

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

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

FORM 10-K

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

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 No

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

No

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 No

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 No

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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.

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 Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

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.

EDGEWELL PERSONAL CARE COMPANY
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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 TM 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;
-

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;

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- 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;

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;