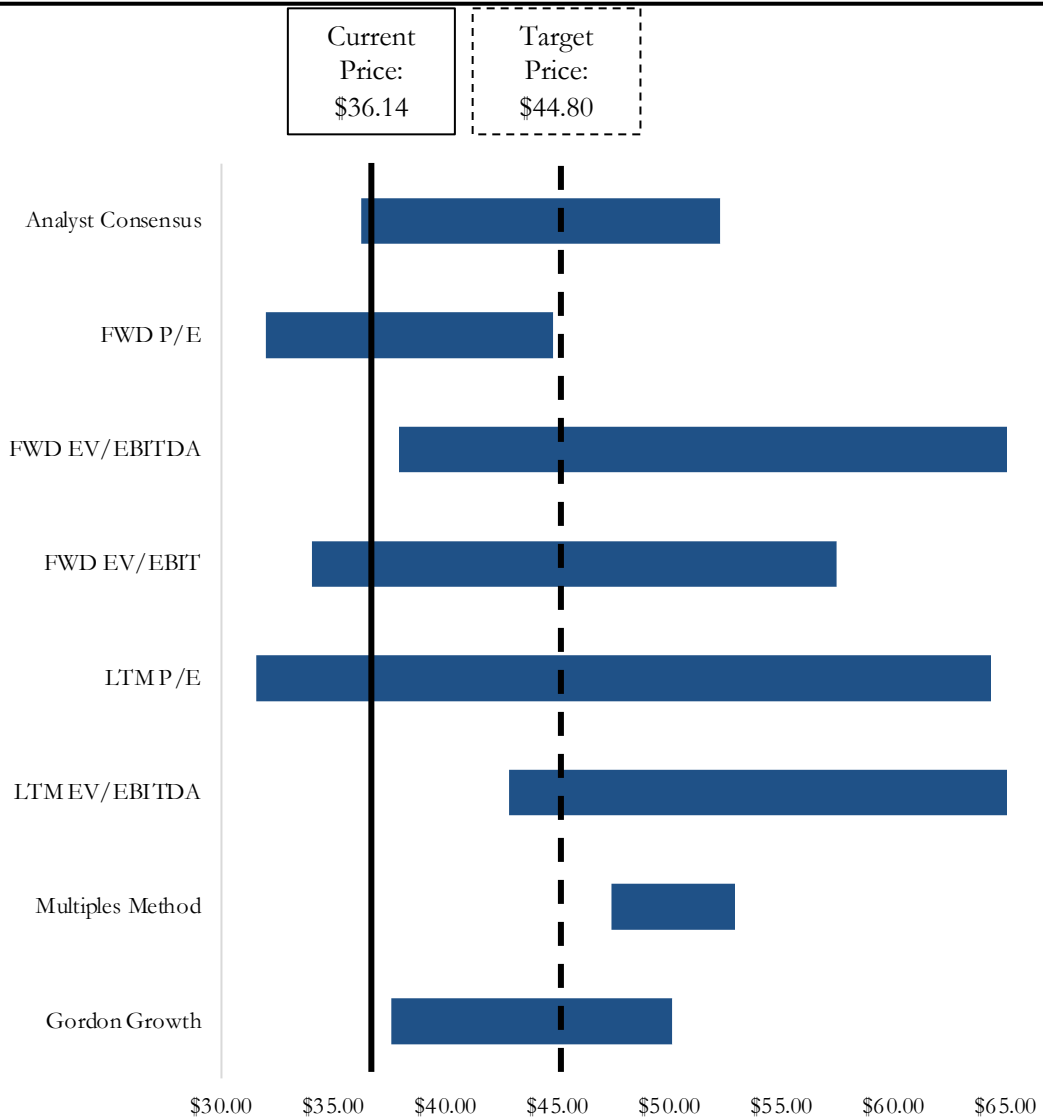
Feminine Care Market

EPC's feminine care segment has grown 8% on a 2-year stack

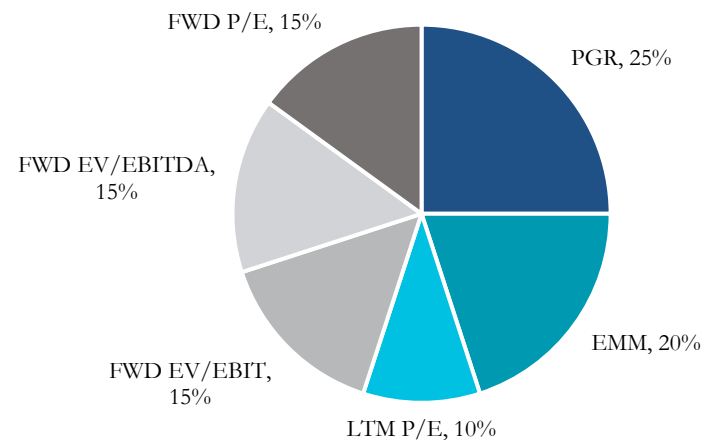


Valuation

Football Field



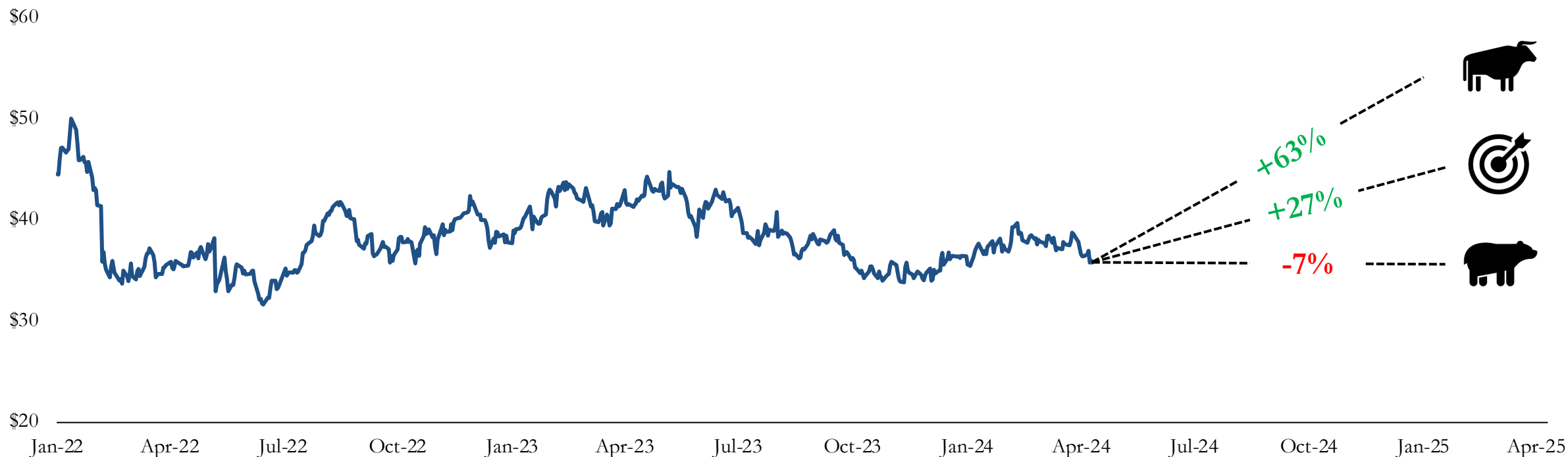
Weightings



Analyst Estimates

		Terminal Growth Rate				
		1.00%	1.50%	2.00%	2.50%	3.00%
WACC	7.41%	\$ 45.79	\$ 50.11	\$ 55.22	\$ 61.37	\$ 68.91
	7.91%	\$ 40.93	\$ 44.54	\$ 48.77	\$ 53.77	\$ 59.79
	8.41%	\$ 36.73	\$ 39.79	\$ 43.32	\$ 47.46	\$ 52.36
	8.91%	\$ 33.05	\$ 35.67	\$ 38.67	\$ 42.13	\$ 46.18
	9.41%	\$ 29.81	\$ 32.07	\$ 34.64	\$ 37.58	\$ 40.97
		Terminal Multiple (EV/EBITDA)				
		11.1	11.6	12.1	12.6	13.1
WACC	7.41%	\$ 48.96	\$ 51.26	\$ 53.56	\$ 55.85	\$ 58.15
	7.91%	\$ 47.40	\$ 49.64	\$ 51.88	\$ 54.12	\$ 56.36
	8.41%	\$ 45.88	\$ 48.07	\$ 50.25	\$ 52.43	\$ 54.61
	8.91%	\$ 44.41	\$ 46.54	\$ 48.67	\$ 50.79	\$ 52.92
	9.41%	\$ 42.98	\$ 45.05	\$ 47.13	\$ 49.20	\$ 51.28

Investment Analysis



Bear Case - \$33

- Global warming cools and the need for sunscreen goes down
- International growth slows and future acquisitions are dilutive

Base Case - \$45

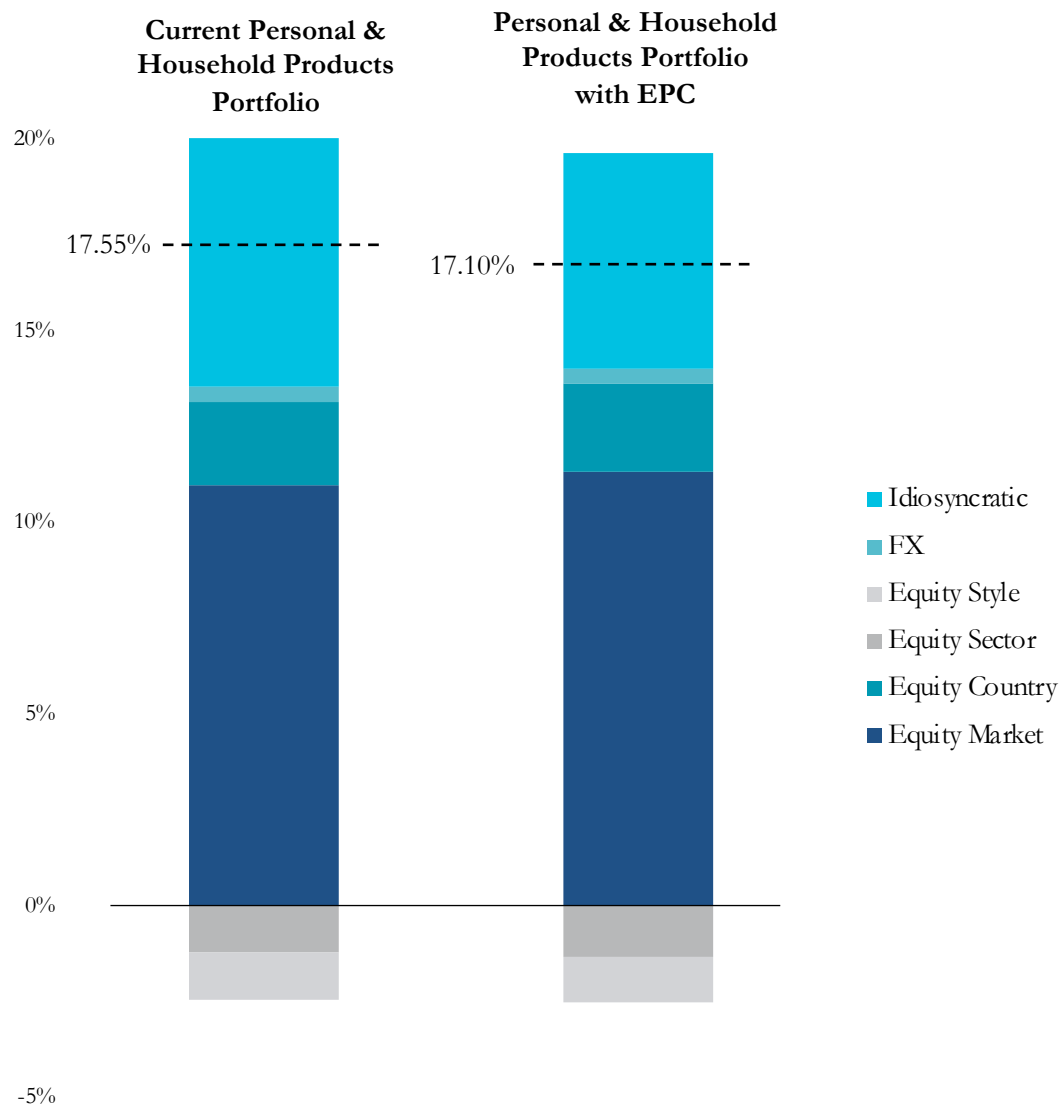
- The Sun Care segment continues to grow stably
- Organic brands perform in-line with expectations

Bull Case - \$58

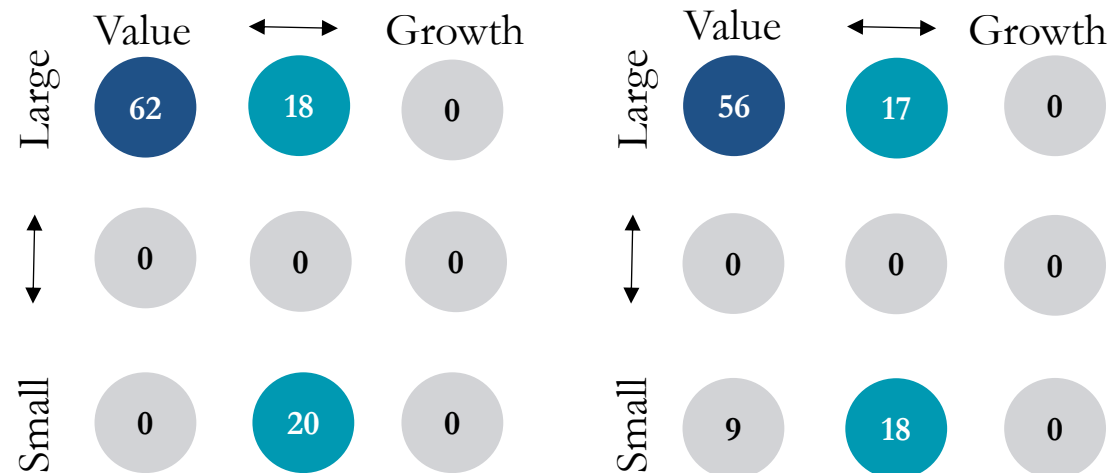
- Temperatures keep rising and the need for sunscreen increases
- Feminine care continues HSD growth and international revenues skyrocket

Allocation

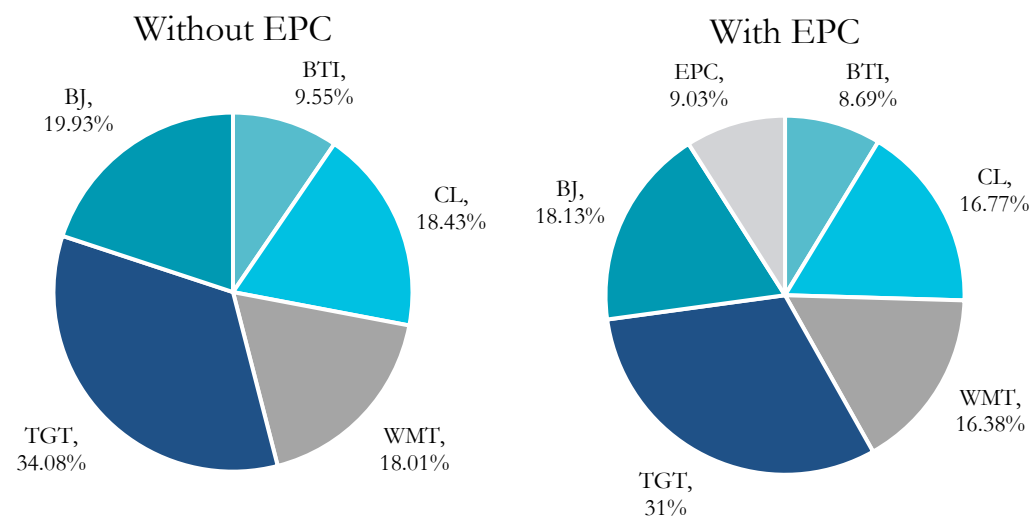
Risk



Growth/Value Assessment



New Weightings



**BUY:
EPC**

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**Price Target:
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**Upside:
24%**

Thank You!

Questions?



Appendix

Appendix A: Balance Sheet

Appendix B: Income Statement

Appendix C: Cash Flow Statement

Appendix D: NWC Projections

Appendix E: CapEx and D&A

Appendix F: Beta & WACC

Appendix G: DCF

Appendix H: Comps

Appendix I: Revenue Build

Appendix J: Bear, Base, Bull Case

Appendix A: Balance Sheet

Edgewell Personal Care (NYSE: EPC)																		
Balance Sheet (in \$mm)																		
Quarter End	FY 2019	FY 2020	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY 2021	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY 2022	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY 2023	Q1 24E
Current assets																		
Cash and cash equivalents	342	365	281	282	438	479	479	240	188	182	189	189	184	155	207	216	216	214
Trade receivables, net	206	159	167	195	150	151	151	154	184	155	137	137	123	161	122	106	106	113
Inventories	357	314	337	354	359	346	346	408	429	414	449	449	540	541	503	492	492	522
Other current assets	140	146	149	156	156	160	160	165	168	183	167	167	160	153	157	147	147	157
Total current assets	1,044	984	933	988	1,102	1,136	1,136	967	969	934	942	942	1,008	1,009	989	962	962	1,006
Property, plant and equipment, net	396	371	369	361	358	363	363	357	355	348	346	346	349	342	340	338	338	334
Goodwill	1,033	1,160	1,168	1,165	1,167	1,163	1,163	1,343	1,341	1,332	1,322	1,322	1,332	1,334	1,336	1,331	1,331	1,337
Other intangible assets, net	913	928	928	919	914	906	906	1,035	1,024	1,011	997	997	997	990	984	974	974	970
Other assets	35	99	99	106	106	107	107	106	104	97	107	107	112	123	118	135	135	141
Total assets	3,421	3,541	3,496	3,538	3,647	3,675	3,675	3,807	3,793	3,721	3,713	3,713	3,797	3,799	3,766	3,741	3,741	3,787
Current liabilities																		
Current maturities of long-term debt	117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes payable	14	21	24	24	25	27	27	27	26	19	19	19	25	22	18	20	20	24
Accounts payable	223	182	183	194	216	210	210	218	225	239	237	237	245	245	241	194	194	198
Other current liabilities	305	308	222	266	306	301	301	239	294	317	292	292	231	302	321	310	310	246
Total current liabilities	660	511	429	484	547	537	537	484	544	575	548	548	501	569	580	523	523	468
Long-term debt	1,098	1,238	1,238	1,233	1,234	1,234	1,234	1,433	1,414	1,357	1,391	1,391	1,492	1,414	1,323	1,361	1,361	1,452
Deferred income tax liabilities	101	103	104	104	103	129	129	150	139	138	140	140	141	142	142	136	136	137
Other liabilities	259	257	260	254	252	190	190	188	180	173	174	174	176	167	170	180	180	185
Total liabilities	2,117	2,108	2,031	2,074	2,136	2,090	2,090	2,255	2,278	2,243	2,253	2,253	2,310	2,292	2,215	2,200	2,200	2,241
Shareholders' equity																		
Preferred shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common shares	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Additional paid-in capital	1,628	1,632	1,619	1,622	1,625	1,631	1,631	1,594	1,597	1,600	1,604	1,604	1,578	1,583	1,586	1,594	1,594	1,569
Retained earnings	715	782	792	798	830	866	866	869	884	906	932	932	936	946	991	1,022	1,022	1,019
Common shares in treasury at cost	(804)	(790)	(784)	(781)	(777)	(776)	(776)	(767)	(815)	(847)	(861)	(861)	(851)	(864)	(876)	(906)	(906)	(897)
Accumulated other comprehensive loss	(236)	(192)	(162)	(175)	(166)	(137)	(137)	(143)	(151)	(182)	(216)	(216)	(177)	(160)	(151)	(170)	(170)	(147)
Total shareholders' equity	1,304	1,433	1,465	1,464	1,512	1,584	1,584	1,552	1,516	1,478	1,460	1,460	1,487	1,507	1,551	1,541	1,541	1,546
Total liabilities and shareholders' equity	3,421	3,541	3,496	3,538	3,647	3,675	3,675	3,807	3,793	3,721	3,713	3,713	3,797	3,799	3,766	3,741	3,741	3,787
checks: balanced?	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Appendix B: Income Statement

Edgewell Personal Care																											
Income Statement (in \$mn except per share amounts)																											
Quarter End	FY 2019	FY 2020	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY 2021	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY 2022	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E	FY 24E	FY 25E	FY26E	FY27E	FY28E	FY29E
Net sales	\$ 2,141	\$ 1,950	\$ 451	\$ 519	\$ 574	\$ 543	\$ 2,087	\$ 463	\$ 548	\$ 624	\$ 537	\$ 2,172	\$ 469	\$ 598	\$ 650	\$ 534	\$ 2,252	\$ 489	\$ 648	\$ 694	\$ 535	\$ 2,366	\$ 2,486	\$ 2,579	\$ 2,670	\$ 2,757	\$ 2,838
% Growth		-8.9%					7.1%	2.7%	5.5%	8.7%	-1.2%	4.0%	1.3%	9.3%	4.2%	-0.5%	3.7%	4.2%	8.3%	6.7%	0.2%	5.1%	5.1%	3.7%	3.5%	3.3%	2.9%
Cost of sales	1,174	1,069	258	278	303	298	\$ 1,137	273	318	383	318	\$ 1,292	291	357	370	306	1,311	291	369	396	306	1,363	1,458	1,500	1,553	1,603	1,650
% of Sales	54.9%	54.8%	57.1%	53.5%	52.9%	54.9%	54.5%	59.0%	58.0%	61.4%	59.2%	59.5%	62.1%	59.6%	57.0%	57.3%	58.2%	59.6%	57.0%	57.1%	57.2%	57.6%	58.6%	58.2%	58.2%	58.2%	58.2%
Gross profit	967	881	193	242	270	245	950	190	230	241	219	879	178	242	280	228	941	198	278	298	229	1,003	1,028	1,079	1,117	1,154	1,188
Selling General and Administrative Expenses	372	409	93	93	98	107	391	97	101	93	98	389	103	105	96	112	410	103	117	108	105	433	452	470	487	503	517
% of Sales	17.38%	20.97%	20.64%	17.99%	16.99%	19.73%	18.74%	20.92%	18.50%	14.86%	18.29%	17.92%	22.02%	17.58%	14.82%	21.04%	18.19%	21.13%	18.02%	15.56%	19.69%	18.32%	18.18%	18.23%	18.23%	18.23%	18.23%
Advertising and Sales Promotion Expense	251	216	41	68	82	50	242	46	70	81	41	238	48	63	80	40	229	48	79	91	44	262	271	276	286	295	303
% of Sales	11.72%	11.09%	9.13%	13.17%	14.28%	9.20%	11.57%	9.97%	12.76%	12.97%	7.69%	10.97%	10.27%	10.51%	12.31%	7.55%	10.17%	9.86%	12.15%	13.18%	8.15%	11.07%	10.88%	10.71%	10.71%	10.71%	10.67%
Research and Development Expns	53.5	55.3	13.7	14.3	14.6	15	58	12.8	13.7	13.6	15.4	56	13.3	14.4	14.8	16	58.5	13	17	16	15	61	64	67	69	71	74
% of Sales	2.50%	2.84%	3.04%	2.75%	2.54%	2.80%	2.77%	2.76%	2.50%	2.18%	2.87%	2.56%	2.84%	2.41%	2.28%	2.98%	2.60%	2.88%	2.55%	2.33%	2.88%	2.60%	2.58%	2.59%	2.59%	2.59%	2.59%
Restructuring Charges	46.4	24.6	3.7	2.7	5.2	9	21	2.2	3.5	3.5	6.1	15	6.8	3	3	8	16.6	7	4	4	8	23	0	0	0	0	0
% of Sales	2.17%	1.26%	0.82%	0.52%	0.91%	1.69%	1.00%	0.47%	0.64%	0.56%	1.14%	0.70%	1.45%	0.50%	0.46%	1.48%	0.74%	1.39%	0.55%	0.64%	1.44%	0.95%	0.00%	0.56%	0.56%	0.56%	0.56%
Operating income	244	176	42	63	71	63	239	32	42	50	58	181	6	56	86	52	227	26	63	78	57	224	242	266	275	284	294
EBIT Margin	11.4%	9.0%	9.2%	12.1%	12.4%	11.6%	11.4%	6.9%	7.6%	8.0%	10.8%	8.3%	1.3%	9.4%	13.2%	9.6%	10.1%	5.3%	9.7%	11.2%	10.7%	9.5%	9.7%	10.3%	10.3%	10.3%	10.4%
Impairment Charges	570	-4	0	0	0	0	-	0	0	0	0	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of early retirement of long-term debt	0	26	0	17	0	0	17	0	0	0	0	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Expense, net	63	61	17	26	16	17	77	17	18	18	18	71	20	21	19	19	79	20	25	20	18	83	85	89	93	96	98
% of Sales	2.9%	3.1%	3.9%	5.0%	2.9%	3.2%	3.7%	3.7%	3.3%	2.9%	3.4%	3.3%	4.2%	3.5%	3.0%	3.5%	3.5%	4.0%	3.9%	2.9%	3.4%	3.5%	3.4%	3.5%	3.5%	3.5%	3.5%
Other, non-operating expense (income), net	2	5	-1	0	1	-2	(2)	(2)	(3)	(4)	(3)	(12)	0	10	(4)	0	1	0	-	-	-	-	-	-	-	-	-
% of Sales	0.1%	0.3%	-0.2%	0.0%	0.1%	-0.3%	-0.1%	-0.4%	-0.6%	-0.7%	-0.5%	-0.6%	0.1%	1.6%	-0.6%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Income before income taxes	-390	87	25	19	54	48	146	16	27	36	42	122	-14	26	70	33	148	6	37	57	39	140	157	177	183	189	196
Provision for income taxes	(18)	20	8	5	13	3	29	5	4	6	10	24	1	7	18	3	33	1	8	13	6	28	30	33	36	38	39
Tax Rate	4.6%	22.6%	29.8%	26.2%	24.3%	6.9%	19.8%	27.8%	14.4%	16.0%	22.9%	19.6%	-8.7%	27.0%	25.2%	9.8%	22.3%	20.1%	21.9%	21.9%	15.4%	19.3%	19.6%	18.6%	19.9%	19.9%	19.9%
% of Sales	-0.8%	1.0%	1.7%	1.0%	2.3%	0.6%	1.4%	1.0%	0.7%	0.9%	1.8%	1.1%	0.3%	1.2%	2.7%	0.6%	1.5%	0.2%	1.3%	1.8%	1.1%	1.2%	1.2%	1.3%	1.4%	1.4%	1.4%
Net income	(372)	68	18	14	41	44	117	12	23	30	33	98	-15	19	52	30	115	5	29	45	33	112	127	144	146	151	157

Appendix C: Cash Flow Statement

Edgewell Personal Care (NYSE: EPC)					
Cash Flow Statement (in \$mm)					
Year End	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023E
Cash from operating activities					
Net income	(372)	68	117	99	115
Non-cash charges to net income:					
Depreciation and amortization	94	89	87	90	91
Share based compensation	18	19	27	24	28
Gain (loss) on sale of asset	-	-	-	-	(8)
Gain on sale of Infant and Pet Care business	2	2	1	2	3
Deferred compensation payments	-	4	-	-	-
Deferred income taxes	(8)	(9)	(9)	(7)	(5)
Cost of early retirement of long-term debt	(60)	(3)	10	(14)	(5)
Interest expense associated with debt	-	-	(26)	-	-
Impairment Charges	-	(26)	-	-	-
Mechanical stores expense	570	-	-	-	-
Other non-cash charges	(6)	1	(3)	(10)	(24)
Changes in working capital:					
Account receivables, net	(2)	66	4	(7)	31
Inventories	(35)	37	(29)	(111)	(32)
Other current assets	(15)	3	(14)	(12)	21
Account Payable	(15)	(43)	25	30	(30)
Change in operating assets and liabilities	19	(20)	(14)	18	16
Cash provided by operating activities	191	233	230	103	217
Cash from investing activities					
Capital expenditures	(58)	(48)	(57)	(56)	(50)
Acquisitions, net of cash acquired	-	(234)	-	(309)	-
Proceeds from Sale of Infant Care Business	-	96	8	5	-
Investment in equity securities	-	(14)	-	-	-
Proceeds from Sale of other assets	4	-	-	-	-
Collection of deferred purchase price on accounts receivable sold	10	4	3	7	3
Other	(1)	(1)	(2)	(2)	(4)
Cash used for investing activities	(46)	(196)	(49)	(355)	(51)
Cash from financing activities					
Cash proceeds from debt with original maturities greater than 90 days	500	50	-	707	841
Cash payments on debt with original maturities greater than 90 days	500	(167)	-	(552)	(874)
Cash proceeds from the issuance of Senior Notes due 2029	-	-	500	-	-
Cash payments on Senior Notes due 2022	-	-	500	-	-
Cash proceeds from the issuance of Senior Notes due 2028	-	750	-	-	-
Cash payments on Senior Notes due 2021	-	(600)	-	-	-
Net (decrease) increase in debt with original maturities of 90 days or Term Loan Repayment	4	-	-	-	-
Cost of early retirement of long-term debt	-	(26)	(26)	-	-
Debt issuance costs for Senior Notes due 2029	(7)	-	(7)	-	-
Debt issuance costs for Senior Notes due 2028	-	(12)	-	-	-
Debt issuance costs for the Revolving Credit Facility	(26)	(4)	-	-	-
Repurchase of shares	(26)	-	(9)	(125)	(75)
Dividends paid	(9)	-	(26)	(33)	(32)
Employee shares withheld for taxes	(4)	(2)	(4)	(11)	(9)
Net financing (outflow) inflow from the Accounts Receivable Facility	2	(11)	2	(1)	2
Other, net	-	-	-	1	-
Cash (used for) provided by financing activities	(65)	(19)	(65)	(18)	(147)
Effects of foreign exchange rate changes on cash	(6)	6	-	(20)	9
Increase (decrease) in cash and cash equivalents	75	23	115	(291)	28
Cash and cash equivalents, beginning of period	266	342	365	479	189
Cash and cash equivalents, end of period	342	365	479	189	216

Appendix D: NWC Projections

Edgewell Personal Care (NYSE: EPC)											
NWC Projections											
	FY 2019	FY 2020	FY 21	FY 22	FY 23	FY 24E	FY 25E	FY26E	FY27E	FY28E	FY29E
Current Assets											
Receivables	205.6	158.8	150.7	136.9	106.2	108.3	110.5	111.0	111.3	111.2	110.5
<i>Days Sales Outstanding</i>	35.1	29.7	26.4	23.0	17.2	16.7	16.2	15.7	15.2	14.7	14.2
Inventory	357.2	314.1	345.7	449.3	492.4	515.6	555.6	575.7	600.2	624.2	647.1
<i>Inventory Days</i>	111.0	107.3	111.0	126.9	137.1	138.1	139.1	140.1	141.1	142.1	143.1
All other current assets	140.0	146.0	160.1	167.3	147.4	173.9	181.9	186.5	189.9	200.0	205.2
<i>% of Revenue</i>	6.54%	7.49%	7.67%	7.70%	6.55%	7.35%	7.32%	7.23%	7.11%	7.25%	7.23%
Total Assets	703	619	657	754	746	798	848	873	901	935	963
Current Liabilities											
Accounts Payable	222.8	181.9	209.5	237.3	235.1	244.2	261.0	268.4	277.6	286.4	294.6
<i>A/P Days</i>	69.2	62.1	67.2	67.0	65.5	65.4	65.4	65.3	65.3	65.2	65.2
Other Liabilities	305.4	307.5	300.8	291.7	309.5	325.2	341.7	354.5	367.0	379.0	390.1
<i>as a % of Revenue</i>	14.3%	15.8%	14.4%	13.4%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%
Total Liabilities	528.2	489.4	510.3	529	544.59	569.4	602.8	622.9	644.6	665.4	684.8
NWC	175	130	146	225	201	228	245	250	257	270	278
Change in NWC		(45)	17	78	(23)	27	17	5	6	13	8

Appendix E: CapEx and D&A

Edgewell Personal Care (NYSE: EPC)											
CapEx and D&A Projections	FY 2019	FY 2020	FY 21	FY 22	FY 23	FY 24E	FY 25E	FY26E	FY27E	FY28E	FY29E
Capital Expenditures	(58)	(48)	(57)	(56)	(50)	(48)	(48)	(47)	(46)	(45)	(43)
Revenue	2,141	1,950	2,087	2,172	2,252	2,366	2,486	2,579	2,670	2,757	2,838
<i>% of Sales</i>	-2.71%	-2.46%	-2.73%	-2.58%	-2.22%	-2.02%	-1.92%	-1.82%	-1.72%	-1.62%	-1.52%
Depreciation & Amortization	94	89	87	90	91	83	78	72	66	59	53
<i>% of Capital Expenditures</i>	161.72%	185.00%	152.81%	160.54%	182.80%	172.80%	162.80%	152.80%	142.80%	132.80%	122.80%

Appendix F: Beta & WACC

Beta Calculation	
Covariance	0.000156157
Variance	0.000173913
5-Yr Beta	0.897899201

Edgewell Personal Care Co. (NYSE: EPC)	
WACC	
MV Equity	1,843
<i>Share Price</i>	36.14
<i>Shares Outstanding</i>	51
Market Return	11%
Risk Free Rate	4.53%
Equity Risk Premium	6.47%
Beta	0.897899201
Cost of Equity	10.34%
MV Debt	1,361
Credit Spread	3.00%
Implied Tax Rate	22.41%
Cost of Debt	5.84%
Weight of Equity	57.53%
Weight of Debt	42.47%
WACC	8.43%

Appendix G: DCF

Edgewell Personal Care Co. (NYSE: EPC)										
Discounted Cash Flow										
Figures in Millions USD	FY 20	FY 21	FY22	FY 23	FY 24E	FY 25E	FY 26E	FY 27E	FY 28E	FY 29E
Revenue	1,949.7	2,087.3	2,171.7	2,251.6	2,365.8	2,486.1	2,579.1	2,669.9	2,756.9	2,838.2
% Growth		7.06%	4.04%	3.68%	5.07%	5.09%	3.74%	3.52%	3.26%	2.95%
EBIT	176.0	238.8	181.2	227.0	223.8	241.7	266.1	275.5	284.5	294.0
EBIT Margin	9.03%	11.44%	8.34%	10.08%	9.46%	9.72%	10.32%	10.32%	10.32%	10.36%
NOPAT	136.6	185.3	140.6	176.1	173.6	187.6	206.5	213.7	220.7	228.1
	22.41%	22.41%	22.41%	22.41%	22.41%	22.41%	22.41%	22.41%	22.41%	22.41%
Plus: D&A	88.8	87.1	89.9	91.4	82.6	77.7	71.7	65.6	59.3	53.0
Less: CapEx	(48.0)	(57.0)	(56.0)	(50.0)	(47.8)	(47.7)	(47.0)	(45.9)	(44.7)	(43.2)
Less: Change in NWC	(45.1)	16.7	78.3	(23.1)	27.1	16.7	5.2	6.5	13.1	8.1
FCFF	222	199	96	241	181	201	226	227	222	230
Discount Factor					0.5	1.5	2.5	3.5	4.5	5.5
Terminal Value (growth)					2,876.7	3,186.5	3,587.1	3,600.2	3,526.1	3,646.7
Terminal Value (multiple)					3,620.9	3,775.9	3,993.1	4,031.2	4,063.2	4,101.6
Cash Flows (growth)					181.3	200.9	226.1	226.9	222.3	229.9
Cash Flows (multiple)					181.3	200.9	226.1	226.9	222.3	229.9
PV of CF (growth)					174.1	177.9	184.7	171.0	154.4	147.3
PV of CF (multiple)					174.1	177.9	184.7	171.0	154.4	147.3

Terminal Growth Rate	2.00%
Terminal Multiple (FWD EV/EBITDA)	11.8
WACC	8.43%

Gordon Growth	
Final Year FCFF	230
WACC	8.43%
Terminal Growth	2.00%
Terminal Value	3,647
PV of Terminal Value	2,337
Enterprise Value	3,346.03
Less: Debt	1,361
Plus: Cash	214.2
Equity Value	2,200
Diluted Shares Outstanding	51
Price Per Share	\$43.13
Upside	19.34%

Multiples Method	
EV/EBITDA	11.82
Terminal EBITDA	347
WACC	8.43%
Terminal Value	4,102
PV of Terminal Value	2,628
Enterprise Value	3,638
Less: Debt	1,361
Plus: Cash	214.2
Equity Value	2,491
Diluted Shares Outstanding	51
Price Per Share	\$48.84
Upside	35.15%

Appendix H: Comps

Edgewell Personal Care Co. (NYSE: EPC)																							
Comparable Companies																							
Figures in Millions USD																							
								LTM								2025E							
Company	Ticker	Price	Shares Outstan	Market Cap	Cash	Debt	EV	Revenue	EBIT	EBITDA	EPS	EV/Revenue	EV/EBIT	EV/EBITDA	P/E	Revenue	EBIT	EBITDA	EPS	FWD EV/Rev	FWD EV/EB	FWD EV/EBITDA	FWD P/E
Edgewell Personal Care Co.	EPC	\$35.47	51	\$1,809	\$216.40	\$1,480.00	\$3,073	\$2,251.60	\$337.40	\$304.00	\$2.05	1.36x	9.11x	10.11x	17.30x	\$ 2,486.14	\$ 241.74	\$ 319.48	\$ 2.00	1.24x	12.71x	9.62x	17.74x
Helen of Troy	HELE	\$99.85	23.8	\$2,376	\$29.65	\$774.90	\$3,122	\$2,060.00	\$363.12	\$323.00	\$6.77	1.52x	8.60x	9.66x	14.75x	\$2,100.00	\$387.00	\$338.00	\$7.00	1.49x	8.07x	9.24x	14.26x
Proctor & Gamble Co	PG	\$156.01	2,352.10	\$366,951	\$7,890.00	\$34,815.00	\$393,876	\$83,933.00	\$19,911.00	\$22,732.00	\$6.39	4.69x	19.78x	17.33x	24.41x	\$87,924.20	\$21,385.20	\$24,532.80	\$6.92	4.48x	18.42x	16.06x	22.54x
Nu Skin	NUS	\$12.36	49.42	\$611	\$256.10	\$478.00	\$833	\$1,961.00	\$68.10	\$137.70	\$0.17	0.42x	12.23x	6.05x	72.71x	\$1,870.00	\$120.00	\$201.00	\$1.49	0.45x	6.94x	4.14x	8.30x
Kimberly Clark Co	KMB	\$125.28	336.9	\$42,207	\$1,093.00	\$8,613.00	\$49,727	\$20,431.00	\$3,632.00	\$4,385.00	\$8.14	2.43x	13.69x	11.34x	15.39x	\$20,965.00	\$3,312.40	\$4,100.40	\$7.33	2.37x	15.01x	12.13x	17.09x
Church & Dwight Co	CHD	\$103.20	243.4	\$25,119	\$344.50	\$2,605.60	\$27,380	\$5,867.90	\$1,057.40	\$1,314.30	\$3.04	4.67x	25.89x	20.83x	33.95x	\$6,376.90	\$1,258.30	\$1,479.30	\$3.74	4.29x	21.76x	18.51x	27.59x
Coty	COTY	\$10.30	895.2	\$9,221	\$284.00	\$4,692.00	\$13,629	\$5,554.00	\$544.00	\$1,034.00	\$0.56	2.45x	25.05x	13.18x	18.39x	\$6,493.00	\$937.00	\$1,184.00	\$0.56	2.10x	14.54x	11.51x	18.39x
Kenvue	KVUE	\$19.38	1915.1	\$37,115	\$1,382.00	\$8,427.00	\$44,160	\$15,443.00	\$2,939.00	\$3,566.00	\$1.29	2.86x	15.03x	12.38x	15.02x	\$16,197.00	\$3,589.00	\$3,951.00	\$1.24	2.73x	12.30x	11.18x	15.63x
Clorox	CLX	\$141.20	124.1	\$17,523	\$355.00	\$3,294.00	\$20,462	\$7,310.00	\$1,086.00	\$1,326.00	\$4.50	2.80x	18.84x	15.43x	31.38x	\$7,491.10	\$1,153.20	\$1,366.50	\$6.43	2.73x	17.74x	14.97x	21.96x
Colgate-Palmolive	CL	\$86.15	822.1	\$70,824	\$1,145.00	\$9,412.00	\$79,091	\$19,457.00	\$4,764.00	\$5,465.00	\$3.80	4.06x	16.60x	14.47x	22.67x	\$21,034.50	\$4,890.00	\$5,267.60	\$3.81	3.76x	16.17x	15.01x	22.61x

	Share Price	EV	Revenue	EBIT	EBITDA	EPS	EV/Revenue	EV/EBIT	EV/EBITDA	P/E	Revenue	EBIT	EBITDA	EPS	FWD EV/Rev	FWD EV/EB	FWD EV/EBITDA	FWD P/E
Minimum	\$ 10.30	\$ 832.73	\$ 1,961.00	\$ 68.10	\$ 137.70	\$ 0.17	0.42x	8.60x	6.05x	14.75x	\$ 1,870.00	\$ 120.00	\$ 201.00	\$ 0.56	0.45x	6.94x	4.14x	8.30x
Quartile 1	\$ 23.40	\$ 5,748.40	\$ 5,554.00	\$ 544.00	\$ 1,034.00	\$ 1.29	2.43x	13.69x	11.34x	15.39x	\$ 3,458.83	\$ 524.50	\$ 549.50	\$ 1.62	1.64x	12.41x	10.01x	15.99x
Median	\$ 93.00	\$ 23,920.95	\$ 7,310.00	\$ 1,086.00	\$ 1,326.00	\$ 3.80	2.80x	16.60x	13.18x	22.67x	\$ 6,992.05	\$ 1,205.75	\$ 1,422.90	\$ 3.78	2.55x	14.78x	11.82x	18.06x
Quartile 3	\$ 119.76	\$ 48,335.03	\$ 19,457.00	\$ 3,632.00	\$ 4,385.00	\$ 6.39	4.06x	19.78x	15.43x	31.38x	\$ 19,773.00	\$ 3,519.85	\$ 4,063.05	\$ 6.80	3.50x	17.35x	15.00x	22.40x
Maximum	\$ 156.01	\$ 393,876.12	\$ 83,933.00	\$ 19,911.00	\$ 22,732.00	\$ 8.14	4.69x	25.89x	20.83x	72.71x	\$ 87,924.20	\$ 21,385.20	\$ 24,532.80	\$ 7.33	4.48x	21.76x	18.51x	27.59x
Average	\$ 78.92	\$ 63,535.09	\$ 18,001.88	\$ 3,818.29	\$ 4,475.89	\$ 3.85	2.88x	17.30x	13.41x	27.63x	\$ 17,293.78	\$ 3,727.38	\$ 4,274.01	\$ 4.05	2.56x	14.37x	12.24x	18.61x

Minimum	\$ (6.03)	\$ 32.10	\$ 11.27	\$ 30.24	\$ (3.07)	\$ 8.12	\$ 1.18	\$ 16.59
Quartile 1	\$ 82.68	\$ 65.80	\$ 42.82	\$ 31.55	\$ 55.15	\$ 34.03	\$ 37.91	\$ 31.99
Median	\$ 98.80	\$ 85.06	\$ 53.79	\$ 46.48	\$ 99.49	\$ 45.28	\$ 49.26	\$ 36.13
Quartile 3	\$ 154.69	\$ 106.09	\$ 67.21	\$ 64.32	\$ 145.98	\$ 57.47	\$ 69.22	\$ 44.80
Maximum	\$ 182.40	\$ 146.53	\$ 99.40	\$ 149.05	\$ 193.60	\$ 78.37	\$ 91.17	\$ 55.19
Average	\$ 102.32	\$ 89.68	\$ 55.15	\$ 56.64	\$ 100.16	\$ 43.33	\$ 51.88	\$ 37.22

Appendix I: Revenue Build

Edgewell Personal Care Co. (NYSE: EPC)																																			
Revenue Build (in \$mm)																																			
Quarter End	FY 19	FY 20	Q1 21	Q2 21	Q3 21	Q4 21	FY 21	Q1 22	Q2 22	Q3 22	Q4 22	FY 22	Q1 23	Q2 23	Q3 23	Q4 23	FY 23	Q1 24	Q2 24E	Q3 24E	Q4 24E	FY 24E	Q1 25E	Q2 25E	Q3 25E	Q4 25E	FY 25E	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	FY2026	FY27E	FY28E	FY29E
Wet shave	\$1,250.10	\$1,162.30	\$279.10	\$280.50	\$304.90	\$351.40	\$1,215.90	\$286.10	\$305.00	\$326.30	\$325.10	\$1,242.50	\$275.30	\$308.60	\$324.10	\$322.90	\$1,230.90	\$301.70	\$323.90	\$334.38	\$309.72	\$1,269.70	\$310.07	\$339.96	\$344.99	\$297.09	\$1,292.10	\$316.39	\$340.74	\$339.40	\$299.33	\$1,295.86	\$1,298.98	\$1,301.47	\$1,303.30
Percent Growth YoY		-7.02%					4.61%	2.51%	8.73%	7.02%	-7.48%	2.19%	-3.77%	1.18%	-0.67%	-0.68%	-0.93%	9.59%	4.96%	3.17%	-4.08%	3.20%	2.77%	4.96%	3.17%	-4.08%	1.76%	2.86%	3.70%	1.89%	-2.95%	0.29%	0.24%	0.19%	0.14%
Sun and skin care	\$463.10	\$462.00	\$103.00	\$157.50	\$195.20	\$129.60	\$585.30	\$104.80	\$183.00	\$216.20	\$134.30	\$638.30	\$112.90	\$209.70	\$244.90	\$138.00	\$705.50	\$115.40	\$241.97	\$274.33	\$142.40	\$774.11	\$119.90	\$279.21	\$307.20	\$146.95	\$853.35	\$125.95	\$306.04	\$351.19	\$152.46	\$935.64	\$1,016.51	\$1,094.20	\$1,166.89
Percent Growth YoY		-0.24%					26.69%	1.75%	16.19%	10.76%	3.63%	9.06%	7.73%	14.59%	13.27%	2.76%	10.53%	2.21%	15.39%	12.02%	3.19%	9.70%	3.90%	15.39%	12.02%	3.19%	10.24%	4.61%	15.12%	12.44%	3.05%	9.64%	8.64%	7.64%	6.64%
Feminine care	\$308.10	\$298.60	\$69.00	\$85.00	\$73.60	\$58.50	\$286.10	\$72.40	\$59.40	\$81.30	\$77.60	\$290.70	\$80.90	\$80.10	\$81.00	\$73.20	\$315.20	\$71.80	\$81.99	\$85.09	\$83.07	\$321.96	\$73.10	\$83.93	\$89.38	\$94.28	\$340.69	\$72.51	\$95.83	\$88.68	\$90.56	\$347.58	\$354.43	\$361.24	\$368.00
Percent Growth YoY		-3.08%					-4.19%	4.93%	-30.12%	10.46%	32.65%	1.61%	11.74%	34.85%	-0.37%	-5.67%	8.43%	-11.25%	2.37%	5.05%	13.49%	2.10%	1.81%	2.37%	5.05%	13.49%	5.82%	0.77%	13.19%	3.24%	7.10%	2.02%	1.97%	1.92%	1.87%
Total Net Sales	\$2,141.00	\$1,949.70	\$451.10	\$523.00	\$573.70	\$539.50	\$2,087.30	\$463.30	\$547.40	\$623.80	\$537.00	\$2,171.50	\$469.10	\$598.40	\$650.00	\$534.10	\$2,251.60	\$488.90	\$647.87	\$693.80	\$535.20	\$2,365.77	\$503.06	\$703.10	\$741.66	\$538.31	\$2,486.14	\$514.85	\$742.61	\$779.27	\$542.35	\$2,579.08	\$2,669.92	\$2,756.91	\$2,838.19
Percentage Growth YOY		-8.9%					7.06%	2.70%	4.67%	8.73%	-0.46%	4.03%	1.23%	9.32%	4.20%	-0.34%	3.69%	4.22%	8.27%	6.74%	0.21%	3.07%	2.90%	8.33%	6.90%	3.09%	2.34%	3.62%	3.07%	0.73%	3.74%	3.32%	3.26%	2.93%	

BUIF: Consumer Staples

Appendix J: Bear, Base, Bull Case

Bear Case			
PGR	\$	35.67	25%
EMM	\$	46.54	20%
LTM P/E	\$	30.24	10%
FWD EV/EBIT	\$	34.03	15%
FWD EV/EBITDA	\$	37.91	15%
FWD P/E	\$	16.59	15%
Price Target / Upside	\$	34.53	-4%

Base Case			
PGR	\$	43.13	25%
EMM	\$	48.84	20%
LTM P/E	\$	46.48	10%
FWD EV/EBIT	\$	45.28	15%
FWD EV/EBITDA	\$	49.26	15%
FWD P/E	\$	36.13	15%
Price Target / Upside	\$	44.80	24%

Bull Case			
PGR	\$	53.77	25%
EMM	\$	54.12	20%
LTM P/E	\$	64.32	10%
FWD EV/EBIT	\$	57.47	15%
FWD EV/EBITDA	\$	69.22	15%
FWD P/E	\$	44.80	15%
Price Target / Upside	\$	56.42	56%