EDGEWELL PERSONAL CARE Co
Form 10-K
November 18, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2016
or
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _______________ to _______________
Commission File Number 001-15401
EDGEWELL PERSONAL CARE COMPANY
(Exact name of registrant as specified in its charter)

Missouri	43-1863181
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)

1350 Timberlake Manor Parkway
Chesterfield, Missouri 63017
(Address of principal executive offices) (Zip Code)

(314) 594-1900
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x		Accelerated filer	o
Non-accelerated filer	o (Do not check if a smaller reporting company)	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of March 31, 2016, the last day of the registrant's most recently completed second fiscal quarter, was $4,188,335,907.

The number of shares of the registrant's common stock outstanding as of October 31, 2016 was 57,911,598.

DOCUMENTS INCORPORATED BY REFERENCE
Certain portions of the registrant's definitive proxy statement for its annual meeting of shareholders, to be filed with the Securities and Exchange Commission within 120 days after September 30, 2016, are incorporated by reference into Part III of this report.

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Presentation of Information

Unless the context requires otherwise, references to "Edgewell Personal Care Company," "Edgewell," "we," "us," "our" and "the Company" refer to Edgewell Personal Care Company, and its consolidated subsidiaries.

Trademarks and Trade Names

We own or have rights to use trademarks and trade names that we use in conjunction with the operation of our business, which appear throughout this Annual Report on Form 10-K. Solely for convenience, we only use the ™ or ® symbols the first time any trademark or trade name is mentioned. We may also refer to brand names, trademarks, service marks and trade names of other companies and organizations, and these brand names, trademarks, service marks and trade names are the property of their respective owners.

Industry and Market Data

Unless we indicate otherwise, we base the information concerning our industry contained or incorporated by reference herein on our general knowledge of and expectations concerning the industry. Our market position, market share and industry market size is based on our estimates using internal data and data from various industry analyses, our internal research and adjustments and assumptions that we believe to be reasonable. We have not independently verified data from industry analyses and cannot guarantee accuracy or completeness. In addition, we believe that data regarding the industry, market size and our market position and market share within such industry provide general guidance but are inherently imprecise. Further, our estimates and assumptions involve risks and uncertainties and are subject to change based on various factors, including those discussed in the "Risk Factors" section of this document. These and other factors could cause results to differ materially from those expressed in the estimates and assumptions.

Retail sales for purposes of market size, market position and market share information are based on retail sales in United States dollars.

Forward-Looking Statements

This document contains both historical and forward-looking statements. Forward-looking statements are not based on historical facts, but instead reflect our expectations, estimates or projections concerning future results or events, including, without limitation, the future earnings and performance of Edgewell Personal Care Company or any of our businesses. These statements generally can be identified by the use of forward-looking words or phrases such as "believe," "expect," "expectation," "anticipate," "may," "could," "intend," "belief," "estimate," "plan," "target," "predict," "likely," "will," "should," "forecast," "outlook," or other similar words or phrases. These statements are not guarantees of performance and are inherently subject to known and unknown risks, uncertainties and assumptions that are difficult to predict and could cause our actual results to differ materially from those indicated by those statements. We cannot assure you that any of our expectations, estimates or projections will be achieved. The forward-looking statements included in this document are only made as of the date of this document, and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances. Numerous factors could cause our actual results and events to differ materially from those expressed or implied by forward-looking statements, including, without limitation:

- We are subject to risks related to our international operations, such as global economic conditions, currency fluctuations and our international go-to-market strategy, that could adversely affect our results of operations;
- Our manufacturing facilities, supply channels or other business operations may be subject to disruption from events beyond our control;
- Our access to capital markets and borrowing capacity could be limited;
- If we cannot continue to develop new products in a timely manner, and at favorable margins, we may not be able to compete effectively;
- We have a substantial level of indebtedness and are subject to various covenants relating to such indebtedness, which could limit our discretion to operate and grow our business;
- We face risks arising from the restructuring of our operations and our ongoing efforts to achieve cost savings;
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Loss of any of our principal customers and emergence of new sales channels, such as e-commerce, could significantly decrease our sales and profitability;

- We may not be able to attract, retain and develop key personnel;
- We may experience losses or be subject to increased funding obligations and expenses related to our pension plans;

- We may not be able to continue to identify and complete strategic acquisitions and effectively integrate acquired companies to achieve desired financial benefits;
- Our business involves the potential for product liability and other claims against us, which could affect our results of operations and financial condition and result in product recalls or withdrawals;
- A failure of a key information technology system or a breach of our information security could adversely impact our ability to conduct business;
- The resolution of our tax contingencies may result in additional tax liabilities, which could adversely impact our cash flows and results of operations;
- If we fail to adequately protect our intellectual property rights, competitors may manufacture and market similar products, which could adversely affect our market share and results of operations;
- Potential liabilities in connection with the separation of our Household Products business may arise under fraudulent conveyance and transfer laws and legal capital requirements; and
- We may not achieve some or all of the expected benefits of the separation of our Household Products business, and this separation may materially adversely affect our business.

In addition, other risks and uncertainties not presently known to us or that we presently consider immaterial could significantly affect the accuracy of any such forward-looking statements. The list of factors above is illustrative, but not exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Additional risks and uncertainties include those detailed from time to time in our publicly filed documents, including in Item 1A. Risk Factors of Part I of this Annual Report on Form 10-K.

PART I

Item 1. Business.

Overview

Edgewell Personal Care Company, formerly known as Energizer Holdings, Inc., and its subsidiaries, is one of the world's largest manufacturers and marketers of personal care products in the wet shave, sun and skin care, feminine care and infant care categories. We have a portfolio of over 25 brands and a broad global footprint in more than 50 countries.

History and Development

We were incorporated in the state of Missouri on September 23, 1999 and, prior to April 2000, were a wholly-owned subsidiary of Ralston Purina Company. On April 1, 2000, all of the outstanding shares of our common stock were distributed to shareholders of Ralston Purina Company and we became an independent publicly-owned company. During the years that followed, we implemented a strategy of acquiring several personal care brands, which created the foundation for the company we are today.

In 2003, we completed the acquisition of the Schick-Wilkinson Sword business ("SWS") from Pfizer, Inc., which was the second largest manufacturer and marketer of men's and women's wet shave products in the world. Our portfolio of wet shave products include: Hydro® and Quattro® men's shaving systems; Hydro Silk®, Quattro for Women®, Intuition® and Silk Effects® Plus women's shaving systems; and the Hydro, Quattro, Xtreme 3®, Slim Twin®, Slim Triple® and Extra3® disposables. SWS has over 75 years of history in the shaving products industry with a reputation for high quality and innovation in shaving technology. SWS products are sold throughout the world.

In 2007, we acquired Playtex Products, Inc. ("Playtex"), expanding our branded consumer products portfolio. Playtex was a leading manufacturer and marketer of well-recognized brands such as Playtex® feminine care products, Playtex infant care products, Diaper Genie® diaper disposal systems, Wet Ones® pre-moistened wipes, Banana Boat® and Hawaiian Tropic® sun care products and Playtex household gloves.

In 2009, we completed the acquisition of the Edge® and Skintimate® shave preparation brands from S.C. Johnson & Son, Inc., adding United States ("U.S.") market leading shave preparation brands to our existing wet shave product portfolio. In 2010, we completed the acquisition of American Safety Razor, LLC ("ASR"), a leading global manufacturer of private label and value wet shaving razors and blades and specialty blades. ASR was founded in 1875.

Strengthening the company's feminine care product portfolio, in 2013, we acquired the Stayfree® pad, Carefree® liner and o.b.® tampon feminine hygiene brands in the U.S., Canada and the Caribbean from Johnson & Johnson.

On July 1, 2015, we completed the separation of our Household Products business, which manufactures and markets batteries and portable lighting, into a separate publicly-traded company (the "Spin" or the "Separation"). We completed the tax-free Separation by distributing 100% of the outstanding shares of common stock of Energizer SpinCo, Inc. to our shareholders. The newly formed company assumed the name Energizer Holdings, Inc. ("New Energizer") and began trading under the symbol "ENR" on the New York Stock Exchange ("NYSE"). Edgewell retained the Personal Care business and now trades on the NYSE under the symbol "EPC." Following the Separation, we do not beneficially own any shares of New Energizer. In connection with the Separation, we changed our name to Edgewell Personal Care Company on June 30, 2015.

On October 31, 2016, we completed the acquisition of Bulldog Skincare Holdings Limited, a men's grooming and skincare products company based in the United Kingdom (the "U.K."). The acquisition creates opportunities to expand our personal care portfolio into a growing global category where we can leverage our international geographic footprint.

Our Business Segments and Product Strategies

We manage our business in four reportable segments: Wet Shave, Sun and Skin Care, Feminine Care and All Other. Prior to the Separation, our business was managed in two reportable segments: Personal Care and Household Products. Prior periods have been recast to reflect our current segment reporting. Segment performance is evaluated based on segment profit, exclusive of general corporate expenses, share-based compensation costs, costs associated with restructuring initiatives and other items that are not representative of management's view on how segment performance is evaluated. Information regarding the product portfolios of these segments is included within the following discussion. Financial information regarding each of our reportable segments, as well as other geographical information, is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and in Note 17 of Notes to Consolidated Financial Statements included within Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

Wet Shave

Wet shave products are sold under the Schick®, Wilkinson Sword®, Edge, Skintimate, Shave Guard and Personna® brand names. We manufacture and distribute Schick and Wilkinson Sword razor systems, composed of razor handles and refillable blades, and disposable shave products for men and women. While we market our wet shave products throughout the world, our primary markets are the U.S., Canada, Japan, Germany, France and the U.K. We believe we hold the #2 global market share position in wet shaving. The category is competitive with manufacturers vying for consumer loyalty and retail shelf space.

We have gained recognition for our innovation designed to improve the shaving experience, including the introduction of our Schick Hydro men's shaving system in 2010. This system incorporated new technologies, including innovative skin protectors that act to smooth skin between blade tips and an advanced hydrating gel reservoir that lubricates throughout the shaving process. Schick Hydro is available in three- and five-blade models. Following the launch of Schick Hydro, we have introduced additional innovative products under the Hydro franchise, such as Schick Hydro Silk for women, including the Hydro Silk TrimStyle® razor introduced in 2015, the only 2-in-1 razor and trimmer, the Schick Hydro Power Select™, Schick Hydro 5 Groomer, and Schick Hydro men's and women's disposable razors. We intend to continue to develop and expand the Hydro brand, and in 2016 we introduced the next generation of Schick Hydro with upgraded features for most aspects of the mechanical cartridge.

In the U.S., Canada and Japan, we also sell market-leading shave preparation products, including shaving gels and creams under the Edge, Skintimate and Shave Guard brands.

We also manufacture, distribute and sell a complete line of private label and value-priced wet shaving disposable razors, shaving systems and replacement blades. These wet shave products are sold primarily under a retailer's store name or under value brand names such as Personna.

Our Wet Shave segment represented 60%, 60% and 61% of our net sales during fiscal 2016, 2015 and 2014, respectively. Our razors and blades represented 53%, 53% and 54% of our net sales during fiscal 2016, 2015 and 2014, respectively.

Sun and Skin Care

Sun and Skin Care products are sold under the Banana Boat, Hawaiian Tropic, Wet Ones and Playtex brand names. We market sun care products under the Banana Boat and Hawaiian Tropic brands and believe these brands, on a combined basis, hold a leading market share position in the U.S. sun care category. We compete across the full spectrum of sun care categories: general protection, sport, kids, baby, tanning and after sun. Outside the U.S., we believe we are also the leading sun care manufacturer in Australia and Mexico. We expect to continue to drive our worldwide business through innovation, increased distribution and geographic expansion. We also offer Wet Ones, the leader in the U.S. portable hand wipes category, and Playtex household gloves, the branded household glove leader in the U.S.

Our Sun and Skin Care segment represented 18%, 17% and 16% of our net sales during fiscal 2016, 2015 and 2014, respectively. Our sun care products represented 14%, 13% and 13% of our net sales during fiscal 2016, 2015 and 2014, respectively.

Feminine Care
In Feminine Care, we market products under the Playtex, Stayfree, Carefree and o.b. brands. We offer tampons under the Playtex Gentle Glide® 360°™, Playtex Sport®, Playtex and o.b. brands. We also market pads and liners under the Playtex Sport, Stayfree and Carefree brands. We believe we are one of the top three manufacturers of feminine care products in North America, with unique, competitive product technologies and well-known brands that address complementary consumer needs. We intend to continue to invest in innovation in our feminine care brands.
Our Feminine Care segment represented 16%, 16% and 15% of our net sales during fiscal 2016, 2015 and 2014, respectively.

All Other
Our All Other segment includes infant care, pet care and miscellaneous other products. In the infant care category, we market a broad range of products including bottles, cups and mealtime products under the Playtex brand name. We also offer a line of pacifiers, including the OrthoPro® and Binky® pacifiers. We believe our Playtex Diaper Genie brand of diaper disposal systems leads the U.S. diaper pail category. The Diaper Genie brand consists of the diaper pail unit and refill liners. We also market Litter Genie®, a waste disposal solution for cat owners originating from our Diaper Genie technology. The industrial business sold on September 1, 2015 was also included within our All Other segment.
Our All Other segment represented 6%, 7% and 8% of our net sales during fiscal 2016, 2015 and 2014, respectively.

Competition
The personal care product categories are highly competitive, both in the U.S. and on a global basis, as large manufacturers with global operations compete for consumer acceptance and, increasingly, limited retail shelf space. Competition is based upon brand perception, product performance, customer service and price.
The global shaving products category is comprised of wet shave blades and razors, electric shavers and shaving gels and creams. The wet shave segment of that business is further segmented between razor systems and disposable products. This category is characterized by high margins, significant barriers to entry and international growth opportunities. Geographically, North America, Western Europe, Australia and Japan represent relatively developed and stable markets. With our established product lines and global presence, we believe we are able to compete effectively in this market. Our principal competitors in the global wet shave business are The Procter & Gamble Company, which owns the Gillette® brand and is the leading company in the global wet shave segment, and Bic Group, which competes primarily in the disposable segment. We also compete with direct-to-consumer online competitors such as Dollar Shave Club, owned by Unilever, and Harry's. We estimate that, collectively, the Gillette brand and our SWS business represent 80% of the global wet shave market.
The markets for sun and skin care, feminine care and other personal care products are also highly competitive, characterized by frequent introduction of new products, accompanied by major advertising and promotional programs. Our competitors in these markets consist of a large number of domestic and foreign companies, including The Procter & Gamble Company and Kimberly-Clark Corp. in feminine care, Bayer AG and Johnson & Johnson in sun and skin care, and a variety of competitors in the fragmented infant care market.
The market for sun care products is also characterized by global growth, and is impacted by trends in skin care. With our balanced sun care portfolio, depth of sun care expertise and global presence, we believe we compete effectively and have more than doubled our international sun care business since acquiring the Banana Boat and Hawaiian Tropic brands in 2008. We intend to continue to compete by driving innovation, building differentiated equity and focusing on in-store visibility.
With our fiscal 2014 acquisition of the Stayfree, Carefree and o.b. brands, we have expanded our presence within the feminine care product category and have become one of the top three manufacturers in North America. We compete by having a portfolio of well-known brands that address complementary consumer needs.

Sales and Distribution

Our products are marketed primarily through a direct sales force, but also through exclusive and non-exclusive distributors and wholesalers. In the U.S., Japan and the larger countries of Western Europe and Latin America, we have dedicated commercial organizations, reflecting the scale and importance of these businesses. During fiscal 2015, in order to compete more effectively in smaller markets after the Separation, we increased our use of third-party distributors and wholesalers and either decreased or eliminated our business operations in certain countries. We distribute our products to consumers through numerous retail locations worldwide, including mass merchandisers and warehouse clubs, food, drug and convenience stores, military stores and e-commerce.

Although a large percentage of our sales are attributable to a relatively small number of retail customers, only Wal-Mart Stores, Inc. and its subsidiaries, ("Wal-Mart") as a group, accounted for more than 10% of our consolidated annual net sales. Wal-Mart accounted for approximately 25% of net sales from continuing operations in fiscal 2016. Purchases by Wal-Mart included products from all of our segments. Target Corporation represented approximately 11%, 11% and 16% of net sales for our Sun and Skin Care, Feminine Care and All Other segments, respectively, for fiscal 2016. Additionally, Toys "R" Us, Inc. represented approximately 11% of net sales for our All Other segment for fiscal 2016.

Generally, orders are shipped within a month of their order date. Because of the short period of time between order and shipment dates, the dollar amount of current backlog is not material and is not considered to be a reliable indicator of future sales volume.

Government contracts do not represent a material portion of our net sales.

Seasonality

Customer orders for sun care products within our Sun and Skin Care segment are highly seasonal, which has historically resulted in higher sun care sales to retailers during the late winter through mid-summer months. Within our Wet Shave segment, sales of women's products are moderately seasonal, with increased consumer demand in the spring and summer months. See "Our business is subject to seasonal volatility" in Item 1A. Risk Factors.

Sources and Availability of Raw Materials

The principal raw materials used in our products include steel, various plastic resins, plastic based components, textile fibers and non-woven fabrics, organic and inorganic chemicals, soap based lubricants and plastic-pulp based packaging. These materials are sourced on a regional or global basis, as applicable, and are generally available from multiple sources. Price and availability of our raw materials fluctuate over time. While we have confidence our supply assurance plans adequately support our current operational needs, we cannot predict the future with certainty. Both price and supply are subject to risk from global socio- and macroeconomic influences such as, but not exclusive to, force majeure, loss or impairment to key manufacturing sites, transportation, government regulation, currency or other unforeseen circumstances. In the past, we have avoided significant interruption in the availability of our input materials and believe our extensive experience in procurement allows us to manage these risks effectively.

Patents, Technology and Trademarks

We own a number of U.S., Canadian and foreign trademarks, which we consider of substantial importance and which are used individually or in conjunction with our other trademarks. These include, but are not limited to: Edgewell™, Schick, Schick Hydro, Schick Hydro Silk, Wilkinson Sword, Intuition, Quattro, Xtreme 3, Protector™, Silk Effects, Slim Twin, Edge, Skintimate, Personna, Banana Boat, Hawaiian Tropic, Binky, Diaper Genie, Litter Genie, Drop-Ins®, Flexfit®, Gentle Glide, 360°, Play On®, HandSaver®, Twist 'N Click®, Sport, Sport Level Protection®, VentAire®, Wet Ones, Stayfree, Carefree and o.b. As a result of the Playtex acquisition, we also own royalty-free licenses in perpetuity to the Playtex and Living® trademarks in the U.S., Canada and many foreign jurisdictions related to certain feminine hygiene, baby care, gloves and other products, but excluding certain apparel-related products.

Our ability to compete effectively in the wet shave, sun and skin care, feminine care and other personal care categories depends, in part, on our ability to maintain the proprietary nature of technology and manufacturing processes through a combination of patent and trade secret protection, non-disclosure agreements and licensing agreements. We own or license from third parties a considerable number of patents, patent applications and other technology, which we believe are significant to our business. These relate primarily to shaving product improvements and additional features, feminine care hygiene products including digital and applicator tampons, pads and liners, baby bottles and nipples, disposable liners and plastic holders for nurser systems, children's drinking cups, pacifiers, sunscreen formulations, diaper disposal systems, pet care and pet waste disposal products, and manufacturing processes.
As of September 30, 2016, we owned, either directly or beneficially, approximately 981 unexpired U.S. patents, which have a range of expiration dates from October 2016 to December 2034, and we had approximately 93 U.S. patent applications pending. We routinely prepare additional patent applications for filing in the U.S., as well as actively pursue foreign patent protection in various foreign countries. As of September 30, 2016, we owned, either directly or beneficially, approximately 2,128 foreign patents having a range of expiration dates from October 2016 to May 2041, and we had approximately 271 patent applications pending in foreign countries.
We rely on trademark, trade secret, patent and copyright laws to protect our intellectual property rights. We cannot be sure that these intellectual property rights will be effectively utilized or, if necessary, successfully asserted. There is a risk that we will not be able to obtain and perfect our own intellectual property rights, or, where appropriate, license from others intellectual property rights.

Governmental Regulation and Environmental Matters
Our operations are subject to various federal, state, foreign and local laws and regulations intended to protect the public health and environment.
Contamination has been identified at certain of our current and former facilities, as well as third-party waste disposal sites, and we are conducting investigation and remediation activities in relation to such properties. In connection with certain sites, we have received notices from the U.S. Environmental Protection Agency ("EPA"), state agencies and private parties seeking contribution, that we have been identified as a potentially responsible party ("PRP") under the Comprehensive Environmental Response, Compensation and Liability Act, and may be required to share in the cost of cleanup with respect to a number of federal "Superfund" sites. We may also be required to share in the cost of cleanup with respect to state-designated sites, and certain international locations, as well as any of our own properties.
The amount of our ultimate liability in connection with those sites may depend on many factors, including the volume and toxicity of material contributed to the site, the number of other PRPs and their financial viability, and the remediation methods and technology to be used. Total environmental capital expenditures and operating expenses are not expected to have a material effect on our total capital and operating expenditures, cash flows, earnings or competitive position. Current environmental spending estimates could be modified as a result of changes in our plans or our understanding of the underlying facts, changes in legal requirements, including any requirements related to global climate change, or other factors.
Many European countries, as well as the European Union (the "E.U."), have been very active in adopting and enforcing environmental regulations. As such, it is possible that new regulations may increase the risk and expense of doing business in such countries.
Certain of our products are subject to regulation under the U.S. Federal Food, Drug and Cosmetic Act and are regulated by the U.S. Food and Drug Administration ("FDA").

Employees
As of September 30, 2016, we employed approximately 6,000 employees, with approximately 2,300 based in the U.S. Certain of these employees are represented by unions or work councils. We believe that we generally have a good relationship with our employees, and with the unions and work councils that represent certain employees.

Executive Officers

Set forth below are the names, ages as of December 31, 2016, and current positions of our executive officers.

Name	Age	Title
David P. Hatfield	56	Chief Executive Officer, President and Chairman of the Board
Sandra J. Sheldon	54	Chief Financial Officer
Anthony J. Bender	58	Chief Information Officer and Vice President of Global Business Services
Peter J. Conrad	56	Chief Administrative Officer
Elizabeth E. Dreyer	54	Vice President, Controller and Chief Accounting Officer
Wilbur A. Robertson	60	Chief Marketing Officer
Manish R. Shanbhag	46	Chief Legal Officer, Chief Compliance Officer and Secretary
David S. VerNooy	56	Vice President, Global Operations and Research, Development and Engineering

Set forth below is a brief description of the position and business experience of each of our executive officers.

David P. Hatfield has served as the Chairman of our Board since July 6, 2016. Mr. Hatfield has been our Chief Executive Officer and President since July 1, 2015. From October 2007 to July 1, 2015, he served as President and Chief Executive Officer of the Energizer Personal Care division commencing upon our acquisition of Playtex in October 2007. In 2007, Mr. Hatfield was named President and Chief Executive Officer of Schick-Wilkinson Sword. From 2004 to 2007, he served as our Executive Vice President and Chief Marketing Officer. Prior to 2004, he held various other positions within the Company since joining Ralston Purina Company in 1986.

Sandra J. Sheldon has served as Chief Financial Officer since July 1, 2015. Previously Ms. Sheldon had been the Vice President of Financial Planning and Analysis since 2012. Prior to that she served as the Vice President of Finance for Schick-Wilkinson Sword and Energizer Personal Care from 2006 to 2012. Ms. Sheldon joined Ralston Purina in 1986 and began her career at PricewaterhouseCoopers.

Anthony J. Bender has served as Chief Information Officer and Vice President of Global Business Services since July 1, 2015. Previously, Mr. Bender served as Vice President, Chief Information Officer of Energizer Holdings, Inc. since February 2012. Prior to this, Mr. Bender served as the Vice President, IT at Unilever, Vice President and Chief Information Officer at Alberto Culver Company, Senior Vice President and Chief Information Officer at The Relizon Company, and various other senior leadership positions.

Peter J. Conrad has served as Chief Administrative Officer since July 1, 2015. Prior to this, Mr. Conrad served as our Vice President, Human Resources since 2000. Mr. Conrad joined Eveready Battery Company, Inc. in 1997 and served as Vice President, Human Resources from 1997 to 2000. He had previously served as Vice President, Human Resources for Protein Technologies International, Inc., a former subsidiary of Ralston Purina Company, from 1995 to 1997.

Elizabeth E. Dreyer has served as Vice President, Controller and Chief Accounting Officer since July 1, 2015. Ms. Dreyer served in the same position for the Personal Care business prior to the Separation, since January 2015. Prior to joining the Company, Ms. Dreyer was Vice President, Controller and Chief Accounting Officer of Hillenbrand Inc. from 2010 to 2014. She previously held positions as Vice President of Finance with Zimmer Corp., Chief Financial Officer of Createc Corporation, Vice President of Organizational Effectiveness of ADESA and Manager of Corporate Accounting and Financial Reporting of Guidant Corporation. Ms. Dreyer began her career with Deloitte and is a Certified Public Accountant.

Wilbur A. Robertson has served as Chief Marketing Officer since July 1, 2015. Mr. Robertson has been a key leader of the Energizer Personal Care business since 2003, serving as its Chief Marketing Officer prior to his current position. In addition to the Company, Mr. Robertson has extensive experience in domestic, international and global assignments with companies including Johnson & Johnson, Schering-Plough Corporation, Warner-Lambert Company, and Pfizer, Inc.

Manish R. Shanbhag has served as Chief Legal Officer, Chief Compliance Officer and Secretary since July 1, 2015. Mr. Shanbhag began working at the Company in 2013 as the Vice President and Deputy General Counsel. Prior to 2013, Mr. Shanbhag was general counsel of Honeywell's Life Safety business. Previously, he was with The Gillette Company, where he held various roles within the legal department.

David S. VerNooy has served as Vice President Global Operations and Research, Development and Engineering ("RDE") since July 1, 2015. Prior to this, Mr. VerNooy had been the Energizer Personal Care Vice President of Global Operations and RDE since 2010. Mr. VerNooy joined the Schick Division of Warner Lambert in 1986 as a Senior Project Engineer, and has held various positions since that time, including Vice President of Schick-Wilkinson Sword RDE and Operations and Milford Plant Director. He previously held engineering and manufacturing positions at General Motors Company and Bic Corporation.

Available Information

Our website address is www.edgewell.com. We are not including the information contained on our website as part of, or incorporating it by reference into, this filing. We make available to the public on our website, free of charge, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after such material is electronically filed with, or furnished to, the U.S. Securities and Exchange Commission ("SEC"). Our reports filed with, or furnished to, the SEC may be read and copied at the SEC's Public Reference Room at 100 F Street, N.E. Washington, DC 20549. Investors may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. These filings are also available on the SEC's website at www.sec.gov.

Item 1A. Risk Factors.

The following risks and uncertainties could materially adversely affect our business, results of operations, consolidated financial condition and cash flows. We may amend or supplement the risk factors described below from time to time in other reports we file with the SEC.

Risks Related to Our Business

We face risks associated with global economic conditions.

Unfavorable global economic conditions, unemployment levels and uncertainty about future economic prospects could reduce consumer demand for our products as a result of a reduction in discretionary spending or a shift of purchasing patterns to lower-cost options such as private label brands sold by retail chains or price brands, which could drive the market towards lower margin product and force us to reduce prices for our products in order to compete. Similarly, our retailer customers could reduce their inventories, shift to different products or require us to lower our prices to retain the shelf placement of our products. Declining financial performance by certain of our retailer customers could impact their ability to pay us on a timely basis, or at all. Worsening economic conditions could harm our sales and profitability. Additionally, disruptions in financial markets could reduce our access to debt and equity capital markets, negatively affecting our ability to implement our business plan and strategy.

Competition in our industries may hinder our ability to execute our business strategy, achieve profitability, or maintain relationships with existing customers.

The categories in which we operate are mature and highly competitive, both in the U.S. and globally, as a limited number of large manufacturers compete for consumer acceptance, limited retail shelf space and e-commerce opportunities. Because of the highly competitive environment in which we operate as well as increasing retailer concentration, our retailer customers, including online retailers, frequently seek to obtain pricing concessions or better trade terms, resulting in either reduction of our margins or losses of distribution to lower cost competitors. Competition is based upon brand perceptions, product performance and innovation, customer service and price. Our ability to compete effectively may be affected by a number of factors, including:

- our primary competitor in wet shave and feminine care products, The Procter & Gamble Company, as well as Unilever and our other competitors, may have substantially greater financial, marketing, research and development and other resources and greater market share in certain segments than we do, which could provide them with greater scale and negotiating leverage with retailers and suppliers;
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our competitors may have lower production, sales and distribution costs, and higher profit margins, which may enable them to offer aggressive retail discounts and other promotional incentives;

- our competitors may be able to obtain exclusive distribution rights at particular retailers or favorable in-store placement; and

- we may lose market share to private label brands sold by retail chains, or to price brands sold by local and regional competitors, which, in each case, are typically sold at lower prices than our products.

Loss of reputation of our leading brands or failure of our marketing plans could have an adverse effect on our business.

We depend on the continuing reputation and success of our brands, particularly the Schick, Wilkinson Sword, Edge, Skintimate, Playtex, Diaper Genie, Wet Ones, Banana Boat, Hawaiian Tropic, Stayfree, Carefree and o.b. brands. Our operating results could be adversely affected if one of our leading brands suffers damage to its reputation due to real or perceived quality issues. Further, the success of our brands can suffer if our marketing plans or new product offerings do not improve, or have a negative impact on, our brands' image or ability to attract and retain consumers. Additionally, if claims made in our marketing campaigns become subject to litigation alleging false advertising, it could damage our brand, cause us to alter our marketing plans in ways that may materially and adversely affect sales, or result in the imposition of significant damages against us. Further, a boycott or other campaign critical of us, through social media or otherwise, could negatively impact our brands' reputation and, consequently, our products' sales.

Loss of any of our principal customers and emergence of new sales channels, such as e-commerce, could significantly decrease our sales and profitability.

Wal-Mart, together with its subsidiaries, is our largest customer, accounting for approximately 25% of net sales from continuing operations in fiscal 2016. Generally, sales to our top customers are made pursuant to purchase orders and we do not have supply agreements or guarantees of minimum purchases from them. As a result, these customers may cancel their purchase orders or reschedule or decrease their level of purchases from us at any time. The loss or a substantial decrease in the volume of purchases by any of our top customers would harm our sales and profitability. Increasing retailer customer concentration could result in reduced sales outlets for our products, as well as greater negotiating pressures and pricing requirements.

Furthermore, the emergence of new sales channels may affect our customer preferences and market dynamics and could adversely impact our financial results. These new channels include sales of consumer products via e-commerce, which is gaining increasing acceptance among end user customers. The acquisition of the Dollar Shave Club e-commerce wet shave platform by Unilever provides this competitor with substantially greater financial, marketing, research and development and other resources, which could provide them greater scale and leverage with suppliers and customers. In addition, we face the growth of large-format retailers and discounters that exclusively sell private label products which are typically sold at lower prices than our products.

We are subject to risks related to our international operations, including currency fluctuations, which could adversely affect our results of operations.

Our businesses are conducted on a worldwide basis, with nearly 41% of our sales in fiscal 2016 arising from outside the U.S., and a significant portion of our production capacity and cash are located overseas. Consequently, we are subject to a number of risks associated with doing business in foreign countries, including:

- the possibility of expropriation, confiscatory taxation or price controls;
- the inability to repatriate foreign-based cash, which constitutes substantially all of our overall cash, for strategic needs in the U.S., either at all or without incurring significant income tax and earnings consequences, as well as the heightened counterparty, internal control and country-specific risks associated with holding cash overseas;
- the effect of foreign income taxes, value-added taxes and withholding taxes, including the inability to recover amounts owed to us by a government authority without extended proceedings or at all;
- the effect of the U.S. tax treatment of foreign source income and losses, and other restrictions on the flow of capital between countries;
- adverse changes in local investment or exchange control regulations;
- restrictions on and taxation of international imports and exports;
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currency fluctuations, including the impact of hyper-inflationary conditions, particularly where exchange controls limit or eliminate our ability to convert from local currency;

- political or economic instability, government nationalization of business or industries, government corruption, and civil unrest, including political or economic instability;

- legal and regulatory constraints, including tariffs and other trade barriers;
- difficulty in enforcing contractual and intellectual property rights; and
- the impact of fluctuations in foreign currency. A significant portion of our sales are denominated in local currencies but reported in U.S. dollars, and a high percentage of product costs for such sales are denominated in U.S. dollars. Although we may hedge a portion of the exposure, the strengthening of the U.S. dollar relative to such currencies can negatively impact our reported sales and operating profits.

One or more of these factors could harm our international operations or investments and our operating results.

A failure of a key information technology system or a breach of our information security could adversely impact our ability to conduct business.

We rely extensively on information technology systems in order to conduct business, including some that are managed by third-party service providers. These systems include, but are not limited to, programs and processes relating to internal and external communications, ordering and managing materials from suppliers, converting materials to finished products, shipping products to customers, processing transactions, summarizing and reporting results of operations, and complying with regulatory, legal or tax requirements. These information technology systems could be damaged or cease to function properly due to the poor performance or failure of third-party service providers, catastrophic events, power outages, network outages, failed upgrades or other similar events. If our business continuity plans do not effectively resolve such issues on a timely basis, we may suffer interruptions in conducting our business which may adversely impact our operating results.

Further, our systems and networks, as well as those of our retailer customers, suppliers, service providers, and banks, may become the target of cyber-attacks or information security breaches, which in turn could result in the unauthorized release and misuse of confidential or proprietary information about our Company, employees, customers or consumers, as well as disrupt our operations or damage our facilities or those of third parties. As a result, a cyber-attack could negatively impact our net sales and increase our operating and capital costs. In addition, our employees frequently access our supplier's and customer's systems and we may be liable if our employees are the source of any breaches in these third-party systems. It could also damage our reputation with retailer customers and consumers and diminish the strength and reputation of our brands, or require us to pay monetary penalties. We may also be required to incur additional costs to modify or enhance our systems, or in order to try to prevent or remediate any such attacks.

We face risks arising from the restructuring of our operations and our ongoing efforts to achieve cost savings.

In November 2012, we announced a company-wide restructuring project. In January 2014, our Board of Directors (the "Board") authorized an expansion of scope of the previously announced project. We have incurred and expect to continue to incur additional charges related to the restructuring project, which will reduce our profitability in the periods incurred. If we incur unexpected charges related to the restructuring, or in connection with any potential future restructuring project, our financial condition and results of operations may suffer further.

Execution of the restructuring project, or any potential future restructuring project, presents a number of significant risks, including:

- actual or perceived disruption of service or reduction in service standards to customers;
- the failure to preserve adequate internal controls as we restructure our general and administrative functions, including our information technology and financial reporting infrastructure;
- the failure to preserve supplier relationships and distribution, sales and other important relationships and to resolve conflicts that may arise;
- loss of sales as we reduce or eliminate staffing on non-core product lines;
- diversion of management attention from ongoing business activities; and
- the failure to maintain employee morale and retain key employees while implementing benefit changes and reductions in the workforce.

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Because of these and other factors, we cannot predict whether we will realize the purpose and anticipated benefits of these measures and, if we do not, our business and results of operations may be adversely affected. Additionally, there may be delays in implementing the restructuring activities or a failure to achieve the anticipated levels of cost savings and efficiency as a result of the restructuring activities, each of which could materially and adversely impact our business and results of operations. Further restructuring or reorganization activities may also be required in the future beyond what is currently planned, which could further enhance the risks associated with these activities.
In addition, we recently announced a company-wide Zero Based Spend ("ZBS") initiative to identify and capture savings in targeted spend categories. The savings will provide ongoing financial and operational flexibility for reinvestment to reinforce both the growth and margin improvement objectives in Edgewell's financial algorithm. This initiative follows on three years of productivity initiatives, as well as the initiatives launched with the overall Separation program, and is complementary to our overall trade promotion management project focused on improving productivity in our trade promotion spending. The achievement of our savings targets depends on our ability to successfully identify and realize savings opportunities. Events and circumstances, such as financial or strategic difficulties, delays and unexpected costs may occur that could result in our not realizing all of the anticipated benefits or our not realizing the anticipated benefits on our expected timetable. If we are unable to realize the anticipated savings, our business, results of operations, cash flows and financial condition may be adversely affected.

Impairment of our goodwill and other intangible assets would result in a reduction in net income.
We have a material amount of goodwill, trademarks and other intangible assets, as well as other long-lived assets, which are periodically evaluated for impairment in accordance with current accounting standards. Declines in our profitability and estimated cash flows related to specific intangible assets, as well as potential changes in market valuations for similar assets and market discount rates, may result in an impairment charge, which could have an adverse impact on our operating results.
For example, during the fourth quarter of fiscal 2015, we completed impairment testing on indefinite-lived intangible assets other than goodwill, which consist of trademarks and brand names used across our segments. We determined that the carrying values of our Playtex, Wet Ones and Skintimate brand names were above their fair values, resulting in a non-cash asset impairment charge of $318.2 million. During the fourth quarter of fiscal 2016, the Company completed its annual impairment testing and found the carrying value of its Skintimate brand name to be above the fair value, resulting in an additional non-cash asset impairment charge of $6.5 million. Given that the carrying value for these brand names have been reduced to their determined fair value, these intangible assets will be sensitive in the future to changes in forecasted cash flows, as well as other assumptions used in an impairment analysis, including discount rates.

If we cannot continue to develop new products in a timely manner, and at favorable margins, we may not be able to compete effectively.
The wet shave, sun and skin care, feminine care and other personal care industries in which we compete have been known for the pace of innovations in product life, product design and applied technology, and our success depends on our future innovations. The successful development and introduction of new products requires retail and consumer acceptance and overcoming the reaction from competitors. New product introductions in categories where we have existing products will likely also reduce sales of our existing products. Our investments in research and development may not result in successful products or innovation that will recover the costs of such investments. Our customers or end consumers may not purchase our new products once introduced. Additionally, new products could require regulatory approval which may not be available or may require modification to the product which could impact product success. Our competitors may introduce new or enhanced products that significantly outperform ours, or develop manufacturing technology that permits them to manufacture at a lower cost relative to ours and sell at a lower price. If we fail to develop and launch successful new products, or fail to reduce our cost structure to a competitive level, we may be unable to grow our business and compete successfully.

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Our business is subject to increasing regulation in the U.S. and abroad, including environmental laws and regulations, that may expose us to significant liabilities.

The manufacture, packaging, labeling, storage, distribution, advertising and sale of our products are subject to extensive regulation in the U.S., including by the FDA, the Consumer Product Safety Commission, the EPA and by the Federal Trade Commission with respect to advertising. Similar regulations have been adopted by authorities in foreign countries where we sell our products, and by state and local authorities in the U.S. New or more restrictive regulations or more restrictive interpretations of existing regulations, particularly in the sun and skin care and feminine care industries, are likely and could have an adverse impact on our business. Legislative and regulatory changes by taxing authorities have an impact on our effective tax rate, and we may be subject to additional costs arising from new or changed regulations, including those relating to healthcare. Additionally, a finding that we are in violation of, or not in compliance with, applicable laws or regulations could subject us to material civil remedies, including fines, damages, injunctions or product recalls, or criminal sanctions. Even if a claim is unsuccessful, is not merited or is not fully pursued, the negative publicity surrounding such assertions could jeopardize our reputation and brand image and have a material adverse effect on our businesses, as well as require resources to rebuild our reputation.

We must comply with various environmental laws and regulations in the jurisdictions in which we operate, including those relating to the handling and disposal of solid and hazardous wastes and the remediation of contamination associated with the use and disposal of hazardous substances. A release of such substances due to accident or an intentional act could result in substantial liability to governmental authorities or to third parties. Pursuant to certain environmental laws, we could be subject to joint and several strict liability for contamination relating to our or our predecessors' current or former properties or any of their respective third-party waste disposal sites. In addition to potentially significant investigation and remediation costs, any such contamination can give rise to claims from governmental authorities or other third-parties for natural resource damage, personal injury, property damage or other liabilities. We have incurred, and will continue to incur, capital and operating expenses and other costs in complying with environmental laws and regulations, including remediation costs relating to our current and former properties and third-party waste disposal sites. As new laws and regulations are introduced, we could become subject to additional environmental liabilities in the future that could cause a material adverse effect on our results of operations or financial condition.

The resolution of our tax contingencies may result in additional tax liabilities, which could adversely impact our cash flows and results of operations.

Significant estimation and judgment is required in determining our provisions for taxes in the U.S. and jurisdictions outside the U.S. In the ordinary course of our business, there are transactions and calculations in which the ultimate tax determination is uncertain. We are regularly under audit by tax authorities, and although we believe our tax positions are defensible and our tax provision estimates are reasonable, the final outcome of tax audits and related litigation could be materially different than that reflected in our income tax provisions and accruals. The unfavorable resolution of any audits or litigation could have an adverse impact on future operating results and our financial condition. More aggressive and assertive tax collection policies, particularly in jurisdictions outside the U.S., may increase the costs of resolving tax issues and enhance the likelihood that we will have increased tax liabilities going forward.

Changes in production costs, including raw material prices, could erode our profit margins and negatively impact operating results.

Pricing and availability of raw materials, energy, shipping and other services needed for our business can be volatile due to general economic conditions, labor costs, production levels, import duties and tariffs and other factors beyond our control. There is no certainty that we will be able to offset future cost increases. This volatility can significantly affect our production cost, and may, therefore, have a material adverse effect on our business, results of operations and financial condition.

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Our manufacturing facilities, supply channels or other business operations may be subject to disruption from events beyond our control.

Operations of our manufacturing and packaging facilities worldwide, and of our corporate offices, and the methods we use to obtain supplies and to distribute our products, may be subject to disruption for a variety of reasons, including availability of raw materials, work stoppages, industrial accidents, disruptions in logistics, loss or impairment of key manufacturing sites, product quality or safety issues, licensing requirements and other regulatory issues, trade disputes between countries in which we have operations, and acts of war, terrorism, pandemics, fire, earthquake, flooding or other natural disasters. The supply of our raw materials may be similarly disrupted. There is also a possibility that third-party manufacturers, which produce a significant portion of certain of our products, could discontinue production with little or no advance notice, or experience financial problems or problems with product quality or timeliness of product delivery, resulting in manufacturing delays or disruptions, regulatory sanctions, product liability claims or consumer complaints. If a major disruption were to occur, it could result in delays in shipments of products to customers or suspension of operations. We maintain business interruption insurance to potentially mitigate the impact of business interruption, but such coverage may not be sufficient to offset the financial or reputational impact of an interruption.

Our business is subject to seasonal volatility.

Customer orders for sun care products within our Sun and Skin Care segment are highly seasonal, which has historically resulted in higher sun care sales to retailers during the late winter through mid-summer months. Accordingly, our sales, financial performance, working capital requirements and cash flow may experience volatility during these periods. Further, purchases of our sun care products can be significantly impacted by unfavorable weather conditions during the summer period, and as a result we may suffer decreases in net sales if conditions are not favorable for use of our products, which could in turn have a material adverse effect on our financial condition, results of operation and cash flows. Within our Wet Shave segment, sales of women's products are moderately seasonal, with increased consumer demand in the spring and summer months.

We have a substantial level of indebtedness and are subject to various covenants relating to such indebtedness, which could limit our discretion to operate and grow our business.

As of September 30, 2016, our debt level was approximately $1.8 billion. We may be required to dedicate a substantial portion of our cash to debt service, thereby reducing funds available to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes. Our failure to make scheduled interest payments or to repay or refinance the indebtedness at maturity or obtain additional financing as needed could have a material adverse effect on our business.

Additionally, certain of our debt instruments are subject to certain financial and other covenants, including debt ratio tests. We may be in breach of such covenants in the event of future declines in our operating cash flows or earnings performance, foreign currency movements or other events. In the event of such breach, our lenders may be entitled to accelerate the related debt as well as any other debt to which a cross-default provision applies, and we could be required to seek amendments or waivers under the debt instruments or to refinance the debt. There is no assurance that we would obtain such amendments or waivers or effect such refinancing, or that we would be able to do so on terms similar to our current debt instruments. The covenants and financial ratio requirements contained in our debt instruments could also increase our vulnerability to general adverse economic and industry conditions, limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate, place us at a competitive disadvantage relative to our competitors that have greater financial flexibility or limit, among other things, our ability to borrow additional funds as needed or take advantage of business opportunities as they arise.

Our access to capital markets and borrowing capacity could be limited.

Our access to capital markets to raise funds through the sale of debt or equity securities is subject to various factors, including general economic and financial market conditions. Significant reduction in market liquidity conditions could impact access to funding and increase associated funding costs, which could reduce our earnings and cash flows.

Additionally, disruptions in financial markets could reduce our access to debt and equity capital markets, negatively affecting our ability to implement our business plan and strategy.

Our access to debt financing at competitive risk-based interest rates is partly a function of our credit ratings. The major credit rating agencies periodically evaluate our creditworthiness and have assigned us credit ratings. These ratings are based on a number of factors, which include our financial strength and financial policies as well as our strategies, operations and execution. A downgrade to our credit ratings could increase our interest rates, limit our access to public debt markets, limit the institutions willing to provide us credit facilities, result in more restrictive credit arrangements and make any future credit facilities or credit facility amendments more costly and difficult to obtain.

There can be no guarantee that we will repurchase stock.
Although the Board has authorized a share repurchase program, and we repurchased approximately 2.5 million of our shares in fiscal 2016 for $196.6 million, any determination to repurchase or to continue to repurchase our common shares will be based primarily upon our financial condition, results of operations, available U.S. cash, business requirements and the Board's continuing determination that the repurchase program is in the best interests of shareholders and is in compliance with all laws and agreements applicable to the repurchase program.

We do not expect to pay dividends for the foreseeable future.
Following the completion of the Separation, the Board eliminated the quarterly cash dividend payable on our common shares, which had been in effect prior to that time, and we do not currently expect to declare or pay dividends on our common shares for the foreseeable future. Instead, we intend to retain earnings to finance the growth and development of our business, for our share repurchase program and for working capital and general corporate purposes. Any payment of dividends will be at the discretion of the Board and will depend upon various factors then existing, including earnings, financial condition, results of operations, capital requirements, level of indebtedness, contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions and other factors that the Board may deem relevant. As a result, you may not receive any return on an investment in our capital stock in the form of dividends.

If we fail to adequately protect our intellectual property rights, competitors may manufacture and market similar products, which could adversely affect our market share and results of operations.
The vast majority of our total net sales are from products bearing proprietary trademarks and brand names. In addition, we own or license from third parties a considerable number of patents, patent applications and other technology. We rely on trademark, trade secret, patent and copyright laws to protect our intellectual property rights. There is a risk that we will not be able to obtain and perfect or maintain our own intellectual property rights or, where appropriate, license intellectual property rights necessary to support new product introductions. In addition, even if such rights are protected in the U.S., the laws of some other countries in which our products are or may be sold do not protect intellectual property rights to the same extent as the laws of the U.S. Our intellectual property rights could be invalidated, circumvented or challenged in the future, and we could incur significant costs in connection with legal actions relating to such rights. As patents expire, we could face increased competition or decreased royalties, either of which could negatively impact our operating results. If other parties infringe our intellectual property rights, they may dilute the value of our brands in the marketplace, which could diminish the value that consumers associate with our brands and harm our sales.

Our business involves the potential for product liability and other claims against us, which could affect our results of operations and financial condition and result in product recalls or withdrawals.
We face exposure to claims arising out of alleged defects in our products, including for property damage, bodily injury or other adverse effects. We maintain product liability insurance, but this insurance does not cover all types of claims, particularly claims other than those involving personal injury or property damage or claims that exceed the amount of insurance coverage. Further, we may not be able to maintain such insurance in sufficient amounts, on desirable terms, or at all, in the future. In addition to the risk of monetary judgments not covered by insurance, product liability claims could result in negative publicity that could harm our products' reputation and in certain cases require a product recall. Product recalls or product liability claims, and any subsequent remedial actions, could have a material adverse effect on our business, reputation, brand value, results of operations and financial condition.

We may not be able to attract, retain and develop key personnel.

Our future performance depends in significant part upon the continued service of our executive officers and other key personnel. The loss of the services of one or more of our executive officers or other key employees could have a material adverse effect on our business, prospects, financial condition and results of operations. Our success also depends on our continuing ability to attract, retain and develop highly qualified personnel. Competition for such personnel is intense, and there can be no assurance that we can retain and motivate our key employees or attract and retain other highly qualified personnel in the future. Additionally, the escalating costs of offering and administering healthcare, retirement and other benefits for employees could result in reduced profitability.

We may experience losses or be subject to increased funding and expenses related to our pension plans.

The funding obligations for our pension plans are impacted by the performance of the financial markets, interest rates and governmental regulations. While the pension benefit earned to date by active participants under our legacy U.S. pension plan was frozen effective January 1, 2014 and retirement service benefits no longer accrue under this retirement program, our pension obligations are expected to remain significant. If the investment of plan assets does not provide the expected long-term returns, if interest rates or other assumptions change, or if governmental regulations change the timing or amounts of required contributions to the plans, we could be required to make significant additional pension contributions which may have an adverse impact on our liquidity, our ability to comply with debt covenants and may require recognition of increased expense within our financial statements.

We may not be able to continue to identify and complete strategic acquisitions and effectively integrate acquired companies to achieve desired financial benefits.

We have completed a number of significant acquisitions since becoming an independent company in 2000 and we expect to continue making acquisitions if appropriate opportunities arise. However, we may not be able to identify and successfully negotiate suitable strategic acquisitions at attractive valuations, obtain financing for future acquisitions on satisfactory terms or otherwise complete future acquisitions. As a result of the Separation, our reduced size may make completing desirable acquisitions more challenging.

If we can complete future acquisitions, we may face significant challenges in consolidating functions and effectively integrating procedures, personnel, product lines, and operations in a timely and efficient manner. The integration process can be complex and time consuming, may be disruptive to our existing and acquired business and may cause an interruption of, or a loss of momentum in, the business. Even if we can successfully complete the integration of acquired businesses into our operations, there is no assurance that anticipated cost savings, synergies, or revenue enhancements will be realized within the expected time frame, or at all.

Certain provisions in our articles of incorporation and bylaws, and of Missouri law, could deter or delay a third-party's efforts to acquire us, especially if the Board determines it is not in the best interest of our shareholders.

Our articles of incorporation and bylaws contain, and the General and Business Corporation Law of Missouri contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with the Board rather than to attempt a hostile takeover by making the replacement of incumbent directors more time-consuming and difficult. These provisions include, among others:

- restrictions on various types of business combinations with, or the voting of certain holders of shares of our voting stock by, significant shareholders;
- the inability of our shareholders to call a special meeting or, unless unanimous, to act by written consent;
- rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings;
- the right of the Board to issue preferred stock without shareholder approval;
- a provision that our shareholders may only remove directors "for cause" and with the approval of the holders of two-thirds of our outstanding voting stock at a special meeting of shareholders called expressly for that purpose;
- the ability of our directors, and not shareholders, to fix the size of the Board or to fill vacancies on the Board;
- a prohibition of amendment of our bylaws by shareholders without first amending the articles of incorporation; and

- the requirement that any amendment or repeal of specified provisions of our articles of incorporation (including provisions relating to certain business combinations, directors, and amendment of our bylaws) must be approved by the holders of at least two-thirds of the outstanding shares of our common stock and any other voting shares that may be outstanding, voting together as a single class.

We believe that these provisions will help to protect our shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with the Board and by providing the Board with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some shareholders and could deter or delay an acquisition that the Board determines is not in our best interests or the best interests of our shareholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

Our business could be negatively impacted as a result of stockholder activism or an unsolicited takeover proposal or a proxy contest.
In recent years, proxy contests and other forms of shareholder activism have been directed against numerous public companies. If a proxy contest or an unsolicited takeover proposal was made with respect to us, we could incur significant costs in defending the Company, which would have an adverse effect on our financial results. Shareholder activists may also seek to involve themselves in the governance, strategic direction and operations of the Company. Such proposals may disrupt our business and divert the attention of our management and employees, and any perceived uncertainties as to our future direction resulting from such a situation could result in the loss of potential business opportunities, be exploited by our competitors, cause concern to our current or potential customers, and make it more difficult to attract and retain qualified personnel and business partners, all of which could adversely affect our business. In addition, actions of activist shareholders may cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

The trading price of our common shares may be volatile.
The trading price of our common shares could be subject to significant fluctuations in response to several factors, some of which are beyond our control. These include general stock market volatility, variations in our quarterly operating results, general trends in the consumer products industry, changes by securities analysts in their estimates or investment ratings and general marketplace conditions.

Our financial results could be adversely impacted by the United Kingdom's departure from the European Union.
On June 23, 2016, the United Kingdom (the "U.K.") held a referendum in which voters approved an exit from the E.U., commonly referred to as "Brexit." As a result of the referendum, the global markets and currencies have been adversely impacted, including a sharp decline in the value of the British Pound as compared to the U.S. dollar and other foreign currencies. Volatility in exchange rates is expected to continue as the U.K. negotiates its exit from the E.U. Given the lack of comparable precedent, the implications of Brexit or how such implications might affect us and our operations are unclear. Brexit could, among other things, disrupt trade and the free movement of goods, services and people between the U.K. and the E.U. or other countries, as well as create legal and global economic uncertainty. In addition, the Company completed the acquisition of Bulldog Skincare Holdings Limited on October 31, 2016, which is based in the U.K. These and other potential implications of Brexit could adversely affect our business and financial results.

Risks Related to the Separation of the Household Products Business

We may not achieve some or all of the expected benefits of the Separation, and the Separation may materially adversely affect our business.

We may not realize some or all of the anticipated strategic, financial or other benefits from the Separation of the Household Products business that was consummated on July 1, 2015. As a result of the Separation, we are smaller and less diversified, with a narrower business focus that makes us more vulnerable to changing market conditions, which could materially and adversely affect our business, financial condition and results of operations. As a smaller company, we now have less consolidated purchasing scale, and, as a result, raw material and other goods and services prices may increase. Changes to our commercial operating model, including outsourcing of certain support functions and the use of distributors in markets where we have historically maintained a presence, could negatively impact our results of operations. Further, the combined value of the common stock of the two separate publicly-traded companies may not be equal to or greater than what the value of our common shares would have been had the Separation not occurred.

The Separation is expected to provide the following benefits, among others: (i) enabling our management to pursue unique opportunities for long-term growth and profitability and more effectively pursue our own distinct capital structure and capital allocation strategy; (ii) permitting us to allocate our financial resources to meet the needs of our own businesses, which will allow us to intensify our focus on our distinct commercial priorities and facilitate a more efficient allocation of capital; and (iii) providing us a clear investment thesis and visibility to attract a long-term investor base suited to our business and providing investors with a distinct and targeted personal care products investment opportunity based on our unique merits, performance and future prospects.

We may not achieve these and other anticipated benefits for a variety of reasons, including, among others: (i) we may be more susceptible to market fluctuations and other adverse events because our business will be less diversified than prior to the completion of the Separation; and (iii) as a standalone company, we may be unable to obtain certain goods, services and technologies at prices or on terms as favorable as those we obtained prior to completion of the Separation. If we fail to achieve some or all of the benefits expected to result from the Separation, or if such benefits are delayed, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

Our historical financial information is not necessarily representative of the results that we would have achieved had the Separation taken place before July 1, 2015, and may not be a reliable indicator of our future results.

Our historical financial information included in this Annual Report on Form 10-K is derived from our consolidated financial statements and accounting records compiled when the Household Products business was part of the Company. Accordingly, the historical financial information does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved had the Separation taken place prior to the periods presented or those that we will achieve in the future as a stand-alone Personal Care products enterprise. For additional information about the past financial performance of our business and the basis of presentation of our historical financial statements, see the historical financial statements and accompanying notes included elsewhere in this Annual Report on Form 10-K.

If the Separation, together with certain related transactions, does not qualify as a transaction that is generally tax free for U.S. federal income tax purposes, our shareholders could be subject to significant tax liabilities.

It was a condition to the Separation that we received an opinion of counsel regarding the qualification of the Separation, together with certain related transactions, as a transaction that is generally tax free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code (the "Code"). The opinion of counsel was based upon and relied on, among other things, certain facts and assumptions, as well as certain representations, statements and undertakings of us and New Energizer, including those relating to the past and future conduct of us and New Energizer. If any of these representations, statements or undertakings are, or become, inaccurate or incomplete, or if either we or New Energizer breaches any of its covenants in the Separation documents, the opinion of counsel may be invalid and the conclusions reached therein could be jeopardized.

Notwithstanding the opinion of counsel, the Internal Revenue Service ("IRS") could determine that the distribution, together with certain related transactions, should be treated as a taxable transaction if it determines that any of the representations, assumptions or undertakings upon which the opinion of counsel was based are false or have been violated, or if it disagrees with the conclusions in the opinion of counsel. The opinion of counsel is not binding on the IRS and there can be no assurance that the IRS will not assert a contrary position.

If the Separation, together with certain related transactions, fails to qualify as a transaction that is generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code, in general, we would recognize taxable gain as if we had sold the New Energizer common shares in a taxable sale for its fair market value and our shareholders who received New Energizer shares in the distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares.
Under the tax matters agreement that we entered into with New Energizer, New Energizer may be required to indemnify us against any additional taxes and related amounts resulting from (i) an acquisition of all or a portion of the equity securities or assets of New Energizer, whether by merger or otherwise (and regardless of whether New Energizer participated in or otherwise facilitated the acquisition), (ii) other actions or failures to act by New Energizer or (iii) any of New Energizer's representations or undertakings in connection with the Separation and the distribution being incorrect or violated. Any such indemnity obligations could be material, and there can be no assurance that New Energizer will be able to pay any such indemnification.
Under current law, a spin-off can be rendered taxable to the parent corporation and its shareholders as a result of certain post-spin-off acquisitions of shares or assets of the spun-off corporation. For example, a spin-off may result in taxable gain to the parent corporation under Section 355(e) of the Code if the spin-off were later deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, shares representing a 50% or greater interest (by vote or value) in the spun-off corporation. To preserve the tax-free treatment of the Separation and the distribution, and in addition to New Energizer's indemnity obligation, the tax matters agreement will restrict New Energizer, for the two-year period following the Separation, except in specific circumstances, from: (i) entering into any transaction pursuant to which all or a portion of shares of New Energizer common stock would be acquired, whether by merger or otherwise, (ii) issuing equity securities beyond certain thresholds, (iii) repurchasing New Energizer shares other than in certain open-market transactions, (iv) ceasing to actively conduct the Household Products businesses or (v) taking or failing to take any other action that prevents the distribution and related transactions from qualifying as a transaction that is generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code. There can be no assurance that New Energizer will comply with these restrictions. Failure of New Energizer to satisfy its obligations could have a substantial impact on our tax obligations, consolidated financial condition and cash flows.

In connection with the Separation, New Energizer agreed to indemnify us for certain liabilities and we agreed to indemnify New Energizer for certain liabilities. If we are required to pay under these indemnities, our financial results could be negatively impacted. The New Energizer indemnity may not be sufficient to hold us harmless from the full amount of liabilities for which New Energizer was allocated responsibility, and New Energizer may not be able to satisfy its indemnification obligations in the future.
Pursuant to the separation agreement and certain other agreements with New Energizer, New Energizer agreed to indemnify us for certain liabilities, and we agreed to indemnify New Energizer for certain liabilities, in each case for uncapped amounts. Indemnities that we may be required to provide New Energizer are not subject to any cap, may be significant and could negatively impact our business. Third parties could also seek to hold us responsible for any of the liabilities that New Energizer has agreed to assume. Any amounts we are required to pay pursuant to these indemnification obligations and other liabilities could require us to divert cash that would otherwise have been used in furtherance of our operating business. Further, the indemnity from New Energizer may not be sufficient to protect us against the full amount of such liabilities, and New Energizer may not be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from New Energizer any amounts for which we are held liable, we may be temporarily required to bear these losses ourselves. Each of these risks could negatively affect our business, results of operations and financial condition.

Potential liabilities in connection with the Separation may arise under fraudulent conveyance and transfer laws and legal capital requirements.
With respect to the Separation, if either we or New Energizer subsequently fail to pay our creditors or enter insolvency proceedings, the transaction may be challenged under U.S. federal, U.S. state and foreign fraudulent conveyance and transfer laws, as well as legal capital requirements governing distributions and similar transactions. If a court were to determine under these laws that, (a) at the time of the Separation, the entity in question: (1) was insolvent; (2) was rendered insolvent by reason of the Separation; (3) had remaining assets constituting unreasonably small capital; (4) intended to incur, or believed it would incur, debts beyond its ability to pay these debts as they matured; or (b) the transaction in question failed to satisfy applicable legal capital requirements, the court could determine that the Separation was voidable, in whole or in part. Subject to various defenses, the court could then require us or New Energizer, or other recipients of value in connection with the Separation (potentially including recipients of shares of New Energizer common stock in connection with the Separation), as the case may be, to turn over value to other entities involved in the Separation and contemplated transactions for the benefit of unpaid creditors. The measure of insolvency and applicable legal capital requirements will vary depending upon the jurisdiction whose law is being applied.

Item 1B. Unresolved Staff Comments.
None.

Item 2. Properties.
As of September 30, 2016, we owned or leased 57 properties, 24 in the U.S. and 33 in other countries. 13 of these properties are used as production plants consisting of 2.4 million square feet that is owned and 0.7 million square feet that is leased. Five of these plants are located in the U.S. and eight are in other countries. Seven of these plants are used exclusively by our Wet Shave segment, two by our Feminine Care segment, two are shared by our Sun and Skin Care and All Other segments, one is shared by our Wet Shave and All Other segments and one is shared by our Wet Shave and Sun and Skin Care segments. We also have eight warehouses totaling 0.4 million square feet, of which 0.3 million is leased. We operate from 32 different offices throughout the world totaling 0.3 million square feet, all of which is leased, and includes our corporate headquarters in Chesterfield, Missouri. We believe all of our facilities are well-maintained and suitable for the operations conducted in them.

Item 3. Legal Proceedings.
We, and our affiliates, are subject to a number of legal proceedings in various jurisdictions arising out of our operations during the ordinary course of business. Many of these legal matters are in preliminary stages and involve complex issues of law and fact, and may proceed for protracted periods of time. The amount of liability, if any, from these proceedings cannot be determined with certainty. We review our legal proceedings and claims, regulatory reviews and inspections and other legal proceedings on an ongoing basis and follow appropriate accounting guidance when making accrual and disclosure decisions. We establish accruals for those contingencies when the incurrence of a loss is probable and can be reasonably estimated, and disclose the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued, if such disclosure is necessary for our financial statements to not be misleading. We do not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated. Based upon present information, we believe that our liability, if any, arising from such pending legal proceedings, asserted legal claims and known potential legal claims, which are likely to be asserted, is not reasonably likely to be material to our financial position, results of operations or cash flows, taking into account established accruals for estimated liabilities.
See also the discussion captioned "Governmental Regulation and Environmental Matters" included within Item 1. Business of this Annual Report on Form 10-K.

Item 4. Mine Safety Disclosures.
Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Edgewell common shares are listed and traded on the New York Stock Exchange ("NYSE") under the symbol "EPC." Prior to the July 1, 2015 Separation, our common shares were listed and traded on the NYSE under the symbol "ENR." The following table presents the high and low sales prices of our common shares for the periods indicated, as reported by the NYSE.

	Market Price Per Share				Adjusted Market Price Per Share (1)	
	FY2016		FY2015		FY2015	
	High	Low	High	Low	High	Low
First Quarter	$87.00	$72.44	$133.42	$111.16	$98.94	$82.43
Second Quarter	$83.24	$67.94	$141.51	$126.34	$104.94	$93.69
Third Quarter	$85.44	$76.07	$144.95	$130.92	$107.49	$97.08
Fourth Quarter	$88.00	$74.96	$102.50	$75.53	$102.50	$75.53

(1) The adjusted market prices per share for fiscal 2015, as reported by Bloomberg, reflect historical share prices that have been adjusted to reflect the Separation.

There were approximately 8,381 shareholders of record of our common shares as of October 31, 2016.

Dividends

The following table presents the quarterly dividends per share paid to our shareholders over the past two fiscal years.

	FY2016	FY2015
First Quarter	$ —	$ 0.50
Second Quarter	$ —	$ 0.50
Third Quarter	$ —	$ 0.50
Fourth Quarter	$ —	$ —

We have not declared nor paid any dividends since the third quarter of fiscal 2015, and we do not currently intend to pay dividends in the foreseeable future. Any future dividends are dependent on future earnings, capital requirements and our financial condition and will be declared at the sole discretion of our Board of Directors. See "We do not expect to pay dividends for the foreseeable future" in Item 1A. Risk Factors.

On July 1, 2015, we completed the separation of our Household Products business into a separate publicly-traded company. We completed the tax-free separation by distributing 100% of the outstanding shares of common stock of New Energizer. Shareholders of record received one share of New Energizer for each share held of the historical combined company as of the close of business on June 16, 2015, the record date of the distribution. We distributed a total of 62.2 million shares of New Energizer common stock.

Issuer Purchases of Equity Securities
In May 2015, our Board of Directors approved an authorization to repurchase up to ten million shares of our common stock. This authorization replaced the prior share repurchase authorization. During the fourth quarter of fiscal 2016, we repurchased 1,036,438 shares of our common stock under this resolution.

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number that May Yet Be Purchased Under the Plans or Programs
July 1, 2016 to July 31, 2016	25,887	$ 87.48	—	6,537,213
August 1, 2016 to August 31, 2016	240,360	$ 78.31	240,360	6,296,853
September 1, 2016 to September 30, 2016	796,078	$ 79.58	796,078	5,500,775

(1) 25,887 shares purchased during the quarter relate to the surrender to the Company of shares of common stock to satisfy tax withholding obligations in connection with the vesting of restricted stock equivalents.
(2) Includes $0.02 per share of brokerage fee commissions.

During fiscal 2016, 2,482,181 shares were repurchased under the share repurchase authorization. Future share repurchases, if any, would be made in the open market, privately negotiated transactions or otherwise, in such amounts and at such times as we deem appropriate based upon prevailing market conditions, business needs and other factors. See "There can be no guarantee that we will repurchase stock" under Item 1A. Risk Factors.
During fiscal 2016, 127,328 shares were purchased related to the surrender of shares of common stock to satisfy tax withholding obligations in connection with the vesting of restricted stock equivalent awards.

Performance Graph

The following graph compares the cumulative 5-year total return provided to shareholders of Edgewell Personal Care Company's common shares relative to the cumulative total returns of the S&P Midcap 400 index and the S&P Household Products index. An investment of $100 (with reinvestment of all dividends and other distributions, including the New Energizer shares distributed on July 1, 2015) is assumed to have been made in our common shares and in each of the indexes on September 30, 2011 and its relative performance is tracked through September 30, 2016. These indices are included only for comparative purposes as required by Securities and Exchange Commission rules and do not necessarily reflect management's opinion that such indices are an appropriate measure of the relative performance of our common shares. They are not intended to forecast possible future performance of our common shares, nor is our historic common share price performance necessarily indicative of our future common share price performance.

* $100 invested on 9/30/11 in stock or index, with reinvestment of all dividends. Fiscal year ending September 30.

	9/11	9/12	9/13	9/14	9/15	9/16
Edgewell Personal Care Company	$100.00	$112.96	$140.60	$193.59	$191.17	$186.30
S&P Midcap 400	$100.00	$128.54	$164.12	$183.51	$186.07	$214.59
S&P Household Products	$100.00	$116.51	$131.48	$150.69	$141.79	$177.35

Item 6. Selected Financial Data.

The following table sets forth selected financial data for fiscal 2016, 2015, 2014, 2013 and 2012 and as of September 30, 2016, 2015, 2014, 2013 and 2012. The consolidated statement of earnings data for fiscal 2016, 2015 and 2014 and the consolidated balance sheet data as of September 30, 2016 and 2015 are derived from our audited consolidated financial statements included in Item 8. Financial Statements and Supplementary Data. The consolidated statement of earnings data for fiscal 2013 and the consolidated balance sheet data as of September 30, 2014, 2013 and 2012 are derived from our audited consolidated statements. On July 1, 2015, we completed the Separation of our Household Products business into a separate publicly-traded company. As such, the consolidated statement of earnings data for fiscal 2012 are derived from our unaudited consolidated financial statements, as the amounts have been recast to reflect the Household Products business as discontinued operations.

The selected historical financial data presented below should be read in conjunction with Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and accompanying notes included in Item 8. Financial Statements and Supplementary Data.

(in millions, except per share data)

Statements of Earnings Data [1]	Fiscal Year				
	2016	2015	2014	2013	2012
Net sales	$2,362.0	$2,421.2	$2,612.2	$2,448.9	$2,479.5
Depreciation and amortization	96.5	91.3	101.7	92.9	106.1
Earnings (loss) from continuing operations before income taxes [5]	219.9	(458.7)	145.8	205.4	164.7
Earnings (loss) from continuing operations	178.7	(296.1)	117.7	155.2	126.4
Earnings (loss) from discontinued operations, net of tax	—	20.8	238.4	251.8	282.5
Net earnings (loss)	$178.7	$(275.3)	$356.1	$407.0	$408.9
Basic earnings (loss) per share:					
Continuing operations	$3.02	$(4.78)	$1.90	$2.50	$1.95
Discontinued operations	—	0.34	3.85	4.05	4.35
Net earnings (loss)	3.02	(4.44)	5.74	6.55	6.30
Diluted earnings (loss) per share:					
Continuing operations	$2.99	$(4.78)	$1.88	$2.47	$1.92
Discontinued operations	—	0.34	3.81	4.00	4.30
Net earnings (loss)	2.99	(4.44)	5.69	6.47	6.22
Cash dividends per common share [2]	$—	$1.50	$2.00	$1.70	$0.40

Balance Sheet Data [3]	As of September 30,				
	2016	2015	2014	2013	2012
Working capital [4]	$583.8	$969.8	$1,155.9	$1,415.0	$1,215.1
Property, plant and equipment, net	486.1	498.9	751.7	755.6	848.5
Total assets	4,771.5	4,986.3	6,928.7	6,717.4	6,731.2
Long-term debt	1,544.2	1,698.6	1,768.9	1,998.8	2,138.6

(1) Comparisons of statements of earnings data are impacted by the fiscal 2014 feminine care brands acquisition.

(2) We began paying dividends in the fourth quarter of fiscal 2012 and continued through the third quarter of fiscal 2015. We did not declare or pay any dividends during the fourth quarter of fiscal 2015 or during fiscal 2016.

(3) Prior year balance sheet data has not been adjusted to reflect the Separation.

(4) Working capital represents current assets less current liabilities.

(5) Earnings (loss) from continuing operations before income taxes were (reduced) increased by the following items:

	Fiscal Year				
	2016	2015	2014	2013	2012
Venezuela deconsolidation charge	$—	$(79.3)	$—	$—	$—
Spin costs [6]	(12.0)	(142.0)	(24.4)	—	—
Spin restructuring charges	—	(28.3)	—	—	—
Restructuring and related costs [7]	(38.8)	(27.0)	(53.5)	(19.6)	(1.0)
Industrial sale charges	(0.2)	(32.7)	—	—	—
Cost of early debt retirements	—	(59.6)	—	—	—
Impairment charges	(6.5)	(318.2)	—	—	—
Acquisition, integration and other realignment costs	—	—	(18.5)	(1.5)	(9.0)
Venezuela devaluation and other impacts	—	—	—	(6.3)	—
Net pension and postretirement gains	—	—	1.1	39.2	—
Total	$(57.5)	$(687.1)	$(95.3)	$11.8	$(10.0)

(6) Includes pre-tax Selling, general and administrative expense ("SG&A") of $11.8, $137.8 and $24.4 for fiscal 2016, 2015 and 2014, respectively, and pre-tax Cost of products sold of $0.2 and $4.2 for fiscal 2016 and 2015, respectively.

(7) Includes pre-tax SG&A of $0.3, $4.3 and $1.6 for fiscal 2015, 2014 and 2013, respectively, associated with certain information technology and related activities. Also includes pre-tax Cost of products sold of $1.8 for fiscal 2016 associated with obsolescence charges related to the exit of certain non-core product lines as part of our restructuring and positive adjustments of $0.7 for fiscal 2014 associated with our restructuring.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.
(in millions, except per share data, unaudited)

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the accompanying notes included in this Annual Report on Form 10-K. The following discussion may contain forward-looking statements that reflect our plans, estimates and beliefs and involve risks, uncertainties and assumptions. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those discussed in Item 1A. Risk Factors and "Forward-Looking Statements" included within this Annual Report on Form 10-K.

Non-GAAP Financial Measures. While we report financial results in accordance with accounting principles generally accepted in the United States ("reported" or "GAAP"), this discussion also includes Non-GAAP measures. These Non-GAAP measures are referred to as "adjusted" or "organic" and exclude items such as spin costs, restructuring charges, the Venezuela deconsolidation charge, Industrial sale charges, amortization and impairment of intangibles and Cost of early debt retirements. Reconciliations of Non-GAAP measures are included within this Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Non-GAAP information is provided as a supplement to, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP. We use this Non-GAAP information internally to make operating decisions and believe it is helpful to investors because it allows more meaningful period-to-period comparisons of ongoing operating results. Given the various significant events that took place during fiscal 2016 and 2015, most prominently the separation of our Household Products business and the resulting go-to-market impacts, the deconsolidation of our Venezuelan operations and the sale of our industrial business, we view the use of Non-GAAP measures that take into account the impact of these unique events as particularly valuable in understanding our underlying operational results and providing insights into future performance.

The information can also be used to perform trend analysis and to better identify operating trends that may otherwise be masked or distorted by the types of items that are excluded. This Non-GAAP information is a component in determining management's incentive compensation. Finally, we believe this information provides a higher degree of transparency. The following provides additional detail on our Non-GAAP measures:

- We analyze our net sales and segment profit on an organic basis to better measure the comparability of results between periods. Organic net sales and organic segment profit exclude the impact of changes in foreign currency, acquisitions and dispositions (including the results of the former industrial business) and the period-over-period change in the results of our Venezuelan operations. Underlying net sales represents organic net sales adjusted for the international go-to-market impacts, as defined below. This information is provided because these types of fluctuations can distort the underlying change in net sales and segment profit either positively or negatively.

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- To compete more effectively as an independent company, we have increased our use of third-party distributors and wholesalers, and have decreased or eliminated our business operations in certain countries, consistent with our international go-to-market strategy. Within this Management's Discussion and Analysis of Financial Condition and Results of Operations, we discuss go-to-market impacts, which reflect our best estimate on the impact of these international go-to-market changes and exits, and represent the year-over-year change in those markets. We believe we realized the majority of the impact from these changes in the fourth quarter of fiscal 2015 and first three quarters of fiscal 2016.
- Adjusted net earnings and Adjusted earnings per share are defined as net earnings (loss) from continuing operations and diluted earnings (loss) per share excluding items such as impairment charges, the Venezuela deconsolidation charge, spin costs, restructuring charges, Industrial sale charges, Cost of early debt retirements and the related tax effects of these items.
- Adjusted effective tax rate is defined as the effective tax rate excluding items such as impairment charges, the Venezuela deconsolidation charge, spin costs, restructuring charges, Industrial sale charges, Cost of early debt retirements and the related tax effects of these items from the income tax provision and earnings before income taxes.

All comparisons are with the same period in the prior year, unless otherwise noted.

Overview

Edgewell Personal Care Company, and its subsidiaries (collectively, "Edgewell"), is one of the world's largest manufacturers and marketers of personal care products in the wet shave, sun and skin care, feminine care and infant care categories. We have a portfolio of over 25 brands and a broad global footprint that operates in more than 50 countries.

We conduct our business in the following four segments:

- Wet Shave consists of products sold under the Schick, Wilkinson Sword, Edge, Skintimate, Shave Guard and Personna brands, as well as non-branded products. Our wet shave products include razor handles and refillable blades, disposable shave products and shaving gels and creams.
- Sun and Skin Care consists of Banana Boat and Hawaiian Tropic sun care products, as well as Wet Ones wipes and Playtex household gloves.
- Feminine Care includes tampons, pads and liners sold under the Playtex, Stayfree, Carefree and o.b. brands, as well as personal cleansing wipes under the Playtex brand.
- All Other includes infant care products, such as bottles, cups and pacifiers, under the Playtex, OrthoPro and Binky brand names, as well as the Diaper Genie and Litter Genie disposal systems.

The personal care product categories are highly competitive, both in the United States ("U.S.") and on a global basis, as large manufacturers with global operations compete for consumer acceptance and, increasingly, limited retail shelf space. Competition is based upon brand perception, product performance, customer service and price. The markets are generally characterized by the frequent introduction of new products, accompanied by major advertising and promotional programs. Our priority is to deliver our strategic objectives, focusing on maximizing sales and profit growth through innovation, product line extensions and share gains, and we continue to target improved working capital management as a key business objective.

Significant Events

Discontinued Operations

On July 1, 2015, we completed the separation of our Household Products business into a separate publicly-traded company (the "Spin" or the "Separation"). The historical results of the Households Products business ("New Energizer") are presented as discontinued operations. We have focused our discussion in Management's Discussion and Analysis of Financial Condition and Results of Operations on our continuing operation, Edgewell. Historical results on a continuing operations basis include certain costs associated with supporting the Household Products business that were not reported in discontinued operations. These costs affected Selling, general and administrative expense ("SG&A"), interest expense, spin costs, restructuring charges and income taxes. As a result, fiscal 2014 and 2015 earnings per share on both a GAAP and Adjusted (Non-GAAP) basis are not comparable to fiscal 2016. In addition, prior year cash flow statements were not adjusted for the impact of the Separation and are not comparable.

Prior to the Separation, we managed our business in two reportable segments: Personal Care and Household Products. Beginning July 1, 2015, we manage our business in four reportable segments: Wet Shave, Sun and Skin Care, Feminine Care and All Other. Prior periods have been recast to reflect our current segment reporting.

Our financial statements include incremental costs incurred to evaluate, plan and execute the Separation. Fiscal 2016 and 2015 included costs related to the Separation of $11.8 and $137.8 recorded in SG&A, respectively, and $0.2 and $4.2 in Cost of products sold in fiscal 2016 and 2015, respectively. Additionally, fiscal 2015 included $28.3 in Spin restructuring charges. We do not expect to incur any additional Separation-related costs.

Intangible Asset Impairment

During the fourth quarter of fiscal 2015, we completed impairment testing on indefinite-lived intangible assets other than goodwill, which consist of trademarks and brand names used across our segments, and determined that the carrying values of our Playtex, Wet Ones and Skintimate brand names were above the fair values, resulting in a non-cash asset impairment charge of $318.2. The impairment of the Playtex brand was primarily the result of slower adoption of new products and reductions in legacy product sales for certain feminine care products, as well as declines in certain international markets related to the Separation. In addition, the impairment of the Playtex brand was driven by our infant care products, where competitive pressures, delays in product launches and loss of licensing drove the sales decline. Both the Wet Ones and Skintimate impairments were primarily related to the introduction of competing products in the market, which resulted in share and margin declines.

During the fourth quarter of fiscal 2016, we completed our annual impairment testing and found the carrying value of our Skintimate brand name to be above the fair value, resulting in an additional non-cash asset impairment charge of $6.5. The fiscal 2016 impairment charge was caused by further market share erosion above previous estimates. Despite impairment charges over the past two fiscal years, we believe there is substantial value in the brand based upon the latest financial estimates. The impairment charges had no impact on cash balances, operating cash flows or our business outlook, and are not expected to impact the ability to achieve long-term objectives. See Note 8 of Notes to Consolidated Financial Statements.

During the third fiscal quarter of 2015, we recorded a $2.5 impairment of brand names and a $5.6 impairment of customer-related intangibles associated with the sale of our industrial business. For further information on the sale of the industrial business, see Note 3 of Notes to Consolidated Financial Statements.

Venezuela Deconsolidation

Venezuelan exchange control regulations have resulted in an other-than-temporary lack of exchangeability between the Venezuelan bolivar and U.S. dollar, resulting in a lack of control over our Venezuelan subsidiaries for accounting purposes. As we expect this condition to continue for the foreseeable future, we deconsolidated our Venezuelan subsidiaries on March 31, 2015 and began accounting for the investment in our Venezuelan operations using the cost method of accounting. As a result of deconsolidating our Venezuelan subsidiaries, we recorded a charge of $144.5 during fiscal 2015, of which $79.3 was included within continuing operations and had no accompanying tax benefit. This charge included the write-off of our investment in our Venezuelan subsidiaries, foreign currency translation losses of $18.5 previously recorded in Accumulated other comprehensive loss and the write-off of $18.5 of intercompany receivables. Since March 31, 2015, our financial results have not included the operating results of our Venezuelan operations.

Restructuring Projects

In November 2012, our Board of Directors (the "Board") authorized an enterprise-wide restructuring plan and delegated authority to management to determine the final actions with respect to this plan (the "Restructuring"). The Restructuring originally included several initiatives focused on reducing costs in general and administrative functions as well as reducing manufacturing and operating costs associated with our discontinued operations. In January 2014, the Board authorized an expansion of scope of the previously announced Restructuring, which included rationalization and streamlining of the Edgewell operating facilities and other cost saving initiatives. Restructuring charges specific to Edgewell have primarily related to plant closure and accelerated depreciation charges and severance and related benefit costs.

During fiscal 2016, we incurred \$38.8 of charges related to the Restructuring, which includes \$1.8 associated with non-core inventory obsolescence charges included within Cost of products sold, and estimate our incremental additional gross savings during fiscal 2016 under the Restructuring to be \$15.0. Project-to-date restructuring costs total \$139.8. We expect full year costs of \$15.0 to \$20.0 in fiscal 2017. Project-to-date savings total approximately \$128.0. We continue to expect incremental savings of approximately \$45.0 to \$50.0 in fiscal 2017 and 2018, combined.

We incurred \$28.3 in Spin restructuring charges during fiscal 2015. We do not expect to incur additional Spin-related restructuring charges in the future.

For further information on our restructuring projects, see Note 5 of Notes to Consolidated Financial Statements.

Sale of Industrial Business

In May 2015, the Board authorized the strategic decision to exit our industrial business, which was part of our All Other segment, due to a shift of management focus to other segment products. We finalized the sale of the business in September 2015. The sale impacted operations in Verona, Virginia; Obregon, Mexico; and the United Kingdom (the "U.K."). During fiscal 2015, we incurred \$21.9 of pre-tax non-cash asset impairment charges and a \$10.8 pre-tax loss on sale of assets related to the sale of the industrial business. For further information, see Note 3 of Notes to Consolidated Financial Statements.

Subsequent Event

On October 31, 2016, we completed the acquisition of Bulldog Skincare Holdings Limited, a men's grooming and skincare products company based in the U.K. for £28.1, or approximately \$34, net of cash acquired. The acquisition creates opportunities to expand our personal care portfolio into a growing global category where we can leverage our international geographic footprint. The acquisition was financed through available foreign cash.

Executive Summary

Following is a summary of key results for fiscal 2016. Net earnings (loss) and diluted earnings (loss) per share ("EPS") for the time periods presented were impacted by restructuring charges, costs related to the Separation and certain other adjustments as described in the table below. The impact of these items on reported net earnings (loss) and EPS are provided below as a reconciliation of net earnings (loss) and EPS to adjusted net earnings and adjusted diluted EPS, which are Non-GAAP measures.

Fiscal 2016

- Net sales of $2,362.0 decreased 2.4% from fiscal 2015 , inclusive of a 1.1% decrease due to currency movements, a 1.7% decline due to the impact of the sale of our industrial business ("Industrial") and a 1.0% decrease from the impact of the deconsolidation of our Venezuelan subsidiaries ("Venezuela"). Excluding the impact of currency movements, Industrial and Venezuela, organic net sales increased 1.4% for fiscal 2016 as compared to the prior year period, including an estimated $34.0 negative impact from international go-to-market changes. The increase in organic net sales was driven primarily by growth in Wet Shave and Sun and Skin Care.
- Net earnings from continuing operations for fiscal 2016 were $178.7, as compared to a loss in the prior year of $296.1. On an adjusted basis, as illustrated in the table below, net earnings from continuing operations for fiscal 2016 increased 21.7% to $213.3. The improvement in adjusted net earnings from continuing operations for fiscal 2016 is primarily due to lower SG&A, Advertising and sales promotion expense ("A&P") investments and interest expense, partially offset by lower sales driven by go-to-market changes, impacts from currency movements in the current year and the impacts of Venezuela in the prior year.
- Net earnings per diluted share from continuing operations during fiscal 2016 were $2.99 compared to net loss per diluted share of $4.78 in the prior year. On an adjusted basis, as illustrated in the table below, net earnings per diluted share from continuing operations during fiscal 2016 were $3.57 compared to $2.80 in the prior year.

	Fiscal Year					
	Net Earnings (Loss)			Diluted EPS		
	2016	2015	2014	2016	2015	2014
Net Earnings (Loss) from Continuing Operations and Diluted EPS - GAAP	$178.7	$(296.1)	$117.7	$2.99	$(4.78)	$1.88
Impairment charge	6.5	318.2	—	0.11	5.13	—
Venezuela deconsolidation charge	—	79.3	—	—	1.27	—
Spin costs (1)	12.0	142.0	24.4	0.20	2.29	0.39
Spin restructuring charges	—	28.3	—	—	0.44	—
Restructuring and related costs (2)	38.8	27.0	53.5	0.65	0.43	0.86
Industrial sale charges	0.2	32.7	—	—	0.52	—
Feminine care brands acquisition and integration costs	—	—	9.5	—	—	0.15
Acquisition inventory valuation	—	—	8.0	—	—	0.13
Net pension and postretirement benefit gains	—	—	(1.1)	—	—	(0.02)
Cost of early debt retirements	—	59.6	—	—	0.96	—
Other realignment and integration	—	—	1.0	—	—	0.02
Income taxes	(22.9)	(215.8)	(40.5)	(0.38)	(3.49)	(0.65)
Impact of basic/dilutive shares (3)	—	—	—	—	0.03	—
Adjusted Net Earnings and Adjusted Diluted EPS - Non-GAAP	$213.3	$175.2	$172.5	$3.57	$2.80	$2.76
Weighted-average shares outstanding - Diluted				59.7	62.0	62.6

(1) Includes pre-tax SG&A of $11.8, $137.8 and $24.4 for fiscal 2016, 2015 and 2014, respectively, and pre-tax Cost of products sold of $0.2 and $4.2 for fiscal 2016 and 2015, respectively.

(2) Includes pre-tax SG&A of $0.3 and $4.3 associated with certain information technology and related activities for fiscal 2015 and 2014, respectively. Also includes Cost of products sold of $1.8 for fiscal 2016 associated with obsolescence charges related to the exit of certain non-core product lines as part of the restructuring, and positive adjustments of $0.7 for fiscal 2014.

(3) All EPS impacts are calculated using diluted weighted-average shares outstanding. For fiscal 2015, this reflects the impact of 0.5 dilutive restricted stock equivalent ("RSE") awards which were excluded from the GAAP EPS calculation due to the reported net loss.

Operating Results

The following table presents changes in net sales for fiscal 2016 and 2015, as compared to the corresponding prior year period, and also provides a reconciliation of organic net sales to reported amounts.

Net Sales

Net Sales - Total Company

For the Years Ended September 30,

	2016	%Chg	2015	%Chg
Net sales - prior year	$2,421.2		$2,612.2	
Organic	34.9	1.4 %	(66.6)	(2.5)%
Impact of Venezuela	(24.0)	(1.0)%	(4.7)	(0.2)%
Impact of currency	(28.2)	(1.1)%	(137.3)	(5.3)%
Impact of Industrial and acquisitions	(41.9)	(1.7)%	17.6	0.7 %
Net sales - current year	$2,362.0	(2.4)%	$2,421.2	(7.3)%

For fiscal 2016, net sales decreased 2.4% on a reported basis. Excluding the impact of currency movements, Industrial and Venezuela, organic net sales increased 1.4% versus the prior year period. North America organic net sales increased $25.0, or 1.7%, and International organic net sales increased $9.9, or 1.1%, primarily due to increases in Wet Shave and Sun and Skin Care. Excluding the estimated go-to-markets impacts of $34.0, underlying net sales increased by 2.8%.

For fiscal 2015, net sales decreased $191.0, or 7.3%, on a reported basis. Excluding the impact of currency movements, Venezuela, Industrial and the feminine care brands acquisition, organic sales decreased 2.5% compared to the prior year due to a 3.7% decline in North America driven by increased spending behind sales promotions and a 0.4% decline in International driven by fourth quarter go-to-market changes and other transition issues related to the Separation.

For further discussion regarding net sales, including a summary of reported versus organic changes, see "Segment Results."

Gross Profit

Gross profit was $1,159.9 in fiscal 2016, as compared to $1,183.8 in fiscal 2015. The decrease in gross profit was due primarily to lower net sales and higher product costs, including the impact of Venezuela and Industrial, which were partially offset by favorable price mix.

Gross margin as a percent of net sales for fiscal 2016 was 49.1%, up 20 basis points as compared to fiscal 2015, including a ten basis point benefit from the impact of foreign currency.

Gross profit was $1,183.8 in fiscal 2015, as compared to $1,289.9 in fiscal 2014. The decrease in gross profit in fiscal 2015 was due primarily to foreign currency movements and lower net sales, which more than offset lower product costs, due in part to the Restructuring project.

Gross margin as a percent of net sales for fiscal 2015 was 48.9%, down 50 basis points as compared to fiscal 2014. The gross margin percentage was negatively impacted 100 basis points due to foreign currency movements. Excluding the impact of currency, gross profit as a percent of net sales increased 50 basis points due to lower product costs and favorable mix, partially offset by go-to-market impacts.

Selling, General and Administrative Expense
SG&A was $412.7 in fiscal 2016, or 17.5% of net sales, as compared to $571.6 in the prior year period, or 23.6% of net sales. Included in SG&A in fiscal 2016 and 2015 were approximately $11.8 and $137.8 of pre-tax Spin costs, respectively. Excluding Spin costs, SG&A was $400.9 in the current year period, or 17.0% of net sales, as compared to $433.8 in fiscal 2015, or 17.9% of net sales. In addition, SG&A in the first nine months of fiscal 2015 included certain costs associated with supporting the Household Products business, which were not reported in discontinued operations.
SG&A in fiscal 2015 was $571.6, or 23.6% of net sales, an increase from $534.7, or 20.5% of net sales, in fiscal 2014. Included in SG&A in fiscal 2015 and 2014 were approximately $137.8 and $24.4 of pre-tax Spin costs, respectively. Excluding Spin costs, SG&A was $433.8, or 17.9% of net sales, in fiscal 2015 and $510.3, or 19.5% of net sales, for fiscal 2014. The improvement in SG&A over the prior year period was driven in part by savings related to the Restructuring. Both periods included costs associated with supporting the Household Products business, which were not reported in discontinued operations.

Advertising and Sales Promotion Expense
For fiscal 2016, A&P was $336.7, down $30.4 as compared to fiscal 2015. A&P spending as a percent of net sales was 14.3% for fiscal 2016, compared with 15.2% and 14.2% in fiscal 2015 and 2014, respectively. Adjusting for the impact of currency, Venezuela and Industrial, A&P spending for fiscal 2016 decreased by $26.6 compared to the prior year, driven by lower spending in Wet Shave, Sun and Skin Care and Feminine Care. Investments during fiscal 2016 were aligned with our planned spending. The lower level of fiscal 2015 spending in absolute dollars, as compared to fiscal 2014, was driven by currency movements. Adjusting for the impact of currency, operational A&P spending in fiscal 2015 was higher by $13.4, as compared to fiscal 2014, primarily due to increased overall strategic brand support initiative spending.

Research and Development Expense
Research and development expense ("R&D") was relatively consistent over the three-year period with spending at $71.9 in fiscal 2016, $71.0 in fiscal 2015 and $69.5 in fiscal 2014. As a percent of sales, R&D was approximately 3.0% in fiscal 2016, 2.9% in fiscal 2015 and 2.7% in fiscal 2014.

Interest and Other Expense (Income), Net
Interest expense associated with debt for fiscal 2016 was $71.8, a decrease of $28.0 as compared to fiscal 2015. Interest expense associated with debt for fiscal 2015 decreased $19.2 as compared to fiscal 2014. The decreases were due to lower average debt outstanding and a lower average borrowing rate as a result of refinancing efforts associated with the Separation.
Other expense (income), net was expense of $3.2 in fiscal 2016, income of $11.8 in fiscal 2015 and expense of $0.8 in fiscal 2014. All periods primarily reflected the net impact of foreign currency hedging contract gains and losses, with the increase in expense for fiscal 2016 negatively impacted by fluctuations in the Japanese Yen and Euro, and revaluation losses on nonfunctional currency balance sheet exposures.

Income Tax Provision (Benefit)
Income taxes, which include federal, state and foreign taxes, were 18.7%, 35.4% and 19.3% of earnings (loss) from continuing operations before income taxes in fiscal 2016, 2015 and 2014, respectively.
The effective income tax rate for fiscal 2016 for continuing operations was 18.7% as compared to 35.4% in the prior year. The effective tax rate for fiscal 2016 includes a favorable mix of earnings in lower tax rate jurisdictions and a positive adjustment to prior year tax accruals, as well as favorable impact of Separation and restructuring charges in higher tax rate jurisdictions. The adjusted effective tax rate for fiscal 2016 was 23.1% compared to 23.2% in the prior year, which excludes the impact of Separation and restructuring charges, as well as intangible impairment charges and cost of early debt retirements.

The effective income tax rate for fiscal 2015 for continuing operations was 35.4% as compared to 19.3% in fiscal 2014. The tax rate for 2015 reflects a tax benefit on a net loss primarily due to increased expenses in higher tax rate jurisdictions, including Separation related expenses and the intangible asset impairment charge, offset in part by the Venezuela deconsolidation charge, which had no accompanying tax benefit. The fiscal 2015 adjusted effective tax rate for continuing operations was 23.2% as compared to 28.4% in the prior year. The decrease was due to a higher mix of earnings in lower tax rate jurisdictions compared to the prior year.

The following table presents a reconciliation of the adjusted effective tax rate, which is a Non-GAAP measure:

	Fiscal Year 2016		
	Reported	Adjustments (1)	Adjusted (Non-GAAP)
Earnings from continuing operations before income taxes	$219.9	$ 57.5	$ 277.4
Income tax provision	41.2	22.9	64.1
Earnings from continuing operations	$178.7	$ 34.6	$ 213.3
Effective tax rate	18.7 %		
Adjusted effective tax rate			23.1 %

	Fiscal Year 2015		
	Reported	Adjustments (1)	Adjusted (Non-GAAP)
(Loss) earnings from continuing operations before income taxes	$(458.7)	$ 687.1	$ 228.4
Income tax (benefit) provision	(162.6)	215.8	53.2
(Loss) earnings from continuing operations	$(296.1)	$ 471.3	$ 175.2
Effective tax rate	35.4 %		
Adjusted effective tax rate			23.2 %

	Fiscal Year 2014		
	Reported	Adjustments (1)	Adjusted (Non-GAAP)
Earnings from continuing operations before income taxes	$145.8	$ 95.3	$ 241.1
Income tax provision	28.1	40.5	68.6
Earnings from continuing operations	$117.7	$ 54.8	$ 172.5
Effective tax rate	19.3 %		
Adjusted effective tax rate			28.4 %

(1) Includes adjustments for the Venezuela deconsolidation charge, spin costs, restructuring charges, Industrial sale charges, Cost of early debt retirements, impairment charges, acquisition- and integration-related charges, net pension and postretirement benefit gains and the associated tax impact of these charges, as well as adjustments to prior years' tax accruals. See reconciliation of net earnings to adjusted net earnings.

Our effective tax rate is highly sensitive to the mix of countries from which earnings or losses are derived. Declines in earnings in lower tax rate countries, earnings increases in higher tax rate countries, repatriation of foreign earnings or operating losses in the future could increase future tax rates. Additionally, adjustments to prior year tax provision estimates could increase or decrease future tax provisions.

Segment Results

Segment performance is evaluated based on segment profit, exclusive of general corporate expenses, share-based compensation costs, costs associated with restructuring initiatives, the Venezuela deconsolidation charge, Industrial sale charges, Cost of early debt retirements, acquisition or integration, and the amortization and impairment of intangible assets. Financial items, such as interest income and expense, are managed on a global basis at the corporate level. The exclusion of such charges from segment results reflects management's view on how it evaluates segment performance.

Our operating model includes some shared business functions across the segments, including product warehousing and distribution, transaction processing functions, and in most cases a combined sales force and management teams.

We apply a fully allocated cost basis, in which shared business functions are allocated between the segments on a percentage of net sales basis. Such allocations are estimates, and do not represent the costs of such services if performed on a stand-alone basis.

The following tables present changes in segment net sales and segment profit for fiscal 2016 and 2015, as compared to the corresponding prior year periods, and also provide a reconciliation of organic segment net sales and organic segment profit to reported amounts. For a reconciliation of segment profit to Earnings (loss) from continuing operations before income taxes, see Note 17 of Notes to Consolidated Financial Statements.

Wet Shave

Net Sales - Wet Shave

For the Years Ended September 30,

	2016	%Chg	2015	%Chg
Net sales - prior year	$1,441.3		$1,585.8	
Organic	25.5	1.8 %	(24.6)	(1.5)%
Impact of Venezuela	(24.0)	(1.7)%	(4.7)	(0.3)%
Impact of currency	(17.0)	(1.2)%	(115.2)	(7.3)%
Net sales - current year	$1,425.8	(1.1)%	$1,441.3	(9.1)%

Wet Shave net sales for fiscal 2016 decreased 1.1%, inclusive of a 1.2% decline due to currency movements and a 1.7% decline due to the impact of Venezuela. Excluding the impact of currency movements and Venezuela, organic net sales increased $25.5, or 1.8%, including an estimated $29.0 negative impact from international go-to-market changes. Excluding the impact of international go-to-market changes, underlying net sales grew by 3.7%. The improvement in organic net sales was primarily driven by favorable price mix due to lower coupons and promotional activity, International price increases and Hydro volume increases due to a new product launch.

Wet Shave net sales for fiscal 2015 decreased 9.1%, inclusive of a 7.3% decline due to currency movements and a 0.3% decline due to the impact of Venezuela. Excluding the impact of currency movements and Venezuela, organic net sales declined $24.6, or 1.5%, due to increased trade spending levels, lower sales of legacy branded Men's and Women's systems and shave preparations, partly due to go-to-market changes and transitional impacts in international markets. These declines were offset in part by continued volume growth and higher pricing on Hydro Men's systems, volume growth on the new Hydro Silk Trimstyle razor for women and growth on Xtreme3 and Quattro disposable razors, as well as growth across non-branded products.

Segment Profit - Wet Shave

For the Years Ended September 30,

	2016	%Chg	2015	%Chg
Segment profit - prior year	$308.7		$388.2	
Organic	(7.9)	(2.6)%	(35.7)	(9.2)%
Impact of Venezuela	(9.4)	(3.0)%	1.6	0.4 %
Impact of currency	(1.2)	(0.4)%	(45.4)	(11.7)%
Segment profit - current year	$290.2	(6.0)%	$308.7	(20.5)%

Wet Shave segment profit for fiscal 2016 was $290.2, down $18.5 or 6.0%, inclusive of the impact of currency movements and Venezuela. Excluding the impact of currency movements and Venezuela, organic segment profit decreased $7.9, or 2.6%, primarily due to lower volumes and increased SG&A, partially offset by favorable price mix and decreased A&P spend.

Wet Shave segment profit for fiscal 2015 was $308.7, down $79.5 or 20.5%, inclusive of the impact of currency movements and Venezuela. Excluding the impact of currency movements and Venezuela, organic segment profit decreased $35.7, or 9.2%, due primarily to lower net sales and increased A&P, partly offset by favorable product costs.

Sun and Skin Care

Net Sales - Sun and Skin Care

For the Years Ended September 30,

	2016	%Chg	2015	%Chg
Net sales - prior year	$403.6		$424.5	
Organic	18.6	4.6 %	(6.7)	(1.6)%
Impact of currency	(7.3)	(1.8)%	(14.2)	(3.3)%
Net sales - current year	$414.9	2.8 %	$403.6	(4.9)%

Sun and Skin Care net sales for fiscal 2016 increased 2.8%, inclusive of a 1.8% decline due to currency movements. Excluding the impact of currency movements, organic segment net sales increased $18.6, or 4.6%, including an estimated $3.0 negative impact from international go-to-market changes. The increase in organic net sales was primarily driven by higher North America volumes on favorable category growth due to weather trends. Sales growth of sun care products were partially offset by declines in skin care due to lower sales of gloves and Wet Ones.

Sun and Skin Care net sales for fiscal 2015 decreased 4.9%, inclusive of a 3.3% decline due to currency movements. Excluding the currency movements, organic segment sales decreased $6.7, or 1.6%, primarily due to lower Sun and Skin Care sales in North America due to increased sales promotions and in Latin America due in part to go-to-market and transition impacts, partially offset by increased sun care sales in Asia and Europe.

Segment Profit - Sun and Skin Care

For the Years Ended September 30,

	2016	%Chg	2015	%Chg
Segment profit - prior year	$71.5		$73.9	
Organic	20.9	29.2 %	0.8	1.1 %
Impact of currency	(2.9)	(4.0)%	(3.2)	(4.3)%
Segment profit - current year	$89.5	25.2 %	$71.5	(3.2)%

Sun and Skin Care segment profit for fiscal 2016 was $89.5, an increase of $18.0 or 25.2%, inclusive of the impact of currency movements. Excluding the impact of currency movements, organic segment profit increased $20.9, or 29.2%, driven by the increase in organic segment net sales and decreased investment in A&P.

Sun and Skin Care segment profit for fiscal 2015 was $71.5, a decrease of $2.4, or 3.2%, inclusive of the impact of currency movements. Excluding the impact of currency movements, organic segment profit increased $0.8, or 1.1%, due to lower product and SG&A costs, which more than offset lower sales and increased A&P spending on sun care.

Feminine Care

Net Sales - Feminine Care

For the Years Ended September 30,

	2016	%Chg	2015	%Chg
Net sales - prior year	$398.2		$404.5	
Organic	(7.1)	(1.8)%	(23.4)	(5.8)%
Impact of currency	(2.2)	(0.5)%	(4.3)	(1.1)%
Impact of acquisitions	—	— %	21.4	5.3 %
Net sales - current year	$388.9	(2.3)%	$398.2	(1.6)%

Feminine Care net sales for fiscal 2016 decreased 2.3%, inclusive of a 0.5% decline due to currency movements. Excluding the impact of currency movements, organic segment net sales decreased $7.1, or 1.8%, including an estimated $2.0 negative impact from international go-to-market changes. Excluding the impact of international go-to-market changes, underlying net sales decreased 1.3%, driven by declines in pads, partially offset by increases in tampons and liners.

Feminine Care net sales for fiscal 2015 decreased 1.6%, inclusive of a 1.1% decline due to currency movements and a 5.3% increase due to the incremental impact from the feminine care brands acquisition of Stayfree pads, Carefree liners and o.b. tampons in October 2013. Excluding the impact of currency movements and the incremental impact of the acquisition, organic segment net sales decreased $23.4, or 5.8%, due to volume declines in certain legacy products, Separation related go-to-market impacts in Asia and increased sales promotions. These volume declines were offset, in part, by volume growth from new products launched in early fiscal 2015.

Segment Profit - Feminine Care

For the Years Ended September 30,

	2016	%Chg	2015	%Chg
Segment profit - prior year	$48.7		$51.1	
Organic	(7.9)	(16.2)%	(0.6)	(1.2)%
Impact of currency	(1.7)	(3.5)%	(6.3)	(12.3)%
Impact of acquisitions	—	— %	4.5	8.8 %
Segment profit - current year	$39.1	(19.7)%	$48.7	(4.7)%

Feminine Care segment profit for fiscal 2016 was $39.1, a decrease of $9.6, or 19.7%, inclusive of the impact of currency movements. Excluding the impact of currency movements, organic segment profit decreased $7.9, or 16.2%, primarily due to lower net sales, start-up costs related to the production consolidation into the U.S. plant and higher SG&A, offset by decreased investment in A&P.

Feminine Care segment profit for fiscal 2015 was $48.7, down $2.4 or 4.7%, inclusive of the impact of currency movements and the incremental impact of the feminine care brands acquisition. Excluding the impact of currency movements and the impact of acquisitions, organic segment profit decreased $0.6, or 1.2%, due to lower net sales, offset in part by lower product costs and SG&A spending.

All Other
Net Sales - All Other
For the Years Ended September 30,

	2016		%Chg	2015		%Chg
Net sales - prior year	$178.1			$197.4		
Organic	(2.1	)	(1.2)%	(11.9	)	(6.1